

Sen Burke
2614

STATE OF WISCONSIN



SENATE CHAIR
BRIAN BURKE

ASSEMBLY CHAIR
BEN BRANCEL

100 North Hamilton
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535

119 Martin Luther King Blvd.
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7746

JOINT COMMITTEE ON FINANCE

July 15, 1996

Secretary James R. Klauser
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53707

Dear Secretary Klauser:

On July 10, 1996, we received a s. 16.515 request from you for approval of funding releases to agencies for 1996-97 ITIF project awards and for increases in certain agencies program revenue appropriations. These requests are currently under review by the Committee under a 14-day passive review process.

However, as a part of the request presentation to the State Budget Office, you also indicated the need to be able to proceed immediately with certain administrative expenditures associated with collection of the bidders list registration fee. That fee is now the principal revenue source that has been established to provide monies to the information technology investment fund (ITIF). As you noted in that part of the request, in April of this year, in addition to the ITIF grants award request that was before the Committee at that time, there was also a separate request on the agenda to transfer \$80,000 SEG in 1995-96 and \$132,500 SEG in 1996-97 from the ITIF to DOA's appropriation for administration of the ITIF. Action on that request, as well as the ITIF grants funding request, was deferred at that meeting because the administrative rule to provide revenues to the fund had not yet been approved by the Legislature.

The revised ITIF request was not formally conveyed to the Committee until the July 10, 1996, meeting of the Committee. Consequently, there was not sufficient time to add the 13.10 request for transfer of funding to the ITIF administrative appropriation to the agenda

James Klauser, Secretary

June 15, 1996

Page 2

for that meeting. However, the Co-chairs will schedule the request for 1996-97 funding of \$132,500 SEG for consideration at the Committee's September 13.10 meeting. In the meantime, the Committee does not object to your proposal to proceed to incur initial costs associated with that fee collection and other related administrative activities so long as they are consistent the original request for 1996-97 funding and with the understanding that any such costs incurred will ultimately be paid from the \$132,500 SEG requested for the administrative appropriation for 1996-97.



BRIAN BURKE
Senate Chair

Sincerely,



BEN BRANCEL
Assembly Chair

cc: Members, Joint Committee on Finance
Linda Nelson, DOA

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

100 North Hamilton
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
BEN BRANCEL

119 Martin Luther King Blvd.
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7746

JOINT COMMITTEE ON FINANCE

July 11, 1996

TO: Members
Joint Committee on Finance

FROM: Ben Brancel, Assembly Chair
Brian Burke, Senate Chair
Joint Committee on Finance

SUBJECT: Revised s. 16.515 IT Funding Requests

On July 10, 1996, the Department of Administration (DOA) submitted a s. 16.515 request totaling \$4,598,892 PR in 1996-97, for increased expenditure authority for a number of agency appropriations to fund information technology projects, to the Co-Chairs for the Committee's approval. These funding increases involve projects to be funded from the information technology investment fund (\$4,159,063 PR in 1996-97) and projects to be funded from operating program revenue appropriations for certain other agencies (\$439,829 PR in 1996-97).

The request as submitted by DOA is presented not as a new request but as a modification of an earlier proposal submitted to the Committee in March of this year which involved proposed increased PR expenditure authorizations for both fiscal year 1995-96 as well as fiscal year 1996-97. Specifically, on March 1, 1996, DOA submitted a request for increased expenditure authority of \$4,487,402 PR in 1995-96 and \$2,148,356 PR in 1996-97 for information technology projects. Concerns were raised by Committee members and other legislators regarding that request, including the fact that at that time the fee source to provide revenues to the information technology investment fund (ITIF) had not yet been approved by the Legislature. Therefore, the Co-chairs of the Committee scheduled that request for consideration at the Committee's April 16, 1996, s. 13.10 meeting. At that meeting, the Department's request was deferred until administrative rules related to a vendor's fee to provide revenue for the ITIF had been approved by the Legislature.

Members, Joint Committee on Finance
July 11, 1996
Page 2

During the May, 1996, legislative session, the existing statutory provisions created by 1995 Act 27 establishing vendor fees as the principal source of revenue for ITIF were repealed and, instead DOA was authorized to charge a bidders list registration fee to provide revenues for the ITIF. A revised rule establishing the registration fee (at a \$125 annual fee) were submitted by DOA to the appropriate standing committees of the Legislature and this revised rule was approved on July 8, 1996. The rule has not yet been formally filed with the Revisor's Office. However, assuming the rule is filed with that office by July 19, 1996, and published in the August, 1996, Administrative Register, the fee would become effective on September 1, 1996.

The request currently before the Committee starts with DOA's March 1, 1996, list of projects as the base request. The actual submittal then proposes modifications or deletions to that original list of projects, adds some additional new items for which funding was not previously requested, and indicates that the first year of funding requested is for fiscal year 1996-97 rather than for fiscal year 1995-96. While some of the projects will, as in the original proposal, result in additional expenditure commitments from the ITIF in the following two fiscal years (1997-98 and 1998-99), this revised request addresses increase expenditure authorizations only for the current fiscal year.

To fully review the proposal before the Committee, members need to have both the original March 1, 1996, submittal from the Department of Administration as well as the current submittal. Therefore, for the benefit of Committee members, attached to this cover memorandum is both the current submittal (Attachment 1) as well as the earlier proposal which the Committee deferred action on at its April 16, 1996, meeting (Attachment 2). Further, we are also attaching a copy of an analysis of that original request prepared by the Legislative Fiscal Bureau dated April 16, 1996 (Attachment 3), since that document is referenced in some sections of the current DOA proposal.

Please notify Senator Burke's office or Representative Brancel's office by July 29, 1996, if you would like to have this proposal scheduled by the Co-chairs for review by the Committee under s. 13.10.

BB/BB/al
Attachments

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: July 9, 1996

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable Ben Brancel, Co-Chair
Joint Committee on Finance

From: James R. Klauser, Secretary
Department of Administration

*Richard J. Chandler
for James R. Klauser*

Subject: S. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1995-96</u> <u>AMOUNT</u>	<u>FTE</u>	<u>1996-97</u> <u>AMOUNT</u>	<u>FTE</u>
Multiple Agencies	IT Infrastructure Projects			\$439,829	
DOA s.20.870(1)(q)	IT Infrastructure Projects			\$4,159,063	

As provided in s. 16.515, this request will be approved on July 30, 1996, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Linda Nelson at 266-3330, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: July 9, 1996

To: James R. Klauser, Secretary
Department of Administration

From: Pamela Henning, Policy and Budget Analyst
State Budget Office



Subject: Revised Request under s. 16.515 From the Department of Administration for the Information Technology Investment Fund

REQUEST

The Department of Administration (DOA) requests authority to distribute \$4,159,063 SEG from the Information Technology Investment Fund (ITIF) to appropriations in the Department of Administration and numerous other state agencies in order to fund FY97 information technology development projects. DOA also requests increased expenditure authority of \$439,829 PRO in FY97 for 7 agencies to fund information technology development projects.

REVENUE SOURCES FOR APPROPRIATION(S):

Revenues deposited in the ITIF appropriation under s. 20.870(1)(q), special projects: fee revenue, will be collected from fees assessed prospective vendors doing business with the State of Wisconsin as provided for under s. 16.701 (Subscription Service) and s. 16.702 (Bidders List Registration Fee). The estimated revenue from the subscription service fee and bidders list registration fee is \$4,300,000 annually.

BACKGROUND

On March 1, 1996, the Department of Administration submitted a request under s. 16.515 related to making grant awards for information technology funding in various state agencies from the information technology investment fund (ITIF). On March 14, 1996, DOA submitted a revised request related to the Department of Military Affairs. On March 21, 1996, an objection was raised to the total request which placed the s. 16.515 request before the Joint Committee on Finance (JCF) for approval under s. 13.10 at its April 16, 1996 meeting. At the April 16 meeting, the JCF deferred all action on the s. 16.515 request.

In addition, the vendor fee, as authorized by 1995 Wisconsin Act 27 and the primary revenue source for the ITIF, was modified to instead include a bidders list registration fee of \$125 per year to be paid by vendors who request to be placed on a bidders list and a subscription service fee of \$100 per year to be paid by vendors for state procurement information opportunities. The Joint Committee on Information Policy (JCIP) and the Assembly Committee on Small Business and Economic Development held hearings in April on the vendor fee rules and in May requested that DOA modify the rule. On June 21, 1996, DOA submitted the modified rule to both JCIP and the Assembly Committee on Small Business and Economic Development. Both committees had until July 8, 1996 to object to the modified rule or the rule would proceed to adoption. Since no objections were raised, the rule is anticipated to be published in the Administrative Register in August and become effective on September 1, 1996.

Since the department's s.16.515 request for FY96 grant awards was deferred by JCF with no further action taken and the rules for the bidders list registration fee and subscription service fee are proceeding to adoption, the department is resubmitting a revised s. 16.515 request for FY97 grant awards for information technology development projects.

ANALYSIS

The revised s. 16.515 request for making grant awards to agencies for FY97 is comprised of the s. 16.515 requests from March 1, 1996 and March 14, 1996 with several reductions and additions to FY96 recommendations. They are as follows:

- ◆ the anticipated revenue of \$4,300,000 annually from the bidders list registration fee and subscription service fee replace the request to transfer funding from DOA's PRS appropriation under s. 20.505 (1)(ke), telecommunications and data processing services to the ITIF to distribute grants to agencies for FY97;
- ◆ deletion of \$1 million down payment for the cost of the Legislature's information technology infrastructure because other funding sources were available for the project;
- ◆ reduction for the Small Agency Infrastructure Initiative to reflect a change from cash funding (\$728,620) to the use of a 3 year MasterLease payment. Net effect is a reduction of \$469,960 in ITIF expenditures;
- ◆ deletion of \$100,700 for the Department of Tourism infrastructure development due to joint agency and DOA effort to use available base funds for creation of the infrastructure;
- ◆ deletion of \$20,000 for the Department of Administration's electronic forms pilot and training expenses;

- ◆ reduction of \$31,950 from the infrastructure network expansion recommendation for the Department of Natural Resources to reflect re-estimate costs for servers as suggested in the Legislative Fiscal Bureau's (LFB) April 16, 1996 analysis;
- ◆ deletion of \$32,000 for the DNR Outdoor Skills Initiative to purchase an interactive voice response unit as recommended in the LFB's April 16, 1996 analysis;
- ◆ reduction of \$3,400 funding for the Department of Agriculture Trade and Consumer Protection Compliant Tracking system for the Bureau of Consumer Protection to reflect that one-time financing for personal computers that was included in budgeting for three new positions;
- ◆ addition of \$250,000 for VendorNet -- As outlined in the earlier recommendations, the department estimates that this additional amount will be needed in FY97 for further development of VendorNet to ensure adequate processing capacity and sufficient functionality for vendors;
- ◆ addition of \$692,800 for Infrastructure Support and Conversion Assistance -- This amount reflects the full annual costs for several segments of the IT infrastructure initiative, including small agency support and help desk service, standards conversion and migration assistance and user training. The estimate was originally \$1 million for FY97 but was reduced to reflect delayed implementation;
- ◆ addition of \$52,000 for VINES Department of Corrections -- This innovative program uses interactive voice response technology to notify victims of pending release and court dates of those charged or convicted of crimes against them. The funding is to allow the Department of Corrections to pilot this technology for use in the state. The costs are for some hardware and to contract with a firm the provides the service;
- ◆ addition of \$66,500 for Elections Board Database -- This item will allow the Elections Board to convert their database from Ingres to Oracle to accommodate the 1996 general elections. The costs are for software licenses, contract support and technical training. The conversion will allow the board to a state of the art, relation data base software and in the long run will be easier to support;
- ◆ addition of \$100,000 for the Division of Hearings and Appeals -- This item is recommended to provide for the development of a consolidated case tracking system for the division. With the merger of the former Department of Health and Family Services, a consolidated tracking system is needed for sound management of the division. Further, the DHFS Office of Administrative Hearings is currently using a mainframe program on obsolete software for case tracking which must be replaced. This recommendation will fund the actual applications development work for the project. Other costs, an additional \$118,000, will be funded through reallocation of base resources and the MasterLease program.

- ◆ Department of Employment Relations Data Base Conversion/\$25,300 -- This item is to fund contract applications programmer time to convert three existing human resource data bases from an obsolete Unisys platform to the department's local area network server. The project should be completed within FY97 and DER can then be released from increasing maintenance costs for the obsolete hardware.
- ◆ Ethics Board Legislative Forum/\$17,500 -- Funding for the development of an Internet Web site for the Ethics Board that will allow access to databases on pending legislation and administrative rules and the parties interested in these items and on-line data entry to improve information collection process for affected parties.

This revised s. 16.515 request does not request carry-over expenditure authority as no recommendations were made in FY96. The revised request does assume the same three year commitment of masterlease payments beginning in FY97 for all information technology development projects as outlined in the FY96 s. 16.515 request including the Small Agency Basic Infrastructure Initiative in FY97.

In addition, the JCF deferred at its April 16 meeting the s. 13.10 request for the vendor fee collection and administration costs of \$80,000 SEG for FY96 and \$132,500 SEG for FY97 from the ITIF appropriation under s. 20.870(1)(q) to the appropriation under s. 20.505(1)(r) to support both initial and on-going costs for vendor fee collection and administration under s. 16.971. Since the modified vendor fee rule will be effective as of September 1, 1996 and this s.16.515 request is dependent on collection of the bidders list registration fee and subscription service fee to finance the ITIF, it is imperative that some action be taken on the deferred s.13.10 request for the \$132,500 SEG FY97 amount.

RECOMMENDATION

Approve the request. See attached spreadsheet.

Information Technology Investment Fund 1996-97 Grant Awards

<u>Agency</u>	<u>Purpose</u>	<u>FY96 Request</u>	<u>FY97 Changes</u>	<u>FY97 Totals</u>	<u>Appropriation</u>
VendorNet	VendorNet	\$552,100	\$250,000	\$802,100	20.505(1)(kn)
Infrastructure Support Administration	Infrastructure Support Help Desk Hardware & Network Planning Consulting Services Training Services Equipment for Support Staff	105,000 56,250 185,000 43,000	303,750 234,000 155,000 0	408,750 290,250 340,000 43,000	20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn)
Subtotal:		\$389,250	692,750	\$1,082,000	
Small Agency Basic Infrastructure	Adolescent Pregnancy Prevention & Services Board Arts Board Board on Aging and Long Term Care Child Abuse and Neglect Board Elections Board Employment Relations Commission Ethics Board Division of Hearings and Appeals Joint Survey Committee on Retirement Systems Lieutenant Governor Office of Justice Assistance Personnel Commission Tax Appeals Commission Wisconsin Conservation Corps Wisconsin-Minnesota Boundary Area Commission	10,500 36,000 24,400 28,220 86,620 143,680 48,120 51,400 18,600 44,820 73,220 57,420 10,200 71,220 24,200	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	10,500 36,000 24,400 28,220 86,620 143,680 48,120 51,400 18,600 44,820 73,220 57,420 10,200 71,220 24,200	20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn) 20.505(1)(kn)
Subtotal:		\$728,620	\$0	\$728,620	
	\$728,620 Masterleased for 3 years at 6.5%:		\$258,660	\$258,660	
Large Agency Basic Infrastructure	Natural Resources Military Affairs Military Affairs Tourism Legislature	260,048 46,300 40,100 100,700 1,000,000	-31,950 0 0 -100,700 -1,000,000	228,098 46,300 40,100 0 0	20.370(8)(mh) 20.465(1)(kn) 20.505(1)(kn) 0 0
Subtotal:		1,447,148	-1,000,000	314,498	

Information Technology Investment Fund 1996-97 Grant Awards

<u>Agency</u>	<u>Purpose</u>	<u>FY96 Request</u>	<u>FY97 Changes</u>	<u>FY97 Totals</u>	<u>Appropriation</u>
IT Development Projects Identified in Act 27					
Agriculture, Trade and Consumer Protection	Interactive Voice Response & Complaint Tracking System	63,030	-3,400	59,630	20.115(8)(kt)
Commerce	Interactive Voice Response Information Desk	32,000	0	32,000	20.143(4)(kc)
Corrections	Scheduling Software	10,650	0	10,650	20.410(1)(kw)
Natural Resources	Expansion of Boat Registration System	43,100	0	43,100	20.370(8)(mh)
Natural Resources	Interactive Voice Response - Outdoor Skills Initiative	32,000	-32,000	0	
Public Instruction	Interactive Voice Response System	44,375	0	44,375	20.255(1)(kt)
Revenue	Milwaukee Refund System	16,000	0	16,000	20.566(3)(ka)
University of Wisconsin	Distance Education	400,000	0	400,000	20.285(1)(kc)
Subtotal:		641,155		605,755	
Other IT Projects					
Health and Family Services	Scheduling and Timekeeping	200,000	0	200,000	20.435(8)(ka)
Administration	Electronic Forms	20,000	-20,000	0	
Wisconsin Technical College System Board	Workstation Servers	49,000	0	49,000	20.292(1)(kb)
Subtotal:		269,000		249,000	
New ITIF Projects for FY97					
Corrections	Victim Identification & Notification System (VINES)	0	52,000	52,000	20.410(1)(kw)
Elections Board	Database Conversion to Oracle for 1996 General Elections	0	66,500	66,500	20.510(1)(ka)
Division of Hearings and Appeals	Consolidated Case Tracking System	0	100,000	100,000	20.505(1)(kb)
Employment Relations	Database Conversion from Unisys to LAN	0	25,300	25,300	20.512(1)(kb)
Ethics Board	Internet Web Site	0	17,500	17,500	20.521(1)(ka)
Subtotal:				261,300	
New ITIF Projects Masterleased for FY97					
Health and Family Services (\$500,000)	Basic Infrastructure	0	177,500	177,500	20.435(8)(ka)
Corrections (\$500,000)	Basic Infrastructure	0	177,500	177,500	20.410(1)(kw)
Revenue (\$250,000)	Basic Infrastructure	0	88,750	88,750	20.566(3)(ka)
Natural Resources (\$200,000)	Basic Infrastructure	0	71,000	71,000	20.370(8)(mh)
Commerce (\$200,000)	Basic Infrastructure	0	71,000	71,000	20.455(3)(ka)
Subtotal:				585,750	
ITIF Total:		\$4,027,273		\$4,159,063	
Vendor Fee Administration	Separate s. 13.10 request deferred by JCF at April meeting	80,000		132,500	
		4,107,273		\$4,291,563	

Information Technology Investment Fund 1996-97 Grant Awards

Agency Non-ITIF Appropriation Increases

Agency	Purpose	FY96 Request	FY97 Changes	FY97 Totals	Appropriation
Small Agency Basic Infrastructure					
Land Information Board	Basic Infrastructure	3,000	0	3,000	20,505(4)(k)
Board of Commissioners of Public Lands	Basic Infrastructure	33,450	0	33,450	20,585(2)(hg)
Waste Facilities Siting Board	Basic Infrastructure	5,100	0	5,100	20,505(4)(k)
Subtotal:				41,550	
Large Agency Basic Infrastructure					
Military Affairs	Basic Infrastructure - Emergency Management Operations	7,600	0	7,600	20,465(3)(i)
Military Affairs	Basic Infrastructure - Emergency Management Operations	5,200	0	5,200	20,465(3)(g)
Insurance	Basic Infrastructure	121,973	0	121,973	20,145(1)(g)
Insurance	Basic Infrastructure	7,553	0	7,553	20,145(8)(hg)
Subtotal:				142,326	
IT Development Projects Identified in Act 27					
Military Affairs	Emergency Government Mobile Unit Backup	5,325	0	5,325	20,465(3)(i)
Department of Financial Institutions					
	Basic Infrastructure - General Program Operations	181,628	0	181,628	20,144(1)(g)
	Basic Infrastructure - Office of Commissioner of Credit Unions	19,000	0	19,000	20,144(2)(g)
				200,628	
Other IT Projects					
Public Service Commission	Electronic Report Filing	50,000	0	50,000	20,155(1)(g)
Non-ITIF Total:		\$439,829		\$439,829	

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY



Mailing Address:
Post Office Box 7844
Madison, WI 53707-7844

Voice: (608) 267-0611
Fax: (608) 266-2164

Date: July 9, 1996

To: Richard Chandler, Administrator
Division of State Executive Budget and Finance

From: James R. Klauser, Secretary
Department of Administration

Attached is the Department of Administration's modified recommendations for expenditures to be made from the Information Technology Investment Fund. Under the provisions of s.16.515 and s.16.971(5) the department requests the transfer of \$4,288,000 for state fiscal year 1997 from s.20.870(1)(q), the Information Technology Investment Fund, to a variety of appropriations in several state agencies to provide funding for the state's VendorNet information system, agency infrastructure support services, standard infrastructure purchase and installation for many small agencies and some larger agencies, and a number of other agency information technology development projects.

The department also requests an additional increase in expenditure authority of \$439,829 for seven PRO agencies and the six agencies that make up the new Department of Financial Institutions for information technology development projects. This part of the recommendations remain essentially the same as was recommended in February of this year. It is our intent to forward another s.16.515 request on behalf of several PRO funded agencies later in the year. Those recommendations will be a continuation of the process of funding a standard and consistent technology infrastructure across all state agencies.

As a final point, the March (April) meeting of the Joint Finance Committee under s.13.10 tabled the department's request for \$132,500 SEG expenditure authority in FY97 for vendor fee collection administrative costs. It did so because fee rules were still under discussion. Revised rules were submitted and now approved; final rules will be published August 12 and effective September 1. We then need to proceed with collection and administration of the fees, but the Committee has not scheduled action on the department's tabled request. The fees are the life blood of the IT Investment Fund. With Committee concurrence, we will proceed to incur initial costs of fee collection and administration consistent with the FY97 request of \$132,500 SEG. We will do this with the understanding that the Committee will take final action on the request at its regular September meeting under s.13.10, or at a special meeting at an earlier date. I would like the Committee to indicate if this approach does not meet with its approval.

If you or staff have any questions, please feel free to contact Bruce Reines in the Division of Technology Management.

cc: Bob Lang, Legislative Fiscal Bureau
Mark Wahl
Bruce Reines

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Division of Technology Management

Department of Administration

Date: July 8, 1996

To: James R. Klauser
Secretary

From: Bruce Reines 
Director
Bureau of Technology Policy and Planning

Subject: Revised Information Technology Investment Fund Recommendation

This memo outline recommended modifications to our Information Technology Investment Fund submittal sent to the Joint Committee on Finance in February. Since many of the recommendations will stay the same or change only slightly, I have chosen to use the February document as the base. I have attached a copy for reference. This memo will outline changes and additions to the original recommendations. For reference, this memo will refer to the page of our original document and the Legislative Fiscal Bureau memo from April 16, 1996 when possible.

I have also attached a one-page summary sheet of the proposed modifications.

Revenues

Based on our best estimates, we believe that the Vendor Fee and subscription fee will raise approximately \$4.3 million on an annual basis. Given that estimate, the FY97 recommendations for expenditures will fall within that amount. In FY98 and beyond we will be able to adjust expenditures to match any balance/deficit the ITIF may have built in the preceding year.

Reductions from the FY96 Recommendations

The FY96 recommendations assumed expenditures of \$4,107,300 SEG from the ITIF in that year. Of that amount, \$80,000 for DOA administrative costs were not officially part of the s.16.515 request, since they required a s.13.10 approval. If we assume revenues of \$4.3 million and we begin with anticipated expenditures of \$4,067,200, we begin with a balance of \$192,700.

The following modifications would increase that balance:

- ◆ Delete the \$1 million down payment for the cost of the Legislature's information technology infrastructure. (page 15 DOA February recommendation and page 32 LFB April 16 memo)

- ◆ Reduce the amount necessary for Small Agency Infrastructure initiative to reflect change from cash funding to use of 3 year MasterLease payment. Net effect is a reduction of \$452,800 in ITIF expenditures. (pages 8 through 11 DOA February recommendation and pages 15 through 26 LFB April 16 memo)
- ◆ Delete \$100,700 for Department of Tourism infrastructure development due to joint agency and DOA effort to use available base funds for creation of the infrastructure. (page 14 DOA February recommendation and pages 29, 30 LFB April 16 memo)
- ◆ Delete \$20,000 for electronic forms pilot and training expenses. (page 25 DOA February recommendation and pages 42 LFB April 16 memo)
- ◆ Reduce \$31,900 from the infrastructure network recommendation for the Department of Natural Resources to reflect re-estimate costs for servers as suggested in the LFB analysis. (page 25 DOA February recommendation and page 42 LFB April 16 memo)
- ◆ Delete \$32,000 for the DNR Outdoor Skills Initiative to purchase an interactive voice response unit. (page 19 DOA February recommendation and pages 36 & 37 LFB April 16 memo)
- ◆ Reduce by \$3,400 funding for the Department of Agriculture Trade and Consumer Protection Compliant Tracking system for the Bureau of Consumer Protection to reflect that some one-time financing for personal computers were included in budgeting for three new positions. (page 16 DOA February recommendation and pages 33 & 34 LFB April 16 memo)

New Expenditure Recommendations

These modifications would allow for reallocation of \$1,657,900 of ITIF funds in FY97. Combined with the beginning balance, we now have \$1,850,600 for other projects. The bullets below outline recommendations for those expenditures.

- ◆ Administrative Costs/\$52,500 -- This amount is formally not part of the s.16.515 process. Due to the fact DOA must make administrative expenditures from a SEG appropriation, approval of the transfer of these funds can only be granted under s.13.10 of the statutes. And currently there is a s.13.10 recommendation before the Committee. Rather, it is noted here to reflect its effect on the ITIF fund balance.

- ◆ VendorNet/\$250,000 -- As outlined in the earlier recommendation, the department estimates that this amount will be needed in FY97 for further development of VendorNet to ensure adequate processing capacity and sufficient functionality for vendors. [receiving appropriation s.20.505(1)(kn)]
- ◆ Infrastructure Support and Conversion assistance/\$692,800 -- This amount reflects the full annual costs for several segments of the IT infrastructure initiative, including small agency support and help desk service, standards conversion and migration assistance and user training. The estimate was originally \$1 million for FY97 but was reduced to reflect delayed implementation. [receiving appropriation s.20.505(1)(kn)]
- ◆ VINES Department of Corrections/\$52,000 -- This innovative program uses interactive voice response technology to notify victims of pending release and court dates of those charged or convicted of crimes against them. The funding is to allow the Department of Corrections to pilot this technology for use in the state. The costs are for some hardware and to contract with a firm that provides the service. [receiving appropriation s.20.410(1)(kw)]
- ◆ Elections Board Database/\$66,500 -- This item will allow the Elections Board to convert their database from Ingres to Oracle to accommodate the 1996 general elections. The costs are for software licenses, contract support and technical training. The conversion will allow the board to use a state of the art, relational database software and in the long run will be easier to support. [receiving appropriation s.20.510(1)(ka)]
- ◆ Division of Hearings and Appeals/\$100,000 -- This item is recommended to provide for the development of a consolidated case tracking system for the division. With the merger of the former Department of Health and Social Services, a consolidated tracking system is needed for sound management of the division. Further, the DHSS Office of Administrative Hearings is currently using a mainframe program on obsolete software for case tracking which must be replaced. This recommendation will fund the actual applications development work for the project. Other costs, an additional \$118,000, will be funded through reallocation of base resources and the MasterLease program. [receiving appropriation s.20.505(1)(kb)]

- ◆ Department of Employee Relations Data Base Conversion/\$25,300 -- This item is fund contract applications programmer time to convert three existing human resource data bases from an obsolete Unisys platform to the department's local area network server. The project should be completed within FY97 and DER can then be release from increasing maintenance costs for the obsolete hardware. [receiving appropriation s.20.512(1)(kb)]

- ◆ Ethics Board Legislative Forum/\$17,500 -- Funding for the development of an Internet Web site for the Ethics Board that will allow access to databases on pending legislation and administrative rules and the parties interested in these items and on-line data entry to improve information collection process for affected parties. [receiving appropriation s.20.521(1)(ka)]

The total for these recommendations comes to \$1,256,600 for FY97. In addition, we recommend that the following amounts be transferred to five state agencies to provide additional monies for the construction of a standardized, consistent infrastructure.

- ◆ Department of Health and Family Services -- \$177,500 to allow for two payments on a three year MasterLease for \$500,000. [receiving appropriation s.20.435(8)(ka)]

- ◆ Department of Corrections -- \$177,500 to allow for two payments on a three year MasterLease for \$500,000. [receiving appropriation s.20.410(1)(kw)]

- ◆ Department of Revenue -- \$88,800 to allow for two payment on a three year MasterLease obligation for \$250,000. [receiving appropriation s.20.566(3)(ka)]

- Department of Natural Resources -- \$71,000 to allow for two payment on a three year MasterLease obligation for \$200,000. [receiving appropriation s.20.370(8)(mh)]

- ◆ Department of Commerce -- \$71,000 to allow for two payment on a three year MasterLease obligation for \$200,000. [receiving appropriation s.20.143(1)(kc)]

These agencies were selected do to the fact they represent the major GPR funded operations that have incomplete or outdated IT infrastructures. The total expenditure of \$1.7 million is relatively modest, however, for these agencies this investment is significant. The agencies will identify how these expenditures will used to accomplish their agency infrastructure migration plans.

Secretary Klauser
ITIF Recommendations
July 8, 1996
page 5

This portion of the recommendations totals \$634,200 which will leave a balance in the ITIF of approximately \$8,400.

If you have any questions regarding these recommendations, please feel free to contact me.

cc: George Lightbourn
Christopher Mohrman
Rick Chandler
Mark Wahl

FY97 ITIF Modification Summary

Annual Revenue	\$4,300,000	
FY96		
Recommendations	(\$4,107,300)	
Difference		\$192,700
Adjustments to FY96		
Recommendations		
Legislative		
infrastructure	\$1,000,000	
ML Small Agency		
Infrastructure	\$469,947	
Tourism infrastructure	\$100,700	
Electronic Forms	\$20,000	
DNR reduction by LFB	\$63,900	
DATCP LFB reduction	\$3,400	
Subtotal	\$1,657,947	\$1,850,647
Additional		
Expenditures		
Admin Costs	\$52,500	
VendorNet increase	\$250,000	
Infrastructure support		
and conversion		
assistance	\$692,750	
VINES (DOC)	\$52,000	
Elections Bd	\$66,500	
DER Database	\$25,300	
Hearings and Appeals	\$100,000	
Ethics Bd	\$17,500	
Subtotal	\$1,256,550	
Amount Remaining		\$594,097
Health & Family		
Services	\$177,500	
Corrections	\$177,500	
Revenue	\$88,750	
Natural Resources	\$71,000	
DOJ	\$71,000	
Subtotal	\$585,750	
Balance		\$8,347

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin



Mailing Address:
Post Office Box 7844
Madison, WI 53707-7844

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

Voice: (608) 267-0611
Fax: (608) 266-2164

Date: February 21, 1996

To: Richard Chandler, Administrator
Division of State Executive Budget and Finance

From: James R. Klauser, Secretary
Department of Administration

A handwritten signature in black ink, appearing to read 'James R. Klauser', written over the typed name in the 'From' field.

Under the provisions of s.16.515 and s.16.971(5) the department requests the transfer of \$4,067,173 PRO from s.20.870(1)(q), the Information Technology Investment Fund, to s.20.505(1)(kn) Multi-Agency Information Technology Development Projects and a variety of appropriations in other agencies to provide funding for the state's VendorNet information system, agency infrastructure support services, standard infrastructure purchase and installation for many small agencies and some larger agencies as directed by Executive Order 242, and a number of other agency information technology development projects.

The department also requests an additional increase in expenditure authority of \$500,229 for seven PRO agencies and the six agencies that make up the new Department of Financial Institutions for information technology development projects. This single notification of all information technology development projects for which the department proposes to award grants in FY96 is being made pursuant to s.9101(21i)(a) of 1995 Wisconsin Act 27.

As the first request for distribution of funds from the Information Technology Investment Fund, this request is extremely complex and detailed. You will find attached to this memo a Table of Contents, and an Executive Summary, as well as a detailed narrative for the eight separate sections and forty-nine funding proposals that constitute this request. This request is the culmination of over two years of effort related to information technology development and management within the Department of Administration and I hope it will receive favorable attention from your division.