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Jim Clark, Secretary

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House Appropriations Committee
Department of Administration Briefing

Good morning,

Thank you for this opportunity to give an overview of the operations of the Department of Administration. As you know, our agency in many ways serves as the back office of the rest of state government. Our mission since 1953 has been to provide exceptional quality services in partnership with other state agencies that add value and enhance the quality of life of citizens and visitors.

The Department of Administration is the primary provider of central administrative support services to state agencies. The Department is managed by the Secretary of Administration, who is appointed by and serves at the pleasure of the Governor. The major boards and commissions of which the Secretary of Administration is a member include the Capitol Area Plaza Authority, Kansas State Employees' Health Care Commission, Information Technology Executive Council, State Building Advisory Commission, and the Topeka Public Building Commission. In addition, the Secretary serves as Secretary of the State Finance Council and is a member of the Governor's cabinet.

Through its several offices, the Department develops financial policies and plans; operates and supervises uniform centralized accounting, purchasing, and personnel systems; oversees the design and construction of all state buildings; operates the state printing plant; develops and administers the state Affirmative Action Program; maintains and operates office buildings in Topeka; and oversees rented and leased space by state agencies.

Many of the programs of the Department are financed wholly or in part by fees collected from user agencies for the services provided. Agency payments are credited to intra-governmental service funds established to pay operating expenditures of the programs. Fees paid to the Department for the services it provides are included in user agency budgets and not in the Department's budget to avoid double reporting.

As you are well aware, the agency is in the process of reviewing the buildings that comprise the Capitol Complex and making recommendations regarding the use and future sale of those buildings. We are in the process of moving out of the Docking State Office Building and relocating employees with the Department of Revenue and the Department for Children and Families to other locations in Topeka. Leases are being negotiated and agency employees will begin moving to new locations in the coming months.

For the past several weeks, I have also served as the interim head of the Office of Information Technology Services. That role encompasses the fiscal presence of OITS, its personnel and hardware, as well as the technology services provided to state agencies across Kansas. OITS is reviewing the IT structure of agencies and will be assembling a three-year plan for state IT operations. The goal is to address the cost of providing IT services and improve security and performance across the system.

This week, the Department of Administration will be announcing initiatives that will modernize the state human resources process to improve efficiencies and the flexibility of personnel. Some of the changes will require statutory changes while others can be accomplished through the rules and regulation process.

I have brought with me directors from the divisions of the Department of Administration who oversee these programs and attached an organization chart of the administration. We are available to answer any questions or provide additional details about these initiatives. We look to build on our working relationship with legislators to move these goals forward for the betterment of all of state government and to be better stewards of taxpayer dollars.

Jim Clark
Secretary of Administration

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Salaries	7,728,375	7,291,451	8,161,063	7,049,507	7,405,371
Contractual Services	13,293,000	15,974,681	10,510,529	8,850,102	10,143,658
Commodities	1,265,740	1,167,389	1,414,636	1,017,108	1,035,204
Capital Outlay	2,904,944	156,444	1,671,948	204,000	50,000
Debt Service (Effects Rates)	3,501,995	3,498,306	3,490,281	3,483,700	3,514,406
Non-Expense Items	225,442	313,224	158,000	336,000	336,000
Total Expenditures	28,919,496	28,401,495	25,406,457	20,940,417	22,484,639

*The expenditure or revenue numbers do not include Forbes Field.

FY 2013		Office Space		Computer II Space		Storage Space		Surcharge
Sq Ft		1,190,605		26,704		75,396		1,936,894
Rate	$	16.25	$	50.05	$	5.50	$	2.78
Revenue	$	19,347,331	$	1,336,535	$	414,678	$	5,384,565

FY 2014		Office Space		Computer II Space		Storage Space		Surcharge
Sq Ft		1,122,307		29,212		75,444		1,808,882
Rate	$	15.25	$	50.05	$	5.50	$	1.50
Revenue	$	17,115,182	$	1,462,061	$	414,942	$	2,713,323

FY 2015		Office Space		Computer II Space		Storage Space		Surcharge
Sq Ft		949,144		28,126		73,636		1,940,567
Rate	$	15.25	$	50.05	$	5.50	$	1.50
Revenue	$	14,474,446	$	1,407,706	$	404,998	$	2,910,851

FY 2016		Office Space		Computer II Space		Storage Space		Surcharge
Sq Ft		724,770		25,624		34,102		1,755,313
Rate	$	19.40	$	50.00	$	5.50	$	2.56
Revenue	$	14,060,538	$	1,281,200	$	187,561	$	4,493,601

FY 2017		Office Space		Computer II Space		Storage Space		Surcharge
Sq Ft		724,770		25,624		34,102		1,755,313
Rate	$	19.50	$	50.00	$	5.50	$	2.66
Revenue	$	14,133,015	$	1,281,200	$	187,561	$	4,669,133

* The revenue or sq ft numbers do not include Forbes Field. It is charged on a cost recovery basis and not by sq ft.

* All Sq Ft numbers can and do change throughout the fiscal year because of movement by agencies.

* Billed Sq Ft numbers in budget years are estimated by OFPM

* The drop in FY15-17 billable Sq Ft is attributed to vacating the Finney State Office Building.

* The drop in FY16-17 billable Sq Ft is attributed to vacating the Docking State Office Building.

OITS Rate Estimates

	FY2014 Rate	FY2014 User Count	FY 2015 Rate	FY 2016 Rate	FY 2017 Rate	
Information Processing Services						
ADABAS (charged to only 2 agencies)................Month	None*	2	$45,175.88	$45,175.88	$45,175.88	DCF and KDOR.
DB2 (charged to only 2 agencies) ....Month	None*	2	$24,750.34	$24,750.34	$24,750.34	DCF and KDOT
SAS (charged to only 2 agencies) ....Month	None*	2	$12,627.61	$12,627.61	$12,627.61	DCF and KDOT.
MVS CPU .... Second	$ 0.20		$0.07	$0.07	$0.07	Mainframe batch systems
CICS On-Line Processing ....Hour	$ 380.00		$382.92	$382.92	$382.92	mainframe online systems
Data Storage.. GB/Month			$2.44	$2.44	$2.44	mainframe storage
Data Center (LSOB)............................... Square Foot/Month	$ 57.62	14,000	$72.97	$72.97	$72.97	
Data Center (TODC) .... Square Foot/Month	$ 104.95	1,555	$122.98	$122.98	$122.98	Denser space usage

Rates based on related salary, equipment, software, and space costs for the service divided by the billable units.
*ADABAS, DB2, and SAS mixed with mainframe rates prior to FY15

	FY2014 Rate	FY2014 User Count	FY 2015 Rate	FY 2016 Rate	FY 2017 Rate	
Telecommunication Services						
KANWIN Services						
KANWIN Router Only			Cost of supplying data services to State owned buildings			
1-6 nodes .... Month	$ 240.00	219	$227.35	$227.35	$227.35	
7-23 nodes .... Month	$ 540.00	107	$519.45	$519.45	$519.45	
>23 nodes .... Month	$ 775.00	106	$769.05	$769.05	$769.05	
			Cost of supplying automated call distribution to State owned buildings			
ACD Standard .... Month	$ 24.54	368	$24.00	$24.00	$24.00	
ACD Enhanced .... Month		105	$34.00	$34.00	$34.00	
ACD Premium .... Month		71	$12.00	$12.00	$12.00	
Wireless (Full Service) .... Month	$ 74.40	38	$81.51	$81.51	$81.51	
Wireless (w/ Security & Authorization)......Month	$ 74.91	58	$72.07	$72.07	$72.07	
Wireless (to Agency Access Point) ....Month	$ 52.06	102	$49.81	$49.81	$49.81	
Network Connect....................................... Month	$ 40.00	16,390	$41.31	$41.31	$41.31	
Voice Mail .... Month	$ 1.00	6,030	$3.40	$3.40	$3.40	
Dial Tone.. Month	$ 17.50	10,737	$17.50	$17.50	$17.50	
Long Distance ....Minute	At Cost		$0.08	$0.08	$0.08	$.08 provided for budgeting only
International Calls........... ....At Cost	At Cost		At Cost	At Cost	At Cost	
2nd Router .... Month	$ 45.00	136	$46.48	$46.48	$46.48]	
DS3 Router .... Month	$ 350.00	11	$379.92	$379.92	$379.92	
Telecom Professional Services .... Hour	$ 70.00	9,776	$70.00	$70.00	$70.00	

Rates based on related salary, equipment, software, space and supplier costs (AT&T & Cox) for the service divided by the billable units.

Professional Services

Service	Unit	Rate	Units	Col1	Col2	Col3	Note
Professional Technical Services	Hour	$ 70.00	7,500	$72.50	$72.50	$72.50	
Remote Connectivity	Month		107	$8.02	$8.02	$8.02	
FTP Service	Month		581	$9.37	$9.37	$9.37	FTP-secure file transfer
SharePoint Services	Month		130	$78.28	$78.28	$78.28	
List Serve Distribution	Prescriber List	$ 0.02	91,164	$0.09	$0.09	$0.09	
Email Service (250 MB Mailbox)	Month	$ 6.50	1293	$13.00	$13.00	$13.00	
Network User Services	Per User/Month		581	$95.64	$95.64	$95.64	
Virtual Server RAM Usage	Per 2GB/Month	$ 62.02		$62.02	$62.02	$62.02	
VMWare Network Cost	Month	$ 13.76	4	$13.76	$13.76	$13.76	
Tivoli	Per GB	$ 1.00		$1.00	$1.00	$1.00	
SAN Storage	Per GB	$ 0.20		$0.35	$0.35	$0.35	
Sitefinity Hosting (Small)	Month		14	$199.83	$199.83	$199.83	EIS web hosting tool
Sitefinity Hosting (Large)	Month		6	$226.16	$226.16	$226.16	EIS web hosting tool
Web Application Hosting	Month		17	$64.27	$64.27	$64.27	
Web Development Services	Hour	$ 70.00		$72.50	$72.50	$72.50	
System Automation Development	Hour		3680	$72.50	$72.50	$72.50	
Small Agency Backup Monitoring	Month		16	$25.84	$25.84	$25.84	

Rates based on related salary, equipment, software, and space costs for the service divided by billable units.

KITO (starts at $250K project cost)

Service	Col1	Col2	Col3	Col4	Col5
Enterprise Project Management ($250k -$1m) .....Quarterly	0.30%	0.40%	0.40%	0.40%	0.40%
Enterprise Project Management ($1m -$5m)...... Quarterly	0.20%	0.30%	0.30%	0.30%	0.30%
Enterprise Project Management ($5m -$10m).... Quarterly	0.10%	0.20%	0.20%	0.20%	0.20%
Enterprise Project Management (> $10m) .... Quarterly	0.03%	0.04%	0.04%	0.04%	0.04%
Infrastructure Projects	0.02%	0.03%	0.03%	0.03%	0.03%

Rates based on related project management time, software, space costs for the service allocated to an average of

twenty-seven (27) total projects per calendar quarter. Projects above $1.0 M have additional reporting requirements.

Infrastructure projects have less reporting, resulting in a lower rate.

Security

		None		$120.00	$120.00	$120.00	
Security Consulting .... Hour		None		$120.00	$120.00	$120.00	
Security Services .... Hour		$ 60	$ 75	$ 75	$ 75	Encryption, protection
SSL* Certificate (Standard)....................................Annual		$ 70	$ 70	$ 70	$ 70	
SSL Certificate (Advantage)..................................Annual		$ 80	$ 80	$ 80	$ 80	
SSL Certificate (Multi-domain).............................Annual		$ 85	$ 85	$ 85	$ 85	
SSL Certificate (Extended Verification)..................Annual		$ 100	$ 100	$ 100	$ 100	
SSL Certificate (Wild Card)....................................Annual		$ 350	$ 350	$ 350	$ 350	

Rates based on related salary, equipment, software, and space costs for the service divided by billable hours/units.

*SSL=Secure Socket Layering
Renewal of all categories of SSL certificates is 111 per year
Sales of approx 800 certificates would be break-even

Administrative Surcharge	All Rates Above	2.50%	2.50%	2.50%
(Applies to all rate categories listed above; cannot be funded with federal funds				