

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Program Description

The Long-Range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects. The LRITP consolidates large IT investments in one appropriation bill and defines major IT enterprises as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA).

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time intensive planning, design, and management efforts, and by designating the projects as “capital projects”, the appropriation continues until completion of the project, as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is intended to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having all the major projects in one piece of legislation facilitates a broad vision of the state IT program and related investments.

Program Budget Comparison

The following figure summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

| Program Comparison - Long-Range Information Technology Program | | | | |
|--|-------------------------------------|---------------------------------|--------------------|----------------------|
| Budget Item | Budget 2015 Biennium | Budget 2017 Biennium | Biennium Change | Biennium % Change |
| Projects Cost | <u>Appropriated</u> \$20,876,785 | <u>Proposed</u> \$20,000,000 | (876,785) | -4.2% |
| Total Costs | \$20,876,785 | \$20,000,000 | (\$876,785) | -4.2% |
| Capital Project Fund ¹ | \$5,975,000 | \$0 | (5,975,000) | - |
| General Fund ¹ | 11,451,785 | 12,000,000 | 548,215 | 4.8% |
| State Special | 3,060,000 | 650,000 | (2,410,000) | -78.8% |
| Federal Special | 40,000 | 7,350,000 | 7,310,000 | 18275.0% |
| Other/Proprietary | 350,000 | 0 | (350,000) | -100.0% |
| Total Funds | \$20,876,785 | \$20,000,000 | (876,785) | -4.2% |

¹General fund is a transfers to the capital project fund

Program Discussion

As seen in the figure above, the executive proposes \$20.0 million for the 2017 biennium in the LRITP. The proposal will be presented in HB 10, and represents a reduction of \$876,785, or 4.2%, from total appropriations provided in the 2015 biennium. The proposal includes a transfer of \$12.0 million from the general fund to the LRITP fund to support major IT projects. The 2017 biennium proposal, listed by project and funding type, is presented in the figure on the following page.

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| Long-Range Information Technology Program (LRITP) Executive Recommendation - 2017 Biennium | | | | |
|---|---------------------|------------------|--------------------|---------------------|
| Agency / Decision Point / Project | LRITP Capital | | | |
| | Projects Funds | State Special | Federal Special | Total |
| Administration | | | | |
| Network Equipment | \$5,589,000 | | | \$5,589,000 |
| Data Protection Initiative | 1,887,000 | | | 1,887,000 |
| Statewide Public Safety Communications System | 2,000,000 | | | 2,000,000 |
| Department of Corrections | | | | |
| Security System Replacements/Assessments | 1,200,000 | | | 1,200,000 |
| Judicial Branch | | | | |
| Court Technology Improvement Program | 834,000 | | | 834,000 |
| Department of Justice | | | | |
| Court Data Exchange Enhancement | 490,000 | | | 490,000 |
| Transportation | | | | |
| PPMS, Risk Based Management, Linear Referencing System | | 650,000 | 4,350,000 | 5,000,000 |
| Financial Management Suite | | | 3,000,000 | 3,000,000 |
| Total Projects | \$12,000,000 | \$650,000 | \$7,350,000 | \$20,000,000 |

The details behind the projects requested for the 2017 biennium LRITP, along with a status of projects awarded in the 2015 biennium, are presented in Vol. 9 of the Governor's Executive Budget.

Funding

Unlike other Long-Range Planning programs, the LRITP does not have a dedicated source of funding for major IT projects. Instead, state agencies support their project costs through agency administered state and federal special revenue funds. For agencies primarily supported by general fund, transfers are made from the general fund to the LRITP capital projects fund in support of the agency requests. In the 2017 biennium, the executive proposes a transfer of \$12.0 million to the LRITP capital projects fund.

Project Highlights

Some LRITP project highlights and legislative considerations include:

- The Network Equipment project would support equipment upgrades to the state's network, SummitNet, which provides voice, video, and data services to the state employees across the state and 22,000 devices. The equipment has reached end-of-life/end-of-support and is no longer supported by vendors. Replacing and upgrading this equipment will allow the state to maintain existing network services, and in some cases, add additional bandwidth to support agency requests to enhance existing or implement new information technology applications. Equipment upgrades will also increase network security and disaster recovery services.
- Statewide Public Safety Communications System (DOA) – This proposal would provide operational, tactical, and interoperable communications for federal, state and local agencies. The system currently has approximately 6,000 federal, state and local subscribers. This request would replace or upgrade radio and link sub-system components that are nearing end-of-life and are at risk of failure. Site equipment requiring replacement or upgrade include radio base

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stations/repeaters, electrical equipment (rectifiers/inverters), antenna combiners, and microwave components.

LFD COMMENT

The total cost of the Public Safety Communications system is estimated at \$120 million. To date, approximately \$70 million has been expended on the project. The project has received appropriations several times through the LRITP, which include:

- 2007 Session – two appropriations amounting to \$8.1 million for system build out
- 2009 Session - \$1.0 million for additional build out funding

Cumulatively, the state has expended approximately \$12.5 million, with appropriations from the LRITP and HB 2, for build out of the project. Federal partners have supplied much of the remainder of the funding. Since the last build out appropriation in 2007, there have been no more appropriations for that purpose. Additionally, federal appropriations for the project has ceased. There are several sections of the state without coverage from the public safety communications system, and there is no certainty when funding will be available to finish the estimated \$50 million of build out costs.

The more recent appropriations have been and are being requested for maintenance of the existing system. In the 2013 session, the Public Safety Communications system received an appropriation for \$3.0 million for upgrades to the network hardware and software, telecommunication circuit leases, and equipment extended warranties. The appropriation request for the 2017 biennium is likewise a maintenance request. The \$2.0 million request will fund the replacement of and upgrades to equipment at the existing system communication sites. According to the State Information Technology Division, the maintenance costs for the public safety system will be an ongoing expense to the state.

- Court Technology Improvement Program (JUD) – This proposal would to continue the Judicial Branch’s efforts to modernize courts. Projects include upgrading failing interactive video equipment; implementing audio technology, and upgrading outdated/end-of-life technology. This request would also implement new e-filing technology including scanners, mobile devices, and public workstations.

LFD COMMENT

The Judicial Branch has invested in the modernizing courtroom technology over the past four biennia. The 2007 Legislature provided an appropriation of \$2.9 million, reduced to \$2.6 million by the 2011 Legislature, which has funded court technology and courtroom infrastructure projects since that time. To date, the funding has been expended on enterprise licenses for a statewide case management system and courtroom technology. At the end of FY 2014, \$1.2 million of the authority remained, which is currently under contract. The \$834,000 request will continue efforts to modernize courts and court rooms.