DEPARTMENT OF INFORMATION SYSTEMS

Enabling Laws

Act 15 of 2010
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 <u>every</u> 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 -** Operational Excellence, e-Leadership, Customer Service Excellence, Financial Excellence, Workforce 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) Project and Enterprise Program Management Office
(5) Chief Financial Officer
(6) State Security Office
(7) Enterprise Architecture and Planning

<u>**The Director's Office**</u> 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, 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.

<u>**The Chief Operations Office includes the following Sections:**</u>
<u>Enterprise Systems Management (ESM) Division</u> 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, AC power protection, gas fire suppression system, under-floor and ceiling water leak detection, emergency generator, off-site vaulted tape backup storage, and disaster cold site capability. The Operations Center performs more than 2,000 mainframe and server-based data processing jobs per day. The division also monitors AWIN, the state's first responder system, state network and computer systems 24 hours a day, every day of the year. The division is responsible for the print production which averages 1.5 million pages per month. The Customer Service Desk (Call Center) is staffed by nine agents who receive and work 115,000 state, city, local government, and education customer trouble calls and e-mails annually. From these contacts approximately 67,000 incidents are created and managed using a new incident management system, CA Service Desk, 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. Examples include the February 5th tornado with technical support responses in Atkins, Clinton, Mountain View and Gassville.

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

This area also includes the following;

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

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

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

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

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

In addition to project and program management, PEPMO includes:

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.

Arkansas Wireless Information Network Program Office (AWIN) provides a statewide trunk-based interoperable communications system to support the public safety/service users in Arkansas on a daily basis as well as in times of emergencies that are multi-jurisdictional or multi-disciplinary. The primary focus is to provide cost efficient/well maintained data, voice, wireless, and video services to our customers including technical stability, application of converged technology, timely response to customer's needs and, in general, creating customer satisfaction. AWIN currently serves more than 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, as well as special projects. These are the daily operational programs that enable the Department to run effectively and efficiently. The Financial Operations group provides accounts payable and receivable activities for the agency; Information Technology Asset Management (ITAM) group tracks the Department's assets and reports to the Fiscal Administration group.

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.
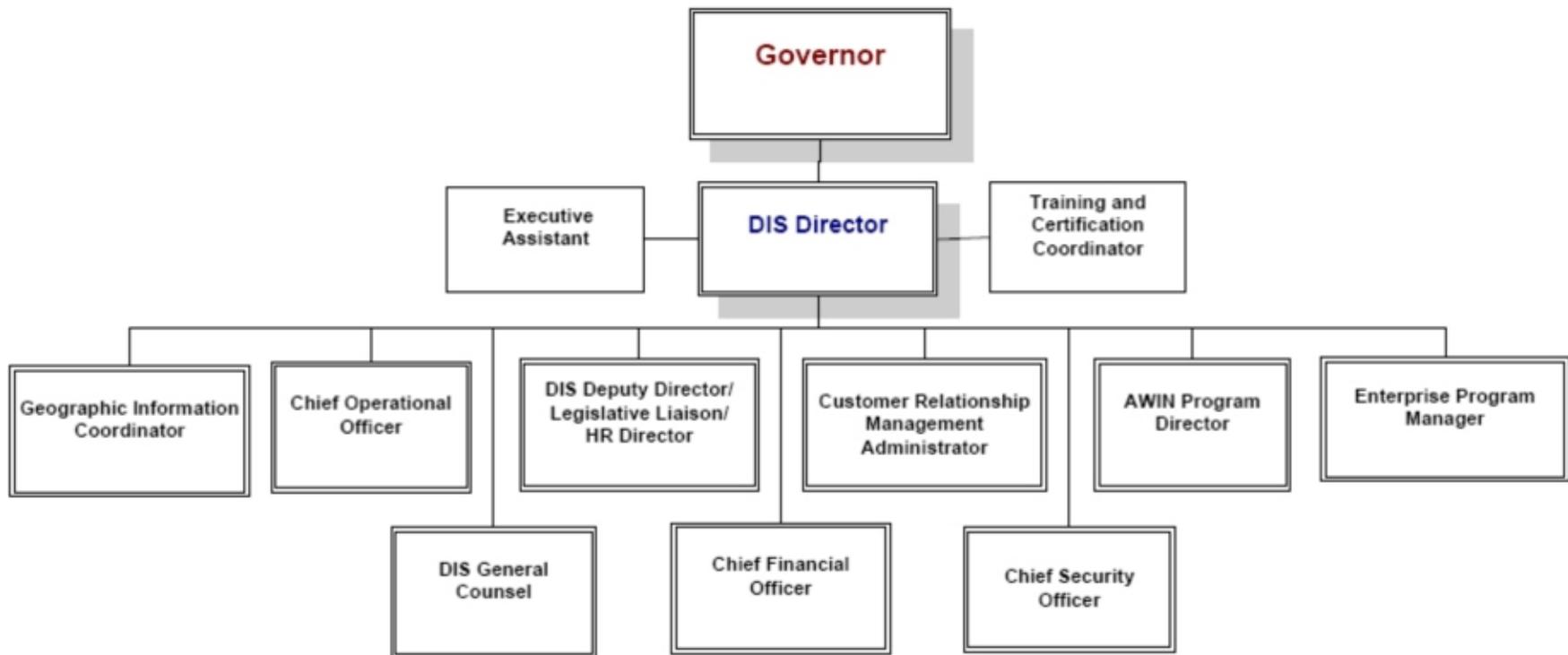
The State Cyber Security Office facilitates the state security working group to formulate policies and standards related to cyber security. The Office also works to develop state contracts for cyber security products to save the state money by taking advantage of economies of scale and to provide a more 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 enterprise's 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 who is responsible for the agency quality program, which is built around the Malcolm Baldridge National Quality Award criteria and has Arkansas Institute of Performance Excellence (AIPE) examiners on staff. Quality efforts also include the Customer Feedback System. DIS has twice earned the AIPE Commitment Award (2003, 2004) and twice earned the AIPE Achievement Award (2005, 2006).

Organization chart:
- Governor
  - DIS Director (with Executive Assistant, Training and Certification Coordinator)
    - Geographic Information Coordinator
    - Chief Operational Officer
    - DIS Deputy Director/ Legislative Liaison/ HR Director
      - DIS General Counsel
    - Customer Relationship Management Administrator
      - Chief Financial Officer
    - AWIN Program Director
      - Chief Security Officer
    - Enterprise Program Manager

Agency Commentary

The Department of Information Systems (DIS) continues to pursue its leadership role in bringing Arkansas agencies and institutions of state government forward in the use of technology. DIS provides technical planning, design, services, and support for information technology and telecommunications services to the public sector of Arkansas in a reliable cost-effective manner. Every day Arkansas state agencies are becoming more involved in using electronic tools to conduct business and deliver service and information to citizens. Public expectations and business necessity are driving this trend. An electronic enterprise environment will meet that need by improving public access to government information and democratic processes as well as help government become more efficient, effective, and responsible to the public through the use of information technology. Technology is our most valuable tool in eliminating the effects of distance, time and geography in the delivery of government services. The challenges presented during the 2011 - 2013 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.

2011 - 2013 Biennium Requests

Appropriation Only Request:

A. Retention of the Unanticipated Services Appropriation

B. Retention of Capital outlay in the DIS Operating Line Item

C. Internal Reallocation of Resources - Data Processing

Appropriation Only Request:

A. Retention of Unanticipated Services Contingency - Unfunded Appropriation Only

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

The capital outlay requested for the Department of Information Systems is $4,500,000 in appropriation only for each year of the biennium. The $4,500,000 will allow DIS to continue purchasing, refreshing equipment, updating, and enhancing services to our state agency customers. Items such as routers, computers, servers, security hardware, software, and other equipment that fall into the capital outlay line item. The prior biennium operating budget line item for Capital Outlay was set at $4,500,000. We are requesting retention of this amount in appropriation only.

C. Internal Reallocation of Resource - Data Processing Appropriation Only:

The Department is requesting a shift of $8,406,866 of appropriation from the Data Processing line item of the DIS base level budget to the Miscellaneous Character 44 designation. This shift will accommodate the Biennium Budget instructions directing agencies to reallocate this line item appropriation due to efforts to remove this class of expense for accounting purposes.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF INFORMATION SYSTEMS

FOR THE YEAR ENDED JUNE 30, 2008

Findings	Recommendations
The Agency failed to maintain proper financial documentation of disbursements. Our review of 133 disbursements totaling $2,376,067 for the two-year period ended June 30, 2008 revealed that the Agency was unable to provide the requested original invoices for 11 or 8% of disbursements tested totaling $394,803. The Agency did request and receive copies of the invoices from the respective vendors; however, it is the responsibility of the Agency to maintain original source documentation. Failure to retain adequate documentation could lead to misappropriation of assets.	The Agency strengthen internal controls and review policies and procedures with appropriate office personnel to ensure that original documentation is retained and filed in a manner making it readily available.
Due to a lack of management oversight and a lack of adequate internal controls, the Agency again failed to remove assets sent to Marketing and Redistribution (M&R) from their asset inventory listing. Our review procedures revealed 15 assets on the Agency's inventory had been sent to Marketing and Redistribution. During our verification of equipment, we noted that three out of 83 items on our equipment observation sample had been sent to M&R but	The Agency strengthen internal controls and review policies and procedures with appropriate office personnel to ensure that assets sent to Marketing and Redistribution are removed from the Agency's inventory in a timely manner.

Findings	Recommendations
were still on the Agency's inventory as of January 27, 2009. Additional testing of asset surplus disposal forms and other reports listing assets received by Marketing and Redistribution revealed 12 additional assets on the Agency's inventory that were retired. Failure to properly remove assets from inventory overstates the Agency's fixed asset inventory and jeopardizes the Agency's ability to properly safeguard and account for fixed assets.	

Employment Summary

	Male	Female	Total	%
White Employees	127	69	196	82 %
Black Employees	12	20	32	13 %
Other Racial Minorities	7	4	11	5 %
Total Minorities			43	18 %
Total Employees			239	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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
288　　Unanticipated Services	0	0	0	0	20,000,000	0	0	0	20,000,000	0	20,000,000	0	0	0	20,000,000	0	20,000,000	0
2QX　　Information Systems-Operations	76,373,133	250	101,775,337	257	101,891,695	257	97,475,237	257	101,975,237	257	101,975,237	257	97,475,237	257	101,975,237	257	101,975,237	257
2QY　　Equipment Acquisition	272,059	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
81Z　　ARRA	1,007,517	0	4,982,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	77,652,709	250	110,257,719	257	125,391,695	257	100,975,237	257	125,475,237	257	125,475,237	257	100,975,237	257	125,475,237	257	125,475,237	257

Funding Sources				%		%			%		%		%			%		%		%
Fund Balance	4000005	14,917,758	16.1	15,265,796	12.6			11,038,670	9.9	11,038,670	8.1	11,038,670	8.1	11,038,670	9.9	11,038,670	8.1	11,038,670	8.1
Federal Revenue	4000020	1,007,517	1.1	4,982,382	4.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Non-Revenue Receipts	4000040	76,984,664	82.9	101,048,211	83.3			100,975,237	90.1	125,475,237	91.9	125,475,237	91.9	100,975,237	90.1	125,475,237	91.9	125,475,237	91.9
Information Tech Reserve	4000295	0	0.0	1,910,312	1.6			3,500,000	3.1	3,500,000	2.6	3,500,000	2.6	3,500,000	3.1	3,500,000	2.6	3,500,000	2.6
Miscellaneous Adjustments	4000345	8,566	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	(1,910,312)	(1.6)			(3,500,000)	(3.1)	(3,500,000)	(2.6)	(3,500,000)	(2.6)	(3,500,000)	(3.1)	(3,500,000)	(2.6)	(3,500,000)	(2.6)
Total Funds		92,918,505	100.0	121,296,389	100.0			112,013,907	100.0	136,513,907	100.0	136,513,907	100.0	112,013,907	100.0	136,513,907	100.0	136,513,907	100.0
Excess Appropriation/(Funding)		(15,265,796)		(11,038,670)				(11,038,670)		(11,038,670)		(11,038,670)		(11,038,670)		(11,038,670)		(11,038,670)	
Grand Total		77,652,709		110,257,719				100,975,237		125,475,237		125,475,237		100,975,237		125,475,237		125,475,237	

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
263	254	9	263	0	3.42 %	257	245	12	257	0	4.67 %	257	241	16	257	0	6.23 %

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.   This appropriation is funded by the Department of Information Systems Revolving Fund and consists of non-revenue receipts derived from services provided to various agencies of the federal, state, city, and county governments.

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

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					
	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
Commitment Item	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Unanticipated Services 5130018	0	0	20,000,000	0	20,000,000	20,000,000	0	20,000,000	20,000,000
Total	0	0	20,000,000	0	20,000,000	20,000,000	0	20,000,000	20,000,000
Funding Sources									
Non-Revenue Receipts 4000040	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000
Total Funding	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	20,000,000	20,000,000	0	20,000,000	20,000,000

Change Level by Appropriation

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

Agency Request

	Change Level	2011-2012	Pos	Cumulative	% of BL	2012-2013	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	2011-2012	Pos	Cumulative	% of BL	2012-2013	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, unsual 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 apppropriation 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.The Department of Informations (DIS) is requesting the continuation of appropriation for supporting operating expenses incurred in the provision of services to state agencies, unsual 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 apppropriation 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.

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflect the FY11 line item maximum.

The Agency requests a reallocation of resources of $8,406,866 from the Data Processing line item (5090012) to Data Processing Services (5900044) due to discontinuation of the Data Processing line item (5090012). The Agency also requests Capital Outlay of $4,500,000 to continue purchasing and updating items such as routers, computers, servers, and security hardware.

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					
		2009-2010	**2010-2011**	**2010-2011**	**2011-2012**			**2012-2013**		
Commitment Item		**Actual**	**Budget**	**Authorized**	**Base Level**	**Agency**	**Executive**	**Base Level**	**Agency**	**Executive**
Regular Salaries	5010000	15,333,201	15,682,495	15,671,052	15,640,541	15,640,541	15,640,541	15,640,541	15,640,541	15,640,541
#Positions		**250**	**257**	**257**	**257**	**257**	**257**	**257**	**257**	**257**
Extra Help	5010001	106,052	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
#Extra Help		**14**	**18**	**18**	**18**	**18**	**18**	**18**	**18**	**18**
Personal Services Matching	5010003	3,810,509	4,139,321	4,267,122	4,381,175	4,381,175	4,381,175	4,381,175	4,381,175	4,381,175
Overtime	5010006	7,954	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses	5020002	4,064,317	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	162,572	214,321	214,321	214,321	214,321	214,321	214,321	214,321	214,321
Professional Fees	5060010	246,946	631,500	631,500	631,500	631,500	631,500	631,500	631,500	631,500
Data Processing	5090012	7,894,431	8,406,866	8,406,866	8,406,866	0	0	8,406,866	0	0
Capital Outlay	5120011	2,192,308	4,500,000	4,500,000	0	4,500,000	4,500,000	0	4,500,000	4,500,000
Data Processing Services	5900044	0	0	0	0	8,406,866	8,406,866	0	8,406,866	8,406,866
Telecomm/Technology Delivery	5900046	42,554,843	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929
Total		76,373,133	101,775,337	101,891,695	97,475,237	101,975,237	101,975,237	97,475,237	101,975,237	101,975,237

Funding Sources										
Fund Balance	4000005	13,064,577	13,676,108		11,038,670	11,038,670	11,038,670	11,038,670	11,038,670	11,038,670
Non-Revenue Receipts	4000040	76,984,664	101,048,211		100,975,237	105,475,237	105,475,237	100,975,237	105,475,237	105,475,237
Transfer to Info Tech Reserve	4000645	0	(1,910,312)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Funding		90,049,241	112,814,007		108,513,907	113,013,907	113,013,907	108,513,907	113,013,907	113,013,907
Excess Appropriation/(Funding)		(13,676,108)	(11,038,670)		(11,038,670)	(11,038,670)	(11,038,670)	(11,038,670)	(11,038,670)	(11,038,670)
Grand Total		76,373,133	101,775,337		97,475,237	101,975,237	101,975,237	97,475,237	101,975,237	101,975,237

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

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

Agency Request

	Change Level	2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	97,475,237	257	97,475,237	100.0	97,475,237	257	97,475,237	100.0
C04	Reallocation	0	0	97,475,237	100.0	0	0	97,475,237	100.0
C08	Technology	4,500,000	0	101,975,237	104.6	4,500,000	0	101,975,237	104.6

Executive Recommendation

	Change Level	2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	97,475,237	257	97,475,237	100.0	97,475,237	257	97,475,237	100.0
C04	Reallocation	0	0	97,475,237	100.0	0	0	97,475,237	100.0
C08	Technology	4,500,000	0	101,975,237	104.6	4,500,000	0	101,975,237	104.6

	Justification
C04	Due to a change in the accounting guidelines at the Department of Finance and Administration, DIS is requesting an internal reallocation of the Data Processing line item (Char 12) to be placed in Miscellaneous Charcter. This will allow DIS to meet vendor payments, customer request for service and conform to the new state classifications of General Ledger reporting.
C08	The Agency is asking to continue $4.5 million in appropriation for the Capital Outlay line item to support the following agency and customer requirements. The Department has a four (4) year refresh one (1) year migration cycle with the following systems scheduled for the next biennium. Hardware / Software - Windows applications $750,000 in FY2012 & $750,000 in FY2013; Linux and AIX operating systems - $1 million in FY2012 and $2 million in FY2013; Main Frame - $1 million in FY2012 only; Disk - $500,000 in FY2013 only; Tape - $100,000 in FY2012 only; Storage Area Network (SAN) - $500,000 in FY2013 only. The remaining items include, Generators to keep systems up and running - $1.5 million in FY2012; Chillers for the Data Center climate control - $100,000 in FY2012;' Water Pipes - $750,000 in FY2013. These items are included in the 2012 - 2013 Department of Information Systems' IT Plan, and can be found in the IT Support Cost Section of the agency Plan.

Analysis of Budget Request

Appropriation: 2QY - Equipment Acquisition

Funding Sources: MHD - Department of Infomation Systems Reserve

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

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

It has been 9 years since the agency used this authority to receive a loan.

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

Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QY - Equipment Acquisition

Funding Sources: MHD - Department of Infomation Systems Reserve

| | | Historical Data | | | Agency Request and Executive Recommendation | | | | |
| | **2009-2010** | **2010-2011** | **2010-2011** | **2011-2012** | | | **2012-2013** | | |
Commitment Item	**Actual**	**Budget**	**Authorized**	**Base Level**	**Agency**	**Executive**	**Base Level**	**Agency**	**Executive**
Equip Acq's & IT Improvements 5900046	272,059	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	272,059	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	1,853,181	1,589,688		0	0	0	0	0	0
Information Tech Reserve 4000295	0	1,910,312		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Miscellaneous Adjustments 4000345	8,566	0		0	0	0	0	0	0
Total Funding	1,861,747	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Excess Appropriation/(Funding)	(1,589,688)	0		0	0	0	0	0	0
Grand Total	272,059	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000

Miscellaneous Adjustments line amount is Sales Tax Rebate.

Analysis of Budget Request

Appropriation: 81Z - ARRA

Funding Sources: FIS - Federal Funds-ARRA

This appropriation was established through the authority of the Miscellaneous Federal Grant Holding Account during the 2009-2011 biennium. The agency received three (3) grants under the American Recovery and Reinvestment Act (ARRA) for the Arkansas Wireless Information Network (AWIN). The grants provided for installation of a 'Smart' Zone Controller at the Arkansas Department of Emergency Management to provide redundancy and ensure continuity of operations of AWIN during emergencies; an upgrade of the AWIN operating system software and related component hardware of 78 sites across the state including the 'Smart' Zone controllers; and an expansion of AWIN channels in the Little Rock metropolitan area.

Funding for these programs will end in the fall of FY2011.

This appropriation is not requested for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 81Z - ARRA

Funding Sources: FIS - Federal Funds-ARRA

		Historical Data			Agency Request and Executive Recommendation					
		2009-2010	**2010-2011**	**2010-2011**	**2011-2012**			**2012-2013**		
Commitment Item		**Actual**	**Budget**	**Authorized**	**Base Level**	**Agency**	**Executive**	**Base Level**	**Agency**	**Executive**
Federal ARRA Project	5900052	1,007,517	4,982,382	0	0	0	0	0	0	0
Total		1,007,517	4,982,382	0	0	0	0	0	0	0
Funding Sources										
Fund Balance	4000005	0	0		0	0	0	0	0	0
Federal Revenue	4000020	1,007,517	4,982,382		0	0	0	0	0	0
Total Funding		1,007,517	4,982,382		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,007,517	4,982,382		0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Change Level by Appropriation

Appropriation: 81Z - ARRA
Funding Sources: FIS - Federal Funds-ARRA

Agency Request

	Change Level	2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(4,982,382)	0	(4,982,382)	100.0	(4,982,382)	0	(4,982,382)	100.0
C16	ARRA	4,982,382	0	0	0.0	4,982,382	0	0	0.0

Executive Recommendation

	Change Level	2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(4,982,382)	0	(4,982,382)	100.0	(4,982,382)	0	(4,982,382)	100.0
C16	ARRA	4,982,382	0	0	0.0	4,982,382	0	0	0.0

Justification	
C03	Federal funding for these programs will end in the fall of FY2011. Therefore appropriation will not be needed in the next biennium.
C16	The agency received three (3) grants under the American Recovery and Reinvestment Act (ARRA) for the Arkansas Wireless Information Network (AWIN). The first grant is for the installation of a 'Smart' Zone Controller at the Arkansas Department of Emergency Management to provide redundancy and ensure continuity of operations of AWIN during emergencies. The second grant provided for an upgrade of the system operating system software and related component hardware of 78 sites across the state including the Smart Zoned Controllers. The third grant provided for an increase in AWIN capacity through channel expansion in the Little Rock Metropolitan area.