

# State of Montana Information Technology Board

**June 16, 10:00 – 12:00 p.m.  
Capitol Room 152**

10:00 –10:05	Call to Order and Introductions	Sheila Hogan, Chair
10:05–10:10	Approval of Minutes, December 2014 Meeting <b>Action Item</b>	Sheila Hogan, Chair
10:10–11:10	Updates from the CIO – Legislative Update (40 minutes) <ul style="list-style-type: none"><li>• eGov Council</li><li>• IT Joint Subcommittee/Volume 10</li><li>• HB 10</li><li>• Budget Reductions/SITSD Re-organization</li><li>• Enterprise Content Management</li></ul> Board Discussion and Questions (20 minutes)	Ron Baldwin, CIO
11:10–11:35	Enterprise Security Program (20 minutes) Board Discussion and Questions (5 minutes)	Lynne Pizzini, CISO
11:35–11:50	Top Five (10 minutes) Board Discussion (15 minutes)	Ron Baldwin, CIO
11:50–12:00	Open Forum <ul style="list-style-type: none"><li>• Future Agenda Items (5 minutes)</li><li>• Public comment (5 minute)</li></ul>	Board Members Audience
12:00	Adjourn	Sheila Hogan, Chair

Next Meeting: September 3, 2015 – Capitol Room 152

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AN ACT ABOLISHING THE ELECTRONIC GOVERNMENT ADVISORY COUNCIL; TRANSFERRING THE COUNCIL'S DUTIES TO THE INFORMATION TECHNOLOGY BOARD; REQUIRING A REPORT TO THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE; AMENDING SECTIONS 2-17-513, 2-17-1102, AND 2-17-1103, MCA; REPEALING SECTION 2-17-1105, MCA; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 2-17-513, MCA, is amended to read:

**"2-17-513. Duties of board.** The board shall:

- (1) provide a forum to:
  - (a) guide state agencies, the legislative branch, the judicial branch, and local governments in the development and deployment of intergovernmental information technology resources;
  - (b) share information among state agencies, local governments, and federal agencies regarding the development of information technology resources;
- (2) advise the department:
  - (a) in the development of cooperative contracts for the purchase of information technology resources;
  - (b) regarding the creation, management, and administration of electronic government services and information on the internet;
  - (c) regarding the administration of electronic government services contracts;
  - (d) on the priority of government services to be provided electronically;
  - (e) on convenience fees prescribed in 2-17-1102 and 2-17-1103, if needed, for electronic government services; and
  - (f) on any other aspect of providing electronic government services;
- (3) review and advise the department on:
  - (a) statewide information technology standards and policies;

- (b) the state strategic information technology plan;
- (c) major information technology budget requests;
- (d) rates and other charges for services established by the department as provided in 2-17-512(1)(t);
- (e) requests for exceptions as provided for in 2-17-515;
- (f) notification of proposed exemptions by the university system and office of public instruction as provided for in 2-17-516;
- (g) action taken by the department as provided in 2-17-514(1) for any activity that is not in compliance with this part;
- (h) transfer of information technology funds, resources, and employees as provided for in 2-17-531; ~~and~~
- (i) the implementation of major information technology projects and advise the respective governing authority of any issue of concern to the board relating to implementation of the project; and
- (j) financial reports, management reports, and other data as requested by the department;
- (4) study state government's present and future information technology needs and advise the department on the use of emerging technology in state government; ~~and~~
- (5) request information and reports that it considers necessary from any entity using or having access to the statewide telecommunications network or central computer center-;
- (6) assist in identifying, evaluating, and prioritizing potential departmental and interagency electronic government services;
- (7) serve as a central coordination point for electronic government services provided by the department and other state agencies;
- (8) study, propose, develop, or coordinate any other activity in furtherance of electronic government services as requested by the governor or the legislature; and
- (9) prepare and submit to the state administration and veterans' affairs interim committee by September 15 in the year preceding the regular legislative session and in the manner provided in 5-11-210 a report including but not necessarily limited to a summary of the board's activities, a review of the electronic government program established under part 11 of this chapter, and any key findings and recommendations that the board presented to the department."

**Section 2.** Section 2-17-1102, MCA, is amended to read:

**2-17-1102. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

~~(1)~~ "Advisory council" means the electronic government advisory council established in 2-17-1105.

~~(2)~~(1) "Convenience fee" means a fee charged to recover the costs of providing electronic government services.

~~(3)~~(2) "Costs" means the overall costs that the department may incur to provide electronic government services, including the costs of contracts entered into with private entities to assist in providing electronic government services.

~~(4)~~(3) "Department" means the department of administration provided for in 2-15-1001.

~~(5)~~(4) "Infrastructure" means the underlying technology necessary to provide electronic government services."

**Section 3.** Section 2-17-1103, MCA, is amended to read:

**2-17-1103. Responsibilities of department for electronic government.** (1) The department shall:

(a) provide the ability for state agencies to offer electronic government services by providing a reasonable and secure infrastructure;

(b) provide a point of entry for electronic government services to achieve a single face of government;

(c) encourage a common look and feel for all electronic government services for the benefit of the customers of the services;

(d) set technological standards for electronic government services;

(e) use technology that enables the greatest number of customers to obtain access to electronic government services;

(f) promote the benefits of electronic government services through educational, marketing, and outreach initiatives;

(g) promote transparency in information management; and

(h) share and coordinate information with political subdivisions whenever possible.

(2) To fulfill the responsibilities in subsection (1), the department may contract with private entities. The department may charge convenience fees and may allow private entities to collect the convenience fees on selected electronic government services in order to provide funding for the support and furtherance of electronic

government services. ~~The advisory council may advise the department on the amount of fees and the services on which to charge fees.~~

(3) The department or a private entity under a contract as provided in subsection (2) may not use any data associated with providing electronic government services for any purpose that is not provided for by law."

**Section 4. Repealer.** The following section of the Montana Code Annotated is repealed:  
2-17-1105. Electronic government advisory council.

**Section 5. Effective date.** [This act] is effective July 1, 2015.

- END -

I hereby certify that the within bill,  
SB 0220, originated in the Senate.

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Secretary of the Senate

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015.

SENATE BILL NO. 220  
INTRODUCED BY C. KAUFMANN

AN ACT ABOLISHING THE ELECTRONIC GOVERNMENT ADVISORY COUNCIL; TRANSFERRING THE COUNCIL'S DUTIES TO THE INFORMATION TECHNOLOGY BOARD; REQUIRING A REPORT TO THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE; AMENDING SECTIONS 2-17-513, 2-17-1102, AND 2-17-1103, MCA; REPEALING SECTION 2-17-1105, MCA; AND PROVIDING AN EFFECTIVE DATE.



AN ACT REVISING LAWS RELATED TO INFORMATION TECHNOLOGY CAPITAL PROJECTS; APPROPRIATING MONEY FOR INFORMATION TECHNOLOGY CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2017; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE DEPARTMENT OF ADMINISTRATION, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF TRANSPORTATION, AND THE JUDICIAL BRANCH; AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Definitions.** For the purposes of [this act], the following definitions apply:

- (1) "Chief information officer" has the meaning provided in 2-17-506.
- (2) "Information technology" has the meaning provided in 2-17-506.
- (3) "Information technology capital project" means a group of interrelated information technology activities that are planned and executed in a structured sequence to create a unique product or service.
- (4) "LRITP" means the long-range information technology program account in the capital projects fund type.

**Section 2. Appropriations and authorizations.** (1) All business application systems funded under this section must have a plan approved by the chief information officer for the design, definition, creation, storage, and security of the data associated with the application system. The security aspects of the plan must address but are not limited to authentication and granting of system privileges, safeguards against unauthorized access to or disclosure of sensitive information, and, consistent with state records retention policies, plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this subsection that specific consideration be given to the potential sharing of data with other state agencies in the design, definition, creation,

storage, and security of the data.

(2) Funds may not be released for a project until the chief information officer and the budget director approve the plans described in subsection (1).

(3) The following money is appropriated to the department of administration to be used only for the indicated information technology capital projects:

Agency/ Project	LRITP	State Special Revenue	Federal Special Revenue	Proprietary	Total
<b>DEPARTMENT OF ADMINISTRATION</b>					
Statewide Information Technology Projects					
	6,466,000				6,466,000
<p>The department of administration may prioritize the expenditure of the statewide information technology projects appropriation among the network and security upgrades, data protection initiative, statewide public safety communication system, security system replacement/assessments, and court technology improvement program projects. The department will report the use of the funds to the legislative finance committee.</p>					
<del>Enterprise Electronic Content Management</del>					
	<del>\$1,000,000</del>				<del>\$1,000,000</del>
<b>DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES</b>					
Enhanced Federal Financial Participation and A-87 Cost Allocation Waiver					
	2,000,000		18,000,000		20,000,000
<b>DEPARTMENT OF TRANSPORTATION</b>					
PPMS, Risk-Based Management, Linear Referencing System					
		650,000	4,350,000		5,000,000
Financial Management Suite					
		3,000,000			3,000,000

**Section 3. Fund transfer.** The amount of \$10.3 million is transferred from the general fund to the LRITP on July 1, 2015.

**Section 4. Judicial branch information technology capital projects appropriation.** (1) There is appropriated to the supreme court \$834,000 from the LRITP for courtroom technology improvements in the judicial branch.

(2) Before encumbering any funds appropriated in subsection (1), the office of court administrator shall submit a project and security plan, as described in [section 2(1)], to the chief information officer. The chief information officer shall promptly review the plan and, if necessary, make timely recommendations to the office of court administrator regarding implementation of the plan.

(3) As part of the annual report to the law and justice interim committee and the house appropriations subcommittee required under 3-1-702, the office of court administrator shall include an update on the implementation of projects funded under this section.

**Section 5. Direction to department of administration -- state data center.** The department of administration is directed to:

(1) encourage all state agencies to transition to the state data center unless there is a documented financial or security reason that justifies why the agency should not use the state data center;

(2) leverage the state data center for local governments, school districts, and the university system to use; and

(3) market the use of the state data center to other states if excess capacity exists.

**Section 6. Statewide networks efficiencies.** (1) The department of administration is directed to leverage federal funds and other resources to the maximum extent possible to assist with infrastructure obligations associated with federal and other programs.

(2) State agencies are authorized to utilize existing appropriation authority to support or enhance enterprise electronic content management services.

**Section 7. Appropriation -- third-party audit requirement for medicaid management information systems replacement.** (1) The department of public health and human services is appropriated \$7,500 in general fund and \$67,500 in federal funds for the purpose of securing an independent audit as set forth in subsection (2).

(2) The department of public health and human services shall retain its current independent verification and validation vendor to audit, review, and issue a report regarding the medicaid management information systems replacement contract vendor's activities related to contract 12-12-1-01-001-1. At a minimum, the audit and report by the current independent verification and validation vendor must:

(a) analyze the ability of the replacement contract vendor to complete and comply with all contractual requirements, terms, and conditions, in particular, by the May 2017 implementation date pursuant to amendment number 5 to the contract; and

(b) review projects in other states where the replacement contract vendor has implemented or is in the process of implementing a medicaid management information system to understand and extrapolate the experiences, impacts, costs, and delays of those states and analyze the potential for the same issues occurring with the Montana systems replacement in the future.

(3) The outcomes and recommendations from the current independent verification and validation vendor must be reported to the legislative finance committee no later than July 1, 2015.

**Section 8. Fiscal agent services for current legacy medicaid management information systems.**

In the event of nonperformance or breach of contract 12-12-1-01-001-1 by the medicaid management information systems replacement contract vendor or of adverse audit recommendations by the independent verification and validation vendor regarding the inability of the replacement contract vendor to fulfill all contractual requirements, terms, and conditions of the contract by the May 2017 implementation date, the department of public health and human services is authorized to request a bid for a new fiscal agent for the current legacy medicaid management information system. The department may not accept any bids from the medicaid management information systems replacement contract vendor unless and until the department has reached an agreement with the contract vendor on any pending or threatened legal action.

**Section 9. Authorization for department of public health and human services to terminate medicaid management information systems replacement contract.**

(1) In the event of nonperformance or breach of contract 12-12-1-01-001-1 by the medicaid management information systems replacement contract vendor or of adverse audit recommendations by the independent verification and validation vendor regarding the inability of the replacement contract vendor to fulfill all contractual requirements, terms, and conditions of the

contract by the May 2017 implementation date, the department of public health and human services is authorized to terminate contract 12-12-1-01-001-1 and to procure medicaid management information system services consistent with the direction and approval of the centers for medicare and medicaid services.

(2) If the department elects to terminate the contract, it is directed to take all legal action necessary to recover previously appropriated funds and any other damages caused by or related to the replacement contract vendor's inability to timely comply with its contractual obligations.

(3) In addition to the amounts authorized in [this act], the department may utilize its existing appropriation authority to take advantage of the A-87 cost allocation waiver.

**Section 10. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

**Section 11. Effective date.** (1) Except as provided in subsection (2), [this act] is effective July 1, 2015.

(2) [Section 7] and this section are effective on passage and approval.

- END -

I hereby certify that the within bill,  
HB 0010, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015.

HOUSE BILL NO. 10

INTRODUCED BY K. MCCARTHY

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT REVISING LAWS RELATED TO INFORMATION TECHNOLOGY CAPITAL PROJECTS; APPROPRIATING MONEY FOR INFORMATION TECHNOLOGY CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2017; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE DEPARTMENT OF ADMINISTRATION, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF TRANSPORTATION, AND THE JUDICIAL BRANCH; AND PROVIDING EFFECTIVE DATES.