

DEPARTMENT OF INFORMATION SYSTEMS

Enabling Laws

Act 794 of 2007
A.C.A. §25-4-101 et seq.

History and Organization

The Department of Computer Services, or DCS, was created in 1977 by Act 884 (Arkansas Code Annotated, Section 25, Chapter 4), as a cabinet-level department reporting to the Governor. Its' purpose was to provide to state government a central data processing service, a statewide telephone network, and technical guidance and planning for the acquisition of related hardware, software, and training. During the 1997 session, the 81st General Assembly amended certain sections of the Arkansas Code to reestablish the Department of Computer Services as the Department of Information Systems, or DIS, and expanded the department responsibilities. Act 914 of 1997 charged DIS with various duties including but not limited to:

- 1) Providing information technology services to state agencies and other governmental entities;
- 2) Entering into contracts with state agencies and other governmental entities for the purpose of providing information technology services;
- 3) Establishing fair and reasonable schedules of rates or fees to be paid by state agencies and governmental entities provided service to enable the Department to defray the cost of delivering information technology services;
- 4) Establishing rates and fees for services provided by the Department to assure the Department is self-supporting. A billing rate plan shall be developed for a two-year period to coincide with the budgeting process. The same rate structure will apply to all agencies and entities receiving services;
- 5) Acquiring information technology on behalf of state agencies, the cost of which shall be recovered through customer billings at established rates;
- 6) Promulgating rules and regulations that are necessary for efficient administration and enforcement of the powers, functions, and duties of the Department.

Act 1401 of 2005 added - Compliance with State and Federal Regulations as follows: In order to effect compliance with the requirements of Federal OMB Circular A-87, the Director shall adjust billing rates or issue billing adjustments to be federally compliant, notwithstanding the provisions of ACA §25-4-105 and ACA §25-4-119 or funds sufficient to effect compliance shall be provided the Department from General Revenues, Special Revenues or such other fund sources as may become available. Act 751 of 2007 dissolved the Office of the Executive Chief Information Officer and named the Director of the Department of Information Systems the Chief Technology Officer. The Act also transferred the daily operations, duties, and responsibilities of the Arkansas Geographic Information Office and the Security and Compliance Monitoring Office that resided within the organization to the Department of Information Systems.

The Department of Information Systems has adopted a vision statement and mission statement along with values, decision drivers and goals that are the focus of the Department's statewide service efforts.

Our Vision - Customer satisfaction every time

Our Mission - Provide technology leadership and solutions to assist our customers in their delivery of public services.

Values - Integrity, Customer Focus, Teamwork, Communication, Innovation, Credibility, Continuous Improvement.

Decision Drivers - People - Cost - Reliability - Security

Goals - Operational Excellence, Financial Excellence, Technology Leadership.

DIS is organized to accomplish its mission through 8 primary teams:

- 1) The Director's Office
- 2) Chief Operations Office
- 3) Arkansas Geographic Information Office
- 4) Customer Relationship Management Office
- 5) Arkansas Wireless Information Network Program Office
- 6) Project and Enterprise Program Management Office
- 7) Chief Financial Office
- 8) State Security Office

The Director's Office is the Administrative Division of DIS. It includes the Deputy Director, Enterprise Program Manager, General Counsel and support staff. This Division provides overall guidance for the Agency and works directly with the Executive Leadership Team and the legislature. The Human Resource Division (HR) also resides under the leadership of this office. HR plans and implements human resource policies in accordance with DIS guidelines, DFA-Office of Personnel Management, and Federal Employment Labor Laws. This Division administers payroll, job classification / compensation, employment/recruiting, training, employee benefits enrollment, and general personnel policies.

The Chief Operations Office includes the following Sections:

Enterprise Systems Management (ESM) Division is responsible for designing, implementing, and maintaining solutions to meet customers' hosting requirements on Mainframe, UNIX, and Windows server platforms, as well as end user support and database administration. The Exchange E-mail Hosting section hosts approximately 18,000 Microsoft Exchange e-mail accounts. DIS security efforts result in the rejection and/or quarantine of an estimated 710,000 spam e-mails daily and provide twenty-four hours a day, seven days a week monitoring, system support and on-call phone support to ensure maximum reliability for our customers. Systems hosting has more than 100 state-wide applications, such as the drivers' license system, state tax systems, state-wide accounting, criminal justice, welfare eligibility, child protection, and numerous other public service applications. The applications are hosted on a vast array of Mainframe, UNIX, Linux and Windows operating systems and are maintained in the DIS Data Center. The Database Administration in ESM provides services to many applications hosted by DIS. The services include installation, maintenance, operations, monitoring, tuning, and backup/recovery of the many database management systems in use by the State of Arkansas' applications. Disk Storage in ESM manages more than 25 Terabytes of Enterprise Disk Storage for the systems hosted at DIS. This service provides robust, flexible, highly available, and cost effective disk storage to support continuous operations for the state's critical workloads.

Enterprise Network Services provides and manages the State voice, data, video, and wireless networks, including Internet access and state-wide network connectivity to state agencies, boards, commissions constitutional offices, K-12 education, and higher education institutions. The division also assists customers in accomplishing their technology goals through network engineering, provisioning, and operations. The Enterprise Network Services Division manages 1,940 network edge devices or routers, utilizing more than 2,700 circuits. Internet bandwidth capacity provided at the DIS Data Center has grown from 45 Mbps (millions of bits per second) in 1997 to 1,335 Mbps distributed over three Points of Presence. The State data network has doubled approximately every 18 months over the past 12 years. The data network also provides 10 internet content filtering servers which block about 8,000 sites per second. The Enterprise Network Services group provides operational support twenty-four hours a day, three hundred sixty five days a year to ensure uninterrupted services to state agencies, and the citizens of Arkansas. The Division also provides solutions that comply and support the business and program priorities for state government. It establishes open and common frameworks and processes to enable statewide information sharing and interoperability of services.

Enterprise Services provides Application Management, Data Warehouse, and document imaging services to customers. Application Management supports the state drivers' license system, interfacing with the Department of Finance and Administration (DFA), Arkansas State Police (ASP), Arkansas Crime Information Center (ACIC), the Office of Child Support Enforcement, and the Administrative Office of the Courts. The division manages applications in support of individual, corporate, withholding, and sales tax systems. Other applications supported by the division include the Arkansas Public Employees Retirement System (APERS), the Arkansas State Police License Administration System, which tracks 26 licenses and registration such as concealed handgun, fireworks, private business, and commissioned security officer, and the Arkansas Public Licensure System for the Arkansas Department of Education (ADE). The Division also supports the DIS Customer Notification System (CNS) which provides information to customers. The applications group implemented the Wage Reporting System (WRS)/Employer Registration System (ERS) application for the Department of Workforce Services (DWS) in FY2007. More than 1,300 employers used the ERS application to register their company with DWS, and an average of 2,000 employers use the WRS application to upload employee wages to DWS and make unemployment insurance payments on-line. The Data Warehouse Section provides archiving and analysis of historical data, which supplies valuable information to business decision makers. Primary customers are the Department of Finance and Administration (DFA), Department of Human Services (DHS) and the Department of Workforce Services (DWS). The division also develops and manages systems that provide for capture, storage, security, revision control, retrieval, and presentation of electronic documents.

Enterprise Operations Division provides DIS customers a high-reliability Operations Center, customer service desk, and customer field support services. They are responsible for a 12,800sq. ft. secure, environmentally controlled, raised floor environment that houses critical technology assets, such as an AWIN Smart Zone controller, mainframe and server computers, centralized disk storage, network routing equipment, security monitoring data back-up tape systems, AC power protection, gas fire suppression system, under-floor and ceiling water leak detection, emergency generator, off-site vaulted tape backup storage, and disaster cold site capability. The Operations Center performs more than 2,000 mainframe and server-based data processing jobs per day. The division also operates and monitors AWIN, the state's first responder system, state network and computer systems 24 hours a day, every day of the year. The division is responsible for the print production which averages 1.5 million pages per month. The Customer Service Desk (Call Center) is staffed by nine agents who receive and work 115,000 state, city, and local government customer trouble calls and e-mails. The agents create and manage 67,000 service tickets per year using the Help Desk Expert Automation Tool (HEAT) specialized tracking software and resolve 36,000 tickets per year without referral to technical services. The call center also houses the

State Operators who assist Arkansas citizens with 48,000 telephone number inquiries each year. The Field Support Team provides desktop, server, and local area network support for K-12 education, as well as other DIS customers as needed. Nine remote and five central office technicians serve 263 Arkansas Public School Computer Network (APSCN) customers. Technical training workshops for school technology coordinators are offered at local educational cooperatives and Little Rock. DIS also provides precinct-level support to county election officials as coordinated through the Secretary of State's Office. The Field Support group plays a key role in DIS disaster response technical support. Examples include the February 5th tornado with technical support responses in Atkins, Clinton, Mountain View and Gassville.

The Arkansas Geographic Information Office (AGIO) was created to educate the public and to provide information regarding land and mapping data resources to various entities throughout the state. The AGIO coordinates state and federal geospatial data projects across Arkansas. The office works in conjunction with the Arkansas State Land Information Board (ASLIB). The passage of ACT 751 of 2007 moved the AGIO under the Arkansas Department of Information Systems. The Office operates GeoStor, the state's geographic information systems clearinghouse, where the state's Geographic Information System (GIS) data is published for use. The Office works closely with County Assessors in support of the County Assessor Mapping Program, County Judges and E9-1-1 Coordinators in support of the Arkansas Centerline File Program and with County Floodplain Managers in support of FEMA's Flood map Modernization Program. The Office is also responsible for maintaining the Arkansas Digital Orthophotography Program that procures aerial imagery of the state.

Customer Relationship Management Office provides customer service representatives, who serve as a liaison between DIS and assigned customer base. The account representatives evaluate the technology needs of our customers and present solutions. They also coordinate with internal departments to present solutions and complete projects, provide product demonstrations and presentations, and promote DIS products and services to ensure buying power for the state. The team also coordinates technology upgrades and conversions for state agencies, boards, and commissions.

This area also includes the following;

Billing Section - DIS operates as an Internal Service Fund providing telecommunications and data processing services to state agencies and other approved governmental entities on a fee-for-service basis. As prescribed in both State and Federal laws and guidelines, DIS is required to operate at or near zero profit. DIS recovers all expended cost by billing clients for service usage.

Vendor Invoice Reconciliation allows DIS to manage our expensed dollars versus dollars billed. This group tracks invoice details to authorized contract rate elements in order to validate service rendered.

Communications Section provides leadership in the Agency's efforts in planning and conducting internal and external communications. The team utilizes printed and electronic correspondence and newsletters, as well as audio and video presentations. The team is also responsible for communications efforts for programs such as the Arkansas Wireless Information Network (AWIN), state video network (VNET) and the state's participation in the E-Rate program. The division is directly responsible for the agency in communication with the administration, legislators, customers, taxpayers, media and other key stakeholders.

The Contract Section is responsible for processing all contract related documentation and managing all contract processes. This includes RFP, IFB, RFQ awards and renewals, as well as maintenance contracts, leases, or inter-agency agreements. The Contract Section reviews all vendor contracts for compliance

with Arkansas Law and works with the Office of State Procurement, vendors, and internal stakeholders to assure a valid contract agreement is in place at all times.

Project & Enterprise Program Management Office (PEPMO) provides project management services for internal and external projects, as well as for multi-agency and state-wide projects and programs. PEPMO services are the management of project schedules, progress reports, life-cycle development, risk and resource management, cost and budget control, and change management. DIS project managers utilize a consistent approach based on internationally accepted methods, techniques, and best practices defined by the Project Management Institute.

In addition to project and program management, PEPMO includes:

Quality Management who is responsible for the agency quality program, which is built around the Malcolm Baldrige National Quality Award criteria and has Arkansas Institute of Performance Excellence (AIPE) examiners on staff. Quality efforts also include the Customer Feedback System. DIS has twice earned the AIPE Commitment Award (2003, 2004) and twice earned the AIPE Achievement Award (2005, 2006).

Strategic Funding - E-RATE Program - This program provides discounts to assist schools and libraries obtain affordable telecommunications and internet access. It is one of the support programs funded through the Universal Service fee which is charged to companies that provide interstate telecommunications services. Through these efforts, state entities have received several million dollars through the participation in this program. The team also assists state efforts in the Rural Health Care Program.

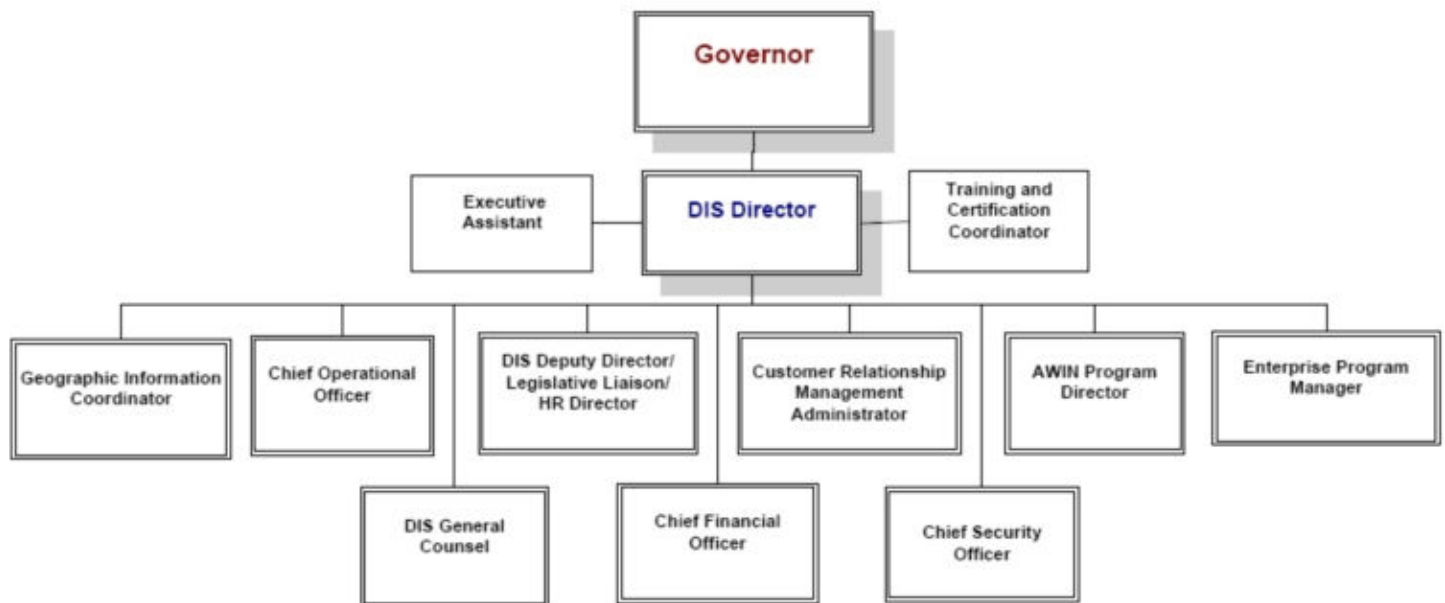
Arkansas Wireless Information Network Program Office (AWIN) provides a statewide trunk-based interoperable communications system to support the public safety/service users in Arkansas on a daily basis as well as in times of emergencies that are multi-jurisdictional or multi-disciplinary. The primary focus is to provide cost efficient/well maintained data, voice, wireless, and video services to our customers including technical stability, application of converged technology, timely response to customer's needs and in general creating customer satisfaction. AWIN currently serves more than 13,000 public safety personnel across the state. More than 100 tower sites provide a state-wide network that allows users in any part of the state to communicate in time of emergencies. The AWIN team provides system management, including engineering support for system monitoring, engineering design and analysis for new projects, and 24 hours a day, 365 days a year system support, monitoring, and on-call phone support. Support of the system includes monitoring of the digital trunked system, monitoring and control of the microwave backbone, monitoring site environmental alarms, monitoring sites and channels, and the monitoring of radios and talk groups. The team also provides coordination with the Association of Public Safety Communications Officials (APCO) to ensure proper frequency licensing.

The Chief Financial Office is responsible for the Fiscal Administration Division who plans, develops, implements policy, and provides for the overall management of DIS budgeting, funds management, financial activities, cost recovery, and special projects. These are the daily operational programs that enable the Department to run effectively and efficiently. The Financial Operations group provides accounts payable and receivable activities; Information Technology Asset Management (ITAM) group tracks the Department's assets.

The State Security Office offers security solutions to ensure the protection of the state network and assist DIS employees, customers, and state and local agencies in developing business and disaster

recovery plans. The state Security team monitors, protects, and performs vulnerability assessments for DIS hosted services by providing security monitoring of the state-wide network, including the operation and maintenance of 900 firewalls on the network. These efforts result in the denial of 10 million malicious attempts through the network firewalls daily. The network Monitoring, Analysis, and Reporting System (MARS) deployed into production in 2006, sends approximately 1,500 alerts of possible threats on the network daily.

The Continuity of Operations Team of professionals is also a part of the Security Office. Primary functions include planning and coordination of the development, implementation, testing, and maintenance of Continuity of Operations plans, Pandemic Flu plans and preparation for any major interruption of DIS services and operations. The Continuity of Operations plans include dedicated staff, bi-annual testing and maintenance of systems and processes which include an off-site recovery facility. This division also provides training and tools to agencies and counties to develop continuity plans.



Agency Commentary

The Department of Information Systems (DIS) continues to pursue its leadership role in bringing Arkansas agencies and institutions of state government forward in the use of technology. DIS provides technical planning, design, services, and support for information technology and telecommunications services to the public sector of Arkansas in a reliable cost-effective manner. Every day Arkansas state agencies are becoming more involved in using electronic tools to conduct business and deliver service and information to citizens. Public expectations and business necessity are driving this trend. An electronic enterprise environment will meet that need by improving public access to government information and democratic processes as well as help government become more efficient, effective, and responsible to the public through the use of information technology. Technology is our most valuable tool in eliminating the effects of distance, time and geography in the delivery of government services.

The challenges presented during the 2009 - 2011 Biennium in all these areas must be met if the State of Arkansas and state government are to stay in tune with emerging technologies, which will aid agencies and institutions in delivering the services demanded by their customers, the citizens of Arkansas.

DIS receives 2% of its funding from State General Revenue. The remaining 98% is funded from Non-Revenue Receipts. Non-Revenue Receipts are comprised of moneys received from our customers in payment for services provided. Consequently, DIS must stay attuned to the ever-changing needs of the agencies and institutions we serve and be able to respond to their needs.

2009 - 2011 Biennium Requests

I Appropriation Only Request:

- A. Retention of the Unanticipated Services Appropriation
- B. Retention of Capital outlay in the DIS Operating Line Item
- C. Internal Reallocation of Resources - Capital Outlay
- D. Telecommunication Technology Delivery Services Appropriation Increase
- E. Retention of GeoStor & Framework Appropriation
- F. Retention of Flood Map Appropriation

II Request for State General Revenue & Appropriation:

- G. Arkansas Geographic Information Office - Increase in Operating Funds & Appropriation
- H. Retention of the Arkansas Geographic Information Office Capital Outlay
- I. Retention of Security & Compliance Monitoring
- J. Innovation & Product Development - Funding and Appropriation

I Appropriation Only Request:

A. Retention of the Unanticipated Services - Appropriation Only

This request provides retention of the unanticipated services appropriation from the previous biennial budget. This contingency level was set at \$20,000,000. It allows for operating expenses incurred in the provision of unanticipated services to state agencies, unusual growth in application and/or due to uncontrollable increases in payments to public utilities necessary for the continual provision of services to our customers. Approval of this appropriation will allow DIS to continue to save money for agencies and ultimately the people of Arkansas. DIS is in a unique position to bring together and aggregate procurements and service demands from all agencies and institutions. The significant economies of scale and the ability to have more than one organization served by a single resource is a very cost effective way to implement technology services. Additionally, this aggregation and economy of scale provides the substantial benefit that organizations can have access to technologies, such as distance learning, that would otherwise have been out of their reach. This helps equalize the

services available in areas and at times where it would not otherwise be cost-effective to provide them. Unanticipated project needs from our customers make this request necessary. We are asking that this appropriation be reinstated at \$20,000,000 each year of the biennium. This request is for appropriation only.

B. Retention for Capital Outlay - Operating Budget:

The capital outlay requested for the Department of Information Systems is \$3,500,000 in appropriation only for each year of the biennium. The \$3,500,000 will allow DIS to continue purchasing, updating, and enhancing services to our state agency customers. Items such as routers, computers, servers, security hardware, software, and other equipment that fall into the capital outlay line item. The prior biennium operating budget line item for Capital Outlay was set at \$3,500,000. We are requesting retention of this amount in appropriation only.

C. Internal Reallocation of Resource - Capital Outlay Appropriation Only:

The Department is requesting a shift of \$1,000,000 of appropriation from the Operation Expense line item of the DIS base level budget to the Capital Outlay line item. Since DIS is the information technology arm of Arkansas State Government, the agency needs to ensure that we have sufficient capital outlay to obtain required computer hardware and software to accommodate partner agency requirements. This internal reallocation of resource will give DIS the authority it needs to supply customer demand and bring the total capital outlay line item to \$4,500,000.

D. Telecommunication Technology Delivery Services Appropriation Increase:

The Telecommunication Technology increase requested for DIS is \$22,500,000. DIS purchases communications technology goods and services, for example, long distance telecommunications services and internet access services, from the private sector and provides them to government agencies at cost plus operating overhead. To do this DIS must have appropriation authority in the amount needed to purchase these goods and services on behalf of our state customers. Annually, DIS requests additional appropriation through the Unanticipated Services Contingency portion of our legislation to meet normal operating obligations to our customers based on our customers' growth in telecommunications usage. In fiscal year 2008, DIS requested and received approval of \$6,500,000 for the Enterprise Network Division to meet vendor billings and customer growth. An increase of \$6,500,000 for FY2010 and FY2011 to the current base level will bring this service appropriation to the necessary level. This is an appropriation only request and will be funded through Non-Revenue Receipts. Due to a change in accounting procedures, DIS also requests appropriation of \$16,000,000 for E-Rate disbursements to participating customers. In prior years, the agency gave customer credits equal to funds received on their behalf. In the future, the agency is required to distribute funds received for E-Rate customers through warrants issuance.

E. Retention of GeoStor & Framework Appropriation:

AGIO seeks to restore the appropriation for GeoStor and framework at base level in the amount of \$250,000 for FY2010 and FY2011. GeoStor is the State's GIS data clearinghouse and supports a number of geospatial services that benefit economic development, education, natural resource, emergency response and state revenue. Without updated map information, GeoStor becomes stale. For maximum benefit, the data served by the GeoStor must be fresh, maintained, and updated. New framework data must be created. Framework geospatial data layers are commonly needed data

themes developed maintained and integrated by public and private organizations. Restoring this appropriation will enable maintenance and update of these critical geospatial map layers that support economic development, education, natural resource, emergency response and state revenue.

F. Retention of Federal Flood Map Appropriation:

AGIO is also requesting the base level appropriation of \$116,500 plus \$6,000 in capital outlay be restored for the Flood Map Program, which is federally funded through the Arkansas Natural Resource Commission. The AGIO provides services in support of the Federal Emergency Management Agency (FEMA) Map Modernization Management. These services include geographic information system (GIS) consulting, outreach efforts, support and coordination for statewide GIS data development and coordination in support of FEMA Flood Map Modernization Program. Total request is restoration of \$122,500 in appropriation to be funded through federal funds.

II Request for State General Revenue & Appropriation:

G. Arkansas Geographic Information Office-Increase in Operating Funds & Appropriation:

The Arkansas Geographic Information Office (AGIO), also organized under DIS, was created to educate the public and to provide information regarding land and mapping data resources to various entities throughout the state. The AGIO coordinates state and federal geospatial data projects across Arkansas. The Division is requesting an increase of \$1,502,350 in appropriation and funding for FY2010 and the same amount for FY2011.

Following an Executive Directive to reduce agency budgets by 5% in 2005, the former State Executive Chief Information Officer reduced the AGIO's operating budget from \$78,810 to \$21,491. The reduction was not restored and AGIO operating expenses were subsidized by the Office of Information Technology (OIT). Act 751 of 2007 dissolved the OIT and transferred the AGIO to the Department of Information Systems. During this transfer the AGIO operating budget was not increased to offset expenses previously paid by OIT. As a result, a number of change requests for operating expenses are included to enable the AGIO to operate. These increases are necessary in order for DIS to avoid any risk of non-compliance with Federal OMB Circular A-87 and continue to serve AGIO constituents. The inability to pay for daily operating expenses places the AGIO in a very precarious situation of not being able to fulfill the mission and goals of the office and critical to the program's success.

In FY2010 and in FY2011, AGIO is requesting \$36,850 for the category of operating expenses. The following line items increases are requested:

- \$26,000 for rent of facilities - Insufficient funding allotted in prior biennium
- \$3,000 for 02-Mileage - Presently AGIO has on-going coordination activities in all 75 counties and require additional mileage as well as allowing for cost of gas.
- \$300 for Freight - Freight cost is anticipated to increase due to the number of data sharing activities between AGIO and the counties.
- \$250 for postage - To meet increased mailings to clients.
- \$2,300 Telecommunication Wired - Insufficient funding and appropriation allotted.
- \$5,000 Telecommunication Wireless - Given the growth in count GIS coordination, staff are required to attend more meetings outside the office requiring the need to carry cell phones for communications purposes.

The total Change Level Request under commitment item 502:00:02 is \$36,850 in each year of the biennium in appropriation and funding for the AGIO.

In FY2010 and in FY2011, AGIO is requesting \$1,011,500 under the category of Data Processing with the following line item increases:

- \$24,000 for Software Maintenance Agreements/Licenses
- \$987,500 for Data Processing Services CI 12

The software maintenance is needed for Microsoft desktop office products for personnel, Windows server licenses, Visio, Adobe Acrobat, and Adobe DreamWeaver. The Data Processing request is to implement an ongoing program that will continuously update the State's digital aerial photography database. The total Change Level Request in commitment item 509:00:12 is \$1,011,500 for each year of the biennium in appropriation and funding.

In FY2010 and FY2011, the AGIO is requesting \$454,000 under the category of Capital Outlay for equipment expense to replace the GeoStor system hardware. GeoStor is the core of the state's geographic information system. The servers operating GeoStor were procured in 2005 and will no longer be supported by the vendor in 2010. The system processes critical data for the Department of Finance and Administration Streamlined Sales and Use Tax program. This service has the greatest impact to citizens because the service provides the tax source jurisdiction for sellers to collect the proper sales tax. Both the reinstatement of the prior year's capital outlay and the increase requested above will be required to make the appropriate upgrades and replacements to the system. The request is for funding and appropriation.

The AGIO seeks a total increase in state general appropriation and funding of \$1,502,350 for FY2010 and FY2011 to support operations of the divisions programs that currently exist. The current appropriation and funding is not sufficient to maximize efforts in implementing and monitoring expanding programs established by this office.

H. Retention of the AGIO Capital Outlay from the prior Biennium:

The AGIO is requesting \$120,000 in capital outlay from the prior biennium budget allocation be restored to upgrade hardware, software, replace computer and other equipment expenses associated with the operations of the department. The request is for funding and appropriation.

I. Retention of Security & Compliance Monitoring:

The Department of Information Systems is requesting retention of Security & Compliance Monitoring for both years of the biennium, FY2010 - FY2011, to be payable from the Miscellaneous Agencies Fund Account for salary expense of the DIS-Security and Compliance Monitoring Office. FY2010 request is \$369,670 for four (4) positions and \$376,399 for FY2011.

J. Innovation & Product Development:

The Department of Information Systems is requesting \$450,000 for FY2010 and \$450,000 for FY2011 in State General Revenue and Appropriations to create an Innovation & Product Development Division within the agency. As the manager of the State of Arkansas' telecommunications technology infrastructure, the Department of Information Systems (DIS) is always dealing with the allocation of scarce resources to resolve our partner agencies technology needs. The more complete an understanding we have of our customers, the more likely we are to allocate resources to work on problems that are most important to them. Adding Innovation and Development Management at DIS

is a way of selecting products for a technology portfolio - whether at the level of an individual agency or across agencies that will add to the department's process improvements and offer value to customer needs. Instead of relying on unpredictable financial data, or the charisma of the products marketing strategies, DIS will rely on the expertise of engineers to evaluate the ever expanding vendor offerings in technology as well as evaluate DIS products and services. Through the utilization of this area of expertise we expect the innovation to improve the quality of technology solutions delivering value to the public, create new solutions, improve existing solutions, reduce labor costs, improve processes, reduce environmental damage, better utilize equipment and personnel, and reduce energy consumption. Our goal will be to reduce costs through the utilization of a common business strategy, improve collaboration, and have a common look and feel for the public in the delivery of services.

In prior years, DIS received a State General Revenue allotment. We are asking that a funding distribution be reinstated for the use of initiating an Innovation & Product Development area within DIS. Analyzing what we are currently doing and instituting a process to evaluate the effects of new programs and technologies will help the State keep pace with the ever growing need for technology requirements. The request is for \$450,000 for FY2010 and \$450,000 for FY2011 in State General Revenue funding and appropriation.

Position transfer to Department of Finance and Administration

Since July 1, 2003, the Department of Finance and Administration (DFA) has contracted with DIS to oversee the AASIS Support Center (ASC) functions and staff. In conjunction with the implementation of the statewide pay plan study, the Agency is requesting to transfer the Administrator position to DFA. This will allow for more efficient and effective management by DFA.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF INFORMATION SYSTEMS

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
<p>Due to a lack of management oversight and internal controls over equipment, the following deficiencies were noted:</p> <ul style="list-style-type: none"> • Out of thirty (30) items reviewed which were sent to Marketing and Redistribution, three (3) items totaling \$11,184 were never retired from the equipment inventory. • The Agency received approval on May 6, 2005, from the Department of Finance and Administration to retire sixteen (16) equipment items which could not be located. However, two (2) of these items valued at \$1 202 still remain on the equipment inventory. • Two (2) items totaling \$3,489 transferred to the Department of Information Systems from other agencies were recorded in AASIS with no value. • Thirteen (13) items valued at \$17,767 out of a sample of eighty-three (83) items selected for audit observation could not be located by the Agency. 	<p>Perform a complete physical inventory of all equipment items and establish adequate procedures to control all fixed assets.</p>

The ability to properly safeguard and account for these assets is jeopardized as a result of inadequate controls.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 OFFICE OF INFORMATION TECHNOLOGY
 FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	133	74	207	82 %
Black Employees	12	23	35	14 %
Other Racial Minorities	6	3	9	4 %
Total Minorities			44	18 %
Total Employees			251	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Quarterly Report to Joint Committee on Advanced Communications and Information Technology	A.C.A. §25-33-104	Y	Y	40	A.C.A. §25-33-104

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
288 Unanticipated Services	0	0	0	0	20,000,000	0	0	0	20,000,000	0	20,000,000	0	0	0	20,000,000	0	20,000,000	0
2QX Information Systems-Operations	76,531,221	252	78,105,861	254	78,116,601	254	75,371,792	254	101,224,058	253	101,594,328	257	75,662,805	254	101,514,696	253	101,891,695	257
2QY Equipment Acquisition	1,167,075	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0
34U Geographic Information System	628,713	5	704,098	5	696,248	5	599,287	5	2,221,637	5	0	0	608,929	5	2,231,279	5	0	0
34V Flood Map-Federal	53,550	0	122,500	0	122,500	0	116,500	0	122,500	0	0	0	116,500	0	122,500	0	0	0
34W Geostor & Framework	51,028	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
34X Security & Compliance Monitoring	313,549	4	347,050	4	393,440	4	369,670	4	369,670	4	0	0	376,399	4	376,399	4	0	0
54Z Innovation & Product Development	0	0	0	0	0	0	0	0	450,000	0	0	0	0	0	450,000	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
2YV Spyware Monitoring	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	78,745,136	261	83,029,509	263	103,178,789	263	80,207,249	263	128,137,865	262	125,094,328	257	80,514,633	263	128,444,874	262	125,391,695	257

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	24,607,821	25.7	16,997,598	17.7	12,856,737	13.7	12,856,737	9.1	12,819,263	9.3	13,484,945	14.3	13,484,945	9.5	13,077,201	9.4
General Revenue	4000010	942,262	1.0	1,051,148	1.1	968,957	1.0	3,041,307	2.1	0	0.0	985,328	1.0	3,057,678	2.1	0	0.0
Federal Revenue	4000020	53,550	0.1	122,500	0.1	116,500	0.1	122,500	0.1	0	0.0	116,500	0.1	122,500	0.1	0	0.0
Non-Revenue Receipts	4000040	70,134,743	73.3	77,600,000	80.9	79,500,000	84.9	125,352,266	88.5	125,352,266	90.7	79,700,000	84.3	125,551,891	88.1	125,551,891	90.6
Trust Fund	4000050	0	0.0	115,000	0.1	250,000	0.3	250,000	0.2	0	0.0	250,000	0.3	250,000	0.2	0	0.0
Information Tech Reserve	4000295	1,800,000	1.9	3,500,000	3.7	3,500,000	3.7	3,500,000	2.5	3,500,000	2.5	3,500,000	3.7	3,500,000	2.5	3,500,000	2.5
M & R Sales	4000340	4,358	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Info Tech Reserve	4000645	(1,800,000)	(1.9)	(3,500,000)	(3.7)	(3,500,000)	(3.7)	(3,500,000)	(2.5)	(3,500,000)	(2.5)	(3,500,000)	(3.7)	(3,500,000)	(2.5)	(3,500,000)	(2.5)
Total Funds		95,742,734	100.0	95,886,246	100.0	93,692,194	100.0	141,622,810	100.0	138,171,529	100.0	94,536,773	100.0	142,467,014	100.0	138,629,092	100.0
Excess Appropriation/(Funding)		(16,997,598)		(12,856,737)		(13,484,945)		(13,484,945)		(13,077,201)		(14,022,140)		(14,022,140)		(13,237,397)	
Grand Total		78,745,136		83,029,509		80,207,249		128,137,865		125,094,328		80,514,633		128,444,874		125,391,695	

FY09 Budget for appropriation 34U Geographic Information System exceeds authorized due to salary adjustments during the 2007-2009 biennium.

Executive Recommendation provides for transfer of the following appropriations: Geographic Information System, Flood Map-Federal, and Geostor & Framework as a new agency - Office of Geographic Information Services. Variance in fund balance in FY10 is due to transfer of GeoStor & Framework.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
251	236	15	251	0	5.98 %	263	254	9	263	0	3.42 %	263	251	12	263	0	4.56 %

Analysis of Budget Request

Appropriation: 288 - Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

This appropriation was established for the Department of Information Systems for the provision of unanticipated services to state agencies, unusual growth in applications, or uncontrollable increases in payments to public utilities necessary for the continuous provision of services. Special language authorizes an appropriation transfer, upon approval of the Governor and prior review by the Joint Committee on Advanced Communications and Information Technology, to the Agency's main operating appropriation to carry out the objectives of the Agency. This appropriation is funded by the Department of Information Systems Revolving Fund and consists of non-revenue receipts derived from services provided to various agencies of the federal, state, city, and county governments.

The Agency requests continuation of this appropriation at \$20,000,000 each year of the biennium.

Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 288 - Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Unanticipated Services 5130018	0	0	20,000,000	0	20,000,000	20,000,000	0	20,000,000	20,000,000
Total	0	0	20,000,000	0	20,000,000	20,000,000	0	20,000,000	20,000,000
Funding Sources									
Non-Revenue Receipts 4000040	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000
Total Funding	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000

Special language provides for carry forward the balance of appropriation which remains at the close of the fiscal year ending June 30, 2008, may be carried forward and used for operating expenses incurred in the provision of unanticipated services. The amount carried forward was \$0.

Change Level by Appropriation

Appropriation: 288 - Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	20,000,000	0	20,000,000	100.0	20,000,000	0	20,000,000	100.0

Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	20,000,000	0	20,000,000	100.0	20,000,000	0	20,000,000	100.0

Justification

C01	The Department of Informations (DIS) is requesting the continuation of appropriation for supporting operating expenses incurred in the provision of services to state agencies, unusual growth in applications, or due to uncontrollable increases in payments to public utilities necessary to prevent an interruption of service to state agencies. This appropriation will only be requested if necessary to carry out the objectives of the agency. Approval for the release of contingency appropriation will go through the Governor, the Chief Fiscal Officer of the State, review by the Joint Committee on Advanced Communications and Information Technology, and the Arkansas Legislative Council. The funds to support this appropriation will be payable from the DIS Revolving Fund.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Information Systems Department

Program: Unanticipated Services

Act #: 794 of 2007 Section(s) #: 4 & 16

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: DIS Revolving

Accounting Information:

Business Area: 0470 Funds Center: 288 Fund: MHC Functional Area: ADMN

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The agency is not requesting any carry forward for this appropriation.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

N/A

Claire Bailey
Director

08-25-2008
Date

Analysis of Budget Request

Appropriation: 2QX - Information Systems-Operations

Funding Sources: MHC - Department of Information Systems Revolving Fund

The Department of Information Systems (DIS) provides information technology services to state government and includes a centralized service bureau; a statewide network backbone for data, voice and video; technical guidance and planning for integration with the state architecture; procurement services; and other services for agency and community connectivity. This appropriation is funded by non-revenue receipts derived from services provided to various agencies of the federal, state, city, and county governments. In the event of unforeseen conditions, the agency may request appropriation transfer from Appropriation 288 - Unanticipated Services; after approval of the Governor and prior review by the Joint Committee on Advanced Communications and Information Technology.

Twenty nine (29) Base Level unclassified positions were changed to classified positions and the current classified positions reflect the recommendations of the Pay Plan Study. Salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Since July 1, 2003, the Department of Finance and Administration (DFA) has contracted with DIS to oversee the AASIS Support Center (ASC) functions and staff. In conjunction with the implementation of the pay plan study, the Agency is requesting to transfer the Administrator position to DFA to allow for more efficient and effective management by DFA.

The Agency requests an increase in Telecommunications/Technology Delivery of \$22,500,000 for the 2009-2011 biennium due to increases in vendor charges and increased services provided to DIS' customers; funds to support this increase will be recovered through fees charged to the users. In FY08, DIS requested and received approval of \$6,500,000 of appropriation transfer from the Unanticipated Services appropriation. The Agency requests \$6,500,000 of appropriation only for each year of the biennium. The agency does not expect vendor charges or level of services to decrease over the 2009-2011 biennium. Due to a change in accounting procedures for E-Rate customer discounts, an increase of \$16,000,000 of appropriation only is requested to distribute Federal Communications Commission (FCC) funded Universal Service Funds to participating customers. In prior years, the Agency gave customer credits equal to funds received on their behalf. In the future, the Agency is required to distribute funds received for E-Rate customers through warrants to the customer.

The Agency requests a reallocation from Operating Expenses to Capital Outlay for sufficient appropriation to obtain required hardware and software to meet customer requirements. The Agency also requests Capital Outlay of \$3,500,000 to continue purchasing and updating items such as routers, computers, servers, and security hardware. Providing security to ensure the protection of the state network and assist customers, and state and local agencies in developing disaster recovery plans is a function of the State Security Office. Compliance monitoring is a management activity of the Chief Financial Office.

Executive Recommendation provides for the Agency Request and includes the transfer of the four (4) positions from appropriation 34X-Security & Compliance Monitoring.

Appropriation Summary

Appropriation: 2QX - Information Systems-Operations
Funding Sources: MHC - Department of Information Systems Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,949,576	14,955,418	14,576,300	15,246,806	15,125,936	15,420,783	15,491,458	15,370,588	15,671,052
#Positions		252	254	254	254	253	257	254	253	257
Extra Help	5010001	129,153	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
#Extra Help		15	18	18	18	18	18	18	18	18
Personal Services Matching	5010003	3,685,514	3,696,922	4,086,780	4,171,465	4,144,601	4,220,024	4,217,826	4,190,587	4,267,122
Overtime	5010006	10,729	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses	5020002	7,342,146	10,519,905	10,519,905	10,519,905	9,519,905	9,519,905	10,519,905	9,519,905	9,519,905
Conference & Travel Expenses	5050009	183,002	214,321	214,321	214,321	214,321	214,321	214,321	214,321	214,321
Professional Fees	5060010	301,084	631,500	631,500	631,500	631,500	631,500	631,500	631,500	631,500
Data Processing	5090012	8,039,044	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866
Capital Outlay	5120011	2,483,684	3,500,000	3,500,000	0	4,500,000	4,500,000	0	4,500,000	4,500,000
Telecommunication/Technology C	5900046	40,407,289	35,950,929	35,950,929	35,950,929	58,450,929	58,450,929	35,950,929	58,450,929	58,450,929
Total		76,531,221	78,105,861	78,116,601	75,371,792	101,224,058	101,594,328	75,662,805	101,514,696	101,891,695

Funding Sources										
Fund Balance	4000005	23,825,741	15,633,621		11,627,760	11,627,760	11,627,760	12,255,968	12,255,968	11,885,698
Non-Revenue Receipts	4000040	70,134,743	77,600,000		79,500,000	105,352,266	105,352,266	79,700,000	105,551,891	105,551,891
M & R Sales	4000340	4,358	0		0	0	0	0	0	0
Transfer to Info Tech Reserve	4000645	(1,800,000)	(3,500,000)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Funding		92,164,842	89,733,621		87,627,760	113,480,026	113,480,026	88,455,968	114,307,859	113,937,589
Excess Appropriation/(Funding)		(15,633,621)	(11,627,760)		(12,255,968)	(12,255,968)	(11,885,698)	(12,793,163)	(12,793,163)	(12,045,894)
Grand Total		76,531,221	78,105,861		75,371,792	101,224,058	101,594,328	75,662,805	101,514,696	101,891,695

FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.
 Actual for Telecommunications/Technology Delivery exceeds Authorized due to special language which provides Appropriation Transfer authority from the Unanticipated Services appropriation.
 Special language also allows carry forward of unexpended appropriation in Telecommunications/Technology Delivery may be carried forward for the fiscal year ended June 30, 2009 for the sole purpose of providing payments for the telecommunications system. The amount carried forward was \$2,055,640.03.

Change Level by Appropriation

Appropriation: 2QX - Information Systems-Operations
Funding Sources: MHC - Department of Information Systems Revolving Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	75,371,792	254	75,371,792	100.0	75,662,805	254	75,662,805	100.0
C01	Existing Program	22,500,000	0	97,871,792	129.9	22,500,000	0	98,162,805	129.7
C04	Reallocation	0	0	97,871,792	129.9	0	0	98,162,805	129.7
C07	Agency Transfer	(147,734)	(1)	97,724,058	129.7	(148,109)	(1)	98,014,696	129.5
C08	Technology	3,500,000	0	101,224,058	134.3	3,500,000	0	101,514,696	134.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	75,371,792	254	75,371,792	100.0	75,662,805	254	75,662,805	100.0
C01	Existing Program	22,500,000	0	97,871,792	129.9	22,500,000	0	98,162,805	129.7
C04	Reallocation	0	0	97,871,792	129.9	0	0	98,162,805	129.7
C07	Agency Transfer	221,936	3	98,093,728	130.1	228,290	3	98,391,095	130.0
C08	Technology	3,500,000	0	101,593,728	134.8	3,500,000	0	101,891,095	134.7

Justification

C01	Telecommunications/Technology Delivery - Due to increases in vendor charges for utilities, and increased services provided to our customers, DIS was compelled to request \$6,500,000 in Contingency appropriation from the Unanticipated Services under Section 4 of our legislative Act 794 of 2007 to continue providing services to customers in fiscal year 2008. The services causing the increases and the higher vendor charges experienced by the agency will not change or decrease over the next biennium. Therefore, DIS requests \$6,500,000 in appropriation be added to the Department's Telecommunication/Technology Delivery line item. This is an appropriation only request, funds to support this increase will be recovered through fees charged to users of the the services. To accommodate a change in accounting procedures for E-Rate Customer Discounts, DIS requests \$16,000,000 in appropriation only to distribute Federal Communications Commission (FCC) funded Universal Service Funds to customers participating in the E-Rate Program. In prior fiscal years, DIS has given customer credits equal to funds received on their behalf. In the future, DIS is required to distribute funds recieved for E-Rate Customers by creating warrants.
C04	The Department is requesting a reallocation of \$1,000,000 of appropriation from the operating expense line item to the Capital Outlay line item. Since DIS is the information technology arm of Arkansas State Government, the agency needs to ensure we have sufficient capital outlay to obtain required computer hardware and software to accommodate partner agency requirements. This internal reallocation of resource will give DIS the authority it needs to supply customer demand and bring the total capital outlay line item to \$4,500,000.
C07	Since July 1, 2003, the Department of Finance and Administration (DFA) has contracted with the Department of Information Systems to oversee the AASIS Support Center (ASC) functions and staff. In conjunction with the implementation of the statewide pay plan study, the Agency is requesting to transfer this Administrator position into the DFA structure. This will allow for more efficient and effective management of the ASC by DFA management.-----In addition to the transfer to DFA the Executive Recommendation provides for transfer of the four (4) positions from appropriation 34X-Security & Compliance Monitoring to 2QX.
C08	The Agency requests retention of Capital Outlay of \$3,500,000 of appropriation only for each year of the biennium to continue purchasing, updating, and enhancing services to state agency customers. Items such as routers, computers, servers, and security hardware will be refreshed as needed. Reference IT Plan under - Operations Hardware & Software Plan.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Information Systems Department

Program: Information Systems-Operations

Act #: 794 of 2007 Section(s) #: 3 & 15

Estimated Carry Forward Amount \$ 6,512,000.00 Appropriation Funds

Funding Source: DIS Revolving

Accounting Information:

Business Area: 0470 Funds Center: 2QX Fund: MHC Functional Area: ADMN

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Telecommunication/Technology Delivery	5900046	6,512,000.00	2,055,640.03
Total		\$ 6,512,000.00	\$ 2,055,640.03

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Department of Information Systems requested additional appropriation from Act 794, Section 4 - Unanticipated Services Contingency to supplement the Telecommunications Technology Delivery services line item due to increases in both project request from State Agencies and increases in vendor utility billings. Due to the timing of receiving the additional appropriation, DIS will not have time to expend the required appropriations prior to June 30, 2008 and will require the use of the carry forward option of any remaining appropriation to meet prior year vendor billings and obligations under the Telecommunications Technolgy Delivery section.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Carryforward appropriation will continue to be used to meet vendor billings and client / customer needs for FY2009 fiscal year.

Claire Bailey
Director

08-12-2008
Date

Analysis of Budget Request

Appropriation: 2QY - Equipment Acquisition

Funding Sources: MHD - Department of Information Systems Reserve

The Department of Information Systems utilizes this appropriation for major equipment acquisition or information technology improvements as stated in A.C.A. §25-4-122. The Agency also uses appropriation authorized through their Operations appropriation (2QX) for purchase of equipment.

The Department is authorized to accumulate a reserve for equipment acquisition in an amount not to exceed the Department's depreciation expense per fiscal year. In addition, the Department is authorized to obtain, from the State Board of Finance, loans from the Budget Stabilization Trust Fund to supplement the reserve if the reserve is insufficient to handle the total cost of required equipment acquisitions. These loans and the reserve for equipment acquisition shall be used exclusively for major equipment acquisitions or information technology improvements required in order to fulfill the requirements for one (1) or more user agencies. The loans from the Budget Stabilization Trust Fund to the Information Technology Reserve Fund shall be repaid within five (5) years from revenues derived from charges to users, and the annual loan repayment amount shall be computed as a part of the total yearly expenses of the Department and shall be charged proportionately to users. The State Board of Finance, after obtaining the Governor's written approval, shall also review and may approve the loans the establish terms of repayment and a rate of interest to be paid by the Department of Information Systems Revolving Fund to the Budget Stabilization Trust Fund, which rate shall be approximately equivalent to the rate of interest the State Board of Finance is receiving on other investments at the time of approving the loan request.

It has been 7 years since the Agency has used this authority to receive a loan.

The Agency requests Base Level of \$3,500,000 for each year of the biennium.

Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QY - Equipment Acquisition
Funding Sources: MHD - Department of Information Systems Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Equip Acq's & IT Improvements 5900046	1,167,075	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	1,167,075	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Funding Sources									
Fund Balance 4000005	558,578	1,191,503		1,191,503	1,191,503	1,191,503	1,191,503	1,191,503	1,191,503
Information Tech Reserve 4000295	1,800,000	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Funding	2,358,578	4,691,503		4,691,503	4,691,503	4,691,503	4,691,503	4,691,503	4,691,503
Excess Appropriation/(Funding)	(1,191,503)	(1,191,503)		(1,191,503)	(1,191,503)	(1,191,503)	(1,191,503)	(1,191,503)	(1,191,503)
Grand Total	1,167,075	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000

Special language provides for carry forward the balance of appropriation which remains at the close of the fiscal year ending June 30, 2008, may be carried forward and used for equipment acquisition. The amount carried forward was \$2,332,925.12.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Information Systems Department

Program: Equipment Acquisition

Act #: 794 of 2007 Section(s) #: 5 & 16

Estimated Carry Forward Amount \$ 1,500,000.00 Appropriation Funds

Funding Source: DIS Revolving

Accounting Information:

Business Area: 0470 Funds Center: 2QY Fund: MHD Functional Area: ADMN

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Equip Acq's & IT Improvements	5900046	1,500,000.00	2,332,925.12
Total		\$ 1,500,000.00	\$ 2,332,925.12

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Department of Information Systems is authorized to accumulate a reserve for equipment acquisition in an amount not to exceed the department's depreciation expense per fiscal year. This Information Technology Reserve fund is to be used for the replacement of outdated equipment, major equipment purchases or improvements, infrastructure needs by the department and/or fully depreciated equipment replacements. The fund will continue to be used for the acquisition of network routers, servers and other technology equipment needs of DIS.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The Equipment Acquisition will be used to continue upgrading and replacing information technology equipment and IT improvements.

Claire Bailey
Director

08-21-2008
Date

Analysis of Budget Request

Appropriation: 34U - Geographic Information System

Funding Sources: HUA - Miscellaneous Agencies Fund

The Office of Geographic Information Systems was established as a part of the Office of Information Technology as an integral component of the Initiative for Statewide Technology Advancement (GISTA) and Arkansas' Electronic Government to provide services and data to cities, counties, state and federal agencies, private businesses, and citizens. It provides technology transfer and educational services to all users of GeoStor and enables specific county level projects to become more integrated within GeoStor. The Arkansas Spatial Data Infrastructure (ASDI) is a public resource that provides storage and easy access to essential statewide geographically linked information such as maps, boundaries, aerial photography, facilities, and natural resources.

This appropriation is funded by general revenue.

Upon the dissolution of the Office of Information Technology (OIT) by Acts 751 and 794 of 2007, this appropriation was transferred to the Department of Information Systems.

The Base Level unclassified position was changed to a classified position and the current classified positions reflect the recommendations of the Pay Plan Study. Salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Upon the dissolution of OIT, the operating budget was not increased for the expenses previously paid by OIT. Therefore, the Agency requests an increase in Operating Expenses of \$1,143,350 for the 2009-2011 biennium for office rent, wired and wireless telecommunications, postage, freight, mileage, software licenses and network services. The increase for wireless telecommunications and mileage are due to meetings with county judges, assessors, E-911 coordinators, and floodplain managers; currently the agency has coordination activities in all 75 counties. Increases for postage and freight are due to an increase in mailings to clients and to an increase in the number of data sharing activities between the agency and counties. The increase in software licenses is for support of various MicroSoft office products and server licenses. The increase in network services is due to the increase in GeoStor usage. On average, the system produces over 4,000 maps each month, the applications include Governor Beebe's interactive map used by the Governor's Communications Director, the Streamlined Sales & Use Tax program, the Department of Environmental Quality Permitted Use Sites map, Oil & Gas Commission Permitted Gas Well Map, and an interactive Game & Fish Commission map showing facilities, wildlife management areas, and public access points. GeoStor also serves the State Land Surveyor's Office; plats are scanned, stored and made available to the public and distributed to county assessors offices.

The Agency requests a reallocation of \$115,000 from Data Processing to Operating Expenses to properly classify expenses associated with support and maintenance of GeoStor to update the State's digital aerial photography database which was last updated in 2006. This information serves as the base mapping layer and allows other map information to be updated. Primary local use supports real estate tax revenue by assisting county assessors to locate new real estate improvements. Data is also used by E-911 dispatchers to guide first responders to an event.

The Agency requests an increase in Capital Outlay of \$479,000 for FY10 and FY11 for Geo Stor hardware replacement due to lack of vendor support in 2010.

Executive Recommendation provides for Base Level and the reallocation of resources and transfer of the appropriation as a new Agency - Office of Geographic Information Services to ensure compliance with the requirements of State and Federal statutory and regulatory provisions.

Appropriation Summary

Appropriation: 34U - Geographic Information System

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries 5010000	296,660	345,650	333,306	354,476	354,476	0	362,596	362,596	0
#Positions	5	5	5	5	5	0	5	5	0
Extra Help 5010001	5,966	6,000	6,000	6,000	6,000	0	6,000	6,000	0
#Extra Help	1	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	82,589	85,957	90,451	92,320	92,320	0	93,842	93,842	0
Operating Expenses 5020002	21,473	21,491	21,491	21,491	1,279,841	0	21,491	1,279,841	0
Conference & Travel Expenses 5050009	9,379	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	109,554	115,000	115,000	115,000	0	0	115,000	0	0
Capital Outlay 5120011	103,092	120,000	120,000	0	479,000	0	0	479,000	0
Total	628,713	704,098	696,248	599,287	2,221,637	0	608,929	2,231,279	0
Funding Sources									
General Revenue 4000010	628,713	704,098		599,287	2,221,637	0	608,929	2,231,279	0
Total Funding	628,713	704,098		599,287	2,221,637	0	608,929	2,231,279	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	628,713	704,098		599,287	2,221,637	0	608,929	2,231,279	0

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Executive Recommendation provides for transfer of the appropriation as a new agency - Office of Geographic Information Services (see page 229).

Change Level by Appropriation

Appropriation: 34U - Geographic Information System

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	599,287	5	599,287	100.0	608,929	5	608,929	100.0
C01	Existing Program	155,850	0	755,137	126.0	155,850	0	764,779	125.6
C04	Reallocation	0	0	755,137	126.0	0	0	764,779	125.6
C08	Technology	1,466,500	0	2,221,637	370.7	1,466,500	0	2,231,279	366.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	599,287	5	599,287	100.0	608,929	5	608,929	100.0
C01	Existing Program	0	0	599,287	100.0	0	0	608,929	100.0
C04	Reallocation	0	0	599,287	100.0	0	0	608,929	100.0
C07	Agency Transfer	(599,287)	(5)	0	0.0	(608,929)	(5)	0	0.0
C08	Technology	0	0	0	0.0	0	0	0	0.0

Justification

C01	Upon the dissolution of the Office of Information Technology (OIT) at the end of FY07, Operating Expenses was not increased for expenses previously paid by OIT. These increases are also necessary in order for DIS to avoid any risk of non-compliance with OMB Circular A-87 and continue to serve our constituents. Rent was previously paid by OIT, increase in mileage is due to a significant growth in meetings with county judges, assessors, E-911 coordinators and floodplain managers. Presently we have on-going coordination activities in all 75 counties. Failure to meet these obligations will be critical to the program's success; freight costs are anticipated to increase due to an increase in the number of data sharing activities between AGIO and counties, postage is required to meet increased mailings to clients, telecommunications wired and wireless; with the growth in county coordination, GIS staff are attending more meetings with counties and requires increased use of cell phones and services as they travel and land lines in the office; increase in software maintenance license agreements is needed to support Microsoft desktop office product license and maintenance for staff. The AGIO is also asking to retain \$25,000 in Capital Outlay. Appropriation and funding is needed to purchase software and hardware products for AGIO personnel and continued projects.
C04	Geographic Information Systems requests a reallocation of resources to properly classify \$115,000 from Data Processing to Operating Expenses for expenses associated with support and maintenance of GeoStor.
C07	Executive Recommendation provides for the reallocation of resources and transfer of this appropriation at Base Level as a new agency - Office of Geographic Information Services.
C08	Equipment Expense: the servers operating GeoStor were procured in 2005 and will no longer be supported by the vendor in 2010. The system serves a number of applications including Governor Beebe's interactive map used by the Governor's Communication Director, the Department of Finance & Administration Streamlined Sales and Use Tax program, GeoStor also serves the Arkansas Department of Environmental Quality Permitted Sites map, the Arkansas Oil & Gas Commission Permitted Gas Well Map and the Arkansas Game & Fish Commission interactive map showing facilities, wildlife management areas, and public access points. GeoStor also services the State Land Surveyor's Office. The plats are scanned, stored and made accessible to the public via GeoStor. This service is used to distribute plats to county assessors offices. The system plays an important role in economic development by allowing the Arkansas Economic Development Commission to show a multitude of data sets showcasing sites for prospects. Given the significance and number of applications it is a risky situation operating the system on unsupported hardware. The agency requests appropriation and funding for this increase to replace this hardware with new equipment. Data processing Services: This request is to implement an ongoing program that will continuously update the State's digital aerial photography database. Previous versions were taken in 2001 and 2006. If a mission were launched in the winter of 2010 the data would become available in 2011. At that time the current data being used would be five years old. AGIO requests appropriation and funding to support this effort. Reference to these projects can be located under the DIS 2010 -2011 IT Agency Plan under - Projects GeoStor In-House Hardware and Additional Reporting - Projects - Arkansas Digital Orthophotography - Other Services.

Analysis of Budget Request

Appropriation: 34V - Flood Map-Federal

Funding Sources: FNM - Federal Funds

This program provides services in support of the Federal Emergency Management Agency (FEMA) Map Modernization Management. FEMA requests each state to coordinate the geographic information system data development to support the creation of the digital flood map.

The Arkansas Geographic Information Office (AGIO), which was part of the Office of Information Technology (OIT), established this appropriation. Upon the dissolution of OIT by Acts 751 and 794 of 2007, this appropriation was transferred to the Department of Information Systems.

The Agency requests a restoration of \$6,000 for Capital Outlay for FY10 and FY11 for hardware and computer upgrades and replacement and other equipment expenses associated with the Federal Map Project.

Executive Recommendation provides for the Agency Request and transfer of the appropriation as a new Agency - Office of Geographic Information Services to ensure compliance with the requirements of State and Federal statutory and regulatory provisions.

Appropriation Summary

Appropriation: 34V - Flood Map-Federal

Funding Sources: FNM - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,523	4,300	4,300	4,300	4,300	0	4,300	4,300	0
Conference & Travel Expenses	5050009	10,029	10,200	10,200	10,200	10,200	0	10,200	10,200	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	35,107	102,000	102,000	102,000	102,000	0	102,000	102,000	0
Capital Outlay	5120011	4,891	6,000	6,000	0	6,000	0	0	6,000	0
Total		53,550	122,500	122,500	116,500	122,500	0	116,500	122,500	0
Funding Sources										
Federal Revenue	4000020	53,550	122,500		116,500	122,500	0	116,500	122,500	0
Total Funding		53,550	122,500		116,500	122,500	0	116,500	122,500	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		53,550	122,500		116,500	122,500	0	116,500	122,500	0

Executive Recommendation provides for transfer of this appropriation as a new agency - Office of Geographic Information Services (see page 223).

Change Level by Appropriation

Appropriation: 34V - Flood Map-Federal

Funding Sources: FNM - Federal Funds

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	116,500	0	116,500	100.0	116,500	0	116,500	100.0
C08	Technology	6,000	0	122,500	105.2	6,000	0	122,500	105.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	116,500	0	116,500	100.0	116,500	0	116,500	100.0
C07	Agency Transfer	(122,500)	0	(6,000)	-5.2	(122,500)	0	(6,000)	-5.2
C08	Technology	6,000	0	0	0.0	6,000	0	0	0.0

Justification

C07	Executive Recommendation provides for transfer of this appropriation as a new agency - Office of Geographic Information Services. This includes the \$6,000 C08 Change Level.
C08	The AGIO is requesting \$6,000 in capital outlay from the prior biennium budget allocation be restored to upgrade hardware, software, replace computer and other equipment expenses associated with the Federal Flood Map Project. Reference to this effort can be found in the DIS 2010 - 2011 IT Agency Plan under - Operations Hardware & Software Plan.

Analysis of Budget Request

Appropriation: 34W - Geostor & Framework

Funding Sources: TGS - Geographic Information Systems Fund

The Geographic Information Systems Fund consists of funds approved by the General Assembly, contributions, federal funds, and any other funds allowable by law. This fund is used to carry out the duties, responsibilities, and authority of the Arkansas Land Board; and create, update, and maintain GeoStor, the Arkansas Spatial Data Infrastructure.

The Arkansas Geogrpahic Information Office (AGIO), which was part of the Office of Information Technology (OIT), established this appropriation. Upon the dissolution of the Office of Information Technology by Acts 751 and 794 of 2007, this appropriation was transferred to the Department of Information Systems.

The Agency Requests Base Level for the 2009-2011 biennium.

Executive Recommendation provides for the Agency Request and transfer of the appropriation as a new Agency - Office of Geographic Information Services to ensure compliance with the requirements of State and Federal statutory and regulatory provisions.

Appropriation Summary

Appropriation: 34W - Geostor & Framework
Funding Sources: TGS - Geographic Information Systems Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Geostor & Framework 5900047	51,028	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total	51,028	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources									
Fund Balance 4000005	223,502	172,474		37,474	37,474	0	37,474	37,474	0
Trust Fund 4000050	0	115,000		250,000	250,000	0	250,000	250,000	0
Total Funding	223,502	287,474		287,474	287,474	0	287,474	287,474	0
Excess Appropriation/(Funding)	(172,474)	(37,474)		(37,474)	(37,474)	0	(37,474)	(37,474)	0
Grand Total	51,028	250,000		250,000	250,000	0	250,000	250,000	0

FY08 fund balance amount reflects federal funds provided for updating digital maps for the U.S. Geologic Survey.

Special language provides for transfer of unexpended appropriation at June 30, 2008 may be carried forward for the sole purpose of providing payments for geographic information technology. The amount of carry forward was \$198,971.99.

Executive Recommendation provides for transfer of this appropriation as a new agency - Office of Geographic Information Services (see page 226).

Change Level by Appropriation

Appropriation: 34W - Geostor & Framework
Funding Sources: TGS - Geographic Information Systems Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	250,000	0	250,000	100.0	250,000	0	250,000	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	250,000	0	250,000	100.0	250,000	0	250,000	100.0
C07	Agency Transfer	(250,000)	0	0	0.0	(250,000)	0	0	0.0

Justification

C07	Executive Recommendation provides for transfer of this appropriation as a new agency - Office of Geographic Information Services.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Information Systems Department

Program: Geostor & Framework

Act #: 794 of 2007 Section(s) #: 11 & 12

Estimated Carry Forward Amount \$ 185,500.00 Appropriation Funds

Funding Source: Trust

Accounting Information:

Business Area: 0470 Funds Center: 34W Fund: TGS Functional Area: ADMN

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Geostor & Framework	5900047	185,500.00	198,971.99
Total		\$ 185,500.00	\$ 198,971.99

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

This trust fund was created to operate, maintain GeoStor, the Arkansas Spatial Data Infrastructure, maintain and disseminate framework spatial data and support the administrative functions of Geostor. The fund consist of grants, gifts, donations received by the State of Arkansas for this purpose. Federal funds, and funds approved by the General Assemble to carry out the duties and responsibilities of Geographic Information Systems to the Arkansas State Land Information Board. This request to carry forward any remaining funds and appropriations at 06/30/08 is to ensure the agency has sufficient funds and appropriations to carry out it's required duties.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carryforward appropriation will continue to be used to meet the needs of GeoStor and Framework equipment replacements, maintenance, and other requirements of the Arkansas Geographic Spatial Data system.

Claire Bailey
Director

08-12-2008
Date

Analysis of Budget Request

Appropriation: 34X - Security & Compliance Monitoring

Funding Sources: HUA - Miscellaneous Agencies Fund

The Agency requests continuation of this appropriation which was created through the dissolution of the Office of Information Technology (OIT) by Acts 751 and 794 of 2007. This appropriation has four (4) positions, two (2) positions are to augment DIS' security staff and the remaining two (2) positions are to accommodate needs in the fiscal group to manage increased federal compliance monitoring. This appropriation is funded by general revenue.

The Base Level unclassified position was changed to a classified position and the current classified positions reflect the recommendations of the Pay Plan Study. Salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total state match per budgeted employee of \$425.

The Agency Requests Base Level for the 2009-2011 biennium.

Providing security to ensure the protection of the state network and assist customers, and state and local agencies in developing disaster plans is a function of the State Security Office. Compliance monitoring is a management activity of the Chief Financial Office. Both functional areas are within DIS' operating appropriation.

Executive Recommendation provides for transfer of the four (4) positions to appropriation 2QX - Information Systems-Operations without general revenue support.

Appropriation Summary

Appropriation: 34X - Security & Compliance Monitoring

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	255,933	285,950	312,072	294,247	294,247	0	299,864	299,864	0
#Positions		4	4	4	4	4	0	4	4	0
Personal Services Matching	5010003	57,616	61,100	81,368	75,423	75,423	0	76,535	76,535	0
Total		313,549	347,050	393,440	369,670	369,670	0	376,399	376,399	0
Funding Sources										
General Revenue	4000010	313,549	347,050		369,670	369,670	0	376,399	376,399	0
Total Funding		313,549	347,050		369,670	369,670	0	376,399	376,399	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		313,549	347,050		369,670	369,670	0	376,399	376,399	0

Change Level by Appropriation

Appropriation: 34X - Security & Compliance Monitoring

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	369,670	4	369,670	100.0	376,399	4	376,399	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	369,730	4	369,730	100.0	376,399	4	376,399	100.0
C07	Agency Transfer	(369,730)	(4)	0	0.0	(376,399)	(4)	0	0.0

Justification

C07	Executive Recommendation provides for transfer of the four (4) positions to appropriation 2QX-Information Systems-Operations.
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Analysis of Budget Request

Appropriation: 54Z - Innovation & Product Development

Funding Sources: HUA - Miscellaneous Agencies Fund

The Agency requests an appropriation of \$450,000 for FY10 and \$450,000 for FY11 to create an Innovation and Product Development Division within the agency. DIS will rely on engineers' expertise to evaluate vendors' technology offerings as well as evaluate DIS' products and services. This will be a way of selecting products for a technology portfolio at an individual agency level or across agencies which will improve processes and offer value to customer needs. Through this expertise, DIS expects innovation to improve the quality of solutions, create new solutions, and better use of equipment and staff. The goal is to reduce costs through a common business strategy, improve collaboration, and provide a common look for the public in the delivery of services.

The Agency requests general revenue funding for FY10 and FY11.

The Executive Recommendation provides for the establishment of this appropriation and general revenue funding under the Department of Finance & Administration - Disbursing Officer with special language identifying the process on approval of payments to the Agency.

Appropriation Summary

Appropriation: 54Z - Innovation & Product Development

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Innovation & Product Development 5900046	0	0	0	0	450,000	0	0	450,000	0
Total	0	0	0	0	450,000	0	0	450,000	0
Funding Sources									
General Revenue 4000010	0	0		0	450,000	0	0	450,000	0
Total Funding	0	0		0	450,000	0	0	450,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	450,000	0	0	450,000	0

Change Level by Appropriation

Appropriation: 54Z - Innovation & Product Development

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02 New Program	450,000	0	450,000	100.0	450,000	0	450,000	100.0

Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02 New Program	0	0	0	0.0	0	0	0	0.0

Justification

C02	<p>As the manager of the State of Arkansas' telecommunications technology infrastructure, DIS is always dealing with the allocation of scarce resources to resolve our partner agencies technology needs. The more complete an understanding we have of our customers, the more likely we are to allocate resources to work on problems that are most important to them. Adding Innovation and Development Management at DIS is a way of selecting products for a technology portfolio - whether at the level of an individual agency or across agencies that will add to the department's process improvements and offer value to customers needs. DIS receives request from agencies for business evaluation services that is fully integrated with software solutions. DIS does not have an operational group dedicated to advice and recommendations for our clients. Instead of state agencies relying on unpredictable financial data, or the charisma of the products marketing strategies, DIS will rely on the expertise of engineers to evaluate the ever expanding vendor offerings in technology as well as evaluate DIS products and services. Through the utilization of this area of expertise we expect the innovation to improve the quality of technology solutions delivering value to the public, create new solutions, improve existing solutions, reduce labor costs, improve processes, reduce environmental damage, better utilize equipment and personnel, and reduce energy consumption. Our goal will be to reduce costs through the utilization of a common business strategy, improved collaboration, and have a common look and feel for the public in the delivery of services. The State needs to consider a unified technology procurement strategy that will benefit all state agencies. In prior years, DIS received State General Revenue each fiscal year to offset operating expenses. We are asking that a distribution of State Funding be reinstated for the use of initiating an Innovation & Product Development Management section within DIS. Analyzing what we are currently doing and instituting a process to evaluate the effects of new programs and technologies will help the State keep pace with the ever growing need for technology requirements. The agency is requesting \$450,000 in FY2010 and \$450,000 in FY2011 in state funding to support this endeavor.</p>
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Appropriation Summary

Appropriation: 2YV - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Admin Expenses 5900046	0	0	100,000	0	0	0	0	0	0
Total	0	0	100,000	0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE NEW BIENNIUM.