

DEPARTMENT OF INFORMATION SYSTEMS

Enabling Laws

Act 1401 of 2005

A.C.A §25-4-101 - §25-4-124

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 providing information technology services to state agencies and other governmental entities; entering into contracts with state agencies and other governmental entities for the purpose of providing information technology services; establishing fair and reasonable schedules of rates or fees to be paid by state agencies and governmental entities provided service to enable the Department to defray the cost of providing the services; establishing rates and fees for services provided by the Department to assure that 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; acquiring information technology on behalf of state agencies, the cost of which shall be recovered through customer billings at established rates; promulgating rules and regulations that are necessary for efficient administration and enforcement of the powers, functions, and duties of the Department.

The Department of Information Systems has adopted a vision statement and a mission statement that is the focus of the Department's statewide service efforts.

Our Vision...is to be a highly respected and premier information technology service - provider - of - choice for Arkansas' Public Sector through our commitment to achieve excellence in our secure cost effective delivery of services.

Our Mission...is to assist customers in accomplishing their goals by providing IT solutions in a reliable, cost effective, and customer oriented manner. We accomplish this mission by respecting and assisting each other in a manner that encourages honesty and teamwork throughout the DIS family.

DIS is organized to accomplish its mission through 10 primary division areas: Administrative, Fiscal Administration, Customer Relationship Management, Communications, Human Resources, Enterprise Operations, Enterprise Network Services, Enterprise Services, Enterprise Systems Management, and Project & Enterprise Program Management.

Administrative Division includes the Office of the Director, the Deputy Director, General Counsel and support staff. This Division provides overall guidance for the Agency and works directly with the

administration and the legislature. This Division also includes the Contract Section, which 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 intra-agency agreements. Contracts reviews all vendor contracts for compliance with Arkansas Law and works with Office of State Purchasing, vendors, and internal stakeholders to assure a valid contract agreement is in place at all times.

Fiscal Administration Division plans, develops, implements policy, and provides for the overall management of DIS budgeting, funds management, financial activities, cost recovery, and special projects. These are the daily operational programs that enable the Department to run effectively and efficiently.

Human Resource Division plans and implements human resource policies in accordance with DIS guidelines, DFA-Office of Personnel Management, and Federal Employment and Labor Laws. This Division administers payroll, job classification/compensation, employment/recruiting, training, employee benefits enrollment, and general personnel policies.

Customer Relationship Management serves as the customer interface for new and existing clients; it is the link between DIS customers and the services that DIS provides them. The Account Representatives maintain customer relationships, and are responsible for marketing services and products to prospective and existing clients; the Financial Operations group provides accounts payable and receivable activities; Billing Operations track services and bill for service usage; Service Order Group handles orders for new service, equipment, and supplies; and the ITAM group tracks the Department's assets.

Communications Division provides leadership in the Agency's efforts in planning and conducting internal and external communications. This includes strategic communications planning and the development and maintenance of brand consistency. This division is directly responsible for the agencies in communication with the administration, legislators, customers, taxpayers, media and other key stakeholders, as well as internal communications that includes efforts to support and lead employee relations communications and events, including those related to organizational development.

Enterprise Systems Management (EMS) Division is the host and server support area. It has the responsibility of designing, implementing and maintaining solutions to meet and exceed the state agencies hosting requirements on the Mainframe, OS/390, UNIX and Windows server platforms, as well as any database administration needs in those areas. ESM support staff provides twenty-four hour a day, seven day a week monitoring, system support and on-call phone support to ensure maximum reliability for our customers.

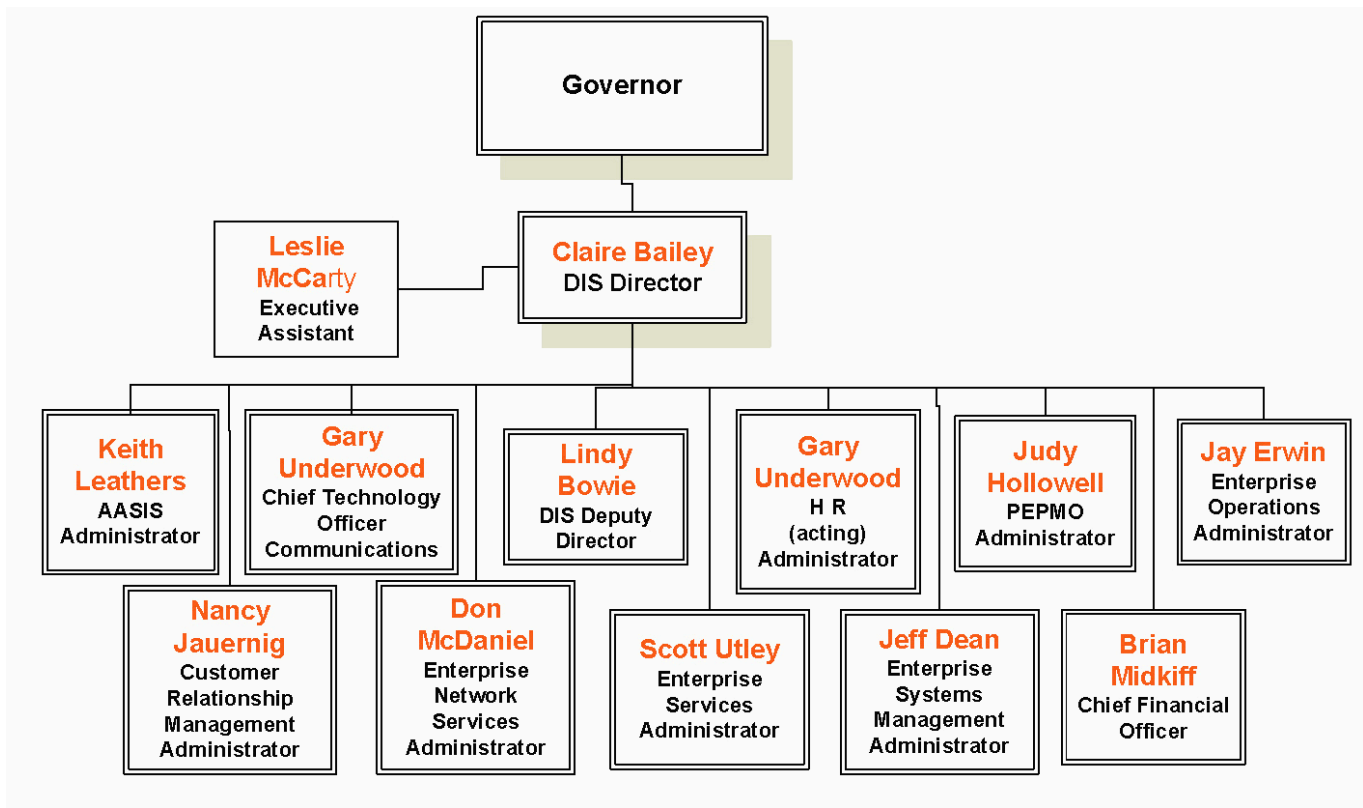
Enterprise Operations Division has the responsibility to respond to customer issues or requests in the most effective manner via 24/7 support. The Call Center provides first level support to all state customers via phone or email during regular business hours. The customer's issues are logged via an incident tracking system (HEAT) for both internal and external customers. Issues that can't be resolved at the first level of support are reassigned to second and third level consolidated Help Desk support teams. The DIS Data Center provides night and weekend support in this same fashion along with providing centralized monitoring; production control and change management of DIS hosted

systems. Within the DIS Data Center, the Tape Library functions to track tape media and secure it in offsite storage. State Operators provide voice support for the State of Arkansas directory information and WATS calls. Also provided by this group are onsite services for statewide support of desktop and LAN services at customer sites for any contracted agencies, boards, or commissions in the State.

Enterprise Services is composed of Application Management, Data Warehouse, Security and Quality Management sections. The Division provides customers a secure and cost-effective delivery of services. Application Management services include the gathering and documentation of requirements; solution based analysis and design, process driven solution development and implementation, system level solution testing and verification, and the maintenance and production support of legacy and previously implemented software solutions. The Data Warehouse makes the organization's information accessible, consistent, and secure. It is the foundation for informed decision making. The Security group monitors, protects, and performs vulnerability assessments for DIS hosted services. They also provide statewide security network monitoring, and other security services to our customers, and assists the Executive Chief Information Officer (ECIO) and Legislature in developing acts and policies. Quality Management develops and implements the DIS quality program. The program is built around the Malcolm Baldrige National Quality Award criteria. DIS employs Lean, Six Sigma and other quality tools to implement this program.

Project & Enterprise Program Management Office (PEPMO) provides project and project management for agencies, boards, commissions, local and county government, internal agency projects, and institutes as well as enterprise systems affecting all of state government. Monitoring the project planning, scheduling, lifecycle development, risk management, resource management, cost & budget control, change management, product quality, and customer satisfaction is the main focus for this office. In addition to project and program management, PEPMO includes the Disaster Recovery & Business Continuity Section of DIS. Primary functions include planning and coordination of the development, implementation, testing, and maintenance of DIS Disaster Recovery and Continuity of Operations plans.

Enterprise Network Services has the responsibility to engineer, implement, and operate the State telephone, data, video, and wireless network. This 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.



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 telecommunication 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 2007 - 2009 Biennium in all these areas must be met if the State of Arkansas and state government are to stay in step with emerging technologies, which will aid agencies and institutions in delivering the services demanded by their customers, the citizens of Arkansas.

Beginning with the 1993-1995 Biennium, DIS became 100% funded from Non-Revenue Receipts. Non-Revenue Receipts are comprised of moneys received from our customers in payment for services provided. DIS is not directly funded from State General Revenue. Consequently, DIS must stay attuned to the ever-changing needs of the agencies and institutions we serve and be able to respond to their needs.

2007 - 2009 Biennium Requests

A. Retention of the Unanticipated Services and Increase Appropriation

- B. Internal Reallocation of Resources - Capital Outlay
- C. Telecommunication Technology Delivery Services:
 - 1) Increase in General Telecommunications Technology Delivery
 - 2) Enterprise Network Systems Upgrade
 - 3) Arkansas Wireless Information Network (AWIN) Funding & Appropriation
- D. Enterprise Services Security, Data Warehouse, and Imaging Increases
- E. Retention of the Spyware Monitoring Appropriation
- F. Request for four (4) FTE positions
- G. Special Language - Establishment of a Growth Pool

A. Retention of the Unanticipated Services & Increase Appropriation:

This request provides for the retention of unanticipated services contingency included in the DIS Operating Act from the previous biennial budget. 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 combine to provide a very cost effective way to implement technology services. Additionally, this aggregation and economy of scale provide 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. DIS is also seeking to increase the appropriation available through this process by adding an additional \$15,000,000 due to key state agencies projecting the replacement of existing electronic systems. DIS does not use this additional appropriation without the necessary supporting documentation, justification, and only when the circumstances necessitate this action. The total request is for \$30,000,000 in appropriation only.

B. Internal Reallocation of Resources - Capital Outlay

The Department is requesting a shift of \$3,500,000 of appropriation from the Data Processing line item of the DIS base level budget to the Capital Outlay line item. This shift will accommodate a change in accounting rules and interpretations that previously allowed the purchase of computer hardware and software under the Data Processing line item. State accounting now requires the use of Capital Outlay for the above acquisitions.

C. Telecommunications Technology Delivery Service:

1) Increase in General Telecommunications Technology Delivery:

DIS purchases communications technology goods and services, for example, long distance telecommunications services and internet access services, from the private sector and provides them to government agencies at cost plus operating overhead. To do this DIS must have appropriation authority in the amount needed to purchase these goods and services on behalf of our state customers. Annually, DIS request additional appropriation through the Unanticipated Services Contingency to meet normal operating obligations to our customers based on our

customers' growth in telecommunications usage. An increase of \$6,549,071 for FY2008 and \$9,599,071 in FY2009 to the current base level will bring this service appropriation to the necessary level. This is an appropriation only request and will be funded through Non-Revenue Receipts.

2) Enterprise Network System Upgrade:

DIS provides key public safety and public health systems access and supports these critical state functions by providing twenty-four hour a day computer operations every day of the year. Arkansas is currently experiencing a dramatic growth in the demands on the data, voice, video and radio wireless networks. To ensure that the Enterprise Network was meeting the growing demands of our State, DIS conducted a thorough analysis and a full assessment of the network; it was recommended that DIS address various issues affecting the network system. Our State has a critical need to ensure that the data network is upgraded to provide redundancy and eliminate single points of failure in the system. With the need to provide twenty-four hour a day information access for the Arkansas Crime Information Network, Department of Health & Human Services, Child Abuse Division, Neglect and Abuse system, Driver License system, and numerous other agencies that support the safety and health of the citizens of Arkansas, it is critical that DIS obtain an increase of \$6,850,512 in FY2008 and \$5,258,158 in FY2009 to implement and maintain the next generation enterprise network for Arkansas citizens. This is an appropriation only request that will be funded through Non-Revenue Receipts.

3) Arkansas Wireless Information Network (AWIN) Funding & Appropriation:

The purpose of this request is to ensure that the Arkansas Wireless Information Network is properly supported and maintained. In June of 2004, the Department of Information Systems assumed the responsibility for the management and support of the statewide radio system that has become known as AWIN. Public safety personnel statewide rely on the AWIN system to provide interoperable communications. These first responders use the system daily to respond to emergencies. It is critical that DIS have the resources to ensure the towers and infrastructure are maintained in such a way that 24X7 availability can be assured. Loss of human life is the ultimate risk if the system is not properly maintained. The Agency request is for \$9,016,235 for FY2008, and \$8,611,735 in FY2009. DIS is requesting funding and appropriation of this service through State General Revenue.

D. Enterprise Service Security, Data Warehouse, and Imaging:

DIS is experiencing consistent and significant growth in providing network connectivity to our customers including all state agencies, K-12 schools, and higher education. Network connectivity is used for voice, video and data traffic and has become essential for the state to conduct routine business and seek new opportunities. With growth comes security risk. DIS desires to mitigate the risk to acceptable levels by implementing countermeasures. Some of these measures are already in place and functioning, but with the growth of network traffic require additional devices to ensure full coverage. This is an appropriation only request that will be funded through Non-Revenue Receipts.

DIS is experiencing growth and technological change in the area of document imaging, content management, and Data Warehousing. Enhancements and conversion to products that more align with business goals promote better partnerships between DIS and its customers. The total Enterprise Services Change Level request is \$757,200 for FY08 and \$80,000 for FY09. The

request for additional appropriation will be funded by fees charged to users of these services.

E. Retention of the Spyware Monitoring Appropriation:

The Department is requesting retention of this biennial appropriation introduced during the 85th Session at the authorized level of \$100,000 for administrative expenses and other associated expenses for the enforcement activities and monitoring of spyware.

F. Request for Four (4) FTE:

1 MPLS Network Engineer (DIS Network Specialist II)

3 AWIN-Wireless SME (DIS Network Specialist I)

The Department of Information Systems has begun the process of moving from a traditional network to a wireless network utilizing Multi-Protocol Label Switching (MPLS) for the Capitol Complex area. Due to the number of public safety and health agencies that depend on the network, a well designed secure implemented system is critical. DIS is experiencing an extreme need for a MPLS Network Engineer. The MPLS Network Engineer will be responsible for design enhancements to the network, upgrades, maintenance and secure functionality of the system.

The Agency is also experiencing serious growth in the demands on the data, voice, video, and radio (wireless) networks that it manages. This growth is having a serious impact on staffing.

DIS has recently completed a Network Assessment Report, which included a thorough analysis of the Enterprise Networks that DIS manages and suggested recommendations on issues that need to be addressed. These issues point to a critical need to ensure that the enterprise network used in our State is upgraded to provide redundancy and eliminate single points of failure. With the need to provide twenty-four hour a day information access for the Arkansas Crime Information Network, Department of Health & Human Services, Child Abuse Division, Neglect and Abuse system, Driver License system, and numerous other agencies that support the safety and health of the citizens of the State of Arkansas, it is critical that DIS obtain the staffing to implement and maintain the next generation network for Arkansas.

In June of 2004, DIS assumed the responsibility for the management and support of the statewide radio system that has become known as AWIN. Public Safety personnel statewide rely on the AWIN system to provide interoperable communications. These first responders use the system daily to respond to emergencies. It is critical that the system be available 24 X 7 with no downtime. DIS is experiencing an extremely serious need for support staff with wireless radio communications experience, specifically in systems that are Project 25 compliant. The three (3) AWIN Wireless SME positions will provide maintenance support to radio tower sites statewide. It is essential that DIS provide additional support staff to augment the existing staff in order to ensure that the AWIN system is available for use by public safety and emergency response personnel.

G. Special Language - Establishment of a Growth Pool:

DIS is a cost recovery agency charged with serving the information technology and communications needs of the public sector in Arkansas. DIS strives to meet the needs of its customer agencies, which include state agencies, boards, commissions, K-12 schools, institutions of higher education, and some local and county governmental units. DIS continues to experience the fortunate opportunity of growth in products and services and must meet the challenges of

new enterprise efforts. These opportunities play a significant role in providing a direct positive impact to the citizens of Arkansas.

DIS requests the addition of special language in our appropriations request to provide for additional personnel that may be required to meet needs that arise during the biennium. Positions filled will be funded through Non-Revenue Receipts to support these efforts.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF INFORMATION SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	125	60	185	81 %
Black Employees	12	21	33	14 %
Other Racial Minorities	6	5	11	5 %
Total Minorities			44	19%
Total Employees			229	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

		Historical Data				Agency Request and Executive Recommendation									
Appropriation		2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
288	Unanticipated Services	0	0	0	0	15,000,000	0	30,000,000	0	20,000,000	0	30,000,000	0	20,000,000	0
2QX	Information Systems-Operations	66,598,097	248	72,834,675	251	73,782,609	251	96,256,003	255	72,803,686	251	96,633,268	255	72,805,005	251
2QY	Equipment Acquisition	442,760	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
2YV	Spyware Monitoring	0	0	0	0	100,000	0	100,000	0	100,000	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM															
4GV	AWIN Treasury Cash	380,153	0	357,598	0	0	0	0	0	0	0	0	0	0	0
Total		67,421,010	248	76,692,273	251	92,382,609	251	129,856,003	255	96,403,686	251	130,133,268	255	96,305,005	251

Funding Sources			%		%		%		%		%		%		
Fund Balance	4000005	21,275,750	23.5	22,613,008	23.6			19,278,333	13.2	19,278,333	17.1	15,905,330	11.2	16,134,809	14.8
General Revenue	4000010	0	0.0	0	0.0			9,016,235	6.2	0	0.0	8,611,735	6.0	0	0.0
Special Revenue	4000030	0	0.0	0	0.0			100,000	0.1	100,000	0.1	0	0.0	0	0.0
Non-Revenue Receipts	4000040	69,167,370	76.5	73,000,000	76.1			117,366,765	80.5	93,160,162	82.8	118,066,765	82.8	93,079,716	85.2
Cash Fund	4000045	737,751	0.8	357,598	0.3			0	0.0	0	0.0	0	0.0	0	0.0
Information Tech Reserve	4000295	794,007	0.9	2,000,000	2.1			3,500,000	2.4	3,500,000	3.1	3,500,000	2.5	3,500,000	3.2
Loan Repayment	4000330	(794,007)	(0.9)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	4,752	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Info Tech Reserve	4000645	(794,007)	(0.9)	(2,000,000)	(2.1)			(3,500,000)	(2.4)	(3,500,000)	(3.1)	(3,500,000)	(2.5)	(3,500,000)	(3.2)
Total Funds		90,391,616	100.0	95,970,606	100.0			145,761,333	100.0	112,538,495	100.0	142,583,830	100.0	109,214,525	100.0
Excess Appropriation/(Funding)		(22,970,606)		(19,278,333)				(15,905,330)		(16,134,809)		(12,450,562)		(12,909,520)	
Grand Total		67,421,010		76,692,273				129,856,003		96,403,686		130,133,268		96,305,005	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
251	217	34	251	0	13.55%	251	235	16	251	0	6.37%	251	229	22	251	0	8.76%

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 \$30,000,000 each year of the biennium due to key state agencies projecting the replacement of existing electronic systems.

The Executive Recommendation provides for appropriation of \$20,000,000 each year.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Unanticipated Serv-Contingncy 5130018	0	0	15,000,000	0	30,000,000	20,000,000	0	30,000,000	20,000,000
Total	0	0	15,000,000	0	30,000,000	20,000,000	0	30,000,000	20,000,000
Funding Sources									
Non-Revenue Receipts 4000040	0	0		0	30,000,000	20,000,000	0	30,000,000	20,000,000
Total Funding	0	0		0	30,000,000	20,000,000	0	30,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	30,000,000	20,000,000	0	30,000,000	20,000,000

Change Level by Appropriation

Appropriation: 288-Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C01	Existing Program	30,000,000	0	30,000,000	100.0	30,000,000	0	30,000,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	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 Unanticipated project needs from our customers make this request necessary. DIS is asking to increase the appropriation available through the contingency process by adding an additional \$15,000,000 due to key state agencies projecting the replacement of existing electronic systems. DIS does not use this additional appropriation without the necessary supporting documentation, justification, and only when the circumstances necessitate this action. The total request is for \$30,000,000 in appropriation only.

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. These services include 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 from the Department of Information Systems Revolving Fund. This fund consists of non-revenue receipts derived from services provided to various agencies of the federal, state, city, and county governments. In the event of unforeseen conditions requiring additional appropriation, 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.

The Agency's Base Level request is \$73,033,165 for FY08 and \$73,034,484 for FY09.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency requests four (4) additional positions. A DIS Network Specialist II is requested for design enhancements, upgrades, maintenance and secure functionality of the wireless network for the Capitol Complex area. Three (3) DIS Network Specialist I's are requested to provide maintenance support to AWIN radio tower sites state wide to augment existing staff to ensure the AWIN system is continuously available for public safety and emergency response personnel.

The Agency requests an increase of \$9,016,235 for FY08 and \$8,611,735 in FY09 for the Arkansas Wireless Information Network (AWIN) system. This is to cover salaries and benefits of \$133,235 for each fiscal year for three (3) new positions and an increase of \$8,883,000 for FY08 and \$8,478,500 for FY09 in the Telecommunications/Technology Delivery line item for operations, maintenance and equipment needs for the towers, microwave system, wire and wireless telecommunications fiber ring, video security, and various other systems requirements. The Agency requests funding from general revenue.

The Agency requests a reallocation of resources of \$3.5 million from the Data Processing line item to the Capital Outlay line item for FY08 and FY09. This is in response to a change in accounting rules and interpretations that previously allowed purchase of computer hardware and software under Data Processing. As shown below, the Agency also requests an increase for FY08 of \$51,200 for Security Management, resulting in a net reallocation of resources of \$3,448,800 in FY08.

The Agency requests an increase of \$757,200 for FY08 and \$80,000 for FY09 for Security Management and Data Warehousing. For FY08 the increases are for Operating Expenses of \$80,000, Data Processing of \$51,200, and Capital Equipment of \$626,000. For FY09 the increase is for Operating Expenses only of \$80,000.

DIS is a cost recovery agency; therefore, the agency can only recover the cost of acquiring information technology on behalf of state agencies through customer billings at established rates.

The Executive Recommendation provides for Base Level with the following exceptions:

- The reallocation of resources from Data Processing to Capital Outlay of \$3.5 million is approved.
- The request for three (3) new positions and other support and maintenance costs for AWIN of \$9,016,235 for FY08 and \$8,611,735 for FY09 is approved, but the Executive recommends this program be transferred to the Arkansas State Police.
- A reduction in Base Level of \$229,479 for Conference & Travel Expenses is recommended to bring the appropriation level to the FY06 Actual expenditure amount of \$214,321.
- The funding line for non-revenue receipts is reduced from the agency request due to the fact DIS is a cost recovery agency and can only recover the cost through customer billings.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	13,079,624	13,912,412	14,465,193	13,912,412	14,050,314	13,912,412	13,912,412	14,050,314	13,912,412
#Positions	248	251	251	251	255	251	251	255	251
Extra Help 5010001	149,156	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
#Extra Help	16	18	18	18	18	18	18	18	18
Personal Services Matching 5010003	3,820,790	3,725,263	4,120,416	3,937,753	3,982,906	3,937,753	3,939,072	3,984,225	3,939,072
Overtime 5010006	12,101	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses 5020002	3,980,818	10,519,905	10,519,905	10,519,905	10,599,905	10,519,905	10,519,905	10,599,905	10,519,905
Conference & Travel Expenses 5050009	214,321	443,800	443,800	443,800	443,800	214,321	443,800	443,800	214,321
Professional Fees 5060010	529,685	631,500	631,500	631,500	631,500	631,500	631,500	631,500	631,500
Data Processing 5090012	9,563,973	11,906,866	11,906,866	11,906,866	8,458,066	8,406,866	11,906,866	8,406,866	8,406,866
Capital Outlay 5120011	5,544	14,000	14,000	0	4,126,000	3,500,000	0	3,500,000	3,500,000
Telecomm/Technology Delivery 5900046	35,242,085	31,450,929	31,450,929	31,450,929	53,733,512	31,450,929	31,450,929	54,786,658	31,450,929
Total	66,598,097	72,834,675	73,782,609	73,033,165	96,256,003	72,803,686	73,034,484	96,633,268	72,805,005
Funding Sources									
Fund Balance 4000005	19,300,282	21,080,300		19,245,625	19,245,625	19,245,625	15,872,622	15,872,622	16,102,101
General Revenue 4000010	0	0		0	9,016,235	0	0	8,611,735	0
Non-Revenue Receipts 4000040	69,167,370	73,000,000		73,160,162	87,366,765	73,160,162	73,079,716	88,066,765	73,079,716
M & R Sales 4000340	4,752	0		0	0	0	0	0	0
Transfer to Info Tech Reserve 4000645	(794,007)	(2,000,000)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Funding	87,678,397	92,080,300		88,905,787	112,128,625	88,905,787	85,452,338	109,051,122	85,681,817
Excess Appropriation/(Funding)	(21,080,300)	(19,245,625)		(15,872,622)	(15,872,622)	(16,102,101)	(12,417,854)	(12,417,854)	(12,876,812)
Grand Total	66,598,097	72,834,675		73,033,165	96,256,003	72,803,686	73,034,484	96,633,268	72,805,005

FY06 Actual for Telecommunications Technology Delivery exceeds Authorized due to special language which provides Appropriation Transfer authority.

DIS is a cost recovery agency; therefore, the agency can only recover the cost of acquiring information technology through customer billings at established rates; consequently, the funding line for non-revenue receipts is reduced.

Change Level by Appropriation

Appropriation:

2QX-Information Systems-Operations

Funding Sources:

MHC - Department of Information Systems Revolving Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	73,033,165	251	73,033,165	100.0	73,034,484	251	73,034,484	100.0
C01	Existing Program	14,339,838	4	87,373,003	119.6	15,120,284	4	88,154,768	120.7
C02	New Program	8,883,000	0	96,256,003	131.8	8,478,500	0	96,633,268	132.3
C04	Reallocation	0	0	96,256,003	131.8	0	0	96,633,268	132.3

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	73,033,165	251	73,033,165	100.0	73,034,484	251	73,034,484	100.0
C01	Existing Program	133,235	3	73,166,400	100.1	133,235	3	73,167,719	100.1
C02	New Program	8,883,000	0	82,049,400	112.3	8,478,500	0	81,646,219	111.7
C04	Reallocation	0	0	82,049,400	112.3	0	0	81,646,219	111.7
C07	Agency Transfer	(9,016,235)	(3)	73,033,165	100.0	(8,611,735)	(3)	73,034,484	100.0
C19	Executive Changes	(229,479)	0	72,803,686	99.6	(229,479)	0	72,805,005	99.6

Justification

C01	Telecommunication Technology Delivery Services - Fiscally, the Department of Information Systems (DIS) is a revolving fund, cost recovery agency. DIS purchases communications technology goods and services from the private sector and provides them to Government agencies at cost plus operating overhead. The appropriation history for the telecommunications technology section of DIS has continuously outgrown its appropriation authority during the last biennium and this biennium as well. The constant growth has routinely lead DIS to requests additional appropriation from the Unanticipated Services Contingency each year; therefore DIS is asking for \$6,549,071 for FY2008 and \$9,599,071 for FY2009 in additional appropriations only for the Telecommunications - Technology portion of our budget. This appropriation will cover purchases of equipment such as routers, switches, video network security as well as increases in vendor billings for telephone services and telecommunications connectivity. Funds to support this request will be recovered through fees charged to users of the service. The Department is also requesting an increase for network upgrades. It is critical that DIS obtain an increase of \$6,850,512 for FY2008 and \$5,258,158 for FY2009 to implement and maintain the next generation network for Arkansas to support new fiber installations, power upgrades and network maintenance of the Capitol Campus network, Core Infrastructure upgrades, firewall redesign and implementation, Multi-Protocol Label Switching implementation and various other system upgrades. Under the Security Management and Data Warehouse areas \$757,200 in FY2008 and \$80,000 in FY2009 to address specific security and data warehouse requirements. Examples – Forensic analysis software, intrusion detection systems, vulnerability tools, firewalls, and data imaging conversion. Total request for Change Level C01 includes a request for four (4) additional positions, 3 of which are in support of the AWIN project listed below.
C02	Telecommunications Technology Delivery Services - Arkansas Wireless Information Network (AWIN) The purpose of this request is to ensure that the Arkansas Wireless Information Network (AWIN) is properly supported and maintained. In June of 2004 the Department of Information Systems (DIS) assumed the responsibility for the management and support of the statewide radio system that has become known as AWIN. Public Safety personnel statewide rely on the AWIN system to provide interoperable communications. First Responders use the system daily to respond to emergencies. It is critical that DIS have the resources to ensure the towers and infrastructure are maintained in such a way that 24X7 availability can be assured. Loss of human life is the ultimate risk if the system is not properly maintained. The request of \$8,883,000 in FY2008 and \$8,478,500 in FY2009, with general revenue funding, will cover the operations, maintenance and equipment needs of the systems towers, microwave system, telecommunications wired and wireless fiber ring, video security, antennas and various other system requirements.
C04	The Department is requesting a reallocation of \$3,500,000 from the Data Processing line item to the Capital Outlay line item. This will accommodate a change in accounting rules and interpretations that previously allowed the purchase of computer hardware and software under the Data Processing line item, but now requires the use of Capital Outlay. The Department also requests an increase for FY08 of \$51,200 for Security Management, resulting in a net reallocation of resources of \$3,448,800.
C07	Executive Recommendation provides for the new AWIN support and maintenance program and transfers the program, including positions, to the Arkansas State Police.
C19	Executive Recommendation decreases Conference & Travel Expenses to FY06 Actual, or \$214,321.

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. It may transfer an amount not to exceed this limitation into the Information Technology Reserve Fund. 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 5 years since the Agency has used this authority to receive a loan.

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

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Equip Acq's & IT Improvements 5900046	442,760	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	442,760	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	1,975,468	1,532,708		32,708	32,708	32,708	32,708	32,708	32,708
Information Tech Reserve 4000295	794,007	2,000,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Loan Repayment 4000330	(794,007)	0		0	0	0	0	0	0
Total Funding	1,975,468	3,532,708		3,532,708	3,532,708	3,532,708	3,532,708	3,532,708	3,532,708
Excess Appropriation/(Funding)	(1,532,708)	(32,708)		(32,708)	(32,708)	(32,708)	(32,708)	(32,708)	(32,708)
Grand Total	442,760	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000

Loan Repayment to Budget Stabilization Trust Fund: A.C.A. §25-4-122.

Analysis of Budget Request

Appropriation: 2YV - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Act 2255 of 2005 created the "Consumer Protection Against Computer Spyware Act." It prohibits the installation of unauthorized spyware on computers owned and operated by Arkansas' consumers. Spyware is software that can track or collect the online activities or personal information of Web users, change settings on users' computers, or cause advertising messages to pop up on users' computer screens. It can also cause extensive damage to the technological equipment involved, loss of valuable information, and theft of personal information.

Funding for the Spyware Monitoring Fund is derived from fines and penalties for violations of the "Spyware Act" under the Deceptive Trade Practices Act, §4-88-101 et seq. The Attorney General's Office is responsible for enforcement of this Act and the program is being developed. No fines or penalties have been assessed for Act violations to date.

The Agency requests continuation of Base Level appropriation of \$100,000.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2YV Spyware Monitoring
Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Admin Expenses 5900046	0	0	100,000	0	100,000	100,000	0	0	0
Total	0	0	100,000	0	100,000	100,000	0	0	0
Funding Sources									
Special Revenue 4000030	0	0		0	100,000	100,000	0	0	0
Total Funding	0	0		0	100,000	100,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	100,000	100,000	0	0	0

This is a biennial appropriation authorized for \$100,000 per Act 2313 of 2005.

Change Level by Appropriation

Appropriation: 2YV-Spyware Monitoring
Funding Sources: SSM - Spyware Monitoring Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C01	Existing Program	100,000	0	100,000	100.0	0	0	0	x

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C01	Existing Program	100,000	0	100,000	100.0	0	0	0	100.0

Justification

C01	This appropriation was introduced during the 85th Session and has not yet been implemented; therefore, it was not budgeted in FY07. The Agency requests continuation of this biennial appropriation at the authorized level of \$100,000 for administrative expenses and other associated expenses for the enforcement activities and monitoring of spyware.
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Appropriation Summary

Appropriation: 4GV AWIN Treasury Cash
Funding Sources: NIS - DIS Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Professional Fees 5060010	380,153	357,598	0	0	0	0	0	0	0
Total	380,153	357,598	0	0	0	0	0	0	0
Funding Sources									
Cash Fund 4000045	737,751	357,598		0	0	0	0	0	0
Total Funding	737,751	357,598		0	0	0	0	0	0
Excess Appropriation/(Funding)	(357,598)	0		0	0	0	0	0	0
Grand Total	380,153	357,598		0	0	0	0	0	0

Budget exceeds Authorized Appropriation in Professional Fees due to a transfer from the Cash Fund Holding Account.
 THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.