

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program	Renewable Resource Grant & Loan Program
State Building Energy Conservation Program	Reclamation & Development Grants Program
Long-Range Information Technology Program	Cultural & Aesthetic Grant Program
Montana Coal Endowment Program	Montana Historic Preservation Grant Program
Montana Coal Regional Water Program	

-----Committee Members-----

House

Representative John Fitzpatrick (Chair)
Representative Scott Rosenzweig
Representative Paul Tuss
Representative Mike Vinton

Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

-----Fiscal Division Staff-----

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LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Program Description

The Long-Range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects in compliance with 17-7-123, MCA. The LRITP consolidates large IT investments in one appropriation bill and defines the creation, replacement, or upgrade to major IT enterprises as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA). The executive recommendation for LRITP projects is contained in HB 10.

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time intensive planning, design, and management efforts, and by designating the projects as “capital projects”, the appropriation continues until completion of the project, as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is intended to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having all the major projects in one piece of legislation facilitates a broad vision of the state IT program and related investments.

Program Budget Comparison

Figure 10 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 10

Executive Budget Comparison - Long-Range Information Technology Program				
Budget Item	Budget		Change	% Change
	2025 Biennium	2027 Biennium		
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Cost	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%
Total Costs	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%
Capital Project Fund ¹	\$ 147,575,008	\$ 39,702,846	\$ (107,872,162)	\$ (1)
State Special	\$ 11,945,193	\$ 8,447,500	\$ (3,497,693)	\$ (0)
Federal Special	\$ 80,796,205	\$ 6,065,155	\$ (74,731,050)	\$ (1)
Total Funds	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%

¹The capital project fund consists of transfers from the general fund

Executive Proposal

As seen in Figure 10, the executive proposes \$54.2 million in appropriations for the 2027 biennium in the LRITP. The proposal will be presented in HB 10 and is a 77.4% decrease from the 2025 biennium. The proposal includes a transfer of \$39.7 million from the general fund to the LRITP fund to support major IT projects. Full detail of the projects included in the executive budget will be available during the legislative hearings for Section F.

Project Highlights

Funding

HB 10 will look different in the 2027 biennium as the appropriation is made as a total amount for all projects falling under a state agency instead of separate appropriations by project. The intent is to allow the Department

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of Administration and each individual agency to better evaluate bids for the projects without preset project amounts influencing the bids.

Unlike other Long-Range Planning programs, the LRITP does not have a dedicated source of funding for major IT projects. Instead, state agencies support their project costs through agency-administered state and federal special revenue funds. For agencies primarily supported by general fund, transfers are made from the general fund to the LRITP capital projects fund in support of the agency requests. The transfer of funds will be included in HB 10.

HB 10 also has a new requirement for any business application systems funded in the bill to have a plan approved by the Chief Information Officer for the system design, implementation and security of the data associated with the system to safeguard against unauthorized access to or disclose sensitive information and comply with state records retention policies. The project funds will not be released until the Chief Information Officer and the Budget Director approve the plans.

Operating and Maintenance costs associated with the HB10 projects are found in Volume 9.

Figure 11 below shows the HB 10 appropriation by state agency, along with the list of projects funded under each agency. Figure 11 is also included in the appendix in a bigger size.

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COMMENT

While estimated future annual operations and maintenance costs (O&M) is identified in the chart above, the funds for this are not included in the Executive budget proposal for the 2027 biennium. Once these projects are completed they will be put in use by the agency and require ongoing maintenance and support funding. The legislature may want to consider the following options: 1) Appropriate funds for the future O&M of these systems within HB 10, ensuring the budget for this cost is included in the agency base budget but prohibiting expenditure (requiring annual reversion) until the project is closed out and the application put into use. 2) Do nothing and leave for future legislatures to consider.

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Figure 11

Long-Range Information Technology Program (LRITP) HB 10 - 2027 Biennium					
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total	Annual O&M
DOA Department of Administration (11 projects)	\$22,653,700			\$ 22,653,700	\$5,554,749
1 Enterprise Financial Warehouse					
2 Enterprise Data Catalog					
3 Recruiting and Onboarding Modernization					
4 eMACS/Jaegger Replacement					
5 Cybersecurity Enhancements					
6 eGov Modernization					
7 Infrastructure Upgrades & Expansion					
8 Web Site Improvements (my.mt.gov & Prosperity Portal)					
9 AI & Legacy System Modernization (Technical Debt Relief Fund)					
10 Contact Center Technology Replacement					
11 508 Compliance (Web Content Accessibility Rule)					
DOC Department of Corrections (3 projects)	\$3,111,000			\$ 3,111,000	\$1,911,000
1 Comprehensive Safety and Surveillance					
2 Improvements					
3 MCE/Warehouse/Maintenance Enterprise Operations System					
OCHE Commissioner of Higher Ed (1 project)	\$5,018,360			\$ 5,018,360	\$2,091,946
1 CyberMontana (Security Operations Center, Workforce Training Programs, Cyber Policy Clinic)					
2 Security Information & Event Management (SEIM)					
3 Enterprise Resource Planning					
4 System Replacement (Miles Community College & Dawson Community College)					
MTHS Historical Society (1 project)		\$ 947,500		\$ 947,500	\$227,500
1 Museum System Operations & Management					
JUD Judicial (1 project)	\$1,500,000			\$ 1,500,000	\$30,000
1 Courts Electronic Filing System Architecture & Cybersecurity Refresh					
DNRC Department of Natural Resources and Conservation (3 projects)	\$4,965,000			\$ 4,965,000	\$400,000
1 Water Rights Information System Rewrite					
2 GIS Migration					
3 Licensing & Permitting System Replacement					
OPD Office of Public Defender (1 project)	\$124,135			\$ 124,135	\$ -
1 Statewide Courthouse Wi-Fi					
DPHHS Department of Public Health and Human Services (7 projects)	\$1,830,651		\$ 6,065,155	\$ 7,895,806	\$1,942,605
1 Comprehensive Child Welfare Information System Independent Verification & Validation Services					
2 State Directory of New Hires					
3 Montana Child Support Enforcement Automated System Replacement Independent Verification & Validation Services					
4 Secure Data Connections for Montana Benefit Programs					
5 Public Benefits System Efficiency Modernization					
6 Improving Timeliness of Public Benefit Recipient Notification					
7 Senior and Long-Term Care Legacy System Replacement					
DOR Revenue (1 project)	\$500,000			\$ 500,000	\$300,000
1 GenTax to AWS Hosted Environment					
MDT Transportation (2 projects)		\$ 7,500,000		\$ 7,500,000	\$1,500,000
1 Advanced Transportation Management System					
2 Motor Fuels System					
Total - LRITP Proposed Appropriations	\$ 39,702,846	\$ 8,447,500	\$ 6,065,155	\$ 54,215,501	\$ 13,957,800