

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

PROGRAM BUDGET COMPARISON

Figure 17 compares the 2021 biennium appropriated budget to the 2023 biennium appropriated budget by type of expenditure and source of funding.

Figure 17

Program Comparison - Long-Range Information Technology Program				
Budget Item	Budget 2021 Biennium	Budget 2023 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Appropriated</u>		
Projects Cost	\$38,595,285	\$53,500,000	\$14,904,715	38.6%
Total Costs	\$38,595,285	\$53,500,000	\$14,904,715	38.6%
Capital Project Fund ¹	7,313,366	500,000	(6,813,366)	-93.2%
State Special	18,392,531	3,000,000	(15,392,531)	-83.7%
Federal Special	12,889,388	50,000,000	37,110,612	287.9%
Total Funds	\$38,595,285	\$53,500,000	\$14,904,715	38.6%

¹The capital project fund consists of transfers from the general fund

PROGRAM DISCUSSION

The Long-Range Information Technology Program (LRITP) provides a comprehensive method for funding large information technology (IT) investments under a single program. The LRITP consolidates all major IT projects in one appropriation bill and defines major IT investments as capital projects. All the executive branch projects included in the LRITP will be administered by the Department of Administration, State Information Technology Support Division (SITSD).

SUMMARY OF LEGISLATIVE ACTION

The 67th Legislature provided \$53.5 million of appropriations for the LRITP for the 2023 biennium. Figure 18 shows the LRITP projects by agency, project name, and fund type.

Figure 18

Long-Range Information Technology Program (LRITP)				
HB 10 - 2023 Biennium				
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total
Department of Administration				
1 MT Cybersecurity Enhancement Project (SITSD)	\$500,000			\$500,000
2 HVAC Systems Network and Monitoring (GSD)		500,000		500,000
Department of Labor and Industry (DLI)				
3 STAARS Version Upgrade			5,000,000	5,000,000
4 UI Benefits System Replacement			45,000,000	45,000,000
Transportation				
5 Federal Billing System (increase)		2,500,000		2,500,000
Total Projects	\$500,000	\$3,000,000	\$50,000,000	\$53,500,000

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PROJECT DESCRIPTIONS

LRITP appropriations amounting to \$53.5 million for capital projects are approved in HB 10 from capital project, state special revenue, and federal special revenue accounts. A brief description of the LRITP projects included in Figure 18 is provided below.

The following projects are appropriated to SITSD. For each project, the appropriation for the indicated project will fund:

Department of Administration

1. MT Cybersecurity Enhancement Project (SITSD) – the tracking of where the state’s data is located, determining what type of data is in each cloud, and implementing a Cloud Access Security Broker (CASB) to serve as a policy enforcement point. This will allow SITSD to identify all the state’s data in every cloud service and ensure security policies are enforced based on data classification and regulatory requirements.
2. HVAC Systems Network and Monitoring (GSD) – upgrading of outdated controllers and wiring, resolving programming issues, implementing an alarm management system for the heating, ventilation, and air-conditioning (HVAC) systems, and upgrading to utility analytics.

Department of Labor and Industry

3. STAARS Version Upgrade – moving the UI Contributions system (STAARS) to a newer version of the vendor software.
4. UI Benefits System Replacement – replacement of the current legacy unemployment benefits system due to age of system and risks associated with future lack of support for an Oracle-based system.

Department of Transportation

5. Federal Billing System (increase) – an increase to the federal billing system project initially funded in the 2019 session. Costs were increased with the renegotiation of the initial contract. The project will implement internal controls sufficient to determine that federal awards are used in accordance with applicable federal statutes, regulations, and the terms and conditions of the federal award instrument.

FUNDING

Funding for LRITP capital projects is made through the LRITP capital projects fund. The LRITP fund does not have a dedicated revenue source, but instead relies on fund transfers and agency funds to pay the costs of major IT projects. The program includes projects for agencies that rely on state special and federal special revenues to support their administrative costs, and their projects are funded with their program funds.

In the 2023 biennium, the LRITP will receive a transfer from the general fund of \$0.5 million to fund the cyber security project.

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EXECUTIVE BUDGET COMPARISON

Figure 19 provides the legislative changes from the executive budget proposal.

Figure 19

Executive Budget Comparison - Long-Range Information Technology Program				
Budget Item	Budget 2023 Biennium	Budget 2023 Biennium	Change	% Change
	<u>Proposed</u>	<u>Appropriated</u>		
Projects Cost	\$57,969,307	\$53,500,000	(\$4,469,307)	-7.7%
Total Costs	\$57,969,307	\$53,500,000	(\$4,469,307)	-7.7%
Capital Project Fund ¹	4,969,307	500,000	(4,469,307)	-89.9%
State Special	8,000,000	3,000,000	(5,000,000)	-62.5%
Federal Special	45,000,000	50,000,000	5,000,000	11.1%
Total Funds	\$57,969,307	\$53,500,000	(\$4,469,307)	-7.7%
¹ The capital project fund consists of transfers from the general fund				

The 67th Legislature reduced the executive proposal by \$4.5 million, or 7.7%. The legislature reduced the State Information Technology Services Division (SITSD) cyber security project by a like amount, reducing the scope of the project, and eliminating approximately 90.0% of the project costs.

OTHER LEGISLATION

HB 2 – This legislation provides a proprietary fund appropriation for the non-capital costs of the SITSD cyber security project as an addition to the funding included in HB 10.