

Montana Land Information Act Report
September 7, 2006
Compiled by MT Dept. of Administration/ITSD

1. Status of Administrative Rule

The MLIA ARM is technically in effect at this time. The two small changes that came out of the hearings, and were reported on at the June meeting, have yet to be incorporated. Changes to rule are done quarterly and these changes will be incorporated in September and then published.

2. Legislative Report Submission Requirements

Section 90-1-404 (1), MCA of the MLIA statute requires the Department to "(1) report to the governor and the legislature, as provided for in [5-11-210](#), on the progress made in the ongoing collection, maintenance, standardization, and dissemination of land information." Section 5-11-210, MCA provides several guidelines for the reports that are submitted to the legislature. The most pertinent guideline at this point required the Department to submit an abstract that will describe the contents of the report that must be completed before the November elections. The abstract we submitted to our Director's Office is **Attachment 1** of this document.

3. Grant Review Subcommittee

At this time the Department believes the following MLIAC members will participate on the Grant Review Subcommittee:

Robin Trenbeath (representing State Agencies)
Don Patterson (representing Federal Agencies)
Jon Sesso (representing Local Government and the Legislature)
Lorin Peterson (representing Tribal Governments)
Mike Sweet (representing MAGIP and technical interests)
Ed Madej (representing the Private Sector)

4. ITSD FY06/07 MLIA Expenses - This is **Attachment 2** of this document.

5. MLIA Cash Balance Projections - To be delivered either 9/5/06 or at the Council meeting

Attachment 1

Montana Land Information Act Legislative Report

Title of the Report:

Status of the Montana Spatial Data Infrastructure and Related Issues

Abstract:

The Montana Spatial Data Infrastructure (MSDI) consists of twelve geographic databases considered necessary to provide the appropriate geographic information needed to be incorporated into most core business processes in the State. This report will focus on the status of the collection, maintenance, standardization and dissemination of MSDI themes. It will additionally focus on existing policies and procedures that affect the production of all land information, and will include the latest versions of the Montana Geospatial Strategic Plan and the Montana Land Information Business Plan for 2007/2008.

Copies of the report:

The Department of Administration recommends that 150 copies of this report be made available to the legislature, with an additional 50 copies for general distribution, resulting in a total of 200.

Reasons for number of copies:

The Department of Administration believes that Geographic Information Technology (GIT) is a fast growing portion of the State's IT infrastructure and that the legislature is apt to encounter many budgetary issues related to this topic. Therefore we believe that a copy should be available for each legislator, with additional copies for general distribution as requested.

Attachment 2

FY06/07 Montana Land Information Account (MLIA) Expenses

Date: September 7, 2006

Background.

A preliminary financial schedule of MLIA costs expended by the Information Technology Services Division (ITSD) during FY06 was presented at the June 1, 2006 of the Montana Land Information Advisory Council (MLIAC). The discussion that followed resulted in the following requests from council members:

1. MLIA fund expenditure information, including:
 - a more detailed breakdown of the MLIA budget
 - a better accounting of costs by MSDI layers
 - A separation of coordination costs in the detailed cost breakdown
2. Clarification of the budget authority authorizing MLIA fund expenditures in the following areas:
 - GIS coordination
 - Maintenance of the cadastral, critical structures, and transportation/addressing

Analysis

ITSD staff reviewed the following information and consulted with the following offices:

Information Reviewed:

State Administration and Veterans' Affairs (SAVA) Interim Committee; June 14, 2004.
Montana Land Information Act (SB0098)
Fiscal Note for SB0098
Legislative testimony during 59th Legislative Session on SB0098
Statute (90-1-402, MCA, et seq)
ITSD's Cost Recovery Information System (CHRIS); FY06-07
General Appropriate Act of 2005 (House Bill 0002)
Legislative Fiscal Report; 2007 Biennium; Volume 3 – Agency Budgets
Internal ITSD budget review emails
Budget Change Document 605 OP707

Agencies Consulted:

ITSD, Financial Services
Department of Administration, Chief Legal Council
Department of Administration, Management Support Bureau
Office of Budget and Program Planning
Legislative Fiscal Division

Specific responses to the Council's requests are as follows:

A. MLIA Fund Expenditure Information

In the agenda item entitled “MLIA cash balance projections”, a proposed schedule is provided. Based on Council feedback, this schedule may be modified over time to provide the Council with an ongoing status of MLIA fund expenditures.

B. Clarification of Budget Authority Authorizing MLIA Fund Expenditures

The decision to authorize MLIA funds to be expended in FY06 was based on the following reviews and approvals:

Montana Land Information Act (SB0098). SB0098 was reviewed as an initial step in analyzing the decision to use MLIA funds in FY06. Of particular note were: 1) Section 4 (Duties of Department), and 2) Section 10 (Rulemaking).

Legislative Testimony/Legislative Intent. MLIA Legislative subcommittee testimony was reviewed to determine if the testimony was consistent with the recommendation. The testimony provided by Janet Kelly, Director, Department of Administration, and Jeff Brandt, Acting CIO, was reviewed. The testimony reviewed includes:

1. Testimony of Jeff Brandt before the State Administration and Veterans’ Affairs Committee; “Potential Legislation for Information Technology”; June 14, 2004.
2. Testimony of Janet Kelly before the Senate Natural Resources Committee; Senate Bill 98; January 10, 2005.
3. 1. Testimony of Jeff Brandt before the Senate Natural Resources Committee; Senate Bill 98; January 10, 2005.
4. Testimony of Janet Kelly before the House State Administration Committee; Senate Bill 98; March 10, 2005.
5. 1. Testimony of Jeff Brandt before the House State Administration Committee; Senate Bill 98; March 10, 2005.

Fiscal Note Review. The fiscal note for SB0098 was reviewed. The fiscal note estimated \$240,000 would be required for coordination costs, with a corresponding amount eliminated from ITSD’s rates. The estimate was based on actual expenditures for FY04, the most recent complete year of expenditure data at the time the estimate was made. There was no estimate provided of the costs of maintaining data layers.

ITSD Budget/Rates. Consistent with the assumptions in the Fiscal Note for SB0098, ITSD’s rates for FY06 & FY07 do not contain a cost component for GIS coordination or layer maintenance. In addition, ITSD’s proposed rates for FY08/09 also do not contain any costs for GIS coordination.

Statutory Review. Dal Smilie, Chief Legal Counsel, Department of Administration, was asked to review the MLIA in light of the proposed expenditure. He concluded the proposed expenditure was consistent with statute based on the following:

1. Statute. 90-1-410(1), MCA states: “(1) The department shall annually prepare a budget to carry out the department's responsibilities described in 90-1-404. Money in the account may be used to fund all or a portion of the budget or to otherwise accomplish the purposes of this part.”

2. Legislative Intent. Legislative testimony indicated the purpose of the Montana Land Information Act funds would be used to cover these expenses (see “Legislative Intent” above). It was noted this testimony supports the recommendation that MLIA funds be used to fund ITSD’s coordination responsibilities and provide a stable source of funding for data layers. Maintenance of the cadastral layer was specifically mentioned in the four legislative testimonies.

3. Sources of Funds. The recommendation to expend the MLIA funds was consistent with ITSD’s budget development process where funding for GIS services was eliminated from the rates charged to agencies. It was noted this testimony supports the recommendation that MLIA funds be used to fund ITSD’s coordination responsibilities and provide a stable source of funding for data layers. Maintenance of the cadastral layer was specifically mentioned in the four legislative testimonies.

Internal ITSD Budget Review. Doug Volesky, Assistant Administrator for Enterprise Services Management, who is responsible for developing and monitoring ITSD’s budget and rates, reviewed information regarding MLIA funds. The General Appropriations Act of 2005 (HB0002) and the Legislative Fiscal Report ; 2007 Biennium; Volume 3 – Agency Budgets was also reviewed. The latter report states, “The adjustment switches personal services funding for existing 2.00 FTE currently funded in the proprietary portion of the program to funding in HB0002 with state special revenue”. As a result of this review, Doug recommended that a Budget Change Document (BCD) be prepared to modify the current operating plan in order to expend the funds (a BCD was required because the initial budget had been prepared based on the Fiscal Note which, for purposes of preparing the Fiscal Note, assumed that competitive grant disbursements would begin in FY06). Steve Bender, Deputy CIO for Enterprise Services Management approved the recommendation.

Department of Administration Review. ITSD forwarded the recommendation to Pat McNamee, Chief of the Management Support Bureau in the Department’s Administrative Financial Services Division. This bureau approves all ITSD budgeting and accounting activities. The recommendation was approved by the Management Support Bureau, with final department approval by the Director’s Office. A BCD was prepared and submitted to the Office of Budget & Program Planning (OBPP).

Legislative Fiscal Division Review. Greg DeWitt, Senior Fiscal Analyst, with the Legislative Fiscal Division of the Legislative Branch, was asked by the Governor’s Office of Budget & Program Planning (OBPP) to review the proposed Budget Change Document as part of their review of Budget Change Documents.

Governor’s Office of Budget & Program Planning (OBPP) Review . Based on the internal ITSD review by ITSD’s budgeting and accounting group and the statutory review by the department’s Chief Legal Counsel, a budget document known as a Budget Change Document (BCD) was prepared and submitted to OBPP. It was also noted that MLIA funds would normally be disbursed as a result of the grant process described in 90-1-410, MCA, et seq. However, because the grant process required the adoption of

Administrative Rules (ARM), which would not be in place until xx/xx/xx, OBPP concurred with ITSD's recommendation that maintenance on the cadastral, critical structures, and transportation/addressing layers be continued in FY06 by including the maintenance costs in the Budget Change Document request. As a result of OBPP review, including the Legislative Fiscal Division review described above, OBPP approved Budget Change Document 605 OP707.

Conclusion. Based on the above description, the following is a summary of the determinations made by the involved agencies:

1. Coordination Budget Authority. ITSD has the statutory authority to allocate a portion of the MLIA for "GIS coordination".

2. Layer Maintenance. ITSD has the authority to allocate a portion of the MLIA for maintenance of the cadastral, critical structures, and transportation/addressing layers until a land information plan and Administrative Rules (ARM) are adopted.