

1995-96 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 95hrJC-Fi_Misc_pt14b

➤ Record of Comm. Proceedings ... RCP

➤ **

I

I. Department of Administration Loan to the Information Technology Investment Fund

1995 Wisconsin Act 27 created a segregated Information Technology Investment Fund (ITIF) to be administered by the Department of Administration under s.16.971. The ITIF will eventually be funded through a permanent funding mechanism provided under s.16.701 and 16.702 which requires DOA to assess fees from private vendors doing business with the State of Wisconsin. Sections 16.702(1) and (2) require that the Department submit rules prescribing fee amounts which are expected to provide approximately \$4.1 million annually to the Fund. The Department has developed a proposed fee structure, has submitted proposed rules to the Administrative Rules Clearing House, and will consult on the proposed rules with the Joint Committee on Information Policy.

The Department does not expect that revenues from the vendor fee will be available to the ITIF before July, 1996. For purposes of this request therefore, the Department proposes to exercise its authority under s.20.002 (11) to loan \$4,100,000 from s.20.505(1) (ke) Telecommunications and Data Processing services to the s.20.870 (1)(q) Information Technology Investment Fund in order to finance the FY 96 expenditures in this request. This loan will take place after the vendor fee receives positive treatment by the Legislature but before revenues are collected. The Department of Administration plan to reimburse s.20.505 (1)(ke) for this loan will be submitted to the Committee under separate cover. The Department assures the Committee that it will meet its obligations to report regularly to the Legislature under s.20.002(11)(f) on the status of the fund loan and repayment.

Appropriation s.20.505(1)(ke) provides state telecommunications services and data processing oversight and management services. The current program position of the appropriation is almost \$8.0 million higher than its expenditure authority. The proposal to borrow \$4,100,000 from this appropriation for transfer to the ITIF will not affect the appropriation's expenditure authority or program position. The transfer will be shown on the state accounting system as a loan receivable to s.20.505 (1)(ke) and as a loan payable from s.20.870 (1)(q) with revenues which will be raised through the vendor fee.

The current program position of s. 20.505(1)(ke) is the result of a variety of factors including aggressive fund management, and careful planning for future expenditures. In accordance with appropriate fiscal management policies, the Department maintains a minimum of 60 days revenue as a cushion for the appropriation. This amounts to between \$4.0 and \$5.0 million. In addition, the Department is currently preparing to rebid the state telecommunications contract and is planning the transition to the BadgerNet project under which the Department is planning future procurement and management of telecommunication services. Most of the transition to BadgerNet will take place during FY97 since the current contracts end on June 30, 1997.

In addition to the normal costs caused by a transition, the Department could be faced with additional equipment costs if it switches to another carrier. These were estimated at one time to reach \$4 million during the transition period, but it appears now that they will be lower. Finally, through careful management of expenditures the Department was able to produce savings of about \$1.2 million during FY95 which resulted in a year-end expenditure total below its authorized expenditure authority. These savings resulted from the difference in the estimated

tariffed rate and the state contract rate for the State Centrex System local voice service and from the continuing operating efficiencies in the Consolidated Data Network (CDN). The Department will pursue an aggressive payback schedule and hopes to pay back the loan in five to six years.

II. VendorNet and Vendor Fee

VendorNet

The Department requests a transfer of \$552,100 SEG from s.20.870(1)(q), Information Technology Investment Fund, to s.20.505 (1)(kn), Multi-Agency Information Technology Development Projects, to develop a statewide vendor information system, called VendorNet, that will provide valuable information on state procurement practices via the Internet to vendors who do business with the State of Wisconsin. This funding will also provide \$31,300 to ensure minimal Internet access for those state agencies that do not currently have it to enable them to use the VendorNet system. The VendorNet project is being directed by the State Bureau of Procurement in the Division of State Agency Services. In addition to vendor information, it will also enable the Department to electronically administer the proposed vendor fee and to maintain a central database of vendors. It is critical that the VendorNet system be well underway by July 1, 1996 since it is integral to the collection and administration of the vendor fee, which will provide funding for future information technology projects through the ITIF, as well as provide funds to repay the loan from s.20.505(1) (ke) to the Fund.

A fee on vendors who do business with the state of Wisconsin was approved in 1995 Act 27. The segregated revenues from the fee will be used to support the Information Technology Investment Fund and as a result, the Department wants to ensure that vendors are among the first to benefit from technological improvements. To ensure the priority of the VendorNet project, the Department began to address this issue in March, 1995, by naming a Procurement Improvement Steering Committee, organizing focus groups with vendors, and supporting a six week long project development effort staffed by a variety of state agency procurement representatives.

The Steering Committee and focus groups recommended that the state provide the following services to state vendors: on-line procedures explaining how to do business with the state, vendor on-line self registration for bid lists, synopses of upcoming bids, access to vendor "home pages" for viewing by state agency procurement officers, and eventually, the transmission of bids electronically. A help desk was also recommended so that vendors could obtain "human" help when they had problems with the system or did not have the tools to access the system.

It was also determined that in order to efficiently administer the vendor fee and register vendors who will participate in the official sealed bid process, that the VendorNet system should be expanded to include fee collection and fee administration, as well as vendor registration functions. In addition to being available to vendors via the Internet, the VendorNet system must also be available through the Internet to all agency procurement officials. The objectives of this administration component of the VendorNet project are to provide centralized control and administration of the fee, eliminate duplicate contract or subscription payments for the same company, determine the appropriate rate based on the contract award amount, and provide fiscal management.

1996 Information Technology Investment Fund Recommendations

The request for the funding for VendorNet development and agency Internet access will enable the Department of Administration to complete development and begin operation of the first phase of the system. The Department has also planned a second VendorNet phase and may be requesting additional funds from the ITIF for completion of the remaining components of the system at some future date. In addition, it is planned that the State Bureau of Procurement will begin operation of a Vendor Support Desk in conjunction with VendorNet and prior to it becoming operational, to provide additional service to vendors. Finally, the system will require continuing management and technical support. The Department is developing estimates of costs and looking at various means to meet those costs including the ITIF. Therefore, it is likely that the Department may request additional funding from the ITIF in FY97 for the Vendor Support Desk operations and continuing VendorNet administrative costs, as well as further planned system development.

A breakdown of the amount the Department is currently requesting for development of the VendorNet system is as follows:

- a hardware upgrade to the Department's mid-size processor and transition to a new database software which the Department will use to establish the vendor database and administration database. The upgrade will provide additional processing capability to handle the VendorNet workload. \$209,750
- Programming costs to develop the VendorNet system: \$311,000
- Total estimated development cost: \$520,750

In addition, Internet access is required for the procurement staff in each state agency, institution and University campus for the VendorNet system to begin operation. A survey of all agencies conducted in January, 1996 revealed that most small agencies and some larger agencies do not yet have Internet access. When these agencies complete their migration to the standard infrastructure, they will have the network that enables them full access, but for some agencies that may take several years. Therefore, this request includes the minimal costs necessary to provide the necessary modems for a dialup capability and the required software for Internet access. The total amount requested is \$31,300 which will fund the purchase of the required 110 software packages at \$200 and 62 modems at \$150.

Vendor Fee Administration

In addition to the VendorNet system development costs, the Department will incur additional costs in the Division of Administrative Services to administer the vendor fee and to develop a vendor database. The Department requests the transfer of \$80,000 SEG from s.20.870(1)(q) to s.20.505(1)(r) to cover FY96 vendor fee administrative and related costs. (Because this is a request for the transfer of funds to a segregated appropriation, it must be acted on by the Joint Committee on Finance meeting under s. 13.10. Therefore, this section of the request is for information only. The Department of Administration will submit a separate s.13.10 request for this funding.)

1996 Information Technology Investment Fund Recommendations

The Division of Administrative Services will carry out the following administrative activities in relation to the vendor fee :

- Mailings to all prospective vendors to inform them of the vendor contract administration fee and of procurement opportunities with the State
- Subsequent year renewal mailings to all active vendors
- Actual collection of fees and data entry of vendor information received with the fee
- Financial administration of the fee and in-house fiscal services and activities, such as allocation of ITIF funds to agency appropriations as approved by the JCF
- Interaction with vendors who inquire about the status of contract administration fee payment, modifications to data collected, and financial reporting to management and the legislature
- In cooperation with the State Bureau of Procurement, assist with Vendor Support Desk operations

The Department's administrative funding request for \$80,000 is for the fourth quarter of FY96 and will cover the following costs which are critical to beginning to collect the fee and provide vendor support desk services to vendors on July 1, 1996:

- \$12,500 - one-quarter of annual cost of a actual fee collection and management
- \$50,000 - informational mailing to 50,000 state vendors
- \$5,000 - LTE assistance to help prepare and send mailing, and perform other administrative tasks - 500 hours.
- \$5,000 - Telephone, InterNet daily upload of data, other communications and other miscellaneous costs
- \$7,500 - 2 vendor support desk LTE's for May and June, 1996. The department will also request \$22,480 for 2 vendor support desk LTE's for the first six months of FY97.

It is estimated that the DOAS administrative costs for FY97 will be \$132,480 SEG to account for a full year of administrative costs at \$50,000, and additional vendor support desk costs, and that these costs will continue to be supported by the ITIF.

III. Infrastructure Support

The Department of Administration requests transfer of \$389,250 SEG from s.20.870(1)(q), the Information Technology Investment Fund, to s.20.505(1)(kn), multi-agency information technology development projects, in order to provide essential transition or migration services to nineteen small agencies that are being recommended for transition from their current information technology configuration to the basic infrastructure standards during FY96. One of the first funding priorities of the Information Technology Investment Fund is to provide a basic IT infrastructure for small agencies with fewer than 50 FTE. This project is in response to the Legislative directive under s. 16.971(2)(n) in 1995 Act 27 that the Department establish an IT resource center to provide technical assistance and training to small agencies and designated this

22

project for Department of Administration priority consideration under s.9101(21i) of the nonstatutory provisions in the Biennial Budget.

The Basic Infrastructure Project was initiated through Executive Order 242 in January, 1995. The Division of Technology Management was charged with assessing the state's current IT infrastructure, establishing enterprise IT standards, and preparing an initiative to provide the infrastructure to agencies. The Small Agency Infrastructure proposal which is Section IV of this document is the first step in bringing all agencies to the statewide infrastructure standard. It is crucial that agencies moving to a new IT environment have the technical expertise, support, and training which is essential to successfully integrate new technology into the workplace. In the past, many small agencies have been limited in their ability to utilize advanced technology because they do not have staff technical expertise and support services available. It is estimated that about 370 FTE in the small agencies will begin to receive these services in FY96 with that number increasing in FY97 as medium sized agencies are added. The FY96 number includes the combined FTE of the former financial regulatory agencies that will become part of the Department of Financial Institutions on July 1, 1996.

As part of the Basic Infrastructure Project, the Department of Administration proposes to provide these basic services, first to the small agencies, and eventually to any state agencies who wish to contract for them. For FY96 and FY97, the funding for these services will go directly to DOA's new multi-agency IT development appropriation. In future biennia, the expectation is that the necessary funding will be built into the agency base budgets and paid to DOA through a separate rate structure. The services that will be provided include a Floating Implementation Team (FLIT), and a centrally administered Shared Training and Real-time Support service (STARS).

The FLIT will provide consulting services in hardware and network planning and implementation, in planning for and providing initial high level training to end-users, and in consulting on software conversion. Provision of the services will be outsourced by the Department of Administration. Costs for FY96 are based on three months since the Department will not be able to enter into a contract for the necessary three consultants until April. The annual cost for each consultant is \$75,000. For the April to June 1996 time period, three FLIT consultants will be under contract to DOA at cost of \$56,250. It is the Department's intention that the additional \$225,000 funding for the three consultants to continue through FY97 will also come from the ITIF.

The STARS service will be made available to small agencies in May, 1996, at the proposed start of the implementation of their move to the basic infrastructure standards. The planned service would provide 24 hour, 7 day a week support to agency customers. The service will also be outsourced and will initially be staffed with 7.0 FTE at a annual cost of \$75,000 each, or \$525,000. The start-up costs for the support component for the first two months of STARS are estimated to be \$105,000 and will be supported by funding from the ITIF during FY96. The additional \$525,000 in funding required for FY97 will also come from the ITIF. After this biennium, the costs will be charged through an annual rate to participating agencies who may receive base budget funds for this expenditure. Training services for the same small agency group will provide training for 370 FTE during the April through June period at a total cost of \$500 per person, or \$185,000. Again, after this biennium, agencies will pay for training costs through their base budgets. The total FY96 cost for STARS staff and training services is \$290,000. Equipment needs for the technical support staff include 10 high end computers at \$4,000 each and one printer for \$3,000 for a total of \$43,000. Because of the technical nature of their duties, the support staff has a business need for high end personal computers.

IV. Small Agency Basic Infrastructure Project

Introduction

The Department of Administration requests transfer of \$728,620 SEG in FY96 from appropriation s. 20.870(1)(q), Information Technology Development to s.20.505(1)(kn), Multi - Agency Information Technology Development Projects in order to fund the conversion of fourteen small GPR agencies from their current technology to the state standard basic infrastructure. The Department also requests additional expenditure authority for four small PRO agencies for the same purpose. For this request, small agencies are defined as those with 50 FTE or less. This Project and the preceding Support Project are in response to the Legislative directive under s.16.971(2)(n) to the Department to provide small agencies with an information technology resource center and the designation of this project for Department of Administration priority consideration under s.9101(21i) of the nonstatutory provisions in the Biennial Budget.

The Department proposes to cover all of the FY96 costs of the Small Agency Basic Infrastructure Initiative through a transfer from the ITIF and will not utilize the MasterLease funding mechanism under s.16.76(4) for this group of costs. In general, most of the costs incurred for the small agency infrastructure will not result in further requests to the ITIF. The one exception to this is the request for FY97 network operating costs which include monthly use and router lease costs which will be paid in FY97. It is expected that these costs will be built into agency base budgets in the next biennium.

Additionally, as previously stated, the Department requests blanket authorization to carry over the expenditure authority requested through this s.16.515 document to FY97 so that the purchase and installation of this equipment can be completed without an additional expenditure request to the Committee. This carryover request applies to all requests in this document, not just the Small Agency Basic Infrastructure Initiative and is also addressed in the Executive Summary. In future years, grants from the ITIF will be awarded prospectively in June for the next fiscal year, allowing the agencies a full twelve months to makes the expenditures and install the equipment. FY 96 presents a unique, one-time situation because all of the development and administrative work associated with the ITIF had to be done before funding requests could be presented to the Joint Committee on Finance. It is anticipated that the funds could be released for expenditure sometime in April or May, but that may not give agencies enough time to spend the monies during this fiscal year. Of course, the carryover funding would be one-time only and not become part of the agency's base. The Department will report the amount of carryover and timing of expenditures as part of its evaluation of ITIF expenditures under s. 16.971(5)(f).

The Department is requesting that the ITIF monies be transferred to the multi-agency IT development appropriation in the Department of Administration instead of to fifteen small agency appropriations in order to more carefully monitor the small agency expenditures, to streamline administration of the monies by avoiding transfer to multiple appropriations, to ensure that the small agencies purchase the correct combination of desktop and network hardware and software; and to realize economies of scale when purchasing hardware and

software for the small agencies. Further, the purchase of computers in one lot will make it easier to provide technical support for the equipment.

As previously discussed, the Basic Infrastructure Project was initiated through Executive Order 242 in January, 1995. The Division of Technology Management was charged with assessing the state's current IT infrastructure, establishing enterprise IT standards, and preparing an initiative to provide the infrastructure to agencies. The Small Agency Basic Infrastructure proposal is the first step in bringing all agencies to the statewide infrastructure standard. Small agencies that are participating in this project were required to submit a migration plan describing their current hardware and software and listing the items needed to move to the standards to the Division of Technology Management before their request could be approved and forwarded to the Committee.

As part of the Basic Infrastructure Initiative, the Division of Technology Management has identified specific standards for desktop hardware and software, local area network hardware and software, support and training and enterprise e-mail, and has established standard costs for these items. The network costs include estimated rate costs for FY97 for the frame relay circuit and router components of the network. These costs will be built into the agency base in the next biennium. Technical consultation, support, and training will be provided by the Department of Administration and is budgeted for under Section III of this request so agency requests for these components are denied. Stand-alone fax machines and copy machines are not included in the basic infrastructure costs and are also denied. For purposes of this request, the FTE count following each agency's title is equivalent to the number of knowledge workers in the agency.

The approved basic infrastructure items, their standard cost, and a brief description of the item is included in the following table. The narrative for each agency will explain cases in which the standard costs are not used, or in which other costs occur, otherwise, all costs in Section IV were calculated using the standard costs.

Small Agency Standard Infrastructure Costs

Infrastructure Item	Allowable Cost	Description
1. Desktop computer and software (includes laptop computer)	\$3000	Envisions a four-year replacement cycle
2. Printer	\$3,000	Laser jet capability - ratio of one printer to 10 FTE. Includes duplex capability.
3. Server	\$4000	Small agency capacity only, costs exceed this for larger agencies in this category and elsewhere.

1996 Information Technology Investment Fund Recommendations

4. Backup device	\$1,000 to \$3,000	Cartridge tape drive
5. Hub	\$3,000 to \$3,300	12 ports or 24 ports- different costs for agencies that need more than 48 ports.
6. Wiring	\$250	Per node (includes each PC, printer and server) and data and electricity costs.
7. Frame Relay Circuit-56kb	\$1200 installation - \$400 monthly use rate, \$135 estimated monthly router lease rate	For agencies with 15 or fewer staff. Use and estimated router lease rates are FY97 costs.
8. Frame Relay circuit with T1 line	\$1,500 Installation rate - \$1,230 monthly use rate, \$335 estimated monthly router lease rate.	For agencies with more than 15 staff. Use and estimated router lease rates are FY97 costs.
9. EMX connection (email)	\$1,200	Software to connect agency to central switching device operated by Info-Tech Services
10. Modem	\$150	To provide dial-up capability for email using a standard voice telephone line.
11. Network Operating System	\$2,000 - 10 user, \$2,800 - 25 user, \$3,800 - 50 user.	

Agencies Requesting Funding from the ITIF

The Board on Aging and Long Term Care - 17 FTE

The Department requests the transfer of \$24,400 from the ITIF to fund the major portion of the infrastructure costs for the Board. The total that the Board will spend on the conversion to basic infrastructure is \$30,000, but it has \$5,600 in its IT base for FY96 and FY97 which can also be used. The funds will provide for upgrades to 8 desktop and 4 laptop computers at \$800 per computer or \$9,600, 5 new desktop computers, and 12 software upgrades to Microsoft Office Suite at \$200 per computer, or \$2,400 and a printer.

Adolescent Pregnancy Prevention and Services Board - 1.5 FTE

The Department requests the transfer of \$10,500 from the ITIF to provide funding to the Board for 2 personal computers, one EMX connection, two modems at \$150 each, and one printer.

26

Department of Administration - Division of Hearings and Appeals - 25 FTE

The Department requests the transfer of \$51,400 from the ITIF to provide funding to the DOA Division of Hearings and Appeals for 15 personal computers, 2 server upgrades for \$400, and two printers.

Child Abuse and Neglect Board - 4 FTE

The Department requests increased expenditure authority in appropriation s. 20. 432 (1)(kc) of \$28,220 to enable the Board to purchase 4 desktop computers, one printer, an email connection with dial-up capability, and the following network equipment: one server for \$4000, a 12 port hub, wiring for \$1250, a 56kb frame relay circuit for \$1,200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620 for FY97, and a 10 person network operating system. Although the Board is funded through program revenue funds, it has no funds available for these expenditures, therefore, the request is also to transfer this amount from the ITIF. The total cost of this hardware and software is \$34,220, however the Board has \$6,000 in base resources which has been subtracted from the costs.

Ethics Board - 7 FTE

The Department requests the transfer of \$48,120 from the ITIF to provide funding to the Ethics Board for 7 personal computers and one laptop computer, two printers, a backup tape system for \$1,000, and the following network equipment: a server for \$4000, a 12 port hub, a 56kb frame relay circuit for \$1,200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620 for FY97, and \$2,500 for wiring.

Elections Board - 13 FTE and 2 LTE

The Department requests the transfer of \$86,620 from the ITIF to provide funding to the Elections Board for 17 desktop computers and 1 laptop computer, one printer, a network server for \$15,000, a 25 user network operating system for \$2800, a 56kb frame relay circuit for \$1200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620 for FY97, an EMX connection for email, and a \$3000 tape backup system. The Elections Board has a business need for two extra computers because it currently provides two computers for public access. It also maintains large databases requiring a larger network server.

Office of the Lieutenant Governor - 8 FTE

The Department requests the transfer of \$ 44,820 from the ITIF to provide funding to the Office of the Lieutenant Governor for 7 personal computers, one printer, and a network server, a 12 port hub, a tape backup system for \$1000, wiring for 8 nodes at \$250 per node or \$2,000, a 56kb frame relay circuit for \$1,200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620, an EMX connection and a network operating system for 10 users at \$2,000.

Personnel Commission - 10 FTE

The Department requests the transfer of \$57,420 from the ITIF to provide funding to the Personnel Commission for 10 personal computers and one laptop computer, one printer, and the following network equipment: one server for \$4,000, a 24 port network hub, a 56kb frame relay circuit for \$1,200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620, a network operating system for 25 persons for \$2,800, wiring for \$3,000, and \$1,000 for a tape backup system.

Joint Survey Committee on Retirement Systems - 3 FTE

The Department requests the transfer of \$18,600 from the ITIF to provide funding to the Committee for 3 personal computers, a printer, a network server, wiring for \$1,250, and an EMX connection and additional dial-in access for \$150.

Tax Appeals Commission - 7 FTE

The Department requests the transfer of \$10,200 from the ITIF to provide funding to the Commission for 3 personal computers, one printer, and an EMX connection. The total cost of these items is \$13,200, however, the Commission has a \$3,000 base which can be applied to these expenditures.

Wisconsin Arts Board - 9 FTE

The Department requests the transfer of \$36,000 from the ITIF to provide funding to the Board for 9 personal computers, and the following network equipment: a network server, a tape backup unit for \$1,000, an EMX connection, and a 25 user network operating system for \$2,800.

Wisconsin - Minnesota Boundary Area Commission - 4.5 FTE

The Commission is a joint entity that is supported equally by the states of Wisconsin and Minnesota. Therefore the recommended purchase for the Commission from the ITIF is contingent upon an equal match from Minnesota. However, the basic infrastructure standards have been set by Wisconsin, and the infrastructure should be completely installed in order for the agency to function efficiently. The total amount that the Commission would need to move to standards is \$24,200, however, because an equal match is required from the State of Minnesota, the amount to be transferred from the ITIF is \$12,100. Full funding of this request would include funding to the Board for 5 personal computers, one printer, a tape backup system for \$1,000, an EMX connection, and a network server. The ITIF does not support the purchase of a copy machine, however, the Department recommends that the Commission be allowed to expend its \$2,000 base funds to lease a copier. While this funding is requested for transfer from the ITIF, it will not be released until an equal match for the total cost of the infrastructure investment is received from the State of Minnesota.

Wisconsin Conservation Corps - 19 FTE

The Department requests the transfer of \$71,220 from the ITIF to provide funding to the Corps Central Office for 6 personal computers for \$18,000 and 7 personal computer upgrades at \$800 each for a total of \$5,600, two copies of Attachmate software for \$500, one printer, a LAN server upgrade for \$3,500, a 56kb frame relay circuit for \$1,200 and the funds to cover monthly use costs of \$4,800 and monthly router lease costs of \$1,620. For the Corps regional and Milwaukee Offices, the Department requests funding for 5 personal computers and one laptop computer and 5 printers. The Corps requests the Attachmate for a mainframe connection required by WisMart. The WCC does have base funding available, but that is dedicated to DILHR to cover PRS support costs which will be incurred when it becomes part of that agency.

Wisconsin Employment Relations Commission - 36 FTE

The Department requests the transfer of \$143,680 from the ITIF to provide funding to the Commission for 14 personal computer upgrades for \$1,557 each for \$21,800, 20 personal computers for \$3000 or \$60,000 and 3 personal computers for power users for \$11,500, and the following network equipment: one network server at \$6,000, two 24 port hubs for \$6,600, a tape backup system for \$3,000, wiring at \$9,500, a frame relay circuit with a T1 line at \$1,500 and \$1,230 per month use costs and \$335 per month router lease costs for FY97 for \$18,780, an EMX connection, and a network operating system for 50 users at \$3800. The higher end computers for power users are replacements for staff who already have that level of equipment.

Office of Justice Assistance - 15 FTE

The Department requests the transfer of \$73,220 from the ITIF to provide the Office with funding to purchase 15 personal computers and one laptop computer, two printers, and the following network equipment: a network server, one hub for \$3,300, wiring for 18 nodes or \$45,00, a tape backup system for \$1000, a 56kb frame relay circuit and monthly use costs of \$4,800 and monthly router lease costs of 1,620 for FY97, an EMX connection and a 25 user operating system for \$2,800. The total cost of this equipment is \$78,420, however \$5,200 in base funds can be applied to the expenditure.

Agencies Requesting Expenditure Authority from Program Revenue Funds

All of the agencies which are being recommended for increased expenditure authority have adequate program revenue reserves unless otherwise noted.

Land Information Board - 3.0 FTE

The Department requests increased expenditure authority of \$3,000 in appropriation s.20.505 (4)(ie), to enable the Board to purchase one desktop personal computer.

Board of Commissioners of Public Lands - 9.0 FTE

The Board has two offices, one in Madison and one in Northern Wisconsin, therefore it is requesting two printers and two servers, one for each office. The Department requests increased expenditure authority of \$33,450 in appropriation s.20. 585 (2)(hg) to enable the Board to

29

purchase 2 personal computers and one laptop computer, two printers, an EMX connection, and the following network equipment: two servers at \$4,000 each, wiring for 13 nodes at \$250 each for \$3,250, one 12 port hub for \$3000, a tape backup system for \$1,000 and a 10 person operating system for \$2,000.

Waste Facilities Siting Board- 2 FTE

The Department requests increased expenditure authority of \$5,100 in appropriation s.20. 505(4)(k) to enable the Board to purchase 2 personal computers, one printer and an EMX connection. The total cost of these items is \$10,200 but the Board has adequate budgeted expenditure authority available for FY96 to cover one-half of the cost or \$5,100.

Small Agencies That Have Not Submitted Requests

The following agencies which qualify as small agencies did not submit requests for funding from the ITIF or requests for increased expenditure authority: the Judicial Commission, the Lower Wisconsin Riverway Board, the Education Communications Board, the Higher Educational Aids Board, the State Treasurer, the Labor and Industry Review Commission and the Office of the Secretary of State. The Judicial Commission, the Lower Wisconsin Riverway Board and the Treasurer's Office have indicated that they may submit requests for the FY97 grant cycle. The Higher Educational Aids Board is proposed to merge with a larger department, and is encouraged to integrate its migration plan with that of the new agency. The State Fair Park Board has indicated that it will move to standards over a four year period using base resources. The Office of the Secretary of State has already migrated to standards and requested only training and support from the Department of Administration. The Labor and Industry Review Commission has also already migrated to standards and will receive its support from DILHR.

The Gaming Commission did submit a request, however, questions were raised regarding the ability of the Commission to fund its current operations, its ability to fund a significant infrastructure expenditure, the number of actual positions that the Commission will be able to support and the infrastructure that will be needed in FY97, and the condition of the Commission's current hardware and software configuration. Because these questions could not be answered satisfactorily in the review time available, the FY96 Gaming Commission request is denied. The Commission can resubmit it request in the FY97 grant cycle.

V. Other Agency Infrastructure Requests

Some agencies that do not qualify under the small agency criterion, nevertheless requested basic infrastructure funding from the ITIF in FY96. These agencies submitted complete or partial migration plans, under an agreement with the Division of Technology Management, making them eligible for funding. The Departments of Tourism and Military Affairs requested funding for complete conversion to the basic infrastructure for all of their knowledge workers. The Department of Natural Resources and the Office of the Commissioner of Insurance were considered for partial infrastructure funding in response to agency business needs. If the costs for the recommended equipment are not specifically included in the narratives, they are included in the Small Agency Standard Infrastructure Costs table in Section IV on pages seven and eight.

Department of Natural Resources

District Network Expansion

The Department requests the transfer in FY96 of \$ 260,048 for the first year of three years of Masterlease payments from the ITIF to s.20.370(8)(mh) for the Department of Natural Resources Network Expansion project. The total cost of the project is \$732,530. This infrastructure project incorporates the DNR's District Network Expansion request which was submitted by the Department as part of the Biennial Budget, but was deferred by the State Budget Office for ITIF funding in FY96. By creating service centers and placing staff there, DNR will improve service accessibility but will make it more difficult to provide consistent service. If service center staff are able to share information easily through communication networks, and to share work products with other department knowledge workers no matter where in the state they are located, that problem will be greatly minimized.

The Department will combine this funding request with capital budget expenditures to fully network sixteen of its newly organized service centers with each other and the central office. The following equipment is included in the request: cabling, router installation and rates, T1 data communications lines, servers, hubs, network interface cards, printers, and computer workstations. The Department request is necessary to bring a total of 902 knowledge workers to the statewide infrastructure standards as well as purchase and install the necessary network equipment.

The work centers that will be affected and the total cost per center for the network expansion is as follows: Black River Falls - \$67,030, Dodgeville - \$63,785, Fitchburg - \$44,910, Green Bay - \$51,600, Horicon - \$47,500, LaCrosse - \$68,680, Milwaukee - \$66,280, Oshkosh - \$47,500, Park Falls - \$66,880, Spooner - \$40,615, Wausau - \$64,385, Wisconsin Rapids - \$47,500, Sturgeon Bay - \$45,000 and Woodruff, Brule and Cumberland wiring hubs - \$10,865. An attached spreadsheet provides the breakdown for these figures.

Department of Military Affairs - 71 FTE

Basic Infrastructure

The Department requests transfer in FY96 of \$46,300 for the first year of three years of Masterlease payments from the ITIF to s.20.465(1)(kn) National Guard Operations to enable the Department of Military Affairs to purchase standard basic infrastructure for its National Guard Operations. The total for infrastructure costs charged to this appropriation is \$130,300. The Department also requests increased expenditure authority in FY96 of \$73,200 for the first of three years of Masterlease payments to s.20.465 (3)(i) Emergency Government, to enable the Department of Military Affairs to purchase the standard basic infrastructure that it requires for this division. The Department is uncertain whether adequate fund reserves will be available in s.20.465(3)(i) to cover the Emergency Government expenditures. If funding is not available at the time that the spending is authorized, than those expenditures should be funded from the ITIF. The total funding amount for infrastructure from this appropriation is \$206,200, and the yearly Masterlease payment is \$73,200. The full expenditure authority is required for the FY96 payment, however, Emergency Government has \$9,000 in FY97 in available base funds, so the expenditure authority for FY97 and FY98 can be reduced by that amount to \$64,200. The total

cost of this infrastructure project for both divisions is \$336,500. The total Masterlease payment for the agency for 1996 is \$119,500.

This funding will enable the Department of Military Affairs to make the following purchases for the Division of Emergency Government: 46 personal computers, 11 laptop computers, 10 printers, one computer upgrade for \$200, and a \$5,000 upgrade to an existing network for a total of \$207,400. Additionally, the Division of Administrative Services requires 31 personal computers, 9 computer upgrades at \$800 each, 9 upgrades to Microsoft Office Suite software at \$200 per unit, four printers, one network server with tape backup system for \$9,800, an operating system for \$1,500 and \$5000 for an upgrade to an existing network for a division total of \$130,300.

Department of Tourism - 66 FTE

New Department Infrastructure

The Department requests the transfer in FY96 of the first year of three years of Masterlease payments of \$100,700 from the ITIF to s. 20.380(1)(kd) to enable the Department of Tourism to purchase the standard basic infrastructure that it requires. The total cost of this infrastructure project is \$340,100. The first year Masterlease payment of \$120,700 only requires a revenue transfer of \$100,700 because of \$20,000 in base funds which can be applied to the purchase. The Masterlease payments for FY97 and FY98 will only require transfers of \$80,700 because the department has \$40,00 in base IT funding, which can be applied to the purchase in those years.

This will enable the Department of Tourism to make the following purchases: 70 personal computers for \$210,000, 9 printers for \$27,000, two LAN hubs for \$12,800, T1 circuit installation costs at \$8,200, monthly use costs for the T1 line for FY97 at \$4,800 and monthly router lease costs of \$8,040 for two routers for FY97, 6 servers at \$4000 each for \$24,000, a system backup for \$1500, 5 modems for remote office dial-in for \$750, an EMX connection, EMX rate costs for FY97 of \$1,152, wiring for 70 workstations for \$17,500, six mainframe access software packages for \$1554, 5 copies of the 10 user operating system for \$14,000 and two copies of the 50 user operating system for \$7,600. Since this is a new agency, it has not accumulated an adequate budget base from which to operate, therefore some costs are provided that might not otherwise be included in the basic infrastructure.

Office of the Commissioner of Insurance - 138 FTE

Basic Infrastructure - Phase Two

The Department requests increased expenditure authority of \$121,973 PRO in appropriation s.20.145(1)(g) and \$7,553 PRO in s.20.145(8)(hg) to fund the second phase of the Commission's infrastructure migration. The total expenditure authority recommended for OCI in this request is \$129,526. OCI requested funds in the 1995/97 budget to install a LAN and associated desktop infrastructure. That funding allowed the Commission to make significant progress in FY96, and because they are ahead of schedule, they are requesting additional expenditure authority for FY96.

The funding would enable the Commission to purchase the following hardware and software:

11 desktop computers for \$33,000, 11 laptop computers with additional memory at \$5,000 each for \$55,000, three printers, one for OHCI and two for OCI for \$9,000, and the following network hardware and software: a hubstack for \$1,250, a Novell 50 user operating system \$2,854, LANDesk virus protection, \$2,985, a PC/TCP 20 user license \$15,345 (110 at \$139.50), support and maintenance for the PC/TCP connection, \$2,302, and CD server upgrade for \$395, and a remote access modem pool and 4 additional ports for \$7,400. The cost of the network being prorated to OCI is \$27,973, with the remaining amount of \$4,553 prorated to OHCI. Because the Commission conducts field audits of insurance companies, it has a business need for the laptop computers with higher memory and a remote access modem pool.

Wisconsin State Legislature

Basic Infrastructure

The Department requests the transfer in FY96 of \$1,000,000 from the ITIF to s.20.765(1)(ka) to enable the State Legislature to begin implementation of its \$4 million infrastructure plan. The plan calls for the upgrade of 570 legislative office and caucus staff workstations. The Legislature will: upgrade 286/386 computers to Dell Pentium with Windows applications, upgrade office printers and software, install new token ring cards to increase memory capability, provide standard software for all computers, and provide for installation and initial support. The request for ITIF funds will provide initial seed monies for this project which the Legislature would like to complete before the May, 1996 floor period.

It is suggested by the Legislature that the remaining \$3 million of the cost could be financed through a four year MasterLease contract beginning in fiscal year 1997. Several sources for funding the payments are suggested including a possible future request to the ITIF. The FY97 MasterLease payment is estimated at \$747,800. The payments for the remaining three fiscal years are estimated to be \$897,300 annually. This proposal still requires approval by the Joint Committee on Legislative Organization under s.13.90(1)(g), however, all of the alternative funding options suggested by the Legislature include the initial \$1,000,000 grant from the ITIF.

VI. Information Technology Development Projects Prioritized in 1995 Wisconsin Act 27

Introduction

In the 1995/97 biennial budget, the Governor recommended that a number of information technology development projects be approved for funding from the Information Technology Investment Fund. Subsequent Legislative action removed these projects from the budget and deferred them for funding to the ITIF during FY96. The specific projects deferred by the Joint Committee on Finance to the Fund were listed in s.9101(21i) of the non-statutory provisions of 1995 Wisconsin Act 27, along with a directive to the Department to accord these projects priority consideration. The Department makes the following recommendations regarding these projects:

Department of Administration

Small Agency Support and Videoconferencing

In the 1995/97 Biennial Budget, the Department of Administration requested \$166,200 PRO annually to create a fund to assist small agencies with basic infrastructure, and \$265,300 PRO annually to establish a state-wide videoconferencing network. Both requests were for funding from the Information Technology Investment Fund. The Legislature deferred these requests to FY96.

As part of this s.16.515, the Department is requesting funding from the ITIF for a Small Agency Basic Infrastructure Project which is described in detail in Section IV. The Department also plans to develop the planned videoconferencing sites during 1996, but it has determined that appropriation s20.505 (1)(ke), Telecommunications and Data Processing Services, has adequate FY 96 expenditure authority to cover the cost of the sites.

The Department's original budget request proposed to establish a total of 21 videoconferencing sites throughout the state. Twelve of those sites have now been developed and funding for them is no longer required. Of these twelve, eight were to be located on University of Wisconsin campuses and were not accounted for in the DOA request. The Department will use its available expenditure authority in s. 20.505(1)(ke) to establish the remaining nine planned sites in state owned buildings in Madison, Waukesha, Fond du Lac, Superior, Rice Lake, Wausau, Rhinelander, Wisconsin Rapids and LaCrosse. The total cost to develop the nine sites is \$587,700. The Department will utilize the Masterlease mechanism to finance this expenditure and expects that the videoconferencing equipment can be installed before the end of CY96.

Department of Agriculture Trade and Consumer Protection

InterActive Voice Response and Complaint Tracking System

The Department requests transfer of the first year of three years of Masterlease payments of \$63,030 from the ITIF to appropriation s. 20.115 (8)(kt) to automate the complaint tracking system and provide an interactive voice response system for the Bureau of Consumer Protection in the Department of Agriculture, Trade and Consumer Protection. The total cost of the project is \$177,550. No further funding will be required from the ITIF for this project. The 1995/97 Budget Bill included a recommendation that the DATCP receive \$90,000 from the ITIF to provide an interactive voice response system for the Department's Consumer Hotline. The request was deferred to the ITIF in FY96, and subsequent budget action resulted in the transfer of the Department of Justice Consumer Protection functions to DATCP.

As a result of the transfer, the cost of these systems has nearly doubled due to the huge increase in calls that the consumer hotline is experiencing, and because of the additional positions that that the Department received. Agriculture, Trade and Consumer Protection proposes to integrate its automated complaint tracking system with the new automated telephone system and network the five offices that receive complaints. DATCP requests the following equipment for this project: 19 personal computers for \$57,000, 19 Nomad database software packages at \$125 each for \$2,375, \$100,000 to 1) reprogram the IVR system which was transferred from the Department of Justice to DATCP, 2) complete programming the automated complaint tracking system, 3) integrate the databases of the two Departments and 4) connect the IVR to the

database. In addition, the Department requests 19 new two-line phones at \$75 each for \$1,425, 26 new phone lines for the IVR, for the new positions, and for a modem for a total of \$4,550, \$10,000 for training 50 FTE, and \$2,200 for a disc drive to accommodate the expanded database. This project will be completed in FY96 and FY97 with this funding and will not require an additional request to the ITIF.

Department of Development

IVR Information Desk

The Department requests the transfer of the first year of three years of Masterlease payments of \$32,000 from the ITIF to s. 20.143(4)(kc) to enable the Department of Development to develop an IVR system to provide information on department operations through a variety of media. The total cost of the system is \$90,000 and no further funding will be required from the ITIF for this project. When completed, the system will provide a fax back capability and bulletin board access to department information as well as upgrade the Department's existing 1-800 number and voice mail services. The system will provide services to all the Department's customer groups. Finally, the new system will replace the Department's current obsolete voice mail system for its staff.

Department of Corrections

Scheduling Software

The Department requests transfer of the first year of three years of Masterlease payments of \$10,650 from the ITIF to appropriation s.20.410 (1)(4) to enable the Department of Corrections to purchase program scheduling software for inmate program assignments in 12 correctional institutions. The total amount required for this project is \$30,000 and no further funding will be required from the ITIF. The software will enable the Department to schedule inmates into multiple programs as needed. It will also enhance the ability of security and program staff to track inmate movement and to monitor program participation. Although the Department of Corrections requested this funding for FY97, it is being recommended for FY96 to enable them to begin the testing and installation as soon as possible.

Integrated Learning System

The Department submitted a request in the Biennial Budget for \$200,000 in FY97 to begin to develop an integrated learning system for the Department. Therefore this request will be addressed as part of the FY97 grant cycle.

Distance Education Hardware and Software

In the Biennial Budget, the Department of Corrections requested \$540,000 for distance education hardware and software. The Governor's recommendation reduced that proposal to \$70,000. It is clear that distance education has immense potential for correctional institutions. However, because of the magnitude of this project, The Department of Administration recommends that the Department of Corrections prepare a detailed plan, in cooperation with the Educational Communications Board and the Bureau of Telecommunication Management in the Department of Administration, before funding is approved. The plan should address the issues of the

appropriate technology for this undertaking, the required funding for the total project, and the implementation schedule for the project.

Imaging Feasibility Study

In the Biennial Budget, the Governor recommended that the Department receive \$40,000 in FY97 to fund an imaging feasibility study for the Department of Corrections. The Wisconsin Administrative Code requires a feasibility study before any agency can expend funds on imaging projects. The Department of Corrections currently utilizes imaging in its central office, however, it is important that the Department address the feasibility and cost of expanding that imaging capability to other institutions and offices before requesting funding. The Department's request for the imaging study funding should be addressed as part of FY97 ITIF grant cycle since Corrections will not be able to begin the study until that time. The Department may request additional funding in the future from the ITIF in order to implement imaging projects.

Department of Health and Social Services (H&FS)

Imaging Feasibility Study

In the Biennial Budget, the Governor recommended that the Department of Health and Social Services receive \$40,000 in FY97 to fund an imaging feasibility study. The Wisconsin Administrative Code requires a feasibility study before any agency can expend funds on imaging projects. The Department of Health and Social Services has many potential imaging applications, however, it is important that the Department prioritize its proposed imaging applications and address the feasibility and cost of implementing imaging before funding is granted. The Department's request for the imaging study funding should be addressed as part of the FY97 ITIF grant cycle since the Department of Health and Social Services will not be able to begin the study until that time. The Department may request additional funding in the future from the ITIF in order to implement imaging projects.

Department of Military Affairs

Emergency Government Mobile Unit Backup

The Department requests increased expenditure authority for the first year of three years of Masterlease payments of \$5,325 in s.20.465 (3)(i) to enable the Department of Military Affairs to purchase the equipment necessary to backup its Emergency Government Mobile Unit. The total cost of the request is \$15,000. The Department is uncertain whether adequate fund reserves will be available in s.20.465(3)(i) to cover the Emergency Government expenditures. If funding is not available at the time that the spending is authorized, than those expenditures should be funded from the ITIF. The Mobile Unit is frequently the only communication link at disaster or emergency scenes, and currently there are no provisions for backup should it become inoperative. The funding would enable the Department to purchase the following equipment: two personal computers for \$6,000, an uninterruptable power supply for \$2,000, contractual services for twice yearly testing of the system for \$1,000, RAID storage capacity for \$2,000, and \$4,000 to outsource the development and initial operation of the system.

Department of Natural Resources

Expansion of Boat Registration System

The Department requests the transfer of the first year of three years of Masterlease payments of \$43,100 from the ITIF to s. 20.370(8)(mh) to enable the Department of Natural Resources to expand its automated boat registration system to all vehicles, and to decentralize accessibility to the system. The total cost of the project is \$121,300 and no further funding will be required from the ITIF. The Department of Natural Resources requested funding for this project in the Biennial Budget, however, funding was deferred to the ITIF in FY96.

The Department proposes to expand a system which is currently operating only in the central office in order to provide access in its new service centers to an on-line boat registration processing system and to also expand that system to include snowmobiles and all-terrain vehicles (ATV's). The project will enable the Department to continue its efforts to decentralize operations and bring services closer to its customers. The Department is currently operating a query only pilot system at various sites around the state which appears to be successful. The recommended funding will allow the Department to fully implement the system beyond the query phase.

IVR Portion of the Outdoor Skills Initiative

The Department requests the transfer of the first of three Masterlease payments of \$32,000 from the ITIF to s. 20.370 (8)(mh) to enable the Department of Natural Resources to develop an IVR system to provide information on outdoor skills training and activities. The total cost of the system is \$90,000. No further funding will be required from the ITIF for this project. When completed, the system will provide up-to-date hunting and fishing information related to outdoor skills training and scheduled participatory events throughout the state. The system is expected to provide increased public awareness related to recreational safety issues, rapid dissemination of event information and 24-hour customer service.

Campground Reservation System (With Department of Tourism)

In the Biennial Budget, the Governor recommended that the Department of Natural Resources receive \$99,000 over the biennium to develop an IVR Campground Reservation system. Through Legislative action, the campground reservation program was transferred from the Department of Natural Resources to the new Department of Tourism. The two agencies are now proposing to cooperatively develop a more extensive campground and park reservation system. The Department of Natural Resources would like to receive funding for this project in FY96, however, the Department of Tourism has postponed its funding request until the FY97 ITIF grant cycle. Because the departments will be developing this system jointly, it recommended that the funding request from DNR be considered for funding in FY97 along with the Tourism request.

Department of Public Instruction

Department Information Voice Response System

The Department requests the transfer of the first year of three years of Masterlease payments of \$44,375 from the ITIF to s. 20.255 (1)(kt) to enable the Department of Public Instruction to

develop an IVR system with a FaxBack capability. The total cost of this IVR system is \$125,000. No further funding will be required from the ITIF for this project. This request was recommended in the 1995/97 Biennial Budget, but was deferred to the ITIF in FY96. This system will enable DPI to utilize technology to compensate for staff reductions without reducing service to its customers. The project will include the development of an automated system to direct incoming calls, provide electronic information retrieval systems and create a cost efficient delivery system for agency information through the integrated fax system.

The funding will enable DPI to purchase the following components of the system: a Unix minicomputer for \$40,000, FaxBack software for \$10,000, Text-to-Speech capability for \$15,000, speech recognition capability for \$16,000, programming facility for \$20,000 and vendor software development for \$24,000. This project will be completed in FY97 and will not require additional ITIF funding.

Department of Revenue

Milwaukee Refund System

The Department requests the transfer of the first year of three years of Masterlease payments of \$16,000 from the ITIF to s. 20.566 (3)(ka) to enable the Department of Revenue to develop an IVR system to respond to tax refund inquiries originating in Milwaukee. The total cost of the project is \$45,000 and no additional funds will be requested from the ITIF for this project. The development of this refund inquiry system will enable the Department of Revenue to provide more efficient service to its customers in the heavily populated Milwaukee area.

Board of Regents of the University of Wisconsin

Distance Education

The Department requests the transfer of \$400,000 from the ITIF to s.20.285(1)(kc) to enable the University of Wisconsin to begin implementing Phase I of its Statewide Access to Quality Education project. The program is designed to provide a web of statewide linkages among university campuses, technical colleges, K-12 classrooms and libraries. The project proposes to develop new educational support services in six areas: improved access to college preparatory experiences from participating schools, improved access to library materials and services, improved access to college selection and program selection information, ability to submit college applications via the Internet, ability to review class schedules via the Internet, and enhanced course delivery through telecommunications pathways.

The initial \$400,000 for this project will provide: \$125,000 for distributed learning system components, \$100,000 for workstations including audio-graphics and instructional computers, \$75,000 for electronic classroom video equipment, \$50,000 for course development and delivery tools, \$25,000 for telecommunications charges, and \$25,000 for educational media development and acquisition. This is a long term project, and it is likely that further requests will be made to the ITIF for funding in the future.

Other Agency Priority Requests

The Departments of Justice and Development each have an IT development project listed as a priority in the non-statutory portion of the 1995/97 Budget. The Wisconsin Travel Center Information Program was transferred in the budget from the Department of Development to the new Department of Tourism. The Department has chosen to submit a request for funding for that project at a future date. The Department of Justice request is for extensive infrastructure upgrades. That request must be accompanied by an infrastructure migration plan for the department and will also be submitted at a future date

VI. Information Technology Infrastructure of the Department of Financial Institutions

Introduction

The Department requests increased expenditure authority of \$181,600 in FY97 in appropriation s. 20.144(1)(g) for the first of three MasterLease payments required to build most of the basic infrastructure of the new Department of Financial Institutions (DFI). The total infrastructure cost, with the exception of the Office of the Commissioner of Credit Unions, is \$823,329, but the amount of increased expenditure required by the DFI operations appropriation is \$712,729 because of the availability of base funding. In order to calculate the MasterLease payment for DFI, the payments were first calculated based on the total proposed expenditure, and then reduced by the total IT base funding for the new department of \$110,600. This amount can be used to reduce the MasterLease payment in each of the three years. The Department also requests increased expenditure authority of \$19,000 in FY97 in appropriation s. 20.144 (2)(g) to fund the separate infrastructure costs of the Office of the Commissioner of Credit Unions which will be attached to DFI for administrative purposes. The Commissioner of Credit Unions' total infrastructure cost is \$62,196. A full Masterlease payment would require increased expenditure authority of \$22,000, but only \$19,000 is required because of the availability of base funding.

These expenditure amounts are being requested now, even though they are for FY97, because the new DFI Secretary and a number of senior managers will begin the agency move to new quarters in FY96. At that point in time, the related infrastructure expenditures will need to begin and with expenditure authority approval, the agency can begin purchasing this equipment in FY96. This is because the expenditures will be financed through the Masterlease mechanism, and the first payment will not be required until August, 1996 which is in FY97. It is much more desirable to wait until the FY97 to increase the Department's expenditure authority for this project, because the new agency will then be in existence and one main administrative appropriation can receive the increased expenditure authority. The alternative would be to first increase the expenditure authority in the six agencies that will make up the department, and then transfer the authority to the DFI administrative appropriation. If the Masterlease has already been entered into and a payment made, all of paperwork would have to be redone because of the appropriation changes. Approving the expenditure authority in FY97 but being able to make purchases in FY96 will greatly simplify the new department's move and concurrent infrastructure installation.

Although most of the increased expenditure authority will be to only one appropriation, the correct amount is calculated and presented on an agency by agency basis. The total cost for the

infrastructure implementation, including the DFI network overhead cost for each agency, is as follows: Office of the Commissioner of Banking - \$434,727; Office of the Commissioner of Savings & Loan - \$41,084, Office of the Commissioner of Securities - \$137,682, Office of the Commissioner of Credit Unions - \$62,196, the Department of Regulation & Licensing - \$5,514 and Office of the Secretary of State - \$204,322. Because of the availability of base funds, most of the agencies do not need the full amount of increased expenditure authority.

These costs include the contribution of the existing agencies to the DFI overhead cost of \$251,400. This amount includes the hardware needed to create a Local Area Network for the department and the cost of personal computers for the new Secretary's Office and Division of Administrative Services. The percentage charged to each agency is based on the total number of FTE's transferring into the new Department and is calculated on the attached spreadsheet.

Wisconsin 1995 Act 27 creates the Department of Financial Institutions (DFI) effective July 1, 1996. This newly created Department merges the Office of the Commissioner of Banking, the Office of the Commissioner of Savings & Loan, the Office of the Commissioner of Securities and the Office of the Commissioner of Credit Unions which is attached to the new department for administrative purposes only. Act 27 also transfers the responsibilities of the Department of Regulation & Licensing relating to mortgage banking and the uniform commercial code and corporate filings activities of the Secretary of State to the new department.

Act 27 provides 168.5 FTE for the Department of Financial Institutions. The budget appropriates a total of \$11,366,900 in Program Revenues for the new department. Three statutorily specified divisions, Banking, Securities, and Savings & Loan are attached to DFI for administrative and budgetary purposes only, until July 1, 2000. The division administrators will continue to have regulatory responsibilities for these areas until then. Budgeting, program coordination and related management functions will be performed by a new Administrative Division operating under the direction of the DFI Secretary.

Since the Office of Credit Unions is permanently attached to DFI for administrative purposes, budgeting, program coordination and related management functions will also be performed under the direction and supervision of the Secretary. However, Act 27 specifies that all personnel and budget requests by this Office shall be processed and forwarded by DFI without change except as requested and concurred in by the Office.

In order to ensure a smooth transition to the new department, in October, 1995, the DOA Division of Technology Management created an IT planning team including representatives from each of the current DFI agencies to examine the agency technology needs and recommend a basic infrastructure for the new Department. It was essential that all of the small agency components of the new department be able to communicate with each other as well as with the rest of state government. In addition, the merging of these agencies and programs presented a unique opportunity to provide the standard infrastructure components to all the knowledge workers in DFI.

The team analyzed the current information technology infrastructure in each department to determine the additional equipment necessary to enable the four agencies and two new programs to function as an agency and to reach statewide technology standards. Although the agencies will retain their separate legal status for a number of years, it was decided that a standard

infrastructure for DFI would require a Local Area Network connecting all computers, printers, fax machines and electronic mail of the separate agencies.

The benefits resulting from a department wide network and providing standard equipment for these discrete entities include lower maintenance costs and decreased down time, the ability to share information and applications, faster distribution of software upgrades and problem solving, the ability to utilize centralized network management and support services and easier access to data. All of the current financial regulatory agencies have both centralized and field staff and so there is an unusual need for laptop computers and portable printers in addition to the customary in-office equipment.

All of the agencies and programs which will become DFI are program revenue funded, and as a department there will be adequate reserves to fund the purchase and installation of equipment. Although DFI will not exist until July 1, 1996 and the approval of increased expenditure authority will be for FY97, expenditures will be able to be made during FY96 with the first Masterlease payment date in August. The attached spreadsheet lists the equipment needs and costs for the FTE's that each separate agency will bring to the new department. Departmental costs for networking and large hardware pieces have been prorated to each office based on a percentage calculation of their FTE to the total department FTE. The breakdown of needed equipment and the cost for each agency and program is detailed in the following paragraphs. The laptop computers which will be used by the regulatory field staff require more memory than the conventional model, and are therefore priced at \$5,000. Unless otherwise noted, the standard equipment costs from the basic infrastructure cost table were used:

Office of the Commissioner of Banking

Banking will require a total of \$434,727 to purchase 13 desktop computers for \$3000 each; 51 laptop computers for \$5000 each; 1 printer at \$3000 and a printer upgrade for \$1,125; 17 portable printers for \$500; and 10 docking stations, which are special desktop connections for portable computers, at \$2000 per station. Banking has a special business need for portable equipment since Banking field examiners transport their equipment for use in bank examinations throughout the state. This request also includes Banking's cost of \$108,102 or 43% of the Department's overhead which pays for the setup of the Secretary's Office and the Division of Administrative Services. The first MasterLease payment for this is \$154,328, but it is being reduced by \$44,600 to \$109,728 to account for the agency's IT base.

Office of the Commissioner of Credit Unions

Credit Unions will require a total of \$62,196 to purchase 8 desktop computers for \$3000 each, 1 printer for \$3000, and 14% of DFI's overhead cost of \$35,196. The first MasterLease payment for this is \$22,000 but is being reduced by \$3,000 to \$19,000 to account for the agency's IT base.

Office of the Commissioner of Savings and Loan

Savings & Loan requires a total of \$41,084 to cover the costs of 5 desktop computers for \$3000, 2 printer upgrades at \$1000 each, 6 portable printers at \$500 each and 3 docking stations at \$2000 each. Their cost for overhead is \$14,084 which is 6% of the total. The first MasterLease

payment for this will be \$14,600 but it is being reduced by \$2,000 to \$12,600 to account for the agency's IT base.

The Uniform Commercial Code and Corporate Filings from the Office of the Secretary of State

The Secretary of State's Office will require a total of \$204,322 to cover the costs of 42 desktop computers at \$3000 each (this number includes computers for 6 half-time employees and 3 public access sites), 2 laptop computers at \$5000 each, 3 printers at \$3000 each and 1 printer upgrade at \$1000. Their cost for overhead is \$57,822 or 23% of the total. The first MasterLease payment for this will be \$72,500, but the increase in expenditure authority is only \$17,500 because a \$55,000 IT equipment base is available to the agency.

Office of the Commissioner of Securities

Securities requires a total of \$137,682 to cover the costs of 8 desktop computers for \$3000 each, 11 laptop computers for \$5000 each, 2 printer upgrades at \$1000 each, 4 portable printers at \$500 each and 11 docking stations at \$2000 each. Additionally, they will be charged 13% of the overhead cost which is \$32,682. The first MasterLease payment for this will be \$48,900 but it is being reduced by \$9,000 to \$39,900 to account for the agency's IT base.

The Mortgage Banking Program from Regulation and Licensing

Regulation & Licensing is requesting increased expenditure authority of \$5,514 to cover the costs of 1 desktop computer at \$3000 and 1% of the overhead at \$2,514. This covers the cost of equipment and overhead for 1 FTE.

Shared Costs for Major Department Needs

In order to complete the organization of the Department, two new divisions have been created, the Office of the Secretary and the Division of Administrative Services. Since these two divisions will not be in existence until July 1 1996, the costs to set up their technology infrastructure have been prorated among the agencies currently in existence and identified in their costs as the DFI overhead cost.

The Secretary's Office will need \$47,000 to cover the costs for 3 desktop computers at \$3,000 each, 4 laptops at \$5,000 each, 1 printer at \$3,000, 2 portable printers at \$500 each and 4 docking stations at \$2,000 each.

The Division of Administrative Services will need \$69,000 to cover costs for 16 desktop computers at \$3,000 each, 2 laptop computers at \$5,000 each, 2 printers at \$3,000 each, 2 portable printers at \$500 each and 2 docking stations at \$2,000 each.

The department Local Area Network (LAN) will include all the hardware and software necessary to connect desktop computers to email, to a Unix system used by Securities and to connect the UCC/Corporation Filings division to the WANG system. This equipment is critical to enable the department to carry out its daily operations and enable electronic communication between divisions, outside agencies and customers.

The department's network will cost \$135,400. This amount includes \$4,000 for a file server, \$5,100 in licensing costs for operating system software, a \$15,000 CD ROM server which is needed for the department to communicate with the financial industries that it regulates since much of the information received is sent on compact disk, a \$6,000 electronic mail server, \$5,100 for electronic mail server software, a \$15,000 Lightspeed Gateway for the WANG computer connection, 9 \$3,300 hubs for the LAN hookup to all desktop computers and peripheral devices, \$13,000 for tape backup server and \$42,500 for cabling.

VII . Other Information Technology Development Project Requests

Introduction

The following requests recommended for funding were either submitted as part of the 1995/97 budget but deferred to the ITIF in FY96 by the State Budget Office, or they have been developed since the budget was submitted. An additional eleven requests that were also deferred by the State Budget Office to the ITIF are not being recommended for funding at this time, and are discussed in the final paragraph of this section.

Health and Social Services

Scheduling and Timekeeping

The Department requests the transfer of \$200,000 from the ITIF in FY96 to appropriation s.20.435(8)(ka) to enable the Department of Health and Social Services (DHSS) to implement a scheduling and timekeeping project for the Department's care and treatment facilities. The system will enable the Department of Health and Social Services to more efficiently schedule staff for these facilities to reduce overtime and increase worker and supervisor productivity. Additional savings may come from a reduction in Workers Compensation costs. Although DHSS originally requested a total of \$1,100,000 in FY96 and FY97 for this project, the Department of Administration believes that \$200,000 will be adequate funding for a more tightly focused project. The Department intends that DHSS purchase pre-developed software (any major personal computer project development or project tracking software is a candidate) and install this software on computers already in the care and treatment facilities. This \$200,000 grant will only allow for a small number of additional personal computer purchases. Additional personal computers could be purchased as part of the DHSS infrastructure migration project. The Department has stated that funding for this scheduling project will result in a smaller 1997-99 budget request for overtime payments at care and treatment facilities.

Department of Administration

Electronic Forms

The Department requests the transfer of \$20,000 from the ITIF to appropriation s.20.505(1)(kn) to enable the Department to establish a statewide standard for electronic forms or E-Forms. The funds would provide the following: Consultation services, \$9,000, pilot software and support for six form designers, \$8,500, and training for the six designers, \$2,500.

A statewide LAN/WAN based electronic forms software standard is currently being set for executive branch agencies. This standard is unique from the other statewide standards in that the state does not have long term experience using this type of product. The \$20,000 requested for implementation of this standard will enable the state to work toward the broad use of electronic forms to print, fill out or route what was formally a paper document. E-Forms provide a virtual inventory of current forms and result in the reduction of pre-printed forms, decreases in storage and waste, and faster distribution. They also reduce printing and duplicate data entry costs and processing errors, and increase staff communication and productivity.

Public Service Commission

Electronic Report Filing

The Department requests increased expenditure authority of \$50,000 to appropriations 20.155 (1)(g) to enable the Public Service Commission to develop an electronic filing system for annual reports submitted to the Commission by utilities. The funds will enable the Commission to analyze the current annual PSC report filing process, and develop a reengineered electronic process. The system would enable utilities to electronically transfer the annual report data to the Commission over telecommunications lines or by disk or tape. The funding would provide the hardware for \$10,000, software for \$25,000 and training for \$15,000. Although the Public Service Commission requested this funding for FY97, it is being recommended for FY96 to enable them to begin the reengineering and development process as soon as possible.

Wisconsin Technical College System Board

Workstation Servers

The Department requests a transfer of \$49,000 for FY96 from the ITIF to appropriations 20.292(1)(kb) to provide funding to the Wisconsin Technical College System Board for two UNIX servers and a RAID storage system. This expenditure will enable the Board to increase productivity, provide additional services to its customers throughout the state, and provide a backup system for its LAN. The funds would provide for two UNIX workbased servers for \$40,000 and a RAID storage system for \$9,000.

The Board plans to provide the two workstations for two separate purposes, but to use each station to backup the other. One workstation will provide database management information accessible via the Internet by staff at the sixteen technical college districts. The other will be used to handle tasks currently being performed on the mainframe, but which are more effectively done on a client server. The storage system will provide additional backup protection and minimize downtime.

Other Deferred Requests

A number of requests that were deferred to the ITIF by the State Budget Office are not being recommended for funding in FY96 or require a different process. They include three infrastructure requests from the Department of Corrections and two infrastructure requests from the Department of Revenue. These requests should be incorporated in the migration plans of

1996 Information Technology Investment Fund Recommendations

these large agencies for the FY97 grant cycle. Likewise the core GIS request from DNR can be submitted for FY97. Two Gaming requests can also be submitted in FY97 but the Gaming Commission should first examine the appropriateness of the requests in light of the issues raised in relation to the Commission's infrastructure request in Section IV. The Department of Veterans Affairs submitted three requests for segregated funding that cannot be acted on under the s. 16.515 process.

The DVA should submit these requests separately to the State Budget Office under the s.13.10 process. Finally, the Office of the Secretary of State submitted an imaging request and has completed the required imaging feasibility study. Because most of the staff of that Office will become part of the new Department of Financial Institutions, the agencies that make up that Department have indicated that they will present a more comprehensive imaging proposal for the full Department in the FY97 grant cycle.

Prepared by Ann Wiley
Division of Technology Management
Department of Administration
264-9312

45

Attachment A

Department of Natural Resources Spreadsheet District Network Expansion - page 13

The attached spreadsheet was provided by the Department of Natural Resources to show their cost calculations for technology improvements in 16 district offices. The spreadsheet represents the total cost of the request for each site and should be read from left to right. References to "additional FTE" constitute only one individual FTE so that the entry should be interpreted to mean "\$150 for one FTE at the site". Using this interpretation, the DNR plans to purchase 16 desktop computers, one for each site listed on the spreadsheet.

Further questions regarding this spreadsheet should be directed to Joe Polasek, 266-2794 or Joy Stewart 266-2159.

		Cabling costs	Network Interface Cards	Network router	T1 data communications	Service Center server	Wiring electronics	Shared Printing	Front Line Staff Workstations
Northern region	<i>Rhineland</i>	\$150/additional FTE	\$150/additional FTE	done	done	done	\$150/additional FTE	done	\$3,000/FTE
	<i>Spoooner</i>	capital budget item	\$3,450	done	done	done	\$34,165 being requested through IT fund	done	\$3,000/FTE
	<i>Park Falls</i>	capital budget item	\$900	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$18,480 being requested through IT fund	\$3,000	\$3,000/FTE
	<i>Superior</i>	\$150/additional FTE	\$150/additional FTE	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$150/additional FTE	\$3,000	\$3,000/FTE
Northeast Region	<i>Green Bay</i>	capital budget item	\$7,050	done	done	done	\$41,550 being requested through IT fund	done	\$3,000/FTE
	<i>Oshkosh</i>	\$150/additional FTE	\$150/additional FTE	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$150/additional FTE	\$3,000	\$3,000/FTE
West Central Region	<i>Surgeon Bay</i>	\$150/additional FTE	\$150/additional FTE	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$150/additional FTE	\$3,000	\$3,000/FTE
	<i>Eau Claire</i>	\$150/additional FTE	\$150/additional FTE	done	done	done	\$150/additional FTE	done	\$3,000/FTE
	<i>Black River Falls</i>	capital budget item	\$1,050	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$18,480 being requested through IT fund	\$3,000	\$3,000/FTE
	<i>LaCrosse</i>	capital budget item	\$2,700	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$18,480 being requested through IT fund	\$3,000	\$3,000/FTE
	<i>Wausau</i>	capital budget item	\$1,200	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$15,685 being requested through IT fund	\$3,000	\$3,000/FTE
	<i>Wisconsin Rapids</i>	\$150/additional FTE	\$150/additional FTE	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$150/additional FTE	\$3,000	\$3,000/FTE
South Central region	<i>Fitchburg</i>	capital budget item	\$4,950	done	done	done	\$36,960 being requested through IT fund	done	\$3,000/FTE
	<i>Horicon</i>	\$150/additional FTE	\$150/additional FTE	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$150/additional FTE	\$3,000	\$3,000/FTE
	<i>Dodgeville</i>	capital budget item	\$600	\$5,000 memory	\$1,500 install and \$1,230/month	\$35,000	\$15,685 being requested through IT fund	\$3,000	\$3,000/FTE
South East region	<i>Milwaukee</i>	capital budget item	\$8,550	done	done	done	\$54,730 being requested through IT fund	done	\$3,000/FTE