

DEPARTMENT OF INFORMATION SYSTEMS

Enabling Laws

Act 247 of 2016
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, Professional Workforce, Innovation, Customer Focus, Constant Communication, Continual Service 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 5 primary teams under the Director's office. The director's office also functions as the Chief Technology Officer for the state, is the Administrative Division of DIS. The office provides overall guidance for the Agency and works directly with the Executive Leadership Team and the legislature.

(1) Deputy Director's Office

(2) Chief Operating Officer

(3) The State Cyber Security Office

(4) Customer Relationship Management Office

(5) General Counsel

Deputy Director

The deputy director's office oversees the department's fiscal division, Human resources division and enterprise architecture, which encompasses the project management and quality management. The office is also responsible for ensuring agency compliance with state and federal laws.

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.

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.

Human Resource Division (HR) - HR plans and implements human resource policies in accordance with DIS guidelines, the Department of Finance and Administration-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.

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

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. The enterprise architecture team governs the IT Planning processes in accordance with Arkansas Code § 25-4-110, aligning of IT investments with mission and business goals under overarching governance and compliance mandates and best practices, and development/evaluation of policies and procedures pursuant to establishing Enterprise Architecture framework applicable to and governing IT activities/investments of the State.

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 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.

Chief Operations Office:

Enterprise Systems Management (ESM) Division is responsible for designing, implementing, and maintaining solutions to meet customers' IT hosting requirements on UNIX and Linux server platforms. Systems Hosting has many 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 server operating systems and are maintained in the DIS Data Center. ESM also manages the State of Arkansas Enterprise Storage and Tape Management System environment with over 600TB of disk storage and close to a petabyte 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. ESM has taken this approach by offering "Private Cloud" services available to those Agencies, Boards and Commissions making use of State of Arkansas Network. This internal cloud is available to

applications and 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 (ENS) Division manages 1,600 network edge devices or firewalls and routers, utilizing more than 2,000 circuits. Internet bandwidth capacity provided at the State Data Center has grown from 45 Mbps (millions of bits per second) in 1997 to 22,150 Mbps today distributed over four Points of Presence (POPs). ENS is ending the first year of a two year project to replace the K12 network that first installed in the early 1990's. The new network will initially provide forty times the bandwidth of the current K12 network at a similar cost for the Arkansas Department of Education. It will also save the school districts some \$700K/month since their local school district ordered Direct Internet Access connections will no longer be needed. This new K12 network is scalable to a factor five times the initial bandwidth as the school needs increase. Enhanced security is being provided at the schools and at the Internet POPs. The old Internet Content Filter service is being replaced with an enterprise level Cloud Web Security service. These enhanced security items will also be provided to non-schools. Because of changes in technology and the vendor availability of traditional voice telephone services, Unified Communications (UC) will be replacing the current telephone service offered. UC provides more features and at a lower cost to the agencies, boards and commissions. 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 Solutions Division is responsible for designing, implementing and maintaining solutions to meet customer' IT hosting requirements on the Windows server platform, as well as end user support and application management. The Exchange E-mail Hosting section hosts approximately 16,000 Microsoft exchange e-mail accounts. Windows Hosting has multiple statewide applications, such as the driver' license system, state tax systems, unemployment, and numerous other public service applications. Windows hosting services include installation, maintenance, operations, monitoring, tuning, and backup/recovery. 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. 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 over 260 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 Mena, Atkins, and Marmaduke to name a few. Application Management provides analysis and development services to state agencies, boards, and commissions. Application Management uses a variety of technologies to develop custom business-specific applications, convert legacy systems, create websites, and provide system maintenance as required. Employees within Applications Management currently provide support for systems within the Arkansas Crime Information Center (ACIC), the Office of Child Support Enforcement, Administrative Office of the Courts, and the Arkansas Department of Human Services among others. The division has developed multiple systems for various agencies including the Child Nutrition program for the Arkansas Department of Education, the Tax21 system for the Department of Workforce Services, the licensing system for the Arkansas Board of Cosmetology, and the Arkansas Consumer Reporting System (ACRS) for the Arkansas Department of Workforce Services. Current activities include development of a complex licensing and investigations system for Arkansas Tobacco Control, project consulting on ARWINS for the Department of Workforce Services, and SharePoint systems for various agencies. Additionally, the division continues to provide support for systems used by the Arkansas Public Employees Retirement System (APERS), the Arkansas Development Finance Authority (ADFA), the Arkansas Department of Emergency Management and many others.

Enterprise Operations Division provides DIS customers a high-reliability Operations Center, Mainframe Support Services, and Production Control support services. They are responsible for over 20,000 sq. ft. of 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, 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 over 525,000 pages per month.

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 and provides security monitoring of the state-wide network, including the operation and maintenance of 900 firewalls on the network and the State Intrusion Prevention System. These efforts result in the denial of 10 million malicious attempts through the network daily.

The network Security Information Event Management (SEIM) reviews on average 57,024,000,000 network flow records, 50,000,000 System messages, and inspects on average 1.2 Gigabits per second of Internet based traffic. This effort creates 16 million events per day that correlates to 450 incidents per day. Events and Incidents are then correlated to an average of 21 new malware notifications per day. The SEIM tracks an average of 200 active notifications at any one given time that must be resolved by customer administrators or DIS personnel. DIS

provides twenty-four hours a day, seven days a week automated monitoring, system support and on-call phone support to ensure maximum reliability for our customers.

The State Cyber Security Office architects security systems to meet HIPAA, IRS, SSA, CMS, and PCI rules. The security systems are in design and implementation phases that will be able to notify compliance officers when end users are outside of compliance rules.

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.

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 28,000 public safety personnel across the state. More than 132 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.

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 and drives the social media presence on behalf of DIS by serving as the content administrators for YouTube, Facebook, Twitter, and LinkedIn.

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.

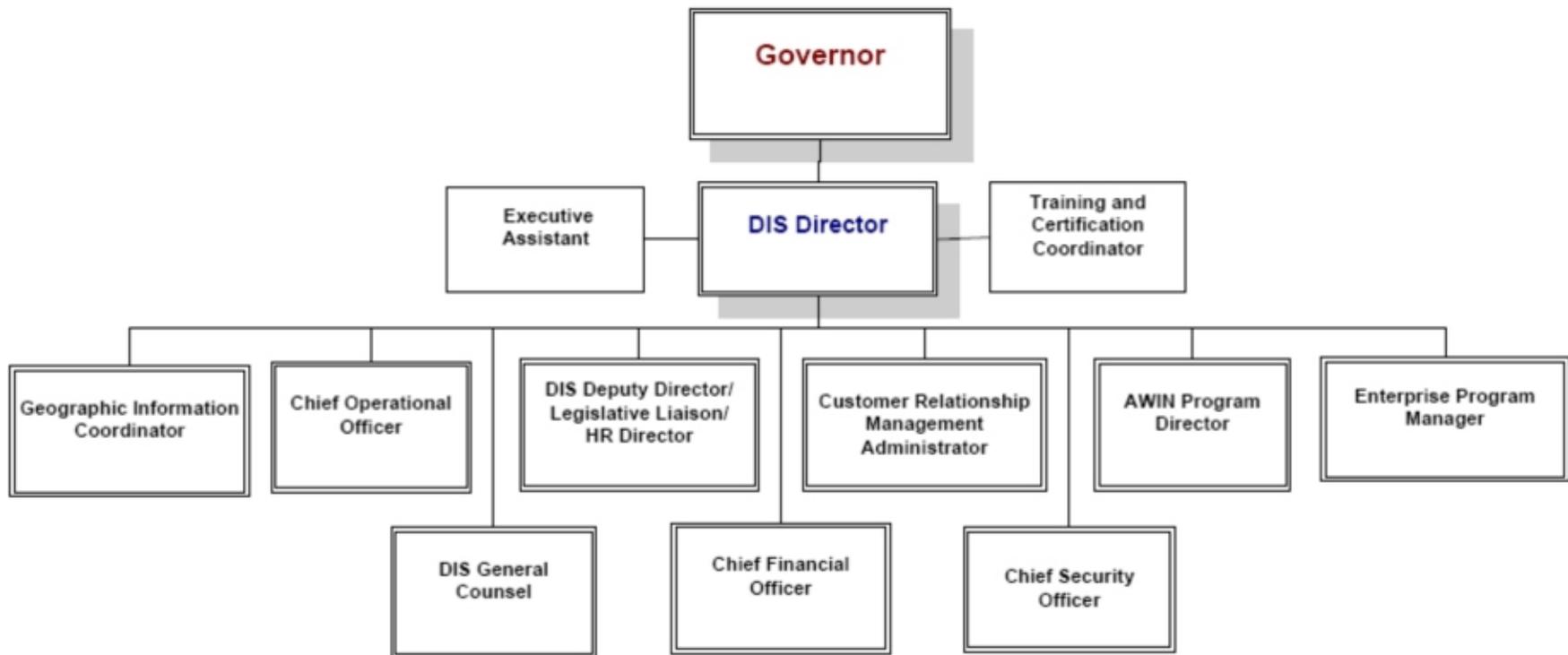
The Customer Service Desk (Call Center) is staffed by seven agents who received over 41,000 state, city, local government, and education customer trouble calls annually. From these calls, and additional e-mail contacts, approximately 94,000 incidents are created and managed using our incident management system. The Customer Service Desk (Call Center) also houses the State Operators who assist Arkansas citizens with 20,000 telephone number inquiries each year, and this past year also added the Access Arkansas Technical Support Center which fielded over 24,000 calls in just nine months.

General Counsel

General Counsel provides departmental oversight to ensure that DIS policies and practices adhere to federal, state, and local laws, rules and regulations. Within this mission, the position facilitates governance in support of the department's business services and serves as a resource to ensure that purchases are made in compliance with laws and regulations and that the corresponding terms and conditions are in the best interests of the State of Arkansas.

General Counsel, in conjunction with Human Resources, is also responsible for monitoring breaches of the DIS Uniform Conduct Standards and DIS Code of Ethics. As a state agency, DIS is subject to a broad array of legal standards that define expected ethical behavior, identify key monitoring requirements, and assign penalties for any violation of these standards. Activities ranging from employment practices and procurement procedures to the personal financial activities of employees are addressed, and ethical behaviors are built into all key processes.

General Counsel participates in a biennial agency-wide risk assessment, which includes identifying potential financial and operational risks and the controls to mitigate those risks. The assessment also involves testing the viability of the controls and proposing improvement activities.



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 using more 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

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.

2017 - 2019 Biennium Requests

Appropriation Only Request:

- A. Renew the Unanticipated Services Appropriation
- B. Requesting Capital outlay appropriation in the DIS Operating Line Item Budget
- C. Renew Telecommunications Technology Appropriation to FY2016 & FY2017
Authorized Level
- D. Renew Equipment Acquisition Appropriation to FY2016 & FY2017 Authorized Level
- E. Request for 9 additional Extra Help positions

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

technology services. Additionally, this aggregation and economy of scale provides the substantial benefit so that organizations can have access to technologies, through increased speed and broadband, 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. Request Capital Outlay - Appropriation Only

The capital outlay requested for the Department of Information Systems is \$2,300,000 in appropriation for year one of the biennium and \$5,500,000 for year two for a combined request of \$7,800,000 in appropriation only total for the biennium. This request will allow the agency to procure upgraded equipment to provide enhanced services and product selections to its customers.

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 a 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.

E. Request for Nine (9) Extra Help positions

The Arkansas Department of Information Systems is requesting the addition of nine Extra Help positions. These positions will enable the agency to hire individuals with specific technical skills to work on a specific project requiring those skills. These positions will add to the cost efficiency of the organization by better matching employees with skills required for individual projects.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF INFORMATION SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 118 | 54 | 172 | 83 % |
| Black Employees | 13 | 13 | 26 | 13 % |
| Other Racial Minorities | 4 | 5 | 9 | 4 % |
| Total Minorities | | | 35 | 17 % |
| Total Employees | | | 207 | 100 % |

Publications

A.C.A. 25-1-201 et seq.

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|---|-------------------------|--------------|------------------|-------------|--|---|---|
| | | 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 | 0 | 0.00 |

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

| Appropriation | 2015-2016 | | 2016-2017 | | 2016-2017 | | 2017-2018 | | | | | | 2018-2019 | | | | | |
|---------------------------------------|-------------------|------------|-------------------|------------|--------------------|------------|-------------------|------------|--------------------|------------|--------------------|------------|-------------------|------------|--------------------|------------|--------------------|------------|
| | 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 | 63,369,297 | 231 | 75,162,005 | 262 | 102,698,335 | 262 | 72,276,976 | 262 | 100,320,735 | 262 | 100,320,735 | 262 | 72,282,526 | 262 | 103,526,285 | 262 | 103,526,285 | 262 |
| 2QY Equipment Acquisition | 2,162,971 | 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 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | | | | | |
| F64 Broadband Services | 0 | 0 | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 65,532,268 | 231 | 78,662,005 | 262 | 136,198,335 | 262 | 75,776,976 | 262 | 123,820,735 | 262 | 123,820,735 | 262 | 75,782,526 | 262 | 127,026,285 | 262 | 127,026,285 | 262 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | |
|---------------------------------------|-------------------|--------------|--------------------|--------------|--|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| Fund Balance 4000005 | 13,764,020 | 17.0 | 15,365,555 | 14.2 | | | 29,237,047 | 23.6 | 29,237,047 | 20.3 | 29,237,047 | 20.3 | 48,280,806 | 33.0 | 20,237,047 | 14.6 | 20,237,047 | 14.6 |
| Non-Revenue Receipts 4000040 | 69,321,051 | 85.7 | 92,533,497 | 85.8 | | | 94,820,735 | 76.4 | 114,820,735 | 79.7 | 114,820,735 | 79.7 | 98,026,285 | 67.0 | 118,026,285 | 85.4 | 118,026,285 | 85.4 |
| Transfer from DIS Revolving 4000520 | 1,009,908 | 1.2 | 2,837,995 | 2.6 | | | 3,500,000 | 2.8 | 3,500,000 | 2.4 | 3,500,000 | 2.4 | 3,500,000 | 2.4 | 3,500,000 | 2.5 | 3,500,000 | 2.5 |
| Transfer to Info Tech Reserve 4000645 | (3,197,156) | (4.0) | (2,837,995) | (2.6) | | | (3,500,000) | (2.8) | (3,500,000) | (2.4) | (3,500,000) | (2.4) | (3,500,000) | (2.4) | (3,500,000) | (2.5) | (3,500,000) | (2.5) |
| Total Funds | 80,897,823 | 100.0 | 107,899,052 | 100.0 | | | 124,057,782 | 100.0 | 144,057,782 | 100.0 | 144,057,782 | 100.0 | 146,307,091 | 100.0 | 138,263,332 | 100.0 | 138,263,332 | 100.0 |
| Excess Appropriation/(Funding) | (15,365,555) | | (29,237,047) | | | | (48,280,806) | | (20,237,047) | | (20,237,047) | | (70,524,565) | | (11,237,047) | | (11,237,047) | |
| Grand Total | 65,532,268 | | 78,662,005 | | | | 75,776,976 | | 123,820,735 | | 123,820,735 | | 75,782,526 | | 127,026,285 | | 127,026,285 | |

Agency Position Usage Report

| FY2014 - 2015 | | | | | | FY2015 - 2016 | | | | | | FY2016 - 2017 | | | | | |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| 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 | |
| 259 | 212 | 47 | 259 | 0 | 18.15 % | 262 | 205 | 57 | 262 | 0 | 21.76 % | 262 | 204 | 58 | 262 | 0 | 22.14 % |

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 2017-2019 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 | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------------------|---------------------|-------------------------|------------|------------|------------|------------|------------|------------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Contingency-Reserve 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 | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | 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 | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | 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 | 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, through increased speed and broadband, 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. |
|-----|---|

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 include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 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 reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency requests a Change Level increase of \$28,043,759 in FY18 and \$31,243,759 in FY19 as follows:

- Extra Help of \$107,500 and \$8,267 for Personal Services Matching each year of the 2017-2019 Biennium for nine additional Extra Help positions. These positions will enable the agency to hire individuals with specific technical skills to work on a specific project requiring those skills. These positions will add to the cost efficiency of the organization by better matching employees with skills required for individual projects.
- Capital Outlay of \$2,300,000 in FY18 and \$5,500,000 in FY19 for the 2017-2019 Biennium. This request is for appropriation only and will allow the agency to procure upgraded equipment to provide enhanced services and product selections to its customers.
- Telecommunication/Technology Delivery line item of \$25,627,992 for each year of the 2017-2019 Biennium. This line item is used for E-Rate reimbursement and delivery of goods and services requested by the agency's customers.

The Executive Recommendation provides for the Agency Request.

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 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|--------------------|--------------------|---|--------------------|--------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 12,825,131 | 15,951,028 | 16,934,383 | 15,161,589 | 15,161,589 | 15,161,589 | 15,165,589 | 15,165,589 | 15,165,589 |
| #Positions | | 231 | 262 | 262 | 262 | 262 | 262 | 262 | 262 | 262 |
| Extra Help | 5010001 | 74,746 | 107,500 | 107,500 | 107,500 | 215,000 | 215,000 | 107,500 | 215,000 | 215,000 |
| #Extra Help | | 4 | 9 | 9 | 9 | 18 | 18 | 9 | 18 | 18 |
| Personal Services Matching | 5010003 | 4,142,476 | 4,691,423 | 5,616,406 | 4,782,833 | 4,791,100 | 4,791,100 | 4,784,383 | 4,792,650 | 4,792,650 |
| Overtime | 5010006 | 329 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 |
| Operating Expenses | 5020002 | 6,939,729 | 9,545,591 | 9,545,591 | 9,545,591 | 9,545,591 | 9,545,591 | 9,545,591 | 9,545,591 | 9,545,591 |
| Conference & Travel Expenses | 5050009 | 83,991 | 107,160 | 107,160 | 107,160 | 107,160 | 107,160 | 107,160 | 107,160 | 107,160 |
| Professional Fees | 5060010 | 13,063 | 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 | 1,329,177 | 2,832,000 | 2,832,000 | 645,000 | 2,945,000 | 2,945,000 | 645,000 | 6,145,000 | 6,145,000 |
| Data Processing Services | 5900044 | 623,356 | 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 C | 5900046 | 37,337,299 | 32,822,937 | 58,450,929 | 32,822,937 | 58,450,929 | 58,450,929 | 32,822,937 | 58,450,929 | 58,450,929 |
| Total | | 63,369,297 | 75,162,005 | 102,698,335 | 72,276,976 | 100,320,735 | 100,320,735 | 72,282,526 | 103,526,285 | 103,526,285 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 11,948,952 | 14,703,550 | | 29,237,047 | 29,237,047 | 29,237,047 | 48,280,806 | 20,237,047 | 20,237,047 |
| Non-Revenue Receipts | 4000040 | 69,321,051 | 92,533,497 | | 94,820,735 | 94,820,735 | 94,820,735 | 98,026,285 | 98,026,285 | 98,026,285 |
| Transfer to Info Tech Reserve | 4000645 | (3,197,156) | (2,837,995) | | (3,500,000) | (3,500,000) | (3,500,000) | (3,500,000) | (3,500,000) | (3,500,000) |
| Total Funding | | 78,072,847 | 104,399,052 | | 120,557,782 | 120,557,782 | 120,557,782 | 142,807,091 | 114,763,332 | 114,763,332 |
| Excess Appropriation/(Funding) | | (14,703,550) | (29,237,047) | | (48,280,806) | (20,237,047) | (20,237,047) | (70,524,565) | (11,237,047) | (11,237,047) |
| Grand Total | | 63,369,297 | 75,162,005 | | 72,276,976 | 100,320,735 | 100,320,735 | 72,282,526 | 103,526,285 | 103,526,285 |

Change Level by Appropriation

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

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 72,276,976 | 262 | 72,276,976 | 100.0 | 72,282,526 | 262 | 72,282,526 | 100.0 |
| C08 | Technology | 28,043,759 | 0 | 100,320,735 | 138.8 | 31,243,759 | 0 | 103,526,285 | 143.2 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 72,276,976 | 262 | 72,276,976 | 100.0 | 72,282,526 | 262 | 72,282,526 | 100.0 |
| C08 | Technology | 28,043,759 | 0 | 100,320,735 | 138.8 | 31,243,759 | 0 | 103,526,285 | 143.2 |

Justification

| | |
|-----|---|
| C08 | DIS requests \$28,043,759 in FY18 and \$31,243,759 in FY19 as follows: \$107,500 for Extra Help and \$8,267 for Personal Services Matching each year of the 2017-2019 Biennium for nine additional Extra Help Positions. These positions will enable the agency to hire individuals with specific technical skills to work on a specific project requiring those skills. As a result these added positions will add to the cost efficiency of the organization by better matching employees with skills required for individual projects. The Capital Outlay requested for the Department of Information Systems is \$2,300,000 for FY18 and \$5,500,000 for FY19. This request is for appropriation only and will allow the agency to procure upgraded equipment to secure the state network and enhance services and product selections for its customers. DIS purchases communications and technology goods and services from the private sector to provide government entities the technology services required for daily operations. Contracting for the state DIS is able to obtain favorable pricing as technology changes the demand for services can increase rapidly and DIS needs to be able to meet this demand. DIS is also requesting \$25,627,992 each year of the 2017-2019 Biennium for Telecommunication/Technology Delivery. This line item is used for E-Rate reimbursement and delivery of goods and services requested by the agency's customers. |
|-----|---|

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 requests Base Level appropriation of \$3,500,000 for each year of the 2017 - 2019 Biennium.

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 | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|---------------------------------------|-----------|-----------|------------|------------|-----------|-----------|------------|-----------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Equip Acq's & IT Improvements 5900046 | 2,162,971 | 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 | 2,162,971 | 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 | 1,815,068 | 662,005 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer from DIS Revolving 4000520 | 1,009,908 | 2,837,995 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Total Funding | 2,824,976 | 3,500,000 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Excess Appropriation/(Funding) | (662,005) | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 2,162,971 | 3,500,000 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |

Appropriation Summary

Appropriation: F64 - Broadband Services

Funding Sources: NIS - DIS Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|---------------------------------------|---------------------|---------------------|-------------------------|------------|--------|-----------|------------|--------|-----------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Oper. Exp. Enhancements & Gra 5900046 | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM