

**SUMMARY BUDGET INFORMATION**  
**TABLE OF CONTENTS**  
**DEPARTMENT OF INFORMATION SYSTEMS**

	<u>Page #</u>
<b>Information Systems, Department of</b> .....	1
Action Required: ( 288 ) Unanticipated Services .....	4
( 2QX ) Information Systems-Operations .....	7
( 2QY ) Equipment Acquisition .....	9

# DEPARTMENT OF INFORMATION SYSTEMS

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	109	43	152	83 %
Black Employees	11	11	22	12 %
Other Racial Minorities	4	5	9	5 %
Total Minorities			31	17 %
Total Employees			183	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				
Broadband Manager's Report	A.C.A. § 25-4-125	Y	Y	40	A.C.A. § 25-4-125 this is distributed electronically by the agency	0	0.00
Quarterly Report to Joint Committee on Advanced Communications and Information Technology	A.C.A. § 25-4-106	Y	Y	40	A.C.A. § 25-4-106 this is distributed electronically by the agency	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation								
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021				
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos	
288 Unanticipated Services	0	0	0	0	20,000,000	0	20,000,000	0	0	0	0	20,000,000	0	0	0
2QX Information Systems-Operations	67,803,947	206	81,810,000	242	103,793,119	263	100,424,622	235	100,424,622	235	102,336,099	235	102,336,099	235	
2QY Equipment Acquisition	800,979	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	
<b>Total</b>	<b>68,604,926</b>	<b>206</b>	<b>85,310,000</b>	<b>242</b>	<b>127,293,119</b>	<b>263</b>	<b>123,924,622</b>	<b>235</b>	<b>103,924,622</b>	<b>235</b>	<b>125,836,099</b>	<b>235</b>	<b>105,836,099</b>	<b>235</b>	

  

Funding Sources		%		%		%		%		%		%
Fund Balance 4000005	22,342,067	24.3	23,276,604	23.3	14,466,604	12.6	14,466,604	15.3	0	0.0	0	0.0
Non-Revenue Receipts 4000040	69,539,463	75.7	76,500,000	76.7	99,904,482	87.4	79,904,482	84.7	103,254,482	100.0	83,254,482	100.0
Transfer to Info Tech Reserve 4000645	(2,000,000)	(2.2)	(2,795,500)	(2.8)	(1,000,000)	(0.9)	(1,000,000)	(1.1)	(2,500,000)	(2.4)	(2,500,000)	(3.0)
Transfers / Adjustments 4000683	2,000,000	2.2	2,795,500	2.8	1,000,000	0.9	1,000,000	1.1	2,500,000	2.4	2,500,000	3.0
<b>Total Funds</b>	<b>91,881,530</b>	<b>100.0</b>	<b>99,776,604</b>	<b>100.0</b>	<b>114,371,086</b>	<b>100.0</b>	<b>94,371,086</b>	<b>100.0</b>	<b>103,254,482</b>	<b>100.0</b>	<b>83,254,482</b>	<b>100.0</b>
Excess Appropriation/(Funding)	(23,276,604)		(14,466,604)		9,553,536		9,553,536		22,581,617		22,581,617	
<b>Grand Total</b>	<b>68,604,926</b>		<b>85,310,000</b>		<b>123,924,622</b>		<b>103,924,622</b>		<b>125,836,099</b>		<b>105,836,099</b>	

## **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 2019-2021 Biennium.

In order to provide sufficient appropriation to cover unanticipated expenditures, the Agency Request exceeds the FY18 Actual Expenditures by more than 10%. Without the flexibility of this Contingency appropriation the Department would not be able to utilize its' significant economies of scale to save the State money on unanticipated services to state agencies.

The Executive Recommendation is to discontinue the appropriation for the 2019-2021 Biennium.

## Appropriation Summary

**Appropriation:** 288 - Unanticipated Services

**Funding Sources:** MHC - Department of Information Systems Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Contingency-Reserve	5130018	0	0	20,000,000	20,000,000	0	20,000,000	0	
Total		0	0	20,000,000	20,000,000	0	20,000,000	0	
<b>Funding Sources</b>									
Non-Revenue Receipts	4000040	0	0		20,000,000	0	20,000,000	0	
Total Funding		0	0		20,000,000	0	20,000,000	0	
Excess Appropriation/(Funding)		0	0		0	0	0	0	
Grand Total		0	0		20,000,000	0	20,000,000	0	

## **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.

Previously Authorized appropriation for Fiscal Year 2019 was \$103,793,119.

Agency Request appropriation totaling \$100,424,622 in FY20 and \$102,336,099 in FY21. The Agency's Request contains the following changes:

Reduction of 17 positions and the corresponding Salaries and Personnel Services Matching appropriation of (\$804,165) and (\$271,123) respectively each year of the biennium. This reduction of unutilized positions will better align appropriation with the Agency's needs.

Reallocation of a total of \$2,409,254 in Maintenance and General Operations appropriation to partially offset the Agency's request for appropriation in Capital Outlay and Telecommunications/Technology Delivery Services. Reductions include:

- Operating Expenses reduction of (\$2,320,595) in both years of the biennium.
- Conference & Travel Expenses reduction of (\$32,159) in both years of the biennium.
- Professional Fees reduction of (\$56,500) in both years of the biennium.

Partial restoration of previously authorized of Capital Outlay of \$2,355,000 in FY20 and \$4,855,000 in FY21. This appropriation will allow the Agency to procure upgraded equipment to provide enhanced services to its customers. The FY21 increase provides for the anticipated lease payments for the needed equipment associated with the Data Center Optimization effort.

Increase to Telecommunications/Technology Delivery of \$1,850,100 in FY20 and \$1,251,953 in FY21. This appropriation will be utilized to provide communication technology goods and services to the state agencies, boards and commission as they upgrade to new systems.

The Agency provided the following justification of appropriation requests that exceeds the FY18 Actual Expenditures by more than 10%:

Extra Help, Overtime, Capital Outlay, Data Processing Services, and Telecommunication/Technology Delivery: The Agency requests that appropriation be approved above FY18 Actual expenditure levels to provide for anticipated expenditures associated with the Microsoft 365 Enterprise Agreement, Data Center Optimization effort, and replacement of antiquated phone systems to Voice over Internet

customer base.

Conference and Travel: With the upcoming projects of the agency, staff will need training to support the new initiatives and DIS intends to put an emphasis on its skilled staff maintaining certifications as well as the pursuing additional certifications and training.

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		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	11,967,659	15,836,339	15,374,053	15,721,219	15,721,219	15,728,519	15,728,519
<b>#Positions</b>		<b>206</b>	<b>242</b>	<b>263</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>235</b>
Extra Help	5010001	101,557	215,000	215,000	215,000	215,000	215,000	215,000
<b>#Extra Help</b>		<b>11</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
Personal Services Matching	5010003	3,875,195	4,894,123	4,851,020	4,839,511	4,839,511	4,841,835	4,841,835
Overtime	5010006	9	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses	5020002	6,583,268	9,545,591	9,545,591	7,224,996	7,224,996	7,224,996	7,224,996
Conference & Travel Expenses	5050009	48,401	107,160	107,160	75,001	75,001	75,001	75,001
Professional Fees	5060010	540,431	631,500	631,500	575,000	575,000	575,000	575,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	11,549	6,145,000	6,145,000	3,000,000	3,000,000	5,500,000	5,500,000
Data Processing Services	5900044	50,789	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866
Telecommunication/Technology	5900046	44,625,089	35,962,421	58,450,929	60,301,029	60,301,029	59,702,882	59,702,882
<b>Total</b>		<b>67,803,947</b>	<b>81,810,000</b>	<b>103,793,119</b>	<b>100,424,622</b>	<b>100,424,622</b>	<b>102,336,099</b>	<b>102,336,099</b>
<b>Funding Sources</b>								
Fund Balance	4000005	22,315,951	22,051,467		13,945,967	13,945,967	0	0
Non-Revenue Receipts	4000040	69,539,463	76,500,000		79,904,482	79,904,482	83,254,482	83,254,482
Transfer to Info Tech Reserve	4000645	(2,000,000)	(2,795,500)		(1,000,000)	(1,000,000)	(2,500,000)	(2,500,000)
<b>Total Funding</b>		<b>89,855,414</b>	<b>95,755,967</b>		<b>92,850,449</b>	<b>92,850,449</b>	<b>80,754,482</b>	<b>80,754,482</b>
<b>Excess Appropriation/(Funding)</b>		<b>(22,051,467)</b>	<b>(13,945,967)</b>		<b>7,574,173</b>	<b>7,574,173</b>	<b>21,581,617</b>	<b>21,581,617</b>
<b>Grand Total</b>		<b>67,803,947</b>	<b>81,810,000</b>		<b>100,424,622</b>	<b>100,424,622</b>	<b>102,336,099</b>	<b>102,336,099</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary adjustments during the 2017-2019 Biennium.  
 FY18 Actuals for Data Processing Services does not reflect all expenditures due to refund to expenditure language. Total refunds to expenditures for FY18 exceeded 11,000,000.



## **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 continuation of current appropriation at \$3,500,000 each year of the 2019-2021 Biennium.

In order to provide sufficient appropriation to cover unanticipated expenditures, the Agency Request exceeds the FY18 Actual Expenditures by more than 10%. This appropriation is utilized for major purchases only and allows the agency to utilize the reserve authorized in in A.C.A § 25-4-122.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Equip Acq's & IT Improvements 5900046	800,979	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	800,979	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Funding Sources							
Fund Balance 4000005	26,116	1,225,137		520,637	520,637	0	0
Transfers / Adjustments 4000683	2,000,000	2,795,500		1,000,000	1,000,000	2,500,000	2,500,000
Total Funding	2,026,116	4,020,637		1,520,637	1,520,637	2,500,000	2,500,000
Excess Appropriation/(Funding)	(1,225,137)	(520,637)		1,979,363	1,979,363	1,000,000	1,000,000
Grand Total	800,979	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000