

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
54th LEGISLATURE - REGULAR SESSION**

**JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT & TRANSPORTATION**

**Call to Order:** By **CHAIRMAN ED GRADY**, on January 25, 1995, at  
8:13 a.m.

**ROLL CALL**

**Members Present:**

Rep. Edward J. "Ed" Grady, Chairman (R)  
Sen. Thomas A. "Tom" Beck, Vice Chairman (R)  
Rep. Gary Feland (R)  
Sen. Eve Franklin (D)  
Rep. Joe Quilici (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Terri Perrigo, Legislative Fiscal Analyst  
Dan Gengler, Office of Budget & Program Planning  
Rosa Fields, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: Department of Administration  
- Information Services Division (ISD)  
Executive Action: None

*{Tape: 1; Side: A; Approx. Counter: 000; Comments: n/a.}*

**DEPARTMENT OF ADMINISTRATION  
Information Services Division**

**BUDGET ANALYSIS 1997 BIENNIUM VOL. 1 PAGE A-155**

**Lois Menzies, Director, Department of Administration,** informed the committee this is an informational hearing only, and said the budget issues will be discussed tomorrow, January 26, 1995.

**Tony Herbert, Administrator, ISD,** distributed a handout outlining information technology. **EXHIBIT 1** He said the mission of ISD is to provide cost effective services to all of the state agencies. He said that ISD is involved in providing a focal point for strategic direction, planning and control in state government.

**Mr. Herbert** used an overhead projector to illustrate the division's goals and objectives, and gave an overview of the bureaus in the division, their activities, and support services provided by the division.

**Mr. Herbert** informed the committee that ISD manages the state's 911 program through the Policy Development Bureau, and manages the state's radio systems and frequencies which are used by the police, sheriffs, and fire departments.

**Mr. Herbert** discussed the ISD budget, noting that the request the division is proposing for FY96 and FY97 is \$770,000 less than the FY94 and FY95 budget that.

**Ms. Menzies** said the Information Technology Managers Group (ITMG) created four task force committees in 1993 that put together 31 recommendations about information technology which are outlined in the Information Technology Strategic Plan, published in July 1994. She invited the four chairpeople to report on their committee activities, results, and recommendations.

**Bob Person, Legislative Council**, distributed and read his testimony that described the vital importance of the legislative process information on the "information superhighway," and the need for policies regarding access and privacy. **EXHIBIT 2**

*{Tape: 1; Side: B; Approx. Counter: 000; Comments: n/a.}*

**Dennis Taylor, Deputy Director, Department of Justice**, discussed the strategic issues his committee recommended: a single enterprise system for the state agencies of Montana, including the university system. He discussed having strong standards i.e., policies for financial and human resources, and data sharing and management of telecommunications in state government.

One of his committee's recommendations in data sharing is for the state to adopt a single database, implement a single network license as an enterprise solution, and provide private sector access to the state network on a case-by-case basis. They recommended network sharing; public radio, and how the state should respond to state and federal challenges; and how ISD should coordinate interagency networks for voice, data, radio, and active input from agency users and Montana citizens. **Mr. Taylor** addressed the SummitNet, stating it is one of the most important resources to be revolutionized as a statewide system.

*{Tape: 1; Side: B; Approx. Counter: 330; Comments: n/a.}*

**Mick Robinson, Director, Department of Revenue**, said he was on the funding task force. He said in order for state agencies to accomplish their work, information technology has to be a major component. **Mr. Robinson** discussed the funding recommendations of the task force he chaired: statewide public accountability, access for the public in courthouses for tax purposes; and

management purposes made available for the legislature, state agencies, and the public. He said the proprietary mechanism that is used by ISD is the best structure. Based on information technology across the state, the funding allows the spread of the investment and support for all users of the network.

**Doug Booker, Department of Military Affairs**, informed the committee that as state agencies must look ahead they must also rely on what is currently available. His committee's recommendations dealt with timely and accurate information for the citizens of Montana and state agencies, and the training involved to maximize the technology systems.

One recommendation is that smaller agencies be provided assistance in reviewing their internal process and assessing their existing resources, and then to see if support can be made available from the larger agencies. He said if this cannot be done, then allow the small agencies to go to ISD and receive the help they need, or find experienced staff from larger agencies that could possibly fulfill these needs.

*{Tape: 2; Side: A; Approx. Counter: 000; Comments: n/a.}*

**Mr. Herbert** informed the committee that ISD has six new proposals and then discussed how the new proposals fit into ISD's budget.

**Mr. Herbert** addressed the first new proposal: Public safety radio, which involves highway patrolman, sheriff departments, etc., who are the public safety agencies of the state. He said the frequency used by Montana's public agencies is operated out of the ISD office, who coordinates with the Federal Communications Commission (FCC) for all of the users. He said it is a challenge statewide and nationally, because the FCC has issued new rules in the last year called refarming. He described refarming as redesigning the way radio frequencies will be allocated to all users. This is necessary because in many areas of the United States there is not enough space on the radio frequencies for all the users.

**Mr. Herbert** said the FCC has informed his bureau that in order for Montana to comply with the new FCC rules, the equipment that manages the frequencies for the radios of the public safety agencies in Montana will have to be re-done by January 1, 1996. This will include systems used by the transportation department, the Department of Justice, and law enforcement. He said the new rules will also lower transmitting power. **Mr. Herbert** said by the year 2012 the high band systems that are currently being used will be prohibited nationally.

**Mr. Herbert** said the funds included in the proposal will be used to hire skilled professionals outside of state government to assist his staff in developing and understanding the technical procedures to conform with the new FCC rules. **Mr. Herbert** said the \$200,000 will need to be a continuing biennial appropriation. He informed the committee that the funds to support the new

proposal are not proprietary funds, but are available from the Highway Traffic Safety Administration.

**Mike Murray, Chairman, Board of County Commissioners for Lewis and Clark County**, said he is before the committee representing the Montana Association of Counties (MACO), who support the request for the \$200,000 that ISD needs to hire the consultants to start this project.

**Mr. Herbert** gave an overview of another new proposal, the Interactive Video Multi-point new proposal. The interactive video network (also known as MetNet) hooks together campus sites in order to offer college courses through the universities in Montana. He said currently there are 8 systems that are connected, and he expects two more to come on-line at the college in Dillon, and the college at Havre will be hooked up in two weeks. **Mr. Herbert** said they expect a total of 19 networks to be on-line in the near future.

**Dr. Richard Crofts, Deputy Commissioner, Montana University System of Higher Education**, said he is before the committee in support of the \$69,000 proposed in the Executive Budget needed for the expansion of MetNet. He said the use of the off-campus sites is expanding rapidly for credit courses and non-credit continuing education. **Mr. Crofts** stated his support for an additional FTE support position to assist in the expansion of the network project. He said this will allow Rick Wine, the current sole Operations Technician to perform the duties required of him.

**Lisa Gentry, Director of Education for Credit Counseling Service**, said this is a national foundation for consumer credit. She said their headquarters is located in Great Falls, but they have offices throughout the state. She informed the committee the role of consumer credit is to redesign a debt management program for the people who use consumer credit. **Ms. Gentry** redesigns and implements credit education programs throughout the state to determine if students need more than a debt management program, and negotiates with the creditors for a lower payment which allows the individuals to make one payment to consumer credit per month. **Ms. Gentry** said to train and educate her staff and students she uses MetNet which allows her to stand in one classroom in Great Falls and teach eight classes at one time throughout Montana.

*{Tape: 2; Side: B; Approx. Counter: 000; Comments: n/a.}*

**Ms. Gentry** said it is her understanding that the University of Montana is the first in the nation to make credit education mandatory before a student can receive financial aid. She stated her support for the FTE position that is requested.

**Mr. Herbert** then gave an overview of the SummitNet expansion new proposal. He said SummitNet is a partnership between state government and the university system, which is the source for the

name "SummitNet": State and Universities of Montana's Multi Protocol.

{Tape: 2; Side: B; Approx. Counter: 162; Comments: n/a.}

**Mr. Herbert** further explained how and what SummitNet is and how it operates.

{Tape: 2; Side: B; Approx. Counter: 825; Comments: n/a.}

Questions from Committee Members:

**REP. QUILICI** asked what the potential is in receiving the federal NTIA grant award. **Mr. Herbert** said they applied for a grant through NTIA (National Telecommunications Information Agency), but were unsuccessful. **Mr. Herbert** said the \$1.9 million he referenced earlier is currently in his budget. He said when the committee starts with this budget they will be dealing with some federal appropriation authority for this program. **Mr. Herbert** said his office will re-apply for federal funds for SummitNet.

{Tape: 3; Side: A; Approx. Counter: 000; Comments: n/a.}

Proponents:

**Dave Galt**, Motor Carrier Services Division, stated his support for ISD.

**Gregg Groepper**, Assistant Superintendent, Department of Operations, OPI, stated his support for the funds and FTE requested by ISD for SummitNet.

The following also stated their support for ISD:

**Dennis Taylor**, Chief of Staff, Department of Justice.

**Gordon Morris**, MACO.

**Richard Miller**, State Librarian, Montana State Library.

**Cynthia Denton**, Rural Educator.

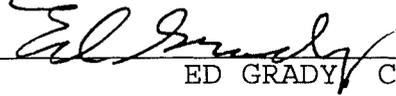
**Joan Mandeville**, Montana Telephone Association MTA.

**Amy Sullivan**, Senator Conrad Burns Office.

**Dan Walker**, U.S. West.

ADJOURNMENT

Adjournment: 11:53 a.m.



ED GRADY, Chairman



for CLAUDIA JOHNSON, Recording Secretary

Note: These minutes were edited by Terri Perrigo.

EG/cj

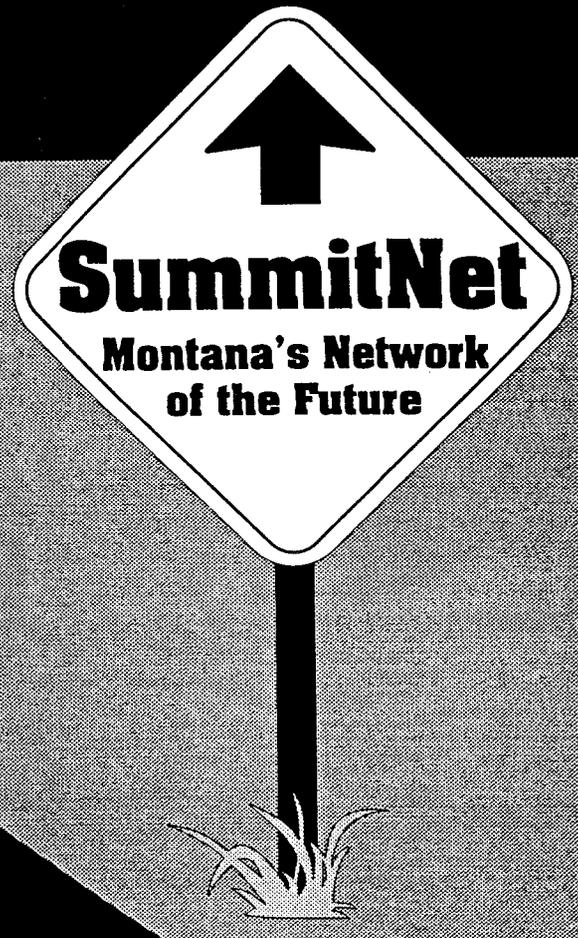
# Building The Information Highway

# To The 21st Century!

EXHIBIT 1

DATE 1/25/95

Dept of Admin/IST



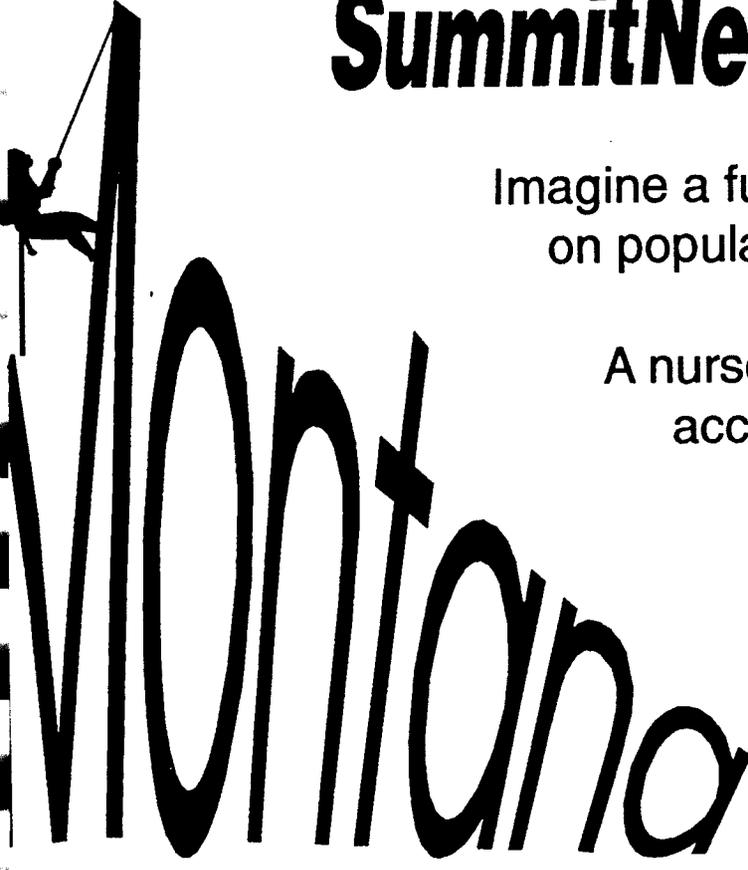
# SummitNet... Information High

Imagine a future where a sixth grade student in  
on population density by using the on-line ca

A nurse at the Rosebud County Public He  
access patient immunization records in

A County Commissioner in Sweet  
other commissioners about pro

Or a Sheriff in Winnett rece  
National Crime Informati  
reported to be in the a



## *All Agencies Benefit*

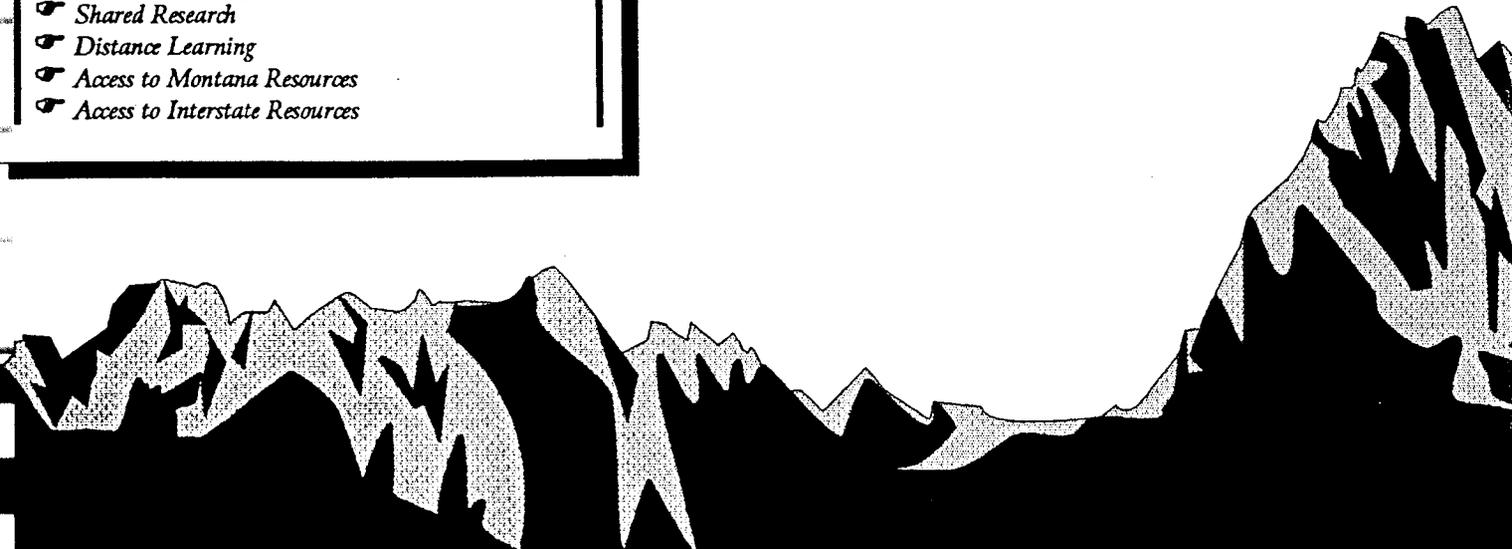
- ☛ Remote LAN Management Support
- ☛ Eliminates Dial Up Needs
- ☛ Distributed Data - Data Sharing
- ☛ Distributed Development
- ☛ Access to Montana Information Resources
- ☛ Access to Interstate Information Resources
- ☛ Consolidation of Data Communications Networks

## *University System and K-12*

- ☛ All University Campuses Connected  
(Units, Technology, and Community Colleges)
- ☛ Shared Research
- ☛ Distance Learning
- ☛ Access to Montana Resources
- ☛ Access to Interstate Resources

## *The SummitNet project has received input and support for the project from:*

- ☛ Information Technology Advisory Council (ITAC)
- ☛ Montana University System
- ☛ Office Of Public Instruction
- ☛ Attorney General
- ☛ Public Service Commission
- ☛ Montana Association Of Counties
- ☛ Montana Health Care Authority
- ☛ Montana Telecommunications Advisory Council (MTAC)
- ☛ And others



# Highway Construction Has Begun

Frentywood researches her report  
ta'og of the University of Montana,

all'n Clinic uses a computer to  
Helena,

Grass County queries, electronically,  
o. als for solid waste solutions,

vc's immediate bulletins from the  
on Center (NCIC) on a kidnapper  
ea.

*"Whether communications are on a super-highway or a simple roadway, whether they are by wire, microwave or in person, I believe that there is nothing more important to our joint futures here on this special piece of God's good earth, than Communications".*

*Governor Marc Racicot*

## *Benefits of SummitNet*

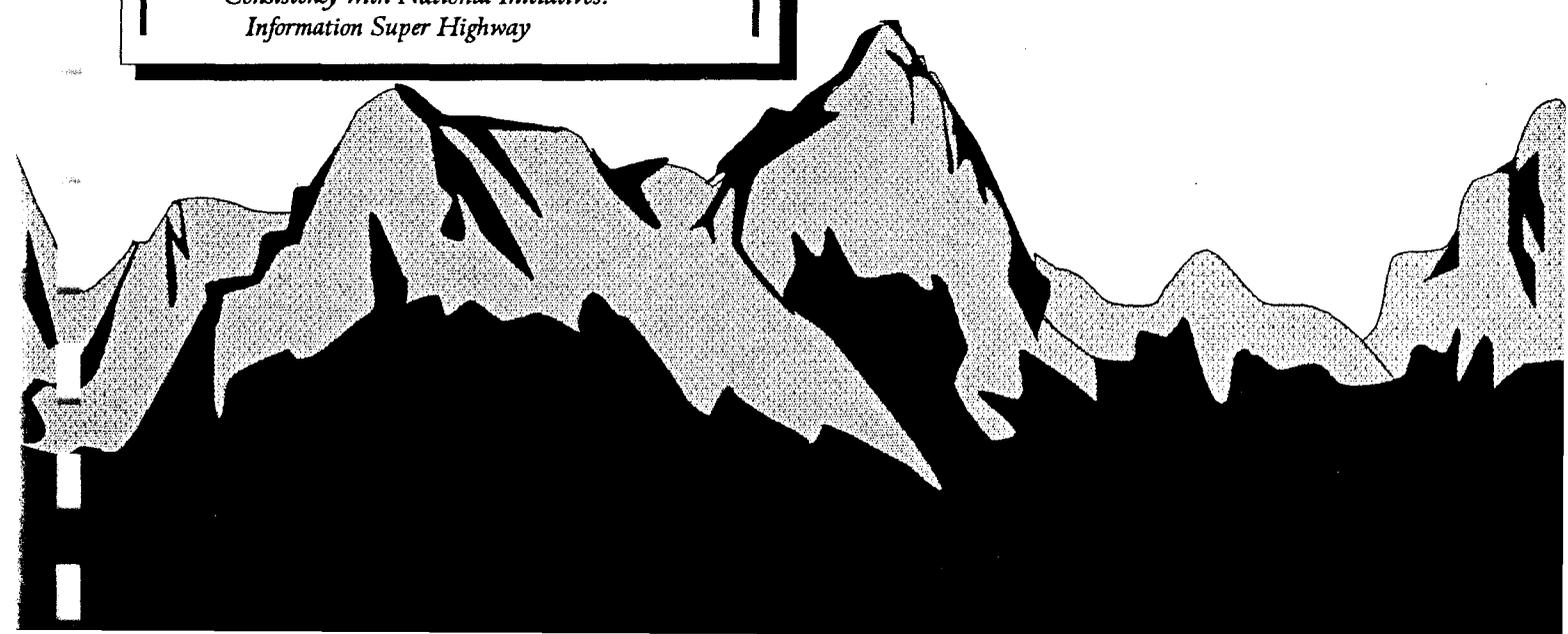
- ☛ *Statewide Access by Schools, Libraries, Universities, Tribal Colleges, and Government Agencies (State and Local)*
- ☛ *Montana's Access to the National Information Infrastructure (NII)*
- ☛ *Distance Learning Opportunities for Montana's Students*
- ☛ *Relies Upon Private Sector Network Resources*
- ☛ *Internet Access*
- ☛ *Broad Based Public and Private Support*
- ☛ *Cost Effectiveness*

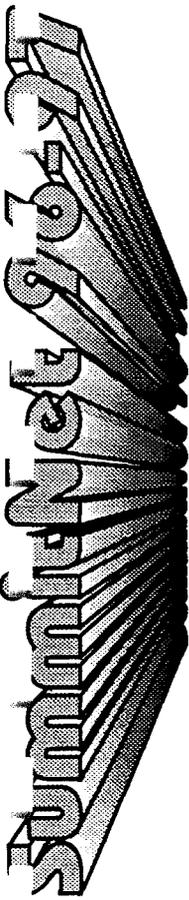
## *SummitNet Meets Four Key Needs*

- ☛ *Appropriate Technology:  
Network Facilities Provided by the Industry  
Frame Relay*
- ☛ *Agency Needs/Support:  
ITAC Strategic Direction  
Builds on Existing Network*
- ☛ *Cost Effectiveness:  
Transition Towards a Single Network  
Most Cost Effective Design*
- ☛ *Consistency with National Initiatives:  
Information Super Highway*

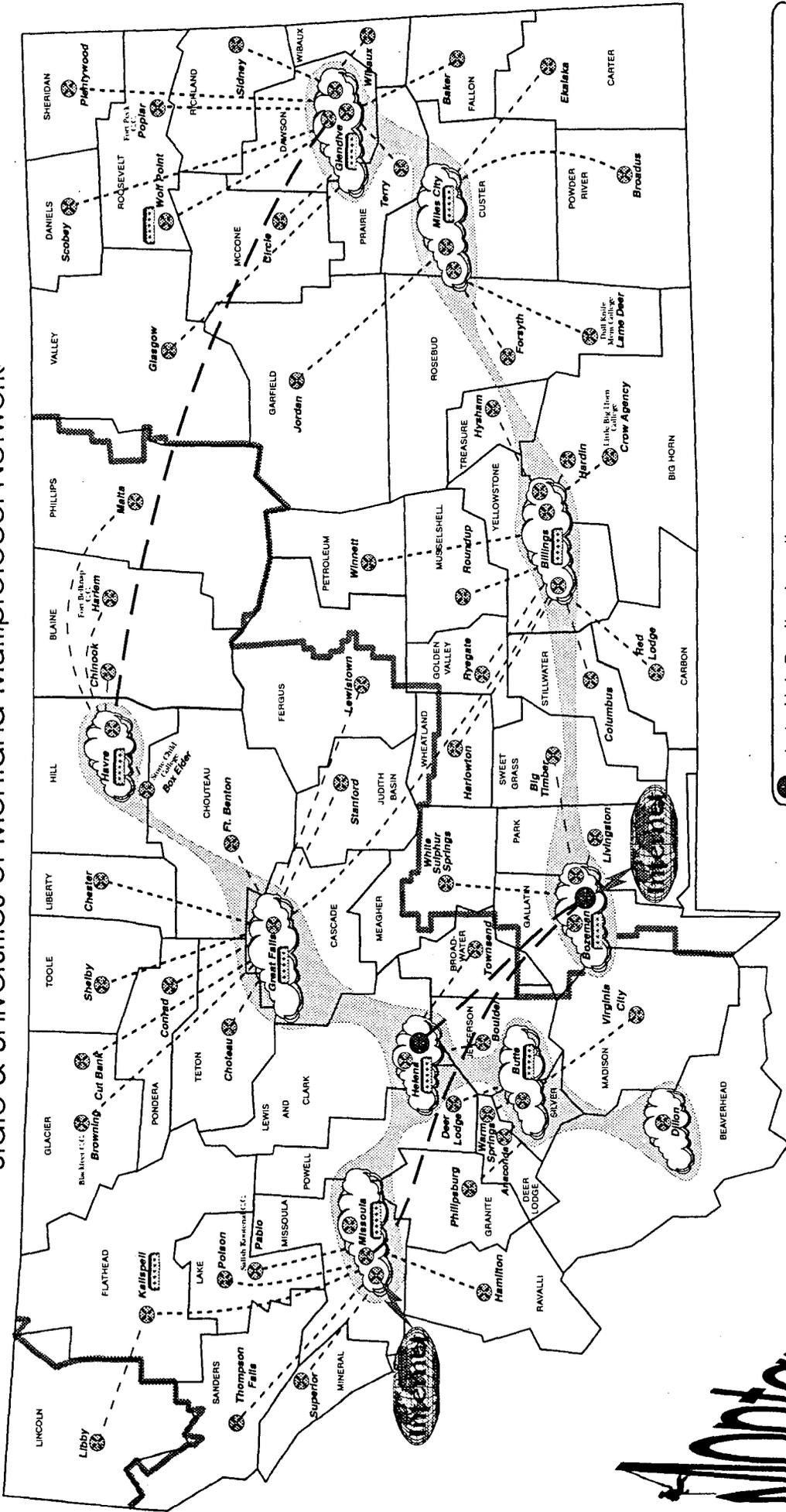
## *SummitNet Funding Requirements*

- 70% Recovery from Agency Data Network Rates*
- 25% Recovery from University System*
- 5% Recovery from Non-State Entities*





# State & Universities of Montana Multiprotocol Network



Lata Hub Routing Location  
 End Node Router Location  
 56Kb Frame Relay Backhaul Service  
 T1 (1.54Mb) service  
 LATA Boundary  
 Dial-In, Remote access Hub Locations

Local Frame Relay Cloud  
 Lata Frame Relay Cloud  
 INTERNET Portal Locations

# Montana

EXHIBIT 2  
DATE 1/25/95  
Dept of Admin / ISD

**Presentation by Bob Person  
ITAC Access and Privacy Task Force Recommendations  
January 25, 1995**

**Thank you Lois. Mr. Chairman and members of the committee: Just for the record, I spoke to Rep. Grady regarding speaking to you today. He agreed to my making this presentation at his request.**

**All across the land today, information technology has taken center stage. Who has not heard reference to the information super highway? Think of it: Monday Night Football, once the bastion of beer, batteries, and tires, now has companies trying to sell you their brand of integrated chip technology partly because of the connections you can make to the world. A major company uses human intrigue to capture your interest in computerized communications and information services they sell. Another company asks you on television and in print whether you have ever conducted any of a number of complex transactions like obtaining licenses or services from government electronically at your convenience. In each case, you probably have not done it, but the company promises that you will.**

**Society is now undergoing a fundamental technological change on the order of those in the past with names we know like the stone age, the iron age, or the industrial revolution. As waterways were of key importance to the age of discovery and railways and highways to the industrial age, so information networks are key to the information age. Probably that is why the popular analogy, "Information Super Highway" has such power for us.**

Where does Montana's government fit in all this? It was the job of the Task Force on Access and Privacy to help begin to find answers for that question.

Our 10 broad recommendations, which you see on the screen, fit into three categories access, privacy, and vision.

1. When we talk about "access," we mean the ability for people in and out of government to get the information and services they need electronically.

2. When we talk about privacy, we mean keeping information regarding a person that should be private withdrawn from public view or knowledge.

3. The vision strategy unifies all the rest.

Now, a brief review of how our recommendations fit into access, privacy, and vision:

Access:

Most of the strategies, frankly, are access strategies.

We have recommended that the state needs to be aggressive about providing access and the communication and exchange of information with each other and with the people. This is a whole new way of thinking. We in government need to see ourselves as information agents. Information is among government's most valuable assets. We need to assure that old mandates that stand in the way of the proper

transformation of government for the information age are identified and brought to the legislature, governor, or other appropriate policy makers for change. We must use modern techniques to improve government interaction with vendors and to improve service delivery to the people.

The taxpayer cannot be expected to support necessary changes alone. Appropriate access charges will be a necessary part of the new systems. Government also needs to be open to allowing third party providers to add value to government information and services under the right circumstances. And there will be times when services once thought only private may need to be available on the public network.

#### Privacy:

If we are to succeed in using technology to provide services, we must assure adequate privacy to people. I need to emphasize that there are really no new issues here.

Technology does raise the stakes. Nationally, there has been interest in a code of fair information practices. The state needs to look at adopting such a code.

Likewise, we have always demanded some level of communications privacy. We send letters through the mail with great confidence. But wisdom also dictates care -- we are admonished not to send cash through the mail. We need to guarantee appropriate transmission privacy analogous to the older systems with which we have grown comfortable.

#### Vision

**Thus we have covered access and privacy broadly. I encourage you to look at our report to study the detail. None of this will come without a tremendous amount of courage, commitment, and hard work. We do believe that it is fitting and proper that we move in this direction to fulfill our vision for a system that is flexible and responsive to the citizen needs and demands -- a vision that will guide information technology planning and development to take advantage of current and future service delivery and/or access technologies for citizens in their homes, businesses, schools, libraries, and organizations.**

**Now, Dennis Taylor will present more about how we will coordinate the work needed to begin to put all this in place.**

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Gen. Gov. & Trans.

SUB-COMMITTEE

DATE 1-25-95

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NAME AND ADDRESS	REPRESENTING	Support	Oppose
Tony Hubert	ISD		
Lisa Gentry, PCCS			
Sharon Boie	ISD		
Paul Rylander	ISD		
Jeff Brandt	ISD		
Carl Hotz	ISD		
Jim Apperall	Justice		
Jeff Justice	ISD		
Mick Robinson	DOR		
Doug Booker	M.J. Affairs		
Mike Murray	MACO	✓	
RICHARD CROFTS	O CHE	✓	
JOHN P. CLEVELAND	UM INFO. TECH.	✓	

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HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Gen. Gov. & Trans.

SUB-COMMITTEE

DATE 1-25-95

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NAME AND ADDRESS	REPRESENTING	Support	Oppose
Richard Miller	State Library	✓	
Gordon Morris	MA Co	✓	
Jean Maxwell	MTA	✓	
Terry ...	MJTP		
DAN WALKER	US WEST	✓	

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