

Approved April 27, 1991

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 11:09 a.m. on March 28, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Diane Duffy, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Norm Furse, Revisors' Office
Judy Bromich, Administrative Assistant
Patti Beasley, Substitute Committee Secretary

Conferees appearing before the committee:

Arthur Griggs, Acting Secretary of Administration

Secretary Griggs appeared before the Committee to give an overview of the computer software programs in the Department of Administration. Secretary Griggs distributed copies of the Recommendations to Governor Joan Finney on Department of Administration Computing Services Attachment 1 and A Software System Project Review of the Kansas Automated Human Resource System Project (KAHRS) Attachment 2. He briefly reviewed the recommendations before answering questions from the Committee.

In answer to the question of which portions of the newly purchased software programs were currently running, Secretary Griggs stated that the accounting portion was the only one in use at the present time. It was stated by Director Cobler that the program was running satisfactorily. Secretary Griggs also stated that in his opinion the State had no grounds for a lawsuit against the consultants. He noted that the State entered into a contract for a certain number of hours of work and that the hours had been completed. Several members of the committee expressed concern about the possibility of problems encountered with the large purchase of computer software packages occurring in the future. Secretary Griggs stated that there were two bills pending in the House that would address that issue. The bills would provide for a structure similar to the Joint State Building Construction committee and for changes in the executive branch for any large software purchase, using a phased approach with two or three stopping points and a systems requirements analysis before any dollars are spent. The bills would also recommend a data processing budget reporting similar to accounts and reports. These bills will be addressed during Omnibus. He explained that the recommendations to the Governor would postpone a long-term decision concerning software packages. Senator Winter requested a report on the Soundness of the Unisys company and what their future plans are. He further requested that the Attorney General be contacted by the Department of Administration regarding any claim the State might have on the KAHRS project. Chairman Bogina stated that the Committee had many more questions, therefore, the issue will be revisited.

SUBCOMMITTEE REPORT ON HB 2049 - Appropriations for FY91 and FY92, KPERS, Public Disclosure Commission, Civil Rights Commission, Corporation Commission

KPERS

Senator Gaines reviewed Attachment 3 the subcommittee report on KPERS for FY91 and FY92.

PUBLIC DISCLOSURE COMMISSION

Senator Rock reviewed Attachment 4 the subcommittee report on the Public Disclosure Commission for FY91 and FY92. Senator Rock stated that there were some pending bills that could generate some fees.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, March 28, 1991.

COMMISSION ON CIVIL RIGHTS

Senator Rock reviewed Attachment 5 the subcommittee report on the Commission on Civil Rights for FY91 and FY92.

KANSAS CORPORATION COMMISSION

Senator Hayden reviewed Attachment 6 the subcommittee report on the Kansas Corporation Commission for FY91 and FY92. After discussion concerning Item #2 on page 1 of the FY92 subcommittee report Attachment 6-2, Senator Feleciano moved, Senator Parrish seconded, to reverse the House action and provide funding for 1.0 FTE new Attorney as recommended by the Governor for the CURB program. After lengthy discussion, the motion failed on a show of hands.

Chairman Bogina reported that the Subcommittee Report on the Department of Administration would be done the following day.

INTRODUCTION OF BILLS

Senator Winter moved, Senator Kerr seconded, introduction of bill draft 1 RS 1496 - AN ACT concerning workers compensation, qualification as self-insurer for new owners. The motion carried on a voice vote.

The meeting was adjourned at 12:22 p.m.

Recommendations to Governor Joan Finney
on
Department of Administration
Computing Services

March 25, 1991

Arthur H. Griggs
Acting Secretary of Administration

Jean Turner
Special Assistant to the Secretary
Acting KF19 Project Director

3-28-91
SWAM
Attachment 1



DEPARTMENT OF ADMINISTRATION
 State Capitol
 Room 263-E
 Topeka 66612-1572
 (913) 296-3011

Office of the Secretary

Joan Finney, Governor

MEMORANDUM

TO: Governor Joan Finney

FROM: Arthur H. Griggs, Acting Secretary of Administration
 Jean L. Turner, Special Assistant *JL*

DATE: March 25, 1991

SUBJECT: Department of Administration Computing

As you know, we have been postponing a final recommendation to you on FY 92 funding for the Department of Administration computing until completion of the Price Waterhouse benchmark report and the preparation of a cost analysis of various options for proceeding in the future. The cost analysis has proved to be a difficult challenge and could consume many more weeks before it is completed to our satisfaction. However, the 1991 Session is drawing to a close and we recognize the need for our best recommendations at this time.

Our recommendations for the short-term are as follows:

- (1) That \$5,048,528 be appropriated for Department of Administration computing for FY 92.
- (2) The State should plan to utilize the current payroll/personnel software system (KIPPS) for a least the next three years.
- (3) In order to provide reliability of the existing KIPPS system, we recommend funding be provided to replace existing tape drives on the Unisys side. There is \$552,826 included in the dollar amount shown in (1) for this purpose and it is assumed that this would be a three-year amortization.

Based on the dollar costs of the options discussed later in this report, Option 1 (new Unisys equipment and

operating system software) was the lowest cost option and is an option we strongly considered recommending. However, the Price Waterhouse report recommended the state continue the human resource system initiative. We have not identified to our satisfaction the level of effort to address KIPP's current architectural and functionality limitations.

Highlights of Price Waterhouse Report

The following are the major points covered in the March 15, 1991, report from Price Waterhouse which reviewed the project status of the new payroll/personnel software system (KAHRS):

- (1) The KAHRS project is approximately 40% complete.
- (2) It would take an estimated 31,000 hours to complete the KAHRS project.
 - the personnel portion of the project is 60% complete
 - the payroll portion of the project is 32.1% complete
 - for requirements that span both payroll and personnel, the project is 39.7% complete.
- (3) It would take an estimated 20 to 24 months to complete the KAHRS project.
- (4) The report assumed that the State can provide the individuals required to support a system such as KAHRS.
- (5) The report also assumed that the State currently has sufficient processing capability on the IBM data center to support KAHRS and other human resource related systems currently operating on the Unisys machines.
- (6) The report recommended that the State continue the human resource system initiative and believe that there exist two viable alternatives:
 - A. Upgrade the Unisys data center followed by an effort to enhance the capabilities of the KIPPS system.

- B. Implement a new human resource system using the IBM platform; evaluate the use of software packages, data base management systems and the reengineering of existing software. (The results of the evaluations may recommend the continuation of the KAHRS project.)

Cost Analysis - Various Options

We have prepared preliminary cost estimates for five different options utilizing a seven-year timeframe. Note these are our best estimates of the full Departmental computing costs - salaries, existing obligations, processing charges for existing systems, etc. The seven-year costs for these five options are as follows:

1. Replace existing Unisys functionality with new equipment and system software: \$35,990,623.
2. Replace Unisys equipment with larger configuration: \$36,893,067.
3. Phased Unisys replacement: \$37,053,301.
4. Restart KAHRS - no Regents: \$44,188,574.
5. Restart KAHRS - phase in Regents: \$46,438,574.

The assumptions that went into each of these five options and the detailed cost of each option can be found in Tab 1. Time constraints precluded having a high degree of confidence in some of the cost projections in these options. One highly difficult category to project are the KAHRS-IBM processing center charges in options 4 and 5.

We also prepared three-year cost analyses - Option 6 - It provides the cost data that forms the basis of the funding recommendations that we have made for FY 92. Option 6 provides a three-year amortization period and makes no assumptions as to the course the State should follow on a payroll/personnel system after the three-year period.

The last item is base line data which covers only one-year and merely provides baseline data that discloses full costs of Department of Administration computing in FY 92 in the event that nothing new transpires, i.e. it is a

status quo - do nothing scenario. It does not address any equipment failures that might arise. \$5,024,336

Department of Administration Activities
April - December, 1991

In effect, the short-term recommendation we have made postpones the long-term decision on what course the State should take on the payroll/personnel software system issue. The short-term recommendation allows the Department and the new Secretary of Administration more time to deal with Department of Administration organizational issues and Department of Administration computing issues that are outside the payroll/personnel arena. Additionally, this added time will provide a period to more fully explore the costs/benefits of any change in the payroll/personnel software.

We believe the following issues should be analyzed during the remainder of this year:

Departmental Organizational Issues

1. Data processing charges - There are both intra-departmental and inter-departmental aspects to this topic. On the intra-departmental side, none of the Department's divisions budget an amount for their portion of the Department of Administration computing costs. The Department's costs are in a separate line item appropriation. The various divisions generate transactions and requests that impact on the overall departmental computing costs. In this sense, Department of Administration computing costs are a "free" resource for the divisions. When an organization has a "free" resource, it may "need" more of that resource than it would if costs were financed from its own operating budget and prioritized against other needs of the organization.

The inter-departmental (other state agencies) aspect of data processing charges relates to the uses other state agencies make of the data base maintained for the central accounting system and the payroll/personnel system. Other state agencies utilize these data bases and generate processing costs for activities over and above what the Department of Administration needs to maintain a central accounting system and payroll/personnel system. For example, agencies may want different types of monthly financial reports or do personnel cost studies that are

beyond the regular needs of the Department of Administration. In such instances, this may be another example of a "free" resource that, in fact, generates real costs that are currently paid out of the Department of Administration appropriation for computing.

In summary, both intra and inter-departmental computing costs that are currently absorbed by the appropriations for Department of Administration computing need to be more closely analyzed. Data processing charges should be assessed more closely on the basis of the organizational unit that is generating the computing costs and is benefiting from the data derived therefrom.

Management of Departmental Computing

Accountability and responsibility for departmental computing has been made more difficult by the fact that multiple divisions use and need various parts of the overall departmental computing operations.

To other state agencies, DISC is a computing and telecommunications utility from which they buy timeshare on the DISC mainframe center or buy telecommunications services. Currently, the staff that handles departmental programming reports to the KFIS project director although some aspects of the day-to-day departmental computing activities are handled by DISC staff. Prior to FY 91, that departmental programming staff reported to the Director of DISC.

More attention is needed on the management structure. Is DISC the utility from whom the Department's computer manager buys timeshare or is DISC both a utility and the day-to-day operator of the Department's computer applications?

Department's Current Systems

The programming staff currently has two areas that will require substantial staff resource. First, the accounting system (STARS) needs to have continued analytical work done on it to make it operate more efficiently and reduce processing charges. There are also a number of reports that state agencies and the Department would like to develop to get more functionality out of the accounting system.

Governor Joan Finney
March 25, 1991
Page 6

Second, the electronic fund transfer of state employees pay has not been implemented statewide. In order to accomplish this goal, a number of modifications will have to be made in the existing KIPPS system in order to accommodate expansion of the electronic fund transfers statewide.

The above two items are in addition to the day-to-day maintenance and operation of the current systems. We are still working on federal law changes that require programming changes to compute FICA charges and maximum annual payouts. In short, the programming staff will have ample work.

9126A

Option 1

Replace Existing Unisys Functionality with New Equipment and Systems Software

The assumptions are as follows:

- a. Five year amortization: 7.5 percent interest rate
- b. Process Regents payroll, as is
- c. Unisys provided maintenance
- d. Seven year cost analysis
- e. Install July 1, 1991
- f. Average hardware costs are used for years 6 and 7
- g. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Items II, IV, V, VI, VIII, and A of XI.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
REPLACE UNISYS WITH NEW EQUIPMENT AND SYSTEMS SOFTWARE
FISCAL 1992 THROUGH 1998

OPTION 1
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	7 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,846,059	1,692,569	1,704,861	1,717,645	1,730,940	1,744,767	1,759,147	12,195,988
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	337,193	350,681	364,708	379,296	2,367,619
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	143,844	147,732	151,620	155,508	1,006,908
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	79,826	83,019	86,340	89,794	560,504
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	200,680	208,707	217,055	225,737	1,409,085
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	144,702	150,490	156,510	162,770	1,016,033
VII.	KFIS DEBT								
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	0	0	0	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	324,835	65,823	0	0	1,383,652
	ISI-DIRECT DEBT	10,500	0	0	0	0	0	0	10,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	21,590	0	0	0	86,360
	BIT-DEBT SERVICE	232,948	232,948	232,948	227,359	58,441	0	0	984,644
	SUBTOTAL KFIS DEBT	646,036	635,536	585,536	573,784	124,264	0	0	2,565,156
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	574,276	597,247	621,137	645,982	4,032,309
IX.	KAHRS PROJECT SUPPORT COST	0	0	0	0	0	0	0	0
X.	CONVERSION-OTHER UNISYS APPLI.	0	0	0	0	0	0	0	0
XI.	IBM PROCESSING CENTER								
	A. STARS	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	B. KAHRS	0	0	0	0	0	0	0	0
	SUBTOTAL IBM PROC. CENTER	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	SUBTOTAL COST	5,030,199	4,966,335	5,032,601	5,141,610	4,817,526	4,823,561	4,958,915	34,770,747
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	174,268	174,268	174,268	174,268	1,219,876
	TOTAL COST	5,204,467	5,140,603	5,206,869	5,315,878	4,991,794	4,997,829	5,133,183	35,990,623

FY 1992-98 Unisys Cost (Option 1 No Regents Upgrade)

Category	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Operations	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715	73,715	73,715	73,715	73,715
DASD	—	—	—	—	—	—	—
CPU Hardware	67,907	67,907	67,907	67,907	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956	85,956	85,956	85,956	85,956
Print	33,954	33,954	33,954	33,954	33,954	33,954	33,954
Profess Serv	66,897	69,573	72,356	75,250	78,260	81,390	84,646
Subtotal	\$494,518	\$497,194	\$499,977	\$502,871	\$505,881	\$509,011	\$512,267
Computer Room Space	\$142,073	\$147,756	\$153,667	\$159,813	\$166,206	\$172,854	\$179,768
Direct Software Costs							
FY 90 SETC	\$31,275	\$0	\$0	\$0	\$0	\$0	\$0
Software License	160,500	160,500	160,500	160,500	160,500	160,500	160,500
Software Maint	0	0	0	0	0	0	0
Subtotal	\$191,775	\$160,500	\$160,500	\$160,500	\$160,500	\$160,500	\$160,500
Direct Hardware Purchase Costs							
CPU Center	\$554,785	\$399,785	\$399,785	\$399,785	\$399,785	\$399,785	\$399,785
DCP 35	60,756	60,756	60,756	60,756	60,756	60,756	60,756
Subtotal	\$615,541	\$460,541	\$460,541	\$460,541	\$460,541	\$460,541	\$460,541
Direct Hardware Maintenance Costs							
CPU Center	\$60,589	\$83,362	\$86,696	\$90,164	\$93,771	\$97,522	\$101,423
DCP 35	4,959	6,612	6,876	7,152	7,438	7,735	8,045
Subtotal	\$65,548	\$89,974	\$93,573	\$97,316	\$101,209	\$105,257	\$109,467
Indirect Cost							
Operations	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580	10,580	10,580	10,580	10,580
Tape	25,572	25,572	25,572	25,572	25,572	25,572	25,572
DASD	1,079	1,079	1,079	1,079	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492	44,492	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794	23,794	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114	33,114	33,114	33,114	33,114
Print	27,809	27,809	27,809	27,809	27,809	27,809	27,809
Subtotal	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604
Grand Total	\$1,846,059	\$1,692,569	\$1,704,861	\$1,717,645	\$1,730,940	\$1,744,767	\$1,759,147

Assumes 4% inflation rate on software maintenance, hardware maintenance, professional services, and computer room space

Option 2

Replace Unisys Equipment with Larger Configuration

The assumptions are as follows:

- a. Five year amortization: 7.5 percent interest rate
- b. Regents payroll processed centrally
- c. CPU is twice as large
- d. DASD is 50 percent larger
- e. Expanded I/O channels
- f. Unisys provided maintenance
- g. Install July 1, 1991
- h. Seven year cost analysis
- i. Regents brought into KIPPS on January 1, 1993
- j. Average hardware costs are used for years 6 and 7
- k. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Items II, IV, V, VIII, and A of XI.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
REPLACE UNISYS EQUIPMENT WITH LARGER CONFIGURATION
FISCAL 1992 THROUGH 1998

OPTION 2
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	7 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,846,059	1,775,459	1,868,348	1,881,335	1,694,842	1,908,890	1,923,499	13,098,432
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	337,193	350,681	364,708	379,296	2,367,619
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	143,844	147,732	151,620	155,508	1,006,908
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	79,826	83,019	86,340	89,794	560,504
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	200,680	208,707	217,055	225,737	1,409,085
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	144,702	150,490	156,510	162,770	1,016,035
VII.	KFIS DEBT								
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	0	0	0	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	324,835	65,823	0	0	1,383,652
	ISI-DIRECT DEBT	10,500	0	0	0	0	0	0	10,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	21,590	0	0	0	86,360
	BIT-DEBT SERVICE	232,948	232,948	232,948	227,359	58,441	0	0	984,644
	SUBTOTAL KFIS DEBT	646,036	635,536	585,536	573,784	124,264	0	0	2,565,156
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	574,276	597,247	621,137	645,982	4,032,309
IX.	KAHRS PROJECT SUPPORT COST	0	0	0	0	0	0	0	0
X.	CONVERSION-OTHER UNISYS APPLI.	0	0	0	0	0	0	0	0
XI.	IBM PROCESSING CENTER								
	A. STARS	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	B. KAHRS	0	0	0	0	0	0	0	0
	SUBTOTAL IBM PROC. CENTER	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	SUBTOTAL COST	5,030,199	5,049,225	5,196,088	5,305,300	4,981,428	4,987,684	5,123,267	35,673,191
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	174,268	174,268	174,268	174,268	1,219,876
	TOTAL COST	5,204,467	5,223,493	5,370,356	5,479,568	5,155,696	5,161,952	5,297,535	36,893,067

FY 1992-98 Unisys Cost (Option 2 Phased Upgrade)

Category	FY 1992 No Rgts	FY 1993 6 mo no Rgts 6 mo w Rgts	FY 1994 w Rgts	FY 1995 w Rgts	FY 1996 w Rgts	FY 1997 w Rgts	FY 1998 w Rgts
Direct Labor Cost							
Operations	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715	73,715	73,715	73,715	73,715
DASD	---	---	---	---	---	---	---
CPU Hardware	67,907	67,907	67,907	67,907	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956	85,956	85,956	85,956	85,956
Print	33,954	33,954	33,954	33,954	33,954	33,954	33,954
Profess Serv	66,897	69,573	72,356	75,250	78,260	81,390	84,646
Subtotal	\$494,518	\$497,194	\$499,977	\$502,871	\$505,881	\$509,011	\$512,267
Computer Room Space	\$142,073	\$147,756	\$153,667	\$159,813	\$166,206	\$172,854	\$179,768
Direct Software Costs							
FY 90 SETC	\$31,275	\$0	\$0	\$0	\$0	\$0	\$0
Software License	160,500	193,574	226,648	226,648	226,648	226,648	226,648
Software Maint	0	0	0	0	0	0	0
Subtotal	\$191,775	\$193,574	\$226,648	\$226,648	\$226,648	\$226,648	\$226,648
Direct Hardware Purchase Costs							
CPU Center	\$554,785	\$445,911	\$492,028	\$492,028	\$492,028	\$492,028	\$492,028
DCP 35	60,756	60,756	60,756	60,756	60,756	60,756	60,756
Subtotal	\$615,541	\$506,667	\$552,784	\$552,784	\$552,784	\$552,784	\$552,784
Direct Hardware Maintenance Costs							
CPU Center	\$60,589	\$88,639	\$93,442	\$97,180	\$101,067	\$105,110	\$109,314
DCP 35	4,959	5,025	5,226	5,435	5,653	5,879	6,114
Subtotal	\$65,548	\$93,664	\$98,668	\$102,615	\$106,719	\$110,988	\$115,428
Indirect Cost							
Operations	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580	10,580	10,580	10,580	10,580
Tape	25,572	25,572	25,572	25,572	25,572	25,572	25,572
DASD	1,079	1,079	1,079	1,079	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492	44,492	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794	23,794	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114	33,114	33,114	33,114	33,114
Print	27,809	27,809	27,809	27,809	27,809	27,809	27,809
Subtotal	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604
Grand Total	\$1,846,059	\$1,775,459	\$1,868,348	\$1,881,335	\$1,894,842	\$1,908,890	\$1,923,499

Assumes 4% inflation rate on software maintenance, hardware maintenance, professional services, and computer room space

Option 3

Phased Unisys Replacement

The assumptions are as follows:

- a. Five year amortization: 7.5 percent interest rate
- b. Software and tape drives replaced July 1, 1991
- c. CPU and other equipment replaced July 1, 1992
- d. Upgrade system to process Regents payroll centrally on July 1, 1993
- e. Unisys provided maintenance
- f. Seven year cost analysis
- g. Average hardware costs are used for years 6 and 7
- h. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Items II, IV, V, VI, VIII, and A of XI.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
PHRASED UNISYS REPLACEMENT
FISCAL 1992 THROUGH 1998

OPTION 3
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	7 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,793,994	1,670,270	1,866,404	1,879,314	1,892,740	1,906,703	2,249,241	13,258,666
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	337,193	350,681	364,708	379,296	2,367,619
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	143,844	147,732	151,620	155,508	1,006,908
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	79,826	83,019	86,340	89,794	560,504
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	200,680	208,707	217,055	225,737	1,409,085
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	144,702	150,490	156,510	162,770	1,016,035
VII.	KFIS DEBT								
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	0	0	0	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	324,835	65,823	0	0	1,383,652
	ISI-DIRECT DEBT	10,500	0	0	0	0	0	0	10,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	21,590	0	0	0	86,360
	BIT-DEBT SERVICE	232,948	232,948	232,948	227,359	58,441	0	0	
	SUBTOTAL KFIS DEBT	646,036	635,536	585,536	573,784	124,264	0	0	2,565,156
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	574,276	597,247	621,137	645,982	4,032,309
IX.	KAHRS PROJECT SUPPORT COST	0	0	0	0	0	0	0	0
X.	CONVERSION-OTHER UNISYS APPLI.	0	0	0	0	0	0	0	0
XI.	IBM PROCESSING CENTER								
	A. STARS	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	B. KAHRS	0	0	0	0	0	0	0	0
	SUBTOTAL IBM PROC. CENTER	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	SUBTOTAL COST	4,978,134	4,944,036	5,194,144	5,303,279	4,979,326	4,985,497	5,449,009	35,833,425
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	174,268	174,268	174,268	174,268	1,219,876
	TOTAL COST	5,152,402	5,118,304	5,368,412	5,477,547	5,153,594	5,159,765	5,623,277	37,053,301

1-15

FY 1992-98 Unisys Cost (Option 3 Phased Upgrade)

Category	FY 1992 Soft/Tape	FY 1993 No Rgts	FY 1994 With Rgts	FY 1995 With Rgts	FY 1996 With Rgts	FY 1997 With Rgts	FY 1998 With Rgts
Direct Labor Cost							
Operations	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715	73,715	73,715	73,715	73,715
DASD	---	---	---	---	---	---	---
CPU Hardware	67,907	67,907	67,907	67,907	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956	85,956	85,956	85,956	85,956
Print	33,954	33,954	33,954	33,954	33,954	33,954	33,954
Profess Serv	66,897	69,573	72,356	75,250	78,260	81,390	84,646
Subtotal	\$494,518	\$497,194	\$499,977	\$502,871	\$505,881	\$509,011	\$512,267
Computer Room Space	\$169,135	\$147,756	\$153,667	\$159,813	\$166,206	\$172,854	\$179,768
Direct Software Costs							
FY 90 SETC	\$31,275	\$0	\$0	\$0	\$0	\$0	\$0
Software License	214,872	160,500	226,648	226,648	226,648	226,648	226,648
Software Maint	51,287	0	0	0	0	0	0
Subtotal	\$297,434	\$160,500	\$226,648	\$226,648	\$226,648	\$226,648	\$226,648
Direct Hardware Purchase Costs							
CPU Center	\$240,428	\$399,785	\$492,028	\$492,028	\$492,028	\$492,028	\$820,044
DCP 40/35	0	60,756	60,756	60,756	60,756	60,756	60,756
Subtotal	\$240,428	\$460,541	\$552,784	\$552,784	\$552,784	\$552,784	\$880,800
Direct Hardware Maintenance Costs							
CPU Center	\$221,685	\$61,063	\$89,848	\$93,442	\$97,180	\$101,067	\$105,109
DCP 40/35	34,190	6,612	6,876	7,152	7,438	7,735	8,045
Subtotal	\$255,875	\$67,675	\$96,724	\$100,593	\$104,617	\$108,802	\$113,154
Indirect Cost							
Operations	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580	10,580	10,580	10,580	10,580
Tape	25,572	25,572	25,572	25,572	25,572	25,572	25,572
DASD	1,079	1,079	1,079	1,079	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492	44,492	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794	23,794	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114	33,114	33,114	33,114	33,114
Print	27,809	27,809	27,809	27,809	27,809	27,809	27,809
Subtotal	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604	\$336,604
Grand Total	\$1,793,994	\$1,670,270	\$1,866,404	\$1,879,314	\$1,892,740	\$1,906,703	\$2,249,241

Assumes 4% inflation rate on software maintenance, hardware maintenance, professional services, and computer room space

Option 4

Resume KAHRS Without Regents

The assumptions are as follows:

- a. Upgraded Unisys software and tape drives FY92 - FY 95
 - 1. Three year amortization: 7.5 percent interest rate
 - 2. Three year amortization
 - 3. Unisys provided maintenance
 - 4. Install on July 1, 1991
- b. Additional consultant work paid outright
- c. Process Regents payroll, as is, until an alternative is in operation
- d. Seven year cost analysis
- e. Data processing costs are \$500,000 in FY92, \$1 million for FY93: (during the phase-in of agencies), and \$1.5 million in years FY94 through FY98
- f. Begin phasing agencies into KAHRS July 1, 1993
- g. Regents payroll interface to KAHRS completed July 1, 1994
- h. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Item II, IV, V, VI, VIII, A and D of IX and A of XI
- i. Resume ISI software annual \$105,000 payment
- j. No new system software, hardware, or peripherals for IBM Center
- k. KAHRS to STARS inferface not addressed.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
RESUME KAHRS PROJECT WITHOUT REGENTS
FISCAL 1992 THROUGH 1998

OPTION 4
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	7 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,864,388	1,713,015	1,743,058	0	0	0	0	5,320,461
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	0	0	0	0	935,741
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	143,844	147,732	151,620	155,508	1,006,908
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	79,826	83,019	86,340	89,794	560,504
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	200,680	208,707	217,055	225,737	1,409,085
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	144,702	150,490	156,510	162,770	1,016,035
VII.	KFIS DEBT								
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	0	0	0	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	324,835	65,823	0	0	1,383,652
	ISI-DIRECT DEBT	115,500	105,000	105,000	105,000	105,000	105,000	105,000	745,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	21,590	0	0	0	86,360
	BIT-DEBT SERVICE	232,948	232,948	232,948	227,359	58,441	0	0	984,644
	SUBTOTAL KFIS DEBT	751,036	740,536	690,536	678,784	229,264	105,000	105,000	3,300,156
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	911,468	947,927	985,844	1,025,278	5,464,184
IX.	KAHRS PROJECT SUPPORT COST								
	A. PROJECT DIRECTOR (STAFF)	62,500	65,000	67,600	70,304	73,116	76,041	79,083	493,644
	B. CONSULTANT COST	914,563	914,563	0	0	0	0	0	1,829,126
	C. CONSULTANT PROGRAMMING COST	658,485	658,485	0	0	0	0	0	1,316,970
	D. STAFF PROGRAMMING COST	196,794	204,666	212,853	221,367	230,222	239,431	249,008	1,554,341
	SUBTOTAL KAHRS SUPPORT COST	1,832,342	1,842,714	280,453	291,671	303,338	315,472	328,091	5,194,081
X.	CONVERSION OTHER UNISYS APPL.	80,000	64,400	0	0	0	0	0	144,400
XI.	IBM PROCESSING CENTER								
	A. STARS	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	B. KAHRS	500,000	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	9,000,000
	SUBTOTAL IBM PROC. CENTER	1,717,623	2,266,328	2,816,981	2,869,660	2,924,446	2,981,424	3,040,681	18,617,143
	SUBTOTAL COST	7,565,870	7,998,895	6,956,251	5,320,635	4,994,923	4,999,265	5,132,859	42,968,698
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	174,268	174,268	174,268	174,268	1,219,876
	TOTAL COST	7,740,138	8,173,163	7,130,519	5,494,903	5,169,191	5,173,533	5,307,127	44,188,574

Category	FY 1992	FY 1993	FY 1994
Direct Labor Cost			
Operations	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715
DASD	—	—	—
CPU Hardware	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956
Print	33,954	33,954	33,954
Profess Serv	90,107	91,107	92,147
Subtotal	\$517,728	\$518,728	\$519,768
Computer Room Space	\$169,135	\$175,900	\$182,936
Direct Software Costs			
FY 90 SETC	\$31,275	\$0	\$0
Software License	214,872	223,467	232,406
Software Maint	51,287	53,338	55,472
Subtotal	\$297,434	\$276,805	\$287,878
Direct Hardware Purchase Costs			
CPU Center	\$287,612	\$132,612	\$132,612
DCP 40	0	0	0
Subtotal	\$287,612	\$132,612	\$132,612
Direct Hardware Maintenance Costs			
CPU Center	\$221,685	\$236,807	\$246,280
DCP 40	34,190	35,558	36,980
Subtotal	\$255,875	\$272,365	\$283,260
Indirect Cost			
Operations	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580
Tape	25,572	25,572	25,572
DASD	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114
Print	27,809	27,809	27,809
Subtotal	\$336,604	\$336,604	\$336,604
Grand Total	\$1,864,388	\$1,713,015	\$1,743,058

Assumes 4% inflation rate on software maintenance, hardware maintenance professional services, and computer room space

Option 5

Resume KAHRS With Phase in of Regents

The assumptions are as follows:

- a. Upgraded Unisys software and tape drives FY92 - FY 95
 1. Three year amortization: 7.5 percent interest rate
 2. Three year amortization
 3. Unisys provided maintenance
 4. Install on July 1, 1991
- b. Additional consultant work paid outright
- c. Process Regents payroll, as is, until an alternative is in operation
- d. Seven year cost analysis
- e. Data processing costs are \$500,000 in FY92, \$1 million for FY93 (during the phase-in of agencies), \$1.75 million for FY94, and \$2.2 million in years FY95 through FY98
- f. Begin phasing agencies into KAHRS July 1, 1993
- g. Regents payroll interface to KAHRS completed July 1, 1994
- h. Begin implementing Regents on July 1, 1994
- i. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Item II, IV, V, VI, VIII, A and D of IX and A of XI
- j. Resume ISI software annual \$105,000 payment
- k. No new system software, hardware or peripherals for IBM center.
- l. KAHRS to STARS interface not addressed.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
RESUME KAHRS PROJECT WITH PHRASE IN OF REGENTS
FISCAL 1992 THROUGH 1998

OPTION 5
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	7 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,864,388	1,713,015	1,743,058	0	0	0	0	5,320,461
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	0	0	0	0	935,741
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	143,844	147,732	151,620	155,508	1,006,908
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	79,826	83,019	86,340	89,794	560,504
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	200,680	208,707	217,055	225,737	1,409,085
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	144,702	150,490	156,510	162,770	1,016,035
VII.	KFIS DEBT								
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	0	0	0	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	324,835	65,823	0	0	1,383,652
	ISI-DIRECT DEBT	115,500	105,000	105,000	105,000	105,000	105,000	105,000	745,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	21,590	0	0	0	86,360
	BIT-DEBT SERVICE	232,948	232,948	232,948	227,359	58,441	0	0	984,644
	SUBTOTAL KFIS DEBT	751,036	740,536	690,536	678,784	229,264	105,000	105,000	3,300,156
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	911,468	947,927	985,844	1,025,278	5,464,184
IX.	KAHRS PROJECT SUPPORT COST								
	A. PROJECT DIRECTOR (STAFF)	62,500	65,000	67,600	70,304	73,116	76,041	79,083	493,644
	B. CONSULTANT COST	914,563	914,563	0	0	0	0	0	1,829,126
	C. CONSULTANT PROGRAMMING COST	658,485	658,485	0	0	0	0	0	1,316,970
	D. STAFF PROGRAMMING COST	196,794	204,666	212,853	221,367	230,222	239,431	249,008	1,554,341
	SUBTOTAL KAHRS SUPPORT COST	1,832,342	1,842,714	280,453	291,671	303,338	315,472	328,091	5,194,081
X.	CONVERSION-OTHER UNISYS APPL.	80,000	64,400	0	0	0	0	0	144,400
XI.	IBM PROCESSING CENTER								
	A. STARS	1,217,623	1,266,328	1,316,981	1,369,660	1,424,446	1,481,424	1,540,681	9,617,143
	B. KAHRS	500,000	1,000,000	1,750,000	2,000,000	2,000,000	2,000,000	2,000,000	11,250,000
	SUBTOTAL IBM PROC. CENTER	1,717,623	2,266,328	3,066,981	3,369,660	3,424,446	3,481,424	3,540,681	20,867,143
	SUBTOTAL COST	7,565,870	7,998,895	7,206,251	5,820,635	5,494,923	5,499,265	5,632,859	45,218,698
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	174,268	174,268	174,268	174,268	1,219,876
	TOTAL COST	7,740,138	8,173,163	7,380,519	5,994,903	5,669,191	5,673,533	5,807,127	46,438,574

FY 1992-94 Unisys Cost (Option 5 Tape Software Upgrade)

Category	FY 1992	FY 1993	FY 1994
Direct Labor Cost			
Operations	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715
DASD	—	—	—
CPU Hardware	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956
Print	33,954	33,954	33,954
Profess Serv	90,107	91,107	92,147
Subtotal	\$517,728	\$518,728	\$519,768
Computer Room Space	\$169,135	\$175,900	\$182,936
Direct Software Costs			
FY 90 SETC	\$31,275	\$0	\$0
Software License	214,872	223,467	232,406
Software Maint	51,287	53,338	55,472
Subtotal	\$297,434	\$276,805	\$287,878
Direct Hardware Purchase Costs			
CPU Center	\$287,612	\$132,612	\$132,612
DCP 40	0	0	0
Subtotal	\$287,612	\$132,612	\$132,612
Direct Hardware Maintenance Costs			
CPU Center	\$221,685	\$236,807	\$246,280
DCP 40	34,190	35,558	36,980
Subtotal	\$255,875	\$272,365	\$283,260
Indirect Cost			
Operations	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580
Tape	25,572	25,572	25,572
DASD	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114
Print	27,809	27,809	27,809
Subtotal	\$336,604	\$336,604	\$336,604
Grand Total	\$1,864,388	\$1,713,015	\$1,743,058

Assumes 4% inflation rate on software maintenance, hardware maintenance professional services, and computer room space

Option 6

Upgrade Systems Software and Replace Tape Drives

The assumptions are as follows:

- a. Three year amortization: 7.5 percent interest rate
- b. Three year cost analysis
- c. No decision beyond three years
- d. Process Regents payroll, as is
- e. Unisys provided maintenance
- f. Install on July 1, 1991
- g. Assume 4% inflation rate on (software maintenance, hardware maintenance, professional services and computer room space in Item I), and Items II, IV, V, VI, VIII, and A of XI.

NOTE: List prices contained within the response to the Request for Information are shown for all Options with new purchase of any hardware, software, peripherals and services. Trade in values were not discounted nor were current contractual obligations.

9131A

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
UPGRADE UNISYS SOFTWARE AND REPLACE TAPE DRIVES
FISCAL 1992 THROUGH 1998

OPTION 6
03/25/91

ITEM	DESCRIPTION	FY 1992	FY 1993	FY 1994	3 YR TOTAL
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,864,388	1,713,015	1,743,058	5,320,461
II.	UNISYS PROGRAMMING STAFF	299,763	311,754	324,224	935,741
III.	DEPT. OF ADM. CONNECTS	132,180	136,068	139,956	408,204
IV.	PROGRAMMING SPACE	70,965	73,804	76,756	221,525
V.	PROGRAMMING OFFICE COST	178,404	185,540	192,962	556,906
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640	133,786	139,137	401,563
VII.	KFIS DEBT				
	PEAT MARWICK-DIRECT DEBT	50,000	50,000	0	100,000
	PEAT MARWICK-DEBT SERVICE	330,998	330,998	330,998	992,994
	ISI-DIRECT DEBT	10,500	0	0	10,500
	ISI-DEBT SERVICE	21,590	21,590	21,590	64,770
	BIT-DEBT SERVICE	232,948	232,948	232,948	698,844
	SUBTOTAL KFIS DEBT	646,036	635,536	585,536	1,867,108
VIII.	IBM PROGRAMMING STAFF	510,529	530,950	552,188	1,593,667
IX.	KAHRS PROJECT SUPPORT COST	0	0	0	0
X.	CONVERSION-OTHER UNISYS APPLI.	0	0	0	0
XI.	IBM PROCESSING CENTER				
	A. STARS	1,217,623	1,266,328	1,316,981	3,800,932
	B. KAHRS	0	0	0	0
	SUBTOTAL IBM PROC. CENTER	1,217,623	1,266,328	1,316,981	3,800,932
	SUBTOTAL COST	* 5,048,528	4,986,781	5,070,798	15,106,107
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268	174,268	174,268	522,804
	TOTAL COST	5,222,796	5,161,049	5,245,066	15,628,911

* NOTE: Our recommendation is based on this amount.

1-24

Category	FY 1992	FY 1993	FY 1994
Direct Labor Cost			
Operations	\$166,089	\$166,089	\$166,089
Tape	73,715	73,715	73,715
DASD	—	—	—
CPU Hardware	67,907	67,907	67,907
CPU Software	85,956	85,956	85,956
Print	33,954	33,954	33,954
Profess Serv	90,107	91,107	92,147
Subtotal	<u>\$517,728</u>	<u>\$518,728</u>	<u>\$519,768</u>
Computer Room Space	\$169,135	\$175,900	\$182,936
Direct Software Costs			
FY 90 SETC	\$31,275	\$0	\$0
Software License	214,872	223,467	232,406
Software Maint	51,287	53,338	55,472
Subtotal	<u>\$297,434</u>	<u>\$276,805</u>	<u>\$287,878</u>
Direct Hardware Purchase Costs			
CPU Center	\$287,612	\$132,612	\$132,612
DCP 40	0	0	0
Subtotal	<u>\$287,612</u>	<u>\$132,612</u>	<u>\$132,612</u>
Direct Hardware Maintenance Costs			
CPU Center	\$221,685	\$236,807	\$246,280
DCP 40	34,190	35,558	36,980
Subtotal	<u>\$255,875</u>	<u>\$272,365</u>	<u>\$283,260</u>
Indirect Cost			
Operations	\$170,164	\$170,164	\$170,164
Operations	10,580	10,580	10,580
Tape	25,572	25,572	25,572
DASD	1,079	1,079	1,079
CPU Hardware	44,492	44,492	44,492
CPU Software	23,794	23,794	23,794
CPU Software	33,114	33,114	33,114
Print	27,809	27,809	27,809
Subtotal	<u>\$336,604</u>	<u>\$336,604</u>	<u>\$336,604</u>
Grand Total	\$1,864,388	\$1,713,015	\$1,743,058

Assumes 4% inflation rate on software maintenance, hardware maintenance professional services, and computer room space

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
CENTRAL MANAGEMENT SYSTEMS OPERATIONS
CURRENT UNISYS HARDWARE CONFIGURATION
FISCAL 1992 ONLY

03/25/91

ITEM	DESCRIPTION	FY 1992
I.	UNISYS PROCESSING CENTER PROCESSING CHARGES	1,665,928
II.	UNISYS PROGRAMMING STAFF	299,763
III.	DEPT. OF ADM. CONNECTS	132,180
IV.	PROGRAMMING SPACE	70,965
V.	PROGRAMMING OFFICE COST	178,404
VI.	OTHER DA "IBM" APPLICATIONS PROCESSING CHARGES	128,640
VII.	KFIS DEBT	
	PEAT MARWICK-DIRECT DEBT	50,000
	PEAT MARWICK-DEBT SERVICE	330,998
	ISI-DIRECT DEBT	10,500
	ISI-DEBT SERVICE	21,590
	BIT-DEBT SERVICE	232,948
	SUBTOTAL KFIS DEBT	646,036
VIII.	IBM PROGRAMMING STAFF	510,529
IX.	KAHRS PROJECT SUPPORT COST	0
X.	CONVERSION-OTHER UNISYS APPLI.	0
XI.	IBM PROCESSING CENTER	
	A. STARS	1,217,623
	B. KAHRS	0
	SUBTOTAL IBM PROC. CENTER	1,217,623
	SUBTOTAL COST	4,850,068
XII.	DISC LOAN REPAYMENT-7 YR AMORT	174,268
	TOTAL COST	5,024,336

3/91

FY 1992 Unisys Cost

Category	FY 1992
Direct Labor Cost	
Operations	\$166,089
Tape	73,715
DASD	—
CPU Hardware	67,907
CPU Software	85,956
Print	33,954
Profess Serv	25,000
Subtotal	<u>\$452,621</u>
Computer Room Space	\$169,135
Direct Software Costs	
FY 90 SETC	\$31,275
Software License	214,872
Software Maint	51,287
Subtotal	<u>\$297,434</u>
Direct Hardware Purchase Costs	
CPU Center	\$155,000
DCP 40	0
Subtotal	<u>\$155,000</u>
Direct Hardware Maintenance Costs	
CPU Center	\$220,944
DCP 40	34,190
Subtotal	<u>\$255,134</u>
Indirect Cost	
Operations	\$170,164
Operations	10,580
Tape	25,572
DASD	1,079
CPU Hardware	44,492
CPU Software	23,794
CPU Software	33,114
Print	27,809
Subtotal	<u>\$336,604</u>
Grand Total	\$1,665,928

RECEIVED

MAR 15 1991

Secretary of Administration



A Software System Project Review
of the
Kansas Automated
Human Resource System Project
(KAHRS)

March 15, 1991

3-28-91
SWAM
Attachment 2

Price Waterhouse



March 15, 1991

Arthur H. Griggs
Acting Secretary of Administration
Office of the Secretary
Room 263-E
State Capital Building
Topeka, Kansas 66612-1572

Dear Mr. Griggs,

Price Waterhouse is please to submit this Software System Project Review of the Kansas Automated Human Resource System Project. We believe the review accurately describes the status of the project and the difficulties the project encountered. Moreover, we believe the report contains constructive recommendations for the continuation of the State's human resource system initiative.

It has been our pleasure assisting the State of Kansas with this effort. We appreciate the cooperation we received from you, your office staff and the numerous state employees interviewed.

If you have any questions on the contents of this report or on future subject matters related to the KAHRS project, please do not hesitate to call Judith A. Reach at (202) 822-8589 or Mr. Carl Barnes at (314) 425-0500.

Yours very truly,

Price Waterhouse



A Software System Project Review
Of the Kansas Automated Human Resource System
(KAHRS)

Table of Contents

- I. Executive Summary
- II. Recommendations
- III. Alternatives Analysis
- IV. Project Assumptions and Constraints

Appendices

- Appendix A: Narrative of KAHRS Status With Regards To Appendix A & B
- Appendix B: Requirements Evaluation Matrix and Narrative Comparing Appendix A of October 1989 RD/KIPPS/ISI/KAHRS
- Appendix C: SDLC Analysis Matrix Comparing KAHRS Modules to Where They Were in the Implementation Process
- Appendix D: Status of Other HR Related Systems Running on the UNISYS Computer
- Appendix E: Project Organization and Staffing Requirements
- Appendix F: Interviewees and Relevant KAHRS Documentation Reviewed

I. EXECUTIVE SUMMARY

In the KAHRS Requirements Confirmation/General Design Document of 1989, the State of Kansas project team listed the objectives for undertaking a project to implement a new statewide human resource system. The stated objectives for KAHRS were to:

- be an integrated set of software for both financial and human resource management system (HRMS) information processing,
- operate on a central mainframe system,
- maintain data in such a format as to be accessible for on-line inquiry and reporting purposes,
- be well documented and designed in a manner conducive to efficient and ongoing system maintenance, and
- be designed and implemented with the goal of reducing overall operating costs, both centrally and at the agency level.

In order to meet these objectives, the State purchased the Integral Human Resource Management System with the intent of enhancing/modifying the software package to meet the unique requirements of the State of Kansas.

The State of Kansas finds itself in a position now, over two years later, where these objectives have yet to be attained. It is our conclusion that this situation is a result of the difficulties experienced by the State of Kansas Department of Administration and specifically the KAHRS project management as they attempted to address specific issues related to each of these objectives.

The findings which support this conclusion include the following:

- The State of Kansas has yet to develop and approve a data processing strategy which defines the State's long term direction in areas such as mainframe(s) to be supported, database management system(s), fourth generation language(s) and query software and telecommunications protocol(s).
- The KAHRS project did not follow a System Development Life Cycle (SDLC) methodology for package software implementations. Requirements were not defined prior to selecting a package. The KAHRS project had unrealistic expectation related to the number of requirements the "as-delivered" software package would address without requiring some modification to the software.

I EXECUTIVE SUMMARY

- The KAHRS project developed a requirements document after the purchase of the software package. Despite the apparent thoroughness of this document, there was a lack of user involvement with the development and confirmation of the requirements. The lack of user involvement has eroded confidence in the KAHRS project since the new system as currently specified would have provided the users less functionality in certain application areas than the existing systems. In addition, the failure to address many of the user concerns has generated additional issues which have never been properly addressed.
- The KAHRS project relied on consultants to perform the major design and construction tasks. Consequently, the majority of the knowledge necessary to maintain, operate and support KAHRS was retained by the consultants and not by the Department of Administration .
- The modifications/enhancements to the Integral software that were identified by the KAHRS project team are in different stages of the system development life cycle with a portion complete through unit testing. System and acceptance testing of the integrated human resource system has not been performed. Normally, additional modifications are identified during testing. Therefore, the KAHRS project is not as far along in the development cycle as some project team members believe.

Despite the problems and issues surrounding the KAHRS project, we believe that the State of Kansas should continue the effort to improve their current human resource systems.

We believe that there exist two viable alternatives for the State to proceed with improvements to the human resource systems. They are as follows:

1. Select KIPPS as the State's human resource system platform and make all necessary investments to upgrade the Unisys data processing environment, to increase the Unisys support staff, and to enhance and reengineer KIPPS to provide the desired functionality.
2. Implement a new human resource system in the IBM environment and evaluate the following items:
 - the data access method and file structures (DB2 vs. VSAM)
 - the particular software package(s) to be used as the baseline (Integral vs. other commercially available packages)

I. EXECUTIVE SUMMARY

- reengineered software modules from the KIPPS system to augment the baseline software package (e.g. front-end time and attendance data collection)

Based on the evaluation of these items, the State may decide that it is best served by continuing the KAHRS implementation in an orderly and controlled manner.

The State should perform a requirements confirmation and alternatives analysis to include the following tasks:

- Confirm with both central and agency users the human resource requirements.
- Define the scope of the human resource systems initiative within the State.
- Evaluate the available alternatives.
- Develop a plan for the selected alternative.
- Gain approval from the Department of Administration divisions and the user agencies on the requirements definition, the scope and the plan for the human resource system.

We believe that if the State performs these tasks, the approach and direction adopted by the Department of Administration will be understood and supported by all interested parties.

We have documented four additional recommendations in Section II:

1. The Department of Administration must define the data processing environment for the human resource system initiative.
2. The Department of Administration must implement a management structure capable of providing leadership and accountability for the State's human resource initiative.
3. The State must assign the appropriate user and data processing personnel to the project.
4. The State needs to adopt a System Development Life Cycle (SDLC) methodology to be adhered to in all large system implementation efforts.

II RECOMMENDATIONS

The State of Kansas began in late calendar year 1988 a project to implement a new human resource system. The new system was intended to replace the existing Kansas Integrated Payroll Personnel System (KIPPS) and was to service the needs of all State of Kansas employees. The new system, the Kansas Automated Human Resource System (KAHRS), was a part of the larger State of Kansas Financial Information System (KFIS) project whose intent it was to provide a "state-of-the-art" integrated human resource and financial systems to the State of Kansas.

The KAHRS project team was comprised of a number of consulting firms working in conjunction with Department of Administration staff provided by the Division of Personnel Services (DPS), Division of Accounts and Records (A&R) and the Division of Information Services and Communications (DISC). The project was suspended in the fall of 1990 for a number of reasons, among them being cost overruns, missed deadlines and low project morale.

Price Waterhouse was engaged to research the history of the KAHRS project and to provide the following:

- an assessment of the project status by functional area
 - payroll
 - personnel
 - benefits administration
 - position management and control
 - applicant tracking
- an assessment of the extent and manner of the software modifications made to the human resource software package chosen as the baseline for the new system
- a recommended course of action that the State of Kansas can follow so as to meet their stated goal of a new integrated human resource system

In this section, we present our recommendations and the supporting findings which resulted from the interview and factfinding process.

II RECOMMENDATIONS

Recommendation No. 1 -- The State of Kansas should continue the human resource system initiative.

We recommend that the State continue the human resource system initiative and believe that there exist two viable alternatives.:

1. Upgrade the Unisys data center followed by an effort to enhance the capabilities of the KIPPS system.
2. Implement a new human resource system using the IBM platform; evaluate the use of software packages, data base management systems and the reengineering of existing software. (The results of the evaluations may recommend the continuation of the KAHRS project.)

Section III of this report discusses the advantages and disadvantages of each alternative in more detail.

The need exists to replace/enhance the current systems. The existing KIPPS system is a custom developed system that was implemented in the early 1980's. KIPPS has many of the characteristics of a custom developed system that is almost ten years old. These include:

- increasing maintenance costs as modifications and enhancements become increasingly more difficult,
- information which is not readily accessible to the user community,
- limited functionality in certain areas, especially Federal and state mandated, such as EEO reporting, discrimination testing and COBRA reporting,
- system operations, user and maintenance documentation that needs to be updated, and
- a substantial amount of data redundancy and an overall lack of integration, i.e. the KIPPS subsystems interface, as oppose to being integrated.

The number of requirements for the human resources function in a public entity will continue to grow in the 1990's. State governments will continue to see Federally mandated changes to tax and benefit provisions. We do not believe that KIPPS' current architecture and functionality provides the necessary system support for the human resource functions of the 1990's.

II RECOMMENDATIONS

There is support for the human resource system initiative. At the beginning of the KAHRS project, the division directors within the Department of Administration whose missions include the use and operation of the State's human resource systems were in support of the project and its objectives. The lack of support for the project by certain project team members developed over time and was not caused by the "intent" of the new system but was caused by the method and approach used by the project team to implement the new KAHRS system.

Recommendation No. 2 -- Reconfirm the State's HR requirements, define the scope of the project and evaluate the system alternatives.

The State must develop a realistic plan for its human resource systems initiative. We recommend that the State prepare this plan by conducting three major tasks:

1. Reconfirm the State human resource requirements with both central and user agency personnel.
2. Define and document the scope of the HR functions to be included in the project.
3. Evaluate the available alternatives as described in recommendation no 1.

It is important that the requirements and scope of the human resource system in Kansas are clearly defined and understood so that alternatives are correctly analyzed.

The KAHRS project was plagued by disagreement over the capabilities of KIPPS, the capabilities of the Integral software and several scope issues including the support of processing for the Regents' payroll.

An agency survey dated March 1989 where 85% of the agencies responding rated the KIPPS system easy to use in both the payroll and personnel areas. KIPPS was characterized as being reliable and reconcilable. It appears that what KIPPS does, it does well. However, as noted in recommendation no. 1, KIPPS does have architectural and functional limitations.

It appears that the anticipated "fit" of the Integral (IS) software to the State's requirements was unrealistic. Some Department of Administration personnel expected that the Integral software would meet the majority of the State's requirements; some staff stated an expectation as high as 80%.

II RECOMMENDATIONS

Over the past three years, the majority of state and local governments undertaking a human resource systems implementation project have successfully used a commercial software package approach. The experience of these public sector entities is that 45-50% of their requirements are satisfied by the "as-delivered" software package.

There exist major issues with the scope of the KAHRS project such as the extent to which KAHRS will support the Regents' payroll. At this time, the Regents processing performed by KIPPS has not fully been accommodated in KAHRS.

We believe that by performing the recommended planning tasks, the State can resolve existing disagreements like the ones just described and avoid new ones.

Recommendation No. 3 -- The Department of Administration must define the data processing environment for the human resource system initiative.

The State of Kansas does not have a clear definition of its data processing direction. The debate concerning the use of the Unisys platform versus the IBM platform continues whenever the human resource initiative is discussed. The success of the human resource system initiative is dependent upon the provision of a stable, up-to-date, and supported data processing environment.

Before the State continues with a project to implement or improve their human resource environment, the Department of Information Systems and Communications (DISC) must address the issue of continued support for one or both of the existing data centers.

In the future, DISC should clarify, define and implement data processing standards. The development of a master plan would establish the State's standards such as:

- supported hardware platforms,
- system software,
- telecommunications software/protocols,
- database management system/file access methods,
- the State's position on application software packages,

II RECOMMENDATIONS

- productivity tools such as CASE and fourth generation languages,
- ad-hoc report writers and data query capabilities.

Recommendation No. 4-- Implement a management structure capable of providing leadership and accountability for the State's human resource initiative.

The nature of a public sector human resource functions is one of integration, interfacing and sharing of information in both an automated and non-automated fashion. For an integrated solution to work, the people and management structure whose mission it is to support the system must agree on the system objectives and work together to achieve them.

The Department of Administration must assemble a human resource management steering committee whose responsibilities include the enforcement of statewide policies, the equitable resolution to issues, constant evaluation of people as well as computer resources necessary to support the human resource systems and the leadership of central and agency users.

Moreover, the chairperson of the steering committee must be an individual who has the responsibility and authority to make the "hard" decisions. We recommend that the Secretary of Administration be the committee chairperson.

Appendix E provides a project organization and management structure.

Recommendation No. 5 -- The State must assign the appropriate user and data processing personnel to the project.

State user and data processing personnel must be actively involved in the definition, design, coding and testing of the new system. Appendix E contains a project organization chart which includes descriptions of requisite skill sets for assigned staff.

The State may need to augment their staff with outside consultants. However, the consultants should be employed to manage, assist and educate the State staff assigned to the project so that the State is in a position to operate the new system without having to rely on outside assistance.

The State was unable to assign the appropriate State data processing staff to the KAHRS implementation tasks. The vast majority of all software modifications to the Integral software were design and coded by the consultants.

II RECOMMENDATIONS

The long-term ability to maintain a software package solution depends on the system's technical support group to have working knowledge of where and how software modifications have been made and to be able to judge the effects to these modification whenever new releases of the software package are provided. In addition, the knowledge of the system operations must be transferred to the State staff. Important procedures such as restart and recovery, system backups, and timely resolution to system efficiency problems must be performed by State data processing staff.

Recommendation No. 6 -- The State needs to adopt a System Development Life Cycle (SDLC) methodology to be adhered to in all large system implementation efforts

The sheer complexity of implementing large application for the public sector requires a standard "road map" or approach that is followed when undertaking such an effort. The lack of a consistently applied System Development Life Cycle (SDLC) in the State of Kansas added to the confusion regarding the KAHRS project tasks and documentation. Moreover, without an understood SDLC, it is difficult to identify the status of the project and to determine the projects percentage of completion.

We recommend that the State endorse a System Development Life Cycle methodology. The SDLC approach could result in the official documentation of procedures and methodologies that have been followed informally within the State's data processing community, or the State may adopt one of the commercially available SDLC methodologies.

The KAHRS project did not follow an organized system development methodology. As we illustrate in Appendix C of this report, a large number of the system development life cycle tasks still need to be performed for KAHRS. The tasks that were performed are in different phases of "completeness" and might have profited from a more strict enforcement of methodology's standards.

III ALTERNATIVES ANALYSIS

We believe the State of Kansas has two viable alternatives for improving their current human resource systems environment. Each of these alternatives are discussed below.

Alternative No. 1 -- Select KIPPS as the State's human resource platform and make all necessary investments to upgrade the data processing environment and enhance the functionality of KIPPS.

This alternative requires that the State of Kansas continue to support the Unisys environment and invest in an upgrade to the KIPPS data processing environment. In addition to the investment in computer equipment and system software, the State must provide the necessary support personnel to maintain KIPPS and to begin the enhancements to KIPPS.

The advantages to this alternative are as follows:

- KIPPS functions have been custom developed for the State of Kansas and are understood by the users; the functions performed by KIPPS are performed correctly.
- The other applications currently processed on the Unisys equipment (see Appendix D) would not need to migrate to another platform as quickly, if at all.

The disadvantages of selecting KIPPS as the human resource platform are as follows:

- KIPPS architecture should be reengineered in order to take advantage of the upgrade in computer capabilities and to facilitate ongoing maintenance and enhancement activities. The reengineering of a system as large and complex as KIPPS is a major undertaking.
- In order for KIPPS to provide a fully functional human resource platform, several major enhancements must be made. The Division of Personnel Services alone have asked at a minimum for the following additional capabilities:
 - discrimination testing
 - COBRA administration
 - classification and compensation information processing
 - increased reporting capabilities.

The addition of these requirements will require a substantial commitment of resources on the part of the State.

III ALTERNATIVES ANALYSIS

- The selection of KIPPS requires that the State of Kansas support two data centers and the necessary staff in all areas of operations, i.e. applications development, production control, systems support, and technical support.
- The processing and information for the financial systems and human resource systems will remain on different technical platforms. This will increase the difficulty for eventual integration of statewide information and will increase the need for information crosswalks and interfaces.
- The documentation supporting the current KIPPS system is out of date. If KIPPS, in its current form, continues to support the human resource functions, this documentation must be complete and up-to-date.

Alternative No. 2 -- Implement a new human resource system in the IBM environment and evaluate the software package and the data base options.

This alternative suggests that the State target a new human resource system on the IBM platform and evaluate the following items:

- the software package to be used as the baseline
- the data access method and file structures (DB2 vs. VSAM)
- reengineered software modules from KIPPS to augment the baseline software package (e.g. front-end time and attendance data collection)

The advantages of this alternative are as follows:

- The majority of "statewide" systems which support the Department of Administration would process in the same technical environment and physical data center. Support personnel, application programmers, etc., could be shared across applications.
- This alternative requires the Department of Administration to reevaluate and confirm its decisions concerning the human resource software package baseline and the use of a data base management system (DBMS).
- The results of the alternative analysis may indicate that the KAHRS project should continue. Therefore, the efforts expended to date by the State staff and consultants on KAHRS would be directly usable and the project would continue with a portion of the analysis and development tasks completed.

III ALTERNATIVES ANALYSIS

- The potential use of reengineered modules from KIPPS provides opportunities to retain some of the unique functionality of KIPPS while maximizing the advantages of software package maintainability.

The disadvantages to this alternative for the human resource initiative are as follows:

- Additional time and resources will be expended to evaluate the software package and data base options.
- The results of the evaluation may indicate that the selections made by the KAHRS project are not in the best interest of the State and KAHRS, as currently defined, should not be continued. The other available options (e.g., reengineered KIPPS modules with another software package) will require a new design and construction effort and little, if any, technical work could be salvaged from the KAHRS effort.

Estimated Level of Effort to Complete for the KAHRS Project

In the past two years, we have assisted the States of Maine, Arizona, Alaska, Hawaii, Nebraska, North Carolina and Nevada plan for and implement new human resource systems. With the exception of Nebraska, all selected the software package alternative for satisfying their human resource system needs. The estimates for completion of the KAHRS project are based on our experience assisting these public sector clients as well as our overall knowledge base of public sector HR implementation efforts.

In order to derive these estimates, we compared the human resource functions in Kansas to those of other state governments. The results of the comparisons are as follows:

- The majority of the State of Kansas requirements are similar to other State governments. This was confirmed during the creation of the HR requirements model created for the State of Kansas (Appendix B).
- The State of Kansas has some functional areas that are less complicated. These areas include:
 - the processing of cost accounting/labor distribution information
 - minimal complications due bargaining units,
 - uncomplicated leave accounting

III ALTERNATIVES ANALYSIS

- The State of Kansas has some functional areas that are as complicated or more complicated than in other states. These areas include:
 - large and diversified employee population
 - high number of required system interfaces
 - sophisticated approaches to position control, time and attendance processing, and applicant tracking
 - gradual adoption of flexible benefits
 - multiple pay frequencies

We believe that a software package implementation with the complexity of KAHRS to be an effort of approximately 40,000 hours. A timeframe of twenty-four months is realistic for a project of this magnitude. Based on the information shown in Appendix B and C of this report, we believe the KAHRS project is approximately 40% complete.

Based on these statistics, the estimates to complete for the KAHRS project are approximately 24,000 hours in a fifteen month timeframe. The estimated hours and timeframe assume that there are no substantive design and construction flaws in KAHRS and the completed enhancements have been correctly defined. It does not include the additional efforts which must be added for the upgrade to the Integral Release 9.2 as well as the recommended requirements confirmation and alternatives analysis tasks.

Therefore, an estimate to complete for KAHRS which includes the tasks described above is as follows:

<u>TASKS</u>	<u>EST. HOURS</u>
Requirements Confirmation and Alternatives Analysis	3000
Upgrade to Integral Release 9.2	4,000 (1)
Complete Development and Implementation of KAHRS	24,000
TOTAL	<u>31,000</u>

(1) The estimate for the upgrade to Release 9.2 is very rough as there have been few, if any, upgrades of this magnitude completed.

The estimated timeframe to complete the above tasks is twenty-one to twenty-four months.

IV. PROJECT ASSUMPTIONS AND CONSTRAINTS

In making the recommendations contained in this report, we have made certain assumptions related to the functional and technical environment supporting the KAHRS project and the State of Kansas human resource environment in general. The following assumptions have been made:

- 1) We relied heavily on the interviewees representation of the subject matter and did selective validation of the information received concentrating our independent validation on subject matter that contained discrepancies when comparing interview information.
- 2) The level of detail of the information contained in our report was dictated by the short timeframe of the fact-finding effort and the study in general.
- 3) When exploring the alternatives associated with moving the State's human resource applications from the Unisys platform to the IBM platform, we are assuming there exists enough processing capacity on the IBM data center to support KAHRS and other HR related systems currently operating on the Unisys machines.
- 4) Because of the importance within all the alternatives presented of having the necessary support staff in place (and trained), we assume the State can provide the types of individuals necessary to support a system such as KAHRS. This includes the management structure necessary to administer the project and the system's eventual operation.

APPENDIX A

**NARRATIVE OF KAHRS STATUS
WITH REGARDS TO APPENDIX B & C
OF THIS REPORT**

APPENDIX A

This appendix specifically addresses item "2." contained in our contract with the State of Kansas. The organization of this section is consistent with the outline presented in the contract. This appendix is supported by the detailed information presented in Appendix B and Appendix C which immediately follow this section.

PAYROLL

A. Degree of Completion and List of Issues Requiring Resolution

1. Degree of Completion

The degree of completion has been derived based on the requirements evaluation analysis performed between our human resource requirements model and the status of "KAHRS to date". The detail of this analysis is presented in Appendix B and can be summarized as follows:

- It was our finding that only 43% (47 out of 109) of the payroll requirements and 38% (26 out of 68) of the payroll/personnel requirements were fully satisfied by the as-delivered Integral software (the "Vanilla" Integral column). This number is much lower than what was anticipated by the State of Kansas. We were told that a 65-80% fit was expected.
- The modifications being made to the Integral software as a part of the KAHRS project (the KAHRS to-date column) were, at best, in the coding/unit testing phase and therefore were evaluated as being only partially complete. Many of the needed modifications have yet to begin.

Appendix C evaluates the progress of the KAHRS project related to industry standard system development life cycle (SDLC) tasks. Appendix C illustrates that the requirements definition portion of the project is the only task that can be evaluated as complete. Following the requirements definition task, all subsequent SDLC tasks are only partially complete or have yet to begin.

Exhibit A-1 shown at the end of this section summarizes the requirements analysis matrix in Appendix B. The exhibit assigns completion percentage to each "status indicator" (fully, partially, not satisfied) to arrive at an overall percentage of completion. This analysis shows payroll alone to be 49.3% complete and requirements that span both payroll and personnel to be 46.7% complete. We believe that because of the high degree of difficulty associated with many of the payroll requirements that a further weighting factor should be included in the analysis. When degree of difficulty is factored into the equation, the percentage of complete is reduced even further to 32.1% for payroll and 39.7% for payroll/personnel.

2. List of Issues Requiring Resolution

Section II of this report discusses our recommendations which include many of the issues that needed to be addressed by the KAHRS project. We summarize those issues here.

- Who within the Department of Administration will own the new human resource system?
- Is the State going to continue to support the Unisys and the IBM data center or is the decision going to be made to migrate to one data center?
- What is the scope of the new system? Will the payroll related capabilities of the target KAHRS address the functional areas of KIPPS currently receiving high marks from the users?
- Is Integral/DB2 the best software package baseline for the State of Kansas?
- Can the State make available to a new human resource system implementation effort the State employees necessary to undertake an assignment of this size? (See Appendix E of this report for more detail on staffing)
- How will the regents be accommodated in the statewide system?
- There are a number of functional areas specifically related to payroll where issues must be resolved. Among them are:
 - Where does funds control (sufficiency checking) and reconciliation reside, in KAHRS or in STARS?
 - Will the ROCKS garnishment system currently operating on the Unisys become a part of KAHRS?
 - In general, how will the requirement issues raised during the KAHRS project by A&R be addressed? Will the users be more involved in arriving at solutions to these issues?
 - How will adjustment processing be handled by the new system when the effected prior pay periods cross tax years? What manual support will be necessary to comply with IRS rules and regulations?

B. Adequacy of Design

The design for the majority of the payroll modification is incomplete as we illustrate in Appendix C of this report. We found that many of the modifications identified were designed without documentation of the effects these changes might have on other aspects of the KAHRS software. We do not believe the existing design documentation can continue to be used without substantial additions and modifications to both the overall system design as well as individual program design specifications.

C. Recommendations for Proceeding in this Area

The overall recommendations to the State are discussed in Section II of this report. Specific recommendations for proceeding with the payroll application area are as follows:

- 1) Confirm the payroll requirements that are to be included in the KAHRS system and include user participation at a greater level than in the past.
- 2) As a result of the requirements confirmation, establish priorities of implementation so that the scope of the payroll portion of the KAHRS project can be finalized and a workplan developed.
- 3) Begin a structured issue resolution process that accounts for the identification, tracking and eventual timely solution for all issues affecting payroll.
- 4) Make available to the KAHRS project the right people.

PERSONNEL

A. Degree of Completion and List of Issues Requiring Resolution

1. Degree of Completion

The degree of completion has been derived based on the requirements evaluation analysis performed between our human resource requirements model and the status of "KAHRS to date". The detail of this analysis is presented in Appendix B and can be summarized as follows:

- It was our finding that only 27% (7 out of 26) of the personnel requirements and as previously stated 38% (26 out of 68) of the payroll/personnel requirements were fully satisfied by the as-delivered Integral software.

- As with payroll, the modifications being made to the Integral software as a part of the KAHRS project were, at best, in the coding/unit testing phase and therefore were evaluated as being only partially complete. Unlike payroll however, most of the needed modifications have already begun.

Appendix C evaluates the progress of the KAHRS project related to industry standard system development life cycle (SDLC) tasks. Appendix C illustrates that the requirements definition portion of the project is the only task that can be evaluated as complete with the exception of the design for position control. Although the personnel related modifications are farther along than the payroll modification, we believe that until system and user acceptance testing are performed and the complete integrated system (payroll, personnel, position control, benefits and reporting modules) is tested, problems effecting personnel will continue to surface.

Exhibit A-1 summarizes the requirements analysis matrix contained in Appendix B. The exhibit assigns completion percentages to each "status indicator" (fully, partially, not satisfied) to arrive at an overall percentage of completion. This analysis shows personnel alone to be 48% complete. We believe that because of the lower degree of difficulty associated with the personnel requirements a further weighting factor should be included in the analysis. When degree of difficulty is factored into the equation, the percentage of complete is increased to 60% for personnel.

2. List of Issues Requiring Resolution

The issues affecting the KAHRS project for the most part are independent of application boundaries. Therefore, the first six (6) issues listed for payroll are similar to those listed for personnel. As with payroll, there are some functional issues that are more unique to the personnel function. Therefore we believe the issues associated with personnel are as follows:

- Who within the Department of Administration will own the new human resource system? ...
- Is the State going to continue to support the Unisys and the IBM data center or is the decision going to be made to migrate to one data center?
- What is the scope of the new system? Will the personnel related capabilities of the target KAHRS address the functional areas of KIPPS currently receiving high marks from the users?
- Is Integral/DB2 the best software package baseline for the State of Kansas?

- Can the State make available to a new human resource system implementation effort the State employees necessary to undertake an assignment of this size? (See Appendix E of this report for more detail on staffing)
- How will the regents be accommodated in the statewide system?
- There are a number of functional areas specifically related to personnel where issues must be resolved. Among them are:
 - Will Integral reporting capabilities in conjunction with the chosen report writer, FOCUS, be sufficient to satisfy the increased reporting capabilities desired by DPS?
 - Has personnel history been adequately defined to satisfy the reporting needs of DPS?
 - Will the City of Phoenix applicant tracking module satisfy the needs of the State of Kansas?
 - How will agency unique requirements be addressed by the new system?
 - How will the date-effective processing currently available to the users of the KIPPS system be handled by the KAHRS system?
 - How will the benefits administration processing currently available to the users of the KIPPS system be handled by the KAHRS system?
 - How will the on-line processing currently available to the users of the KIPPS system be handled by the KAHRS system?

B. Adequacy of Design

We believe the design for the majority of the personnel modifications will have to be enhanced/modified as the project moves into system and user acceptance testing and the integrated nature of the software begins to be tested. We found that some of the modifications were designed without documenting the effects they might have on other aspects of the KAHRS integrated software. We do not believe the existing design documentation can continue to be used without additions and modifications to both the overall system design as well as individual program design specifications.

C. Recommendations for Proceeding in this Area

The recommendations for the KAHRS project are for the most part independent of application boundaries. Therefore the overall recommendations discussed in Section II of this report apply to personnel. Recommendations that apply specifically to personnel are:

- 1) Confirm the personnel requirements that are to be included in the KAHRS system and include user participation at a greater level than in the past.
- 2) As a result of the requirements confirmation, establish priorities of implementation so that the scope of the personnel portion of the KAHRS project can be finalized and a workplan developed.
- 3) Begin a structured issue resolution process that accounts for the identification, tracking and eventual timely solution for all issues affecting personnel.
- 4) Make available to the KAHRS project the right people.
- 5) Evaluate all modifications against the new Integral 9.2 release.

D. Status of Applicant Module

The Integral software applicant tracking module will not satisfy the needs of the State of Kansas. Therefore, it was not included as a part of the KAHRS project. The State of Kansas is considering the acquisition of a modified version of Integral's applicant tracking system from the City of Phoenix. Based on discussions with the City of Phoenix, it appears this software is capable of meeting the needs of the State of Kansas. A copy of the software has been delivered but has yet to be installed at DISC.

SOFTWARE MODIFICATIONS

A. Effect of Modifications on Package Maintainability

We believe that generally the modifications made to the Integral software will not adversely affect the State's ability to apply future software releases. However, there were instances where modifications were made to Integral code and, as a result future upgrades and maintenance in general will be more difficult. The changes that we believe will impact maintenance include but are not limited to:

- the large number of changes to on-line screens

- the manner in which the system was changed from an "employee-driven" to a "position-driven" system
- data element definitions were changed on an occurrence by occurrence basis causing us to question the complete system integrity of these changes
- the benefits table was added to the personnel system (upgrading to release 9.2 will eliminate the need for this structural change)
- the increase to the size of arrays such as the earnings type array which was increased from 35 to 300 and, the funding lines within position control which were increased from 3 to 10 (the changes will affect system efficiency)
- the large number of temporary program fixes (TPF) that have been delivered by Integral but have yet to be installed and their effects on KAHRS

We also experienced during the interview process a high anxiety level related to the effort necessary to upgrade to the Integral 9.2 release. This leads us to believe that more problems exist related to how software modifications were made than just the six listed above.

Also, the fact that all the modifications were performed by the consultants puts the State of Kansas in a position where they must now rely on the knowledge of the consultants to describe how the modifications to the Integral software were made and where within the software these modifications were made.

B. Adequacy of Documentation

One of the reasons for enforcing the use of a System Development Life Cycle (SDLC) methodology is to enforce documentation standards for all task deliverables. As a result of the KAHRS project not enforcing SDLC standards, documentation, although voluminous, is inconsistent.

In our recommendations, we suggest that the State reconfirm the human resource requirements, the project scope and revise the workplan. It would also be appropriate during this time to organize all KAHRS documentation produced to date. This would include functional as well as technical documentation. This exercise will also assist the project management team evaluate what material from the prior KAHRS work is useful for future implementation efforts.

C. Percent Completion of Identified Modifications

As we illustrate in Exhibit A-1, we believe the overall KAHRS project is 38.2% complete.

STATUS OF REPLACING APPLICATIONS RELATED TO THE CURRENT PAYROLL/PERSONNEL SYSTEM

Appendix D of this report contains an inventory of all applications currently operating on the Unisys computer(s). These applications are categorized as human resource related and non-human resource related. The user agency, contact person, application status and any plans for conversion to another technical platform are shown.

STAFFING

A. Technical Skills and Training Requirements

Appendix E of this report discusses in detail this subject.

B. Adequacy and Number of Staff Needed to Complete the Project

Appendix E of this report discusses in detail this subject.

**DEGREE OF COMPLETENESS BY FUNCTIONAL
CRITICAL SUCCESS FACTOR
FOR THE KAHR'S PROJECT**

EXHIBIT A-1

MODEL NO.	CRITICAL SUCCESS FACTOR DESCRIPTION	"KAHR'S TO DATE" COLUMN **				%AGE DONE	WGHT RATE			
		FS*	PS*	NM*	TOTAL					
PERSONNEL										
1.0	NEED TO MAINTAIN A COMPREHENSIVE EMPLOYEE DATABASE	3	3	3	9	0.425				
2.0	AN AUTOMATED PERSONNEL SYSTEM CAPABLE OF SUPPORTING THE HIRING/MAINTAINING AND REPORTING NEEDS OF THE STATE	5	10	2	17	0.509	0.6			
SUB-TOTAL					8	13	5	26	0.48	
PAYROLL										
4.0	A TIME AND ATTENDANCE FRONT-END CAPABLE OF DECENTRALIZED EXCEPTION AND POSITIVE INPUT OF TIME WORKED	8	3.5	2.5	14	0.538				
5.0	A SYSTEM THAT ALLOWS PAID HOURS REPORTED TO BE IDENTIFIED TO SPECIFIC COST CODES	5			5	0.7				
6.0	A SYSTEM CAPABLE OF MAINTAINING AN AUTOMATED LEAVE ACCOUNTING SYSTEM	4	3.5	6.5	14	0.36				
7.0	A SYSTEM THAT COMPUTES GROSS PAY BASED ON HOURS WORKED AND ENTITLEMENTS EARNED	12	4	3	19	0.559				
8.0	A SYSTEM THAT COMPUTES MISCELLANEOUS DEDUCTIONS	13	3.5	7.5	24	0.476				
9.0	A SYSTEM THAT COMPUTES TAXES	8		1	9	0.631				
10.0	A SYSTEM CAPABLE OF MAKING PAYROLL DISTRIBUTIONS	5	3.5	3.5	12	0.459				
12.0	A SYSTEM THAT SUPPORTS AND MAINTAINS THE INTEGRITY OF PAYROLL ADJUSTMENTS	5	1	6	12	0.371	0.321			
SUB-TOTAL					60	19	30	109	0.493	
PAYROLL & PERSONNEL										
3.0	A PAYROLL/PERSONNEL PROCESS THAT IS TABLE DRIVEN	4	3.5	0.5	8	0.573				
11.0	A SYSTEM THAT MAINTAINS MULTIPLE YEARS OF HISTORY	7	2	3	12	0.51				
13.0	A SYSTEM THAT CAN BE EXPANDED TO HANDLE SPECIAL PROCESSING AND INTERFACE REQUIREMENTS		1.5	1.5	3	0.288				
14.0	A SYSTEM THAT CONTAINS TECHNICAL CHARACTERISTICS MAKING IT FLEXIBLE AND EASY TO ENHANCE AND MAINTAIN	9	3.5	1.5	14	0.583				
15.0	MAINTAIN POSITION INFORMATION AND CONTROL OVER THE INFORMATION SUCH THAT EMPLOYEES ARE NOT HIRED INTO A POSITION UNTIL THE POSITION IS AUTHORIZED AND FUNDED	4	9	5	18	0.426				
16.0	A SYSTEM CAPABLE OF INTERFACING WITH THE BENEFITS ADMINISTRATION SYSTEM	4	2	7	13	0.333	0.397			
SUB-TOTAL					28	21.5	18.5	68	0.467	
TOTAL					96	53.5	53.5	203	0.483	0.382

* = STATUS INDICATORS
 FS = FULLY SATISFIED
 PS = PARTIALLY SATISFIED
 NM = NOT MET, NOT SATISFIED

** = THIS INFORMATION IS OBTAINED BY TOTALING THE LAST COLUMN OF APPENDIX B BY LIKE STATUS CODE

APPENDIX B

REQUIREMENTS EVALUATION MATRIX COMPARING THE FOLLOWING:

- KAHRS REQUIREMENTS CONFIRMATION DATED 10/1/89
- KIPPS CAPABILITIES
- INTEGRAL SYSTEMS CAPABILITIES
- KAHRS CAPABILITIES IMPLEMENTED TO-DATE

APPENDIX B

Appendix B represents a summary matrix of our fact-finding effort as it compares the capabilities of Integral Systems, KIPPS and KAHRS (to-date) against the capabilities of other public sector human resource systems as described in the Price Waterhouse (PW) human resource (HR) requirements model tailored specifically for the State of Kansas. With respect to the Price Waterhouse HR requirements model:

- The model contains 16 critical success factors that we use as a standard in the review and evaluation of human resource system capabilities.
- Contained within the 16 critical success factors are over 200 individual requirements.
- The requirements listed for this unique State of Kansas model were derived from the following sources:
 - our interviews with HR knowledgeable State of Kansas employees
 - our review of State of Kansas HR documentation
 - our knowledge of the HR requirements of other States with an emphasis on those requirements that remain consistent from State-to-State

The purpose of the matrix is to help illustrate where the KAHRS project lost contact with the needs of their HR user community. Using the matrix to determine where KAHRS lost contact with the user's needs is a four step approach.

STEP 1:

The matrix first compares the PW HR models requirements against the requirements the KAHRS project identified as being needed within the State of Kansas. The KAHRS Requirements Confirmation Document, with emphasis placed on Appendix A of the document, was used to perform this comparison. The evaluation criteria were as follows:

Addressed:	Indicates the document addressed this requirement
Partially Addressed:	Indicates the document only partially addressed the requirement
Not Addressed:	Indicates the document did not address this requirement

In summary, the analysis indicates the KAHRS requirements confirmation document to be thorough and complete. However, two items were brought to our attention which in our opinion bear mentioning. First, the requirements document was produced following the software package selection process and was more of a requirements fit analysis in tune with the selected Integral software than it was an independent requirements document. Second, the users involvement in producing the document was limited.

STEP 2:

The matrix then compares the current State of Kansas Payroll/Personnel system (KIPPS) to the requirements contained in the PW HR requirements model. The KIPPS information was obtained and confirmed on multiple occasions through our review of documentation and interviews with individuals knowledgeable in the capabilities of the KIPPS system. The evaluation criteria are as follows:

FS: KIPPS fully satisfies this requirement

PS: KIPPS partially satisfies this requirement meaning manual intervention is necessary, or automation could be improved

NM: KIPPS is currently not meeting this requirement.

In summary, we found KIPPS to be functionally sound and well supported by the user community. Areas where improvements could be made were consistently mentioned and are marked.

STEP 3:

The matrix then compares the as-delivered Integral software package to the PW HR requirements model to determine an initial fit for the software. This third column can also be viewed in conjunction with the first two columns (Appendix A of the KAHRS requirements document, and KIPPS) to see how Integral compares to the State's requirements and the functionality the State's users are accustomed to obtaining from KIPPS. The evaluation criteria are as follows:

FS: Integral software fully satisfies the requirement

PS: Integral software partially satisfies the requirement; an effort involving table definition and set-up or minimal custom coding (i.e. a simple program) possibly making use of an Integral provided "user-exit" might be necessary in order to fully satisfy the requirement

NM: Integral software does not meet the requirement; an effort involving substantial custom design, coding and testing might be required in order to fully satisfy the requirement

In summary, the Integral software fit is not nearly as complete as the State of Kansas had anticipated throughout the duration of the KAHRS implementation effort. Only 80 of the over 200 requirements listed are fully met by the as-delivered Integral software. If the users had been involved in the software package selection and, at a minimum had participated in a demo of the Integral software, the high expectation related to the State's requirements fit to the Integral software might have been more realistic. It should be noted that the percentage fit of the Integral software within the State of Kansas is consistent with what we have experienced in other public sector entities.

STEP 4:

The final column illustrates the status of the modifications being made to the Integral software as a part of the KAHRS project. This information was obtained by reviewing the KAHRS project working papers and talking with project team members who were involved in the modification efforts. The information was also obtained as a result of a detailed review of the on-line portions of the KAHRS system running in a test environment on the DISC mainframe. The evaluation criteria are as follows:

- FS: Where modification was necessary, the modification is complete, tested, signed-off by quality control and ready for system and user acceptance testing
- PS: Where modification was necessary, the status of the modification is only partially complete and in most instances was in unit testing
- NM: Where modification was necessary, due to issues, problems or project scope misunderstandings, the modification effort has yet to begin

In summary, the vast majority of the modifications required are still in the unit test phase. Appendix C illustrates the additional system development life cycle tasks that still need to be performed.

CONCLUSION:

The PW HR requirements model and the four evaluation scenarios illustrate how the KAHRS project gradually lost touch with the HR requirements of the State. We believe that for a new system of any type to be successful the following two statements must be true. First, a perceived need on the part of the user community for a new system must exist. Second, the capabilities of the new system must provide the users, at a minimum, the same level of automated support they are use to receiving plus additional capabilities (i.e. the new system cannot make their job appear more difficult). If the users are not "sold" on the need for a new system, they will not "buy in". We believe the KAHRS project lost sight of this fact.



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 1.0 MAINTAIN A COMPREHENSIVE EMPLOYEE DATABASE

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
1.1	Provide ability to update employee related payroll/personnel information in an online mode from decentralized locations.	Addressed	FS	FS	FS
1.2	Provide ability to edit and validate data as it is entered online and in batch.	Addressed	FS	PS/NM	PS
1.3	Provide ability to "certify", at multiple levels, employee information online using the concept of automated "signature authorization".	Not addressed	NM	NM	NM
1.4	Provide ability to access employee information by employee name, social security number or other key field(s).	Addressed	FS	FS	FS
1.5	Provide "future-effective" processing on the majority of data elements maintained on the employee master.	Partially addressed	FS	NM	NM
1.6	Provide the ability to add and modify data elements to the existing data structure(s).	Addressed	FS	PS/NM	PS
1.7	Provide the ability to change a key field on the employee master file (i.e., SSN).	Addressed	FS	FS	FS
1.8	Provide the ability to capture user-defined personnel data.	Partially addressed	FS	NM	PS/NM

23-8



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 1.0 MAINTAIN A COMPREHENSIVE EMPLOYEE DATABASE

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
1.9	<p>Provide ability to store and update (at a minimum) the following master file personnel action data groups for state employees:</p> <ul style="list-style-type: none"> • Biographical Information to include Beneficiaries • Eligibility Information • Job/EEO Information • Employee Position Assignment Information • Original Hire Information • Position Information • Salary Information • Leave of Absence Information • Payment/Labor Distribution Information • Budget Funding Information (Budgeted) • Budget Transaction Information (YTD Actual) • Budget Transaction Information (Prior Year Actual) • Tax Information • Bond Information • Retirement Information • Deduction Information • Benefits Enrollment Information • Direct Deposit Information • Employee Skills/Testing/Training Information • Employee Job Performance Information 	Addressed	FS/PS	PS/NM	PS/NM

22-6



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 2.0 AN AUTOMATED PERSONNEL SYSTEM CAPABLE OF SUPPORTING THE HIRING/MAINTAINING AND REPORTING NEEDS OF THE STATE OF KANSAS AND ITS EMPLOYEE'S

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
2.1	Process all new hires to include classified, unclassified both part-time and full-time.	Addressed	FS	FS	FS
2.2	Identify and track those employees in a new hire/probationary period pending a permanent status classification.	Addressed	FS	NM	PS
2.3	Identify and track those employees classified as: o seasonal or temporary o in a trainee position	Addressed Addressed	FS FS	FS FS	FS FS
2.4	Process employees who return to service to include any "buy-back" processing supported by the state.	Addressed	FS	NM	PS
2.5	Process transfers both within an agency and between agencies by allowing pertinent employee history and current YTD information to remain with the employee record AND position related information to remain with the position history record.	Partially addressed	FS	PS/NM	PS
2.6	For promotions that are awarded based on time/length of service where the timeframe is fixed (i.e. yearly step increase), provide a system that will perform these increases automatically.	Partially addressed	FS	NM	NM
2.7	Provide integration between the state's applicant tracking, position control and personnel system such that as the employees status and position status changes over the course of their career, pertinent data values also change without significant manual intervention (i.e. FLSA status, distribution codes and funding information, etc.)	Partially addressed	FS	NM	PS/NM

HE-2



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 2.0 AN AUTOMATED PERSONNEL SYSTEM CAPABLE OF SUPPORTING THE HIRING/MAINTAINING AND REPORTING NEEDS OF THE STATE OF KANSAS AND ITS EMPLOYEE'S

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
2.8	A system that allows employees to be hired and subsequently processed correctly when not hired on normal processing boundaries.	Addressed	FS	PS	PS
2.9	Allow for future and past effective date processing for all personnel data elements.	Partially addressed	FS	PS/NM	PS/NM
2.10	A personnel system that allows an employee to work multiple positions and to maintain data uniquely identified to these positions.	Addressed	FS/PS	PS	FS
2.11	A system that contains automated salary and compensation data thereby allowing the state to perform classification/compensation analysis.	Addressed	PS	PS	PS
2.12	A system that identifies employees with an "alternate key" related to their status (i.e. applicant, active, retired, separated, terminated demotion, laid-off, death, etc.)	Addressed	FS	PS	PS
2.13	An automated disciplinary action journal to include reason, date, supervisor and type of action taken.	Partially addressed	NM	PS	PS
2.14	An automated employee grievance tracking system.	Not addressed	NM	PS	PS
2.15	The ability to process COBRA requirements.	Addressed	NM	FS	FS
2.16	Process performance evaluations and subsequent merit increases, promotions, bonuses, demotions etc.	Addressed	FS	PS/NM	PS

SEE-C



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 3.0 A PAYROLL/PERSONNEL PROCESS THAT IS TABLE DRIVEN

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
3.1	Maintain required payroll reference tables via combination of online and batch processing.	Addressed	FS	FS	FS
3.2	Maintain required personnel reference and applicant tracking tables via combination of online and batch processing.	Addressed	FS	PS/NM	PS/NM
3.3	Maintain required position control reference tables via combination of online and batch processing.	Addressed	FS	FS	FS
3.4	Maintain required benefits administration tables.	Addressed	FS	NM	PS
3.5	Maintain required system control tables via combination of online and batch processing.	Addressed	FS	FS	FS
3.6	Provide security to control update capability to tables.	Addressed	PS	FS	FS
3.7	Tables that will be needed include but are not limited to: <ul style="list-style-type: none"> o Salary tables o Earnings and Allowance tables o Differential tables o Tax tables o Health Insurance/Life Insurance/Long Term Disability Insurance tables o Organization tables/Union o Retirement tables o Charitable Organization tables o Voluntary Deduction tables o Time and Attendance Eligibility tables 	Addressed	PS	PS/NM	PS

RE-2



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 3.0 A PAYROLL/PERSONNEL PROCESS THAT IS TABLE DRIVEN

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
3.7 (cont'd)	Tables that will be needed include but are not limited to (cont'd): <ul style="list-style-type: none"> o EEO tables o Job Classification tables o Calendar table/Dates table o System Control/Parameter tables o Leave Type table o Labor Code table o Security table o Chart of Accounts table o Position tables o Financial Institution table o Organization (Agency) table o Deduction Vendors table 				
3.8	Provide the ability to define new reference tables.	Partially addressed	PS	NM	PS

2-37



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 4.0 A TIME AND ATTENDANCE FRONT-END CAPABLE OF DECENTRALIZED EXCEPTION AND POSITIVE INPUT OF TIME WORKED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
4.1	Allow for time and attendance collection to be both batch (for interfaces) and online.	Addressed	FS	FS	FS
4.2	Report time and attendance data on a positive or exception basis.	Addressed	FS	FS	FS
4.3	Accommodate valid partial time pay period processing and non-standard pay period processing.	Addressed	FS	PS	PS
4.4	Provide ability for various frequencies of time and attendance data entry (hourly, daily, biweekly, semi-monthly, monthly).	Addressed	FS	FS	FS
4.5	Allow for various increments of time and attendance data entry (hundredths of hours, hours, percentage FTE, days).	Addressed	FS	NM	NM
4.6	Provide ability for processing multiple department/position/class employees in one cycle.	Addressed	FS	FS	FS
4.7	Edit and validate time and attendance data both online and in batch for syntax and valid codes (e.g., agency, division, position number, entity, transaction coding lines, chart of accounts codes, etc.)	Addressed	FS	PS/NM	PS/NM
4.8	Apply current period corrections to time information already entered.	Addressed	FS	PS	PS

23



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 4.0 A TIME AND ATTENDANCE FRONT-END CAPABLE OF DECENTRALIZED EXCEPTION AND POSITIVE INPUT OF TIME WORKED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
4.9	Differentiate between current period and prior period adjustment time and attendance data.	Addressed	FS	FS	FS
4.10	Allocate time and attendance data to the proper transaction coding/account codes.	Addressed	FS	FS	FS
4.11	Convert time and attendance data to the format needed by the pay processing component to compute gross pay.	Addressed	FS	FS	FS
4.12	Provide the ability to specify multiple shift codes and premium pays (e.g., on-call, call-back, weekend differential, etc.) on an hourly basis by day, or on a rolled-up basis by pay period.	Addressed	FS	PS/NM	PS/NM
4.13	Allow for the reporting of dollar amounts (as well as hours) through the time and attendance front-end (i.e. bonus amounts, allowances, etc.)	Addressed	FS	FS	FS
4.14	Support at a minimum the following premium pays: <ul style="list-style-type: none"> • shift differentials • holiday premiums • overtime (1.5) • FLSA overtime • Other overtime multiples • environmental/hazard premiums • week-end premiums 	Addressed	FS	PS/NM	PS/NM

2-39



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 5.0 A SYSTEM THAT ALLOWS PAID HOURS REPORTED TO BE IDENTIFIED TO SPECIFIC COST CODES

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
5.1	Accommodate any subcodes used by departments as part of the transaction coding .	Partially addressed	FS	FS	FS
5.2	Provide the ability to distribute costs to account codes consistent with those used in the state's financial accounting system.	Addressed	FS	FS	FS
5.3	Distribute employee costs to multiple payroll accounts each pay period.	Addressed	FS	FS	FS
5.4	Provide the ability to maintain multiple payroll accounts with pre-defined distribution for each employee.	Addressed	FS	PS/NM	FS
5.5	Accommodate labor distribution overrides on a pay period basis during time and attendance processing (i.e. integrate with Time & Attendance).	Addressed	FS	FS	FS

2-40



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

2-41

CRITICAL SUCCESS FACTOR: 6.0 A SYSTEM CAPABLE OF MAINTAINING AN AUTOMATED LEAVE ACCOUNTING SYSTEM

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
6.1	Process leave accruals on a pay period basis determined by hours worked.	Addressed	FS	FS	FS
6.2	Process leave usage on an hourly basis, updating employee leave records with leave taken.	Addressed	FS	FS	FS
6.3	Produce a pay period leave usage and earnings report.	Addressed	FS	NM	NM
6.4	Determine leave eligibility based on length of service, job type, etc..	Addressed	FS	PS/NM	PS/NM
6.5	Process year-end forfeiture and cutbacks for employees who have accrued the maximum leave allowed.	Addressed	FS	PS/NM	PS/NM
6.6	Process Leave Without Pay (LWOP).	Addressed	FS	FS	FS
6.7	Process adjustments and reconciliations associated with LWOP.	Addressed	FS/PS	NM	NM
6.8	Process leave usage and determine leave availability as a part of time and attendance (i.e., as an hour code).	Addressed	FS	PS	PS
6.9	Process unauthorized/insufficient leave reported.	Addressed	FS	NM	NM
6.10	Process termination leave entitlements.	Partially addressed	FS	NM	NM
6.11	Maintain leave records for current period, month-to-date, quarter-to-date, and year-to-date.	Addressed	FS/PS	PS/NM	PS/NM



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

2-42

CRITICAL SUCCESS FACTOR: 6.0 A SYSTEM CAPABLE OF MAINTAINING AN AUTOMATED LEAVE ACCOUNTING SYSTEM

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
6.12	Process compensatory time to satisfy the FLSA requirements, as well as requirements imposed by collective bargaining.	Partially addressed	FS/PS	NM	NM
6.13	Process the proration of leave automatically for part-time employees.	Addressed	FS	FS	FS
6.14	Allow for multiple categories of leave that at a minimum contain: <ul style="list-style-type: none"> • annual or vacation • sick to include maternity • jury duty • "floating" leave • funeral leave • military • compensatory time • FLSA compensatory time • holiday (straight time) • furlough time • sabbatical • Leave Without Pay (LWOP) • other leave of absence • administrative leave • holiday compensatory time (1.5, 2.0) • suspension 	Addressed	FS	PS/NM	PS



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 7.0 A SYSTEM THAT COMPUTES GROSS PAY BASED ON HOURS WORKED AND ENTITLEMENTS EARNED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
7.1	Compute pay based on hours reported and validated by time and attendance.	Addressed	FS	FS	FS
7.2	Compute regular base pay.	Addressed	FS	FS	FS
7.3	Compute hourly related premium pays (shift differential, week-end premiums, on-call, stand-by, etc.)	Addressed	FS	PS	FS
7.4	Compute employee/item related premium pays (i.e. personal use of State vehicle).	Addressed	PS	PS	FS
7.5	Process flat amount special allowances and merit pays (ie.e bonuses).	Addressed	FS	PS	FS
7.6	Allow payment of overtime to all employees at multiple premium rates, 1.5, 1.75, 2.0 etc.	Partially addressed	FS	PS	FS
7.7	Compute overtime according to FLSA regulations.	Addressed	FS/PS	NM	PS/NM
7.8	Compute and maintain cost of living adjustments (COLA).	Addressed	FS	PS	PS
7.9	Maintain the integrity of each hour code/pay type though the course of the gross pay calculation and into net pay and eventually reporting.	Addressed	FS	FS	FS
7.10	Process longevity pay.	Addressed	FS	PS/NM	PS/NM

243



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

2-44

Price Waterhouse

CRITICAL SUCCESS FACTOR: 7.0 A SYSTEM THAT COMPUTES GROSS PAY BASED ON HOURS WORKED AND ENTITLEMENTS EARNED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
7.11	Compute total gross pay.	Addressed	FS	FS	FS
7.12	Perform pay reasonableness editing.	Addressed	FS	PS/NM	PS/NM
7.13	Process current and prior period adjustments as a part of gross pay.	Addressed	FS	PS/NM	PS/NM
7.14	Provide ability to prorate salary for partial pay periods worked.	Addressed	FS	FS	FS
7.15	Maintain current, month-to-date, quarter-to-date, and year-to-date totals by pay type and by agency, department or division.	Addressed	FS/PS	PS	FS
7.16	Maintain current, month-to-date, quarter-to-date, and year-to-date totals by pay type for each employee.	Addressed	FS/PS	PS	FS
7.17	Provide the ability to add new pay codes or delete existing codes.	Addressed	FS	FS	FS
7.18	The ability to distinguish between an employee receiving worker's compensation and an employee on the active payroll reporting time (or other employee status that would prohibit the employee from being considered a part of an active current pay run even though the employee is still a part of the employee database).	Addressed	FS	NM	NM
7.19	Compute any Kansas unique pay types such as Legislative leader pay.	Addressed	FS	PS	PS



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

245

CRITICAL SUCCESS FACTOR: 8.0 A SYSTEM THAT COMPUTES MISC. DEDUCTIONS (GROSS-TO-NET)

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
8.1	Compute employee retirement and health benefit deductions.	Addressed	FS	PS	FS
8.2	Compute employer contribution for retirement, health, life and insurance benefits.	Addressed	FS	PS	FS
8.3	Provide ability to prioritize deductions.	Addressed	FS	FS	FS
8.4	Provide system defined pre- and post- tax deductions.	Addressed	FS	FS	FS
8.5	Provide multiple methods for calculating deductions: <ul style="list-style-type: none"> o fixed amount o percentage of gross pay o percentage of net pay o percentage of specific selected earnings categories <p>This would include deductions such as union dues, united way (charities), parking fees, deferred compensation, etc.</p>	Addressed	FS	FS	FS
8.6	Compute declining balance deductions.	Addressed	FS	FS	FS
8.7	Maintain current amount, inception amount, deduction amount for all declining balance deductions.	Addressed	FS	FS	PS
8.8	Provide guaranteed net pay (or zero net processing) if deductions (court-ordered garnishments) and taxes (levies) exceed gross pay, that is to say only take deductions until net pay equals zero at which time identify which deductions have and have not been taken.	Addressed	FS	PS/NM	PS/NM



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

2-46

Price Waterhouse

CRITICAL SUCCESS FACTOR: 8.0 A SYSTEM THAT COMPUTES MISC. DEDUCTIONS (GROSS-TO-NET)

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
8.9	Provide deduction withholding in multiple frequencies: <ul style="list-style-type: none"> o biweekly o monthly o two pay periods each month o every pay period o current pay period only (one-time deduction) 	Partially addressed	FS	FS	FS
8.10	Provide future start and stop dates for control deduction processing.	Partially addressed	FS	NM	NM
8.11	Process savings bond deductions to include notification of bond purchase by denomination, beneficiaries/co-owners, and social security numbers of bond holders.	Addressed	FS	PS/NM	FS
8.12	Generate savings bond refunds.	Addressed	FS	NM	NM
8.13	Provide one-time pay period deduction override capability.	Addressed	FS/PS	FS	FS
8.14	Maintain deductions held in arrears, providing the following options for arrears handling when insufficient net earnings result: <ul style="list-style-type: none"> o do not take deduction, do not put amount in arrears o do not take deduction, put entire amount in arrears o take as much as possible, do not put remainder in arrears o take as much as possible, put remainder in arrears 	Partially addressed	FS	PS/NM	PS/NM



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

2-47

CRITICAL SUCCESS FACTOR: 8.0 A SYSTEM THAT COMPUTES MISC. DEDUCTIONS (GROSS-TO-NET)

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
8.15	Permit arrears balances to be withheld in deduction payments until recovered.	Addressed	FS	FS	FS
8.16	Provide capability to report deductions not taken.	Addressed	PS	FS	FS
8.17	Provide for multiples of the same deduction.	Addressed	PS	NM	NM
8.18	Maintain current, month-to-date, quarter-to-date, and year-to-date accumulations by employee.	Addressed	FS/PS	PS	FS
8.19	Generate third party payments based on deduction amounts.	Addressed	FS	NM	NM
8.20	Provide capability to determine automatically deduction amount based on plan eligibility criteria (table driven.)	Addressed	FS	NM	NM
8.21	Provide the ability to add/modify/delete deduction codes and deduction amounts.	Addressed	FS	FS	FS
8.22	Provide for cafeteria plan benefits and flexible spending plans.	Partially addressed	FS	PS/NM	PS/NM
8.23	Produce payroll reports both standard and ad-hoc by agency, department or specific user need(s).	Addressed	FS/PS	PS/NM	PS/NM
8.24	Produce payroll reconciliation reports and audit trail reports.	Addressed	FS	PS/NM	PS/NM



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

248

Price Waterhouse

CRITICAL SUCCESS FACTOR: 9.0 A SYSTEM THAT COMPUTES TAXES (GROSS-TO-NET)

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
9.1	Calculate and maintain current, month-to-date, quarter-to-date and year-to-date totals by tax ID: <ul style="list-style-type: none"> o FIT o FICA o SIT o Worker's Compensation contribution o State Unemployment Insurance tax (SUI) o Other taxing authorities (any local taxes) For both employee tax and employer tax as appropriate.	Addressed	FS	PS	FS
9.2	Stop FICA and SUI when specified limit is reached.	Addressed	FS	FS	FS
9.3	Refund FICA withheld if the amount withheld exceeds tax table ceiling.	Addressed	FS	NM	NM
9.4	Provide proper taxing for differing work/residence state for reciprocity purposes.	Partially addressed	FS	FS	FS
9.5	Track employee and employer paid FICA amounts.	Addressed	FS	FS	FS
9.6	Provide update to tax tables/tax calculations as needed. A process must be in place that provides the State the ability to receive timely and accurate updates to the Federal and State tax laws and incorporate the changes into the system.	Addressed	FS	FS	FS



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 9.0 A SYSTEM THAT COMPUTES TAXES (GROSS-TO-NET)

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
9.7	Provide standard tax calculation methods and withholding formulas for federal, state and other taxing authorities. Maintain the taxing rules using system control tables thereby making the tax change modification process as easy, efficient and correct as possible.	Addressed	FS	FS	FS
9.8	Provide capability to define relationships of earnings types and taxing regulations, i.e., define to the system which earnings types are taxed and which earnings are not.	Addressed	FS	FS	FS
9.9	Compute income tax/earned income credit.	Addressed	FS	FS	FS

249



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 10.0 A SYSTEM CAPABLE OF MAKING PAYROLL DISBURSEMENTS

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
10.1	Provide the ability to combine all monies owed to employee on one warrant/pay stub and print warrants for all employees. If the employee chooses to receive multiple warrants, that ability exists as well.	Addressed	FS	PS/NM	PS/NM
10.2	Support regular and supplemental pay processing runs.	Addressed	FS	FS	FS
10.3	Provide ability to re-issue warrants and void originals.	Addressed	FS	FS	FS
10.4	Provide the ability to cancel a warrant and associated pay detail record if the warrant has not yet been delivered.	Addressed	FS	FS	FS
10.5	Provide ability to reverse prior amounts from applicable accumulators (for both voids and cancellations).	Addressed	FS	FS	FS
10.6	Provide online special/supplemental warrant capabilities that include gross-to-net calculation and a subsequent update of the pay detail to-date totals.	Addressed	FS	PS	PS
10.7	Provide payroll bank reconciliation which includes tape output of warrant records.	Addressed	FS	NM	NM
10.8	Provide a system generated tape which complies with NACHA standards including prenotification requirements for direct deposit employees and their agencies.	Addressed	FS	FS	FS

2-50



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 10.0 A SYSTEM CAPABLE OF MAKING PAYROLL DISBURSEMENTS

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
10.9	Provide direct deposit override capability by employee prior to the bank receiving the tape.	Addressed	NM	PS/NM	PS/NM
10.10	Provide flexibility when printing warrants: o when assigning beginning warrant number o grouping of warrants by like print stock o grouping of warrants by agency/department etc. o dates on which certain events take place	Addressed	FS/PS	PS/NM	PS/NM
10.11	Provide any standard state reports to include reconciliation and audit trail reports.	Addressed	FS	PS/NM	PS/NM
10.12	Produce a pay stub that contains the pay detail information unique to the hours codes and employee entitlements entered through time and attendance and processed through gross and gross-to-net pay.	Addressed	FS	PS/NM	PS/NM

2-51



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 11.0 A SYSTEM THAT MAINTAINS MULTIPLE YEARS OF HISTORY

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
11.1	Maintain Personnel Information History for all employees. Included in this information is the employee data necessary to calculate a correct and complete gross and gross-to-net amount. This would include data elements such as salary, dependents, age, etc.	Addressed	FS/PS	PS/NM	PS/NM
11.2	Maintain Detail Pay History for all employees. This should include gross and gross-to-net processing detail by pay period for each employee.	Addressed	FS/PS	FS	FS
11.3	Maintain specified earnings and deductions on current period, month-to-date, quarter-to-date, year-to-date (calendar, fiscal and benefit year) bases.	Addressed	FS/PS	PS/NM	PS/NM
11.4	Maintain Time History for all hourly employees and for premium pay earned by salaried employees by pay period.	Partially addressed	PS	FS	FS
11.5	Maintain Leave History for all employees by leave type, by pay period.	Addressed	FS	FS	FS
11.6	Maintain Warrant History for all employees by pay period.	Partially addressed	PS	FS	FS
11.7	Provide capability to roll all history files to tape at the end of each year or at a predetermined time.	Addressed	FS	FS	FS
11.8	Provide report access to all employee history records maintained on DASD.	Addressed	PS	FS	FS
11.9	Maintain employee history for a specified time period for terminated employees.	Addressed	FS	FS	FS

2-52



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 11.0 A SYSTEM THAT MAINTAINS MULTIPLE YEARS OF HISTORY

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
11.10	Maintain a position history database.	Addressed	PM	NM	PS/NM
11.11	Maintain an applicant history database.	Partially addressed	FS	NM	NM
11.12	Maintain the history database(s) based on the key structure of the: <ul style="list-style-type: none">o date the data was created and,o date the data was modified By doing this, the integrity of original data entry or data calculations are not destroyed or written over by a subsequent update to the database.	Partially addressed	FS	PS/NM	PS/NM

2-53



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 12.0 A SYSTEM THAT SUPPORTS AND MAINTAINS THE INTEGRITY OF PAYROLL ADJUSTMENTS

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A. KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
12.1	Collect and process pay adjustments based on corrections to prior time reported.	Addressed	FS	PS/NM	PS/NM
12.2	Process pay adjustments at the employee level.	Addressed	FS	FS	FS
12.3	Allow for the recalculation and posting of new earnings amounts by pay type (i.e., not just recorded as an adjustment to gross).	Addressed	FS	FS	FS
12.4	Compute and maintain the adjustment amount by earnings type for the pay period without affecting the original pay history record (i.e., record the amount as an adjusted line to the original pay detail line for the affected employee; do not override or write over the original amount).	Partially addressed	FS	FS	FS
12.5	Compute adjustments to an employee's record based on excessive LWOP.	Partially addressed	FS	NM	NM
12.6	If the adjustment amount is positive, add to the next pay period's gross pay or produce an emergency warrant.	Addressed	FS	FS	FS
12.7	If the adjustment amount is negative, set up a method to make collection.	Addressed	FS	PS/NM	PS/NM
12.8	Produce control reports that will allow for necessary reconciliations to be performed.	Addressed	FS	NM	NM
12.9	Provide the ability to process mass adjustments for large employee groups (i.e., a bargaining agreement that has been negotiated to a retroactive date).	Partially addressed	PS	NM	NM

2-54



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 12.0 A SYSTEM THAT SUPPORTS AND MAINTAINS THE INTEGRITY OF PAYROLL ADJUSTMENTS

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
12.10	The ability to process adjustments to an employees entitlements and regardless of whether the adjustment is positive or negative, if the period for the adjustment crosses calendar/tax years, the system is capable of recording the adjustment properly based on IRS regulation and producing the appropriate reports and federal forms.	Partially addressed	PS	FS	FS
12.11	The ability to process adjustments to an employees deductions and regardless of whether the adjustment is positive or negative, if the period for the adjustment crosses calendar/tax years, the system is capable of recording the adjustment properly based on IRS regulation and producing the appropriate reports and federal forms.	Partially addressed	PS	NM	NM
12.12	When processing an adjustment to an employee's pay the system should distribute the resulting earnings (whether positive or negative) to the cost/labor distribution that was in effect during the original calculation unless overridden for purposes of the adjustment process.	Partially addressed	PS	NM	NM

2-55



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 13.0 A SYSTEM THAT CAN BE EXPANDED TO HANDLE SPECIAL PROCESSING AND INTERFACE REQUIREMENTS

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
13.1	Provide the data to the system necessary to process third party payments to benefits carriers and other agents.	Addressed	FS	PS/NM	PS/NM
13.2	Provide the data to the system necessary to process tax and other federally mandated deposits.	Addressed	FS	PS	PS
13.3	Provide the data necessary to support the interface with stand-alone systems at the various departments such as: <ul style="list-style-type: none">o Agency unique payroll/personnel front-end and back-end systemso State's accounting systemo Other payroll systems (Regents)o Univac systems such as ROCK Garnishment systemo State retirement systemo Direct Deposit NACHA tape	Addressed	FS	NM	NM

256



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 14.0 A SYSTEM THAT CONTAINS TECHNICAL CHARACTERISTICS MAKING IT FLEXIBLE AND EASY TO ENHANCE AND MAINTAIN

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
14.1	Provide user friendly ad hoc report writer and online query facility that allows for easy viewing of employee data with the option of releasing the information to print.	Addressed	PS	FS	FS
14.2	Provide hierarchical security facility for screens/reports at the following levels: <ul style="list-style-type: none"> o organizational unit o employee o application o function o screen o data element 	Addressed	PS	PS	PS
14.3	Provide structured programming system architecture that is easily modified.	Addressed	PS	FS	FS
14.4	Provide for minimal duplication of data.	Addressed	PS	FS	FS
14.5	Provide online system navigation making use of a system screen menu and/or screen prompts (i.e., direct screen-to-screen navigation).	Addressed	FS	FS	FS
14.6	Provide the ability to change screen layout and supporting logic.	Addressed	PS	PS/NM	PS/NM
14.7	Provide online transaction audit reports to include operator ID, terminal ID, time/date of transaction and old/new data.	Addressed	PS	FS	FS

2-57



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 14.0 A SYSTEM THAT CONTAINS TECHNICAL CHARACTERISTICS MAKING IT FLEXIBLE AND EASY TO ENHANCE AND MAINTAIN

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
14.8	Provide data base expansion capability.	Addressed	PS	PS/NM	PS/NM
14.9	Provide PC upload/download facility.	Addressed	PS	FS	FS
14.10	Provide online, user "Help" facility at the data element and screen level that can be customized.	Addressed	NM	FS	FS
14.11	Provide capability to process selected pay groups in a defined payroll cycle (i.e., pay groups can vary, if necessary, from one run to the next).	Addressed	FS	FS	FS
14.12	Provide capability to perform batch and control totals balancing.	Addressed	FS	FS	FS
14.13	Provide capability to perform remote printing.	Addressed	FS	PS	PS
14.14	Provide capability to process/prioritize multiple transactions per screen.	Addressed	PS	PS/NM	PS/NM

2-58



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 15.0 MAINTAIN POSITION INFORMATION AND CONTROL OVER THE INFORMATION SUCH THAT EMPLOYEES ARE NOT HIRED INTO A POSITION UNTIL THE POSITION IS AUTHORIZED AND MONIES APPROPRIATED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
15.1	Provide an automated capability between the department responsible for requesting the position and the department authorized to approve the position such that timely authorization and filling of the position takes place.	Addressed	FS	NM	PS
15.2	Provide an automated signoff capability at each approval point.	Partially addressed	FS	NM	PS
15.3	Assure that until all approvals are made, an employee will not be hired and therefore cannot be paid or even report hours.	Addressed	FS	NM	PS
15.4	Because of the integrated nature between the payroll, personnel and position control subsystems, all information associated with the position will be maintained on the position database and will not be replicated on the payroll, personnel or relevant history databases.	Addressed	NM	NM	PS
15.5	Provide the ability to track general service budget amounts, by position based on actual payroll data versus budgeted amounts.	Addressed	NM	NM	PS
15.6	Provide an accurate vacancy count and accurate position filled information.	Addressed	PS	PS	PS
15.7	Positions will have a unique identifier such that information/statistics on the position can be generated.	Addressed	FS	FS	FS
15.8	Provide the ability over the course of a budget year to reallocate positions after obtaining the proper approval.	Addressed	FS	NM	NM

2-59



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 15.0 MAINTAIN POSITION INFORMATION AND CONTROL OVER THE INFORMATION SUCH THAT EMPLOYEES ARE NOT HIRED INTO A POSITION UNTIL THE POSITION IS AUTHORIZED AND MONIES APPROPRIATED

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
15.9	Provide the ability to have multiple incumbents for each position.	Addressed	FS	FS	FS
15.10	Provide the ability for an incumbent to fill multiple positions.	Addressed	FS	FS	FS
15.11	Provide "tight" security surrounding the changing/modifications associated with a position.	Addressed	PS	FS	FS
15.12	Do not allow a position that is defined as "not job share" to be filled by multiple employees.	Addressed	NM	NM	NM
15.13	Provide for accurate position history as an integral part of the employee transfer process (i.e. some history information is position related, some is personnel/employee related).	Addressed	PS	NM	PS/NM
15.14	When employee-profile update and modification affect the position data or vice-versa, provide the ability to update this information without duplicate entry of data.	Addressed	PS	NM	NM
15.15	Allow for date-effective processing within the position database (i.e. future effective dates and prior dates).	Partially addressed	FS	PS/NM	PS/NM
15.16	Provide "what if" reporting through an ad-hoc report writer or 4GL "user friendly" query language.	Partially addressed	NM	PS/NM	PS/NM
15.17	Provide data to assist in the budget preparation process.	Addressed	FS	NM	PS
15.18	Provide standard reporting capabilities such as EEO, turnover, vacancy, etc.	Addressed	PS	PS/NM	PS/NM

2-10



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 16.0 A SYSTEM CAPABLE OF INTERFACING WITH THE BENEFITS ADMINISTRATION SYSTEM

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
16.1	<p>The ability to define an unlimited number of benefit plans, including:</p> <ul style="list-style-type: none"> o multiple health plans o multiple dental plans o multiple life insurance plans o multiple long-term disability plans 	Addressed	FS	NM	NM
16.2	The ability to define deduction calculation rules that can be associated with each plan's deduction calculation.	Addressed	FS	PS	FS
16.3	The ability to define employer contribution calculation rules that can be associated with each plan's deduction calculation.	Addressed	FS	PS	FS
16.4	The ability to provide the gross-to-net payroll calculation process the specific deduction amounts for each plan chosen by the employee.	Addressed	PS	NM	NM
16.5	The ability to add easily new entitlement plans to the benefits administration system where the simplest addition would be to establish the relationship between the new plan and existing calculation "rules", and the most difficult addition would be to define a new calculation rule prior to establishing the new plan in the system.	Addressed	FS	NM	NM

2-11



STATE OF KANSAS

EVALUATION OF HUMAN RESOURCE SYSTEM ALTERNATIVES AGAINST THE "MODEL" REQUIREMENTS

Price Waterhouse

CRITICAL SUCCESS FACTOR: 16.0 A SYSTEM CAPABLE OF INTERFACING WITH THE BENEFITS ADMINISTRATION SYSTEM

RQRMNT NUMBER	REQUIREMENTS	APPENDIX A KAHRS PROJ.	KIPPS	"VANILLA" INTEGRAL	KAHRS TO DATE
16.6	At a minimum, the ability to produce reports necessary to monitor and track the following: <ul style="list-style-type: none"> o total plans by type and the number of participants o deduction and contribution amounts by plan, by employee, and by pay period o payments due to carriers by pay period and by reporting period o historical reports 	Addressed	PS	NM	NM
16.7	Process the state's retirement plan.	Addressed	FS	NM	NM
16.8	Maintain employee beneficiary information by plan if necessary.	Addressed	NM	PS/NM	PS/NM
16.9	Accomodate discrimination testing when defined by the feds.	Partially addressed	NM	NM	NM
16.10	Comply with any deferred compensation plans supported by the State.	Addressed	FS/PS	FS	FS
16.11	Support a flexible spending or cafeteria plan.	Addressed	PS	PS/NM	PS
16.12	Provide an employee benefits statement.	Addressed	FS	PS/NM	PS/NM
16.13	Interface with the payroll/personnel system such that appropriate "to-date" buckets are updated on a payroll frequency basis, and maintained for the appropriate reporting periods.	Addressed	NM	PS	FS

7-62

APPENDIX C

**STATUS OF EACH MAJOR FUNCTIONAL AREA
WITHIN KAHRS RELATED TO THE
SYSTEM DEVELOPMENT LIFE CYCLE TASKS**

APPENDIX C

Appendix C contains a cross reference of the 16 critical success factors developed in the Price Waterhouse (PW) human resource (HR) requirements model discussed in Appendix A and B to the system development life cycle (SDLC) tasks that needed to be performed on the KAHRS project.

When implementing a system with the size and complexity of KAHRS, the project needs to follow a "road map" that directs the project towards the desired goals. The data processing industry has adopted the terminology "System Development Life Cycle" to describe the steps that need to be taken to ensure successful implementations of large computer applications. As depicted on Exhibit C-1 these steps are as follows:

- REQ DEF = Requirements definition document (functional system definition)
- SYS DSG = General and detailed system design document (represents to "bridge" from functional analysis to technical analysis)
- PG/UT SPEC = Program specification and unit test specification development (Describes for the programmer what their code is to do; Describes to a quality control person what the program must do to be considered complete)
- CODE/UNIT = Code the programs and perform unit testing
- SYS TEST = Develop system test plan and perform the system test
- ACC TEST = Develop user acceptance test plan and conduct the test
- CONV EXEC = Develop the data conversion plan, create the conversion sub-system and execute the data conversion process
- TRNG EXEC = Develop the training plan, the training material and conduct training courses
- SYS DOC = Develop all system documentation to include user, operations maintenance manuals
- POST IMPL = Conduct a post implementation review

The exhibit than evaluates the status of each of the functional critical success factor categories in relation to the SDLC steps that need to be performed. The rating criteria are as follows:

- F = Fully met by the KAHRS project
- P = Partially met by the KAHRS project
- U = Not met by the KAHRS project
- NA = Not applicable

As a result of this analysis, we conclude that the number of tasks still remaining to be completed within the KAHRS project are substantial. This information was used to develop the weighting criteria for determining the percentage of project completion discussed in Appendix A.

CROSS REFERENCE BETWEEN THE PW CRITICAL SUCCESS FACTORS
AND THEIR DEGREE OF COMPLETENESS RELATED TO
THE KAHRS SYSTEM DEVELOPMENT LIFE CYCLE TASKS

EXHIBIT C-1

MODEL NO.	CRITICAL SUCCESS FACTOR DESCRIPTION
1.0	NEED TO MAINTAIN A COMPREHENSIVE EMPLOYEE DATABASE
2.0	AN AUTOMATED PERSONNEL SYSTEM CAPABLE OF SUPPORTING THE HIRING/MAINTAINING AND REPORTING NEEDS OF THE STATE
3.0	A PAYROLL/PERSONNEL PROCESS THAT IS TABLE DRIVEN
4.0	A TIME AND ATTENDANCE FRONT-END CAPABLE OF DECENTRALIZED EXCEPTION AND POSITIVE INPUT OF TIME WORKED
5.0	A SYSTEM THAT ALLOWS PAID HOURS REPORTED TO BE IDENTIFIED TO SPECIFIC COST CODES
6.0	A SYSTEM CAPABLE OF MAINTAINING AN AUTOMATED LEAVE ACCOUNTING SYSTEM
7.0	A SYSTEM THAT COMPUTES GROSS PAY BASED ON HOURS WORKED AND ENTITLEMENTS EARNED
8.0	A SYSTEM THAT COMPUTES MISCELLANEOUS DEDUCTIONS
9.0	A SYSTEM THAT COMPUTES TAXES
10.0	A SYSTEM CAPABLE OF MAKING PAYROLL DISTRIBUTIONS
11.0	A SYSTEM THAT MAINTAINS MULTIPLE YEARS OF HISTORY
12.0	A SYSTEM THAT SUPPORTS AND MAINTAINS THE INTEGRITY OF PAYROLL ADJUSTMENTS
13.0	A SYSTEM THAT CAN BE EXPANDED TO HANDLE SPECIAL PROCESSING AND INTERFACE REQUIREMENTS
14.0	A SYSTEM THAT CONTAINS TECHNICAL CHARACTERISTICS MAKING IT FLEXIBLE AND EASY TO ENHANCE AND MAINTAIN
15.0	MAINTAIN POSITION INFORMATION AND CONTROL OVER THE INFORMATION SUCH THAT EMPLOYEES ARE NOT HIRED INTO A POSITION UNTIL THE POSITION IS AUTHORIZED AND FUNDED
16.0	A SYSTEM CAPABLE OF INTERFACING WITH THE BENEFITS ADMINISTRATION SYSTEM

REQ DEF	SYS DGN	PG/UT SPEC	CODE UNIT	SYS TEST	ACC TEST	CONV EXEC	TRNG EXEC	SYS DOC	POST IMPL
F	P	P	P	U	U	P	P	P	U
P	P	U	U	U	U	P	U	P	U
P	P	P	P	U	U	P	P	P	U
P	U	U	U	U	U	NA	U	U	U
F	P	P	P	U	U	NA	U	P	P
F	P	P	P	U	U	NA	U	P	U
F	P	P	P	U	U	NA	U	P	U
F	P	P	P	U	U	NA	U	P	U
F	P	P	P	U	U	NA	U	P	U
F	U	U	U	U	U	U	U	U	U
F	U	U	U	U	U	NA	U	U	U
F	P	U	U	U	U	U	U	U	U
P	P	P	P	U	U	NA	U	P	U
F	F	P	P	U	U	P	P	P	U
P	P	P	P	U	U	P	P	P	U

2-2

APPENDIX D

**STATUS OF OTHER HR-RELATED SYSTEMS
CURRENTLY OPERATING ON THE
UNISYS COMPUTER**

APPENDIX D

As a result of discussions with Department of Information Systems and Communications, we were able to identify the following systems operating on the Unisys computers. The Exhibit that follows identifies by application/system the following:

- the user agency
- a contact person
- indication regarding any plans for conversion to another platform
- a comment on the overall status of the system

The three page exhibit first identifies human resource related application followed by non-human resource related applications.

State of Kansas
 KAHRS Project Review
 Status of Other Human Resource Applications on UNISYS

Exhibit D-1
 Page 1 of 3

SYSTEM	USER AGENCY	CONTACT PERSON	CONVERSION APPROACH	STATUS
ROCKS	A+R	Cecil Rothers	Will be connected with KIPPS	Pending KAHRS decision
CAESES	A+R	Cecil Rothers	Convert to AS/400	No conversion timeframe defined
GHI DIRECT BILLING	DPS	Juon Allman	Convert to AS/400	No conversion timeframe defined
PAYROLL SECTION	A+R	Janice Magathan	Should be included in scope of new HRMS	Review for scope inclusion; systems to support "paper" agencies
INCOME TAX REFUNDS/WARRANTS	A+R	Cecil Rothers	Convert to AS/400	Programs complete; need approval to implement
UNION DUES	A+R	Cecil Rothers	Should be included in scope of new HRMS	Review HRMS requirements to ensure inclusion
CASK	A+R	Bill Southard	Some replaced by STARS, others by KAHRS and/or AS/400	Needs further analysis
AD HOC REPORTS	DPS	Errol Williams	Should be included in scope of new HRMS	Review for inclusion in HRMS scope
PC FAMILY	DPS	Errol Williams	Should be included in scope of new HRMS	Review for inclusion in HRMS scope
FILE EXTRACTS/ DOWNLOADS	DPS	Errol Williams	Should be included in scope of new HRMS	Review for inclusion in HRMS scope
APPLICANT TRACKING	DPS	Errol Williams	Current plan to implement modified INTEGRAL product	Needs further analysis
PERSONNEL GRADING	DPS	Errol Williams	To be determined	Scanner system must interface applicant module

61-2-19

State of Kansas
 KAHRS Project Review
 Status of Non-Human Resource Applications on UNISYS

Exhibit D-1
 Page 2 of 3

SYSTEM	USER AGENCY	CONTACT PERSON	CONVERSION APPROACH	STATUS
Municipal Accounting File/Labels	A+R	Steve Seawall	Labels converted to PC	Accounting file contents must be evaluated
Accounts & Reports Set-Off (SAPS)	A+R	Cecil Rothers	To be determined	Administrators decision pending on three options: 1. Move to AS/400 2. Keep as is 3. Enhance the current system
Budgetary and Expenditure Reports	A+R	Roger Rooker/ Leroy Tralle	Some reports converted to dBASE	Needs further analysis for remaining reports
Special Claims	A+R	Jerry Serk	To be determined	Conversion approach must be defined
Systems and Procedures	Disc-Control	Gail Sloyer/ Bruce Oliver	No conversion required	Would not be required if UNISYS eliminated
Project Time Reporting System	DISC	Bruce Oliver	To be determined	Would require conversion or new system
Technical Support/ Work Requests	A+R	Cecil Rothers	To be determined	Needs further analysis
Programming and Control	A+R	Cecil Rothers/ Roger Rooker	To be determined	Needs further analysis
Accounts Receivable Set-Off (ARSO)	A+R	Cecil Rothers	To be determined	Administrative decision pending on three options: 1. Move to AS/400 2. Keep as is 3. Enhance the current system

2-70

State of Kansas
 KAHRS Project Review
 Status of Non-Human Resource Applications on UNISYS

Exhibit D-1
 Page 3 of 3

SYSTEM	USER AGENCY	CONTACT PERSON	CONVERSION APPROACH	STATUS
County Ad Valorem Tax	A+R	Roger Rooker	To be determined	No conversion plan
Motor Vehicle Ad Valorem Tax	A+R	Roger Rooker	To be determined	No conversion plan
CENPAY	A+R	Cecil Rothers	Convert to AS/400	No conversion timeframe defined
Inventory (Paper)	A+R	Cecil Rothers	Convert to AS/400	Partially complete; needs more definition
Capital Outlay	DOA	Cecil Rothers	To be determined	Needs further analysis
APRO	KDHE	Jim Green	To be determined	Needs further analysis
Downsystems	DISC	Joe Hennes	To be determined	Needs further analysis
APRO	KCC	Lowell Shaefer	PC/Oracle	To be completed 1st qtr. 1991
RDOCKET (Invoicing)	KCC	Lowell Shaefer	PC/Oracle	To be completed 1st qtr. 1991
Motor Pool	DOA	Orion Jordan	PC/Focus	Needs further analysis
BUSTABLAB (Labels)	DOA	Ann Strecker	Will not be converted	Will print sufficient labels for several years at system's end

2-71

APPENDIX E

**PROJECT ORGANIZATION AND
STAFFING REQUIREMENTS**

APPENDIX E

As with any large project, the implementation of a Human Resource (HR) software package requires project personnel and a project management structure with specific skill sets and proven expertise in the human resource implementation arena. This section discusses the project organization and people skills necessary for a project like KAHRS. Exhibit E-1 depicts the project organization and management structure described in this appendix.

PROJECT MANAGEMENT

A project with the size and complexity of KAHRS requires a project management team consisting of the following:

- Project steering committee
- Project manager
- Project team managers in the following areas:
 - Functional user group team
 - System construction team
 - Quality control and testing team
 - System support team

The project steering committee must be chaired by a State manager with the authority to make the "tough" decisions. We recommend that the chairperson be the Secretary of Administration. The remainder of the steering committee is made up of the directors of the divisions within the State of Kansas Government whose mission it is to support, maintain and operate the State's human resource system environment. They would include:

- Accounts and Records (A&R)
- Personnel Services (DPS)
- Information Services and Communications (DISC)
- Select agency representatives

The steering committee for the most part is removed from the day-to-day project management and instead concentrates on issues involving the interpretation and defining of State policies and procedures affecting the HR environment and the impact the new system will have on that environment. Their mission is to remain neutral to specific issues where "sides" are taken and to provide answers to these sensitive issues that are in the best interests of the State of Kansas.

The project manager reports to the steering committee on a regular basis regarding project status. The project manager is responsible for the day-to-day operations of

the HR system implementation effort. This person must be experienced in the implementation of large mainframe systems and understand the use of a system development life cycle (SDLC) methodology. They should also possess expertise in the human resource application area(s), have experience in the target technical environment and should have hands-on experience in the implementation and use of HR software packages for the public sector.

The project's "middle" management structure aligns itself closely to the major tasks within the SDLC and as a result must possess very specific skill sets.

The user group manager is responsible for the functional definition of the new system and as such has substantial involvement in the early phases of the project. This individual's knowledge of the HR environment within the State of Kansas is essential. As the project moves into the more technical phases, this individual and their group is responsible for defending the integrity of the functional definition of the system. Other major areas of involvement include the production of user documentation and training material.

The construction team manager is responsible for the technical design of the new system and the subsequent coding of modifications and table set-up for the HR software package. As such, expertise in the chosen software package and the technical environment under which the software will be developed and eventually operate are critical skills. Knowledge of the HR application(s) within the State of Kansas would be a desired skill set as well.

As the system moves from coding into the testing phases of the implementation effort, quality control becomes a major issue. There are at a minimum four (4) phases of testing, unit testing, system testing, parallel/pilot testing and user acceptance testing. The quality control manager is responsible for the testing and sign-off of the system, or parts of the system, as the project moves through these testing tasks. As such, thorough knowledge of what the system was designed to perform is imperative as well as a working knowledge of the new system's technical environment.

Finally, the system support manager is responsible for defining and establishing the technical environment on the mainframes within the State of Kansas data centers for the new HR system. As the system moves through the SDLC, this will include the establishing of a development environment, a test environment, a training environment and eventually a production environment. A such knowledge of the target system and how it will eventually operate is critical. This individual will be involved in all aspects of the technical design and definition tasks.

THE PROJECT TEAM MEMBERS

Each of the middle level managers has a team of HR professionals assigned to them. The four teams are as follows:

- The system support team
- The construction team
- The testing and Quality Assurance (QA) team
- The user group team

The system support team is comprised of the database administrator (DBA), production control specialists and systems programmers. The DBA manages the use of the database management system used as the data repository for the HR system and all tasks associated with adding, changing or deleting of data elements. Also, this individual oversees the system optimization effort performed during the volume/stress testing of the new system. The production control professionals are responsible for producing all operations procedures associated with the new HR system. The system programmers have responsibility for, among other things system optimization, planning for and applying any updates or new releases to the HR software package selected and setting up any backup and recovery procedures for the system development effort.

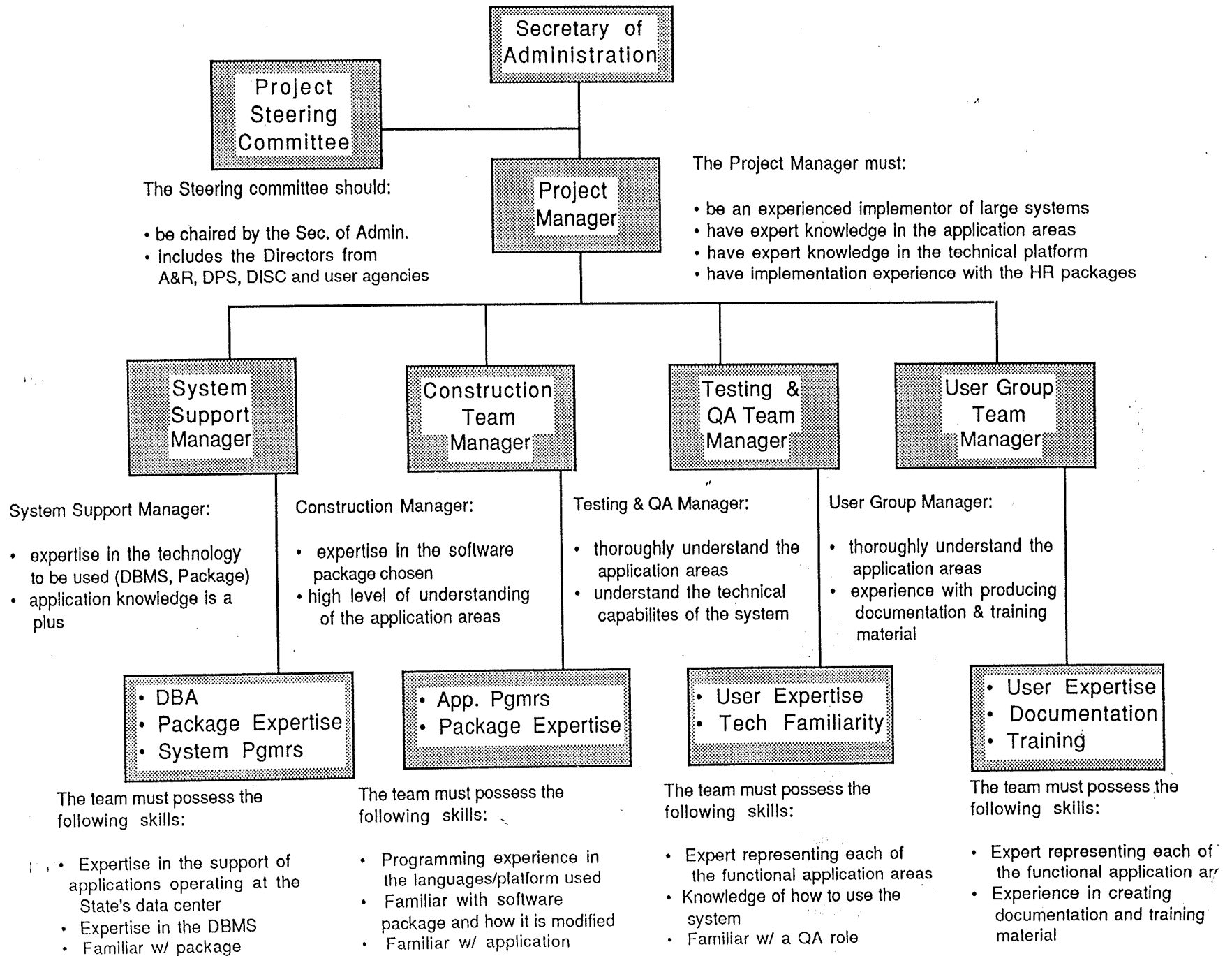
The construction team is responsible for the coding of all software package system modifications, interface programs, report programs and setting up the HR software package's data table. These individuals should possess a sufficiently high level of expertise in the programming languages being used (i.e COBOL, CSP, etc.) and the report writer (FOCUS, QMF, etc.). They should also have working knowledge of the development environment and the eventual production environment. Knowledge in the application areas affected by the new HR system and the software package selected is desirable.

The testing and quality assurance team is responsible for the creation of all test specifications (i.e unit, system, acceptance, etc.), the execution of the test specifications and the eventual sign-off of a test specification indicating the correct results have been attained and that a program or group of programs is operating correctly. These individuals must possess an expert level of knowledge in how the State of Kansas operates their HR environment and how the new system is defined to operate within this environment. They must also have knowledge of the technical environment the new system will be tested and eventually operate within.

The user group team is comprised of individual users from selected agencies within the State of Kansas. Their sole responsibility is to assist in the definition of what the new system must provide them in order for them to execute their job description. Once the definition of the system is agreed upon, this group performs reviews of the the system throughout the testing phases to make certain that functionality desired in the new system is present.

SUGGESTED KAHR'S PROJECT ORGANIZATION CHART

Exhibit E-1



2-76

APPENDIX F

**LIST OF INTERVIEWEES AND
RELEVANT KAHRS DOCUMENTATION REVIEWED**

APPENDIX F

Our factfinding began on February 18, 1991 and concluded March 8, 1991. Exhibit F-2 contains a list of the KAHRS project team members and support personnel interviewed during this time. Exhibit F-2 contains a list of the documentation reviewed by the Price Waterhouse team.

Interview List

Secretary of Administration

Art Griggs

Director of the Division of Information Systems and Communications (DISC)

Russell Getter

Director of the Division of Accounts and Reports (A & R)

James Cobler

Director of the Division of Personnel Services (DPS)

Susan Irza

Assistant Director of Purchases (KFIS Project Director)

Jerry Merryman

Deputy Director of the Bureau of Information Resource Management

Roberta Giovannini

Deputy Director of the Bureau of Information Systems

Dale Johnson

System Analyst & Programming Manager

Joe Wishall

KAHRS/KIPPS System Development and Application Support Staff

Janelle Burgardt

Tim Griffin

Tami Rousey

Kathy Hinman

Emily Knoll

Kathy Cummings

Bruce Oliver

Dona Renken

Ivan Hatch

Joyce Hanschu

Tammy Kerwin

Kim Milner

Jill Davis

Rod Schmidt

Interview List (cont'd)

Division of Personnel Services Functional Staff for KAHRS

Terry Bernatis
Mary Adkins
Judy Allman
Linda Kinney
Ann Koci
Bobbie Mariani
Rebecca Mile
Jim Janousek

Division of Accounts and Records Functional Staff for KAHRS

Janice Magathan
Lisa Kerwin
Melissa Shannon

Division of Information System and Communication Technical Support

John Oliver
John Wilson
Dave Timpany

Division of Accounts & Records Technical Support

Cecil Rothers
Leroy Tralle
Bill Southard

Documentation Reviewed

KAHRS Work Paper Files (to include by not limited to):

- Review of the modifications made to the INTEGRAL software package
- Review of planning documents to include:
 - data/system security
 - agency communication
 - conversion plan
 - implementation strategy(s)
 - regents inclusion in KAHRS
 - system interface strategies
 - test plans to include pilot agency identification
 - training plans
 - documentation plans
- Review of status/issue memos and position papers pertaining to:
 - applicant tracking
 - payroll
 - position control
 - personnel
- Review of work-to-date related to the modifications made
 - requirements analysis
 - modification analysis
 - design specifications
 - program specifications and code produced
 - unit testing of new code
 - thoroughness of the documentation for each SDLC step
 - issue resolution procedures and status thereof
 - test problem resolution procedures and status thereof
 - signoff procedures and status of each modification
 - data dictionary
 - INTEGRAL table setup
- Review of the KAHRS system to-date; A walkthrough of the systems capabilities as it existed when the project was put on hold.

KIPPS Documentation to Include:

- Review of the Requirements Document dated 1979
- Review of the User Manual dated 1983

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs)

Bill No. 2456

Bill Sec. 23

Analyst: Conroy

Analysis Pg. No. 711

Budget Page No. 378

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,395,650	\$ 3,362,553	\$ --
Aid to Local Units	44,878,518	44,878,518	--
Other Assistance	181,550,833	181,550,833	--
Total	<u>\$ 229,825,001</u>	<u>\$ 229,791,904</u>	<u>\$ --</u>
State General Fund:			
Aid to Local Units	\$ 44,878,518	\$ 44,878,518	\$ --
FTE Positions	65.0	65.0	--

Agency Request/Governor's Recommendation

FY 1991. The agency's FY 1991 estimate totals \$229,825,001. The revised FY 1991 estimate for operating expenses is \$3,395,650 or \$5,015 less than the currently authorized amount of \$3,400,665. The agency's FY 1991 estimate for state aid to local units of government for public school employers' contributions is \$44,878,518 which includes a State General Fund supplemental request of \$2,113,003. The FY 1991 revised estimate for other assistance of public employee benefits is \$181,550,833 or \$4,463,694 above the original FY 1991 amount.

The Governor's recommendation for FY 1991 is \$229,791,904 which does include a reduction of \$33,097 in state operations, most notably for employee and dependent health insurance. The Governor concurs with the agency request for supplemental State General Fund support of \$2,113,003 for public school employers' contributions. The Governor also concurs with the agency's revised estimate of \$181,550,833 for employee benefits.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Make a technical adjustment to correct an oversight in the bill as introduced.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendation.

*3-28-91
SWAM
Attachment 3*

House Committee of the Whole Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adj. FY 91</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 3,362,553	\$ 11,000
Aid to Local Units	--	44,878,518	--
Other Assistance	--	181,550,833	--
Total	<u>\$ --</u>	<u>\$ 229,791,904</u>	<u>\$ 11,000</u>
State General Fund:			
Aid to Local Units	\$ --	\$ 44,878,518	\$ --
FTE Positions	--	65.0	--

The Senate Subcommittee concurs with the House recommendations with the following adjustment:

1. Add \$11,000 for increased postage rates in the current year. The Subcommittee notes that KPERs mails out monthly retirement benefit checks to over 23,000 retirees and dependents.


 Senator August Bogina, Jr.
 Subcommittee Chair


 Senator Frank D. Gaines


 Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees
Retirement System (KPERs)

Bill No. 2049

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 711

Budget Page No. 378

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,544,800	\$ 3,185,266	\$ (105,000)
Aid to Local Units	51,850,300	51,641,054	--
Other Assistance	192,947,884	192,947,884	--
Total	<u>\$ 248,342,984</u>	<u>\$ 247,774,204</u>	<u>\$ (105,000)</u>
State General Fund:			
Aid to Local Units	\$ 51,850,300	\$ 51,641,054	\$ --
FTE Positions	66.0	65.0	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The KPERs operating budget request for FY 1992 totals \$248,342,984. The agency request for state operations of \$3,544,800 is a 4.4 percent increase or \$149,150 above the agency's revised FY 1991 estimate of \$3,395,650. In state operations the agency is proposing that an in-house investment officer position be established. The agency request also contains data processing costs for continued development of the agency's on-line computer system, an image processing feasibility study, a computer software interface, a replacement telephone system, and a telephone call processing system, plus various computer-related capital outlay items. An increase of \$6,971,782 or 15.5 percent is reflected in the local aid amount for public school employers' contributions above the FY 1991 amount. The requested amount reflects an increase in the employer's contribution rate from 3.2 percent to 3.6 percent. Public employees retirements and disability benefits are estimated to increase by 6.3 percent or \$11,397,051.

For FY 1992, the Governor recommends a total budget of \$247,774,204 or \$568,789 below the agency request. The Governor's recommendation for state operations is \$3,185,266 or \$359,534 less than the agency requested. The Governor does not recommend the requested investment officer position. The Governor recommends \$51,641,054 or \$209,246 less than the agency requested for public school employers' contributions. The Governor concurs with the agency's request for public employee benefits.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$72,000 for an image processing feasibility study.
2. Delete \$35,000 for computer software interface programs.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

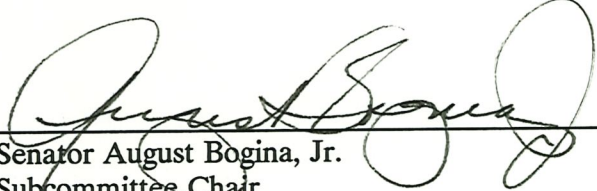
Expenditure Summary	House Adj. FY 92	House Rec. FY 92	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ --	\$ 3,080,266	\$ 109,594
Aid to Local Units	--	51,641,054	--
Other Assistance	--	192,947,884	--
Total	<u>\$ --</u>	<u>\$ 247,669,204</u>	<u>\$ 109,594</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ 6,000
Aid to Local Units	--	51,641,054	--
	<u>\$ --</u>	<u>\$ 51,641,054</u>	<u>\$ 6,000</u>
FTE Positions	--	65.0	1.0

The Subcommittee concurs with the House recommendations with the following adjustments:

1. Add \$26,400 for increased postage rates. The Subcommittee notes that KPERS mails out monthly retirement benefit checks to over 23,000 retirees and dependents.
2. Add \$6,000 (State General Fund) for experience valuations of local police and fire retirement systems. Kansas law requires that KPERS conduct the valuations and that funding for the studies not be financed from the KPERS Fund.

3. Add \$77,194 and 1.0 unclassified FTE position for an investment officer. The investment officer would analyze and monitor the activities of the various investment managers, particularly in the direct placement area. The position would provide in-house expertise who could counsel the Board of Trustees as well as interpret reports and coordinate the managers' and consultants' activities. The Subcommittee notes that the agency requested this position in the September 15, 1990 budget request.

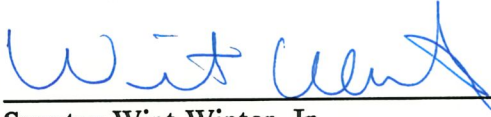
4. The Subcommittee recommends that within the omnibus retirement bill that the FY 1993 KPERS certified employer contribution rate be accelerated to FY 1992. Actuarial studies indicate the KPERS State (school and nonschool) employer rate will drop from the currently certified rate for FY 1992 of 3.6 percent of covered payroll to 3.3 percent of covered payroll in FY 1993. The estimated savings for the acceleration to the state in FY 1992 include \$6,748,296, of which \$5,829,318 would be from the State General Fund.



 Senator August Bogina, Jr.
 Subcommittee Chair



 Senator Frank D. Gaines



 Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission **Bill No.** 2456 **Bill Sec.** 24
Analyst: Mah **Analysis Pg. No.** 688 **Budget Page No.** 464

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 252,594	\$ 249,401	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

FY 1991. The Commission estimates current year expenditures at \$252,594 from the State General Fund, the same amount approved by the 1990 Legislature. Of the approved amount, \$9,825 is for additional operating expenditures which are associated with passage of 1990 Senate Sub. for Sub. H.B. 3065. This legislation, among other things, expanded the Commission from five to nine members and required the appointment of an Executive Director from existing staff. Expenditure of the \$9,825 was made subject to State Finance Council approval because the legislation was still pending when final action on the Omnibus Bill was taking place. Release of the funds was an issue brought before the State Finance Council during a November meeting. There was no action taken by the Council to release the funds. The current year estimate includes \$198,000 for salaries and wages and \$54,594 for all other operating expenditures.

The Governor's current year recommendation of \$249,401 from the State General Fund reduces the Commission's estimate by \$3,193. Part of the reduction (\$1,734) is because of adjustments to salary and wage expenditures to reflect current rates for fringe benefit costs. The Governor also reduces the Commission's current year estimate for all other operating expenditures by \$1,459. The \$9,825 for operating expenditures which was subject to release by the State Finance Council is lapsed and a supplemental appropriation of \$6,632 is provided in order to cover the cost of the recommended expenditures.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

3-28
SWAM
Attachment 4

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.


<u>Expenditure Summary</u>	<u>House Adj. FY 91</u>	<u>House Rec. FY 91</u>	<u>Senate Sub. Adjustments</u>
State Operations: State General Fund	\$ --	\$ 249,401	\$ --
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



 Senator Joseph Harder
 Subcommittee Chair



 Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission **Bill No.** 2049 **Bill Sec.** 3
Analyst: Mah **Analysis Pg. No.** 688 **Budget Page No.** 464

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 360,436	\$ 295,312	\$ (8,859)
FTE Positions	9.0	6.0	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The Commission requests an FY 1992 budget of \$360,436. The request includes \$76,443 for salaries and other expenses associated with the addition of 3.0 FTE unclassified positions. The increase in FTE positions is for two new Report Examiners and one new Office Assistant III. The Office Assistant III position would not be filled until the middle of the fiscal year. Other revisions from the current year estimate increase expenditures by \$14,466 for printing, \$5,000 for fees--professional services to produce an education video tape pertaining to the state conflict of interest area, and \$11,933 for all other expenses.

The Governor's FY 1992 recommendation of \$295,312 from the State General Fund reduces the Commission's request by \$65,124. Adjustments were made to salary and wage expenditures to delete funding for the 3.0 new FTE positions and to reflect current rates for fringe benefit costs. Funding also was added to salary and wage expenditures to provide for temporary positions to assist existing staff with the added duties associated with extending the Campaign Finance Act to local candidates. The Governor's reduces the Commission's request by \$30,475 for all other operating expenditures, including the operating expenditures associated with the requested 3.0 new FTE positions and funds to produce a state conflict of interest education video tape.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Make any technical adjustments to the FY 1992 appropriation bill (H.B. 2049) so that the bill reflects the Governor's intent.
2. Delete \$8,859 from the State General Fund for an overall reduction of 3.0 percent in operating expenditures.

3. The Subcommittee understands that legislation has been introduced, S.B. 218 and H.B. 2454, which would generate revenues by increasing or imposing fees on certain entities that are regulated by the Public Disclosure Commission. H.B. 2454 also would provide that the Commission may adopt rules and regulations fixing reasonable fees for its published materials in order to recoup costs from persons who request the items. All of the fees would be credited to a fee fund that would be established for the Commission to provide for its state operations. (Current law, K.S.A. 46-265, provides only for a lobbyist registration fee of \$15 that goes to the State General Fund). The Subcommittee recommends that, should such legislation be enacted, funding for the Commission be reviewed when the Omnibus Bill is considered. The Subcommittee is specifically concerned about the need for this review because of the increase in responsibilities for the Commission with the passage of the 1989 Campaign Finance Act. The legislation extended the Campaign Finance Act to candidates for elective office in cities of the first class, counties, and the Boards of Public Utilities in Kansas City. The election year of 1990 was the first time that candidates for some of these offices had to file designated forms and annual reports which are required by the Campaign Finance Act. The election year of 1992 will be the first time that an estimated 1,800 county candidates must comply with the Campaign Finance Act.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.


<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ (8,859)	\$ 286,453	\$ --
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



 Senator Joseph Harder
 Subcommittee Chair



 Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Commission on Civil Rights

Bill No. 2456

Bill Sec. 25

Analyst: Piekalkiewicz

Analysis Pg. No. 707

Budget Page No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,106,208	\$ 1,081,940	\$ --
Federal Funds	439,916	364,816	20,100
TOTAL	<u>\$ 1,546,124</u>	<u>\$ 1,446,756</u>	<u>\$ 20,100</u>

Agency Request/Governor's Recommendation

The Commission estimates FY 1991 operating expenditures of \$1,546,124, a net increase of \$41,772 over the amount approved by the 1990 Legislature, due to an increase in federal funds and an expenditure of funds which were to be reappropriated to FY 1991 from FY 1990. A portion of the additional federal funds (\$55,000, HUD Initiatives Fund) were awarded for education outreach about fair housing. No investigative or compliance activities may be carried out under this funding. The agency intends to expend the additional funds as follows: \$4,555 in communications, \$15,400 in printing, \$10,996 in travel, \$7,602 in professional services, \$1,496 in office supplies, and \$14,951 in capital outlay.

The Governor's FY 1991 recommendation of \$1,446,756 is a reduction of \$99,368 from the agency's estimate. Reductions include \$43,349 from salaries due to health insurance and shrinkage rate adjustments, \$4,555 from communications, \$15,518 from printing, \$11,627 from travel and subsistence, \$7,602 from professional services, and \$14,951 from capital outlay. Recommended financing for FY 1991 includes \$1,081,940 from the State General Fund (a reduction of \$24,268 from the agency estimate) and \$364,816 from federal funds (a reduction of \$75,100). The Governor's recommendation does not include \$55,000 from the HUD Initiatives Fund.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following exception:

1. Increase the expenditure limitation on federal funds from \$364,816 to \$384,916 to allow the agency to expend those federal funds available in the current year. The Subcommittee notes that the limitation would still be \$5,344 less than the amount set by the 1990 Legislature. The agency has indicated that the additional \$20,100 in federal funds will be used to cover salary costs in the current year. This expenditure limitation does not include \$55,000 in federal HUD Initiatives Funds, the expenditure of which was authorized by Executive Order.

3-28-91
SWAM
Attachment 5

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

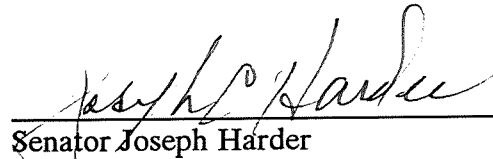
House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

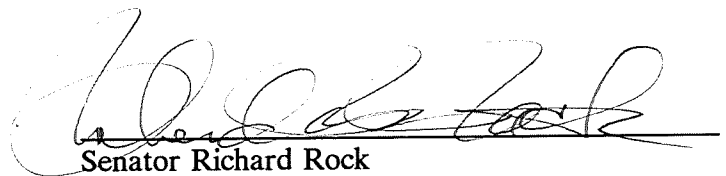
<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 1,081,940	\$ --
Federal Funds	20,100	364,916	--
TOTAL	<u>\$ 20,100</u>	<u>\$ 1,446,856</u>	<u>\$ --</u>
FTE Positions	--	40.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House.



Senator Joseph Harder
Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Commission on Civil Rights

Bill No. 2049

Bill Sec. 4

Analyst: Piekalkiewicz

Analysis Pg. No. 707

Budget Page No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,238,180	\$ 1,114,522	\$ (41,963)
Federal Funds	345,095	395,562	52,605
TOTAL	<u>\$ 1,583,275</u>	<u>\$ 1,510,084</u>	<u>\$ 10,642</u>
 FTE Positions	 40.0	 40.0	 (1)

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

The agency requests \$1,583,275 for FY 1992 for the salaries of 40.0 FTE positions and other operating costs. The request represents a 7.6 percent increase above the revised FY 1991 estimate and includes \$1,238,180 from the State General Fund (an 11.9 percent increase) and \$345,095 from federal funds (a 21.6 percent reduction). The portion of the budget financed from federal funds would decrease from 28.4 percent to 21.8 percent to enable the agency to maintain a federal fund ending balance of \$20,000.

The Governor recommends \$1,510,084 for FY 1992 expenditures, a reduction of \$73,191 from the agency's request, including reductions of \$57,914 in salaries and wages, \$6,683 in travel costs, and \$4,405 in professional services. Recommended FY 1992 financing includes \$1,114,522 from the State General Fund (a reduction of \$123,658 from the agency request) and \$395,562 from federal funds (26.2 percent of the total, an increase of \$50,467). The Governor recommends a federal fund ending balance of \$2,717.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$30,500 from the State General Fund for an Investigator I position which currently is unfilled and has been for the entire fiscal year.
2. Delete \$11,463 from the State General Fund to increase the shrinkage rate from 4.0 percent recommended by the Governor to 5.0 percent.

3. Increase the expenditure limitation on federal funds from \$395,562 to \$448,167 to allow the agency to expend those federal funds available in FY 1992. The agency has indicated that the additional \$52,605 in federal funds will be used for salaries and other operating expenditures. Subsequent to the budget submittal, the agency was informed that it would be receiving additional federal funds. Information about these additional funds was not available to the agency or to the Governor prior to this month. The federal fund analysis shown below reflects the Subcommittee's recommendations for FY 1991 and FY 1992.

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991*</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 13,188	\$ 17,795	\$ 107,892
Net Receipts	400,909	475,013	372,588
Total Funds Available	<u>\$ 414,097</u>	<u>\$ 492,808</u>	<u>\$ 480,480</u>
Less: Expenditures	396,302	384,916	448,167
Ending Balance	<u><u>\$ 17,795</u></u>	<u><u>\$ 107,892</u></u>	<u><u>\$ 32,313</u></u>

* Does include HUD Incentive Funds.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

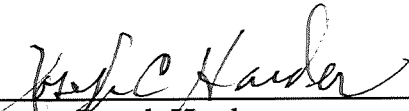
House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

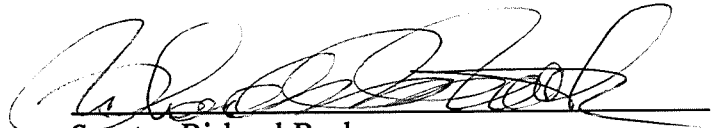
<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (41,963)	\$ 1,072,559	\$ --
Federal Funds	52,605	448,167	--
TOTAL	<u><u>\$ 10,642</u></u>	<u><u>\$ 1,520,726</u></u>	<u><u>\$ --</u></u>
FTE Positions	(1)	39.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Joseph Harder
Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission Bill No. 2456 Bill Sec. 26
 Analyst: Rothe Analysis Pg. No. 696 Budget Page No. 130

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>House Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 11,439,956	\$ 11,167,222	\$ --
Other Assistance	2,798,523	2,798,523	--
Total	<u>\$ 14,238,479</u>	<u>\$ 13,965,745</u>	<u>\$ --</u>
FTE Positions	237.5	237.5	--

Agency Request/Governor's Recommendation

For FY 1991, the Commission's expenditure estimate of \$14,238,480 includes \$13,591,399 from special revenue funds and \$647,080 from federal funds. The estimate is \$111,987 above the amount approved. The 1990 Legislature approved the expenditure of \$189,450 for costs associated with moving to a new headquarters building in west Topeka. The KCC spent \$76,458 for moving costs in FY 1990 and will spend the remainder, \$112,992, in FY 1991. Numerous position reallocations have been made throughout the agency without changing approved salary expenditures.

The Governor's FY 1991 recommendation of \$13,965,745 is a reduction of \$272,734 from the Commission's estimate. Recommended reductions include \$89,291 from salaries due to benefit adjustments, \$62,460 from moving costs, \$11,369 from communications, \$17,461 from travel, \$80,000 from contractual legal services, and \$12,153 from other sources. The FY 1991 recommendation includes \$502,835 approved by the Finance Council to provide for legal and financial consultant services in response to a proposed merger of KG&E of Wichita with the Kansas Power and Light Company of Topeka.

House Subcommittee Recommendation

FY 1991. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make technical adjustments in the agency's FY 1991 supplemental appropriations bill (H.B. 2456) to reflect the Governor's budget recommendation.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

3-28-91
 SWAM
 Attachment 6

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ --	\$ 11,167,222	\$ 6,445
Other Assistance	--	2,798,523	--
Total	<u>\$ --</u>	<u>\$ 13,965,745</u>	<u>\$ 6,445</u>
 FTE Positions	 --	 237.5	 --

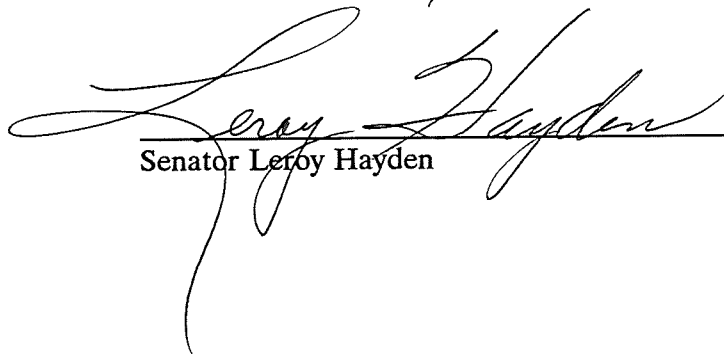
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House, with the following adjustment:

1. Add \$6,445 from the Public Service Regulation Fund to reduce the salary shrinkage rate from 6.1 percent to zero for the Citizens' Utility Ratepayers Board (CURB). The Subcommittee notes that CURB, with just 3.0 FTE positions, has experienced no shrinkage savings to date and anticipates none for the remainder of FY 1991.



Senator Ross Doyen
Subcommittee Chair



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission Bill No. 2049 Bill Sec. 5
 Analyst: Rothe Analysis Pg. No. 696 Budget Page No. 130

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>House Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 12,572,060	\$ 10,970,926	\$ (152,702)
Other Assistance	2,448,492	971,980	--
Total	<u>\$ 15,020,552</u>	<u>\$ 11,942,906</u>	<u>\$ (152,702)</u>
 FTE Positions	 233.5	 233.0	 (1.0)

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

For FY 1992, the Commission requests expenditures of \$15,020,552, an increase of \$782,073 above the current year estimate. The request would finance 233.5 FTE positions, a net reduction of 4.0 FTE positions. Five clerical positions are deleted due, generally, to computer efficiencies. CURB requests \$42,458 for a second Attorney.

The Governor's FY 1992 recommendation of \$11,942,906 is a reduction of \$3,077,646 from the Commission's request. The Governor concurs with the addition of 1.0 FTE Attorney for CURB. Recommended reductions include \$427,493 from salaries, \$721,955 from capital outlay, \$10,878 from commodities, \$440,808 from contractual services, and \$1,476,512 from the federal Energy Grants Management Fund due to the declining availability of oil overcharge funds.

House Subcommittee Recommendation

FY 1992. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make technical adjustments to the agency's appropriations bill (H.B. 2049) to reflect the Governor's budget and the Subcommittee's recommendations.
2. Delete 1.0 FTE new Attorney recommended by the Governor for the CURB program and \$38,702 from the Public Service Regulation Fund.
3. Delete \$114,000 from GIS (Geographic Information System) expenditures from the Public Service Regulation Fund. The Subcommittee recommends a full Committee review of GIS expenditures in all state budgets, including personnel needs, long term costs, equipment needs, and any savings associated with the implementation of the GIS system.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ (152,702)	\$ 10,818,224	\$ 124,223
Other Assistance	--	971,980	--
Total	<u>\$ (152,702)</u>	<u>\$ 11,790,204</u>	<u>\$ 124,223</u>
FTE Positions	(1.0)	232.0	--

Senate Subcommittee Adjustments

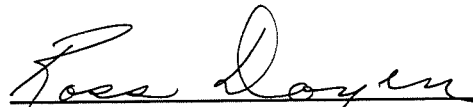
The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

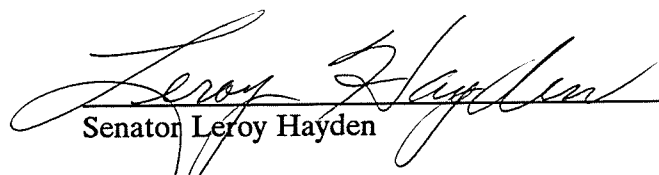
1. Add \$3,223 from the Public Service Regulation Fund to reduce the salary shrinkage rate from 4.4 percent to 2.2 percent for the Citizens' Utility Ratepayers Board (CURB). The Subcommittee notes that the Board employs just 3.0 FTE positions and historically experiences little or no shrinkage savings.
2. Increase the expenditures limitation on the Conservation Fee Fund by \$121,000 for FY 1992 to enable the KCC to accelerate the gas well testing program and to reduce the testing program to 90 days. The Subcommittee further recommends that the KCC utilize the Rules and Regulations process to increase the current assessment on natural gas from 4.0 mills per thousand cubic feet of natural gas to 4.3 mills. Each .10 increase in the mill levy would raise \$58,006. Current KCC orders, which establish the guidelines and procedures for testing the natural gas wells in the Hugoton and Panoma Council Grove fields, require the wells to be tested during an eight-month period from October 1 through May 31 of each year. Traditionally, Commission staff witness most of these tests and control the scheduling of well testing to assure that nearly all of the tests will be witnessed. The Commission's role in testing is to ensure fairness in the testing procedure and to prevent discrimination. The Commission hires petroleum industry regulatory technicians on a temporary basis to assist in this effort and budgets approximately \$35,000 annually for this purpose.

The natural gas companies in the Hugoton and the Panoma Council Grove fields discussed with Commission staff alternatives to the current well testing policy that would accelerate the testing program and reduce the testing period to three months. Most producers would prefer that tests be performed early in the testing period -- during the months of October, November, and early December -- since deliverables will naturally be higher given that the wells have generally been in a state of rest following the lower summer demand period. Testing procedures call for the well to be taken out of production for at least a week. This procedure prevents gas production during the winter months when demand for natural gas is highest. Also, shutting in of certain natural gas for extended periods causes problems for farmers using natural gas for irrigation in the spring months. Avoidance of these time periods effectively leaves October, November, and the early part of December, and March for testing.

Commission staff and industry representatives jointly endorse a proposal to increase the number of temporary gas testers that are hired each year to assist with gas testing in these fields in order to complete the annual gas well testing program in a maximum of 90 days. In order to accomplish this accelerated program, it is proposed that the number of temporary employees be increased to 20 and a satellite office be established in the Garden City area to coordinate the testing program.

3. The Subcommittee reviewed a KCC memorandum indicating its intent to file a GBA to increase the Governor's recommendation for consulting services in the Utilities Division from \$90,000 to \$280,000. The KCC learned that KPL, United Cities, and KEPC each intend to submit rate increase filings within the next four months. The Subcommittee will review the GBA request during its consideration of the Omnibus bill.


 Senator Ross Doyen
 Subcommittee Chair


 Senator Leroy Hayden

