

DEPARTMENT OF INFORMATION SYSTEMS

Enabling Laws

Act 165 of 2012
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 services 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.

Act 648 of 2009 amended the Arkansas Information Systems Act of 1997 to include:

- 1) The Department of Information Systems shall be vested with all the powers and duties necessary to administer the department and enable it to carry out fully and effectively the regulations and laws relating to the department;
- 2) The department's powers and duties relate to information technology without limitation;
- 3) Provide information technology services to state agencies, other governmental entities, non- governmental first responder entities, and other quasi-governmental entities;
- 4) Implementing systems to ensure the security of state data and state data processing assets, to provide for disaster recovery and continuity of operations to the state agencies served, and to recover its costs from the customers benefited;
- 5) Developing the information technology policies, standards, and specifications for state agencies and ensuring agencies' compliance with those policies, procedures and standards;
- 6) Developing a state information technology plan that shall establish a state-level mission, goals, and objectives for the use of information technology;
- 7) Identifying and establishing information technology solutions that can support more than one (1) agency in providing governmental services;
- 8) Advising agencies regarding information technology contracts and agreements;
- 9) Developing policies to promote and facilitate electronic access to government information and interoperability of information systems;
- 10) Reviewing and approving agencies' information technology plans and requests.
- 11) Under ACA §25-4-114 - Contracts and agreements for information. (a) Contracts and agreements for state agencies for information technology shall adhere to the state enterprise architecture. (b) A state agency shall submit to the Director of the Department of Information Systems for review and approval a request for the state agency to enter into a technology contract or agreement that is not in compliance with the state enterprise architecture.

During the General Assembly of 2010, an Executive recommendation with Legislative approval removed the Arkansas Geographic Information Office from purview of the Department of Information Systems to create a separate stand-alone agency for this function.

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 - The Five E's - Workforce Excellence, Customer Service Excellence, e-Leadership, Financial Excellence, Operational Excellence.

DIS is organized to accomplish its mission through 7 primary teams:

- (1) The Director's Office
- (2) Chief Operating Officer
- (3) Customer Relationship Management Office
- (4) Chief Financial Officer
- (5) State Security Office
- (6) Enterprise Architecture and Planning
- (7) Arkansas Wireless Information Network

The Director's Office which also functions as the Chief Technology Officer for the state is the Administrative Division of DIS. It includes the Director, Deputy Director, 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 the Deputy Director's office. HR plans and implements human resource policies in accordance with DIS guidelines, the 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' IT 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. 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. ESM also manages the State of Arkansas Enterprise Storage and Tape Management System environment with over 123TB of disk storage and over 500TB of tape storage under management. These services provide robust, flexible, highly available, and cost effective data storage to support continuous operations for the state's critical workloads. ESM is also central to a computing optimization effort currently underway. One of the aspects of this effort is to improve our hosting services by offering a service that increases the efficiency and availability of computing resources for applications. Through the use of new technologies, the state is implementing a virtual infrastructure that will respond dynamically to our rapidly changing business needs. With on-demand computing power, this virtual infrastructure will reduce operational costs and minimize energy demands. This effort will deliver IT resources when and where they are needed using a flexible and efficient environment for running applications created by a virtual infrastructure.

Phase two of this effort will leverage the virtual infrastructure to create the state's "internal cloud." This internal cloud will be available to Arkansas governmental entities and users to help encapsulate applications into a single unit. This will provide for more flexibility in managing applications. This will give state entities the elasticity to run applications internally or partner with external cloud and SAAS (Software as a Service) providers to be able to provide services to citizens in the most efficient manner possible.

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

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 and Document Imaging section has over seven years' experience designing, developing and supporting business intelligence and document imaging solutions. This section supports over 400 customers and maintains and manages over 800,000 scanned documents and published reports. The services offered are: Business Analysis, Business Process Modeling, Logical Data Modeling, Data Cleansing, Data Integration, Managed Querying and Reporting, Imaged Document Management, and Imaging Workflow, all in a secure environment. Our customer base includes Department of Finance and Administration (DFA), Department of Human Services (DHS) Department of Workforce Services (DWS), Arkansas Crime Information Center (ACIC), Arkansas Department of Education (ADE), and Department of Parks and Tourism. We assist these customer agencies by developing and supporting systems like ADE's Supplemental Education tracking and reporting and teachers' professional licensing reporting and imaging; DWS' Benefit Payment Control reporting, calculating, tracking and auditing of unemployment benefits; DHS' contracts reporting and document imaging and child care and early childhood education reporting; DFA' s filing, tracking and reporting on projects and programs for American Recovery and Reinvestment Act; and document imaging for ACIC's criminal history and sex offender records.

Enterprise Operations Division provides DIS customers a high-reliability Operations Center, customer service desk, and customer field support services. They are responsible for a 12,800 sq. ft. secure, environmentally controlled, raised floor environment that houses critical technology assets, such as an AWIN SmartZone controller, mainframe and server computers, centralized disk storage, network routing equipment, security monitoring, data back-up tape systems, redundant AC power protection, gas fire suppression system, under-floor and above-ceiling water leak detection, emergency generator, off-site vaulted media 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 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 50,000 state, city, local government, and education customer trouble calls annually. From these calls, and additional e-mail contacts, approximately 70,000 incidents are created and managed using our incident management system, and of these approximately 19,500 are resolved without referral to technical services. The Customer Service Desk (Call Center) also houses the State Operators who assist Arkansas citizens with 38,500 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. Prior examples include the tornado response support for Atkins, Clinton, Mountain View and Gassville, and support following the fire that destroyed the Cabot Junior High School North building.

Customer Relationship Management Office (CRM) provides customer account managers who serve as liaisons between DIS and assigned customer base. The account managers 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.

CRM also includes the following:

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's communication with administration, legislators, customers, taxpayers, media and other key stakeholders.

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.

Service Order Section serves the DIS customer base by placing telecommunications service orders on their behalf with contracted vendors throughout the state. This group is responsible for making sure service is provided to the customer in a timely and accurate manner, and that the appropriately billing for those services has been established.

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, and timely response to customer's needs and, in general, creating customer satisfaction. AWIN currently serves more than 17,000 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 Officer is responsible for the Fiscal Administration Division which plans, develops, implements policy, and provides for the overall management of DIS Accounting functions, budgeting, funds management, financial activities, rate design, cost recovery, and internal time reporting, Information Technology Asset Management (ITAM) group, as well as special projects.

The CFO Division 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.

Procurement Services 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. Procurement Services will review 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.

Strategic Funding - E-RATE Program - This program provides discounts to assist schools and libraries in obtaining 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 by participating in this program. The team also assists state efforts in the Rural Health Care Program.

The State Cyber Security Office offers security solutions to provide protection to public organizations on the state network and assist public organizations 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. 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.

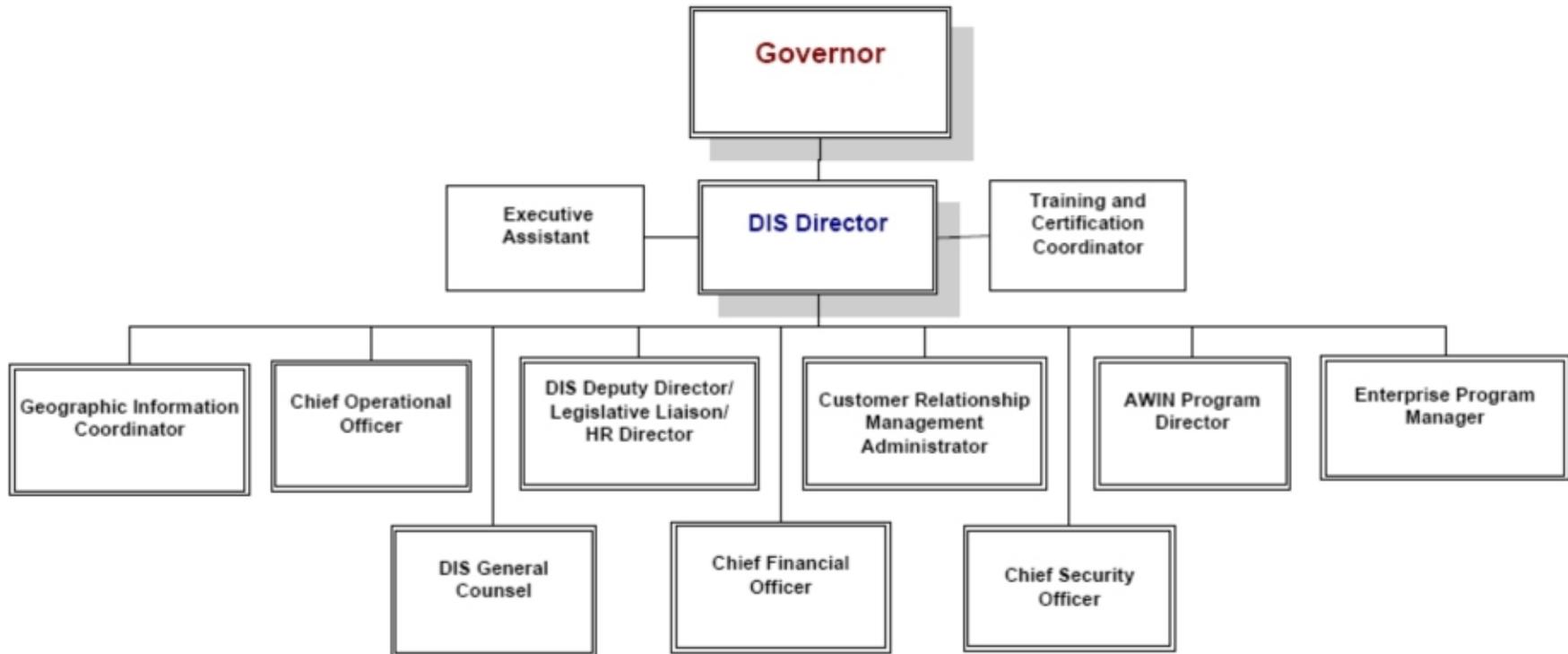
The State Cyber Security Office facilitates the state security working group to formulate policies and standards related to cyber security. The Office also works to develop state contracts for cyber security products to save the state money by taking advantage of economies of scale and to provide a more secure environment across the public sector.

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.

Enterprise Architecture is responsible for the process of translating business vision and strategy into effective enterprise change by creating, communicating and improving the key requirements, principles and models that describe the enterprises' future state and enable its evolution. The scope of enterprise architecture includes the people, processes, information and technology of the enterprise, and their relationships to one another and to the external environment. The team is also responsible for technology portions of the State IT planning process that each agency, board and commission are required to submit. DIS IT planning efforts align with the responsibilities of the DFA team to manage budget and costs.

In addition to Enterprise Architecture & Planning, this section includes:

Quality Management is responsible for the agency quality program, which is built around the Malcolm Baldrige National Quality Award criteria and has Arkansas Governor's Quality Award examiners on staff. Quality efforts include the customer and employee feedback system, performance measurement dashboard, quality process audits, and strategic plan development. DIS earned the Governor's Award for Performance Excellence in 2011 which demonstrates through practices and achievements the highest level of performance excellence.



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 services 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 2013 - 2015 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 does not receive State General Revenue for daily operations. The department 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 to be able to respond to their needs.

2014 - 2015 Biennium Requests

Appropriation Only Request:

- A. Renew the Unanticipated Services Appropriation
- B. Renew the Capital outlay in the DIS Operating Line Item Budget
- C. Renew Telecommunications Technology Appropriation to FY2012 & FY2013 Authorized Level
- D. Renew Equipment Acquisition Appropriation to FY2012 & FY2013 Authorized Level

Appropriation Only Request:

A. Renew Unanticipated Services Contingency - Appropriation Only

This request provides renewal 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 so that organizations can have access to technologies, such as distance learning, that would otherwise have been out of their reach. This helps equalize the opportunities available to rural areas and the poorer areas of the state. It can help make government 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.

Operating Budget Request:

B. Renew Capital Outlay - Appropriation Only

The capital outlay requested for the Department of Information Systems is \$4,500,000 in appropriation for each year of the biennium. The \$4,500,000 will allow DIS to upgrade / replace the existing Data Center cooling system in conjunction with upgrading the raised access floor system (RAF) in the data center area. The 33 year-old data center also requires an upgrade / replacement of its present generators from a single generator configuration to a multi-generator configuration. The current single configuration is nearing its load capacity and will not be able to supply adequate power to run the system. The prior biennium operating budget line item for Capital Outlay was set at \$4,500,000. We are requesting retention of this amount in appropriation only.

C. Renew Telecommunications Technology - Appropriation Only

DIS purchases communications technology goods and services from the private sector to provide government agencies, Boards, and Commissions the technology services that are required for the daily operations of each entity. From telephony and data networking to technical consulting, the Department of Information Systems provides products and services to the agencies that serve our citizens. Examples include telephone, long distance, email, internet connectivity, and maintenance of a statewide network infrastructure to provide telecommunications access services. Technology has changed drastically across state government throughout the past decade and DIS must keep pace with customer demands. Information technology acquisitions should meet state needs and be consistent with coordinated efforts to maximize standardization and cost effectiveness. In order to provide design and management services for the state's core information technology infrastructures, DIS must have appropriation authority in an amount sufficient enough to allow the purchase of goods and services on behalf of our client customers. Approximately \$16,000,000 of the \$58,450,929 is requested for E-Rate disbursements to participating schools, libraries and rural health customers.

D. Renew Equipment Acquisition - Appropriation Only

The Department is requesting renewal of the \$3,500,000 appropriation for major acquisition of equipment and improvements of information technology. The Department of Information Systems is authorized under A.C.A § 25-4-122 and § 25-4-123 to accumulate a reserve for equipment acquisition in an amount not to exceed the department's depreciation expense per fiscal year. This reserve allows DIS to replace or upgrade obsolete equipment, software, or fully depreciated equipment that needs to be exchanged for newer technology. This appropriation is for major purchases only.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF INFORMATION SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2011

Findings	Recommendations
None	None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	121	65	186	81 %
Black Employees	12	20	32	14 %
Other Racial Minorities	7	4	11	5 %
Total Minorities			43	19 %
Total Employees			229	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	75,735,953	253	97,000,000	257	102,837,504	257	92,623,108	257	102,249,264	257	97,749,264	257	92,633,874	257	102,260,030	257	97,760,030	257
2QY Equipment Acquisition	1,777,616	0	399,500	0	3,500,000	0	399,500	0	3,500,000	0	3,500,000	0	399,500	0	3,500,000	0	3,500,000	0
NOT REQUESTED FOR THE BIENNIUM																		
81Z ARRA	1,341,594	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	78,855,163	253	97,399,500	257	126,337,504	257	93,022,608	257	125,749,264	257	121,249,264	257	93,033,374	257	125,760,030	257	121,260,030	257

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	12,087,028	14.2	6,108,261	5.6	12,508,761	11.8	12,508,761	9.0	12,508,761	9.0	12,956,665	12.2	12,956,665	9.3	17,456,665	12.2
Non-Revenue Receipts	4000040	71,521,842	84.2	103,800,000	94.4	96,571,012	91.1	126,197,168	91.0	126,197,168	91.0	96,371,012	90.7	125,997,168	90.7	125,997,168	87.8
Federal Funds-ARRA	4000244	1,341,594	1.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Information Tech Reserve	4000295	0	0.0	258,716	0.2	399,500	0.4	3,500,000	2.5	3,500,000	2.5	399,500	0.4	3,500,000	2.5	3,500,000	2.4
Miscellaneous Adjustments	4000345	12,960	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	0	0.0	(258,716)	(0.2)	(3,500,000)	(3.3)	(3,500,000)	(2.5)	(3,500,000)	(2.5)	(3,500,000)	(3.3)	(3,500,000)	(2.5)	(3,500,000)	(2.4)
Total Funds		84,963,424	100.0	109,908,261	100.0	105,979,273	100.0	138,705,929	100.0	138,705,929	100.0	106,227,177	100.0	138,953,833	100.0	143,453,833	100.0
Excess Appropriation/(Funding)		(6,108,261)		(12,508,761)		(12,956,665)		(12,956,665)		(17,456,665)		(13,193,803)		(13,193,803)		(22,193,803)	
Grand Total		78,855,163		97,399,500		93,022,608		125,749,264		121,249,264		93,033,374		125,760,030		121,260,030	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
257	241	16	257	0	6.23 %	257	235	22	257	0	8.56 %	257	233	24	257	0	9.34 %

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 appropriation 2QX-Operations.

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

The 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contingency - Telecommunicator 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

Change Level by Appropriation

Appropriation: 288 - Unanticipated Services
Funding Sources: MHC - Department of Information Systems Revolving Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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		2013-2014	Pos	Cumulative	% of BL	2014-2015	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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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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay increases. The Base Level salary of unclassified positions reflect the FY13 line item maximum.

The agency requests change levels of \$9,626,156 for FY14 and FY15. The agency requests an increase in:

- Capital Outlay of \$4,500,000 for restoration or replacement of the Data Center cooling system, replacement of the 33 year old raised floor, and upgrade or replacement of the existing generator with a multi-generator configuration.
 - The agency estimates \$2.7 million for the cooling system. This will be used to replace piping and chilled water systems that provide required climate controls;
 - estimated cost of the new raised floor is \$500,000, and be replaced at the same time as the cooling system.
 - The estimated cost of the multi-generator configuration is \$1.3 million. This will ensure operation of the Data Center in an emergency. The current single generator is near load capacity and may not be able to supply adequate power to the Data Center in the event of a power outage. This project is listed on pages 56 and 58 of the agency's state IT plan.
- Telecommunications/Technology Delivery line item of \$5,126,156 to restore the appropriation. This line item is used for E-Rate reimbursement and delivery of goods and services requested by the agency's customers. This increase to restore the appropriation will ensure sufficient appropriation to provide design and management services for the state's core information technology infrastructures.

The Executive Recommendation provides for Base Level, with the addition of the requested increase in the Telecommunications/Technology Delivery line item.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	15,492,904	15,541,995	16,381,745	15,585,430	15,585,430	15,585,430	15,593,830	15,593,830	15,593,830
#Positions		253	257	257	257	257	257	257	257	257
Extra Help	5010001	120,038	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
#Extra Help		16	18	18	18	18	18	18	18	18
Personal Services Matching	5010003	4,326,296	4,630,640	4,502,238	4,710,313	4,710,313	4,710,313	4,712,679	4,712,679	4,712,679
Overtime	5010006	2,762	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses	5020002	6,063,727	9,519,905	9,519,905	9,519,905	9,519,905	9,519,905	9,519,905	9,519,905	9,519,905
Conference & Travel Expenses	5050009	96,859	214,321	214,321	214,321	214,321	214,321	214,321	214,321	214,321
Professional Fees	5060010	82,017	631,500	631,500	631,500	631,500	631,500	631,500	631,500	631,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,028,485	4,500,000	4,500,000	0	4,500,000	0	0	4,500,000	0
Data Processing Services	5900044	6,163,092	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866
Telecommunication/Technology I	5900046	42,359,773	53,324,773	58,450,929	53,324,773	58,450,929	58,450,929	53,324,773	58,450,929	58,450,929
Total		75,735,953	97,000,000	102,837,504	92,623,108	102,249,264	97,749,264	92,633,874	102,260,030	97,760,030
Funding Sources										
Fund Balance	4000005	10,181,588	5,967,477		12,508,761	12,508,761	12,508,761	12,956,665	12,956,665	17,456,665
Non-Revenue Receipts	4000040	71,521,842	103,800,000		96,571,012	106,197,168	106,197,168	96,371,012	105,997,168	105,997,168
Transfer to Info Tech Reserve	4000645	0	(258,716)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Funding		81,703,430	109,508,761		105,579,773	115,205,929	115,205,929	105,827,677	115,453,833	119,953,833
Excess Appropriation/(Funding)		(5,967,477)	(12,508,761)		(12,956,665)	(12,956,665)	(17,456,665)	(13,193,803)	(13,193,803)	(22,193,803)
Grand Total		75,735,953	97,000,000		92,623,108	102,249,264	97,749,264	92,633,874	102,260,030	97,760,030

The FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	92,623,108	257	92,623,108	100.0	92,633,874	257	92,633,874	100.0
C01	Existing Program	5,126,156	0	97,749,264	105.5	5,126,156	0	97,760,030	105.5
C08	Technology	4,500,000	0	102,249,264	110.4	4,500,000	0	102,260,030	110.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	92,623,108	257	92,623,108	100.0	92,633,874	257	92,633,874	100.0
C01	Existing Program	5,126,156	0	97,749,264	105.5	5,126,156	0	97,760,030	105.5
C08	Technology	0	0	97,749,264	105.5	0	0	97,760,030	105.5

Justification

C01	DIS is requesting \$5,126,156, in appropriation only, to reinstate the Telecommunications Technology appropriation back to its' FY2012 & FY2013 authorized level. DIS purchases communications technology goods and services from the private sector to provide government agencies, boards, and commissions the technology services that are required for the daily operations of each entity. In order to provide design and management services for the state's core information technology infrastructures, DIS must have appropriation authority in an amount sufficient to allow for the purchase of goods and services on behalf of our client customers. Approximately \$16,000,000 of the total \$58,450,929 is dedicated to E-Rate for disbursements to participating schools, libraries and rural health customers.
C08	DIS is requesting a renewal of the \$4.5 million, in appropriation only, for the Capital Outlay line item for each year of the biennium in order to support the following agency requirements: 1. Upgrade or replace existing Data Center cooling system. The appropriation will be used to replace existing piping and chilled water systems that provide required climate controls. The engineering study highlighted that the current system presents an extremely high risk of failure. The preliminary study projected a cost estimate of \$2.7 million. 2. Replace the 33 year-old raised floor system. The replacement will be performed in tandem with the cooling system upgrade/replacement. The new raised floor will maximize both the air flow and cooling efficiency. Estimated project cost is \$500,000. 3. Upgrade or replace the existing single generator with a multi-generator configuration. The current single generator is nearing its load capacity and may not be able to supply adequate power to the Data Center and supporting systems in the event of a power outage. The multi-generator configuration will provide fault tolerant power generation equipment to ensure operation of the Data Center in an emergency. Estimated project cost is \$1.3 million. This project is listed on pages 56 & 58 of the DIS Agency IT plan.

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.

The Agency's Change Level Request of \$3,100,500 for each year of the 2013-2015 Biennium is to restore the appropriation for Equipment Acquisitions & Information Technology Improvements.

The 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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Equip Acq's & IT Improvements 5900046	1,777,616	399,500	3,500,000	399,500	3,500,000	3,500,000	399,500	3,500,000	3,500,000
Total	1,777,616	399,500	3,500,000	399,500	3,500,000	3,500,000	399,500	3,500,000	3,500,000
Funding Sources									
Fund Balance 4000005	1,905,440	140,784		0	0	0	0	0	0
Information Tech Reserve 4000295	0	258,716		399,500	3,500,000	3,500,000	399,500	3,500,000	3,500,000
Miscellaneous Adjustments 4000345	12,960	0		0	0	0	0	0	0
Total Funding	1,918,400	399,500		399,500	3,500,000	3,500,000	399,500	3,500,000	3,500,000
Excess Appropriation/(Funding)	(140,784)	0		0	0	0	0	0	0
Grand Total	1,777,616	399,500		399,500	3,500,000	3,500,000	399,500	3,500,000	3,500,000

Miscellaneous Adjustments line amount reflects Sales Tax Rebates.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	399,500	0	399,500	100.0	399,500	0	399,500	100.0
C01	Existing Program	3,100,500	0	3,500,000	876.1	3,100,500	0	3,500,000	876.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	399,500	0	399,500	100.0	399,500	0	399,500	100.0
C01	Existing Program	3,100,500	0	3,500,000	876.1	3,100,500	0	3,500,000	876.1

Justification

C01	The Department is requesting restoration of the \$3,500,000 Equipment Acquisition appropriation for major asset purchases and improvements of information technology. The Department of Information Systems is authorized under A.C.A § 25-4-122 and § 25-4-123 to accumulate a reserve for equipment acquisition in an amount not to exceed the department's depreciation expense per fiscal year. This reserve allows DIS to replace, upgrade obsolete equipment, software, or fully depreciated equipment that needs to be exchanged for newer technology. This appropriation is for major purchases only.
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Appropriation Summary

Appropriation: 81Z - ARRA

Funding Sources: FIS - Federal Funds-ARRA

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009 5900052	1,341,594	0	0	0	0	0	0	0	0
Total	1,341,594	0	0	0	0	0	0	0	0
Funding Sources									
Federal Funds-ARRA 4000244	1,341,594	0		0	0	0	0	0	0
Total Funding	1,341,594	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,341,594	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013 - 2015 BIENNIUM.