Enterprise IT Financial Workgroup

Minutes
September 29, 2016
1:00 p.m.
Mitchell Building – Room 218

Members Present:

Ron Baldwin, CIO/SITSD
Larry Krause, DOC
John Daugherty, COR
Tricia Greiberis, DNRC
James Schneider, SITSD
Mike Bousliman, DOT
Nancy Jones, DLI (Alternate)
Erica Johnston, DPHHS
Becky Buska, JUD
Kris Schmitz, MSL (Alternate)
Cindy Trimp, DOR
Dan Stanger, DOJ

Staff Present:
Jennifer Schofield, Wendy Jackson

Real-time Communication:
Nate Thomas, Teri Juneau, Stuart Fuller, Angie Carter, Joe Chapman

Welcome and Introductions
Jennifer Schofield welcomed the workgroup to the September 29, 2016 Enterprise Information Technology Financial Workgroup (EITFW) meeting. All members and guests were introduced.

Minutes
John Daugherty made a motion to approve the July 28, 2016 minutes as presented and Erica Johnston seconded. Motion passed.
Larry Krause made a motion to approve the August 31, 2016 minutes as presented and James Schneider seconded. Motion passed.

Ms. Schofield confirmed that there were no minutes generated from the last EITFW because it was a working session.

Business
James Schneider confirmed that Volume 10 will be completed on November 15, 2016 and will be published exclusively in electronic format. The narratives submitted by agencies for this report will include Summary of Resources, Mission Critical Functions, and Special Considerations. The workgroup reviewed the narratives submitted by The Montana State Library (MSL) and the Office of the Commissioner of Higher Education (CHE). The MSL narrative was taken directly from the agency IT fund and contained heavy narrative and a large amount of detail. The CHE report contained fewer details, more bullet points, a slightly heavier narrative in the area of Special Considerations. Mike Bousliman, Cindy Trimp, Erika Johnson, and Mr. Daugherty commented that their respective agency reports are formatted with bullet points and contain high level information with minimal detail.

Ron Baldwin confirmed that these reports should be limited to one page and contain a minimal amount of information. There will be a link to the agency's IT plan in these reports where more details will be available for legislative review. The narrative should include things that IT supports for that specific agency and be kept as succinct as possible. Mr. Baldwin commented that the CHE report is ideal for that agency but may not be right for all agencies. If an agency would like to express the breadth of IT services, that information should be captured in the form of additional bullet points. Mr. Baldwin will be editing these narratives and, if a significant amount of editing is required, the agency will need to provide further guidance as to the message they want to convey. Mr. Baldwin cautioned that if an agency wished to draw attention to Special Considerations, this section should be moved towards the top of the report.

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Action Item: Mr. Baldwin will review report submissions and send out further instructions concerning revisions needed after October 3, 2016 and select a gold standard template for this report to give other agencies an idea of the approach which should be used.

Action Item: Ms. Schmitz stated that the State Library will resubmit their report to ensure alignment with the formatting details discussed in the September 29, 2016 EITFW meeting.

Action Item: Mr. Schneider will communicate to all the agencies that these reports need to be one page in length.

The workgroup held a discussion about the surveys which will be submitted to Gerry Murphy.
Mr. Daugherty confirmed that these surveys were sent to the deputy director and financial group for each agency. Becky Buska stated that the Judicial Branch (JUD) has submitted their survey and expressed concern that the SITSD pass-through code does not show up on any of the queries.

Mr. Schneider confirmed that there are known discrepancies with pass-through codes. Mr. Murphy is aware of these discrepancies and there is an ongoing effort to quantify these amounts to determine if that can be relegated to the error factor or if it needs to be addressed.
Tricia Greiberis stated that there is a list of codes that are not being pulled. These can be found in the July 28, 2016 EITFW minutes.

Mr. Schneider recommended that the amounts for these codes should be added into the agency surveys to ensure all expenditures are accounted for and provide a more accurate budgeting for FY17.

Action item: Mr. Schneider will take the concerns regarding the survey back to Mr. Murphy and send an update to agencies.

Q: Joe Chapman asked if FTEs should be listed in the Volume 10 Query Report.
A: Mr. Baldwin stated that, in the interest of brevity in this reporting, detailed FTEs should not be listed. Mr. Baldwin stated that listing an agency's Mission Critical systems would be an appropriate answer to the first question of this Query.

Q: Mr. Bousliman inquired about the progress of the Convergence Savings meetings and how an agency might prepare for these.
A: Mr. Schneider stated that these meetings have begun to take place. The information generated in these meetings will be sent to the Office of Budget and Program Planning (OBPP) analyst. In many of these meetings, additional cost savings are being identified through elimination of duplication and rethinking processes. These meetings are a targeted exercise and there is no formula based cutting.

Q: Dan Stanger inquired if other agencies are going through the process with rates to build their budget for the projected spending FY17 budget. Mr. Stanger stated that the Department of Justice (JUD) conducted this process with similar account numbers found in the IT survey and wanted to ensure that this approach is aligned with that of other agencies.
A: Ms. Jones confirmed that this is the approach the Department of Labor and Industry (DLI) is taking for building the FY17 budget. Ms. Schmitz stated that MSL used this same approach, with the exception of rearranging expenditure codes to ensure that expenses are in the appropriate categories for FY18 and FY19.

Mr. Bousliman expressed concern about complications associated with discrepancies between state and agency categorizations of IT expenditures. IT expenses are not relegated to an agencies' IT budget but are spread across business units. Keeping track of these expenditures is problematic for larger agencies.

Mr. Schneider confirmed that the House Bill 10 budget and expenditure will be completely separate. Mr. Schneider also clarified that Volume 9 deals with long-range IT expenditures associated with House Bill 10 and Volume 10 is the IT budget overview.

Q: Mr. Bousliman asked if personal services that contributed to a House Bill 10 project will be folded into Volume 9? With regards to a project that has expenditures in both House Bill 2 and House Bill 10, it will

appear that there is a discrepancy in project expenditures when comparing it to the bill. Is this something where the agency will have the opportunity to explain these differences?
A: Mr. Schneider stated that there will be a table in Volume 10 with an explanation that breaks out where the money was used.

Mr. Baldwin commented that the goal of Volume 10 is to ensure expenditures are not being duplicated. All of these expenditures will be reported in the dashboard that goes to the Legislative Finance Committee (LFC). Agencies will have the opportunity to explain to the committee about projects with funding housed in different places.

Adjourn

Next Meeting

Thursday December 1, 2016
1:00 PM to 2:00 PM
Cogswell Room 151

Adjourn

The meeting was adjourned at 1:54 PM.

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