_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT CONSOLIDATING INFORMATION TECHNOLOGY REPORTS; ESTABLISHING AN INFORMATION TECHNOLOGY ACTIVITIES REPORT; REVISING INFORMATION TECHNOLOGY PLANNING REQUIREMENTS; REVISING INFORMATION TECHNOLOGY REPORTING REQUIREMENTS; AMENDING SECTIONS 2-17-512, 2-17-515, 2-17-521, 2-17-522, 2-17-524, AND 2-17-526, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Information technology activities report.** The department shall prepare a report on information technology activities. The report may include:

(1) information on the state's information technology infrastructure;

(2) an evaluation of performance relating to information technology;

(3) an assessment of progress made toward implementing the state strategic information technology plan;

(4) any update to the state strategic information technology plan;

(5) any adjustments to state agency rates for information technology or any change in appropriations of 5% or greater to each expenditure category;

(6) inventory of information technology resources;

(7) budget updates;

(8) an update on information technology efficiencies and delivered outcomes;

(9) any exception granted and the rationale for granting the exception in accordance with 2-17-515; and

(10) other information as determined by the department or requested by the governor or the legislature.

Section 2. Section 2-17-512, MCA, is amended to read:

"**2-17-512. Powers and duties of department.** (1) The department is responsible for carrying out the planning and program responsibilities for information technology for state government, except the national guard. The department shall:

(a) encourage and foster the use of new and innovative information technology within state government;

(b) promote, coordinate, and approve the procurement or development of shared information technology application software, management systems, and information that provide similar functions for multiple state agencies;

(c) cooperate with the office of economic development to promote economic development initiatives based on information technology;

(d) establish and enforce a state strategic information technology plan as provided for in 2-17-521;

(e) establish and enforce statewide information technology policies, framework, controls, standards, procedures, and guidelines;

(f) review and approve state agency information technology plans provided for in 2-17-523;

(g) coordinate with the office of budget and program planning to evaluate budget requests that include information technology resources. The department shall make recommendations to the office of budget and program planning for the approval or disapproval of information technology budget requests, including an estimate of the useful life of the asset proposed for purchase and whether the amount should be expensed or capitalized, based on state accounting policy established by the department. An unfavorable recommendation must be based on a determination that the request is not provided for in the approved agency information technology plan provided for in 2-17-523.

(h) staff the information technology board provided for in 2-15-1021;

(i) fund the administrative costs of the information technology board provided for in 2-15-1021;

(j) review the use of information technology resources for all state agencies;

(k) review and approve state agency specifications and procurement methods for the acquisition of information technology resources;

(l) review, approve, and sign all state agency contracts and shall review and approve other formal agreements for information technology resources provided by the private sector and other government entities;

(m) broker, operate, and maintain information technology resources for the use of state government, political subdivisions, and other participating entities under terms and conditions established by the department;

(n) operate and maintain a state telecommunications network for the use of state government, political subdivisions, and other participating entities under terms and conditions established by the department;

(o) ensure that the state telecommunications network is properly maintained. The department may establish a centralized maintenance program for the state telecommunications network.

(p) provide access to digital information and services of the state as provided for in 2-17-532;

(q) provide assistance to the legislature, the judiciary, the governor, and state agencies relative to state and interstate information technology matters;

(r) establish rates and other charges for services provided by the department;

(s) accept federal funds granted by congress or by executive order and gifts, grants, and donations for any purpose of this section;

(t) dispose of personal property owned by it in a manner provided by law when, in the judgment of the department, the disposal best promotes the purposes for which the department is established;

(u) implement this part and all other laws for the use of information technology in state government;

(v) provide a ~~biennial~~ report on information technology activities ~~to the state administration and veterans' affairs interim committee and~~ to the legislature as provided in 5-11-210 and [section 1] ~~on the information technology activities of the department~~;

(w) represent the state with public and private entities on matters of information technology; and

(x) provide full oversight authority over all custom-developed code for all state agencies.

(2) If it is in the state's best interest, the department may contract with qualified private organizations, foundations, or individuals to carry out the purposes of this section.

(3) The director of the department shall appoint the chief information officer to assist in carrying out the department's information technology duties."

Section 3. Section 2-17-515, MCA, is amended to read:

"**2-17-515. Granting exceptions to state agencies.** Subject to 2-17-516, the department may grant exceptions to any policy, standard, or other requirement of this part if it is in the best interests of the state of Montana. ~~The department shall inform the governor, the office of budget and program planning, and the legislative finance committee of all exceptions that are granted and of the rationale for granting the exceptions.~~ The department shall maintain written documentation that identifies the terms and conditions of the exception and the rationale for the exception. ~~If an exception is granted, the department shall provide the written documentation in accordance with 5-11-210.~~"

Section 4. Section 2-17-521, MCA, is amended to read:

"**2-17-521. State strategic information technology plan ~~-- biennial report~~.** (1) The department shall prepare a state strategic information technology plan. The department shall seek the advice of the board in the development of the plan.

(2) The plan must:

(a) reflect the policies as set forth in 2-17-505 and 2-17-512 and be in accordance with statewide policies, framework, controls, standards, procedures, and guidelines established by the department;

(b) establish the statewide mission, goals, and objectives for the use of information technology, including goals for electronic access to government records, information, and services; and

(c) establish the strategic direction for how state agencies will develop and use information technology resources to provide state government services.

(3) The department shall update the plan as necessary. The plan and any updates must be distributed as provided in 2-17-522.

~~(4) The department shall prepare a biennial report on information technology based on agency information technology plans and performance reports required under 2-17-524 and other information considered appropriate by the department. The biennial report must include:~~

~~(a) an analysis of the state's information technology infrastructure, including its value, condition, and capacity;~~

~~(b) an evaluation of performance relating to information technology;~~

~~(c) an assessment of progress made toward implementing the state strategic information technology plan;~~

~~(d) an inventory of information technology resources;~~

~~(e) agency budget requests for major projects; and~~

~~(f) other information as determined by the department or requested by the governor or the legislature.~~"

Section 5. Section 2-17-522, MCA, is amended to read:

"**2-17-522. State strategic information technology plan and information technology activities report -- distribution.** (1) The department shall distribute the state strategic information technology plan and the ~~biennial~~ information technology activities report to the governor and to the legislature as provided in 5-11-210 and [section 1].

(2) ~~Updates to the state strategic information technology plan must be provided to the governor by March 1 of each even-numbered year and to the legislative finance committee at its next scheduled meeting after March 1.~~ The department shall prepare a plan establishing the specific content, methodology, and structure of the information technology activities report and shall provide the plan to the legislature as provided in 5-11-210 by September 1 of each odd-numbered year.

(3) By April 1 of each even-numbered year, the updated state strategic information technology plan must be distributed to all state agencies with instructions and schedules for updating and approving agency information technology plans in accordance with 2-17-527."

Section 6. Section 2-17-524, MCA, is amended to read:

"**2-17-524. Agency information technology plans -- form and content -- performance reports.** (1) Each agency's information technology plan must include but is not limited to the following:

(a) a statement of the agency's mission, goals, and objectives for information technology, including a discussion of how the agency uses or plans to use information technology to provide mission-critical services to Montana citizens and businesses;

(b) an explanation of how the agency's mission, goals, and objectives for information technology support and conform to the state strategic information technology plan required in 2-17-521;

(c) a baseline profile of the agency's current information technology resources and capabilities that:

(i) includes sufficient information to fully support state-level review and approval activities; and

(ii) will serve as the basis for subsequent planning and performance measures;

(d) an evaluation of the baseline profile that identifies real or potential deficiencies or obsolescence of the agency's information technology resources and capabilities;

(e) a list of new technology strategies and resources required to meet the objectives of the agency's information technology plan. The investment required for the new projects and resources must be developed using life-cycle cost analysis, including the initial investment, maintenance, and replacement costs, and must fulfill or support an agency's business requirements.

(f) when feasible, estimated schedules and funding required to implement identified projects; and

(g) any other information required by law or requested by the department, the governor, or the legislature.

(2) Each agency's information technology plan must project activities and costs over a 6-year time period, consisting of the biennium during which the plan is written or updated and the 2 subsequent bienniums.

(3) Each agency shall prepare and submit to the department a ~~biennial~~ performance report that evaluates progress toward the objectives articulated in its information technology plan at a cadence determined by the department. The report must include:

(a) an evaluation of the agency's performance relating to information technology;

(b) an assessment of progress made toward implementing the agency information technology plan; and

(c) an inventory of agency information technology resources.

(4) State agencies shall prepare agency information technology plans and ~~biennial~~ performance reports using standards, elements, forms, and formats specified by the department. The department shall coordinate with the agencies in the development of the agency information technology plan provided for in this section."

Section 7. Section 2-17-526, MCA, is amended to read:

"**2-17-526. Information technology project budget summary.** (1) (a) The department, in cooperation with the office of budget and program planning, ~~in cooperation with the department,~~ shall prepare a statewide summary of:

(i) proposed major new information technology strategic objectives contained in the state budget; and

(ii) proposed major information technology purchases or implementation impacting another state agency or branch of government to be funded within the current operating budgets, including replacement of or upgrade to existing systems.

(b) The office of budget and program planning and the department shall jointly determine the criteria for classifying a project as a major information technology project.

(2) The information technology strategic objective summary must include:

(a) a listing by institution, agency, or branch of all proposed major information technology purchases or implementations described in subsection (1). Each proposed purchase or implementation included on the list must include:

(i) a description of what would be accomplished by completing the purchase or implementation;

(ii) a list of the existing information technology applications for all branches of government that may be impacted by the purchase or implementation;

(iii) an estimate, prepared in consultation with the impacted agencies, of the costs and resource impacts on existing information technology applications;

(iv) the estimated cost of the purchase or implementation;

(v) the source for funding the purchase or implementation, including funds within an existing operating budget or a new budget request; and

(vi) the estimated cost of operating information technology resources.

(b) a listing of internal service rates proposed for providing information technology services. Each internal service rate included on the list must include:

(i) a description of the services provided; and

(ii) a breakdown, aggregated by fund type, of requests included in the state budget to support the rate.

(c) any other information as determined by the budget director or the department or as requested by the governor or the legislature.

(3) The information technology project summary must be presented to the legislative fiscal analyst in accordance with 17-7-111(4)."

NEW SECTION. **Section 8. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 2, chapter 17, part 5, and the provisions of Title 2, chapter 17, part 5, apply to [section 1].

NEW SECTION. **Section 9. Effective date.** [This act] is effective on passage and approval.

- END -