STATE OF MONTANA
Department of Administration
State Information Technology Services Division

Service Catalog Rate Report
Legislative Finance Committee
2017 Quarter 3

OVERALL RATE CHANGE FROM THE 2017 LEGISLATIVE SESSION: effective July 1, 2017
SITSD rates were originally submitted in the Governor's Executive Budget request factoring in the rate calculation a standard 4% vacancy savings assessment. On January 13[th,] the Joint Appropriations Subcommittee on General Government took executive action to accept SITSD rates and to include boiler plate language of HB 2 to restrict the funding to SITSD for all agencies. The subcommittee also passed a motion to accept a 6% vacancy savings reduction in the internal service funds.

SITSD re-ran its rates to include an additional 2% vacancy savings assessment to achieve the overall 6%. The result of the additional 2% reduction on rates, affected those rates that had personal services costs attributed to them as part of the rate calculation. The rates that did not have personal services allocations were not impacted and likewise the rates that require more staff time were more heavily affected. SITSD's FY 2018 overall budget was reduced by $278,630, and the FY 2019 budget was reduced by $341,963.

Since the only change in the 2017 Legislative Session to the SITSD rates was the additional 2% vacancy savings assessment, service utilization stayed the same. Agency budgets remained intact except for the reduction of the effected service rates as there were no adjustments to the agency requested services.

PROFESSIONAL SERVICES RATE CHANGE: effective July 1, 2017
Each of our service bureaus had a professional services hourly rate that was unique to their area of expertise. These rates were similar but not the same. Customers would call staff that have a lower rate to get problems solved to save cost. It was confusing for customers for SITSD to have several variations in its professional services rates. To alleviate this problem, SITSD calculated a division wide rate using a weighted average (excluding Application Development and DBA Professional Services). The professional services rate for expert time was changed to $140.00/hour for all bureaus except the Application Technology Services Bureau (ATSB). The Application Development and DBA Professional Services rates for ATSB remain at its calculated rate of $120.00.

AVAYA RED VoIP PHONE SERVICE RATE CHANGE: effective July 1, 2017
The cost of the new voice service is budget neutral for the telephony services agencies had budgeted in the 2019 biennium. The new voice rate is a bundled rate combining all voice services except for long distance charges. The prior rate structure included the physical phone, the dial tone charge and the voice mail charge. The new rate includes all of these charges in one phone rate. Previously there were several phone options, now there are two options available, the 9641GS model ($25.47) and the 9611G model ($19.97).

BACKUP and BACKUP ARCHIVE RATE CHANGE: effective July 1, 2017
The backup and backup archive rate was consolidated into one rate. The backup service rate model was very complex. Consolidating the backup and backup archive rates eliminates confusion. Taking the average of the two items and accounting for duplication allows SITSD to keep the change cost neutral.

MAINFRAME CATALOG ITEM CONSOLIDATION: effective July 1, 2017
The billing for the Mainframe changed from utilization billing for Mainframe Services to allocation billing. This simplifies the billing by reducing the number of catalog items for Mainframe Services. The

allocation percentage is derived from peak utilization over the last 18 months. As agencies migrate away from the Mainframe, the allocation method aligns the amount that agencies pay. Some agencies may pay more, while others will see a decrease in their charges. Agencies will be able to opt out during the rate setting cycle. This change reduced the number of catalog items from 14 down to 4. All costs are associated with four primary catalog items which include Mainframe Compute, Mainframe Storage, Mainframe User ID and Mainframe Address Certification.

SPLUNK LIVE STORAGE and SPLUNK ARCHIVE STORAGE RATE CHANGE: effective October 1, 2017
The Splunk live storage and Splunk archive storage was changed to match the regular live storage and archive storage rate. Having multiple rates for the same storage was causing confusion and added additional complexity. This change will be a cost savings for agencies using Splunk.