

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	56.10	56.10	56.10	56.10	56.10	56.10	0.00	0.00%
Personal Services	4,196,624	3,810,134	3,937,809	3,936,203	8,006,758	7,874,012	(132,746)	(1.66%)
Operating Expenses	18,102,989	16,336,072	17,223,286	18,035,235	34,439,061	35,258,521	819,460	2.38%
Equipment & Intangible Assets	100,910	345,287	100,910	100,910	446,197	201,820	(244,377)	(54.77%)
Grants	0	0	0	0	0	0	0	n/a
Debt Service	143,197	244,617	143,197	143,197	387,814	286,394	(101,420)	(26.15%)
<b>Total Costs</b>	<b>\$22,543,720</b>	<b>\$20,736,110</b>	<b>\$21,405,202</b>	<b>\$22,215,545</b>	<b>\$43,279,830</b>	<b>\$43,620,747</b>	<b>\$340,917</b>	<b>0.79%</b>
General Fund	9,529,407	8,129,976	8,487,823	8,840,314	17,659,383	17,328,137	(331,246)	(1.88%)
State Special	877,354	1,091,868	1,065,451	1,069,188	1,969,222	2,134,639	165,417	8.40%
Federal Special	12,136,959	11,514,266	11,851,928	12,306,043	23,651,225	24,157,971	506,746	2.14%
<b>Total Funds</b>	<b>\$22,543,720</b>	<b>\$20,736,110</b>	<b>\$21,405,202</b>	<b>\$22,215,545</b>	<b>\$43,279,830</b>	<b>\$43,620,747</b>	<b>\$340,917</b>	<b>0.79%</b>

### Program Description

The mission of the Technology Services Division (TSD) is to provide state-of-the-art support in operational and technological areas critical to the efficient and effective implementation of department programs.

The Technology Services Division is responsible for the management, implementation and operations, of information technology (IT) systems and infrastructure that directly support department programs. TSD has three bureaus:

- The Project Management Bureau provides project management, contract management, and business analysis services in support of department IT projects. This bureau works closely with department program staff and IT vendors to develop and maintain mission critical systems.
- The Information Systems Bureau provides systems development, database administration, and data center hosting services. This bureau also operates the Technology Services Center, a computer help desk that provides first level support for employees and contractors conducting business for the department.
- The Network and Communications Bureau provides network administration services, which includes the installation and management of all personal computers, servers, printers, and other resources connected to the department's network. This bureau also serves as a liaison between the department and the State's central IT organization, the Department of Administration's Information Technology Services Division, for telecommunications and wide area network services.

The division administrator, who also serves as the department's chief information officer, is responsible for implementing strategic IT goals and objectives.

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

## Program Highlights

<b>Technology Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The legislature increased total funding for the division by about 0.8% from the 2011 biennium, primarily due to partially offsetting changes in operating expenses over the biennium of:           <ul style="list-style-type: none"> <li>• \$3.0 million in increases in maintenance, enhancement, and development of major economic assistance systems</li> <li>• \$2.2 million in reductions for operations, systems, computers and IT consultants and professional services reductions and others adopted by the legislature</li> </ul> </li> <li>◆ The legislature approved long-range technology project funding authority in HB 10 of over \$23.0 million state funds and nearly \$82 million federal matching funds for major public assistance systems and accepted the Governor's recommendation to place the long-range Montana Automated Child Welfare Information System (MACWIS) project on hold as part of the executive MCA 17-7-140 budget reductions in April 2010.</li> </ul>

## Summary of Legislative Action

The legislature approved a budget for the 2013 biennium that is about 0.8% higher than the 2011 biennium primarily due increases for the biennium in contracted services for system maintenance and enhancement. The increases are offset by the reductions over the biennium in statewide present law adjustments for personal services, vacancy savings, and fixed costs, with additional reductions in the adoption of the 5% plans.

The largest change from the 2011 biennium is the \$0.8 million increase in operating expenses that is primarily due to:

- A \$2.4 million total funds increase over the biennium in the eligibility and management system (TEAMS) maintenance and enhancement
- \$0.6 million total funds increase in FY 2013 for the Temporary Assistance for Needy Families (TANF) system development
- \$2.2 million total funds reductions for operations, systems, computers, and IT consultants and professional services, as well as statewide present law adjustments

The legislature funded 56.10 FTE through HB 2 for staff that manages contracted entities that develop, maintain, and support the systems that provide a wide variety of services related to program eligibility determination, claims processing, data collection, case management support, and payment processing.

Additionally, 18.00 modified FTE positions are funded through the Long-Range Information Technology (LRIT) appropriations in HB 4 (2007 May special session) and HB10. There is additional discussion in the "Other Legislation" section of this write-up.

The legislative budget includes about \$35.3 million for operating costs over the 2013 biennium for \$17.1 million in support of contracted computer system development and maintenance and about \$16.0 million for services charged by the Information Technology Services Division of the Department of Administration (DOA), reflective of the fact that TSD either provides technology support or manages contracted services for technology projects that serve the entire agency. All categories are funded through cost allocation using a formula that recognizes the multiple funding sources and required general fund matches.

**Other Legislation**

**HB 10** – The legislature approved both increases and a reduction in HB 10. It amended funding authority for long-range IT projects that were originally funded in by the 2007 and 2009 Legislatures for projects associated with DPHHS eligibility and management systems as well as the Medicaid Management Information System.

The legislature approved a \$10.3 million reduction in HB 10 to the Montana Automated Child Welfare Information System (MACWIS), as recommended by the Governor. MACWIS was initially funded during the 2007 May Special Session in HB 4 with LRIT funding and was being designed to replace the antiquated Child and Adult Protective Services system (CAPS) used in the monitoring of foster care cases, adoption cases, payment for service to providers, and reporting. The proposed budget was \$27.1 million. As part of the executive budget reductions per MCA 17-1-140 in April of 2010, the Governor placed this project on hold at the point when LRIT funds totaling \$8.7 million (\$4.9 million general fund and \$3.8 million federal funds) had been transferred to DPHHS for work done on system requirements definitions and development of a draft RFP. The remaining \$18.4 million (\$10.3 million general fund and \$8.1 million federal fund) was eliminated in HB 10. It is anticipated that the system upgrade is delayed for at least two years.

The following table illustrates the distribution of the long-range IT projects from HB 10 and HB 4 as well as HB 157 from the 2009 session through the 2013 biennium.

Summary of Major System Funding in Long Range Information Technology and Legislative Action								
System Design	Total 2009 Biennium Actual	FY 2010 Actual	FY 2011 Estimated	Total 2011 Biennium Estimated	FY 2012 Estimated	FY 2013 Estimated	Total 2013 Biennium Estimated	Total Project Request
<b>House Bill No. 4</b>								
CHIMES - TANF								
TANF Block Grant	\$358,919	\$319,573	\$2,922,635	\$3,242,208	\$3,890,656	\$1,173,144	\$5,063,800	\$8,664,927
General Fund	<u>302,740</u>	<u>283,089</u>	<u>2,591,771</u>	<u>2,874,860</u>	<u>3,450,205</u>	<u>1,019,899</u>	<u>4,470,104</u>	<u>7,647,704</u>
Subtotal	\$661,659	602,662	\$5,514,406	\$6,117,068	\$7,340,861	\$2,193,043	\$9,533,904	\$16,312,631
CHIMES - SNAP (Formerly Food Stamps)								
USDA Food & Nutrition	\$248,203	\$256,058	\$2,287,023	\$2,543,081	\$3,032,449	\$749,185	\$3,781,634	\$6,572,918
General Fund	<u>228,534</u>	<u>255,792</u>	<u>\$2,287,023</u>	<u>2,542,815</u>	<u>3,032,449</u>	<u>769,119</u>	<u>3,801,568</u>	<u>6,572,917</u>
Subtotal	\$476,737	\$511,850	\$4,574,046	\$5,085,896	\$6,064,898	\$1,518,304	\$7,583,202	\$13,145,835
MACWIS Remaining After 17-7-140 Reductions *								
Title IV-E Revenue	\$271,087	\$431,735	\$68,347	\$500,082	\$747,500	\$0	\$747,500	\$1,518,669
General Fund	<u>292,035</u>	<u>431,737</u>	<u>68,347</u>	<u>500,084</u>	<u>747,500</u>	<u>0</u>	<u>747,500</u>	<u>1,539,619</u>
Subtotal	\$563,122	\$863,472	\$136,694	\$1,000,166	\$1,495,000	\$0	\$1,495,000	\$3,058,288
<b>House Bill No. 10</b>								
MMIS Replacement								
Medicaid Match Available	\$0	\$364,421	\$10,230,410	\$10,594,831	\$8,701,722	\$27,354,505	\$36,056,227	\$46,651,058
General Fund	<u>0</u>	<u>56,812</u>	<u>1,504,403</u>	<u>1,561,215</u>	<u>1,279,606</u>	<u>4,022,537</u>	<u>5,302,143</u>	<u>6,863,358</u>
House Bill No. 10	\$0	\$421,233	\$11,734,813	\$12,156,046	\$9,981,328	\$31,377,042	\$41,358,370	\$53,514,416
Total HB No. 4 and HB No. 10 Systems								
Total Federal Funds	\$878,209	\$1,371,787	\$15,508,415	\$16,880,202	\$16,372,327	\$29,276,834	\$45,649,161	\$63,407,572
Total General Fund	<u>823,309</u>	<u>1,027,430</u>	<u>6,451,544</u>	<u>7,478,974</u>	<u>8,509,760</u>	<u>5,811,555</u>	<u>14,321,315</u>	<u>22,623,598</u>
Total	<u>\$1,701,518</u>	<u>\$2,399,217</u>	<u>\$21,959,959</u>	<u>\$24,359,176</u>	<u>\$24,882,087</u>	<u>\$35,088,389</u>	<u>\$59,970,476</u>	<u>\$86,031,170</u>
<b>House Bill No. 157</b>								
Healthy Montana Kids								
Federal Funds		\$477,321	\$825,426	\$1,302,747	\$999,435	\$545,960	\$1,545,395	\$2,848,142
State Special Revenue		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Healthy Montana Kids		<u>\$477,321</u>	<u>\$825,426</u>	<u>\$1,302,747</u>	<u>\$999,435</u>	<u>\$545,960</u>	<u>\$1,545,395</u>	<u>\$2,848,142</u>
* The original MACWIS project budget was \$27 million with \$15.2 million LRIT funds and \$11.9 million in federal funds.								

There is additional information in the Legislative Fiscal Report for the 2013 Biennium in Section F, Long-Range Planning.

## Funding

The following table shows program funding, by source for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 9,529,407	42.3%	\$ 8,487,823	39.7%	\$ 8,840,314	39.8%
01100 General Fund	9,529,407	42.3%	8,487,823	39.7%	8,840,314	39.8%
02000 Total State Special Funds	877,354	3.9%	1,065,451	5.0%	1,069,188	4.8%
02381 02 Indirect Activity Prog 09	877,354	3.9%	1,065,451	5.0%	1,069,188	4.8%
03000 Total Federal Special Funds	12,136,959	53.8%	11,851,928	55.4%	12,306,043	55.4%
03598 03 Indirect Activity Prog 09	12,136,959	53.8%	11,851,928	55.4%	12,306,043	55.4%
Grand Total	<u>\$ 22,543,720</u>	<u>100.0%</u>	<u>\$ 21,405,202</u>	<u>100.0%</u>	<u>\$ 22,215,545</u>	<u>100.0%</u>

The division is funded with general fund, state special revenue, and federal funds derived through a cost allocation formula that is applied to funding sources throughout DPHHS that relate to work done by TSD, often referred to as indirect activities. The formula also takes any federally required match percentages into account as well as any percentages assigned by the legislature. Federal funds account for over half of the total biennium budget, with general fund the bulk of the remainder.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	9,529,407	9,529,407	19,058,814	109.99%	22,543,720	22,543,720	45,087,440	103.36%
Statewide PL Adjustments	(665,018)	(624,993)	(1,290,011)	(7.44%)	(1,171,483)	(1,084,043)	(2,255,526)	(5.17%)
Other PL Adjustments	11,588	324,054	335,642	1.94%	1,021,976	1,668,073	2,690,049	6.17%
New Proposals	(388,154)	(388,154)	(776,308)	(4.48%)	(989,011)	(912,205)	(1,901,216)	(4.36%)
<b>Total Budget</b>	<b>\$8,487,823</b>	<b>\$8,840,314</b>	<b>\$17,328,137</b>		<b>\$21,405,202</b>	<b>\$22,215,545</b>	<b>\$43,620,747</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(94,740)					(96,410)
Vacancy Savings					(164,075)					(164,011)
Inflation/Deflation					6,806					6,847
Fixed Costs					(919,474)					(830,469)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$665,018)</b>	<b>\$53,876</b>	<b>(\$560,341)</b>	<b>(\$1,171,483)</b>		<b>(\$624,993)</b>	<b>\$60,381</b>	<b>(\$519,431)</b>	<b>(\$1,084,043)</b>
DP 55141 - 17-7-140 Reduction - Operations Reduction	0.00	(17,518)	(2,179)	(24,800)	(44,497)	0.00	(17,518)	(2,107)	(24,563)	(44,188)
DP 55142 - 17-7-140 Reductions - Systems Reductions M&E	0.00	(40,368)	0	(26,389)	(66,757)	0.00	(40,368)	0	(26,389)	(66,757)
DP 55143 - 17-7-140 Reductions - Systems Reductions IVR Ports	0.00	(28,462)	(986)	(36,297)	(65,745)	0.00	(28,462)	(986)	(36,297)	(65,745)
DP 90004 - Systems M&E Contract Increases	0.00	97,936	167,676	933,363	1,198,975	0.00	99,686	167,676	935,113	1,202,475
DP 90007 - TANF/SNAP Systems M&E	0.00	0	0	0	0	0.00	310,716	0	331,572	642,288
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$11,588</b>	<b>\$164,511</b>	<b>\$845,877</b>	<b>\$1,021,976</b>	<b>0.00</b>	<b>\$324,054</b>	<b>\$164,583</b>	<b>\$1,179,436</b>	<b>\$1,668,073</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$653,430)</b>	<b>\$218,387</b>	<b>\$285,536</b>	<b>(\$149,507)</b>	<b>0.00</b>	<b>(\$300,939)</b>	<b>\$224,964</b>	<b>\$660,005</b>	<b>\$584,030</b>

DP 55141 - 17-7-140 Operations Reduction - The legislature approved the Governor's request to continue the operational efficiencies reduction implemented by the Governor in the 2011 biennium in accordance with 17-7-140, MCA. Operations reductions are in travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting. The \$35,036 total general fund reduction for the biennium represents the continuation of the operational efficiencies reduction implemented in FY2011. The total fund reduction is \$88,685.

DP 55142 - 17-7-140 - Systems Reductions M&E - The legislature approved the Governor's request to continue the maintenance and enhancement (M&E) reduction implemented by the Governor in the 2011 biennium in accordance with 17-7-140, MCA. The reduction of \$133,514 total funds over the biennium is in M&E contracts for FY 2012 and FY 2013. The initial reduction was made by reducing services in the level of effort in the contracts affecting agency data systems such as the Child and Adult Protective Services system, the Systems for the Enforcement and Recovery of Child Support, and Montana Access.

DP 55143 - 17-7-140 - Systems Reductions IVR Ports - The legislature approved the Governor's request to continue the FY 2011 reduction implemented by the Governor in accordance with 17-7-140, MCA. The reduction of \$131,490 total funds is in costs of the number of IT ports (phone lines) available on the Montana Access Interactive Voice Response (IVR) 1-800 system to aid clients in balance and benefit inquiry needs related to the Montana Access debit card.

DP 90004 - Systems M&E Contract Increases - The legislature added about \$2.4 million total funds to support contractual cost increases for M&E of large data systems including Child and Adult Protective Services and the System for the Enforcement and Recovery of Child Support contracts.

The division currently holds three contracts for legacy systems M&E. All three of these contracts either have reached or will reach their expiration dates by the end of FY 2011. Maintenance and enhancements for the systems covered by these contracts is requested to enact federal regulatory and programmatic changes and enhancements and to provide

general maintenance to correct system errors or make system enhancements that assist with improved processing or makes the system work more efficiently. It is anticipated that the cost for the provision of level of effort (LOE) to provide programming services to affect M&E changes in the systems covered by these contracts will increase under new contracts.

DP 90007 - TANF/SNAP Systems M&E - The legislature provided general fund and federal funds totaling just over \$640,000 in FY 2013 only to support contractual costs for M&E of the TANF and SNAP eligibility determination and benefits payment systems.

### New Proposals

Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55409 - 4% Personal Svs GF Reduction										
09	0.00	(39,465)	(4,908)	(55,871)	(100,244)	0.00	(39,465)	(4,748)	(55,335)	(99,548)
DP 95191 - 5% Plan IT Systems Reduction										
09	0.00	(63,260)	0	0	(63,260)	0.00	(63,260)	0	0	(63,260)
DP 95192 - 5% Plan IT Contract Reduction										
09	0.00	(145,057)	(25,382)	(514,696)	(685,135)	0.00	(145,057)	(28,382)	(435,586)	(609,025)
DP 95193 - 5% Plan Postage Reduction										
09	0.00	(45,412)	0	0	(45,412)	0.00	(45,412)	0	0	(45,412)
DP 95194 - 5% Plan Reduction in Printing										
09	0.00	(67,050)	0	0	(67,050)	0.00	(67,050)	0	0	(67,050)
DP 95195 - 5% Plan Computer Replacement										
09	0.00	(27,910)	0	0	(27,910)	0.00	(27,910)	0	0	(27,910)
<b>Total</b>	<b>0.00</b>	<b>(\$388,154)</b>	<b>(\$30,290)</b>	<b>(\$570,567)</b>	<b>(\$989,011)</b>	<b>0.00</b>	<b>(\$388,154)</b>	<b>(\$33,130)</b>	<b>(\$490,921)</b>	<b>(\$912,205)</b>

DP 55409 - 4% Personal Svs GF Reduction - The legislature approved the Governor's request to reduce general fund in TSD through a reduction in operations equal to the 4% personal service reduction applied to most agencies. The total fund reduction is nearly \$200,000 over the biennium. There would be no impact on FTE.

DP 95191 - Plan IT Systems Reduction - The legislature approved a general fund reduction of \$126,520 over the biennium in IT system operations in the areas of processes, reports, and software licenses. The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 95192 - IT Contract Reduction - The legislature approved a total funds reduction of about \$1.3 million over the biennium in the level of effort provided through facilities management contracts for some legacy systems. It is a total savings reduction of \$1.3 million, including a reduction of \$50,764 state special revenue and \$1.0 million in federal funds over the biennium. The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 95193 - Postage Reduction - The legislature approved a \$90,824 general fund reduction in operations over the biennium that would be achieved in eligibility notice postage by sending notices via e-mail. The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 95194 - Reduction in Printing - The legislature approved a \$134,100 general fund reduction over the biennium for printing costs that would be achieved by providing notices and publications via e-mail or via electronic format. The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 95195 - Computer Replacement - The legislature approved a general fund reduction of \$55,820 over the biennium that would be achieved by going to a five year replacement cycle for computers. The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.