

## HOUSE BILL NO. 10

INTRODUCED BY G. HOLLENBAUGH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING CERTAIN 2009 INFORMATION TECHNOLOGY APPROPRIATIONS TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF REVENUE, AND THE SUPREME COURT AND REVISING APPROPRIATION CONDITIONS; REVISING BIDDER CRITERIA FOR THE UNEMPLOYMENT INSURANCE TAX MODERNIZATION PROJECT; AMENDING SECTION 14, CHAPTER 3, SPECIAL LAWS OF MAY 2007, SECTION 16, CHAPTER 3, SPECIAL LAWS OF MAY 2007, AND SECTION 2, CHAPTER 435, LAWS OF 2009; TRANSFERRING FUNDS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 14, Chapter 3, Special Laws of May 2007, is amended to read:

**"Section 14. Information technology appropriations and authorizations.** (1) All business application systems funded under this section must have a plan approved by the chief information officer for the design, definition, creation, storage, and security of the data associated with the application system. The security aspects of the plan must address but are not limited to authentication and granting of system privileges, safeguards against unauthorized access to or disclosure of sensitive information, and, consistent with state records retention policies, plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this subsection that specific consideration be given to the potential sharing of data with other state agencies in the design, definition, creation, storage, and security of the data.

(2) Funds may not be released for the project until the chief information officer and budget director approve the plans described in subsection (1).

(3) The following money is appropriated to the department of administration for the indicated information technology capital projects:

Agency/Project	LRITP	Federal Special Revenue	Total
DEPARTMENT OF ADMINISTRATION			
Network Upgrades	2,042,000		2,042,000

1	University Research Network	568,000		568,000
2	Public Safety Radio Consortium	4,595,000		4,595,000
3	Public Safety Radio Interoperability	3,500,000		3,500,000
4	DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES			
5	TANF Eligibility System	7,625,000	8,600,000	16,225,000
6	CHIMES System (Completion)	550,000	550,000	1,100,000
7	Food Stamps System	6,535,000	6,535,000	13,070,000
8	Child and Adult Protective Services			
9	(CAPS) System	<del>15,204,000</del>	<del>11,946,000</del>	<del>27,150,000</del>
10		<u>4,930,240</u>	<u>3,873,760</u>	<u>8,804,000</u>
11	ICD 10 (Medicaid Disease Codes)	300,000	2,700,000	3,000,000

12 (4) There is appropriated to the department of administration \$5.618 million from the state general fund  
 13 in the 2009 biennium for the operating costs associated with the network upgrades, the university research  
 14 network, and the public safety radio consortium projects listed in subsection (3). If this appropriation is not fully  
 15 expended for operating costs, then the remaining amount of the appropriation may be used to complete the  
 16 network upgrades expansion and public safety radio consortium projects in subsection (3)."

17  
 18 **Section 2.** Section 16, Chapter 3, Special Laws of May 2007, is amended to read:

19 **"Section 16. Judicial branch information technology capital projects appropriation.** (1) There is  
 20 appropriated to the supreme court ~~\$2,909,470~~ \$2,569,470 from the LRITP for case management improvements  
 21 and courtroom technology improvements in the judicial branch.

22 (2) Before encumbering any funds appropriated in subsection (1), the office of court administrator shall  
 23 submit a project and security plan, as described in [section 14(1)], to the chief information officer. The chief  
 24 information officer shall promptly review the plan and, if necessary, make timely recommendations to the office  
 25 of court administrator regarding implementation of the plan.

26 (3) As part of the annual report to the law and justice interim committee and house appropriations  
 27 subcommittee required under 3-1-702, the office of court administrator shall include an update on the  
 28 implementation of projects funded under this section.

29 (4) There is appropriated to the judicial branch \$1,025,530 from the state general fund in the 2009  
 30 biennium for operating costs associated with the judicial branch information technology project in subsection (1).

If this appropriation is not fully expended for operating costs, then the remaining amount of the appropriation may be used to complete the judicial branch project in subsection (1)."

**Section 3.** Section 2, Chapter 435, Laws of 2009, is amended to read:

**"Section 2. Appropriations and authorizations.** (1) All business application systems funded under this section must have a plan approved by the chief information officer for the design, definition, creation, storage, and security of the data associated with the application system. The security aspects of the plan must address but are not limited to authentication and granting of system privileges, safeguards against unauthorized access to or disclosure of sensitive information, and, consistent with state records retention policies, plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this subsection that specific consideration be given to the potential sharing of data with other state agencies in the design, definition, creation, storage, and security of the data.

(2) Funds may not be released for the project until the chief information officer and budget director approve the plans described in subsection (1).

(3) The following money is appropriated to the department of administration to be used only for the indicated information technology capital projects:

Agency/Project	LRITP	State Special Revenue	Federal Special Revenue	Total
DEPARTMENT OF REVENUE				
Efficiency through Imaging	3,366,178			3,366,178
	<u>3,242,905</u>			<u>3,242,905</u>
DEPARTMENT OF LABOR AND INDUSTRY				
Building Standards		2,400,000		2,400,000
Licensing Standards		2,250,000		2,250,000
Unemployment Insurance				
Tax Modernization		16,735,567	3,000,000	19,735,567
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES				
Medicaid Management Information				
System Replacement	3,500,000		62,000,000	65,500,000
SECRETARY OF STATE				

1    Information Management System                      1,500,000                      1,500,000

2            (4) The projects for which funds are appropriated to the department of public health and human services  
3    in [section 3] and this section and those projects authorized in section 14, Chapter 3, Special Laws of May 2007,  
4    are authorized for the transfer of appropriations and authority within the long-range information technology fund  
5    type and among department of public health and human services projects. The projects for which funds are  
6    appropriated to the department of public health and human services in [section 3] and this section and those  
7    projects authorized in section 14, Chapter 3, Special Laws of May 2007, are authorized for the transfer of  
8    appropriations and authority within the federal special revenue fund type and among department of public health  
9    and human services projects. The department of public health and human services shall report changes to  
10   appropriations and authority related to the information technology projects in section 14, Chapter 3, Special Laws  
11   of May 2007, and in [section 3] and this section to the interim legislative finance committee upon occurrence.

12           (5) The department of labor and industry is authorized to transfer appropriations between federal and  
13   state special revenue funds for purposes of funding the unemployment insurance tax modernization project. To  
14   reduce state risk, a scoring preference for bidders of not less than ~~40%~~ 20% of the total scoring for the request  
15   for proposals for the unemployment insurance tax modernization project must be established and may be given  
16   only to vendors who have ~~installed in at least one other state a substantially similar project, that meets~~  
17   SUBSTANTIALLY SIMILAR PROJECTS INSTALLED AND IN PRODUCTION IN AT LEAST TWO OTHER STATES WITHIN THE PAST  
18   5 YEARS AND THAT MEET all federal department of labor reporting requirements. In responding to the request for  
19   proposals, each vendor shall identify in what states the vendor's substantially similar ~~project has~~ PROJECTS HAVE  
20   been installed, how long ~~it has~~ THE PROJECTS HAVE been in production, and whether the ~~project meets~~ PROJECTS  
21   MEET all federal department of labor reporting requirements.

22           (6) For the item Medicaid Management Information System Replacement in subsection (3), the  
23   department of public health and human services shall provide a work plan with milestones, goals, and measures  
24   to guide the medicaid management information system replacement to the Legislative Finance Committee at its  
25   June 2009 meeting. At each legislative finance committee meeting, the department shall provide an update on  
26   its activities and progress toward achieving elements of the work plan in a format developed in conjunction with  
27   the legislative finance committee. To reduce state risk, a vendor who successfully bids on the medicaid  
28   management information system replacement project must have experience, proven performance, corporate  
29   resources, and corporate qualifications in large-scale data processing system development along with health care  
30   claims processing experience in system planning, design, development, implementation, and operation. In

1 responding to the request for proposals, each vendor shall identify whether the vendor's proposed solution is  
2 substantially similar to a project that has been installed in another state, how long the project has been in  
3 production, and whether the project has been approved by the centers for medicare and medicaid services."

4  
5 NEW SECTION. **Section 4. Fund transfer.** By June 30, 2011, ~~\$10,737,273~~ \$4,762,033 must be  
6 transferred from the long-range information technology program account in the capital projects fund type to the  
7 state general fund.

8  
9 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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