

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

#### JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

**Call to Order:** By **CHAIRMAN ERNEST BERGSAGEL**, on February 3, 1997, at 8:00 A.M., in Room 317 of the State Capitol.

#### ROLL CALL

**Members Present:**

Rep. Ernest Bergsagel, Chairman (R)  
Sen. Thomas A. "Tom" Beck, Vice-Chairman (R)  
Sen. John "J.D." Lynch (D)  
Rep. Matt McCann (D)  
Rep. Tom Zook (R)

**Members Excused:** none

**Members Absent:** none

**Staff Present:** Nan LeFebvre, Legislative Fiscal Division  
Debbie Rostocki, Committee Secretary

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: **HB 188**  
Executive Action: none

An agenda for the week was distributed. **EXHIBIT 1**

#### HEARING ON HOUSE BILL 188

**Opening Statement by Sponsor:** **REP. MATT DENNY, HD 63**, introduced **HB 188**, the administration's bond bill for information technology projects. He stated that the new systems were expected to last beyond the life of the bonds.

**{Tape: 1; Side: a; Approx. Time Count: 0.0-6.0}**

**Proponents' Testimony:** **Ms. Lois Menzies**, Director of the Dept. of Administration, spoke about the Montana Project to Re-engineer the Revenue and Information Management Environment (MT PRRIME) **EXHIBIT 2**; questions were asked. **Ms. Menzies** said upgrades to the mainframe were independent of the proposal in **HB 188**, which would probably use a mid-tier system: the mainframe will not be abandoned, it will continue to handle the big systems like **SEARCHES** and **TEAMS**.

**{Tape: 1; Side: a; Approx. Time Count: 6.1-24.1}**

**Ms. Menzies** outlined the expected benefits of MT PRRIME. Questions were asked. **REP. MCCANN** wanted to know what the assurances would be regarding an actual FTE reduction with the passage of the proposal. **Ms. Jane Hamman**, Governor's Office of Budget and Program Planning, said they were willing to make the commitment that the reduction would be made for the 2000 biennium. **CHAIRMAN BERGSAGEL** requested a complete list of the 20 economic benefits expected from MT PRRIME; **Ms. Menzies** agreed to supply it. **Ms. Menzies** cautioned that many of the benefits would be indirect.

*{Tape: 1; Side: a; Approx. Time Count: 24.2-41.7}*

**Ms. Menzies** then outlined the costs and financing for MT PRRIME.

**Mr. Tony Herbert**, Information Services Division Administrator, explained the expenditures for licenses. Explanations were given detailing the costs budgeted in the proposal. Questions were asked. In response to **REP. ZOOK**, **Ms. Menzies** agreed to provide a breakdown of the budget for the specialists to be hired to implement MT PRRIME. She agreed to provide **REP. MCCANN** with more detailed information on the other funding sources which would be utilized to fund MT PRRIME. **CHAIRMAN BERGSAGEL** wanted to know the impact to the Department of Public Health and Human Services and its relationship to block granting. In closing, **Ms. Menzies** predicted that without MT PRRIME, state agencies would inevitably find ways to spend significant sums of money to provide ad hoc solutions to their business needs.

*{Tape: 1; Side: b; Approx. Time Count: 0.0-16.0}*

Questions were asked. In response to **REP. MCCANN**, **Ms. Menzies** stated the new systems would be more expensive to operate: although building this system will save money, it will not be cheap to purchase. She added that it is difficult to determine what is actually currently being spent on the systems due to increased efficiencies. She agreed to try and quantify this more fully.

*{Tape: 1; Side: b; Approx. Time Count: 16.1-19.3}*

**Mr. Bob Person**, Director of the Legislative Services Division, then spoke. **EXHIBIT 3**

*{Tape: 1; Side: b; Approx. Time Count: 19.6-29.1}*

**Mr. Brian McCullough**, Dept. of Labor, gave a history of the automation of state government and reviewed the efficiencies the new system would provide. **EXHIBIT 4**

*{Tape: 1; Side: b; Approx. Time Count: 29.2-Tape 2:a:6.8}*

**Mr. Bill Salisbury**, Department of Transportation Administrative Division Administrator, then spoke about the shortcomings of the past and present accounting and information systems in the Dept. of Transportation.

*{Tape: 2; Side: a; Approx. Time Count: 6.9-31.7}*

**Ms. Mary Bryson**, Director of the Department of Revenue, then spoke. She provided information regarding the Revenue Processing Center portion of MT PRRIME. **EXHIBIT 5** Questions were asked. Phased implementation was discussed.

*{Tape:2; Side: a; Approx. Time Count: 31.8-Tape 3:a:5.1}*

Questions were then asked of **Ms. Menzies**. She estimated the cost of the year 2000 computer reprogramming to be \$1.4 million, for SBAS, PAMS and PPP. The additional upgrading would make the \$1.4 million better spent. She cautioned against trying to do the project in phases.

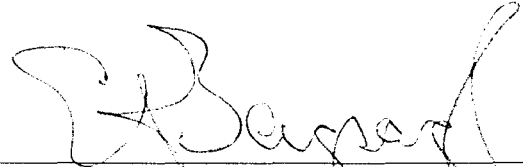
*{Tape: 3; Side: a; Approx. Time Count: 5.2-12.3}*

**Mr. Steve Bender**, Assistant Director of the Governor's Office of Budget and Program Planning, gave an overview of the request to complete the Montana Integrated Budget System (MIBS). He outlined the difficulties and inefficiencies in the present system. **EXHIBIT 6** Questions were asked.

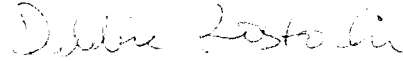
*{Tape: 3; Side: a; Approx. Time Count: 12.4-29.4}*

ADJOURNMENT

Adjournment: 12:00 noon.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR

This meeting was recorded on three 90-minute audiocassette tapes.