



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
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Peter C. Hastings
 Commissioner

April 1, 2014

The Honorable Mary Jane Wallner, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 144:117, Laws of 2013 authorize approval to transfer funds in the amount of \$282,000.00 in State Fiscal Year (SFY) 2014 in Other (Class 027) funds in the Department of Information Technology (DoIT). This transfer will have no impact on General Funds or State Revenue. The transfer is summarized below, effective the date of Legislative Fiscal Committee and Governor and Council approval through June 30, 2014. 100% Other (Agency Class 27) Funds.

In SFY14, funds shall be transferred from 01-03-03-030010-7677, IT for Liquor Commission as follows:

From/To	Account	SFY 14 Appropriation	Increase/ (Decrease)	Revised Appropriation
IT for Liquor Commission Current Expenses	01-03-03-030010 76770000-020	\$14,642.00	0	\$14,642.00
IT for Liquor Commission Rents-Leases Other than State	01-03-03-030010 76770000-022	316,502.00	(154,000.00)	162,502.00
IT for Liquor Commission Technology-Hardware	01-03-03-030010 76770000-037	564,097.54	128,000.00	692,097.54
IT for Liquor Commission Technology-Software	01-03-03-030010 76770000-038	212,409.00	154,000.00	366,409.00
IT for Liquor Commission Telecommunications	01-03-03-030010 76770000-039	452,000.00	(128,000.00)	324,000.00
	Totals	\$1,559,650.54	0	\$1,559,650.54
Source of Funds				
001-406305	Transfers from Other Agencies	\$1,559,650.54	0	\$1,559,650.54
	Totals	\$1,559,650.54	0	\$1,559,650.54

EXPLANATION

The transfer of appropriation reflects adjustments to operating expense accounts to address Department of Information Technology shortfalls in DoIT's Class 037- Technology-Hardware and Class 038-Technology-Software. Although the funds were originally budgeted in Class 022- Rents-Leases Other than State and Class 039- Telecommunications, it was later determined that the appropriation was required in other classes. Class 022- Rents-Leases Other than State has excess appropriation as originally budgeted because the opening for the Londonderry liquor store has been postponed until September 2014. Class 039-Telecommunications has excess appropriation because the Liquor Commission embarked on a year long cost savings in Telecommunications including the State VoIP consolidation project

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that yielded higher savings than originally anticipated, thereby allowing the Liquor Commission to transfer funds to other classes; and to consolidate other Telecommunications equipment to a standard device and plan.

The increase in Class 037- Technology-Hardware and Class 038-Technology-Software is to cover the cost of Payment Card Industry (PCI) compliance and the secondary costs associated with maintaining the standards. DoIT, DAS and NHLC have worked together to resolve issues with PCI throughout the NHLC environment. DoIT and NHLC reviewed best business practices and industry standards to resolve and remediate audit issues on the network, throughout the stores and with regard to third party vendor access to the network. NHLC, DAS and DoIT has to install new encryption keys on each store credit card swipe unit. In addition to removing and replacing obsolete hardware, software and peripherals which may cause PCI issues or risk, and procure additional hardware, software and peripherals for new retail openings.

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions:

A. Justification:

Information technology needs at DoIT have been assessed prior to the submission of this request and it was determined that sufficient surplus existed in Class 022- Rents-Leases Other than State and Class 039- Telecommunications to support this request. Additional appropriation is required in Class 037-Technology-Hardware and Class 038- Technology-Software as detailed above.

B. Does this transfer involve continuing programs or one-time projects?
This transfer involves continuing programs.

C. Is this transfer required to maintain existing program levels or will it increase the program level?
This transfer is required to maintain existing program levels.

D. Cite any requirements, which make this program mandatory.
Not applicable.

E. Identify the source of funds on all accounts listed on this transfer.
The source of funds for this transfer is 100% Other funds. DoIT does not anticipate any impact on General Funds as a result of this fiscal transfer.

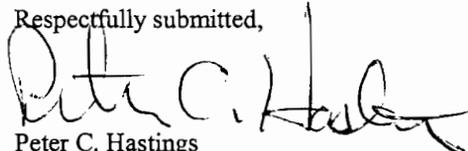
F. Will there be any effect on revenue as a result of this transfer?
There is no anticipated effect on revenue as a result of this transfer.

G. Are funds expected to lapse if this transfer is not approved?
It is anticipated that some funds will lapse whether or not this transfer is approved.

H. Are personnel services involved?
No.

The Department of Information Technology has conducted a review of DoIT operations to ensure that available funds are maximized to the greatest degree possible.

Respectfully submitted,



Peter C. Hastings
Commissioner