

Approved April 9, 1991
Date

MINUTES OF THE House COMMITTEE ON Computers, Communications & Technology
George Dean

The meeting was called to order by _____
Chairperson

7:30 a.m./~~p.m.~~ on April 2, 1991 in room 529-S of the Capitol

All members were present except:

Rep. McKechnie
rep. Kline
Rep. Rock

Committee staff present:

Norman Furse, Revisor of Statutes
Julian Efird, Research
Diane Duffy, Research
Mary Valdivia, Committee Secretary

Conferees appearing before the committee:

Meeting called to order by Chairman Dean.

Copy of memorandum from Sub-committee #2 Recommendations on KFIS was distributed to members of Committee (Attmt. #1). Discussion followed.

Rep. Sam Roper referred the Committee to Pages 2 and 3 of the memorandum under Conclusions and Recommendations and summarized as follows. The subcommittee recommends that,

- 1) KAHRS system be scrapped and Department should start all over and cut our losses.
- 2) Write a letter to Attorney General, requesting his review of KFIS
- 3) One individual be appointed to oversee all computer purchases and applications.
- 4) An interim committee be charged with providing continued legislative oversight over the progress of the KFIS project.
- 4) Legislative Post Audit conduct an audit of this project and, if possible, determine responsibility for various failures of this project.

Motion made by Rep. Roper and seconded by Rep. Patrick, to adopt the Sub-committee report as submitted. Motion passed.

The Committee needs to do the following:

- 1) Need to report back to total Appropriation Committee. Submit to them a copy of Sub-committee Report, Price Waterhouse Study from the CCT Committee.
- 2) Send letter to Attorney General
- 3) Send letter to Post Audit
- 4) Send letter to LCC on Interim Committee

Minutes of March 27 and March 28, 1991, meetings were submitted to the Committee for approval. It was moved by Rep. Patrick and seconded by Rep. Roper to adopt the minutes with the amendments made to the March 27, 1991 minutes. Motion passed.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Computers, Communications & Technology
room 529-S, Statehouse, at 7:30 ~~a.m.~~^{p.m.} on April 2, 19⁹¹.

Chairman Dean reported that the Appropriations Committee had charged the CCT to work on the computer for the Department of Corrections. Steve Davies will be here tomorrow, April 3, 1991, to talk to us about his request for computer.

Meeting adjourned at 7:55 AM.

Next meeting April 3, 1991, 7:30 AM, Room 529-S.

MEMORANDUM

Kansas Legislative Research Department

Room 545-N - Statehouse
Topeka, Kansas 66612-1586
(913) 296-3181

April 2, 1991

To: House Committee on Computers, Communication, and Technology
From: Subcommittee on KFIS
Re: KFIS Recommendations

The House Committee on Computers, Communication, and Technology (CCT) created a subcommittee to review the Department of Administration's KFIS (Kansas Financial Information Systems) project and to make recommendations for the full Committee's consideration.

Background

KFIS encompasses three individual software systems: STARS (Statewide Accounting and Reporting System) to replace the old CASK accounting system; ADPICS (Advanced Purchasing and Inventory Control System) to support the Division of Purchases; and KAHRS (Kansas Automated Human Resource System) to replace the KIPPS personnel and payroll system.

In regard to the financing of KFIS, the Division of Purchases was approved a total of \$371,828 in FY 1988 and FY 1989 from the State General Fund for a purchasing system and the Division of Personnel Services was approved expenditures of \$350,000 from the Central Management Systems Operations Account (SGF) in FY 1989 for a personnel package to replace KIPPS. The phase out of KIPPS and CASK and the acquisition of new systems also was to involve the phase out of the UNISYS mainframe computer center and the transfer of these applications to the IBM compatible center. During the 1990 Session, the Department of Administration appeared before the Legislature and discussed the KFIS project, but did not request additional funding for the KFIS project beyond the existing level of appropriation in the Central Management Systems Operations account (\$3,478,209). At that time, the Department testified that the KFIS project could be implemented over the next several years as long as this annual level of funding was sustained.

The state contracted with Peat Marwick Main for software (accounting and purchasing) and management services for the entire project. Peat Marwick subcontracted with Integral Systems Inc. for the personnel and payroll (KAHRS) system. In addition, to the contract with Peat Marwick (total financed obligation of \$3,719,446), the Department engaged Business Information Technology (BIT) (total financed obligation of \$1,423,367) for programming work on KAHRS. STARS was implemented February, 1990, and is the accounting system of record. As of January, 1991 the project was substantially over budget and behind schedule. At the recommendation of the acting Secretary of Administration, all development of KAHRS and ADPICS was halted.

CCT
4-2-91
Attch #1

The Department contracted with Price Waterhouse to conduct a "bench mark" study of KAHRS and submitted a request for information to gather pricing data on upgrading the UNISYS center where KIPPS resides. The study was completed March 15. The Price Waterhouse consultants reported to the Committee the following:

- * The state has a problem with KAHRS. According to the consultants, KAHRS is approximately 38-40 percent completed. Among the problems cited, the consultants emphasized that no needs assessment was conducted prior to implementation of the project and no systems methodology was used. The consultants told the Committee that it is unlikely KAHRS, as the project was conducted, would meet the human resource needs of the state.
- * Despite the many problems, the state should continue to improve its human resource system.
- * The state must proceed differently than it did with KAHRS. The state needs to use an approved implementation methodology; consultants may be useful but state employees must be more involved; more attention must be given to the management structure of the project; consensus must develop as to the "technical platform"; and a requirements definition must be done.

The Price Waterhouse report concludes that the state should continue with a payroll and personnel initiative and believes that there are two viable alternatives: (1) upgrade of the UNISYS data center followed by an effort to enhance the capabilities of the UNISYS data center followed by an effort to enhance the capabilities of the KIPPS system; and (2) implement a new human resource system using the IBM platform; evaluate the use of a software package; data base management systems and the re-engineering of existing software. The results of the evaluation could be the recommendation that the KAHRS system be continued.

Conclusions and Recommendations

The CCT Subcommittee on KFIS (Kansas Financial Information Systems) makes the following conclusions and recommendations:

1. The management decisions and lack of overall leadership that doomed the KFIS project were made under the prior Secretary of Administration. The Subcommittee believes that the current administration is working earnestly to determine the most cost-effective course for the state.
2. The Subcommittee concludes after reviewing the Price Waterhouse report and other information furnished during committee meetings that it is evident that the state has no choice but to continue the KIPPS payroll and personnel system for at least the next three years. The Subcommittee believes that based on the information provided to the Subcommittee the KAHRS system should be "scrapped" in its entirety and the Department should start over to improve the state's payroll and personnel system in an orderly and methodical manner.

3. The Subcommittee believes that a thorough review of all contracts must be conducted. The Subcommittee recommends that the Chairman of the Committee write a letter to the Attorney General requesting his review of all KFIS contracts to determine whether the state has any legal recourse.
4. The Subcommittee supports strengthening the authority of the Secretary of Administration and feels that the Secretary should centralize control over computer acquisitions. Specifically, the Subcommittee believes there should be one individual appointed to oversee all computer purchases and applications.
5. The Subcommittee strongly supports the provisions of 1991 H.B. 2579, specifically the process which requires state agencies to submit proposed acquisitions to the proposed Joint Committee on Computers and Telecommunications. The Subcommittee believes that passage of this legislation is a critical step in improving legislative oversight over computer projects and avoiding yet another computer fiasco in a long list of failures. Additionally, the Subcommittee believes that this legislation will aid in alleviating legislative concerns over the proliferation of computers in state government.
6. The Subcommittee recommends that an interim committee be charged with providing continued legislative oversight over the progress of the KFIS project.
7. The Subcommittee recommends that Legislative Post Audit conduct an audit of this project and, if possible, determine responsibility for various failures of this project.