

# United States Department of the Interior

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In Reply To:

1265/1300 (932.RS) P

December 19, 2003

EMAIL TRANSMISSION – 12/19/03  
Instruction Memorandum No. MT-2004-013  
Expires: 9/30/05

To: State Management Team  
From: Deputy State Director, Division of Support Services  
Subject: Information Technology (IT) Cap for FY 2004 DD: 01/09/2004

Attached is Washington Office Instruction Memorandum 2004-056, Fiscal Year (FY) 2004 Labor Rebaseline. This IM identifies the Montana/Dakotas' IT Cap for FY 2004, clarifies what is considered an IT cost, and describes how those costs are to be captured.

## **Purpose:**

The purpose of this cover memo is to explain some of the impacts of this new policy and the strategy we will be using to meet the objectives of the IT Cap.

The Montana/Dakotas Associate State Director has requested the Investment Technology Standing Committee (ITSC) to identify an appropriate methodology to distribute a share of the IT Cap to each Field Manager and Division Chief. When this is completed, specific IT Cap numbers will be given to managers. The WO IM states that exceeding the cap “will result in a reduction against future year funding base(s).”

## **Changes in the way we have done business:**

All IT labor is now required to be coded to an appropriate Program Element (PE) “X” code. This is detailed in Attachment 2 of the WO IM. The Geographic Information System (GIS) labor is not to be captured as an IT Cost, it should be coded to XH.

Fire IT costs are presently within the state cap. This may be adjusted or changed in the future.

**Impacts to the organization:**

Historical IT spending, as captured by MIS, shows that Montana/Dakotas has spent \$3,446,991 in FY02 and \$3,033,970 in FY03. The average cost for both years is \$3,240,480. The FY04 cap is \$2,590,180, a shortfall of \$650,300.

Due to the change in how IT labor costs will now be captured, it is estimated that our true shortfall or reduction will increase by \$921,274, to a total of \$1,571,574.

**Strategy:**

The IT Standing Committee is currently working on how to trim costs and what purchases will need to be postponed in addition to what portion of the IT Cap will be allocated to each manager.

Each manager needs to carefully consider their current IT related purchases such as cell phones, laptops, printers, plotters, and printer supplies.

To find additional savings, an analysis of the data and voice lines, and cell phone plans is currently being conducted.

The Washington Office is asking for a spending plan from each state and will allow waiver requests to exceed the Cap. Montana/Dakotas' issues will be articulated in this submission to the WO.

**Issues to be identified within our spending plan and waiver request:****Labor shortfall.**

- Several vacancies in FY03 resulted in unrealistically low labor costs.
- Changing the methodology for capturing labor costs in FY04 will result in substantially higher labor costs.
- Two telecommunication positions were funded, as contractors, with FY03 funds. In FY05 these positions will not fit within the existing cap.
- A Database Administrator position is currently vacant and cannot be filled within the Cap.
- A User Support position in the State Office is currently vacant and cannot be filled within the Cap.

**Life Cycle Maintenance (LCM).**

- Under the current IT Cap, the Montana/Dakotas will be unable to fund any hardware replacement.

**XP deployment.**

- Some workstations and notebooks cannot be upgraded to XP and require replacement. Without an increase in the cap or LCM funding this will not be possible and endangers

the Montana/Dakotas' ability to comply with the future Certification and Accreditation initiative.

GIS upgrades and training.

- Additional funding will be required to complete transition to the Bureau target GIS platform. This includes hardware and training.

Bureau Initiatives.

- Bureau initiatives such as XP deployment, email consolidation, E-GIS, Certification and Accreditation, and reconfiguration of the bureauwide WAN are all at risk due to inadequate staffing and funding.

**Actions required from the State Management Team:**

- Carefully review current IT spending and look for savings.
- Accurately code IT costs based on WO IM 2004-056.
- Identify additional issues that will be impacted by the IT Cap by January 9, 2004.

Please send any questions or issues to Robin Stoebe, Chief Information Officer, at (406) 896-5179.

Signed by: Sandra L. Guches

Authenticated by: Aleta Zahorodny (MT-930)

1 Attachment

1-WO IM 2004-056 (8 pp in its entirety)

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Distribution w/Attn.

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