

Issue Brief: Energy Conservation Projects
Prepared by: Tom O'Connell, State Architect
Update #5
June 24, 2010

Issue: Reduce energy consumption in State facilities

Project Description: The Department's Architecture & Engineering (A&E) Division is implementing energy conservation projects in numerous facilities throughout the State to meet the goals of the Governor's 20x10 Initiative to reduce energy consumption and save State resources.

Project Status:

- **Campus Energy Improvements, Montana State University & University of Montana:** Design work is continuing on a variety of HVAC and lighting projects. Bidding is scheduled for some projects and construction has started on numerous others.
- **Montana State Prison Alternative Energy, Biomass Boiler:** Planning and design work is ongoing.
- **Department of Transportation: Energy Improvements, Statewide:** Design work is completed on many projects and nearly completed on others; the Helena Headquarters lighting upgrade has been awarded and construction started; three district office building energy projects have bid and are in the award process.
- **Implement numerous energy projects statewide:** Agencies include the Department of Natural Resources and Conservation, School for the Deaf & Blind, Veterans' Homes, Riverside, Montana Developmental Center, Men's Prison, Montana Mental Health Nursing Care Center, Warm Springs Addictions Treatment and Change Program (WATCH) East, Montana State Hospital, Fish, Wildlife and Parks, Labor & Industry, Revenue, and Justice. Some projects are in the design phase, numerous are scheduled for bid, and many are under construction.

Issue Brief: Health Care Cost Containment
Prepared by: Connie Welsh, Administrator, HCB
Update #5
June 24, 2010

Issue: Control increase in health care costs for employees and their families.

Project Description:

The Health Care & Benefits Division has developed a new prescription drug benefit program called URx. The program is an evidence-based medical approach designed to educate and provide economic incentives to plan members. By promoting interaction between plan members and their physicians, URx results in the selection of prescription drugs that will deliver optimal health outcomes at the most efficient cost. The program is a joint effort of the State and the Montana University System benefit program.

Preliminary actuarial analysis indicates that URx will reduce costs by approximately \$6.3M in 2010. The cost reductions have been used to cover a portion of the overall increase in pharmacy and medical costs for the State plan in 2010.

Project Status:

- The URx program was implemented January 1, 2010. In the first four months of 2009, the state spent an average of \$521,700 per week on prescription drugs. During the first four months of 2010, the average weekly prescription drug cost is \$389,200. This represents a 25% savings for the year-to-date comparison.
- In 2009 the total expenditures for the State Employee Benefit Plan were \$126.2 million. The projected expenditures for 2010 are \$127.0 million. This represents a total increase of 0.63%.

Issue Brief: State of Montana Data Center
Prepared by: Dick Clark, Chief Information Officer
Update # 5
June 24, 2010

Issue: Data centers have been constructed in Helena and Miles City to help meet the increasing demands for security, reliability and growth.

Project Description: The project consists of constructing two data centers (Helena and Miles City) and transitioning all equipment and services currently offered by the department's Information Technology Services Division (ITSD).

The Department's Architecture and Engineering (A&E) Division is providing project management for the construction project.

The Department's Information Technology Services Division (ITSD) - Enterprise Operations will manage the transition to the Helena Data Center of all IT equipment and services presently offered or hosted by ITSD.

Project Status:

1. **Construction:** Transition from the Mitchell building to the State of Montana Data Center (SMDC) is progressing as scheduled. Activities have included installation of cabinets, fiber cable trays, and network redundant equipment. Preparation to install the new storage array is underway.
2. **Data Center Tours:** On May 19th, ITSD conducted a presentation on the status of the Data Center and outlined the future opportunities and benefits for agencies wishing to utilize the facility. Several agencies attended and many of their previous issues and concerns were addressed. ITSD received positive feedback. Additional presentations are planned.
3. **Testing and Acceptance:** The Kyoto wheels underwent testing to evaluate their effectiveness. The test results indicated that the wheels are operating with their design specifications and advertised performance metrics.