



State of Montana

---

MPERA IT Strategic Plan 2016

## Table of Contents

1. EXECUTIVE SUMMARY .....	3
2. ENVIRONMENT, SUCCESS, AND CAPABILITIES .....	3
3. IT CONTRIBUTIONS AND STRATEGIES .....	4
4. IT PRINCIPLES .....	5
5. IT GOVERNANCE .....	5
6. IT FINANCIAL MANAGEMENT .....	6
7. IT SERVICES AND PROCESSES .....	6
8. IT INFRASTRUCTURE, STAFFING AND RESOURCES.....	7
9. RISKS AND ISSUES .....	8
10. IT GOALS AND OBJECTIVES .....	8
11. IT PROJECTS .....	10
12. SECURITY AND BUSINESS CONTINUITY PROGRAMS.....	10
13. PLANNED IT EXPENDITURES.....	12
14. ADMINISTRATIVE INFORMATION .....	12

## 1. Executive Summary

---

The Montana Public Employee Retirement Administration (MPERA) has been going through an IT transformational period. Over the last five years, the agency has been working on a system replacement project, which will be launching in FY17 Q1 and is frequently referenced in this plan. Along with a new system, the MPERA IT team has had a leadership transition within the last biennium, which naturally brings different approaches and processes. These are also reflected in this plan. These changes within the agency will need to be managed carefully, as the technology landscape for the members of the agency will be markedly different at the end of the next two years.

## 2. Environment, Success, and Capabilities

---

As an attached-to agency of the Department of Administration, MPERA is led by Executive Director, Dore Schwinden, who, in turn, reports to the Public Employee's Retirement Board. The Board is comprised of seven individuals appointed by the Governor. They are responsible for approving the agency operating budget, deciding legislative policies and priorities, establishing policies and procedures, and ruling on appeal matters of disabilitants, retirees, and members.

MPERA's mission is to efficiently provide quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement. We are an agency of approximately 50 individuals, and we administer eight different Montana deferred benefit (pension) retirement systems: Public Employees, Judges, Highway Patrol Officers, Sheriffs, Game Wardens and Peace Officers, Municipal Police Officers, Firefighters, and Volunteer Firefighter Compensation Act, as well as the State's Deferred Compensation plan. These systems are governed by federal and state law, and while they share some general rules, each does have unique variations as outlined in the Montana Code Annotated Title 19.

Within these retirement systems, there are over 500 employers, over 32,000 active members and almost 21,000 retirees. Employers are required to provide membership service, service credit, earnings, and plan contributions (employee and employer) to the agency as part of their regular payroll process. The plan contributions are added to the pension investment fund for the corresponding retirement system, and the funds are the source for retirement benefits.

### 3. IT Contributions and Strategies

---

As mentioned in the State of Montana Information Technology Strategic Plan, State CIO, Ron Baldwin, points out society's expectation for online access to government services. MPERA has been operating with a mainframe application utilizing an IDMS database, which does not meet these expectations of online access for members. Employers have had an online solution for payroll reporting through a web-based Java application on an Oracle database. Having the internal system and external reporting system on two platforms with a data integration link between them incurs additional cost for the agency to support. Therefore, in 2012, MPERA began a project to replace the existing application with a modern .NET application with a Microsoft SQL database that will enable the online access for members. During the next two years, this effort will be completed.

This project, named MPERAtiv, supports the mission mentioned above and will be delivered in two phases. The first will be a foundational system replacement due in FY17 Q1 that will transform the way the MPERA does business. This change will enhance workflow, traceability, accuracy, and detail within the application. There are two applications on the same foundation that make up this release. Public Employee Retirement Information System (PERIS) is the internal application that MPERA will use. Employer Reporting Information Center (ERIC) is the application employers will use for the service, earnings, and contribution reporting. The second will be the Member Self-Service (MSS) portal that will allow the anticipated online access to MPERA services.

In addition to contributing to the goals of the agency, MPERA IT is also committed to supporting the State Information Technology goals:

- **SITSD Goal 1: Deliver enterprise IT services to state and local government, and the university system**  
MPERAtiv will deliver an enterprise-level IT solution on a single platform that will replace two platforms and will allow for employers across Montana, including state and local government entities, as well as the university system, to report member payroll via ERIC. This consolidation of two platforms into one will reduce cost and provide a more agile delivery to business users for data.
- **SITSD Goal 2: Deliver mobile capability that serves citizens, businesses, and education**  
The MSS portal will provide online account access to members and retirees and will be built on the same platform as PERIS and ERIC. This suite of systems is being developed by a contractor, Sagitec, and is built on their platform, NeoSpin. A future version of NeoSpin is expected to include mobile device support. As this feature comes available, MPERA will analyze and, if appropriate, plan for a mobile device support.
- **SITSD Goal 3: Build and operate enterprise systems that are shared across state and local government**  
MPERA supports this goal by utilizing the enterprise system and architecture available through SITSD. We are taking advantage of the data centers for the majority of our hosting needs. In the next 12-18 months, we will be moving our additional servers to the data center. One of these servers hosts Laserfiche, which is the current implementation for electronic content management and it is integrated with PERIS. After completion of the two phases of MPERAtiv, we will be assessing the feasibility of replacing Laserfiche with Perceptive, the enterprise content management solution for the State of MT.
- **SITSD Goal 4: Utilize cloud, open data and existing application to maximize value and minimize cost of information technology.**  
Based on the SITSD objectives for this goal, there are two areas MPERA is able to support this goal: utilizing cloud services and providing information via the cloud. First, in the use of utilizing cloud software, we will implement Office 365 and OneDrive for Business. We will also be looking to Software as a Service (SaaS) solutions when possible. One potential for a SaaS solution will be support for our internal processes for project management. Second, in the area of providing information via the cloud, we will be releasing the MSS portal. This will allow efficiencies within the agency, as members and retirees will be able to complete the simpler tasks of accessing their retirement account and easily fill out forms without the intervention of a member of the agency.

- **SITSD Goal 5: Manage cybersecurity risk to systems, assets, and data.**

As we move to a new system and provide members with online access to their sensitive data, we will need to undergo a full security assessment and potentially update security policies within MPERA. As a first step, we will review the new system in comparison with the Information Security Policies as established through the Montana Information Security Advisory Council and MCA §2-15-114. We will also review internal process policies that relate to cybersecurity, as well as internal security. Finally, we will be seeking an independent review of our system to identify any cybersecurity risks.

## 4. IT Principles

---

IT principles govern MPERA's activities and decisions as they pertain to the agency's technology solutions. They provide guidelines to ensure that decisions will provide the greatest value to Montana's citizens and MPERA's members and retirees. Many of MPERA's principles have their roots in Montana's Information Technology Act (MITA).

- Resources and funding will be allocated to the IT projects that contribute the greatest net value and benefit to Montana stakeholders.
- Unwarranted duplication will be minimized by sharing data, IT infrastructure, systems, applications and IT services.
- Shared inter-state systems will be used to minimize IT expenditures, improve service delivery and accelerate service implementation.
- Information technology will be used to provide educational opportunities, create quality jobs, a favorable business climate, improve government, protect individual privacy and protect the privacy of IT information.
- IT resources will be used in an organized, deliberative and cost-effective manner.
- IT systems will provide delivery channels that allow citizens to determine when, where, and how they interact with state agencies.
- Mitigation of risks is a priority to protect individual privacy and the privacy of IT systems information.
- Information security will be based on federal National Institute of Standards and Technology (NIST) security standards.

## 5. IT Governance

---

Adhering to the first IT principle listed above (resources and funding will be allocated to the IT projects that contribute the greatest net value and benefit to Montana stakeholders), MPERA will expand on the current project's steering committee, and will establish a governance team that determines the prioritization of IT application change requests and projects. The governance team will include the Member Services Bureau Chief, Fiscal Services Bureau Chief, Chief Legal Counsel, and IT Manager. Additional individuals will be invited to provide input to the governance team, as needed; however, the decision on priorities will rest with the governance team. In the case that the governance team cannot reach a consensus or the team determines that the matter is material and requires an Executive Director decision, the decision will be escalated to the Executive Director. Likewise, the Executive Director has the authority to review and override decisions made by the governance team.

## 6. IT Financial Management

---

MPERA receives funding approval through the Public Employees Retirement Board. A budget is prepared annually and presented to the Board for approval. By statute, the overall budget cannot exceed 1.5% of defined benefits paid and any remaining funds are reverted back to the pension fund. The IT expenditures are part of this budgeting process. Operationally, these expenditures includes payments to SITSD for use of enterprise services, internal hardware purchases, and internal costs for IT staff and staff augmentation.

Large projects that exceed operational enhancements and agency services require special approval from the Board. The request includes a cost estimate and a funding recommendation. For example, the system replacement project that will finish in FY17 received special approval to carry forward unused operational funds to a following fiscal year for the specific use of project-related expenses.

## 7. IT Services and Processes

---

The MPERA IT services and processes will undergo a dramatic change in FY17 Q1. At this time, we will be migrating from the legacy Mainframe and Oracle solutions to a new .NET application. The following areas are related to this new platform.

- Public Employee Retirement Information System (PERIS) is a web-based internal application that allows the agency to manage member retirement accounts from the moment of hire through retirement.
- Employer Reporting Information Center (ERIC) is a web-based external application that allows for participating employers to report contributions, service, and earnings to be used in retirement calculations.
- Vendor Self-Service (VSS) is a web-based external version of ERIC used by various external entities with whom we have a process, such as, but not limited to, TRS and insurance providers.
- Member Self-Service (MSS) is a web-based external application that is targeted for release in the fourth quarter of FY17. This system will provide members and retirees with access to their account information and some transaction capabilities. Adoption of the site will happen in phases to ensure that the MPERA call center will be able to provide quality support to those who have questions about the new site.
- Laserfiche is the MPERA electronic content management system. Documents received in MPERA are scanned and trigger workflows within the PERIS application.
- LAN and Computer support is a service provided primarily by the IT supervisor and LAN administrator. This service includes maintaining agency computers, phones, and network.

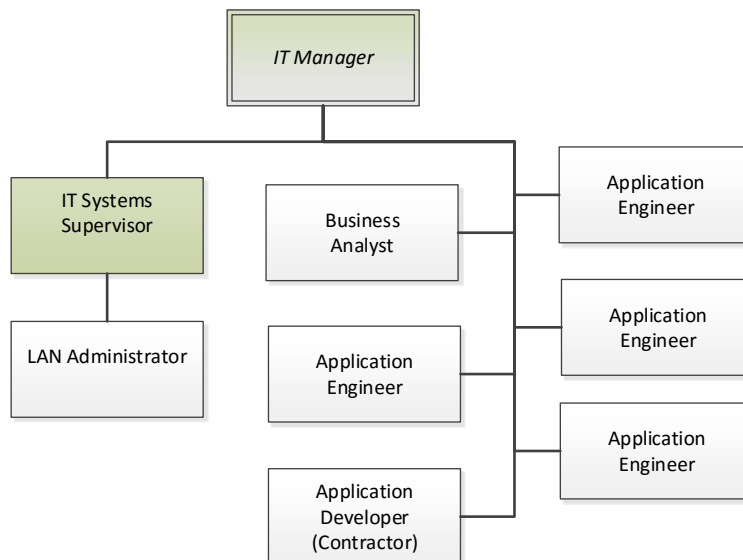
## 8. IT Infrastructure, Staffing and Resources

---

MPERA's future applications are hosted by SITSD in the data center and are built on a .NET platform running Sagitec's NeoSpin and utilizing SQL as the backend database repository. The DBA duties are also supported by SITSD while application support is done by MPERA.

There are also two environments maintained and hosted by MPERA. The first environment is used for Laserfiche, the electronic content management solution. The second is a shared file server. As mentioned previously, these two environments will be moving to the data centers within the next 12-18 months.

These applications are supported by 8 full-time employees and a development contractor. Additionally, the new system, PERIS will be supported through a Sagitec support agreements that augments the team with a range of 2-8 individuals that begins with eight individuals and decreases to 2 at the end of a 20-month term.



## 9. Risks and Issues

---

Primary Risk	Probability	Impact	Mitigation Strategy
Lack of technical new system knowledge	High	Medium	MPERA is entering into a support contract with the development vendor that includes training of the IT team and support through March 2018. As a contingency, extension of that support contract will be considered if the team is not yet ready to support the system.
Security breach	Medium	High	MPERA has a security program including, but not limited to, staff training and awareness, data encryption, and security policies.
Legislative Changes	Medium	High	MPERA will monitor Legislature effort, encourage feasible implementation dates, and provide timely information of the impact of legislation changes on the IT portfolio.

## 10.IT Goals and Objectives

---

**IT Goal 1:** Successfully implement MPERA’s overall customer service, business operations and technology improvement program (MPERAtiv).

Objective 1: Release of PERIS / ERIC / VSS in FY17 Q1

*Benefits:*

- Migration of MPERA’s key business applications off of a costly Mainframe platform to a more cost-effective .NET platform.
- Provides a transaction-based application to aid in member support. Mainframe applications were built on summary data elements.
- Better enforcement of business rules and reduction in errors for employer reporting.
- Consolidates platforms from Mainframe, Oracle, and Java to a unified .NET platform to aid in IT supportability

Objective 2: Release of Member Self Service Portal in FY17 Q4 with a gradual adoption plan through FY18

*Benefits:*

- Reduce dependency on paper and mailing forms, thereby reducing print and mail costs.
- Reduce calls to MPERA, as members will be able to find personalized answers online
- Increases member and retiree service by allowing 24/7 access to account information.



**IT Goal 2:** Implementation of new development process standards and practices.

Objective 1: Develop an infrastructure that will support a process including reporting, development, test, pre-production, and production

*Benefits:*

- Dedicated environments for development and testing standardizes approach for all enhancements.
- A pre-production environment allows a platform that mirrors production for research and deployment of immediate fixes.
- A reporting environment allows for researching data issues and creating reports without impacting performance.

Objective 2: Implement process for governance through to release.

*Benefits:*

- Governance ensures the agency is spending resources wisely by prioritizing the items that have the best benefit for our members and other stakeholders.
- Development processes, such as code reviews, provide consistency in the code and facilitates learning for both seasoned and new developers
- Release plans allow for regularly scheduled releases that allow for several enhancements to be released at a time. This provides efficiencies in consolidating testing and release management overhead.
- Allows for application of agile methodology along with waterfall methodology to help match the methodology to the enhancements.

**IT Goal 3:** Utilization of SITSD services, as appropriate

Objective 1: Move MPERA-hosted services to the SITSD Data Center(s).

*Benefits:*

- Allows our agency to take advantage of resource coverage of a larger agency.
- Reduces disaster recovery risk, as servers would be backed up to Miles City Data Center.
- MPERA can take advantage of SITSD disaster recovery test offering

Objective 2: Implement productivity and security offerings from SITSD (i.e. OneDrive, Two-factor Authentication)

*Benefits:*

- MPERA can benefit from the negotiated rates obtained by SITSD on behalf of the State of Montana.
- SITSD offerings allows for greater consistency across the State of Montana.
- MPERA IT time can be spent on activities directly related to retirements and supporting the employees, employers, members, and other stakeholders of the agency.

Objective 3: Analyze feasibility of migrating from Laserfiche to Perceptive for electronic content management.

*Benefits:*

- Potential to reduce long range costs by taking advantage of enterprise rates
- Consistency with other agencies in the State of Montana

## 11. IT Projects

---

Item	Description
Project name	MPERAtiv – PERIS/ERIC/MSS - Line of Business (LOB) pension administration system, including a second phase for Member Self-Service (MSS) Portal
Project/program purpose and objectives	<ul style="list-style-type: none"> <li>• Improve business processing to meet customer expectations</li> <li>• Provide improved services, effectiveness and efficiency</li> <li>• Provide its plan members and retirees with the ability to access account information through the Internet</li> <li>• Continue to address the demands of customers and changes in business processes to effectively support and administer our retirement plans</li> </ul>
Estimated start date	July 9, 2012
Estimated cost	\$15,379,066 (including internal costs)
Funding source	Pension Administration
Annual Costs upon completion	\$300,000 / year (for licensing)

## 12. Security and Business Continuity Programs

---

**Security Program:** The Montana Public Employee Retirement Administration (MPERA) has implemented information security procedures to comply with §2-15-114, MCA and the SITS *Information Security Programs* policy with adoption of the National Institute of Standards and Technology (NIST) Special Publication 800 series as a guide. This is in alignment with the State of Information Technology Service’s direction for an enterprise approach to protect sensitive and critical information being housed and shared on State and/or external/commercial information assets or systems.

1. **Governance-** MPERA will continue to protect the confidentiality of the MPERA client information and to ensure that access to such information is restricted to legitimate purpose.
2. **Policies-** MPERA continues to protect information and assets. ( i.e. security accountability, network service policies, system policies , physical security, incident handling and response, acceptable use policies)

3. **Risk management-**

The Risk Management Plan (Frame) establishes the context for identifying, assessing, planning risk response (risk-based decision) and monitoring and controlling risks. The following four components of the Risk Management Plan will interact with each other in a continuous improvement cycle.

- Risk Identification – MPERA will identify risk within the context of the risk management plan
  - Risk Assessment – MPERA will prioritize each risk by assessing the impact and the likelihood of occurrence to determine which risks require further analysis, which risks require that a risk response be developed and which risks are noncritical and should be documented for future review.
  - Risk Response – MPERA will determine the best response to high priority risks e.g., avoid, mitigate, accept risk, share or transfer
  - Risk Monitoring – MPERA will identify new risks, implement risk response plans, evaluate MPERA and state applicable policies and procedures to ensure they are being followed monitor risks over time to ensure effectiveness and recommend corrective actions or changes as needed.
4. **Training and awareness-** MPERA will continue to raise awareness through security training throughout all levels of the MPERA'S organization.
5. **Security controls-**MPERA's use of the above framework/standards shall provide the controls to meet current organizational protection needs and the demands of future protection needs based on changing requirements and technologies.
6. **Ongoing monitoring-** MPERA will continue to maintain ongoing awareness of information security, vulnerabilities, and threats to support organizational risk management decisions.

MPERA will continuously review and improve our security policies and procedures and our techniques and procedures for identifying, monitoring and controlling risks to information security. We will ensure they are compliant with §2-15-114, MCA and State Information Technology Systems Division *Information Security Programs* policy and align with MPERA strategic goals.

**Continuity of Operations (COOP) Capability Program Description:**

MPERA works with the Department of Administration *Continuity Services* for the development of MPERA's Continuity of Operations Capabilities, which provides the plans and structure to facilitate response and recovery capabilities to ensure the continued performance of the State Essential Functions of Government. This program involves two Blocks of focus; the first is to complete the Business Continuity Plans (BCP) involving two phases, the second Block works on the specific business processes or activity plans such as Emergency Action Plans (EAP), Information System Contingency Plan (ISCP), Communications Plans, Incident Management Plans, and more. We have completed the BCP phases with the exception of Essential Records.

The new application platform transforms not only the computer systems at MPERA, but processes and service alignments change as well. As part of the roll out of the new system, the agency management team is reviewing and updating the continuity plan.

**Public Records:**

A team member of MPERA's legal staff serves as the agency's record retention specialist and maintains the record retention policy. All electronic records will be retained and disposed of in accordance with the general records retention schedules, agency records retention schedules, and/or federal retention requirements.

### 13. Planned IT Expenditures

---

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
IT personal services	\$1,106,457	\$915,425	\$961,196	\$1,009,256	\$1,059,719	\$1,112,705
IT operating expenses	\$507,999	\$1,027,614	\$1,099,547	\$1,176,515	\$1,258,872	\$1,346,993
MPERAtiv	\$1,745,082	\$4,157,503	\$722,000	\$300,000	\$300,000	\$300,000
Total	\$3,359,538	\$6,100,542	\$2,782,744	\$2,485,772	\$2,618,591	\$2,759,698

### 14. Administrative Information

---

IT strategy and plan owner:      Name: Angela Riley  
   Phone: 406-444-9175  
   Email: ariley@mt.gov

IT contact:                              Name: Dave Swenson  
   Phone: 406-444-2537  
   Email: dswenson@mt.gov

Information Security Manager: Name: Dave Swenson  
   Phone: 406-444-2537  
   Email: dswenson@mt.gov