MINUTES

MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION

JOINT APPROP SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN LILA TAYLOR**, on January 8, 1999 at 8:00 A.M., in Room 402 Capitol.

ROLL CALL

Members Present:
    Rep. Lila Taylor, Chairman (R)
    Sen. Mike Taylor, Vice Chairman (R)
    Sen. Eve Franklin (D)
    Rep. Joe Quilici (D)
    Sen. Ken Mesaros (R)
    Rep. Ray Peck (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lynn Daily, Committee Secretary
                    Jim Turner, Legislative Branch

Please Note: These are summary minutes. Testimony and
                    discussion are paraphrased and condensed.

Committee Business Summary:

Testimony for the Department of Administration Budget (Continued):

Tony Herbert, ISD Administrator, continues his talk on the Information Services Division budget.

EXHIBIT**(jgh05a01)** : See Exhibit 3 from 1/7/99 (Budget Presentation 2001 Biennium Information Services Division

*See Attachments
Bold Directly from Exhibit

Part IV

Mid-Tier computers- middle class of computer

Oracle (Page 23)- state standard for computers

Enterprise Mid-Tier Support Expansion (page 24)
     may expand up to these levels as needed

Questions from Committee Members and Responses:
SEN. TAYLOR asks if they manage the Department of Corrections computers. **Tony Herbert** says that the Department of Corrections plans to stay with their own system but the network will have the capacity.

SEN. TAYLOR asks about the rate for the mid-tier computers. **Mr. Herbert** says that they don't have a set rate it is based on the agencies needs. **SEN. TAYLOR** then asks about the longevity of the mid-tiers and the cost. **Mr. Herbert** says they last 3-5 years and the cost varies between $50,000 and $500,000 depending on what they are trying to accomplish. These computers have no recoverable value. **Mary Beth Linder** says that the depreciation cost is figured in to the rate they charge the agencies.

EXHIBIT 1 *Attachments*
     Notes from Meeting

Original form taken from exhibit in bold

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30.5}

PART IV

Mid Tier computer- middle class of computers

Oracle
     - state standard for computers

Enterprise Mid-Tier Support Expansion (Page 24)
     may expand up to these levels as needed

Functional Analysis Systems Support Bureau (Page 26)
     three main breakdowns
     group that wrote the user support and PPP programs
     Systems Development Support
          - support major products that are in the background

- Oracle

Systems Support Services SY98-99 Projects/Accomplished (Page 28)
helped guide the state to use Microsoft Products, now
Montana is a Microsoft State

Systems Support Services SY98-99 Projects/Accomplished (Page 28)
**Implemented new enterprise e-mail system (Microsoft
Exchange)**
- about 4,000 computers are currently converted and
will be complete in July 1999

Systems Support Bureau
maintain the state's web page
- Picture changes once a week

Central Administration and Funding of Desktop Software (Page 30)
**Lower License Pricing
($136.80/user)**
- includes Power Point, Word, Excel, and Exchange

Voice Operations (Page 34)
Around 40 people

EXHIBIT**(jgh05a02):** Map
National Guard Distance Learning Network (Page 37)
- New development
{Tape : 2; Side : A; Approx. Time Counter : 0 - 30.6}

Telephone Management System (Page 40)
built with proposed rates

Data Network Operations (Page 41)
Capitol Complex Fiber Backbone Support
- fiber optics between the buildings

Data Network & Desktop Services (Page 44)
costs more to manage a terminal in Libby than it does in
Helena, the costs are averaged out and the rates are
the same through out the state

Data Network Growth (Page 46)
want to add 100 new sites, so the state needs to lease new
lines

Inter-Governmental IT Coordination Services (Page 54)
Technology Services

SummitNet, with E-mail
          10 communities connected
LAN support
          Local Area Network support

Inter-Governmental IT Coordination Services (Page 55)
     proposing a seven member team
          - would start at two and slowly expand to seven

Montana Cadastral Project (page 56)
     - parcel records in computerized manor

{Tape : 2; Side : A; Approx. Time Counter : 0 - 30.6}

Part V
Revenues and Expenses by Service FY00-01 (Page 3)
     - looking at breaking even
EXHIBIT(jgh05a03)
Questions From Committee Members and Responses

SEN. TAYLOR, asks if this computer system will manage the
Department of Corrections Computers. **Tony Herbert,** says no they
plan to stay with their own computer system, however, this new
system will have the capacity to manage their system. It will
need an air conditioned environment.

SEN TAYLOR, asks what rate is charged for mid-tier computers.
Tony Herbert, says that they don't have a rate for mid-tier
computers, it is based on agencies needs. **SEN. TAYLOR,** asks what
is the longevity of this equipment. **Mr. Herbert,** says that it is
three to five years. **SEN. TAYLOR,** asks about the cost of each
mid-tier computer. **Mr. Herbert,** says that the cost is between
$50,000 and $500,000, it varies on what your trying to
accomplish. There is not recoverable value for these. When they
become obsolete, they are no longer useful. **Mary Beth Linder,**
Budget Office, states that the depreciation costs are figured
into the rate charged by the agency. **SEN. TAYLOR,** makes a
suggestion that maybe we should replace these computers every 4
years.

Mary Beth Linder states that they are proposing to build into the
rate the cost of basic software that most people use. **SEN.**
MESAROS asks why they are replacing something just installed six
months ago. **Tony Herbert** states that the with the new software
package when there is an upgrade to the package, the state will
only be charged an upgrade fee and not for a whole new license.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 30.5}

SEN. MESAROS asks how the advisory committee for the National Guard will be chosen and defined. **Tony Herbert** says that the committee will be appointed by the governors office.

SEN. TAYLOR asks how the system is cabled throughout the state. **Tony Herbert** says that it is run through the state by fiber optics. **SEN. TAYLOR** asks whether the cable can be spilt. **Tony Herbert** says yes.

SEN. TAYLOR asks why the state is going to do the Cadastral unit and not private enterprise. **Mr. Herbert** says that it is the state's responsibility to provide the standard. **SEN. TAYLOR** then asks if there is a fee to use this service. **Mr. Herbert** says no but some states do. They are trying to do this by blending state money. **SEN. TAYLOR** asks if some counties are doing this service themselves. **Mr. Herbert** says yes and some do have a pretty good systems but some counties will never do this on their own.

REP. PECK says that this is a fairly expensive project and asks if the smaller counties have budgets for this. **Mr. Herbert** says some get grants. **Stue Kirkpatrick** says the average parcel cost is $8 per parcel for vendors os this became necessary to develop fast software for about $ 1 per parcel. A parcel is ownership.
{Tape : 2; Side : B; Approx. Time Counter : 0 - 30.8}

REP. PECK asks is the proposal on page 72 a backup if the Johnson bill is not successful. **Mr. Herbert** says this if the Johnson bill is not introduced, this would not be needed.

CHAIRMAN TAYLOR asks how much input they are getting from the county commissioners about costs. **Mr. Herbert** says a good deal of county and local governments need more time. Local Government has asked for a meeting.

REP. QUILICI asks if they built in a specific inflation rate. **Mary Beth Linder** says there are 6 global rates that show percentage and dollar amounts.
{Tape : 3; Side : A; Approx. Time Counter : 0 - 30.6}

Mr. Herbert continues his talk about Exhibit 3.
EXHIBIT(jgh05a04)
{Tape : 3; Side : B; Approx. Time Counter : 0 - 16}

ADJOURNMENT

Adjournment: 11:43 A.M.

_____
REP. LILA TAYLOR, Chairman

_____
LYNN DAILY, Secretary

LT/LD

EXHIBIT(jgh05aad)