



# **State of Montana**

**Montana Public Employee Retirement Administration**

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## **Agency IT Plan**

### **Fiscal Year 2012-2017**

May 2012

# TABLE OF CONTENTS

**EXECUTIVE SUMMARY .....1**

**SECTION 1: AGENCY ADMINISTRATIVE INFORMATION .....2**

**SECTION 2: AGENCY IT MISSION .....3**

**SECTION 3: AGENCY REQUIRED PROGRAMS .....4**

**SECTION 4: AGENCY IT PLAN – GOALS & OBJECTIVES .....6**

**SECTION 5: IT INITIATIVES (FY2012 – FY 2017).....9**

**SECTION 6: ENTERPRISE ALIGNMENT.....10**

**SECTION 7: PLANNED AGENCY IT EXPENDITURES .....11**

**SECTION 8: ADDITIONAL INFORMATION - OPTIONAL .....12**

## EXECUTIVE SUMMARY



The Montana Public Employee Retirement Administration (MPERA) is the executive staff to the Montana Public Employees' Retirement Board (PERB). PERB administers 10 separate retirement plans. PERB is administratively attached to the Department of Administration. PERB approves its annual budget and has hiring/firing authority of its administrative staff. PERB has fiduciary responsibility for the retirement plans and trust funds and is committed to acting in the best interest of the members and beneficiaries. MPERA's mission is to efficiently provide quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement.

To accomplish this mission MPERA must work with its stakeholders: the members, employers, lawmakers, taxpayers and employee groups. To provide quality education, communication, service and resources to those stakeholders, we need to efficiently and effectively use information technology resources.

The primary theme of the MPERA FY2012-FY2017 IT Strategic Plan is to continue to provide timely processing of contributions and benefits, to protect individual privacy and the privacy of information contained within our systems, to provide secure internet access to education resources, account information, forms, published documents and other resources to our stakeholders, to implement improved and new technology where feasible and to continually strive to perform more efficiently and effectively, balancing our staff, technology and resources to produce the maximum value for the time, effort and budget we invest.

## SECTION 1: AGENCY ADMINISTRATIVE INFORMATION

### ***Role: Plan Owner***

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### ***Role: Information Security Manager (ISM)***

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### ***IT Inventory***

The IT inventory database located at <http://mine.mt.gov/enterpriseitinventory> was last updated on 7/1/2009. We plan to update the inventory by June 30<sup>th</sup>, 2012 pursuant to MCA 2-17-524(3)(c).

## SECTION 2: AGENCY IT MISSION



The Montana Public Employee Retirement Administration will efficiently provide quality benefits; education and service to help our plan members and beneficiaries realize a successful retirement.

The Montana Public Employee Retirement Administration's Information Technology unit will provide and maintain cost effective and user friendly technology systems to support MPERA staff and ensure quality service and information is provided to MPERA stakeholders: the members, employers, lawmakers, taxpayers and employee groups.

## SECTION 3: AGENCY REQUIRED PROGRAMS

### *Information Security Management (ISM) Program General Description*

The Montana Public Employee Retirement Administration (MPERA) will implement an agency-wide information Security Management Program compliant with §2-15-114, MCA and State Information Technology Systems Division *Information Security Programs* policy with adoption of the National Institute of Standards and Technology (NIST) Special Publication 800 series as guides for establishing appropriate security procedures. 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.

As described in NIST SP 800-39, MPERA will develop and adopt an Information Risk Management Strategy to guide MPERA through information security lifecycle architecture with application of risk management. This structure will provide a programmatic approach to reducing the level of risk to an acceptable level, while ensuring legal and regulatory mandates are met in accordance with MCA §2-15-114.

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.

### *Future Security Program Plans*

Over this strategic period we plan to 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 General Description***

In January 2008, MPERA joined 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 and expect completion of the essential records functions by 09/30/2012. MPERA has an Emergency Action Plan (EAP) for our beat team in our building.

This program is not a standalone process in that information which is identified and recorded under this structure can and often exists in the Records Management Program and associates with Information Security Management Program requirements. Integration of these three programs is critical to the confidentiality, integrity, and availability of information, which is associated with each program.

### ***Future COOP Program Plans***

Our plans for this strategic period include the following.

We will actively participate with the state Service Delivery Team for disaster recovery.

We will document, maintain, publish and test our disaster recovery plan annually allowing us to respond to events timely and with a minimum disruption to critical services.

We will work with the state Continuity Bureau as functionality becomes available in the LDRPS software to ensure all relevant plans are resident in LDRPS.

## SECTION 4: AGENCY IT PLAN – GOALS & OBJECTIVES

### **Goal Number 1:**

**IT Goal 1** Maintain SITSD recommended standards and policies.

Description: Maintain SITSD recommended hardware and software standards for MPERA staff and customers. Ensure MPERA is in compliance with state policies.

Benefits: To stay abreast of technological advancements, to obtain the support and knowledge of SITSD staff for maintenance and troubleshooting problems, to enable communication with other state agencies.

Which state strategic goal(s) and/or objective(s) does your goal address? 1: Achieve maximum value of information through the active management of information technology. 4: Enhance the reliability and security of the state's information systems. 4.2 Identify and document compliance requirements.

### **Supporting Objective/Action**

**Objective 1-1** Ensure MPERA is in compliance with state policies.

**Describe the business requirements or business problem driving this objective:**

BR 5: Provide Quality Service to our Members, Employers and other Customers.

**Describe the benefits to be derived from the successful completion of this objective:**

To stay abreast of technological advancements, to obtain the support and knowledge of SITSD staff for maintenance and troubleshooting problems, to enable communication with other state agencies, to adhere to state policies.

**Describe the anticipated risks associated with this objective:** None.

**What is the timeframe for completion of this objective:** Ongoing

**Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?**

State policies are reviewed and any required changes implemented by effective date of policy.

Relevant state policies are reviewed when hardware and software changes are identified.

Attend and participate in state councils, boards and committees such as ITMC, NMG and ITB.

Hardware and software assets and licenses are tracked including whether they are state standard or required ITPR approval by SITSD.

Information Technology Procurement Requests (ITPR) are reviewed and approved by SITSD.

### **Goal Number 2:**

**IT Goal 2** Successfully implement MPERA's overall customer service, business operations and technology improvement program (MPERAtiv).

Description: MPERA administers three mainframe systems and two Oracle based applications. Our current mainframe systems utilize IDMS databases hosted by the Montana Department of Administration – State Information Technology Services Division. These software systems are nearing the end of their life cycle and have seen many legislative driven plan changes and additions over their 25-year lifespan that have left the systems more difficult to maintain and enhance. MPERA is in the process of replacing systems with a new Line of Business (LOB) pension administration system.

Benefits: Improve delivery of public services, improve customer service, improve data quality, maintain fiscal responsibilities, improve internal system functionality, improve operating efficiencies, and consistency of business processes and calculations.

Which state strategic goal(s) and/or objective(s) does your goal address? 1.1 - Increase use of consolidated platforms and shared services. 1.2 - Recruit, train, and retain a highly skilled workforce. 1.3 - Strengthen and expand information technology partnerships. 2.1- Seek out and implement innovative information technology solutions. 3.1 - Explore and implement technology to enhance accessibility, availability, and

usability of information. 3.2 - Leverage robust technology platforms. 3.2 - Document and implement repeatable technology management processes. 5.2 - Coordinate and leverage state technology investments. 5.4 - Align technology investments with the state's overall goals, priorities, and mission objectives.

### **Supporting Objective/Action**

**Objective 2-1** Continue emphasis on support and maintenance of existing IT infrastructure.

**Describe the business requirements or business problem driving this objective:**

BR1: Pay Retirement, Survivorship, Disability and Death Benefits & Refunds;

BR2: Collect & Process Employer, Employee and State Contributions,

BR5: Provide Quality Service to our Members, Employers and other Customers

**Describe the benefits to be derived from the successful completion of this objective:** Efficient use of IT resources, accuracy of information provided to stakeholders, efficiently managed information technology systems and realize maximum value from these systems for the time, effort and budget invested until they are replaced.

**Describe the anticipated risks associated with this objective:** Time to complete mandated system changes. Data integrity and accuracy. Availability of staff to provide these services. Legislative changes to MPERA business rules and plans may require significant changes to our existing IT infrastructure.

**What is the timeframe for completion of this objective?** Ongoing

**Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?** Services are available and required processes function accurately. Maintenance upgrades to current technology are performed timely. Production troubleshooting, assistance and recovery are provided timely to MPERA users and staff. Confidential information is secured.

### **Supporting Objective/Action**

**Objective 2-2** Maintain accuracy and integrity of data.

**Describe the business requirements or business problem driving this objective:**

BR1: Pay Retirement, Survivorship, Disability and Death Benefits & Refunds;

BR2: Collect & Process Employer, Employee and State Contributions,

BR5: Provide Quality Service to our Members, Employers and other Customers

**Describe the benefits to be derived from the successful completion of this objective:** Accuracy of information provided to stakeholders and efficiently managed information technology systems.

**Describe the anticipated risks associated with this objective:** Time to complete mandated system changes. Data integrity and accuracy. Availability of staff to provide these services.

**What is the timeframe for completion of this objective:** Ongoing through FY2016

**Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?** MPERA contracted with Ventera in FY2012 to provide data profiling and data cleansing services. In FY2012 data issues were identified and prioritized. Data will be cleansed during FY2012 – FY2015. Cleansed data will be successfully migrated to the new line of business system during FY2015 – FY2016 providing easy and accurate data for MPERA's business needs

### **Supporting Objective/Action**

**Objective 2-3** Successfully implement our new Line of Business (LOB) pension administration system.

**Describe the business requirements or business problem driving this objective:**

BR1: Pay Retirement, Survivorship, Disability and Death Benefits & Refunds;

BR2: Collect & Process Employer, Employee and State Contributions,

BR5: Provide Quality Service to our Members, Employers and other Customers

**Describe the benefits to be derived from the successful completion of this objective:** Combine the functionality of the current mainframe and employer reporting applications into a single integrated LOB pension administration system, combine our separate active and retired databases into one joint database, enable MPERA to proactively prepare for the anticipated increase in retirements, provide retirement system members with online access to account information to improve customer service and knowledge, and to increase staff efficiency, improve operating efficiency and accuracy by replacing manual processes, replace the batch-oriented software systems with interactive real-time processing, automate business rules to

improve accuracy and consistency, and reduce redundancy, implement internal audit controls to increase security and reduce risk, increase our ability to recruit and retain qualified staff.

**Describe the anticipated risks associated with this objective:** The LOB solution will be developed in multiple phases but implemented at one time. This ‘big band’ approach to implementation of the solution is a risk. Other risks include change to scope causing project cost overruns, staff resources and time to support the project and business functions concurrently, legislative changes to MPERA business rules and plans may change the scope of the project, technology may be outdated when implemented, and continued reliance on our legacy applications.

**What is the timeframe for completion of this objective:** Ongoing through FY2016

**Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?** MPERA contracted with Sagitec Solutions, LLC in FY2012 to implement a new Line of Business (LOB) pension administration system. The LOB solution will be developed in multiple phases and implemented in 2 phases. Development of the Enrollment and employer reporting phase will be completed in FY 2014, development of Calculations, Service Purchases and Claims and Death processing will be completed in FY2014, development of the Benefit Payment processing will be completed in FY2015. All of the functionality developed in these phases will be implemented at one time in late FY2015. The Member and employer self service portals will be deployed to production in FY2016. The project will be reviewed at milestones and completion to highlight lessons learned and archive project knowledge gained.

### **Goal Number 3:**

**IT Goal 3** Implement new technology for critical MPERA processes, forms and documents.

**Description:** MPERA currently has paper, microfiche and microfilm files all used for the delivery of customer service and benefits. Data systems are obsolete and do not meet current needs, so paper files are pulled for reference in the majority of cases. Our new imaging system is scheduled to be in place by the end of fiscal year 2012. Once the new imaging system is implemented, a Back file Conversion project will be started and managed by MPERA. The Back file Conversion project will first target member account files that are in paper format.

**Benefits:** Improve services to MPERA stakeholders, simplify and improve business processes, improve document classification, storage and access, recovery of documents in the event of disaster, improve data capture from critical documents, link document processing between bureaus, reduce MPERA’s processing costs, reduce or eliminate microfiche and future document storage costs, reduce or eliminate lost or misplacement of documents and files, increase efficiency of MPERA staff, technology and workflow systems, protection of information due to recovery of misplaced or corrupted files and documents, produce the maximum value for the time, effort and budget invested.

**Which state strategic goal(s) and/or objective(s) does your goal address?** 1.4 - Develop and implement management processes for using and securing information. 2 - Aggressively use technology to extend capabilities that enhance, improve, and streamline service delivery. 2.1 - Seek out and implement innovative information technology solutions. 3.1 - Explore and implement technology to enhance accessibility, availability, and usability of information.

#### **Supporting Objective/Action**

**ITO 3-1** Back file conversion of MPERA documents.

#### **Describe the business requirements or business problem driving this objective:**

BR1: Pay Retirement, Survivorship, Disability and Death Benefits & Refunds;

BR2: Collect & Process Employer, Employee and State Contributions,

BR5: Provide Quality Service to our Members, Employers and other Customers

**Describe the benefits to be derived from the successful completion of this objective:** Improve services to MPERA stakeholders, simplify and improve business processes, improve document classification, storage and access, recovery of documents in the event of disaster, improve data capture from critical documents, link document processing between bureaus, reduce MPERA’s processing costs, reduce or eliminate lost or misplacement of documents and files, protection of information, gain staff efficiencies and reduce manual errors.

**Describe the anticipated risks associated with this objective:** Costs in equipment, time and man power. Culture change to support processing of imaged documents.

**Describe how this objective supports the agency IT goal:** Serve our members, employers and other customers by providing quality service, efficient and accurate collection and processing of employer, employee and state contributions and timely and accurate payment of retirement, survivorship, disability and death benefits and refunds.

**What is the timeframe for completion of this objective:** FY2013

**Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?** A forms review was completed in FY2012. The back file conversion project will be initiated during FY2012 with completion in FY2013. The project will be reviewed at completion to highlight lessons learned and archive project knowledge gained.

## SECTION 5: IT INITIATIVES (FY2012 – FY 2017)

**Initiative 1** - Title: Develop new Line of Business (LOB) Pension Administration system.

Description: Our current mainframe systems utilize IDMS databases. These applications are nearing the end of their life cycle, but are customized to our needs and continue to perform well. We have contracted with Sagitec Solutions, LLC to replace our buyback, retired, active, Volunteer Firefighter and the Employer Web Reporting applications.

EPP Number (if applicable)

## SECTION 6: ENTERPRISE ALIGNMENT

### *Communities of Interest Participation*

- Government Services
- Public Safety
- Human Resources
- Environmental
- Education
- Economic
- Cultural Affairs
- Finance

## SECTION 7: PLANNED AGENCY IT EXPENDITURES

<u>Expense Category</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
Personal Services	\$512,302	\$548,163	\$586,535	\$627,592	\$671,523	\$718,530
Operating Expenses	\$593,978	\$635,556	\$680,045	\$727,649	\$778,584	\$833,085
MPERAtiv	\$2,511,816	\$3,732,525	\$2,848,383	\$790,917		
Initiatives						
Other expenditures	\$17,378	\$18,594	\$19,896	\$21,289	\$22,779	\$24,374
<b>Totals</b>	<b>\$3,635,474</b>	<b>\$4,934,839</b>	<b>\$4,134,859</b>	<b>\$2,167,446</b>	<b>\$1,472,886</b>	<b>\$1,575,988</b>

The Public Employees' Retirement Board approves its budget on an annual basis. The dollars in FY012 are actual budgeted amounts. For estimating purposes, expenditures for FY2013 - FY2017 were increased 7% annually.

The budgeted amount for the MPERAtiv program is included as a separate row in the table.

## SECTION 8: ADDITIONAL INFORMATION - OPTIONAL

Other types of information that support the agency's IT Plan. Some examples might include other COI participation, reference to other IT plans such as GIS plan, eGovernment plan, security plan, staffing issues and constraints, etc.