

Approved: 3-27-97
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 10:30 a.m. on March 14, 1997 in Room 123-S of the Capitol.

All members were present except: Senator Feleciano

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Mark Burenheide, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Janet Henning, Committee Secretary

Conferees appearing before the committee: Robert Lay, Director, Kansas Human Rights Commission
Jeff Wagaman, Deputy of Administration
Don Heiman, Director, DISC
Fred Boesch, Chief Information Architect, Department of Administration
Bob Haley, Director of Administration
Rochelle Chronister, Secretary, SRS
Karla Pierce, Project Director, Dept of Revenue
Julia Spainhour, Kansas Sentencing Commission

Others attending: See attached list

It was moved by Senator Morris, seconded by Senator Salmans, that the minutes for March 6th be approved. The motion carried on a voice vote.

Chairman Kerr advised Committee members that the handout entitled "House Committee Adjustments to the Amended Governor's Recommendation" was distributed for their review (Attachment 1).

Senator Ranson reviewed the Subcommittee report for the Commission on Governmental Standards and Conduct (Attachment 2). Senator Ranson moved, Senator Downey seconded, that the Subcommittee report for the Commission on Governmental Standards and Conduct be approved. The motion carried on a voice vote.

Senator Ranson reviewed the Subcommittee report for the Human Rights Commission (Attachment 3). Senator Ranson told Committee members the Human Rights Commission has implemented a mediation program in an effort to reduce the backlog.

Robert Lay, Director, Kansas Human Rights Commission, told Committee members their agency could use unclassified temporary position in an effort to reduce the backlog. Mr. Lay advised their agency lost four investigators and one clerical position in 1995. One investigator could be expected to complete approximately 84 cases during the year.

After a brief discussion among Committee members, Senator Ranson moved, seconded by Senator Downey, to add sufficient funds for two unclassified temporary Investigator positions for one year. The motion carried on a voice vote.

Senator Ranson moved, Senator Downey seconded, to adopt the Subcommittee report for the Human Rights Commission as amended. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Citizens' Utility Ratepayer Board (Attachment 4). Senator Lawrence moved, Senator Gilstrap seconded, that the Subcommittee report for the Citizens' Utility Ratepayer Board be approved. The motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 14, 1997.

Senator Lawrence reviewed the Subcommittee report for the State Corporation Commission (Attachment 5). Senator Lawrence moved, Senator Gilstrap seconded, that the Subcommittee report for the State Corporation Commission be approved. The motion carried on a voice vote.

Senator Salisbury reviewed the Subcommittee reports for the Department of Administration and Public Broadcasting Council (Attachment 6). After a brief discussion among Committee members, Senator Salisbury moved, seconded by Senator Jordan, that the Subcommittee report for the Department of Administration and Public Broadcasting Council be approved. The motion carried on a voice vote.

Jeff Wagaman, Deputy Secretary of Administration, Department of Administration, reviewed the SHaRP human resources and payroll system for Committee members (Attachment 7). Deputy Secretary Wagaman also introduced Don Heiman, Director, Division of Information Systems and Communications (DISC) to explain the costs and reasons for an upgrade for SHaRP.

Don Heiman, Director, DISC, told Committee members their request for funds will be used to implement PeopleSoft Public Sector release 6.0 which will be available in June, 1997 (Attachment 8). This release will be effective until October, 1999. It was proposed to install the PeopleSoft Public Sector release 6.0, skip release 7.0, and accept release 8.0 for installation in 1999. Director Heiman informed Committee members that SHaRP payrolls 60,000 people every two weeks and serves the State human resources needs. The five year costs were estimated at \$26,473,600 and the forecasted actual expenditure is \$29,020,662. The actual cost includes the price for the upgrade to release 6.0. The actual cost also includes \$3,231,805 for the network. The State of Kansas currently spends \$116,000 per year for PeopleSoft maintenance.

Fred Boesch, Chief Information Architect, Department of Administration, told Committee members of steps which are being taken to prepare state agencies with the Year 2000 problems (Attachment 9). Mr. Boesch advised the Kansas Information Resources Council (KIRC) has adopted three policies dealing with the Year 2000 problem. The Information Technology Advisory Board (ITAB) established two Year 2000 committees (a mainframe committee and an AS/400 committee) to address the unique problem faced by the large numbers of state agencies that employ these architectures. The Division of Information Systems and Communications (DISC) has taken steps that not only benefit DISC but also its customers and other state agencies with Year 2000 problems requiring mitigation.

Mr. Boesch told Committee members the latest agency estimates for funding required to effect Year 200 repairs within the State of Kansas are expected to be approximately \$6.5 million from the State General Fund and \$18.4 million. This total does not include Department of Human Resources' estimates which could be as much as \$9.5 million, some of which may be covered by federal funds.

Mr. Boesch also told Committee members that Kansas appears to be among the leading states to address the Year 2000 problem and the costs are consistent with those reported by other states.

Robert Haley, Director of Administration, Kansas Department of Transportation (KDOT), testified before the Committee regarding the replacement of KDOT'S financial and maintenance management systems (Attachment 10). Director Haley advised their agency had requested, and the Governor recommended, \$3 million in the FY 1998 budget for the Business Process Reengineering and Systems Requirements Definition for the financial and maintenance management systems. An additional \$6 million will be requested for FY 1999 and FY 2000 period for the acquisition and implementation of the new systems. The current plan is to move aggressively over the next three years to implement an integrated financial and maintenance systems solution.

Rochelle Chronister, Secretary, Kansas Department of Social and Rehabilitation Services (SRS), testified before Committee members with information regarding the impact of Federal welfare reform on information systems and the work SRS is doing relating to the Year 2000 (Attachment 11). SRS has an Agency Wide Information System Plan (AWISP) which is a multi-year strategic information systems plan that takes an enterprise wide perspective and focuses on the sharing of information and business system functions throughout SRS. The federal welfare reform law creates extensive new data collection, reporting, tracking and monitoring requirements under the TANF, Child Care, Food Stamp and Child Support Enforcement programs. Currently, the agency

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 14, 1997.

is focusing on the program modifications to existing systems (KAECSES and KsCares) required by Welfare Reform Phase II. Welfare Reform Phase III initiatives under consideration would require substantial system modification. Contractors from the Department of Administration's statewide Year 2000 contract are being used for a line by line assessment of the SRS mainframe computer systems. The agency's preliminary estimate for Year 2000 repair is \$6.8 million for mainframe systems and \$5.2 million for non-mainframe systems repair, for a total of \$12 million. The funding for Year 2000 repair is coming from several sources including, money set aside in the Department of Administration's budget for this purpose, the TANF Federal Block Grant, and other SRS federal funding sources.

Karla Pierce, Director of Transition, Kansas Department of Revenue, reviewed the Project 2000 scope (Attachment 12). Ms. Pierce told Committee members the objective of this project was to transform the Department of Revenue into a high performing organization not just a computer system project. High performing organizations measure their performance and continually improve their operations. The first thing was to identify the customer expectation, then redesign the business process based upon what customers stated they needed from the Department of Revenue. The Department of Revenue is in the process of implementing an integrated tax system and have to realign the organizational structure around those projects to support them. Ms. Pierce stated they have to redeploy their human resources so there is a lot of training involved in realigning the people to do the new jobs. All of this to improve the Department of Revenue performance and to increase revenues. The project is funded from the increased revenues that are earned based on the project activity.

Julia Spainhour, Kansas Sentencing Commission, spoke to Committee members regarding the Criminal Justice Information System (CJIS) project (Attachment 13). Since implementation of the Sentencing Guidelines in July, 1993, the State of Kansas has had an even larger interest in increasing the accuracy, mandating reporting requirements and shortening the length of time between record requests and dissemination. Since sentences are now partially based upon an offender's criminal convictions, major focus is placed upon reporting, storing, and dissemination of this information. Based upon feedback from local criminal justice agencies during the course of the needs assessment, the Criminal Justice Coordinating Council became aware that statewide needs in terms of criminal justice records improvement are basic, and that the scope of the needs assessment should be modified to directly support and develop a criminal justice information system improvement plan for the state. Funding for the CJIS plan has been obtained from federal grant programs and state funds. Approximately \$5.4 million in funding has been obtained for the plan, another \$2.7 million has been identified and, another \$2 million will still be required to complete the project. The funding plan currently accounts for the contribution by local jurisdictions to the acquisition of Live-Scan equipment. This is based upon the 25 percent match requirement for the 1997 Byrne money identified. No budget request has been drafted to otherwise match this incoming federal funding.

Chairman Kerr adjourned the meeting at 1:00 p.m.

The next meeting is scheduled for March 17, 1997.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3-14-97

NAME	REPRESENTING
Ken Baker	K. Governmental Consulting
Rochelle Chronister	SRS
Dave Wilson	Public Broadcasting Council
Bonnie Myers	KHRC
Patricia Allen	KHRC
Robert G. Day	KHRC
Jim Langford	DOB
Donna Chapman	Kee
Mull Waller	CIA
JOHN OLIVER	CIA
Jim Reardon	DFM
Barry Coreis	DFM
Bruce Roberts	DISC
Pat Higgins	Dept. of Admin.
Don Heiman	DISC
Jeff Wogaman	DOA
WALKER HENDRIX	CURB
TK Shuey	KLS
Nancy Bogina	KDOT

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

<u>Agency/Item</u>	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE</u>
FY 1997:			
Board of Cosmetology			
Delete Office Assistant I position	0	0	(1.0)
State Department of Education			
Add funding for tuition waiver for dependents of public safety officers killed in action	0	1,906	0.0
Department of Human Resources			
Eliminate One-Stop Career Center Funding	0	(430,000)	0.0
Increase expenditure limitation on OSHA federal fund	0	22,800	0.0
Dept. of Social and Rehabilitation Services			
Remove funding for the implementation of privatized foster care services	(9,000,000)	(15,000,000)	0.0
Dept. of Social and Rehabilitation Services- Long Term Care			
Reduction in long-term care to offset increase at Soldiers' Home	(20,000)	(20,000)	0.0
Reduction to reflect consensus caseload estimates	0	(500,000)	0.0
Kansas Soldiers Home			
Increase for medical supplies	20,000	20,000	0.0
State Corporation Commission			
Delete 1.0 FTE position and make other salary adj.	0	(60,723)	(1.0)
State Historical Society			
Shift salary cost to new fee revenues and make other salary adjustments	(74,485)	3,805	0.0
Department of Health and Environment			
Delete federal funds that will not be available and shift 3.0 FTE to already existing unclassified temporary positions	0	(99,501)	(3.0)
University of Kansas			
Reduce SGF funding for linear tuition supplemental based on Spring enrollment information; increase gen. fees	(143,189)	0	0.0
Wichita State University			
Add funding to offset the impact of the implementation of linear tuition	375,615	0	0.0
Juvenile Justice Authority			
Reduce funding from five months of operations to two months of operations	(83,369)	(83,369)	0.0
Department of Revenue			
Year 2000 conversion - DOV fund	0	(500,000)	0.0
Conservation Commission			
Conservation District Aid	0	500	0.0
Department of Corrections			
Delete SGF capital improvements planning money	(757,466)	(757,466)	0.0

Senate Ways and Means Committee

Date *3-14-97*

Attachment # *1*

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
Transfer from LCF - Technical Adjustment	98,500	98,500	0.0
Lansing Correctional Facility			
Transfer to DOC	(98,500)	(98,500)	0.0
Kansas Technology Enterprise Corporation			
Reduction for bonuses	0	(92,000)	0.0
Department of Administration			
Delete funding for SHARP upgrades	(3,800,000)	(3,800,000)	0.0
Delete funding for year 2000 projects	(6,416,673)	(6,416,673)	0.0
Kansas Lottery			
Delete Hot Site Computer	0	(500,000)	0.0
Kansas Department of Transportation			
Reduce design and right of way funding for new projects	0	(12,000,000)	0.0
Secretary of State			
Delete funding for optical disc imaging system	(550,000)	(550,000)	0.0
Ombudsman of Corrections			
Shift \$6,000 SGF from FY 98 to FY 97	6,000	6,000	0.0
Regents Institutions			
Change Midwest Student Exchange Program (MSEP) language in bill	0	0	0.0
State Fair			
Shift Encampment Building Funding to PMIB loan	0	0	0.0
TOTAL CHANGE - FY 1997	(\$20,443,567)	(\$40,754,721)	(5.0)

FY 1998:

Board of Cosmetology			
Delete Office Assistant I position	0	0	(1.0)
State Department of Education			
Add food service auditor position	0	50,252	1.0
Reduce general state aid to current law	(66,527,000)	(66,527,000)	0.0
Add additional state match for adult basic education	4,506	4,506	0.0
Switch funding for Educational Excellence Programs to EDIF	(1,485,000)	0	0.0
Attorney General			
Recommend using 2.0 unclassified temporary positions for enhanced consumer protection activities	0	91,426	0.0
Real Estate Appraisal Board			
Add 1.0 Investigator position, upgrade a support staff position, and delete funding for no-longer necessary contractual services	0	19,783	1.0
State Board of Tax Appeals			
Delete 5.0 FTE positions and associated salaries	(121,679)	(121,679)	(5.0)
Reduce other operating expenditures	(20,000)	(20,000)	0.0

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
Delete funding to make Board responsible for tax appeal process at county level, pending passage of S.B. 161	(400,000)	(400,000)	0.0
Emergency Medical Services			
Partially restore other operating expenditures	7,900	7,900	0.0
Delete all funding for regional councils	(68,094)	(68,094)	0.0
Department of Human Resources			
Eliminate One-Stop Career Center funding	0	(409,940)	0.0
Reduce funding for PERB	(30,280)	(30,280)	0.0
Department on Aging			
Reduction in adult care homes funding	(4,918,800)	(12,000,000)	0.0
Reduction in administrative costs	(189,519)	(330,000)	0.0
Homestead Property Tax Refunds			
Reflects more modest increase in participation of newly revised program	(700,000)	(700,000)	0.0
State Library			
Eliminates computer related funding for Kansas talking books program	(140,913)	(140,913)	0.0
Department of Wildlife and Parks			
Prairie Spirit Rail-Trail Operations	(4,000)	(4,000)	0.0
Central Aircraft Operating Fund	0	(50,000)	0.0
Kansas River Boat Ramps (shifting funding from SWPF to Boating Fee Fund)	0	0	0.0
Delete funding for wetlands acquisition	0	(800,000)	0
Juvenile Justice Authority			
Delete FY 1998 funding for reconsideration of budget in omnibus	(17,792,412)	(22,398,786)	(151.5)
Kansas Bureau of Investigation			
Reappropriation of FY 1994 released encumbrance for computer programming	15,174	15,174	0.0
Add 2.0 FTE for custodial and maintenance staff	36,486	36,486	2.0
Department of Revenue			
PVD staff and salaries reductions	(319,109)	(354,566)	(8.0)
Count post audit as expenditure in Department of Revenue instead of Division of Post Audit	0	10,000	0.0
Veterinary Examiners Board			
Tele- and video-conferencing equipment	0	1,150	0.0
Kansas State Fair			
Temporary salaries for new Executive Director overlap	0	12,000	0.0
Conservation Commission			
Administrative Operations shift to SGF from SWP	9,950	0	0.0

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
Kansas Water Office			
Shift technical assistance from KDHE to Water Office	0	200,000	0.0
Kansas Technology Enterprise Corporation			
Reduction for bonuses	0	(92,000)	0.0
5.0 Percent EDIF reduction	0	(674,564)	0.0
Kansas, Inc.			
Delete School District Performance Study	(64,620)	(64,620)	0.0
Department of Commerce and Housing			
Railroad Mitigation Fund	0	(500,000)	0.0
Mid-America World Trade Center	0	50,000	0.0
Greyhound Tourism Fund	0	(90,000)	0.0
Kansas Rural Development Council	0	52,217	0.0
Reduce Operating Budget	(172,010)	(511,917)	0.0
Kansas State School for the Blind			
Retention of 2.0 Office Assistant positions	52,908	52,908	2.0
Replacement of carpet	30,000	30,000	0.0
Delete computer equipment funding	(14,740)	(14,740)	0.0
Kansas School for the Deaf			
Utilities Increase	21,281	21,281	0.0
Retention of 2.0 custodial positions	34,845	34,845	2.0
Delete computer equipment funding	(109,325)	(109,325)	0.0
Legislative Division of Post Audit			
Funding of statutorily required audits (Post Audit vs. agency)	(80,000)	(146,300)	0.0
Board of Regents			
Delete \$7.5 million for Regents equipment	(7,500,000)	(7,500,000)	0.0
Add \$100,000 to allow state to join Western Governor's Conference	100,000	100,000	0.0
Highway Patrol			
Payment for required audit of KHP vehicle fleet operations	28,000	28,000	0.0
Adjutant General			
Tuition Assistance	150,000	150,000	0.0
State Corporation Commission			
Delete 1.0 FTE position and make other salary adj.	0	(62,435)	(1.0)
Delete all capital outlay expenditures	0	(303,082)	0.0
Department of Health and Environment			
Delete federal funds budgeted for unspecified purposes	0	(50,700)	0.0
Delete moneys budgeted twice for the same purpose	0	(45,000)	0.0

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

<u>Agency/Item</u>	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE</u>
Add 0.5 FTE Attorney position for licensing foster care, but delete remaining overfunding for the activities	(41,888)	(41,888)	0.5
Delete 0.5 position that was inadvertently included in the Governor's recommendation	(17,029)	(17,029)	(0.5)
Delete SGF funding and 9.0 FTE positions for activities related to oversight of animal feedlots	(462,783)	(462,783)	(9.0)
Shift from SGF to other funds a portion of money for Cherokee superfund site	(59,059)	0	0.0
Delete moneys for a new voluntary cleanup program for which legislation is pending	0	(105,205)	0.0
Delete moneys that fund a portion of the office of science and support pending further review and pending legislation	(747,158)	(747,158)	0.0
Delete moneys for Kansas rural water association grant	0	(200,000)	0.0
Kansas Arts Commission			
Shift \$525,582 from SGF to EDIF for grants to local and private entities	(525,582)	0	0.0
State Historical Society			
Adjust salaries to correct financing	(11,646)	3,466	0.0
Delete moneys for replacing computer equipment	(73,500)	(73,500)	0.0
Delete moneys for Civil War flag conservation	(26,000)	(26,000)	0.0
Department of Administration			
Public Broadcasting Council EDIF equipment grants	0	500,000	0.0
State Treasurer			
Computer application for Unclaimed Property Program	0	18,000	0.0
Limit demand transfers (LAVTRF, CCRSF) to 1.5 increase over FY 1997 transfers	(820,438)	(820,438)	0.0
Kansas State University			
Reductions in capital improvements requested by University	0	(4,361,800)	
University of Kansas Medical Center			
Construct Center for Health in Aging; add an addition to the Research Support Facility	0	6,000,000	0.0
University of Kansas			
Shift in Base Budget from SGF to General Fees, based on FY 1997 SGF reduction	(148,917)	0	0.0
Wichita State University			
Base budget addition based on FY 1997 SGF addition	375,615	375,615	0.0
KPERS			
Add electronic processing for deposits	0	55,000	0.0
Add audit fees	0	34,800	0.0
Kansas Lottery			
Delete staff and operating funds	0	(1,214,823)	(10.0)

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
Add audit fees	0	16,000	0.0
Racing and Gaming Commission			
Delete staff and operating funds paid by Racing Fund	0	(1,099,611)	(12.0)
Reduce expenditures to subsidize Fair racing	0	(363,000)	0.0
Add tribal gaming staff	0	0	8.0
Add audit fees	0	5,500	0.0
Kansas Department of Transportation			
Reduce 3.0 staff in anticipation of GBA to cut	0	(2,451,000)	(88.2)
Limit increase to 1.5 percent in State Highway Fund demand transfer	(844,000)	(844,000)	0.0
Limit increase to 1.5 percent in City-County Highway Fund demand transfer	(105,000)	(105,000)	0.0
Secretary of State			
Delete funding for optical disc imaging system	0	(99,955)	0.0
Judicial Branch			
Add \$243,546 and 8.5 FTE positions	243,546	243,546	8.5
Ombudsman of Corrections			
Shift \$6,000 SGF from FY 98 to FY 97	(6,000)	(6,000)	0.0
Larned State Hospital			
Delete pro rata portion of \$50,000 recommended from hospital funds to increase funding to Kansas Alliance for the Mentally Ill and the Kansas Mental Illness Awareness Council	(26,000)	(26,000)	0.0
Osawatomie State Hospital			
Delete pro rata portion of \$50,000 recommended from hospital funds to increase funding to Kansas Alliance for the Mentally Ill and the Kansas Mental Illness Awareness Council	(17,700)	(17,700)	0.0
Rainbow Mental Health Facility			
Delete pro rata portion of \$50,000 recommended from hospital funds to increase funding to Kansas Alliance for the Mentally Ill and the Kansas Mental Illness Awareness Council	(6,300)	(6,300)	0.0
Kansas Neurological Institute			
Delete pro rata portion of \$100,000 recommended from hospital funds to increase funding for the Parents Assistance Network	(51,700)	(51,700)	0.0
Parsons State Hospital and Training Center			
Delete pro rata portion of \$100,000 recommended from hospital funds to increase funding for the Parents Assistance Network	(42,300)	(42,300)	0.0
Winfield State Hospital and Training Center			
Delete pro rata portion of \$100,000 recommended from hospital funds to increase funding for the Parents Assistance Network	(6,000)	(6,000)	0.0
5% Percent FTE Reductions			
Department of Health and Environment	(676,181)	(676,181)	(22.5)
Historical Society	(151,053)	(151,053)	(4.9)

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HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
State Treasurer	(41,277)	(60,074)	(1.9)
Board of Indigents' Defense Services	(325,665)	(325,665)	(10.3)
Governor	(14,775)	(14,775)	(0.5)
Lieutenant Governor	(5,910)	(5,910)	(0.2)
Kansas Bureau of Investigation	(385,769)	(407,586)	(14.1)
Rainbow Mental Health Facility	(204,467)	(204,467)	(6.8)
Parsons State Hospital and Training Center	(561,409)	(561,409)	(19.3)
Guardianship Program	(18,971)	(18,971)	(0.6)
Youth Center at Topeka	0	(36,348)	(1.2)
Governmental Standards and Conduct	(39,395)	(44,265)	(1.4)
Department of Wildlife and Parks	(420,519)	(420,519)	(13.3)
Adjutant General	(268,753)	(268,753)	(8.5)
Kansas Highway Patrol	(780,965)	(780,965)	(24.7)
Sentencing Commission	(9,485)	(9,485)	(0.3)
Ellsworth Correctional Facility	(110,663)	(110,663)	(3.5)
El Dorado Correctional Facility	(69,560)	(69,560)	(2.2)
Hutchinson Correctional Facility	(208,679)	(208,679)	(6.6)
Lansing Correctional Facility	(1,169,866)	(1,169,866)	(37.0)
Larned Correctional Mental Health Facility	(433,167)	(433,167)	(13.7)
Topeka Correctional Facility	(63,236)	(63,236)	(2.0)
Winfield Correctional Facility	(3,051,137)	(3,051,137)	(96.5)
Department of Commerce and Housing	(163,149)	(543,830)	(17.2)
Kansas, Inc.	(9,485)	(9,485)	(0.3)
State Fair	(60,074)	(60,074)	(1.9)
Animal Health Department	(47,427)	(47,427)	(1.5)
Conservation Commission	(22,133)	(22,133)	(0.7)
Kansas Water Office	(18,971)	(18,971)	(0.6)
Department of Human Resources	(28,769)	(1,065,527)	(33.7)
Department on Aging	(4,062,913)	(4,062,913)	(128.5)
Human Rights Commission	(28,456)	(28,456)	(0.9)
Attorney General	(273,521)	(273,521)	(8.9)
Emergency Medical Services	(21,690)	(21,690)	(0.7)
Subtotal - 5% FTE Reduction	(13,747,490)	(15,246,761)	(486.9)
TOTAL CHANGE - FY 1998	(\$117,333,780)	(\$134,736,037)	(748.1)

FY 1999:

Board of Accountancy

Delete funding related to administration of CPA exam 0 (60,000) 0.0

Board of Cosmetology

Delete Office Assistant I position 0 0 (1.0)

Real Estate Appraisal Board

Continue upgrades added in FY 1998 0 14,524 1.0

TOTAL CHANGE - FY 1999 \$0 (\$45,476) 0.0

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 1267

Budget Page No. 187

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 334,982	\$ 334,982	\$ 0
Special Revenue Fund	145,212	145,212	0
TOTAL	<u>\$ 480,194</u>	<u>\$ 480,194</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Unclassified Temp. Positions	0.6	0.6	0.0
TOTAL	<u>9.6</u>	<u>9.6</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's FY 1997 estimate for expenditures is \$480,194, which is equal to the amount approved by the 1996 Legislature. Of the total estimate, \$380,593 is for salaries and wages and \$99,601 is for other operating expenditures.

Of the total FY 1997 estimate for salaries and wages, \$287,869 is from the State General Fund and \$92,724 is from the Governmental Standards and Conduct Fee Fund. The amount of State General Fund estimated for other operating expenditures is \$47,113, and the spending estimated from the Governmental Standards and Conduct Fee Fund is \$52,488. The total amount of State General Fund moneys and fee fund moneys are equal to the approved FY 1997 budget amounts.

The agency reduced its unclassified temporary positions from 2.0 which was approved by the 1996 Legislature to 0.6 in FY 1997. The agency will be contracting with private temporary personnel services to provide needed personnel. In so doing, the agency reports it will save in benefit payments and finds hiring temporary personnel in this manner to be more efficient and uncomplicated.

The Governor recommends \$480,194 in expenditures for FY 1997, the same amount requested by the agency and approved by the 1996 Legislature. The recommendation includes \$380,593 for salaries and wages and \$99,601 for other operating expenditures. Of the total FY 1997 estimate for salaries and wages, \$287,869 is recommended from the State General Fund and \$92,724 is recommended for the Governmental Standards and Conduct Fee Fund. The amount recommended for other operating expenditures from the State General Fund is \$47,113, and the amount recommended from the Fee Fund is \$52,488.

Senate Ways and Means Committee

Date 3-14-97

Attachment # 2

The Governor concurs with the agency's use of private personnel services in lieu of maintaining a full 2.0 unclassified temporary positions. In other words, the Governor recommends 0.6 for the agency's unclassified temporary positions, 1.4 positions below the 2.0 positions approved by the 1996 Legislature. The 0.6 position represents three days of work per week by the temporary employee.

House Subcommittee Recommendation

1997. The House Subcommittee concurs with the Governor's recommendations.

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Commission on Governmental Standards and Conduct

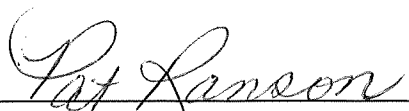
Bill No. --

Bill Sec. --

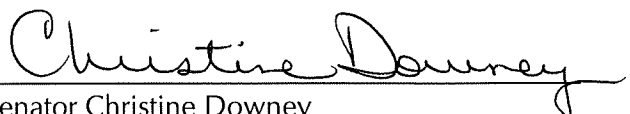
<u>Expenditure Summary</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:		
State General Fund	\$ 334,982	\$ 334,982
Special Revenue Fund	145,212	145,212
TOTAL	<u>\$ 480,194</u>	<u>\$ 480,194</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Pat Ranson, Subcommittee Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. 2160

Bill Sec. 41

Analyst: Pierron

Analysis Pg. No. 1267

Budget Page No. 187

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 347,544	\$ 354,936	\$ 0
Special Revenue Fund	136,389	128,508	0
TOTAL	<u>\$ 483,933</u>	<u>\$ 483,444</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Unclassified Temp. Positions	0.4	0.4	0.0
TOTAL	<u>9.4</u>	<u>9.4</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 1998 state operation funding of \$483,933, an increase of \$3,739 or 0.8 percent, above the FY 1997 estimate. Of the total FY 1998 request, \$347,544 is financed from the State General Fund and \$136,389 is financed from the Governmental Standards and Conduct Fee Fund. Of the total FY 1998 request for salaries and wages, \$347,544 is from the State General Fund and \$43,665 is from the Governmental Standards and Conduct Fee Fund. No State General Fund money is requested for other operating expenditures, and \$92,724 is requested from the Governmental Standards and Conduct Fee Fund in FY 1998.

The Governor recommends \$347,544 for salaries and wages in FY 1998 from the State General Fund and \$46,939 from the Governmental Standards and Conduct Fee Fund. For other operating expenditures, the Governor recommends \$7,392 from the State General Fund and \$81,569 from the agency fee fund for FY 1998.

The Governor recommends FY 1998 state operations funding of \$483,444, \$489 or 0.1 percent below the agency's request. The Governor's recommendation includes \$3,533 from the Governmental Standards and Conduct Fee Fund to finance a 1.0 percent base salary adjustment.

General Agency Fee Fund. The Commission repeats its request from last year's budget that the fee fund be appropriated as a "no-limit" fund. The agency reports by designating the fee fund as a "no-limit" fund, it will enable the Commission to respond to unexpected increases in an area of activity or to respond to unanticipated changes which might occur in the campaign finance, lobbying, or conflict arena which would affect the agency's statutory mission.

The Governor does not recommend the fee fund as a "no-limit" fund until more accurate information can be gained regarding the stability of revenues and expenditures to the fund.

Travel and Subsistence. Additional travel and subsistence is requested in the amount of \$3,005 over FY 1997 estimated travel. Travel by the Commission staff includes out-of-state travel to the Council on Governmental Ethics Laws (COGEL) conference, held annually, attended by the Executive Director and the Attorney for the Commission. The Conference will be held in Philadelphia in December 1997 and in Edmonton, Alberta in 1998. Commission staff also travel to the Heartland Conference which is a regional conference of Midwest state ethics agencies in the Spring. In FY 1998, the conference will be hosted by the Arkansas Ethics Commission. The Executive Director, Attorney, Local Campaign Finance Supervisor, and Investigator will attend this conference. Other travel includes state and local campaign finance seminars presented by the Executive Director and the Local Campaign Finance Supervisor; travel for audits and investigations; speaking engagements by the Executive Director and Local Campaign Finance Supervisor; travel for procurement of records or documents other than audit or investigation documents; training seminars for the agency's R-Base system, and witness travel.

The Governor recommends \$4,120 from the State General Fund for increased travel and subsistence in FY 1998.

Capital Outlay. The amount of \$10,700 is requested in FY 1998 for replacement of two laser printers, four personal computers and for purchase of one modem to link staff with the Internet. This request is an increase of \$4,798 over the \$5,902 estimate for FY 1997 in capital outlay.

The Governor recommends \$3,232 from the State General Fund for capital outlay. The recommendation provides for the purchase of two new computers.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Commission on Governmental Standards and Conduct

Bill No. 178

Bill Sec. 16

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 1998</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:		
State General Fund	\$ 354,936	\$ (10,826)
Special Revenue Fund	<u>128,508</u>	<u>(1,480)</u>
TOTAL	<u>\$ 483,444</u>	<u>\$ (12,306)</u>
FTE Positions	9.0	0.0
Unclassified Temp. Positions	<u>0.4</u>	<u>0.0</u>
TOTAL	<u>9.4</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments and notations:

1. Delete \$12,436, including \$10,956 from the State General Fund, based on the recommendation to delete funding for the 3.5 percent unclassified merit pool.
2. Add \$130 for purchase of a modem to provide access to the Internet.
3. The Subcommittee commends the Commission for exercising efficiencies in their budget and recognizes the difficulties which are presented with alternating fee collection years, coupled with election year responsibilities. In particular, the Subcommittee commends the agency for its use of private personnel services in lieu of maintaining 2.0 full-time-equivalent positions. The agency is able to reduce its employee fringe benefit payments and finds the practice of contracting with private personnel services more efficient.

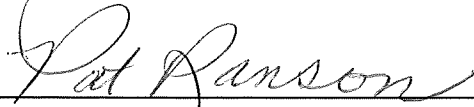
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Fee Fund Analysis—Governmental Standards and Conduct Fee Fund

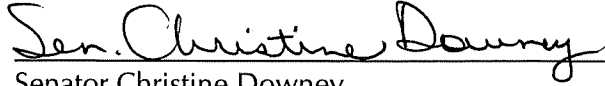
	Actual FY 96	Senate Subcommittee Recommendation FY 97	Senate Subcommittee Recommendation FY 98
Balance Forward	\$ 80,829	\$ 99,398	\$ 59,976
Net Receipts	141,253	105,790	114,860
Total Funds Available	\$ 222,082	\$ 205,188	\$ 174,836
Less: Expenditures	122,684	145,212	127,028
Ending Balance	\$ 99,398	\$ 59,976	\$ 47,808
 Ending Balance as a Percentage of Expenditures	 81.0%	 41.3%	 37.6%

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Subcommittee Change from House Comm.
All Funds:				
State Operations	\$ 483,444	\$ 483,444	\$ 471,008	\$ (12,436)
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 483,444</u>	<u>\$ 483,444</u>	<u>\$ 471,008</u>	<u>\$ (12,436)</u>
Capital Improvements	0	0	0	0
TOTAL	<u>\$ 483,444</u>	<u>\$ 483,444</u>	<u>\$ 471,008</u>	<u>\$ (12,436)</u>
 State General Fund:				
State Operations	\$ 354,936	\$ 354,936	\$ 343,980	\$ (10,956)
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 354,936</u>	<u>\$ 354,936</u>	<u>\$ 343,980</u>	<u>\$ (10,956)</u>
Capital Improvements	0	0	0	0
TOTAL	<u>\$ 354,936</u>	<u>\$ 354,936</u>	<u>\$ 343,980</u>	<u>\$ (10,956)</u>
 FTE Positions	 9.0	 9.0	 9.0	 0.0
Unclassified Temp. Positions	0.4	0.4	0.4	0.0
TOTAL	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>0.0</u>



 Senator Pat Ranson
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Human Rights Commission

Bill No. –

Bill Sec. –

Analyst: Milstead

Analysis Pg. No. 1247

Budget Page No. 273

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,433,603	\$ 1,433,603	\$ 0
Special Revenue Fund	<u>454,167</u>	<u>454,167</u>	<u>0</u>
TOTAL	<u>\$ 1,887,770</u>	<u>\$ 1,887,770</u>	<u>\$ 0</u>
 FTE Positions	 38.0	 38.0	 –

Agency Estimate/Governor's Recommendation

The agency's revised estimate is \$1,887,770, which is \$10,416 less than the amount approved for the agency by the 1996 Legislature. There are no capital improvement requests and all of the request is for state operations. Of the total estimate, \$1,433,603 is from the State General Fund and \$454,167 is from federal funds. (**Note:** The State General Fund increase reflected in the table above is attributable to carryover funds from FY 1996.)

The Governor concurs with the agency's estimate.

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Governor.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House has not yet acted upon this budget.

Senate Ways and Means Committee

Date 3 - 14 - 97

Attachment # 3

Agency: Human Rights Commission

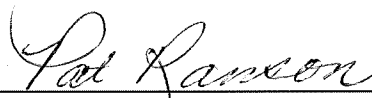
Bill No. --

Bill Sec. --

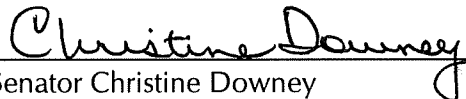
<u>Expenditure Summary</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:		
State General Fund	\$ 1,433,603	\$ 0
Special Revenue Fund	<u>454,167</u>	<u>0</u>
TOTAL	<u>\$ 1,887,770</u>	<u>\$ 0</u>
 FTE Positions	 38.0	 0.0

Senate Subcommittee Recommendation

For FY 1997, the Subcommittee concurs with the Governor's recommendation.



Senator Pat Ranson
Subcommittee Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Human Rights Commission

Bill No. 2160

Bill Sec. 42

Analyst: Milstead

Analysis Pg. No. 1247

Budget Page No. 273

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,454,499	\$ 1,375,083	\$ 0
Special Revenue Fund	468,018	514,290	0
TOTAL	<u>\$ 1,922,517</u>	<u>\$ 1,889,373</u>	<u>\$ 0</u>
 FTE Positions	 37.0	 37.0	 -

Agency Request/Governor's Recommendation

The agency requests FY 1998 state operation funding of \$1,922,517, an increase of \$34,747, or 1.8 percent, above the FY 1997 estimate. The increase is attributable to a carryover of federal funds from FY 1997 to FY 1998. The agency plans to eliminate the 1.0 FTE Hearing Examiner position and hire "pro tem" hearing examiners as needed. The agency states that the small number of cases proceeding to public hearing leaves the continuation of the hearing examiner as a full-time position fiscally untenable. The agency plans to use savings realized in closing the Administrative Hearing Office to establish two satellite offices, one in Dodge City and one in Independence. No additional FTE positions are requested to operate these satellites because the agency plans to staff each office with 1.0 FTE Special Investigator taken from the current FTE position count.

The Governor recommends \$1,889,373 in FY 1998. The recommendation includes \$1,375,083 (73.0 percent of the total recommendation) from the State General Fund and \$514,290 from federal funds (27.0 percent of the total recommendation). The recommendation is a decrease of \$33,144 below the agency request. State General Fund expenditures are decreased by \$79,416 while federal funds are increased by \$46,272. The recommendation for salaries and wages includes unclassified merit increases (\$9,759), classified step movement (\$23,023), longevity pay (\$18,546), and a 1.0 percent base salary adjustment (\$10,373).

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Governor.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House has not yet taken action on this budget.

Agency: Human Rights Commission

Bill No. 178

Bill Sec. 42

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:		
State General Fund	\$ 1,375,083	\$ (39,742) *
Special Revenue Fund	<u>514,290</u>	<u>(21,959) *</u>
TOTAL	<u>\$ 1,889,373</u>	<u>\$ (61,701) *</u>
 FTE Positions	 37.0	 0.0

* Reflects deletion of Governor's pay plan.

Senate Subcommittee Recommendation

For FY 1998, the Subcommittee concurs with the Governor's recommendation with the following modifications and adjustments:

1. Delete \$61,701, including \$39,742 from the State General Fund, based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$9,759); classified step movement (\$ 23,023); longevity pay (\$18,546); and a 1.0 percent base salary adjustment (\$19,373).
2. The Subcommittee commends the agency in its accomplishments in reducing its open case inventory. The Subcommittee notes that the open case inventory reached a peak of 2,664 in FY 1995. Through the agency's efforts, that figure is projected to be reduced to 727 in FY 1999. The Subcommittee notes this reduction is being accomplished through a variety of measures. These measures include the following:
 - Implementation of a mediation program which resulted in 31 case settlements in FY 1996 (the first year of the program) and is projected to result in 105 settlements in FY 1997 and 122 settlements in FY 1998.
 - 300 day closure rule. This is a statutory change (1995 H.B. 2559) whereby complainants may request case closure of complaints more than 300 days old in order to proceed to District Court. To date, some 169 cases have been closed through use of this rule.

- Administrative procedures adopted by the agency. These include increased performance expected of staff; immediate assignment and monitoring of all filed complaints (this differs from past practice where newly filed cases were simply filed and left unassigned until a case was closed); and, in an effort to reduce redundant paperwork, case reports were streamlined.

The Subcommittee encourages the agency to continue the progress it has made and lauds the agency's initiatives.

The following performance measures are included for the Committee's review.

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>
Number of Public Contacts	5,181	7,059	6,866	7,662	7,033	6,456	6,253	6,059
Number of Complaints								
Filed	1,457	1,776	1,876	1,622	1,253	1,296	1,219	1,200
Number of Complaints								
Closed	1,176	1,418	1,352	1,370	1,973	1,644	1,644	1,644
Open Case Inventory	1,530	1,888	2,412	2,664	1,944	1,596	1,171	727
Processing Delay Time	12.2	15.1	19.2	21.3	15.5	12.7	9.3	5.8
Total Staff	39	42	43	45	40	40	39	39

Notes: Data for FY 97, FY 98, and FY 99 are projections based upon past trends, and newly defined agency objectives and strategies.

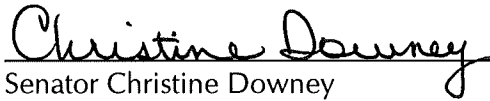
Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1998</u>	<u>House Committee Action FY 1998</u>	<u>Senate Committee Action FY 1998</u>	<u>Senate Subcommittee Change from House</u>
State Operations:				
State General Fund	\$ 1,375,083	\$ 1,375,083	\$ 1,335,341	\$ (39,742)*
Special Rev. Fund	514,290	514,290	492,331	(21,959)*
Total	<u>\$ 1,889,373</u>	<u>\$ 1,889,373</u>	<u>\$ 1,827,672</u>	<u>\$ (61,701)</u>

* Reflects deletion of Governor's pay plan.



Senator Pat Ranson
Subcommittee Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Citizens' Utility Ratepayer Board **Bill No. –** **Bill Sec. –**
Analyst: Mah **Analysis Pg. No. 1,199** **Budget Page No. 101**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 323,234	\$ 323,234	\$ 0
FTE Positions	2.0	2.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	3.0	3.0	0.0

Agency Estimate/Governor's Recommendation

CURB's estimated expenditures for FY 1997 are \$323,234, which is the amount approved by the 1996 Legislature. The Board makes no change from how it told the 1996 Legislature that it would use the approved moneys. Included in the FY 1997 estimate are \$137,431 for salaries and wages, \$130,000 for fees for professional services, and \$55,803 for various other operating expenditures. The Board budgets the full-year cost of longevity payments, which is \$1,088. Based on the Governor's recommendation, the 1996 Legislature provided only \$304 for longevity costs in FY 1997. The Board included turnover savings so that the estimate for salaries and wages would be the same as the approved budget.

Governor's Recommendation. The Governor shifts \$1,452 from salaries and wages to other operating expenses, but makes no change to the total estimated expenditures of \$323,234 for FY 1997. Money is shifted to reflect a revised estimate of the actual instead of the approved salary for the Board's unclassified temporary attorney, who was hired at the end of June this year at a pay rate lower than what was in the approved budget. The salary savings are shifted to contractual services.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

Senate Ways and Means Committee

Date 3-14-97

Attachment # 4

House Recommendation

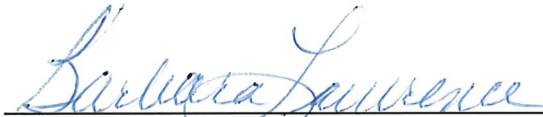
The full House has not taken action on this agency's budget.

Agency: Citizens' Utility Ratepayer Board Bill No. -- Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 323,234	\$ 323,234	\$ 0
FTE Positions	2.0	2.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



 Senator Barbara Lawrence, Chairperson



 Senator Mark Gilstrap

Current Status Comparison

Expenditure	Gov. Rec. FY 1997	House Committee Rec. FY 1997	Senate Subcommittee Rec. FY 1997	Senate Change from House
All Funds:				
State Operations	\$ 323,234	\$ 323,234	\$ 323,234	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 323,234</u>	<u>\$ 323,234</u>	<u>\$ 323,234</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 323,234</u></u>	<u><u>\$ 323,234</u></u>	<u><u>\$ 323,234</u></u>	<u><u>\$ 0</u></u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	2.0	2.0	2.0	0.0
Unclass. Temp. Positions	1.0	1.0	1.0	0.0
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

SUBCOMMITTEE REPORT

Agency: Citizens' Utility Ratepayer Board **Bill No.** 2160 **Bill Sec.** 44
Analyst: Mah **Analysis Pg. No.** 1,199 **Budget Page No.** 101

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 392,899	\$ 368,345	\$ 0
FTE Positions	2.0	2.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request/Governor's Recommendation

For FY 1998, CURB is requesting authority to spend \$392,899, an increase of \$69,665 over the current year. According to the Board, the additional moneys provide for maintenance of current services. Included in the request is \$13,000 to contract with a local temporary services agency for a temporary employee to help answer phones and receive incoming messages and documents.

Governor's Recommendation. The Governor recommends \$144,035 for salaries, an increase of \$289 from the Board's request. Included in the recommendation is a 1.0 percent base salary adjustment for the Board's one classified employee and, instead of the requested 2.5 merit pool for the Board's two unclassified employees, a 3.5 percent merit pool. The increase over the Board's request would be greater except that the recommendation also makes an adjustment to the salary for the Board's unclassified temporary attorney whose salary is less than was reflected in the FY 1998 budget. With regard to the requested moneys for temporary staff to help answer phones, the Governor makes no specific recommendation. Instead, he just reduces by \$23,400 the Board's total request of \$239,253 for contractual expenses. He indicates that the Board has the option to use a portion of the recommended moneys to pay for temporary staff services. For capital outlay, the Governor recommends \$3,257, which would allow the Board to purchase requested books (\$200) and, at a cost lower than requested, a laptop computer (\$3,057 instead of \$4,500).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

4-4

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Citizens' Utility Ratepayer Board Bill No. 178 Bill Sec. 44

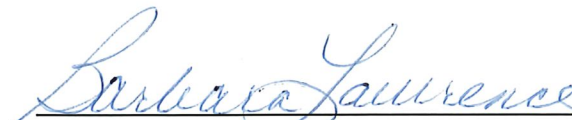
<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate* Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 392,899	\$ 368,345	\$ (4,783)
FTE Positions	2.0	2.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

* Includes a reduction of \$4,783 from special revenue funds for the Governor's employee salary adjustments.

Senate Subcommittee Recommendation

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

1. Delete \$4,783 from special revenue funds based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$3,316); classified step movement (\$0); longevity bonus payment (\$1,137); and the 1.0 percent base salary adjustment for classified employees (\$330) from individual agency budgets.


 Senator Barbara Lawrence, Chairperson


 Senator Mark Gilstrap

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Rec. FY 1998	Senate* Subcommittee Rec. FY 1998	Senate Change from House
All Funds:				
State Operations	\$ 368,345	\$ 368,345	\$ 363,562	\$ (4,783)
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 368,345</u>	<u>\$ 368,345</u>	<u>\$ 363,562</u>	<u>\$ (4,783)</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 368,345</u></u>	<u><u>\$ 368,345</u></u>	<u><u>\$ 363,562</u></u>	<u><u>\$ (4,783)</u></u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	2.0	2.0	2.0	0.0
Unclass. Temp. Positions	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$4,783 from special revenue funds for the Governor's employee salary adjustments.

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SUBCOMMITTEE REPORT

Agency: State Corporation Commission

Bill No. 2272

Bill Sec. 16

Analyst: Mah

Analysis Pg. No. 1187

Budget Page No. 123

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 14,395,797	\$ 14,381,554	\$ (60,723)
Aid to Local Units	694,000	694,000	0
Subtotal—Operating	\$ 15,089,797	\$ 15,075,554	\$ (60,723)
Capital Improvements	0	0	0
TOTAL	\$ 15,089,797	\$ 15,075,554	\$ (60,723)
FTE Positions	213.0	213.0	(1.0)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	213.0	213.0	(1.0)

Agency Estimate/Governor's Recommendation

When compared to \$15,027,726, which is the amount shown as approved at the end of last session, the State Corporation Commission's revised estimate for the current year is \$62,071 higher. Expenditures are higher because the Commission is making use of a policy first established by the 1995 Legislature. In addition to moneys already authorized, the Commission, like other state agencies, can expend up to 50 percent of any unbudgeted moneys that are reappropriated in accounts for state operations if the additional moneys are used for salary bonuses, purchase of technology equipment that had been previously requested but not funded, or fees for training related to the Kansas Quality program established by K.S.A. 1996 Supp. 75-37,115. The Commission proposes to use \$91,730 of its available reappropriated fee fund balances, of which \$86,730 is from the Conservation Fee Fund and \$5,000 is from the Public Service Regulation Fund. The additional moneys would be for staff training (\$11,679), but mostly for computer hardware and software, telecommunication devices, and microfilm equipment purchases (\$80,051). In total, even with these additional expenditures, fee fund expenditures in the Commission's revised current year estimate are less than the amount approved. The drop is because of a shift from fee funds to federal funds in the amount of \$239,211. The Commission reports that it got more federal funding than was anticipated last year, allowing the federal funds to be used in place of fee funds to cover the cost of its various operating expenditures.

The Commission further notes that it is getting even more additional federal dollars, which it learned about after its revised budget estimate had been submitted. The Commission had revised its budget to include \$50,000, but instead will be getting all remaining amounts of a \$500,000 three-year federal grant earmarked for the implementation of a database management system for computerizing paper records maintained by the conservation division at its field offices in Wichita (which also is where

Senate Ways and Means Committee

Date 3-14-97

Attachment # 5

the central office is located), Chanute, Hays, and Dodge City and creating a network to connect the offices. In the previous two fiscal years, the Commission has expended \$146,867 from the grant, which leaves \$353,133 that needs to be expended. The Commission already has the flexibility needed to expend the dollars through the use of a fund, which has an established expenditure limitation of "no limit."

The Commission plans in its revised current year estimate to reallocate some of its existing positions to higher paying positions. Some of the positions are shifted to create an advisory staff, which the Legislature was first told about last year. The Commission, like other large state agencies, has been granted reclassification authority, which allows it to change a position from one type to another without having to get approval from the Department of Administration. The positions being reallocated are difficult to track in part because they are shifted between programs and not separated from the Commission's various other positions. However, there are at least five positions that are reallocated to higher paying positions, including reallocating a classified Office Assistant IV position to a classified Information Technology Consultant III position (from a base pay salary of approximately \$19,244 to \$34,002). The Commission says that the reallocation was necessary because demands have increased for computer training and programming services. According to the Commission, it is difficult to meet the demands in part due to downsizing in FY 1993, which resulted in the lost of 2.0 programming positions. A combination of classified and unclassified positions was reallocated to create a 4.5 member advisory staff to the Commission, which, when roughly estimated, increases the base pay salary for three positions by \$50,498. The intent is to have a five to seven-member advisory staff to the Commission. The size of the advisory staff is approximate and may end up including both Commission staff and consultants. The Governor supported the creation of the advisory staff last year when the Commission reported that the purpose of the advisory staff would be to eliminate the perceived conflict of interest situation that presently exists because the Commission's legal and technical staff both advocate and testify on behalf of the staff and the public before the Commission, and also advise the Commission on policy matters and pending cases. The Commission said that the advisory staff would serve as counsel for the Commission, preside over prehearing cases, and represent the Commission before federal regulatory agencies and state and federal courts. Further, the Commission creates a new unclassified Attorney position by reallocating what was a vacant classified Office Assistant II position (from a base pay salary of approximately \$15,804 to \$34,084). The Commission wants the new Attorney on staff during the 1997 Session in anticipation of legislation that would amend a law passed by the 1996 Legislature to require financial assurance mechanisms for oil and gas operators by January 1, 1998. The Commission predicts that the new law (1996 S.B. 755) will result in a number of operators losing their licenses, which will bring to the Commission a sizable caseload of appeals and court proceedings. Besides the above position changes, the Commission's revised budget includes an upgrade in the salaries of some of its unclassified attorneys and full funding for longevity pay for classified employees. (Based on the Governor's recommendation, the 1996 Legislature chose to not fully fund the longevity costs. The approved budget provided \$11,691, which is \$54,673 less than the full cost of \$66,364.) The Commission reports that it does not need additional resources in the current year to pay for the position upgrades and longevity cost, indicating that its revised total salary estimate is \$42,281 lower than the amount in the approved budget. Turnover and retirements have resulted in the hiring of new employees at lower salaries, which in turn generated savings that now could be used to pay for the position upgrades this year.

Governor's Recommendation. The Governor makes no adjustments to the Commission's revised current year estimate except for reducing salaries and wages by \$14,243. The Commission's estimate was overstated mostly because it funded retirement benefits for its three commissioners twice. Moneys were included for both KPERS and deferred compensation for each commissioner. By law, each

commissioner can choose one or the other option, but not both. The Governor deletes the moneys for KPERS, leaving funding for just deferred compensation for the three commissioners. However, only one commissioner has chosen that option. When an adjustment is made to shift to KPERS for the other two commissioners, the Governor's recommendation is overstated by \$9,161 for salaries and wages.

House Subcommittee Recommendation

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

1. Place a "no limit" expenditure limitation on the Abandoned Oil and Gas Well Fund for FY 1997. Expenditures from the Fund, which was created by the 1996 Legislature, are used to plug abandoned wells. The current expenditure limit on the Fund is \$1.2 million, which is financed by transfers of \$400,000 each from the State General Fund, the Conservation Fee Fund, and the State Water Plan Fund. Because legislation that provided also for moneys from 50 percent of Kansas' share of mineral royalties on certain federal lands in Kansas passed the 1996 Session too late for the impact of that legislation to be included in the Omnibus Bill, the expenditure limitation on the Fund was not raised to accommodate the additional mineral royalties receipts, which are estimated to be \$606,000 annually. Placing a "no limit" expenditure on the Fund would allow the Commission to use all of the resources available in the Fund to plug wells, which is a priority of the Legislature.
2. Delete \$9,161 from special revenue funds for salaries and wages. The recommendation is because the Governor over funded the amount necessary to cover the cost of retirement benefits.
3. Delete 1.0 FTE position, which currently is vacant, that was budgeted as part of an advisory division created in 1996. Salary for the deleted position is budgeted at \$51,562 from special revenue funds and is the lowest paying position of two that are vacant out of the 4.5 FTE positions assigned to the division. In 1996, the Commission informed members of the subcommittees considering its budget that it was reallocating positions internally in order to create a small group of legal and technical staff to advise the Commission.

According to the Commission, the purpose of the advisory staff is to eliminate the perceived conflict of interest that existed when the Commission's legal and technical staff both advocated and testified on behalf of the staff and the public before the Commission, and also advised the Commission on policy matters and pending cases. For example, in the Commission's view, it was inappropriate for the same legal and technical staff who took positions before the Commission on rate cases to help the Commission write its orders after a decision was made. According to the Commission, the creation of the new unit was instrumental in the dismissal of a recent suit against the Commission filed by a Kansas utility company. One aspect of the case was a challenge to the Commission's objectivity.

In reviewing the revised FY 1997 budget, the Subcommittee has questions about how expensive the unit will be to maintain. In particular, it notes the salaries budgeted for FY 1997. (The base salaries of three positions that were shifted from other programs and upgraded to create this new division have increased by an estimated \$50,498 in the current year.) In addition, the Subcommittee questions the purpose of the unit. Even if one accepts that a perceived conflict of interest exists, the Subcommittee questions whether the desired independence and objectivity will be achieved in light of the fact that the staff are all part of the same agency. Although the statutes give the Commission flexibility to organize its staff, the Subcommittee believes the creation of this separate unit within the agency is a policy matter that should be reviewed by the Legislature, particularly when it has significant funding ramifications. For these reasons, the Subcommittee asks the Commission to prepare a report to the Appropriations and Ways and Means subcommittees that will consider its budget during the 1998 Session to explain why the Legislature should continue to fund a separate unit within the agency that appears to duplicate positions and expertise already available to the Commission. In addition, if the Commission wishes to enlarge the advisory unit from the 3.5 FTE positions recommended by the Subcommittee, the report should include a justification of why additional positions are needed.

4. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

House Recommendation

The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 14,395,797	\$ 14,381,554	\$ (60,723)
Aid to Local Units	<u>694,000</u>	<u>694,000</u>	<u>0</u>
Subtotal—Operating	\$ 15,089,797	\$ 15,075,554	\$ (60,723)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 15,089,797</u>	<u>\$ 15,075,554</u>	<u>\$ (60,723)</u>
FTE Positions	213.0	213.0	(1.0)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>213.0</u>	<u>213.0</u>	<u>(1.0)</u>

Senate Subcommittee Recommendation

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

1. Place a "no limit" expenditure limitation on the Abandoned Oil and Gas Well Fund for FY 1997. Expenditures from the Fund, which was created by the 1996 Legislature, are used to plug abandoned wells. The current expenditure limit on the Fund is \$1.2 million, which is financed by transfers of \$400,000 each from the State General Fund, the Conservation Fee Fund, and the State Water Plan Fund. Because legislation that provided also for moneys from 50 percent of Kansas' share of mineral royalties on certain federal lands in Kansas passed the 1996 Session too late for the impact of that legislation to be included in the Omnibus Bill, the expenditure limitation on the Fund was not raised to accommodate the additional mineral royalties receipts, which are estimated to be \$606,000 annually. Placing a "no limit" expenditure on the Fund would allow the Commission to use all of the resources available in the Fund to plug wells, which is a priority of the Legislature.
2. Delete \$9,161 from special revenue funds for salaries and wages. The recommendation is because the Governor over funded the amount necessary to cover the cost of retirement benefits.
3. Delete 1.0 FTE position, which currently is vacant, and \$51,562 from special revenue funds that are budgeted as part of an advisory division created in 1996. The Chairman of the Commission told the Senate Subcommittee that he is not going to fill the position. The deleted position is one of two positions that is vacant out of the 4.5 FTE positions assigned to the division. In 1996, the Commission informed members of the subcommittees considering its budget that it was reallocating

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positions internally in order to create a small group of legal and technical staff to advise the Commission.

Barbara Lawrence

 Senator Barbara Lawrence, Chairperson

Mark Gilstrap

 Senator Mark Gilstrap

Current Status Comparison

Expenditure	Gov. Rec. FY 1997	House Committee Rec. FY 1997	Senate Subcommittee Rec. FY 1997	Senate Change from House
All Funds:				
State Operations	\$ 14,381,554	\$ 14,320,831	\$ 14,320,831	0
Aid to Local Units	694,000	694,000	694,000	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 15,075,554</u>	<u>\$ 15,014,831</u>	<u>\$ 15,014,831</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 15,075,554</u></u>	<u><u>\$ 15,014,831</u></u>	<u><u>\$ 15,014,831</u></u>	<u><u>\$ 0</u></u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	213.0	212.0	212.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u><u>213.0</u></u>	<u><u>212.0</u></u>	<u><u>212.0</u></u>	<u><u>0.0</u></u>

SUBCOMMITTEE REPORT

Agency: State Corporation Commission

Bill No. 2160

Bill Sec. 43

Analyst: Mah

Analysis Pg. No. 1,187

Budget Page No. 123

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,277,847	\$ 14,969,490	\$ 32,602
Aid to Local Units	750,000	750,000	0
Subtotal—Operating	\$ 16,027,847	\$ 15,719,490	\$ 32,602
Capital Improvements	0	0	0
TOTAL	\$ 16,027,847	\$ 15,719,490	\$ 32,602
FTE Positions	217.0	213.0	1.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	217.0	213.0	1.0

Agency Request/Governor's Recommendation

The State Corporation Commission estimates expenditures of \$16,027,847 in FY 1998. The amount is an increase of \$938,050 over the revised current year estimate. The Commission identifies four enhancements, including a salary study for upgrading unclassified employees in the utilities division for which no moneys were requested in the FY 1998 budget request. The Commission also requests a new financial examiner FTE position for the conservation division (\$43,453) to meet mandates that were placed on it by passage of 1996 S.B. 755. The law requires all oil and gas operators in the state licensed by the Commission to have in place by January 1, 1998, mechanisms to assure financial responsibility. A third enhancement in the Commission's budget is for 2.0 new special investigator FTE positions for the transportation division to start doing safety compliance inspections on new applicants for private motor carrier licenses (\$94,400). The Commission also request a new keyboard operator FTE position for the conservation division (\$29,500) for a database that is now required with passage of 1996 S.B. 755. The law requires the Commission to create and maintain a database of all oil and gas wells in the state, including the location of each well and pertinent information on the operator of each well.

Governor's Recommendation. The Governor deletes all moneys that were requested for enhancements. He recommends \$9,489,371 for the salaries and wages of existing staff in FY 1998, an increase of \$65,929 from the Commission's request. The recommendation includes a 1.0 percent base salary adjustment for classified employees that is in addition to the requested step movement. Also, instead of the 2.5 percent merit pool for unclassified employees that was requested, the Governor recommends a 3.5 percent merit pool. The Governor makes no other changes to the Commission's salary request for existing staff except for technical adjustments. The Commission's FY 1998 request was overstated in part because it funded both deferred compensation and KPERs for its three commissioners. The Governor deleted the moneys for KPERs, but left the moneys for deferred compensation. Instead,

he should have deleted moneys for deferred compensation for two of the three commissioners. When an adjustment is made to shift to KPERS for the other two commissioners, the Governor's recommendation is overstated by \$8,819 for salaries and wages. For turnover savings, the Governor concurs with the Commission's request for a 1.7 percent rate in FY 1998 (\$164,754). With regard to moneys budgeted for consultants to provide expertise the staff lacks or to monitor activities at the federal level, it is not possible to say how much the Governor recommends because he does not itemize individual expenditures within the category of contractual services. Within the amount of funding the Commission has available, it would be able to allocate resources to consultants on a priority basis. (Agencywide, the Governor reduced the Commission's FY 1998 request for contractual services, of which professional fees are a part, from \$5,069,959 to \$5,003,456.) Of \$441,512 requested in FY 1998 for capital outlay, including \$344,005 for computer hardware and software and related equipment, the Governor reduces the request by \$138,430 from the Commission's request. The recommendation does not indicate a preference for how the Commission expends the recommended moneys other than limiting GIS purchases. Financing for the purchases were to be from the Conservation Fee Fund. The intent of the recommendation is to help preserve balances in the Conservation Fee Fund, which had a shortfall in FY 1994 and for which the long-term condition is in question because of declining oil production.

House Subcommittee Recommendation

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

1. Place a "no limit" expenditure limitation on the Abandoned Oil and Gas Well Fund for FY 1998, as was recommended for FY 1997. As stated in the FY 1997 report, the recommendation would allow the Commission to use all of the resources available in the Fund to plug wells.
2. Add \$95,037 from the Motor Carrier License Fees Fund for 2.0 new special investigator FTE positions for the transportation division, of which \$70,577 is for salaries and wages and \$24,460 is for other operating costs of the new FTE positions (including \$1,070 for one-time capital outlay equipment). The Subcommittee was told that the transportation division currently has four special investigators located in Topeka, Kansas City, Garnett, and Dodge City. The Subcommittee's recommendation includes appropriating the new moneys with a proviso that the two new special investigator positions would be located in Wichita and Colby, as was indicated by the Commission. With the new special investigators, the Commission indicates that it would have enough staff to start doing safety compliance inspections on new applicants for private motor carrier licenses. Currently, the Commission inspects only the new applicants for a common or contract carrier license, which is 150 out of an estimated 800 new applicants annually. Current staff levels have not allowed the Commission to properly carry out its mission of regulating the safety of motor carriers, which is putting the safety of the public at risk. Under the Subcommittee's recommendation, there would be a total of six special investigators for the transportation division, which is the number the Subcommittee expects to see allocated to the division next year when the Commission's budget is reviewed by the 1998 Legislature. Current established fees are more than adequate to pay for the cost of the new positions, as estimated fees to the Motor Carrier Licensure Fee Fund generate approximately \$5.0 million annually. The Corporation Commission

expends on its operations approximately \$1.6 million annually, with any unencumbered balances in excess of \$400,000 required by law to be transferred to the State Highway Fund.

3. Delete the same 1.0 FTE position that was recommended for deletion in the FY 1997 report. The position was the one budgeted as part of an advisory division created in 1996. Included in the recommendation is a reduction of \$53,616 from special revenue funds for the salary and wage cost of the position.
4. The Subcommittee recommends that a proviso be placed on the Conservation Fee Fund directing the State Corporation Commission to submit as part of its budget document for FY 1999 a three-year projection of receipts and expenditures from the Fund. Since the early 1990s, receipts to the Conservation Fee Fund have fluctuated, in part due to declining oil production. The situation was so serious that at one time the Commission developed a plan to lay off employees. An increase in the assessment on oil and gas production in 1993 generated enough new revenues to avert the shortfall, but the Legislature has continued to monitor the Fund. Part of the reason is the concern over the number of abandoned unplugged wells in the state and the fact that shortfalls to the Conservation Fee Fund affect the amount of money the Corporation Commission has available for contracts to have the wells plugged. The 1996 Legislature addressed this issue and endorsed an increase in the assessment so that more money would be available for well plugging activities. When the Commission changed its rules and regulations to provide for the well plugging assessment, it also increased the assessment to provide for what it had been telling the Legislature for the past few years was necessary to cover usual adjustments to agency operations. Questions now are being raised about whether it was necessary to increase assessments at all during FY 1997 for agency operations. Because the major sources of revenues to the Fund are assessments on the oil and gas industry, and because those industries are affected by decisions of the Commission to raise the assessments, the Subcommittee believes it is important that the Commission make its projections of receipts and expenditures available for analysis so that policy makers and industry representatives will have the opportunity to review the assumptions the Commission is making and be able to anticipate changes in the assessment as far in advance as possible.
5. Delete \$8,819 from special revenue funds for salaries and wages to reduce moneys recommended by the Governor for retirement benefits, which were over funded.
6. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

House Committee Recommendation

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

1. Delete Item No. 2, which added \$95,037 from the Motor Carrier License Fees Fund for 2.0 new special investigator FTE positions.

2. Delete \$303,082 from special revenue funds for capital outlay equipment.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: State Corporation Commission **Bill No.** 178 **Bill Sec.** 43

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate* Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,277,847	\$ 14,969,490	\$ (448,994)
Aid to Local Units	750,000	750,000	0
Subtotal—Operating	<u>\$ 16,027,847</u>	<u>\$ 15,719,490</u>	<u>\$ (448,994)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 16,027,847</u></u>	<u><u>\$ 15,719,490</u></u>	<u><u>\$ (448,994)</u></u>
FTE Positions	217.0	213.0	(1.0)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>217.0</u></u>	<u><u>213.0</u></u>	<u><u>(1.0)</u></u>

* Includes a reduction of \$333,477 from special revenue funds for the Governor's employee salary adjustments.

Senate Subcommittee Recommendation

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

1. Place a "no limit" expenditure limitation on the Abandoned Oil and Gas Well Fund for FY 1998, as was recommended for FY 1997. As stated in the FY 1997 report, the recommendation would allow the Commission to use all of the resources available in the Fund to plug wells.
2. Delete the same 1.0 FTE position that was recommended for deletion in the FY 1997 report. The position was the one budgeted as part of an advisory division created in

1996. Included in the recommendation is a reduction of \$53,616 from special revenue funds for the salary and wage cost of the position.

3. Delete \$53,082 from special revenue funds for capital outlay expenditures, which leaves \$250,000 for FY 1998. It is the Subcommittee's opinion, after reviewing the Commission's budgeted expenses, that the recommended \$250,000 will cover adequately all needed items.
4. The Subcommittee asks the State Corporation Commission to submit as part of its budget document for FY 1999 a three-year projection of receipts and expenditures from the Fund. Since the early 1990s, receipts to the Conservation Fee Fund have fluctuated, in part due to declining oil production. The situation was so serious that at one time the Commission developed a plan to lay off employees. An increase in the assessment on oil and gas production in 1993 generated enough new revenues to avert the shortfall, but the Legislature has continued to monitor the Fund. Part of the reason is the concern over the number of abandoned unplugged wells in the state and the fact that shortfalls to the Conservation Fee Fund affect the amount of money the Corporation Commission has available for contracts to have the wells plugged. The 1996 Legislature addressed this issue and endorsed an increase in the assessment so that more money would be available for well plugging activities. When the Commission changed its rules and regulations to provide for the well plugging assessment, it also increased the assessment to provide for what it had been telling the Legislature for the past few years was necessary to cover usual adjustments to agency operations. Questions now are being raised about whether it was necessary to increase assessments at all during FY 1997 for agency operations. Because the major sources of revenues to the Fund are assessments on the oil and gas industry, and because those industries are affected by decisions of the Commission to raise the assessments, the Subcommittee believes it is important that the Commission make its projections of receipts and expenditures available for analysis so that policy makers and industry representatives will have the opportunity to review the assumptions the Commission is making and be able to anticipate changes in the assessment as far in advance as possible.
5. Delete \$8,819 from special revenue funds for salaries and wages to reduce moneys recommended by the Governor for retirement benefits, which were over funded.
6. Delete \$333,477 from special revenue funds based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$125,796); classified step movement (\$88,802); longevity bonus payment (\$69,261); and the 1.0 percent base salary adjustment for classified employees (\$49,618) from individual agency budgets.
7. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.



Senator Barbara Lawrence, Chairperson



Senator Mark Gilstrap

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Rec. FY 1998	Senate* Subcommittee Rec. FY 1998	Senate Change from House
All Funds:				
State Operations	\$ 14,969,490	\$ 14,603,973	\$ 14,520,496	\$ (83,477)
Aid to Local Units	750,000	750,000	750,000	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 15,719,490	\$ 15,353,973	\$ 15,270,496	\$ (83,477)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 15,719,490</u>	<u>\$ 15,353,973</u>	<u>\$ 15,270,496</u>	<u>\$ (83,477)</u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	0
Aid to Local Units	0	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 0	\$ 0	\$ 0	0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
FTE Positions	213.0	212.0	212.0	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>213.0</u>	<u>212.0</u>	<u>212.0</u>	<u>0.0</u>

* Includes a reduction of \$333,477 from special revenue funds for the Governor's employee salary adjustments.

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2272

Bill Sec. 14

Analyst: Porter

Analysis Pg. No. 1283

Budget Page No. 18

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,019,126	\$ 30,191,891	\$ (3,800,000)
Aid to Local Units	557,239	557,239	0
Other Assistance	<u>3,191,255</u>	<u>3,191,255</u>	<u>0</u>
Subtotal - Operating	\$ 23,767,620	\$ 33,940,385	\$ (3,800,000)
Capital Improvements	<u>2,802,733</u>	<u>2,769,938</u>	<u>0</u>
TOTAL	<u>\$ 26,570,353</u>	<u>\$ 36,710,323</u>	<u>\$ (3,800,000)</u>
State General Fund:			
State Operations	\$ 19,139,443	\$ 29,325,718	\$ (3,800,000)
Aid to Local Units	327,239	327,239	0
Other Assistance	<u>1,531,075</u>	<u>1,531,075</u>	<u>0</u>
Subtotal - Operating	\$ 20,997,757	\$ 31,184,032	\$ (3,800,000)
Capital Improvements	<u>2,216,414</u>	<u>2,183,619</u>	<u>0</u>
TOTAL	<u>\$ 23,214,171</u>	<u>\$ 33,367,651</u>	<u>\$ (3,800,000)</u>
Other Funds:			
State Operations	\$ 879,683	\$ 866,173	\$ 0
Aid to Local Units	230,000	230,000	0
Other Assistance	<u>1,660,180</u>	<u>1,660,180</u>	<u>0</u>
Subtotal - Operating	\$ 2,769,863	\$ 2,756,353	\$ 0
Capital Improvements	<u>586,319</u>	<u>586,319</u>	<u>0</u>
TOTAL	<u>\$ 3,356,182</u>	<u>\$ 3,342,672</u>	<u>\$ 0</u>
FTE Positions			
Reportable	326.3	326.3	0.0
Nonreportable	<u>540.0</u>	<u>540.0</u>	<u>0.0</u>
Subtotal FTE	866.3	866.3	0.0
Unclassified Temp. Positions	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>
TOTAL	<u>875.8</u>	<u>875.8</u>	<u>0.0</u>

Senate Ways and Means Committee

Date 3-14-97

Attachment # 6

Agency Estimate/Governor's Recommendation

The agency's revised FY 1997 estimate for operating funding is \$23,767,620, or \$823,140 more than the amount approved by the 1996 Legislature. The State General Fund operating estimate of \$20,997,757 is an increase of \$313,927 in State General Fund financing above the amount approved by the 1996 Legislature, which reflects the expenditure of amounts reappropriated from FY 1996 to FY 1997 and the expenditure of amounts authorized for the Kansas Quality Management Program. The major State General Fund reappropriations in excess of the amounts contemplated by the 1996 Legislature include \$171,726 in Public Broadcasting Council equipment grants, \$85,998 for the executive aircraft, and \$57,636 for the Division of the Budget. The FY 1997 estimate includes other small reappropriations and some offsetting reductions from the approved amounts. The amount noted for the Division of the Budget includes Kansas Quality Management (KQM) expenditures. The 1996 Legislature authorized certain agencies to retain one-half of the amount saved in a fiscal year as a result of quality initiatives. Agencies are authorized to spend the funds for specified purposes, such as salary bonus payments, professional development training, or the purchase of technological equipment, such as computers.

The increase in estimated expenditures from other funds includes an increase of \$0.6 million in estimated expenditures from the Federal Cash Management Fund, from the original estimate of \$1.0 million (the amount included in the approved FY 1997 budget) to \$1.6 million. The federal Cash Management Improvement Act of 1990 requires that states reimburse the federal government for the interest earned on federal funds. The \$1.6 million estimate represents the amount of payments the agency estimates will be paid to the federal government. This increase is offset by reductions in estimated expenditures from other funds.

In addition to the operating budget funding noted above, the agency's revised estimate for capital improvement expenditures of \$2,802,733 reflects an increase of \$1,121,733 above the \$1,681,000 approved by the 1996 Legislature. The increase reflects the expenditure of amounts carried forward from previous years.

The Governor recommends FY 1997 operating funding of \$33,940,385, an increase of \$10,172,765 above the agency estimate. The majority of the increase is due to two items not included in the agency's FY 1997 estimate:

- **The Governor's recommendation of \$6,416,673 from the State General Fund** (and \$1,818,635 from other nonreportable funds, **for a total of \$8,235,308**) **for year 2000 modifications.** (Staff Note: Only the State General Fund amount is included in the reportable budget. The entire \$8.2 million is included as a nonreportable expenditure in FY 1997.) This item is included in the agency's FY 1998 budget submission, with a State General Fund request of \$2,206,455.
- The Governor's recommendation of **\$3.8 million from the State General Fund in FY 1997 to upgrade the Statewide Human Resources and Payroll System (SHARP) PeopleSoft software** from version 4.1 to 6.0. This item was not included in the agency's original budget submission.

NONREPORTABLE BUDGET

In addition to the reportable budget summarized above, the Department of Administration submits a nonreportable budget. Nonreportable expenditures are expenditures of funds which have come to the Department of Administration as fees or service funds collected from other agencies. These amounts are included as reportable operating expenditures in the budgets of the state agencies using Department of Administration services. If these amounts were to be included as reportable expenditures within the Department of Administration budget, it would constitute a double reporting of the expenditures. The Department of Administration's nonreportable budget is summarized below.

Nonreportable Budget FY 1996 -- FY 1997			
Expenditure	Agency Est. FY 97	Governor's Rec. FY 97	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 65,634,025	\$ 73,068,925	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>17,203,145</u>	<u>16,900,000</u>	<u>0</u>
Total -- Operating	\$ 82,837,170	\$ 89,968,925	\$ 0
Capital Improvements	<u>3,172,048</u>	<u>3,181,909</u>	<u>0</u>
TOTAL	<u>\$ 86,009,218</u>	<u>\$ 93,150,834</u>	<u>\$ 0</u>

Agency Request/Governor's Recommendation

The FY 1997 estimate of \$86,009,218 reflects a reduction of \$3,565,372 from FY 1996 actual expenditures. The FY 1997 estimate is an increase of \$1,343,137 from the \$81,494,033 approved by the 1996 Legislature. Estimated FY 1997 expenditures for DISC are \$1,356,975 more than the approved amount. This increase is offset by reductions in other programs. **The Governor's FY 1997 recommendation** of \$89,968,925 is an increase of \$7,131,755 above the agency estimate of \$82,837,170. This reflects the Governor's recommendation of \$8,235,308 for the recommended Year 2000 repair project. Although the majority of the Year 2000 funding is from the State General Fund and is therefore included in the reportable budget, the entire amount recommended is included as a nonreportable expenditure. This will allow the agency to consolidate all funding for this purpose, and all funding for the project will be reported in one budgetary program. Excluding the Year 2000 project funding, the Governor's FY 1997 recommendation reflects a further reduction of \$1,103,553 from the agency estimate.

The agency requests total nonreportable operating budget authority of \$84,002,056, an increase of \$1,164,886 above the FY 1997 estimate of \$82,837,170. Of the increase, \$851,260 is attributable to enhancements requested for the Division of Information Systems and Communications (DISC) and the Division of Architectural Services, which are discussed in more detail in the Budget Detail portion of this analysis. **The Governor's** recommendation of \$82,973,867 reflects a reduction of \$1,028,189 from the agency request.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee was informed that four recently completed or soon to be completed buildings (the Kansas Technology Center at Pittsburg State University, Tomanek Hall at Fort Hays State University, Hoch Auditorium/Budig Hall at the University of Kansas, and the Olathe Travel Center) were not yet completed, and therefore were not included under the terms of coverage when the present state insurance policy was negotiated last year. Although each building was covered under the contractor's insurance policy during construction, that coverage expires when buildings are completed. The current policy provides coverage of \$100 million per occurrence, with a \$2 million per occurrence deductible. The policy covers all buildings with a replacement value of \$500,000 or more that are not otherwise insured. As each building is completed, the State has either added or will add it to the current policy, at an additional cost of \$3,000 in FY 1997 and \$30,000 in FY 1998. The Subcommittee recommends that this issue be addressed through a Governor's Budget Amendment or, absent such an amendment, as an Omnibus item.
2. The Subcommittee reviewed the Governor's recommended \$3.8 million State General Fund FY 1997 supplemental for a SHARP (Statewide Human Resource and Payroll) System upgrade. As the full Committee has been informed, the recommended funding would pay for the PeopleSoft software upgrade, for software installation, and for the consulting services needed to bring forward to PeopleSoft release 6.0 (the new release) those modifications the State made to PeopleSoft release 4.02 (the software release currently in place). The agency states that PeopleSoft has a policy of upgrading to new releases every 12 months, and 18 months from the date of each software release, the previous release is unsupported. The agency explained that, when a software release is unsupported, the company will no longer maintain the code, and will no longer repair or modify the software. If the software application were to fail, the State could not obtain repairs from the vendor. The agency also stated that there is no migration path beyond release 6.0 for release 4.0 users. Therefore, if the State wanted to buy a later release at some point in the future, that later release would have to be installed as a new system, which can be very costly.

The Subcommittee recommends that the \$3.8 million recommended by the Governor be deleted from the agency budget pending review of this issue by the Joint Committee on Computers and Telecommunications (JCCT). The Subcommittee anticipates that JCCT will review this issue and will report its findings and recommendations to this Subcommittee in early March. On or before March 13, 1997, this Subcommittee will report its recommendation to the full House Appropriations Committee following its review of the JCCT recommendation. The full Committee will have an additional opportunity to discuss the issue at that time.

3. The Subcommittee reviewed a second computer issue, the year 2000 problem, for which the Governor recommends FY 1997 State General Fund supplemental funding of \$6,416,673. Additional nonreportable expenditures of \$1,818,635 are

authorized, for total FY 1997 expenditures of \$8,235,308. The amounts recommended are intended to pay for the technical services that state agencies will need to prepare computer systems and applications for the year 2000. Of the total, \$3.5 million is recommended for repair of the Department of Administration's own central systems.

The Department of Administration presented testimony on this issue to the full House Appropriations Committee. The agency states that the year 2000 problem occurs in those computer systems and applications that do not have a four-digit year in computer programs and databases. When the year 2000 occurs, a two-digit "00" date field will be interpreted as the year 1900, or as some other year. Some applications may simply shut down, and others may produce erroneous results. For example, the state accounting system may think that a January 2000 invoice is really a January 1900 invoice. In some cases, an invoice paid in the year 2000 may be lost in the system and may cause the State to double pay. All systems feeding into those systems that are affected will face potential problems. Rather than simply a computer problem, the Subcommittee was informed that this is an embedded chip problem, and that other computerized systems, such as elevators, air handling equipment, preprogrammed jail cells, and other equipment may behave unpredictably.

The Subcommittee was informed that the Department has made many efforts to educate state agencies and to assist in identifying the nature and extent of each agency's potential year 2000 problems. Some agencies have already identified their year 2000 issues and are addressing them. Although the Kansas Information Resource Council (KIRC) has established policies requiring agencies to report monthly on their inventory of applications and the cost to repair mission critical applications, not all agencies have determined their need for year 2000 repairs.

The Subcommittee concurs with the Governor's recommendation, but further recommends that the Joint Committee on Computers and Telecommunications (JCCT) review this issue. The Subcommittee notes that there will be additional costs, and that the amount recommended by the Governor will not be sufficient to address this issue for all state agencies. The Subcommittee recommends that this issue, including the additional information and recommendations to be provided by JCCT, be addressed as an Omnibus item.

FY 1997—Public Broadcasting Council

The House Subcommittee concurs with the recommendations of the Governor, which concurs with the Council's estimate for FY 1997.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee with the following adjustment:

1. Delete funding of \$6,416,673 from the State General Fund recommended for year 2000 repairs. Also, delete additional nonreportable expenditure of \$1,818,635 for this purpose. Year 2000 repairs will be considered as an omnibus item.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Department of Administration

Bill No. 228

Bill Sec. 14

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:		
State Operations	\$ 30,191,891	\$ (6,416,673)
Aid to Local Units	557,239	0
Other Assistance	<u>3,191,255</u>	<u>0</u>
Subtotal - Operating	\$ 33,940,385	\$ (6,416,673)
Capital Improvements	<u>2,769,938</u>	<u>0</u>
TOTAL	<u>\$ 36,710,323</u>	<u>\$ (6,416,673)</u>
State General Fund:		
State Operations	\$ 29,325,718	\$ (6,416,673)
Aid to Local Units	327,239	0
Other Assistance	<u>1,531,075</u>	<u>0</u>
Subtotal - Operating	\$ 31,184,032	\$ (6,416,673)
Capital Improvements	<u>2,183,619</u>	<u>0</u>
TOTAL	<u>\$ 33,367,651</u>	<u>\$ (6,416,673)</u>
FTE Positions		
Reportable	326.3	0.0
Nonreportable	<u>540.0</u>	<u>0.0</u>
Subtotal FTE	866.3	0.0
Unclassified Temp. Positions	<u>9.5</u>	<u>0.0</u>
TOTAL	<u>875.8</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee was informed that four recently completed or soon to be completed buildings (the Pittsburg State University Technology Center, Tomanek Hall at Fort Hays State University, Hoch Auditorium/Budig Hall at the University of Kansas, and the Olathe Travel Center) were not yet completed, and therefore were not included under the terms of coverage when the present state insurance policy was negotiated last year. Although each building was covered under the contractor's insurance policy during construction, that coverage expires when buildings are completed. The current policy provides coverage of \$100 million per occurrence, with a \$2 million per occurrence deductible. The policy covers all buildings with a replacement value of \$500,000 or more that are not otherwise insured. As each building is completed, the State has either added or will add it to the current policy, at an additional cost of \$3,000 in FY 1997 and \$30,000 in FY 1998. The Subcommittee recommends that this issue be addressed through a Governor's Budget Amendment or, absent such an amendment, as an Omnibus item.
2. The Subcommittee reviewed the Governor's recommended \$3.8 million State General Fund FY 1997 supplemental for a SHARP (Statewide Human Resource and Payroll) System upgrade. The recommended funding would pay for the PeopleSoft software upgrade, for software installation, and for the consulting services needed to bring forward to PeopleSoft release 6.0 (the new release) those modifications the State made to PeopleSoft release 4.02 (the software release currently in place). The agency states that PeopleSoft has a policy of upgrading to new releases every 12 months, and 18 months from the date of each software release, the previous release is unsupported. The agency explained that, when a software release is unsupported, the company will no longer maintain the code, and will no longer repair or modify the software. If the software application were to fail, the State could not obtain repairs from the vendor. The agency also stated that there is no migration path beyond the new release for current software users. Therefore, if the State wanted to buy a later release at some point in the future, that later release would have to be installed as a new system, which can be very costly.

The Joint Committee on Computers and Telecommunications (JCCT) reviewed this project and recommended that the Department proceed with the upgrade, in an amount not to exceed \$4 million.

The Subcommittee concurs with the Governor's recommendation of \$3.8 million for the upgrade. The Subcommittee notes that the agency will need to spend an estimated \$180,000 to upgrade the software of some state agency computers that use the SHARP system, but that the agency has a reserve of approximately \$75,000 from the amount appropriated by the 1995 Legislature for state agency computers purchases for the SHARP system that could be used for this purpose.

3. The Subcommittee reviewed a second computer issue, the year 2000 problem, for which the Governor recommends FY 1997 State General Fund supplemental funding

of \$6,416,673. Additional nonreportable expenditures of \$1,818,635 are authorized, for total FY 1997 expenditures of \$8,235,308. The amounts recommended are intended to pay for the technical services that state agencies will need to prepare computer systems and applications for the year 2000. Of the total, \$3.5 million is recommended for repair of the Department of Administration's own central systems.

The agency states that the year 2000 problem occurs in those systems and applications that do not have a four-digit year in computer programs and databases. When the year 2000 occurs, a two-digit "00" date field will be interpreted as the year 1900, or as some other year. Some applications may simply shut down, and others may produce erroneous results. For example, the state accounting system may think that a January 2000 invoice is really a January 1900 invoice. In some cases, an invoice paid in the year 2000 may be lost in the system and may cause the State to double pay. All systems feeding into those systems that are affected will face potential problems. Rather than simply a computer problem, the Subcommittee was informed that this is an embedded chip problem, and that other computerized systems, such as elevators, air handling equipment, preprogrammed jail cells, and other equipment may behave unpredictably.

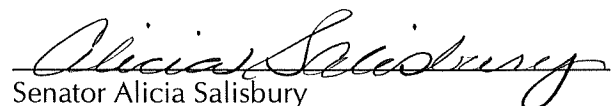
The Subcommittee was informed that the Department has made many efforts to educate state agencies and to assist in identifying the nature and extent of each agency's potential year 2000 problems. Some agencies have already identified their year 2000 issues and are addressing them. Although the Kansas Information Resource Council (KIRC) has established policies requiring agencies to report monthly on their inventory of applications and the cost to repair mission critical applications, not all agencies have determined their need for year 2000 repairs. The Subcommittee recommends that the funding for year 2000 repairs be deleted from this budget pending JCCT review of state agency requests. The Subcommittee recommends that this issue, including the additional information and recommendations to be provided by JCCT, be addressed as an Omnibus item and that funding be appropriated at that time.

FY 1997—Public Broadcasting Council


The Senate Subcommittee concurs with the recommendations of the Governor.

Current Status Comparison

Expenditure	Gov. Rec. FY 1997	House Committee Action FY 1997	Senate Committee Action FY 1997	Senate Change from House
All Funds:				
State Operations	\$ 30,191,891	\$ (10,216,673)	\$ (6,416,673)	\$ 3,800,000
Aid to Local Units	557,239	0	0	0
Other Assistance	3,191,255	0	0	0
Subtotal - Operating	<u>\$ 33,940,385</u>	<u>\$ (10,216,673)</u>	<u>\$ (6,416,673)</u>	<u>\$ 3,800,000</u>
Capital Improvements	2,769,938	0	0	0
TOTAL	<u><u>\$ 36,710,323</u></u>	<u><u>\$ (10,216,673)</u></u>	<u><u>\$ (6,416,673)</u></u>	<u><u>\$ 3,800,000</u></u>
State General Fund:				
State Operations	\$ 29,325,718	\$ (10,216,673)	\$ (6,416,673)	\$ 3,800,000
Aid to Local Units	327,239	0	0	0
Other Assistance	1,531,075	0	0	0
Subtotal - Operating	<u>\$ 31,184,032</u>	<u>\$ (10,216,673)</u>	<u>\$ (6,416,673)</u>	<u>\$ 3,800,000</u>
Capital Improvements	2,183,619	0	0	0
TOTAL	<u><u>\$ 33,367,651</u></u>	<u><u>\$ (10,216,673)</u></u>	<u><u>\$ (6,416,673)</u></u>	<u><u>\$ 3,800,000</u></u>
FTE Positions				
Reportable	326.3	0.0	0.0	0.0
Nonreportable	540.0	0.0	0.0	0.0
Subtotal FTE	<u>866.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Unclassified Temp. Pos.	9.5	0.0	0.0	0.0
TOTAL	<u><u>875.8</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>


 Senator Alicia Salisbury
 Subcommittee Chairperson


 Senator Mark Gilstrap


 Senator Nick Jordan

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2160

Bill Sec. 45

Analyst: Porter

Analysis Pg. No. 1283

Budget Page No. 18

Expenditure Summary	Agency Request FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 23,252,512	\$ 20,289,805	\$ 0
Aid to Local Units	827,819	461,008	0
Other Assistance	<u>3,725,605</u>	<u>3,025,149</u>	<u>0</u>
Subtotal - Operating	\$ 27,805,936	\$ 23,775,962	\$ 0
Capital Improvements	<u>3,504,400</u>	<u>2,492,705</u>	<u>0</u>
TOTAL	<u><u>\$ 31,310,336</u></u>	<u><u>\$ 26,268,667</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 22,732,622	\$ 19,743,833	\$ 0
Aid to Local Units	597,819	230,000	0
Other Assistance	<u>2,065,425</u>	<u>1,364,969</u>	<u>0</u>
Subtotal - Operating	\$ 25,395,866	\$ 2,436,152	\$ 0
Capital Improvements	<u>3,504,400</u>	<u>2,492,705</u>	<u>0</u>
TOTAL	<u><u>\$ 28,900,266</u></u>	<u><u>\$ 23,832,515</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 519,890	\$ 545,972	\$ 0
Aid to Local Units	230,000	230,000	0
Other Assistance	<u>1,660,180</u>	<u>1,660,180</u>	<u>0</u>
Subtotal - Operating	\$ 2,410,070	\$ 2,436,152	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 2,410,070</u></u>	<u><u>\$ 2,436,152</u></u>	<u><u>\$ 0</u></u>
FTE Positions			
Reportable	312.2	307.2	0.0
Nonreportable	<u>548.2</u>	<u>547.2</u>	<u>0.0</u>
Subtotal FTE	860.4	854.4	0.0
Unclass. Temp. Positions	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>
TOTAL	<u><u>867.4</u></u>	<u><u>861.4</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The agency requests total reportable FY 1998 operating funding of \$27,805,936, an increase of \$4,038,316, or 17.0 percent, above the FY 1997 estimate. The request includes State General Fund financing of \$25,395,866, an increase of \$4,398,109 above the FY 1997 estimate. The majority of the increase (\$4,032,722) is attributable to the items noted in the following table (excluding capital improvements), which are discussed in further detail below.

Department of Administration FY 1998 Requested Reportable Budget Enhancements				
Enhancement	Description	FY 1998 Agency Enhancement Request	FY 1998 Gov. Rec.	
Division of Personnel Services -- EDIFY Software	Software that would automate a number of personnel functions, including open enrollment for insurance, skills tracking, training enrollments, and other items	\$ 84,000	\$	0
Public Broadcasting Council -- Operating Grants	Increase State General Fund Operating Grants from \$.50 per capita to .75 per capita	362,203		0
Public Broadcasting Council -- Equipment Grants	Matching funds for prioritized equipment grants	705,064		0
BDAS (Bureau of Department of Administration Systems) -- Software Licenses	Would be used to develop central information systems for accounting, inventory, budgeting, and purchasing	675,000		0
BDAS -- Year 2000	Modifications to the Department of Administration Computer Systems for the Year 2000 problem	2,206,455		0 (Funded in FY 1997)
Total -- Operating		\$ 4,032,722	\$	0

The Governor recommends total reportable FY 1998 operating funding of \$23,775,962, a reduction of \$4,029,974 from the agency request. The Governor does not recommend any of the net operating budget enhancements noted in the table above in FY 1998. However, as noted previously, the Governor does recommend funding for the Year 2000 modifications in FY 1997. In addition, the Governor approves the purchase of software licenses for an integrated financial system within available resources, with no additional funding recommended for this item. As noted below, the Governor adds funding for debt service for the purchase of the former City of Topeka police garage (a total of \$62,658, including \$20,150 from the State General Fund). The Governor's recommendation includes funding for

the same pay plan recommended for all state employees: step movement; a 1.0 percent classified base salary increase; and funding for longevity bonus pay for classified employees; and a 3.5 percent merit pool for unclassified employees.

NONREPORTABLE BUDGET

In addition to the reportable budget summarized above, the Department of Administration submits a nonreportable budget. Nonreportable expenditures are expenditures of funds which have come to the Department of Administration as fees or service funds collected from other agencies. These amounts are included as reportable operating expenditures in the budgets of the state agencies using Department of Administration services. If these amounts were to be included as reportable expenditures within the Department of Administration budget, it would constitute a double reporting of the expenditures. The Department of Administration's nonreportable budget is summarized below.

Nonreportable Budget FY 1998			
Expenditure	Agency Req. FY 98	Governor's Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 68,198,574	\$ 67,170,385	\$ 0
Aid to Local Units	0	0	0
Other Assistance	15,803,482	15,803,482	0
Total – Operating	\$ 84,002,056	\$ 82,973,867	\$ 0
Capital Improvements	1,654,981	1,591,945	0
TOTAL	<u>\$ 85,657,037</u>	<u>\$ 84,565,812</u>	<u>\$ 0</u>

Agency Request/Governor's Recommendation

The agency requests total FY 1998 nonreportable operating budget authority of \$84,002,056, an increase of \$1,164,886 above the FY 1997 estimate of \$82,837,170. Of the increase, \$851,260 is attributable to enhancements requested for the Division of Information Systems and Communications (DISC) and the Division of Architectural Services, which are discussed in more detail in the Budget Detail portion of this analysis. **The Governor's** recommendation of \$82,973,867 reflects a reduction of \$1,028,189 from the agency request.

6.12

Public Broadcasting Council

Agency Request/Governor's Recommendation

The Council requests a total of \$1,858,180 from the State General Fund for operating grants in FY 1998. The amount requested would provide grants at a level of approximately \$.75 per capita. The Council requests a total of \$805,064 from the State General Fund for equipment grants in FY 1998.

The Governor's recommendation of \$1,495,977 for FY 1998 operating grants reflects a reduction of \$262,203 from the Council request and would provide funding at a level of approximately \$.60 per capita. The Governor recommends \$100,000 from the State General Fund for equipment grants in FY 1998.

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee reviewed the current policies, practices, and expenditures of the State Motor Pool Program. Among the issues discussed was the current policy of "miling out" vehicles at 90,000 miles. When motor pool cars reach 90,000 miles, they are sold through the Surplus Property Program. The Subcommittee recommends that the agency explore whether the current mile out policy optimizes the resale value of these vehicles. In other words, the Subcommittee questions whether it would be better for the State to mile out the cars at some point less than 90,000 miles, given the fact that the lower mileage cars would presumably have a higher resale value, and, if so, to determine what that lower mileage would be. The agency should take into consideration the increased maintenance costs that may occur with higher mileage vehicles and other factors, including the market for resale cars and the preferences of potential buyers.
2. The Subcommittee requested information on employee health and assistance programs, including Lifeline, which provides confidential help to any employee or immediate family member who is experiencing personal problems. The program received 2,850 calls in FY 1996, and the budgeted FY 1998 cost of the program is \$146,000. The Subcommittee was informed that the after hours portion of the Lifeline program is subcontracted out to a vendor in Oregon. The Subcommittee recommends that the Department examine the goals of this program and determine whether the program is providing those services specified in the contract in the manner in which the State intended and in the manner most beneficial to the State and state employees. The Subcommittee further recommends that the State explore rebidding contract, and that, when the contract is rebid, Kansas vendors be encouraged to bid.
3. In conjunction with its discussion of the year 2000 problem, the Subcommittee discussed the role and powers of the State's Chief Information Architect. Under current law, the Chief Information Architect is appointed by the Kansas Information Resource Council (KIRC), and is charged with, among other duties, initiating the strategic information management plan for the State and coordinating implementation of new computer and telecommunication technologies. (K.S.A. 1996 Supp. 75-4743.) The Subcommittee notes that, in some states, comparable positions are

appointed by the Governor, and have powers more on a par with Cabinet level secretaries. The Subcommittee questions whether, as in the case of the year 2000 problem, a Chief Information Architect with the powers of a Cabinet level secretary could have had more of an impact on agencies responding promptly to the Chief Information Architect and the KIRC. The Subcommittee recommends an interim study of this issue.

Public Broadcasting Council

The House Subcommittee concurs with the recommendations of the Governor, which are noted above.

House Committee Recommendation

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

1. Add \$500,000 from the Economic Development Initiatives Fund (EDIF) for Public Broadcasting Council equipment grants in FY 1998.

House Recommendation

The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments (Reportable Budget)^(a)</u>
All Funds:		
State Operations	\$ 20,289,805	\$ (486,301) ^(b)
Aid to Local Units	461,008	0
Other Assistance	3,025,149	200,000 ^(c)
Subtotal - Operating	<u>\$ 23,775,962</u>	<u>\$ (286,301)</u>
Capital Improvements	2,492,705	0
TOTAL	<u><u>\$ 26,268,667</u></u>	<u><u>\$ (286,301)</u></u>
State General Fund:		
State Operations	\$ 19,743,833	\$ (474,032) ^(b)
Aid to Local Units	230,000	0
Other Assistance	1,364,969	200,000 ^(c)
Subtotal - Operating	<u>\$ 2,436,152</u>	<u>\$ (274,032)</u>
Capital Improvements	2,492,705	0
TOTAL	<u><u>\$ 23,832,515</u></u>	<u><u>\$ (274,032)</u></u>
FTE Positions		
Reportable	307.2	0.0
Nonreportable	547.2	(3.0)
Subtotal FTE	<u>854.4</u>	<u>(3.0)</u>
Unclass. Temp. Positions	7.0	0.0
TOTAL	<u><u>861.4</u></u>	<u><u>(3.0)</u></u>

a) Does not reflect nonreportable budget reductions for the pay plan and the transfer of money noted in Item No. 1.

b) Pay plan reduction.

d) Addition of \$200,000 SGF for Public Broadcasting.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee notes the findings of a recent Legislative Post Audit report, "Reviewing the Effectiveness of the State's Workplace Health and Safety Program." Among other conclusions, the report found that, for the following reasons, the Department of Administration Workplace Health and Safety Program may not be very effective at providing training to state employees. First, the program does not target training to areas that have the greatest needs, such as agencies with high

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accident rates, or accidents that occur most frequently or are most costly. Second, because the program is voluntary, some state agencies have decided not to participate, regardless of the cost or numbers of accidents they have had. Third, program officials have not done some things required by law, such as developing procedures for identifying and controlling workplace hazards, and conducting on-site workplace health and safety hazard surveys in all States agencies. Finally, the Program's effectiveness is hampered by a lack of staffing resources, with fewer staff than almost all surrounding states and all the other self-insurers surveyed by Legislative Post Audit.

The Subcommittee notes that the Department of Human Resources (DHR) provides workplace health and safety training, primarily to private sector businesses. The Subcommittee believes that consolidating these two programs will result in greater efficiencies and a higher level of services to state agencies. The Subcommittee believes that DHR has the greater potential to administer an efficient and effective program. The Subcommittee recommends that the 2.0 FTE positions providing safety training and related nonreportable funding of \$172,357 included in the Governor's recommendation for salaries and wages, OOE, outside contracts for safety services, and other items, be transferred from the Department of Administration budget to the Department of Human Resources. One clerical support position within the Department of Administration would be eliminated. The Subcommittee recommends that the two agencies work together each year to determine the amount to be transferred from the Department of Administration's Workers' Compensation Self-Insurance Fund to the DHR to support safety training for state agencies.

2. The Senate Subcommittee notes that the Joint Committee on State Building Construction has received information regarding Dillon House (located at 404 West Ninth Street in Topeka, across Harrison Street from the Capitol), and is owned by the First Presbyterian Church. The 1989 Legislature enacted K.S.A. 75-3681, which authorizes the Secretary of Administration to enter into an agreement to exchange the Dillon House for the state parking lot located at 801 Harrison Street. The statute specifies that, before entering into an agreement to exchange the properties, the state must make arrangements to replace the parking lot lost through the exchange "with other acceptable parking space." The exchange authorized in 1989 has not occurred to date. Recently, the church has expressed renewed interest in the exchange, because of its possible expansion plans. The Joint Committee on State Building Construction expressed an interest in exchanging the properties and recommended that its Chairperson contact the Legislative Coordinating Council (LCC) about the exchange. At its August 23, 1996, meeting, the LCC adopted a motion requesting the Secretary of Administration to approve the exchange. In testimony to the Joint Committee on State Building Construction on December 16, 1996, the Secretary of Administration expressed concerns about the exchange and stated that the administration would be "remanding the Dillon House matter back to the Legislature for further consideration and guidance." The Governor's recommendation includes no provision for the exchange.

The Subcommittee requested information on the cost of maintaining Dillon House, should the exchange of properties occur, and presents the following three cost scenarios for informational purposes.

A.	State-owned and not renovated. Minimal maintenance, repairs, and utilities.	
	Total Annual Cost	\$ 72,000
B.	State-owned and renovated. Events scheduled one day per week.	
	Maintenance and repairs	\$ 87,000
	Housekeeping	4,300
	Total Annual Cost	<u>\$ 91,300</u>
C.	State-owned and renovated. Events scheduled five days per week.	
	Maintenance and repairs	\$ 174,000
	Housekeeping	18,500
	Total Annual Cost	<u>\$ 192,500</u>

The Subcommittee recommends that this project be reviewed by the Senate Subcommittee on Capital Improvements.

3. The Subcommittee notes the Joint Committee on State Building Construction has recently approved funding of \$1,380,400 from the State General Fund for a second capital improvement project, the renovation of Cedar Crest (the Governor's residence). The Subcommittee supports the recommendation of the Joint Committee to undertake this project, but recommends that the total funding for the project be reduced to \$1 million. The Subcommittee recommends that the Senate Subcommittee on Capital Improvements review the funding recommended for this project.
4. The Subcommittee notes that, on January 10, 1997, the State Finance Council authorized the issuance of bonds to finance the renovation of Memorial Hall, with the understanding that the Governor would explore funding the cost of interest during the initial two years of the bond issue (the approximate renovation time, during which no rental payments would be made). This funding would be in lieu of issuing bonds in an amount set to cover the cost of the interest during the initial two-year period.

The Governor's recommendation makes no provision for interest payments. The Department of Administration stated that it will determine what funding, if any, would be necessary for interest on the Memorial Hall bonds in FY 1998, and will seek a Governor's Budget Amendment for that amount.

5. Delete \$486,301 from the reportable budget, including \$474,032 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent base salary increase (\$201,868); unclassified merit (\$26,838); longevity bonus payments (\$132,930); and the 1.0 percent base salary adjustment (\$124,665) from individual agency budgets. An additional \$735,795 is deleted from the nonreportable budget for these items.

6. The Subcommittee notes that the Debt Setoff Program was discussed during the full Committee's discussion of S.B. 373, the University of Kansas Medical Center (KUMC) governance bill. The Debt Setoff Program performs a debt collection function for the state. Before the state issues a check (including payroll checks, vendor payments, tax returns, and other checks), the name of the payee is matched against a computer file of debts owing to the state. If the payee owes money to the state, the check is not issued until the debt is settled.

In addition to other amounts collected through direct collection efforts, bad debt recovery, and other collections, the Division of Accounts and Reports receives a fee for its debt setoff collections. The Subcommittee notes that a total of \$120,000 from debt setoff collection fees from KUMC accounts is included in the FY 1998 Division of Accounts and Reports budget. In addition to funding employees working with KUMC setoff accounts, this amount funds employees performing other functions within the division. The Subcommittee notes that, should S.B. 373 be enacted, funding for the Division of Accounts and Reports would become an issue to be addressed during the FY 1997 Omnibus Session.

7. Make technical adjustments to the bill.

FY 1998—Public Broadcasting Council

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

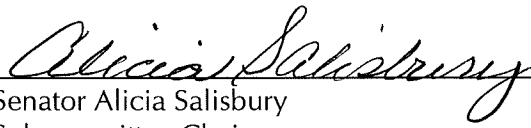
1. Add \$200,000 from the State General Fund for Public Broadcasting Council capital equipment grants. The Subcommittee notes that the Governor's recommendation of \$100,000 for FY 1998 equipment grants is a reduction of \$705,064 from the request of \$805,064. The Subcommittee was informed that the Council may carry forward from FY 1997 to FY 1998 approximately \$100,000 of funding approved for FY 1997 equipment grants. The Subcommittee notes that the resulting total of \$400,000 (\$100,000 recommended by the Governor, \$200,000 added by the Subcommittee, and the \$100,000 carried forward from FY 1997) would provide approximately one-half of the Council's request.

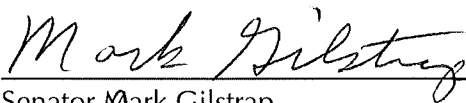
The Subcommittee further notes a trend of decreasing federal support for equipment grant matching funds. The Subcommittee notes that it should not be expected that State funding will replace this dwindling federal support.


Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Committee Action FY 1998 (Reportable Budget) ^(a)	Senate Change from House
All Funds:				
State Operations	\$ 20,289,805	\$ 0	\$ (486,301) ^(b)	\$ (486,301)
Aid to Local Units	461,008	176,180	0	(176,180)
Other Assistance	3,025,149	323,820	200,000 ^(c)	(123,820)
Subtotal - Operating	\$ 23,775,962	\$ 500,000	\$ (286,301)	\$ (786,301)
Capital Improvements	2,492,705	0	0	0
TOTAL	\$ 26,268,667	\$ 500,000	\$ (286,301)	\$ (786,301)
State General Fund:				
State Operations	\$ 19,743,833	\$ 0	\$ (474,032) ^(b)	\$ (474,032) ^(b)
Aid to Local Units	230,000	0	0 ^(c)	0 ^(c)
Other Assistance	1,364,969	0	200,000	200,000
Subtotal - Operating	2,436,152	\$ 0	\$ (274,032)	\$ 200,000
Capital Improvements	\$ 2,492,705	0	0	0
TOTAL	\$ 23,832,515	\$ 0	\$ (274,032)	\$ (274,032)
FTE Positions				
Reportable	307.2	0.0	0.0	0.0
Nonreportable	547.2	0.0	(3.0)	(3.0)
Subtotal FTE	854.4	0.0	(3.0)	(3.0)
Unclassified Temp. Pos.	7.0	0.0	0.0	0.0
TOTAL	861.4	0.0	(3.0)	(3.0)

- a) Does not reflect nonreportable budget reductions for the pay plan and the transfer of money noted in Senate Item No. 1.
- b) Pay plan deletion.
- c) Public Broadcasting addition.


 Senator Alicia Salisbury
 Subcommittee Chairperson


 Senator Mark Gilstrap


 Senator Nick Jordan

Senate Ways and Means Committee
SHaRP Budget Request for PeopleSoft Public Sector Release 6.0 Upgrade
March 14, 1997
Presenter: Department of Administration Secretary Dan Stanley

Senator Kerr and Members of the Committee:

Thank you for giving us time on your agenda to present a Governor's budget request for \$3.8 million to upgrade the State's PeopleSoft software for our SHaRP human resources and payroll system. I share your concern about why this request is needed so soon after SHaRP has been implemented. However, there are important financial and system stability reasons for the request which require consideration.

Today I have with me Don Heiman, our DISC Director. DISC took the system over in September 1995 approximately 3 months before SHaRP was implemented. Don's organization is responsible for maintaining the system. He will present to you information about the cost for the system and reasons for the upgrade.

Before he presents I would like to review with you the history of SHaRP. In 1992, Andersen Consulting was hired by the previous Administration to prepare a feasibility study on how to best replace the old KIPPS payroll system. The study was presented to the Governor, Cabinet, and Legislature in 1993. In summer and fall of 1993 a request for bid was prepared and a Project Director was hired. The project director reported to the Cabinet Secretary of the Department of Administration who chaired a Steering Committee for the project.

In April 1994 contracts were signed with PeopleSoft for the software and with Andersen Consulting to tailor the software to the State's needs. In May 1994 the project began. During the Fall of 1994 Andersen guided the Department's Division of Personnel Services and Accounts and Reports through process reengineering and the design of the system.

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In January 1995 the Grave's Administration took office. At that time, programming the system was underway. DISC built the network to support the system and installed the data center computers, storage, and tape systems for SHaRP. The Project Director was transferred to DISC in September 1995. Three months after the transfer the application went live. The first payroll check was produced on January 14, 1996.

DISC's Bureau of Department of Administration Systems then took over responsibility for maintaining the system as Andersen staff phased down and DISC staff took over. In January 1997 the coding was completed for W-2's and related withholding statements. During the past 12 months the system has been stable and State staff fully trained to support the system.

The Regents maintain their own payroll and personnel systems which interface to SHaRP. SHaRP produces payroll from Regent's systems. SHaRP also produces W-2's from Regents provided data. KU and Kansas State use PeopleSoft and followed a development cycle similar to the cycle managed by the Department of Administration. The other Regents schools have in-house custom built payroll systems that interconnect to SHaRP. Attached to my presentation is a more detailed timeline of the significant events leading to the full implementation of SHaRP.

Mr. Chairman, at this point I would like to ask Don Heiman, DISC Director to explain the costs for SHaRP and the reasons for why we need to upgrade.

Don was appointed the permanent DISC Director in September 1995 shortly before SHaRP went live. His staff, as I mentioned earlier, maintains the system on behalf of Accounts and Reports, Division of Personnel Services, and the agencies who use SHaRP.

Statewide Human Resources and Payroll System Timeline

October 1992 — December 1992	Andersen Payroll System Feasibility Study
January 1993 — April 1993	Present Feasibility Study Secretary, Dept of Administration Governor Cabinet Senate Ways and Means House Ways and Means Joint Committee on Computers & Technology Regents
June 1993 — November 1993	Develop and Release Request for Proposal
December 1993	Project Director Hired
January 1994 — April 1994	Evaluate Proposals
April 1994	Contract Signed with Andersen Consulting
April 1994	License Agreement Signed with PeopleSoft
April 1994	License Agreement Signed with Oracle
May 1994	Project begins
July 1994	Funding for SHaRP Granted
May 1994 — December 1994	Process Reengineering/Analysis Phase
December 1994 — June 1995	Detailed Design Phase
January 1995	Graves Administration Begins
February 1995 — October 1995	Network and Infrastructure Built
May 1995 — November 1995	Agency Equipment Rollout
September 1995	SHaRP Transferred to DISC
October 1995	UNIX Data Center Implemented
May 1994 — November 1995	Programming Phase
July 1995 — December 1995	SHaRP User Training
June 1995 — September 1995	Testing Phase
October 1995	Benefits Rollout
November 1995 - - December 1995	Payroll Rollout/Implementation
January 12, 1996	First Paychecks Produced from System
January 1996 — June 1996	Post Implementation/Maintenance Transition
January 1997	First W2s Produced from System

Senate Ways and Means Committee
SHaRP Budget Request for PeopleSoft Public Sector Release 6.0 Upgrade
March 14, 1997
Presenter: Don Heiman, DISC Director

Senator Kerr and Members of the Committee:

Thank you for the opportunity to present our budget request for \$3.8 million to upgrade SHaRP, the State's newly installed payroll and human resources system. As the Secretary mentioned, DISC took over SHaRP in September 1995, four months before the system was implemented. At that time, the system was coded in PeopleSoft release 4.02. Our request is to implement PeopleSoft Public Sector release 6.0. The money will be used to pay Andersen Consulting to reapply existing modifications to the new PeopleSoft software release. When the State acquired PeopleSoft, the software was designed for the private sector. In order to tailor the software to Kansas, a large number of modifications were required by users. Andersen Consulting made these modifications as part of its install contract. When we move to new releases of PeopleSoft, the modifications must be carried forward, otherwise our SHaRP system will fail and payrolls will be missed. There are a number of very important reasons for why we need to move to Public Sector Release 6.0. This release will be available in March 1997.

PeopleSoft's announced strategy is to release new versions of their software every 12 months. Under this strategy, PeopleSoft will continue to support the old release for 18 months from the date of the next subsequent release. Thus, once a new release is issued we have approximately 30 months to move to the newest release. If we do not move to the newest release, then after the thirty month period, PeopleSoft will no longer support the old release. Lack of support means that the payroll system becomes increasingly unstable. For example...

- (1) PeopleSoft is not responsible for code failure and will not provide fixes to failed code on unsupported software;

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- (2) Customers on unsupported releases can not use development updates to the software. These updates include current tax tables and special features related to changes in Federal law or regulations. Also, State tax withholding updates and tax tables for treaty agreements may not work on old release levels that are unsupported.
- (3) PeopleSoft hot line help are trained on supported releases and their knowledge of unsupported code is greatly reduced.

As I mentioned earlier we are on release 4.02. This release level will be unsupported in March 1997. If we move to PeopleSoft Public Sector release 6.0, this release will be good until October 1999.

In addition to its release strategies, PeopleSoft also has a strategy for migrating to new releases. This strategy is known as a migration path. The migration path for release 4.02 ends at release 6.0. Thus, there is no migration path from 4.02 to any release after 6.0. If the migration path is not taken, then new releases must be installed as a new system. This is very expensive. For example, the cost to install and modify release 4.02 for Kansas was \$6.9 million. Loss of a migration path is also an important issue from the viewpoint of protecting our initial investment.

The following page compares the actual five year costs to the five year cost estimated by Andersen Consulting in their February 1993 feasibility study. This study was presented to the JCCT and Senate Ways and Means Committees when funding for SHaRP was approved.

The table shows that the five year costs were estimated at \$26,473,600 and the forecasted actual expenditure is \$29,020,662. The actual cost includes the price for the upgrade to release 6.0. The actual cost also includes \$3,231,805 for the network. This cost was not included in Andersen's study. If the network cost is added to Andersen's estimate, then the cost estimate and

the actual forecasted costs are nearly the same. We have made every effort to manage to the estimated costs and we pledge to continue to maintain the system within the estimate presented to the legislature.

As I mentioned earlier, DISC took over the maintenance of the system shortly before SHaRP went live. We have learned how to maintain the system. However we must now encourage our users to stop requests for modifying SHaRP. Today I have over 500 requests for system changes. These changes make it very difficult and expensive to move to future release levels.

If we continue to change SHaRP, then the cost to maintain the software increases dramatically. We have recommended to our users that they seek greater functionality through future releases of the software and that they align their practices to more closely correspond to the features of the released software. While we are working to control modifications, we are also working closely with PeopleSoft to obtain their agreement to pick up our earlier modifications in future releases of the software. Release 6.0 includes four very large modifications done in Kansas. PeopleSoft is looking at three more large modifications for consideration in release 8.0. Also, PeopleSoft will help us move changes to local code into free standing modules. This will simplify the cost to modify future releases of the software. The more we move towards a "vanilla" system the less we need to spend for maintaining the system. In effect we slide maintenance costs to PeopleSoft. Today we spend only \$116,000 per year for PeopleSoft maintenance. This is a very low cost for software support. We can reduce the cost to install future releases by controlling the amount of modifications. Nonetheless, we will continue to modify the software to accommodate legislative changes and significant administration initiatives.

Finally, PeopleSoft is a very popular package. For this reason, technicians trained in PeopleSoft are in short supply. Over the past month we have lost two technicians to the private

sector. They received salary increases of over \$15,000 plus signing bonuses. Technicians are very difficult to find and expensive to train. The strategy to upgrade and "go vanilla" reduces our reliance on consultants and reduces the number of technicians we need to hire and train.

I propose that we install Public Sector release 6.0 and skip release 7.0. Then accept release 8.0 for install in 1999. This approach maximizes the amount of time we remain on older releases of supported software.

SHaRP payrolls 60,000 people every two weeks and it serves our State human resources needs. It is a functionally rich system and represents a significant State investment. Your support of our strategy to upgrade and move to a "vanilla" system insures the State will have a stable payroll system for the next seven (7) years. Your support also allows us to maintain the system with fewer staff and consultants over the next 20 years. We have presented this request to a large number of committees and stakeholders. The Joint Committee on Computers and Telecommunications recommends the upgrade. The upgrade is also supported by the Information Technology Advisory Board, the Kansas Information Resource Council (KIRC), the Governor, Chief Information Officers at Boeing Wichita and Western Resources, and the State's Chief Information Architect. Thank you for considering this funding request to help us maintain a stable mission critical payroll system. May I answer any questions.

Department of Administration

SHaRP Project Costs (FY 1995 - FY 1999)

Cost Category	Andersen Study Feb-93	Actual Costs FY 95-99	Start-up	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Contractor costs to develop the system	\$10,213,800	\$7,403,961	\$160,226	\$3,656,625	\$3,447,110	\$140,000	\$0	\$0
System hardware and software	4,572,796	5,277,137	310,000	1,286,224	1,723,185	684,252	632,386	641,090
Agency hardware	709,950	313,027	0	313,027	0	0	0	0
Workstations for project team	51,750	231,519	120,705	110,814	0	0	0	0
Other support costs	38,000	644,211	189,839	235,472	218,900	0	0	0
Total Direct Costs	\$15,586,296	\$13,869,855	\$780,770	\$5,602,162	\$5,389,195	\$824,252	\$632,386	\$641,090
Cost of operating old system until the new was operational	5,631,300	3,119,992	—	1,645,081	1,474,911	0	0	0
Salaries of State agency employees assigned to project	3,476,200	4,153,260	109,585	1,068,981	1,155,391	606,434	606,434	606,434
Cost of 570 workstations used by State Agencies	983,250	816,991	—	19,614	797,377	0	0	0
Other installation costs	796,554	221,000	33,150	44,200	44,200	44,200	44,200	11,050
Total Indirect Costs	\$10,887,304	\$8,311,243	\$142,735	\$2,777,876	\$3,471,879	\$650,634	\$650,634	\$617,484
Grand Total Feasibility Study	\$26,473,600	\$22,181,098	\$923,505	\$8,380,038	\$8,861,074	\$1,474,886	\$1,283,021	\$1,258,574
Consulting support for W-2s	\$0	\$99,237	—	\$0	\$0	\$99,237	\$0	\$0
State Support for 6.0 upgrade	0	191,446	—	0	0	191,446	0	0
Consulting support for 6.0 upgrade	0	3,800,000	—	0	0	3,800,000	0	0
Total Post Implementation Support	\$0	\$4,090,683	—	\$0	\$0	\$4,090,683	\$0	\$0
Grand Total	\$26,473,600	\$26,271,781	\$923,505	\$8,380,038	\$8,861,074	\$5,565,570	\$1,283,021	\$1,258,574
Network Infrastructure Costs								
Network Routers, Hubs, Circuits	0	3,231,805	0	857,879	593,482	593,482	593,482	593,482
Total With Infrastructure Costs	\$26,473,600	\$29,503,587	\$923,505	\$9,237,917	\$9,454,555	\$6,159,051	\$1,876,502	\$1,852,056

Note: Estimate for cost to upgrade SHaRP workstations for 6.0 upgrade is \$180,000

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SENATE WAYS AND MEANS
KANSAS "2000" REPORT

March 14, 1997

11:00 a.m., Room 123-S

Presenter: Chief Information Architect, Fred Boesch

INTRODUCTION: Thank you, Mr. Chairman, for time to address the Year 2000 problem. I would like to provide an 8 minute video introduction to the Year 2000 problem and I will add several examples. I will tell you where we are as a state government in addressing this problem, what I know about the funding requirements and what I don't know, and finally, I will compare us with available information about other state government programs. Here is a video introduction to the Year 2000 problem, prepared by the National Association of State Information Resource Executives, an organization similar to your National Association of State Legislators.

<play 8 minute video>

The problem of performing date calculations with two digit years is illustrated by a simple age calculation: Is a person born in 1935 eligible for social security in the Year 2000? If we take the difference between the two numbers 00 and 35, we either obtain an answer of 35 and no error which is wrong but we might not see it in volumes of computer output or we get an error because we can't have a minus number for a date calculation result. Let me tell you of another more subtle problem. Typically, local programmers knew the rule for leap year - if the year is divisible by four it is a leap year. Until a few years ago, they may not have worried about centuries, but they may have known that if year is divisible by four it is a leap year unless it is a century. But they frequently did not know that although most centuries are not leap years, every 400 years they are leap years. So, the Year 2000 is a century, not normally a leap year, but in this case it is divisible by 400 so it is a leap year. Let me give you an example of a business problem. Initially credit cards carried two digit years and the software that processed the information was set for two digit years. Some credit card companies reissue cards every four years. A year ago, a major bank started to issue cards with a four digit Year 2000 expiration. The cards worked ... in some locations ... but in other locations the holder was told their card had expired. This bank changed its cycle to three years and issued cards with a 1999 date. But think about the cost in lost customer accounts, the cost of additional card reissues, the potential for law suits among the many parties in this business, and the need for the industry to coordinate and test the correction of the problem. Are we involved? Of course, SRS, through a contractor, has a very effective program that uses magnetic strip cards for benefits in place of food stamp coupons.

I recognize that there are many people that are going to make a lot of money as a result of this problem. I also don't want to characterize the problem as a doomsday event - it is not. However, it is a very real and a very serious problem. I must also note that we frequently slide completion dates on major programs (so does private industry) due to changing needs, increased costs, limited funding, and sometimes just because we could not plan the program well enough. We can't do that with this program. We can't set the deadline - it is given to us; no choice. We can't move the deadline - no choice. If we have software or equipment subject to this problem our choices are limited - we can replace the asset, we can repair the asset, or we can stop doing whatever the asset helps us to do. And we must work with our suppliers and service providers to insure their equipment that we use or the services they provide to us are Year 2000 compliant. Our target for completion should be January 1999 because we must allow contingent time for problems we don't find or repaired systems that need adjustment in order to work properly with other repaired systems. On this basis, we have less than 21 months and the clock is counting down.

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Attachment # 9

POLICY AND PROGRAM ACTIONS: The Kansas Information Resources Council (KIRC) has adopted three policies dealing with the Year 2000 problem:

KIRC Policy 2410 directs agencies to inventory assets that are susceptible to the Year 2000 problem and develop mitigation plans for those mission critical assets that must be repaired or replaced. Agencies are further directed to submit monthly Year 2000 projects status reports indicating their progress toward becoming Year 2000 ready. Small agencies are directed to contact DISC's Year 2000 awareness center for guidance in obtaining help in assessing and mitigating any Year 2000 issues.

KIRC Policy 2412 provides a standard for the format of date information and a policy requiring agencies to use the standard when exchanging date data between systems.

KIRC Policy 2414 provides agencies with guidance on obtaining readiness warranties from vendors; provides guidance on what constitutes asset Year 2000 date processing compliance; provides guidance on amending contracts with vendors to mitigate asset Year 2000 date processing problems; and, provides contract language to support those actions.

The Information Technology Advisory Board (ITAB) established two Year 2000 committees (a mainframe committee and an AS/400 committee) to address the unique problem faced by the large numbers of state agencies that employ these architectures.

The Division of Information Systems and Communications (DISC) has taken steps that not only benefit DISC but also its customers and other state agencies with Year 2000 problems requiring mitigation.

A consulting services contract developed by DISC, for the use of all agencies, provides a full range of Year 2000 assessment and repair services.

An independent Year 2000 mainframe computer system is dedicated to century date change repair. This allows agencies to test their applications without affecting production systems.

DISC's Year 2000 Awareness Center assists agencies in developing the task orders necessary to utilize the Year 2000 services contract, tracks vendor progress on all task orders and is dedicated to raising awareness of the Year 2000 problem.

STATUS AND COST ESTIMATES: The state has a large number of agencies, boards and commissions. Our policies and information regarding the Year 2000 is sent to all of them. For reporting purposes, however, we use those that have reported some expenditure for information technology. For a large number of these organizations, such as the part time Cosmetology Board, this is for a personal computer or a piece of software. Here is the status of state organizations addressing the Year 2000 problem.

Completed	-	26
In Process	-	29
No Report	-	20

All of our major agencies, those where we can have significant cost or liability, are in the "completed" or in the "in process" categories. Some are just starting their assessment and a few are almost finished. Now that we have our major agencies moving on the problem, we are going to work on our small non reporting organizations. We have recently notified the many small

organizations that they can contact the DISC awareness center to obtain a consultant visit to assist their non technical staff to determine if they have a problem and how to correct it.

The following table provides the latest agency estimates of the funding required to effect Year 2000 repairs within the State of Kansas. The table indicates that an additional \$6.5 million will be needed to be appropriated from State General Funds and \$8.3 million from all funds. All told, Agencies expect to spend \$6.5 million from the State General Fund and \$18.4 million from all funds to effect Year 2000 repairs. These totals do not include Department of Human Resources' estimates which should be completed by April. Based on DHR's estimated 7 million lines of code, these costs could be as high as \$9.5 million, (some of which may be covered by federal funds).

Agency	Agency Staff Estimate	Within Current Resources		Additional Funding Required		Total Year 2000 Funding	
		SGF	AF	SGF	AF	SGF	AF
Dept. of Administration	7,400			\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Health and Environment				\$180,000	\$180,000	\$180,000	\$180,000
Secretary of State	240	\$36,500	\$36,500			\$36,500	\$36,500
KBI	544			\$63,400	\$63,400	\$63,400	\$63,400
Highway Patrol	279			\$163,703	\$163,703	\$163,703	\$163,703
KDOR	52,403			\$635,868	\$1,135,868	\$635,868	\$1,135,868
SRS	78,000		\$9,792,500	\$907,500	\$2,207,500	\$907,500	\$12,000,000
Judicial Branch			\$300,000				\$300,000
Securities Commissioner					\$18,635		\$18,635
Emergency Medical Services				\$2,541	\$2,541	\$2,541	\$2,541
DHR							*
Other Agencies	19,760						
Contingency				\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL	158,626	\$36,500	\$10,129,000	\$6,453,012	\$8,271,647	\$6,489,512	\$18,400,647

A contingency fund is considered prudent to reduce the impact of some or all of the following risks:

- a. Some funding of the Human Resources Department may be necessary. This potential could well exceed the contingency. KDHR must start this work immediately or increase the risk that a failure will occur before they can complete repair and testing of their systems.
- b. The Department of Revenue has several systems scheduled to be replaced in 1998/1999 as part of the Tax 2000 Project. If this project encounters delays for any reason, KDOR could face up to \$1,766,000 in additional Year 2000 repair costs.
- c. Current estimates are that repair and testing will require 113 person years of state staff time. Most of the person hours for testing will involve non-technical personnel. The impact upon the delivery of services, when constrained to a limited period of time, may become such a burden that some agencies may require temporary assistance.
- d. There are several small organizations, with no technical staff, that require assistance in reviewing their situation. There will be some cost in providing this service from contract resources.

COMPARISON OF STATE PROGRAMS: The following table, comparing Kansas' cost of Year 2000 repairs to other states was developed from data supplied by the National Association of State Information Resource Executives (NASIRE) as of March 3, 1997. Kansas appears to be among the leading state to address the Year 2000 problem and our costs are consistent with those reported by other states.

GROUP TWO STATES YEAR 2000 COST COMPARISONS
BUDGET DATA FOR 1995

Group 2 States	Population (millions)	Total Budget (\$billions)	IRM Budget % of Total Budget	Budget includes:				Year 2K costs (\$millions)	Status	
				Exec	Univ	Leg	Jud		Planning	Repair
Arizona	3.7	4.9	3.61	YES	NO	NO	NO	70 - 100	X	
Arkansas	2.4	5.8	NO REPORT	YES	YES	NO	NO	UNKNOWN	X	
Colorado	3.3	8	1.2	YES	NO	YES	YES	17	X	X
Connecticut	3.3	9.4	2.58	YES	YES	YES	YES	UNKNOWN	X	
Iowa	2.8	4.1	1.73	YES	NO	NO	NO	30 - 50	X	
Kansas	2.5	7.1	2.39	YES	YES	YES	YES	18	X	X
Kentucky	3.7	10.6	4.03	YES	NO	NO	NO	12		X
Mississippi	2.6	7.7	1.16	YES	YES	YES	NO	UNKNOWN	X	
Oklahoma	3.1	3.78	3.36	YES	NO	NO	NO	NO REPORT	NO REPORT	
Oregon	2.8	10.2	2.03	YES	NO	NO	NO	40 - 60	X	
So. Carolina	3.5	10	2.5	YES	YES	YES	YES	UNKNOWN	X	

GROUP ONE STATE YEAR 2000 COST COMPARISON EXAMPLE

Nebraska	1.6	3.5	0.94	YES	NO	NO	NO	22		X
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GROUP THREE STATE YEAR 2000 COST COMPARISON EXAMPLE

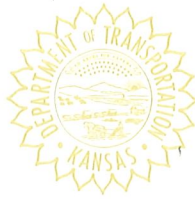
Missouri	5.3	12	1.15	YES	YES	NO	YES	56.7		X
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GROUP FOUR STATE YEAR 2000 COST COMPARISON EXAMPLE

California	29.8	1600	1.68	YES	NO	NO	NO	80 - 100		X
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CATEGORIES

- Group One State - Population less than two million
- Group Two State - Population between two and four million
- Group Three State - Population between four and six million
- Group Four State - population more than six million



KANSAS DEPARTMENT OF TRANSPORTATION

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Bill Graves
Governor of Kansas

**TESTIMONY BEFORE
SENATE WAYS AND MEANS COMMITTEE**
Regarding the Replacement of KDOT's Financial and Maintenance Management Systems

March 14, 1997

Mr. Chairman and Committee Members:

I am Robert Haley, Director of Administration for the Kansas Department of Transportation, and I appreciate the opportunity to testify before the Committee regarding the replacement of KDOT's Financial and Maintenance Management systems.

The agency requested and the Governor recommended \$3 million in the FY 1998 budget for the Business Process Reengineering and Systems Requirements Definition for the Financial and Maintenance Management systems. An additional \$6 million will be requested for FY 1999 and FY 2000 period for the acquisition and implementation of the new systems.

I will discuss the need to modify or replace the systems, the analysis of the cost effectiveness of the various options, and project schedule.

NEED TO MODIFY OR REPLACE THE SYSTEMS

The objectives for the Kansas Department of Transportation Financial and Maintenance Management systems project are:

1. Provide relevant and timely information to KDOT managers for informed financial and maintenance decisions.
2. Provide user-oriented financial and maintenance management systems.
3. Integrate financial with maintenance management and other management information systems.
4. Improve or maintain internal controls.

The current financial systems were implemented and enhanced in the mid 1980s. Since that time there have been significant changes in technology. The existing financial systems lack the ability to meet new demands without significant alteration. The current general ledger and budgetary reporting system is a proprietary product which is expensive to modify or cannot be modified and may not be Year 2000 compliant.

With the current maintenance systems, the agency will continue to be faced with untimely reporting or missing information which is needed to manage resources in operations and capital equipment.

The evaluation began with eleven KQM teams established to analyze various aspects of the financial management process and four KQM teams established to analyze the maintenance management process. The financial teams included representatives from the Department of Administration and other state and federal agencies as well as KDOT. The maintenance teams were composed of KDOT and federal agency representatives. The teams identified numerous recommendations. Some of the recommendations could be quickly implemented; however, many required major procedure and system redesign.

ANALYSIS OF THE COST EFFECTIVENESS OF THE VARIOUS OPTIONS

COST BENEFIT STUDY. After completion of the internal needs analysis, KDOT contracted with the firm of Coopers and Lybrand to work with KDOT to:

- identify systems alternatives,
- provide cost estimates by alternative,
- determine benefits by alternative,
- determine advantages and disadvantages of each alternative,
- provide budget scenarios,
- provide recommendations for systems integration, and
- provide a high-level project schedule.

The study was completed with a final report issued in November 1996. The study considered major financial systems and all maintenance and inventory systems. Project and construction management systems will not be replaced but will be integrated with the new systems. Because there are numerous systems, the following key issues exist: integration of the systems, information sharing between systems, and the timely and consistent updating of the systems with data. As an example, the purchase of a tire demonstrates the need for integration and information sharing. The tire purchase should generate a financial transaction in the Accounts

Payable module as well as update the Equipment Management - Preventive Maintenance module. Another example is capturing the cost of agency activities such as snow removal. Ease of access to timely information concerning agency operations is essential to informed management decisions.

KDOT originally considered the Financial and Maintenance systems as separate projects. However, Coopers and Lybrand recommended combining them into a single project in order to realize the most benefits at the lowest cost.

DEFINING SYSTEMS ALTERNATIVES. Coopers and Lybrand and KDOT identified six system alternatives. The six alternatives, their implementation costs and their net present values (basically system benefits minus system costs) are:

	Implementation Costs	Net Present Value
1. Enhance existing systems	\$11,008,900	\$ 1,358,500
2. Use Mainframe Commercial-Off-The-Shelf (COTS) software and enhance other systems	9,008,600	13,751,800
3. Use COTS Client Server Software and enhance other systems	10,300,400	10,029,600
4. Use the state accounting system with some COTS software and enhancements	13,897,200	6,823,600
5. Use COTS software for financial and custom develop maintenance	19,534,500	(7,021,600)
6. Custom development for both financial and maintenance	37,203,400	(24,990,000)

COST BENEFIT OF EACH ALTERNATIVE. Dollar benefits were determined for only quantifiable benefits (those for which a determination could be made). Intangible or qualitative benefits (such as managerial information, ease of use, level of customization, ease of maintenance, operational control, and currency of technology) are not included in the net present value calculation; however, these benefits were considered in making the system recommendation.

RESULTS OF THE STUDY. The consultant's recommendation was to implement a Commercial-Off-the-Shelf (COTS) system solution for the primary financial and maintenance systems and to enhance those systems not replaced by the COTS systems. The platform to be used was not specified, but rather it was recommended that KDOT obtain bids for both a mainframe and client server platform and then determine which is the best fit.

PROJECT SCHEDULE

The next step for KDOT will be to prepare for the Business Process Reengineering (BPR) and Systems Requirements Definition phases of this project. The BPR phase will involve the help of consultants to carefully review the agency's business processes. The processes will be revised to incorporate efficiencies and prepare for changes and enhancements to systems. The BPR will be important in an effort to minimize customization of the COTS package selected. The Systems Requirements Definition phase will involve the help of a consultant to analyze and document the detailed technical elements needing to be addressed by the new systems. The current plan is to move aggressively over the next three years to implement an integrated financial and maintenance systems solution.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Rochelle Chronister, Secretary

Senate Ways and Means Committee
Testimony on the
Impact of Federal Welfare Reform on Information Systems and Year 2000 Repair

March 14, 1997

Mr. Chairman and members of the Committee, thank you for allowing me the opportunity to provide you with information on the impact of Federal welfare reform on information systems and the work SRS is doing related to the Year 2000.

AWISP

SRS has an Agency Wide Information System Plan (AWISP) which is a multi-year strategic information systems plan that takes an enterprise wide perspective and focuses on the sharing of information and business system functions throughout SRS. (Attachment 1 is an Executive Summary of the AWISP Plan.) The attached AWISP Project chart (Attachment 2) identifies the AWISP projects, and the Department's progress toward completing those projects.

The AWISP Council, chaired by the Deputy Secretary, has determined that the next AWISP projects to be implemented include: Year 2000 assessment and repair; Welfare Reform Phase II; Office Automation Phase II, which replaces dumb terminals with PCS, LANS and software; and assessment of the Intake business function and the Service Planning and Delivery business function of the AWISP Plan in order to fully implement the Kansas Works Program (Attachment 3), and comply with welfare reform changes related to Child Support Enforcement (CSE).

Welfare Reform

The federal welfare reform law, enacted August 22, 1996, creates extensive new data collection, reporting, tracking and monitoring requirements under the TANF, Child Care, Food Stamp and Child Support Enforcement programs. The Welfare Reform Systems Update (Attachment 4) outlines the important reforms already initiated by Kansas that have system implications (Phase I), the system changes currently being implemented that are required by the federal welfare reform law (Phase II), and other initiatives under consideration, including Kansas Works related changes (Phase III), and CSE required changes.

Currently, the agency is focusing on the program modifications to existing systems (KAECSES and KsCares) required by Welfare Reform Phase II. These modifications, and the Phase I modifications already completed, are a part of the AWISP Ongoing Operating System Support business function. The expenditure associated with these changes is \$500,000 which is funded from the TANF Federal Block Grant.

Welfare Reform Phase III initiatives under consideration would require substantial system modification. Over the course of the next several months as more clarification is released by HHS, SRS will be evaluating what portion of the information system requirements of Phase III

Senate Ways and Means Committee

Date 3-14-97

Attachment # 11

Impact of Federal Welfare Reform on Information Systems and Year 2000 Repair

page 2

March 14, 1997

can be met through the assessment and implementation of the AWISP Intake and Service Planning and Delivery business functions. HHS's report to Congress on the systems impact of welfare reform has been delayed from February to mid April. As part of the agency's planning for welfare reform changes, money was budgeted from the TANF Federal Block Grant for information systems. Seven million dollars is available in FY 98 for Kansas Works welfare reform system changes.

A plan is being written to produce a preliminary expenditure estimate for the CSE related changes. A final estimate for CSE changes will not be possible until more information is available from HHS on the CSE requirements. There will be federal money made available to states for CSE changes related to Welfare Reform, but the amount available to Kansas is not yet known. Some money can currently be drawn from this federal source, however, to assist states in estimating the scope of needed changes.

Year 2000 Repair

Contractors from the Department of Administration's statewide Year 2000 contract are being used for a line by line assessment of the SRS mainframe computer systems. This assessment is scheduled to be completed in May 1997. The agency is also working to quantify non-mainframe expenditures and other costs associated with the Year 2000 project, such as the state salaries necessary to test the Year 2000 mainframe repairs. The non-mainframe expenditure estimate is scheduled to be completed in April, 1997. The agency's preliminary estimate for Year 2000 repair is \$6.8 million for mainframe systems and \$5.2 million for non-mainframe systems repair, for a total of \$12 million.

The funding of Year 2000 repair is coming from several sources including, money set aside in the Department of Administration's Budget for this purpose, the TANF Federal Block Grant, and other SRS federal funding streams. The AWISP philosophy of sharing information and business system functions, requires all Programs of SRS to join in funding the costs of the AWISP projects, such as Year 2000.

Attachment 5 outlines the Kansas Works Welfare Reform and Year 2000 estimated expenditures and funding sources.

SOCIAL AND REHABILITATION SERVICES AGENCY WIDE INFORMATION SYSTEMS PLAN (AWISP)

PROJECT BACKGROUND AND OVERVIEW:

- In late 1993, the Joint Committee on Computers and Telecommunication of the Kansas Legislature requested SRS to improve integration of data and approved funding for a comprehensive agency wide information management plan study.
- SRS obtained Federal approvals and awarded contract to MAXIMUS in June of 1995.
- Project Objectives:
 - develop a long range strategic plan for managing information systems,
 - take an enterprise-wide perspective, and
 - focus on sharing of information for all interested parties.
- Methodology selected for the project was Information Engineering Methodology (IEM). A comprehensive, flexible approach for developing large, high-transaction information systems that applies the rigor of engineering with sound management principles to achieve automated systems which are integrated and support the mission of the organization. The methodology emphasizes defining functional commonality and places a premium on using a mix of business staff and information system staff. The development of the Information Systems Plan (ISP) is the first stage of IEM.
- The AWISP project involved 149 staff from throughout SRS who devoted over 9000 hours to the nine month project.

AWISP PURPOSE:

- It identifies and defines both the functions of SRS and the information which is needed to support those functions. These common, defined sets of functions and information needs are the building blocks for future systems development.
- It documents the current SRS organization, business strategies, technical environment, current and planned systems and current information resource management organization. Understanding the existing situation is important in setting priorities for future development efforts. It is not practical to identify future system's projects if there is not a clear understanding of today's environment.
- It identifies and prioritizes the SRS information system development projects for a seven year period.
- It provides recommendations to enhance the Technical Architecture and IRM Organization and general recommendations to enable SRS to implement and maintain the AWISP.

AWISP COMPONENTS:

The major components of an ISP are architectures which include:

- An Information Architecture which details the organization's major functional activities and information content and the interrelationships between these two elements.
- A Business Systems Architecture which is based on the functional (business) requirements expressed in the Information Architecture and technical and design characteristics. It is a potential collection of future applications and related technology requirements (e.g., mainframe, PC, LAN, imaging).
- A Technical Architecture which articulates the environment needed to support the collection of existing and future applications contained in the Business Systems Architecture.

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SOCIAL AND REHABILITATION SERVICES AGENCY WIDE INFORMATION SYSTEMS PLAN (AWISP)

AWISP PROJECT SCHEDULE:

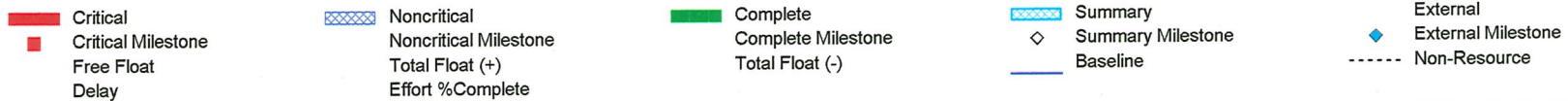
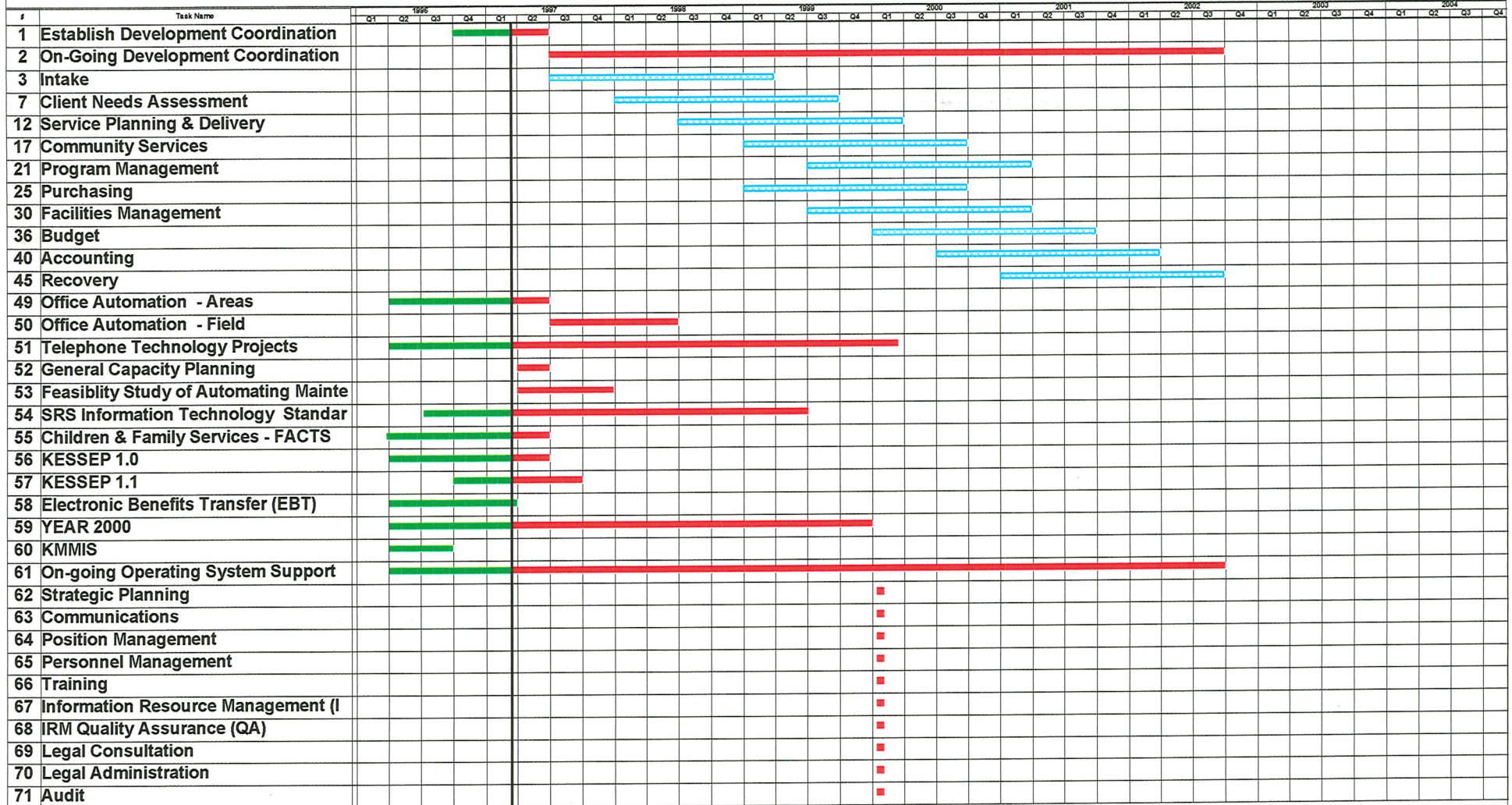
The Project Schedule presents the strategic direction for development of information technology and information systems. AWISP identified 34 projects categorized as follows:

- Category 1 - Business Area Projects are defined by the results of the Business Systems Architecture and can be thought of as the core business applications most associated with the daily activities of SRS staff and include (in priority order): Intake, Client Needs Assessment, Service Planning and Delivery, Community Services, Program Management, Purchasing Management, Facilities Management, Budget, Accounting, Recovery, Strategic Planning, Communications, Position Management, Personnel Management, Training, Information Resource Management, IRM Quality Assurance, Legal Consultation, Legal Administration, and Auditing.
- Category 2 - Technology Infrastructure Projects deal with upgrades and improvements to existing technology but are not specific to any one business application: Telephone Technology, General Capacity Planning, Feasibility Study of Automated Maintenance, SRS IT Standards, and Office Automation.
- Category 3 - IRM Organizational Projects are two projects to Establish Development Coordination and provide On-going Development Coordination.
- Category 4 - Current/Approved Initiatives represent major initiatives somewhere in the development life cycle and include: Children and Family Services System, KESSEP 1 & 2, Electronic Benefit Transfer, Year 2000, and KMMIS.
- Category 5 - On-going Operational System Support is one summarized project that represents the on-going support that is required to keep current production systems operational.

AWISP RECOMMENDATIONS:

- Assume ownership and responsibility for implementation of the AWISP by establishing an Agency Wide Information Management Council, re-design the IRM Steering Committee, and establish and implement a Development Coordination Function.
- Pro-actively work with external organizations as partners in developing systems.
- Continue development of a comprehensive business strategic plan using the AWISP Business Strategy Plan as a starting point.
- Using the Kansas Quality Improvement Process create process improvement teams to redesign three IRM processes: acceptance testing, project management, and PC/LAN support.
- Revise the process for accepting, prioritizing, and approving change requests for existing systems based on the assumption that resources dedicated to maintenance and enhancements will be limited to basic operating needs or mandated changes.
- Create a cohesive IRM organization that has shared goals, objectives and strategies and that cuts across organizational boundaries.
- Establish and implement a policy for approval, review and reporting on all information systems or communications technology projects.
- SRS should invest in IRM resources to build internal competencies in the use of advanced development tools and methodologies.
- Study the feasibility to co-locate project staff rather than out stationing various technical project teams to numerous locations.
- Establish and maintain a capacity management plan to pro-actively address future growth requirements.
- Standardize products including database management software, operating systems; communication packages and spreadsheets, and reporting tools to gain efficiencies and develop and implement a process for enforcement.
- Migrate toward intelligent workstations and supporting LANs.

Project Name: AWISP PROJECT



11-5

January 29, 1997

KansasWorks The Blueprint for Welfare Reform

Welfare reform is a work *already* in progress in Kansas. Kansas will continue to concentrate its efforts on moving people into jobs and providing basic job readiness skills and training. These efforts have resulted in caseload reductions and an increased number of individuals finding employment and independence from welfare. Most people use welfare as a short-term safety net between employments. Up-front employment services provided from the date of application reap significant dividends and divert many families from receiving assistance.

To move the Kansas welfare programs forward in the next century it is essential that resources are carefully expended on those programs and services that meet the needs of welfare recipients and help them achieve success. This is best achieved by developing customized services to address the employability status of individual recipients.

Three levels of employability

The welfare population can generally be divided into.....

- ◆ Those who are immediately employable and could probably find jobs on their own and need only a modest amount of help to address an immediate crisis.
- ◆ Those who are nearly employable but need a few services to enhance their employability and job retention.
- ◆ Those who have a multiplicity of mental, physical, and personal life barriers that make it difficult for them to find and keep employment.

In the past, federal regulations and funding limited the agency to serving only a small portion of the cash assistance population with employment service

Strategy

With the new federal law we can now serve more people - in particular, those with one and two year old children. It is imperative that we do so as families are now limited to five years on assistance and must be engaged in work within two years. The agency proposes the following strategy to address the differing needs of a welfare population faced with five-year time limits, the importance of engaging public and private partners in welfare reform, and the data collection mandates of federal law.

- *Up-front Services and Assessment* Meet needy families at the door. Invest staff time heavily in up-front assessment that pinpoints what level of support is needed for each family. Use assistance diversion and applicant job search to curb welfare dependency. Each family's needs and employability status is immediately determined and support and employment services are provided accordingly.
- *Single Case Manager* Move from the integrated services vision to a single case worker for each family to act as the case assessment specialist and broker of all temporary cash assistance, employment services and child care services to assist the family as it moves toward independence.
- *Employment Services* Establish statewide contracts for consistent, outcome-based direct services. These contracts with the private sector or state agencies may include such components as job-specific skill training, job placement, or job development and will require that contractors work with each community in developing customized services and outcomes. Any public or private entity may contract to provide direct employment services if they meet the established standards.
- *Reduce Employment Barriers* Aggressively address barriers to getting and keeping employment.

Learning Disabilities Contract for statewide programs that provide identification, training, and job placement for the 30-40% of the caseload with *learning disabilities*. Adult basic education centers and community colleges are potential partners in this effort.

Substance Abuse Maintain our collaboration with the Regional Alcohol and Drug Assessment Centers which provide assessment and treatment opportunities as well as eligibility consequences for failing to follow through with the needed treatment.

Inability to Retain Employment Getting a job is not the biggest obstacle for many individuals but keeping that job may be. Establish a job retention program which incorporates intensive follow-up and monitoring and balances the needs of the individual with the demands of the work place. Private and non-profit entities at the community and statewide level will become partners in this effort.

- *Child Care* Provide child care that is available, accessible, and affordable to help families seek and retain employment and stay off assistance. Employed families earning below 185% of poverty (approximately \$24,000 per year for a family of three) are potentially eligible for child care assistance to maintain employment. Flexibility is needed to shift the funds from TANF to child care as the low-income employed caseload continues to increase. Additional federal funds will be available annually to Kansas if state/local match is provided.

Over the past year with the shift in emphasis to "work first", child care needs have shifted from cash assistance families (decreased by 9 percent) to the low-income employed

families increased 26 percent). The new federal work participation requirements will spur an increase in both populations as families are required to work more hours, and the State is required to meet more stringent work participation rates. In addition, families with children age 1 and older will be required to participate in work activities for the first time.

- *Safety Net for Children* Retain and enhance our commitment to providing flexible family-specific social services and interventions. The former child welfare funding stream for Emergency Assistance will be maintained as Children's Crisis Services. Maintain our current level of medical assistance coverage for children. The medical assistance funding is separate from the TANF and child care block grants.
- *Automated Systems* Invest in automated system development. The single case worker is not possible without integration of existing self-standing systems. Extensive data collection for program monitoring, evaluation, and reporting will require system enhancement. Systems must track aggregate data as well as track an individual family's participation.
- *Child Support Enforcement (CSE)* Create stronger CSE tools to maximize paternity establishment and collection of support. Emotional and financial support from an absent parent is a key factor in a family moving from welfare to independence. While child support is recognized as a prime component of the blueprint, its funding is separate from the TANF and child care block grants.
- *Immigrants* Take options available under the Act to continue to provide assistance to the approximately 3000 legal immigrants at risk of losing AFDC, General Assistance, and Medicaid as a result of the new federal law. If eligible under existing regulations, also provide Medicaid and General Assistance to the 1848 disabled legal immigrants who are likely to lose SSI eligibility due to the new law. Provide emergency medical services to all other immigrants as required by law.

To prepare a solid footing for Kansas families needing assistance, the Governor's recommendation maintains state effort (SGF) of \$80.2 million combined with the federal Temporary Assistance for Needy Families (TANF) and Child Care Block Grants of \$121.2 and \$128.6 million for FY 1997 and FY 1998, respectively. With this combined state and federal block grant funding, SRS will provide the following to Kansas families in need:

Funding Profile

- ◆ Temporary cash assistance and other innovative forms of short-term financial aid to families.
- ◆ Training, education, and other employment services for unemployed families.
- ◆ Ample, quality child care essential for getting off and staying off assistance.
- ◆ Children's Crisis Services to meet emergencies that threaten children's safety.
- ◆ Critically needed improvements in computer information systems to insure service and accountability.

The KansasWorks Funding Profile reflects the Governor's recommendation for FY 1997 and FY 1998 and the agency's five-year plan for the programs affected by the TANF and Child Care block grants. It is important to note that under the agency's current five-year plan, State General Fund expenditures represent a decline in real dollars over the life of the plan. Also, the out-year estimates contained in the funding profile reflect current program policy and constant caseloads.

The federal block grants can be used at any time for eligible programs and can be carried over to the next fiscal year. The block grant carryover balance is critical due to the many uncertainties, including caseloads that are currently low but can and will fluctuate over time as the economy and demographics change; critical federal regulations and guidelines that have not been issued, for instance, those defining countable expenditures for state maintenance of effort; and, the impact of the federal welfare reform requirements on computer systems.

Funding Profile
(Dollars in Millions)

Item	FY 1997	FY 1998	FY 1999	FY 2000	FY2001
<i>Revenue</i>					
State Funds - TANF and Child Care	\$80.2	\$80.2	\$80.2	\$80.2	\$80.2
Federal Funds*	121.2	128.6	129.6	131.5	133
Total	\$201.4	\$208.8	\$209.8	\$211.7	\$213.7
<i>Expenditures</i>					
Temporary Cash Assistance for Families	\$88.1	\$81.7	\$79.7	\$77.3	\$76.1
Employment Services	4.5	7.2	11.0	15.3	16.7
Child Care	27.8	36.7	42.6	48.2	52.5
Program Staff (Assessment and Case Management)	23.2	23.5	24.9	25.5	26.1
Administration	31.6	32.6	33.4	34.3	35.2
Information Systems	6.0	9.0	8.0	5.0	3.0
Children's Crisis Fund	6.8	7.8	8.8	9.8	10.8
Total	\$188.0	\$198.5	\$208.4	\$215.4	\$220.4
Federal Block Grant Balance	\$13.4	\$23.7	\$25.1	\$21.4	\$14.7

*of this total, the TANF block grant is fixed at 101.9 million for the next six years.

DEPARTMENT OF SRS WELFARE REFORM

Systems Update

March 12, 1997

Phase I

Kansas Works reforms already initiated by Kansas that have system implications

More flexible approach to Employment Preparation Services support choices

The local worker will have greater latitude in the type of aid provided to a TAF family member seeking work. In the past an arbitrary limit was placed on a number of spending categories, such as transportation, job training and various job-seeking aid and skill development. This programming will allow the local management to fit the best set of support tools to the individual situation.

Child Care rates and the family share

Rate ceilings are adjusted to the 75th percentile. In so doing the child care system has been amended so that future adjustments are more automated. Different types of approaches are also being investigated to the calculation of the families sliding-scale of child care.

Applicant job search

This reprogramming allows us to offer support services, such as transportation allowances and child care, to TAF applicants so that they may begin looking for work the day they apply.

More flexibility in EPS transportation support

Local staff were limited to \$25 per month as a transportation allowance to job-seeking TAF recipients. This is often inadequate to reimburse participants for their travel to training, job sites, etc. Reprogramming allows the local worker to better compensate those for whom \$25 is not an adequate transportation allowance.

Reward work with ongoing earnings disregards

Since 1981 nearly all earnings of a TAF family, after the fourth month on the job, were counted dollar-for-dollar in calculating the grant amount. This provided no incentive to keep the job or to increase working hours. This programming will return the department to its pre- 1981 policy of ongoing marginal gain to the recipient who wishes to work his or her way off assistance. The policy will be to disregard \$.40 out of every \$1.00 earned. At the present time a 33 1/3% disregard ends after only four months.

WELFARE REFORM

Systems Update

Phase II

Kansas Works system changes required by federal welfare reform

Eliminate CSE \$50 pass-through payment

The Welfare Reform legislation withdrew financial support for this concept. Previous law allowed the pass through of the first \$50 of a TAF family's child support that had been assigned to SRS. This was intended to keep the custodial parent vested in continued collection efforts while the family was on TAF.

Eliminate the food stamp energy supplement

For many years the annual increases in AFDC standards were considered "energy assistance supplements" and, in accordance with the Food Stamp Act, were ignored in calculating countable income. The Welfare Reform legislation forbids the continuation of this exclusion. This change cost the average family \$18 in food stamp benefits each month.

Immigrant policies

A number of changes with respect to these populations is needed. An example is the need to track the earnings history of refugees so as to limit benefits to their first five years in this country.

New federal reporting requirements

Several new items of information not previously collected is now required. This includes information concerning subsidized housing, children's education levels, and other data elements not presently collected or entered in our eligibility systems. We are still awaiting more details on these matters from HHS.

Six month participation limit

The new federal reforms limit most adults to sixty months of federally-funded assistance in a lifetime. States may exempt a portion of those as it sees fit. Those families not exempted will lose all TAF benefits. This programming is being delayed until some critical questions are answered at the federal level. Our eligibility system already contains the monthly benefit data upon which this tracking will be based.

WELFARE REFORM Systems Update

Phase III

Kansas Works reforms under consideration having system implications

Integrated Service Delivery

This will generally mean a single worker conducting both the eligibility determination as well as helping the client plan his or her strategy on finding work. The same worker will most often arrange for support services, such as child care, transportation allowances and special needs.

Pay After Performance

This concept requires the working-age family members to engage in various work activities before they receive that months TAF and/or food stamp benefits. This approach promotes the sense of being compensated for one's efforts rather than simply being given something.

SSI income for adults

The SSI income of adults would be counted as income for TAF cash assistance

Simplified Food Stamps with TAF eligibility

Food Stamp eligibility would be determined the same as the cash TAF program. Cash program eligibility, income and expense information would be used to determine the amount of benefits the family is eligible to receive.

Eliminate monthly reporting

The utility of the present requirement that we mail and the client return a monthly status questionnaire concerning income, household make-up etc, will be reviewed. If it is determined that monthly reporting is still desirable, we may look at a touch tone phone reporting process.

24 month limit on assistance without work program participation

Automated tracking and an automated method to inform both the client and worker of the elapsed months must be established.

WELFARE REFORM

Systems Update

CSE system changes required by federal welfare reform

New hire directory

This involves the creation of a single entity in which employers are required to report new employees. The State must operate the new hire directory which must be automated, able to transmit information on new hires to the Feds within three days, cross match with IV-D Case Registry daily and provide access to new hire information to the Department of Human Resources.

State Pay Center

The state must establish and operate a pay center for the collection and disbursement of payments for IV-D cases and IWO cases established after 10-1-97. The Pay Center may be operated by SRS, OJA, or a private entity. Automated processes must be used to receipt and disburse payments within two days, identify payments and furnish status of payments.

Case/Order Registry

The Registry must contain the records of each IV-D case and each support order (IV-D and non IV-D) established or modified in the state after 9-30-97. Demographic, obligation, debt, payment, distribution and lien data must be available. The automated system must interface with the Federal Case Registry and Patent Locator, and exchange information with IV-A and Medicaid.

Other required changes

Expedited administrative processes for locating and seizing assets.

Streamlined automated procedures for paternity establishment.

Automated support for standardized interstate and international forms.

Automated support for issuing subpoenas, requests for information, orders to change payee, orders of execution, orders of minimum payments and fairing hearing requests.

Automated procedures for cross matches with financial institutions and establish liens and levies

Produce data for performance based incentive measures.

I:\SCH\LEGIS\WRCOMPUT

Agency Wide Information System Plan (AWISP) Projects And Funding

	FY 1997				FY 1998			
	Expenditure Estimates Against FY1997 Funds	Funding Sources			Expenditure Estimates Against FY1998 Funds	Funding Sources		
		TANF Block Grant *	Federal Grant *	Year 2000 from D of A #		Other Agency Funding	TANF Block Grant *	Federal Grant *
Year 2000	\$6,200,000	\$4,000,000	\$2,200,000		\$5,800,000	\$2,000,000	\$3,800,000	
Welfare Reform/Kansas Works, Phase II	\$500,000	\$500,000						
Office Automation Phase II	\$3,300,000	\$1,500,000		\$1,800,000				
Welfare Reform/Kansas Works, Phase III (Initial Intake and Service Planning and Delivery Assessment)					\$7,000,000	\$7,000,000		
TOTAL	\$10,000,000	\$6,000,000	\$2,200,000	\$1,800,000	\$12,800,000	\$9,000,000	\$3,800,000	

* Represents the Kansas Works Funding Profile. Federal funds available across multiple fiscal years.

The SRS portion of the Division of Administration Year 2000 funds available to provide systems analysis and modification work as needed across multiple fiscal years.

@ The AWISP Philosophy of sharing information and business system functions requires all programs of SRS to join in funding the costs of AWISP Projects. The agency's revised FY 1998 Budget Submission will reflect the allocation of these additional expenditures to appropriate federal funding streams.

71-11



Kansas Department of Revenue
Project 2000 Report

Senate Ways and Means Committee

By Karla J. Pierce
Director of Transition
March 14, 1997

Project 2000 Report

1

March 1997



Project 2000 Objective

To Transform KDOR
into a
High Performance
Organization

Project 2000 Report

2

March 1997

Senate Ways and Means Committee

Date 3-14-97

Attachment # 12

Project 2000 Scope



- Identify customer expectations
- Redesign business operations
- Implement integrated tax system
- Realign organizational structure
- Redeploy human resources
- Improve Department of Revenue performance
- Increase state revenues

Voice of the Customer



- Friendly attitude by Department associates
- Simple forms in plain language
- Equal treatment of all taxpayers
- Knowledgeable people answering the phone
- One person to handle my account --start to finish



Business Processes

- Customer Relations
- Compliance Management
- Civil and Criminal Enforcement
- Channel Management
- Management Process
 - Policy Development
 - Performance Management



Technical Architecture

- Client-Server Platform
- Imaging and Data Capture System
- Remittance Processing System
- Interactive Voice Response
- Integrated Tax System
- Automated Workflow and Case Management
- Decision Analytics
- Lotus Notes Policy Data Base

Organizational Development



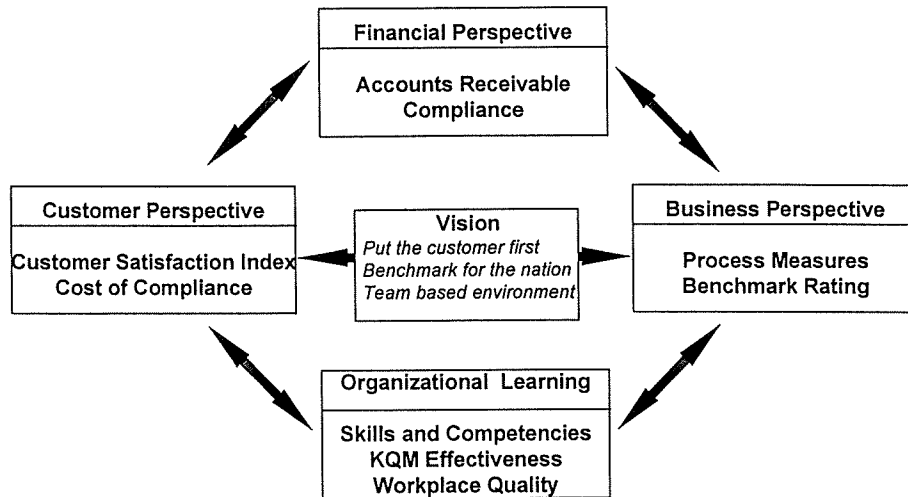
- Organization Design
 - Job Design
 - Teams
 - Human Resource Transition
- Staff Development
 - Managerial Development
 - Associate Development
 - Technical Training

Change Management



- Communication
 - Brown Bag Lunches
 - Project Bulletins
 - Project Contacts and Partners
 - Storyboards
- Transition Management / Culture Change
 - Culture Teams
 - Stakeholder Involvement
 - Leadership

KDOR's Balanced Scorecard



Original Business Case FY 1995 - FY 2004



Increased Revenues	\$303.0
Total Costs (AMS & KDOR)	<u>69.0</u>
Net Benefits	\$234.0

Break even occurs in October 1998

12-5⁵

Project Financials



AMS Stage I Contract	\$15.2
Stage II and III Contract	24.7
10:1 Performance Based Cost	
Reimbursement	<u>10.0</u>
Total AMS	\$49.9
Direct ATS Fund Purchase	10.0
KDOR Expense FY 1996 -99	<u>9.6</u>
Total Project 2000 Expenses	\$ 69.5

Revenues Earned



Revenues Transferred to Date:	\$ 12.5
March Report Request:	\$ 1.2
Total Revenue Attributable as of February 28, 1997:	\$ 13.7



Project Status Review

- Stage I Deliverables Completed
 - Fast Track Projects Implemented
 - Tele-file; Tel-assist
 - Tax Discovery
 - Kansas Integrated Tax System
 - Operations Blueprint, Business Case and Implementation Plan
 - Core Process Design
 - Transition Plans



Other Deliverables Completed

- Disaster Recovery Plan
 - Risk assessment and business impact analysis
- Individual Income Tax Model
 - Revenue monitoring modeling
- Revenue Tracking System
- Project Management LAN
 - Macintosh and PC
 - Lotus Notes

Deliverables Completed General Design Phase



- Model Office
- High Performance Organization General Design
 - Process specifications
 - Information architecture
 - Business system architecture
 - Technical architecture
 - Organizational development specifications
- Transition Plan

Stage II and III Deliverables



- Income Tax Channel Management
- Collections / Customer Contact Management
- Income Tax Automated Tax System
- Policy and Measurement Data Warehouse
- Withholding Tax Automated Tax System
- Corporation Tax Automated Tax System
- Sales and Use Tax Automated Tax System
- Decision Analytics for all taxes and processes
- Audit Case Management System

Stage II and III Implementation Plan



- Imaging Individual Income Tax
- Collections
- Individual Income Tax
- Registrations
- Withholding Tax
- Corporation Income Tax
- Sales and Excise Tax
- Unemployment Insurance
- January 1997
- July 1997
- October 1998
- June 1998
- July 1998
- August 1998
- December 1998
- January 1999

Questions?





State of Kansas
KANSAS CRIMINAL JUSTICE COORDINATING COUNCIL

Attorney General Carla J. Stovall, Chair
Governor Bill Graves, Vice Chair
Barbara S. Tombs, Executive Director

History of the Criminal Justice Information System (CJIS) Project
presented to the Senate Ways and Means Committee
March 13, 1997

Background

Since 1990, the Federal government has been assisting states in their endeavor to improve the reporting and dissemination of offender criminal history. The federal Government's concern stems from the enactment of Brady legislation requiring record checks for anyone wishing to purchase a firearm. The federal Crime Control Act of 1990 amended Part E of the Omnibus Crime Control and Safe Streets Act to require each state which receives Bureau of Justice Assistance (BJA) Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant funds to allocate at least 5% of its total award to the improvement of criminal justice records.

Since implementation of the Sentencing Guidelines in July of 1993, the State of Kansas has had an even larger interest in increasing the accuracy, mandating reporting requirements and shortening the length of time between record requests and dissemination. Since sentences are now partially based upon an offender's criminal convictions, major focus is placed upon reporting, storing and dissemination of this information.

During the 1994 legislative session, the Criminal Justice Coordinating Council, consisting of the Governor, Attorney General, Secretary of Corrections, Director of the KBI, Secretary of SRS, and the Chief Justice of the Supreme Court, was formed and is staffed by the Kansas Sentencing Commission. Among the council's mandated duties is to oversee development and management of a criminal justice database and to assume the designation and functions of the state statistical analysis center.

Criminal Justice Information System (CJIS) Project

In order to fulfill its mandate under state statute and to comply with BJA requirements for improving criminal justice records, in 1995 the Criminal Justice Coordinating Council embarked on a project to automate records at the central repository, and to achieve a statewide criminal

Senate Ways and Means Committee

Date 3-14-97

Attachment # 13

justice information system improvement plan by April, 1996. The council requested state funding of approximately \$291,000 to match the existing federal 5% set-aside funding of \$873,000, which was approved by the Kansas Legislature during the 1995 legislative session.

The project began with a needs assessment of the criminal history, juvenile justice, and incident-based reporting systems in terms of work and information flows and identification of user needs. A Request for Proposal (RFP) was issued in May, 1995 for the needs assessment, and in August, 1995, ECG Management Consultants of Seattle, Washington was awarded the contract to perform the needs assessment. ECG Management Consultants is an independent management consulting firm which has significant prior experience in statewide projects of this kind, having completed similar projects in Oregon, Idaho, Nebraska, Nevada, Ohio and Arizona. ECG completed its needs assessment in January, 1996.

Based upon feedback from local criminal justice agencies during the course of the needs assessment, it became clear to the Criminal Justice Coordinating Council that statewide needs in terms of criminal justice records improvement are basic, and that the scope of the needs assessment should be modified to directly support and develop a criminal justice information system improvement plan for the state. Accordingly, at the end of December, 1995, the council, upon the recommendation of its Technical Advisory Group, amended its contract with ECG to include the development of a criminal justice information system implementation plan for the state.

ECG assembled a twenty-eight member strategic planning committee consisting of representatives from both state and local criminal justice agencies. The planning committee, taking into consideration the needs assessment findings, developed the outlines of a strategic plan for the state, encompassing a future system model identifying the future data, processes, technology, and organizational and governance structures required to support the collection and dissemination of criminal justice records information within the state. The Criminal Justice Information System (CJIS) Implementation Plan was completed in April, 1996, and was subsequently approved by BJA.

Following completion of the Implementation Plan, the Criminal Justice Coordinating Council requested state match funding of \$410,000 to allow the Council to access \$1,245,000 in federal funding, in order to proceed with implementation of the CJIS Implementation Plan. At the end of the 1996 legislative session, \$185,000 in match funding from the State General Fund was appropriated for this purpose.

A second RFP for implementation of the CJIS plan was issued in May, 1996. ECG Management Consultants was awarded the implementation contract as a result of the state procurement process, and began work under the contract on August 20, 1996.

Funding for the CJIS plan has been obtained from federal grant programs and state funds as identified in the implementation plan. Approximately \$5.4 million in funding has been

obtained for the plan, another \$2.7 million has been identified, and another \$2 million will still be required to complete the project. The funding plan currently accounts for the contribution by local jurisdictions to the acquisition of Live-Scan equipment. This is based upon the 25 percent match requirement for the 1997 Byrne money identified. No budget request has been drafted to otherwise match this incoming federal funding.

A detailed description of the goals and objectives of CJIS is contained in the Project Overview of February 20, 1997. The status of the CJIS project is reported in full in the Project Status Report of January 6, 1997. These reports contain details of the project schedule, budget, and funding plan. The project status report also presents a brief description of each initiative under the CJIS strategic plan, its current status and any outstanding issues. A working draft of the CJIS Strategic Plan Budget with total expenditures as of March 4, 1997 is also available.

For further information contact:

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Topeka, Kansas 66603 (913) 296-0923

STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM

Project Status Report

January 6, 1997



MANAGEMENT
CONSULTANTS

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mtg@mtgmc.com

Formerly a Division of ECG Management Consultants, Inc.

STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
PROJECT STATUS REPORT

This report presents the implementation status of the state Criminal Justice Information System (CJIS) Strategic Plan for the period ending December 31, 1996. It presents a description and the status of each of the 10 initiatives identified in the Strategic Plan, a discussion of work completed during the quarter for the initiative, and a discussion of any outstanding issues and/or recommendations. At the end of this status report, the status of the project schedule, budget, and funding plan is summarized. Updates to the schedule, budget, and funding plan are included for more detailed review. The document is organized into the following sections:

- Initiative and Project Status
- Schedule Status
- Budget Status
- Funding Status

A. INITIATIVE AND PROJECT STATUS

The Strategic Plan contains 25 projects grouped into 10 functionally distinct initiatives that define the overall framework of the plan. The major parts or initiatives focus on the state repository computer systems at the Kansas Bureau of Investigation (KBI) and other supporting activities. Presented below is brief description of each initiative, its current status, and any outstanding issues. More detailed information about the actual schedule and budget for each of the 25 tactical projects is presented in the attached project schedule and budget.

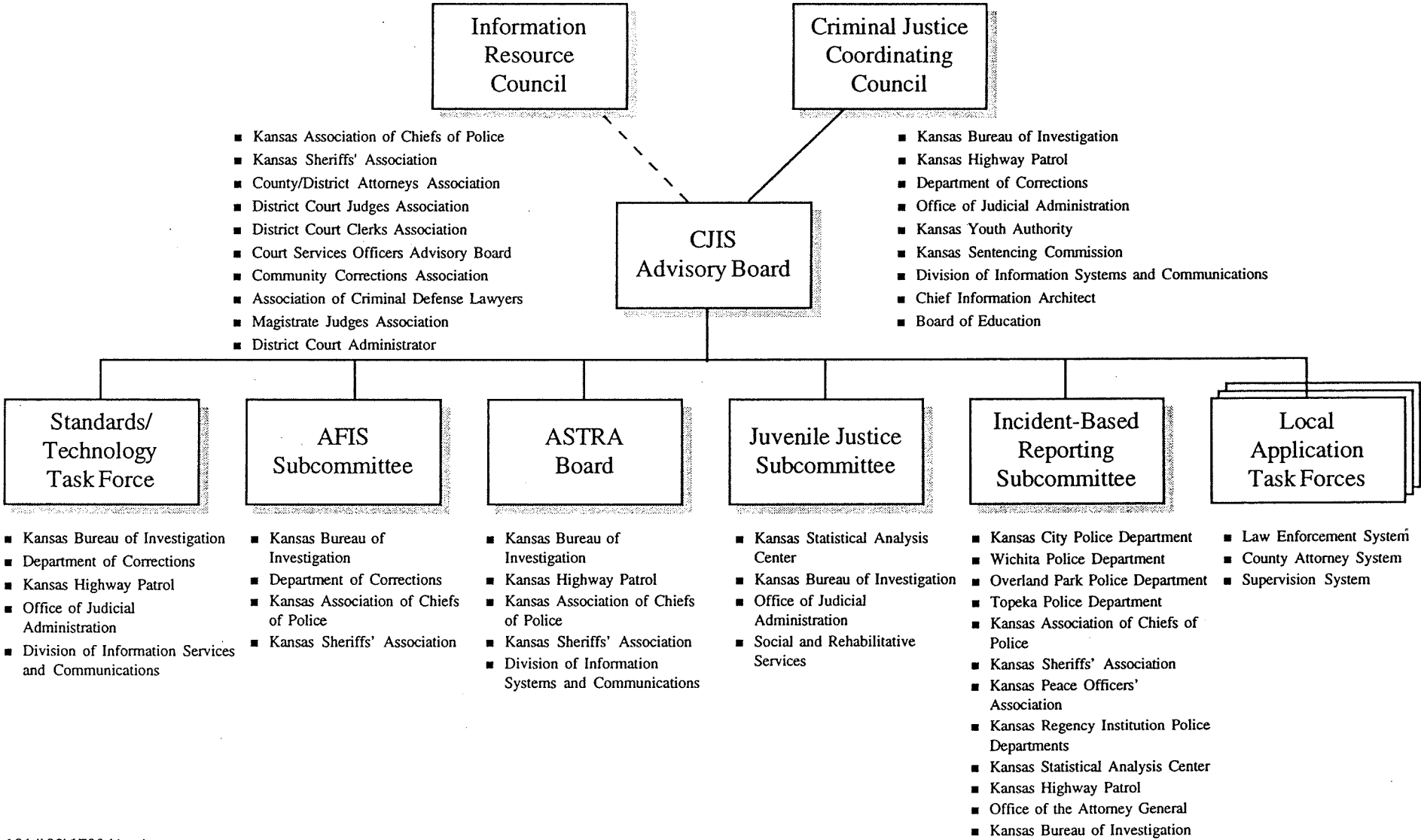
1. Governance

Design and implement a multijurisdictional governance structure that adequately represents all authorities involved in the criminal justice system.

This initiative defines and implements the overall governance structure required for development and operation of CJIS. The initiative included the 1A - Governance project. EXHIBIT I, which follows this page, presents the overall project governance structure. The estimated cost for this initiative was \$25,000 and the targeted completion date is April 1997.

STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM

GOVERNANCE STRUCTURE



Status

Over the last 3 months, the project has created the CJIS Advisory Board and the supporting subcommittee structures underneath. Board membership has been filled by the representative agencies, and the initial board meeting was attended by all but one organization. Activities completed during the last quarter included:

- Development of the overall CJIS governance structure design.
- Approval of the design and creation of the CJIS Advisory Board by the Criminal Justice Coordinating Council (CJCC).
- Identification of state and 10 local agency CJIS Advisory Board members.
- Expansion of the CJIS Advisory Board to include the Department of Health and Environment.
- Initial meeting held on November 12, 1996.
- Second board meeting to be held on January 7, 1997.
- Formation and initial meeting of the Kansas Incident-Based reporting System (KIBRS) Subcommittee.
- Formation and initial meeting of the Automated Statewide Telecommunications and Records Assessment (ASTRA) Subcommittee.

2. Legislation

Enhance the statutorial, policy, and procedural foundation required to ensure the proper collection, maintenance, and dissemination of centralized criminal justice record information.

This initiative provides any changes to existing statutes that may be required for the new governance structure or to support the criminal justice records system. This initiative includes only the 2A - Legislation project. The estimated cost for this initiative was \$25,000 and the targeted completion date was December 1996.

Status

The delay in the start of the project until mid-August reduced the amount of time available to complete the analysis and draft new legislation for the upcoming session. Since no new

legislation is necessary until the future implementation of some of the plan's projects, this initiative has been rescheduled until the second quarter of 1997. Activities completed during the last quarter included:

- Identification of potential legislative issues for CJIS.

3. Agency Support

Improve the quality and timeliness of local and state data reporting to CJIS through agency support programs.

This initiative provides process reengineering of both internal KBI record keeping and the local agency data submission processes. This initiative includes three tactical projects: Process Reengineering, Records Training, and Compliance Monitoring. The estimated cost of this initiative is \$200,000, with a targeted completion date of June 1998.

Status

Most work on this initiative is scheduled to begin within the next few months. KBI has been working on the new policy and procedure manual, and training is tentatively scheduled for the spring of 1997. Activities completed during the last quarter included:

- Collection of baseline information parameters for monitoring progress.
- KBI has been developing a new criminal history policy and procedures manual.
- KBI issued a new disposition form submission policy and eliminated use of the journal entry document as a data collection tool.

Issues

- The funds identified for records training may be coordinated with implementation of the new ASTRA network and CJIS repository system implementation.

4. Architectural Design

Establish the technical design and standards required for the development and migration toward a fully functioning CJIS.

This initiative defines the overall design of the new central repository system in terms of technology, database, and functional requirements. This initiative includes only the 4A - Architectural Design project. The estimated cost of this initiative is \$300,000, with a targeted completion date of April 1997.

Status

The CJIS Architectural Design work is being done by MTG Management Consultants, L.L.C., under contract to the CJCC. The draft design deliverables are in the process of being completed. It is anticipated that detailed reviews of the material will take 2 months to complete. Activities completed during the last quarter included:

- Interviews with state and local jurisdictions.
- Surveying over 400 vendors to identify potential CJIS vendors.
- Presentations and interviews with a limited number of potential vendors.
- Development of the draft Requirements Definition.
- Development of the CJIS Data Architecture document for data standards.
- Initiation of the CJIS Conceptual Design.

5. Central Repository

Reengineer the business processes and technology infrastructure within the state central repository organization.

This initiative redevelops the central repository database housed at KBI. The scope of the repository includes adult criminal history, juvenile justice, and law enforcement incident-based reporting information. This initiative includes the following projects: 5A - Records Automation, 5B - Data Warehouse, and 5C - Application System. The estimated cost of this initiative is \$2.589 million, with completion of the initial data warehouse in April 1997 and the full application system by January 1999.

Status

Activities completed during the last quarter included:

- Enhancement of the existing CJIS repository to fix problems.

- Hiring and training of additional KBI data entry staff.
- Initiation of the records automation project.
- Entry and verification of high-quality adult criminal histories.
- Identification of CJIS data warehouse requirements.
- Design and development of the new technology infrastructure within KBI.
- Development of a CJIS Web Server plan with cost estimates.

Issues

- The rate of data entry of high-quality records is slower than anticipated.
- Data entry staff retention has been a problem.

6. Identification Services

Improve the timeliness of key criminal justice information and the capability of providing state and local jurisdictions with timely identification services.

This initiative replaces the Automated Fingerprint Identification System (AFIS) maintained by KBI. The new AFIS will be integrated with the new CJIS database and includes Live-Scan, and remote AFIS equipment for local jurisdictions. This initiative includes the following three tactical projects: 6A - AFIS Replacement, 6B - Live-Scan, and 6C - Remote AFIS. The estimated cost of this initiative is \$3 million, with completion targeted for June 1998.

Status

Over the last 4 months, KBI has contributed considerable effort in the acquisition of a new state AFIS. The Request for Proposal (RFP) for the new system was issued in the middle of November 1996, with a vendor expected to be selected by April 1997. The requirements and acquisition mechanisms for both Live-Scan and remote AFIS equipment for local jurisdictions were included in the AFIS RFP. Activities completed during the last quarter included:

- Identification of AFIS and Live-Scan requirements.
- Formation and initial meeting of the AFIS Subcommittee.
- Review of AFIS requirements by the AFIS Subcommittee.

- Development and issuance of the AFIS RFP.
- Completion of vendor site reviews.

Issues

- Funding for the Live-Scan computers is planned from the Byrne 5 percent program, with matching funds coming from local jurisdictions.

7. CJIS Network

Increase the access to the CJIS repository and National Crime Information Center by enhancing the ASTRA network and message switching computer and its interfaces.

This initiative replaces the ASTRA network across the state by integrating it with the new KANWIN multiprotocol network. The initiative includes projects to replace the ASTRA message switch computer, network lines, and end user workstations. The estimated cost of this initiative is \$1.5 million, with implementation in June 1999.

Status

The ASTRA network replacement project is scheduled for 1988. Activities completed during the last quarter included:

- Project presentation to the ASTRA Board.
- Formation and initial meeting of the ASTRA Subcommittee.
- Development of a budget summary document.

Issues

- The project schedule was accelerated based upon available funding.
- Funding for this initiative was identified from the available state Byrne funds, and a request for the matching money was included in the Kansas Sentencing Commission budget.
- Resources for the ASTRA requirements and RFP are not yet identified.

- The operational budget requirements and impact for the local jurisdictions are not known at this time.
- The replacement budget does not include the nonmandated user workstations or network.

8. Data Expansion

Increase the scope and content of the data contained in the new CJIS central repository.

This initiative provides state and local law enforcement with in-state crime file capabilities such as misdemeanor warrants and protection orders. The new data files would be integrated into the CJIS database and made accessible via the ASTRA network. The estimated cost of this initiative is \$500,000, with completion in June 1999.

Status

This project follows the implementation of the new CJIS data warehouse. Activities completed during the last quarter included:

- KBI submitted a grant request under the Arrest Policies program.
- Data requirements were defined in the CJIS Data Architecture.

Issues

- Federal program requirements or guidelines have not been issued.

9. Local Systems

Support the development and/or integration of local criminal justice information systems with the new CJIS in compliance with the architectural design.

In parallel with the new CJIS database implementation, this initiative provides for the development of common applications for local jurisdictions to implement or the development of system interfaces to the new CJIS database. This initiative includes the following five projects: 9A - Corrections Interface, 9B - Law Enforcement System, 9C - County Attorney System, 9D - Supervision System, and 9E - Large System Interfaces. The estimated cost of this initiative is \$1.3 million, with completion in June 2000.

Status

Activities completed during the last quarter included:

- Development of a National Criminal History Improvement Project (NCHIP) grant application for funding.
- Approval of the NCHIP grant application.
- Presentations to the court services officer (CSO) Advisory Board.
- Presentation to the Field Services Coordinating Committee.
- Presentation to the County and District Attorneys Association.
- Interviews with Sedgewick County agencies.
- Identification and interviews with CSO system vendors.
- Development of local system requirements with CJIS Architectural Design.

Issues

- Local law enforcement has been slow to organize for project 9B.
- The supervision system might be coordinated with the Department of Corrections.
- Funding for 9E - Large System Interfaces may be moved to the other local application system projects.

10. Federal Programs

Improve the state's participation in the federal and national system initiatives.

The last initiative of the Strategic Plan is for state participation in federal CJIS programs. These include the Interstate Identification Index (III), the National Fingerprint File and the National Instant Background Check System. The estimated cost of this initiative is \$510,000, with full implementation by June 2000.

Status

The scope of this initiative is scheduled for after the CJIS repository is implemented. Activities completed during the last quarter included:

- Site review by the Bureau of Justice Statistics.
- Site review by the Bureau of Justice Assistance.

Issues

- Federal agencies want to speed up implementation of state III participation.

Over the last 3 months, many project communications and coordination activities have been completed in addition to the above projects. These have included presentations to the Kansas Information Resource Council, the Information Technology Advisory Board, and the Interim Joint Judiciary Committee. These presentations facilitate understanding and acceptance of the project by state and local agencies.

B. SCHEDULE STATUS

EXHIBIT II, which follows this page, presents an update of the original CJIS Strategic Plan schedule. The new schedule reflects the 3-month delay in the project start date. The exhibit shows the baseline schedule established at the beginning of the project and the actual schedule as currently planned. Significant changes from the original schedule include:

- Moving the ASTRA network and message switch replacement up a year based upon funding.
- Delaying the legislation project due to the late project start.

C. BUDGET STATUS

The estimated budget for the project is still \$10,124,000, as defined by the CJIS Strategic Plan. EXHIBIT III, which follows EXHIBIT II, presents an updated budget. Expenditures have occurred only for the 5A - Records Automation, 4A - Architectural Design, and 11 - 1 Project Management projects as of this time.

**STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN**

WBS	PROJECT/TASK	Status	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	GOVERNANCE INITIATIVE																			
1A	GOVERNANCE PROJECT																			
0	Establish Project Governance Structure	Complete																		
1	Design CJIS Governance Structure	Complete																		
2	Determine Membership	Complete																		
3	Develop Committee Charter(s)	Ongoing																		
4	Organize Task Forces/Subcommittees	Started																		
5	Recommend Structure to CJCC	Complete																		
2	LEGISLATION INITIATIVE																			
2A	LEGISLATION PROJECT																			
1	Define New Legislative Requirements	Started																		
2	Review Existing and Alternative Statutes	Planned																		
3	Develop CJIS Legislation	Planned																		
4	Develop Technology Legislation	Planned																		
5	Introduce and Sponsor Legislation	Planned																		
3	AGENCY SUPPORT INITIATIVE																			
3A	PROCESS REENGINEERING PROJECT																			
1	Review Statutes and Policies	Started																		
2	Review Local Processes	Started																		
3	Review State Processes	Started																		
4	Design New Work Flows	Planned																		
5	Update Manual Forms	Planned																		
6	Complete Documentation	Planned																		
3B	RECORDS TRAINING PROJECT																			
1	Define Training Requirements	Planned																		
2	Develop Training Program	Planned																		
3	Conduct Records Training	Planned																		
3C	COMPLIANCE MONITORING PROJECT																			
1	Establish Statistical Baseline	Started																		
2	Design Monitoring Program	Planned																		
3	Develop New Reports	Planned																		
4	Implement Monitoring Program	Planned																		
4	ARCHITECTURAL DESIGN INITIATIVE																			
4A	ARCHITECTURE DESIGN PROJECT																			
1	Develop Design RFP	Complete																		
2	Procure Consultant	Complete																		
3	Define CJIS Requirements	Started																		
4	Develop Conceptual Design	Started																		
5	Document Standards	Started																		
5	CENTRAL REPOSITORY INITIATIVE																			
5A	RECORDS AUTOMATION PROJECT																			
1	Develop Automation Plan/Grant	Complete																		
2	Reengineer Database	Complete																		
3	Modify Facilities	Complete																		

Date: 1/6/97 Task Milestone Summary Progress Baseline Task

10140318024(mpp)

MTG
MANAGEMENT
CONSULTANTS

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**STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN**

WBS	PROJECT/TASK	Status	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
4	Hire Temporary Staff	Ongoing	[Gantt bar from Jul to Sep]																		
5	Train Temporary Staff	Ongoing	[Gantt bar from Oct to Dec]																		
6	Implement Automation Plan	Started	[Gantt bar from Jul to Jun]																		
5B	DATA WAREHOUSE PROJECT		[Summary bar from Jul to Sep]																		
1	Define Warehouse Requirements	Started	[Gantt bar from Oct to Nov]																		
1a	Develop Warehouse Plan	Started	[Gantt bar from Oct to Nov]																		
2	Develop Vendor RFP	Planned	[Gantt bar from Nov to Dec]																		
3	Procure Vendor	Planned	[Gantt bar from Dec to Jan]																		
4	Develop and Install System	Planned	[Gantt bar from Feb to Mar]																		
5	Test and Accept System	Planned	[Gantt bar from Apr to May]																		
6	Implement System	Planned	[Gantt bar from Jun to Jul]																		
5C	APPLICATION SYSTEM PROJECT		[Summary bar from Jul to Sep]																		
1	Define Application Requirements	Planned	[Gantt bar from Oct to Nov]																		
2	Develop Vendor RFP	Planned	[Gantt bar from Nov to Dec]																		
3	Procure Vendor	Planned	[Gantt bar from Dec to Jan]																		
4	Develop Systems	Planned	[Gantt bar from Feb to Mar]																		
5	Test and Accept Systems	Planned	[Gantt bar from Apr to May]																		
6	Implement Systems	Planned	[Gantt bar from Jun to Jul]																		
6	IDENTIFICATION SERVICES INITIATIVE		[Summary bar from Jul to Sep]																		
6A	AFIS REPLACEMENT PROJECT		[Summary bar from Jul to Sep]																		
1	Define AFIS Requirements	Complete	[Gantt bar from Jul to Sep]																		
2	Finalize AFIS RFP	Complete	[Gantt bar from Oct to Nov]																		
3	Procure AFIS Vendor	Started	[Gantt bar from Dec to Jan]																		
3.1	Issue RFP	Complete	[Gantt bar from Oct to Nov]																		
3.2	Conduct Bidders Conference	Complete	[Gantt bar from Nov to Dec]																		
3.3	Answer Bidder Questions	Planned	[Gantt bar from Dec to Jan]																		
3.4	Monitor Progress	Planned	[Gantt bar from Feb to Mar]																		
3.5	Receive Bids	Planned	[Gantt bar from Apr to May]																		
3.6	Evaluate Proposals	Planned	[Gantt bar from Jun to Jul]																		
3.7	Conduct Benchmarks	Planned	[Gantt bar from Aug to Sep]																		
3.8	Select Vendor	Planned	[Gantt bar from Oct to Nov]																		
3.9	Negotiate Contract	Planned	[Gantt bar from Dec to Jan]																		
4	Install New System Components	Planned	[Gantt bar from Feb to Mar]																		
5	Test and Accept New AFIS	Planned	[Gantt bar from Apr to May]																		
6B	LIVE-SCAN PROJECT		[Summary bar from Jul to Sep]																		
1	Define Live-Scan Requirements	Complete	[Gantt bar from Jul to Sep]																		
2	Solicit Local Participants	Planned	[Gantt bar from Oct to Nov]																		
3	Purchase Live-Scan Computers	Planned	[Gantt bar from Dec to Jan]																		
4	Install and Pilot Live-Scan	Planned	[Gantt bar from Feb to Mar]																		
5	Install Additional Sites	Planned	[Gantt bar from Apr to May]																		
6C	REMOTE AFIS PROJECT		[Summary bar from Jul to Sep]																		
1	Define Remote Requirements	Complete	[Gantt bar from Jul to Sep]																		
2	Solicit Local Participants	Planned	[Gantt bar from Oct to Nov]																		
3	Purchase Remote Workstations	Planned	[Gantt bar from Dec to Jan]																		

Date: 1/6/97 Task [Legend] Milestone [Legend] Summary [Legend] Progress [Legend] Baseline Task [Legend]

10140318024(mpp)

MTG MANAGEMENT CONSULTANTS

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**STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN**

WBS	PROJECT/TASK	Status	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
4	Install and Pilot Remote Operations	Planned																		
5	Implement Remote Operations	Planned																		
7	CJIS NETWORK INITIATIVE																			
7A	NETWORK DESIGN PROJECT																			
1	Develop Design RFP	Planned																		
2	Procure Consultant	Planned																		
3	Define Network Requirements	Planned																		
4	Develop Network Design	Planned																		
5	Develop Switch Design	Planned																		
6	Finalize Switch Requirements	Planned																		
7	Develop Switch RFP	Planned																		
7B	ASTRA SWITCH REPLACEMENT PROJECT																			
1	Procure New Switch	Planned																		
2	Install New Switch	Planned																		
3	Test and Accept Switch	Planned																		
4	Implement New Switch	Planned																		
7C	ASTRA TERMINAL REPLACEMENT PROJECT																			
1	Develop Replacement Plan	Planned																		
2	Purchase New Equipment	Planned																		
3	Accept Equipment Delivery	Planned																		
4	Install New Equipment and Network	Planned																		
8	DATA EXPANSION INITIATIVE																			
8A	NEW DATA FILES																			
1	Define New Requirements	Planned																		
2	Define Business Rules	Planned																		
3	Develop Warehouse Capability	Planned																		
4	Develop Switch Interface	Planned																		
5	Test New Data Files	Planned																		
6	Implement New Files	Planned																		
9	LOCAL SYSTEMS INITIATIVE																			
9A	CORRECTIONS INTERFACE PROJECT																			
1	Review Data Needs	Started																		
2	Determine Interface Specification	Planned																		
3	Develop Interface Programs	Planned																		
4	Pilot Interface	Planned																		
5	Implement Interface	Planned																		
9B	COUNTY ATTORNEY PROJECT																			
1	Determine Requirements/Alternatives	Started																		
2	Develop Application Design	Planned																		
3	Construct/Modify System	Planned																		
4	Verify System Functionality and Components	Planned																		
5	Pilot System	Planned																		
6	Implement System	Planned																		
9C	COURT SERVICES PROJECT																			

Date: 1/6/97 Task Milestone Summary Progress Baseline Task

101410318024(mpp)

**STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN**

WBS	PROJECT/TASK	Status	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Determine Requirements	Started																		
2	Develop Design	Planned																		
3	Construct/Modify System	Planned																		
4	Verify System Functionality and Components	Planned																		
5	Pilot System	Planned																		
6	Implement System	Planned																		
9D	LAW ENFORCEMENT PROJECT																			
1	Determine Requirements	Planned																		
2	Develop Design	Planned																		
3	Construct System	Planned																		
4	Verify System	Planned																		
5	Pilot System	Planned																		
6	Implement System	Planned																		
9E	LOCAL INTERFACES PROJECT																			
1	Identify Potential Agency Systems	Planned																		
2	Define Integration Technology Mechanisms	Planned																		
3	Design and Develop Initial Interfaces	Planned																		
4	Verify System Functionality	Planned																		
5	Pilot System Access Via CJIS Network	Planned																		
6	Implement System Interfaces	Planned																		
10	FEDERAL PROGRAMS INITIATIVE																			
10A	ELECTRONIC DATA SUBMISSION PROJECT																			
1	Review MRD Requirements	Started																		
2	Develop MRD Programs	Planned																		
3	Submit Test Data	Planned																		
4	Implement MRD System	Planned																		
10B	III PROJECT																			
1	Review III Specifications	Planned																		
2	Install III Switch Functionality	Planned																		
3	Install CJIS III Functionality	Planned																		
4	Test III Capability	Planned																		
5	Implement III	Planned																		
10C	NFF PROJECT																			
1	Review NFF Requirements	Planned																		
2	Update Repository Work Flows	Planned																		
3	Test New Work Flows	Planned																		
4	Implement NFF	Planned																		
10D	NICS PROJECT																			
1	Review NICS Requirements	Planned																		
2	Develop Detailed Implementation Plan	Planned																		
3	Develop NICS System Capabilities	Planned																		
4	Implement State NICS	Planned																		
11	PROJECT MANAGEMENT																			
11A	PROJECT PLAN																			

Date: 1/6/97 Task Milestone Summary Progress Baseline Task

1014103.18024(mpp)

**STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN**

WBS	PROJECT/TASK	Status	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Update Implementation Plan																			
11B	MANAGEMENT REPORTING																			
1	Develop Project Status Report																			
11C	PROJECT COMMUNICATIONS																			
1	Develop Communications Material																			
2	Develop Communications Plan																			
3	Implement Communications Plan																			

STATE OF KANSAS
 CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN BUDGET

#	PROJECT	FY 1997	FY1998	FY 1999	FY20 00	TOTALS
GOVERNANCE INITIATIVE						
1A	Governance	\$ 25,000				\$ 25,000
	Initiative Totals:	\$ 25,000				\$ 25,000
LEGISLATION INITIATIVE						
2A	Legislation	\$ 25,000				\$ 25,000
	Initiative Totals:	\$ 25,000				\$ 25,000
AGENCY SUPPORT INITIATIVE						
3A	Process Reengineering	\$ 45,000				\$ 45,000
3B	Records Training	53,000	\$ 19,000	\$ 19,000	\$ 19,000	110,000
3C	Compliance Monitoring		15,000	15,000	15,000	45,000
	Initiative Totals:	\$ 98,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 200,000
ARCHITECTURAL DESIGN INITIATIVE						
4A	Architecture Design	\$ 250,000				\$ 250,000
	Initiative Totals:	\$ 250,000				\$ 250,000
CENTRAL REPOSITORY INITIATIVE						
5A	Records Automation	\$ 290,000	\$ 299,000			\$ 589,000
5B	Data Warehouse	1,230,000	20,000			1,250,000
5C	Application System		750,000			750,000
	Initiative Totals:	\$ 1,520,000	\$ 1,069,000			\$ 2,589,000
IDENTIFICATION SERVICES INITIATIVE						
6A	AFIS Replacement	\$ 2,000,000				\$ 2,000,000
6B	Live-Scan		\$ 250,000	\$ 250,000		500,000
6C	Remote AFIS		500,000			500,000
	Initiative Totals:	\$ 2,000,000	\$ 750,000	\$ 250,000	-	\$ 3,000,000

STATE OF KANSAS
 CRIMINAL JUSTICE INFORMATION SYSTEM
IMPLEMENTATION PLAN BUDGET

#	PROJECT	FY 1997	FY1998	FY 1999	FY20 00	TOTALS
CJIS NETWORK INITIATIVE						
7A	Network Design		\$ 50,000			\$ 50,000
7B	ASTRA Switch Replacement		1,000,000			1,000,000
7C	ASTRA Terminal Replacement		225,000	225,000		450,000
	Initiative Totals:		\$ 1,275,000	\$ 225,000		\$ 1,500,000
DATA EXPANSION INITIATIVE						
8A	New Data Files		\$ 500,000			\$ 500,000
	Initiative Totals:		\$ 500,000			\$ 500,000
LOCAL SYSTEM INITIATIVE						
9A	Corrections Interface		\$ 50,000			\$ 50,000
9B	County Attorney		175,000	75,000		250,000
9C	Court Services		150,000	100,000		250,000
9D	Law Enforcement			250,000		250,000
9E	Large System Interfaces			250,000	\$ 250,000	500,000
	Initiative Totals:		\$ 375,000	\$ 675,000	\$ 250,000	\$ 1,300,000
FEDERAL PROGRAMS INITIATIVE						
10A	Electronic Data Submission	\$ 10,000				\$ 10,000
10B	Interstate Identification Index		\$ 50,000			50,000
10C	National Fingerprint File					-
10D	NICS			\$ 450,000		450,000
		\$ 10,000	\$ 50,000	\$ 450,000		\$ 510,000
PROJECT MANAGEMENT						
11A	Project Manager	\$ 60,000	\$ 120,000	\$ 45,000		\$ 225,000
		\$ 60,000	\$ 120,000	\$ 45,000		\$ 225,000
	TOTALS:	\$ 3,988,000	\$ 4,173,000	\$ 1,679,000	\$ 284,000	\$ 10,124,000

D. FUNDING STATUS

Approximately \$5.4 million in funding has been obtained for the plan, another \$2.7 million has been identified, and another \$2 million will still be necessary to complete the project. This funding has been obtained from federal grant programs and state funds as identified in the original funding plan contained in the CJIS Strategic Plan. EXHIBIT IV, which follows this page, presents an update to the project funding plan. As additional federal funds become available, they will be directed to the project to help make up the budget shortfall.

The funding plan currently accounts for the contribution by local jurisdictions to the acquisition of Live-Scan equipment. This is based upon the 25 percent match requirement for the 1997 Byrne money identified. No budget request has been drafted to otherwise match this incoming federal funding.



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STATE OF KANSAS CRIMINAL JUSTICE INFORMATION SYSTEM

PROJECT OVERVIEW

February 20, 1997



MANAGEMENT
CONSULTANTS



CONTENTS

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- System Description
- Needs Assessment
 - » Process
 - » Findings
 - » Impact
- Strategic Plan
 - » Initiatives
 - » Schedule
 - » Budget
 - » Funding
 - » Governance



SYSTEM DESCRIPTION

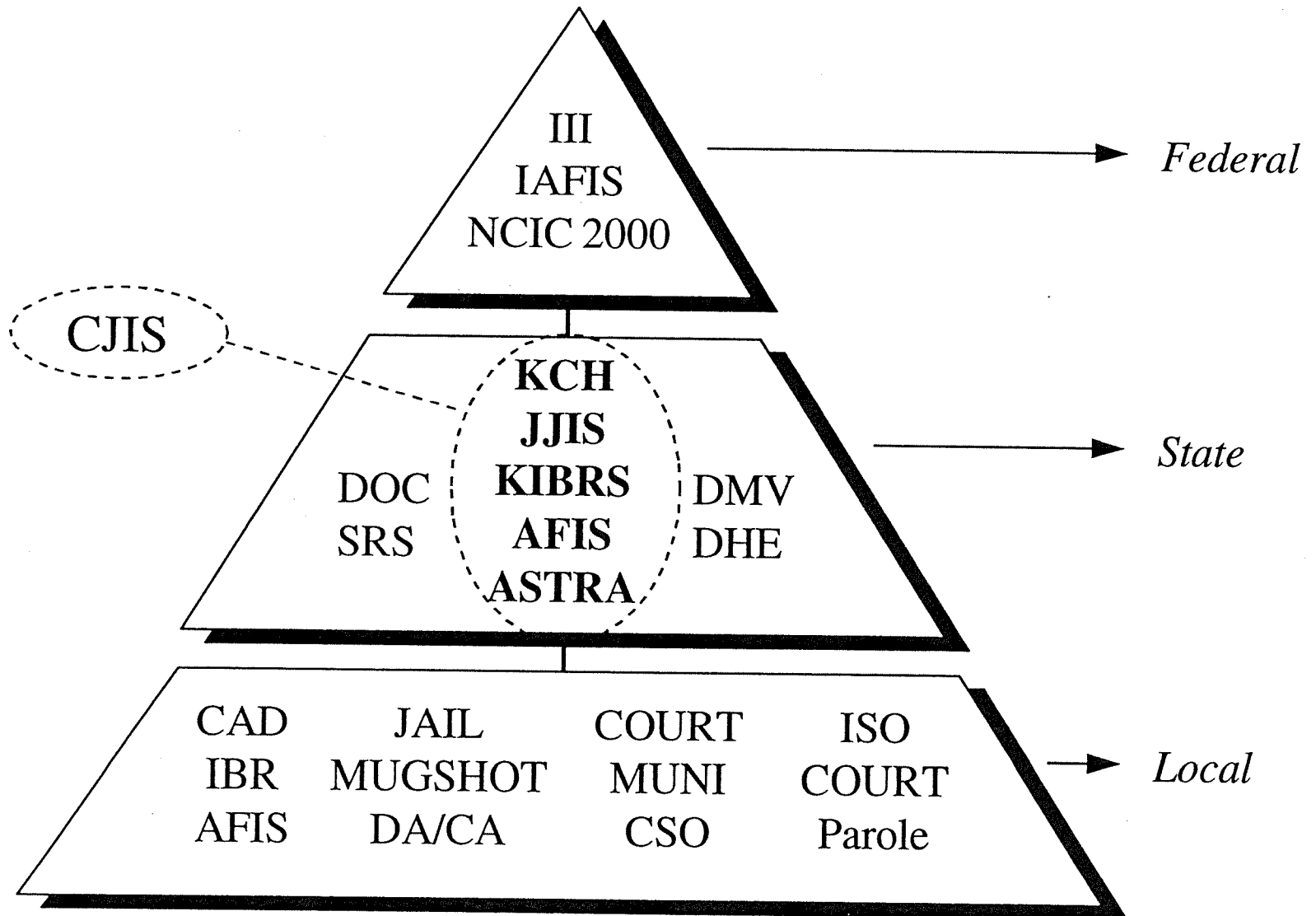
13-25

- Kansas Incident-Based Reporting System (KIBRS)
 - » Law enforcement incident reports.
- Kansas Adult Criminal History System (KCH)
 - » Arrests.
 - » Court dispositions.
 - » Custody and supervision.
- Kansas Juvenile Justice Information System (JJIS)
 - » Juvenile arrests and court dispositions.
 - » Child in Need of Care (CINC).
- Automated Statewide Telecommunications and Records Access (ASTRA)
 - » Law Enforcement Telecommunications System.
 - » Central computer, network, terminals, etc.
- Automated Fingerprint Identification System (AFIS)



SYSTEM MODEL

13-26





NEEDS ASSESSMENT - OBJECTIVES

13-27

- Describe the flow of criminal justice information.
- Identify legitimate sources and uses of information.
- Identify opportunities for increased automation.
- Identify criminal justice and non-criminal justice user access requirements.
- Identify needs and opportunities for integration.
- Provide opportunity for stakeholder involvement.



NEEDS ASSESSMENT - PROCESS

13-28

- Project Started September 25, 1995.
- Interviews in Thirteen Counties (200+).
- Seven Regional Meetings.
 - » Garden City Regional - 12 Attended.
 - » Colby Regional - 12 Attended.
 - » Hutchinson Regional - 31 Attended.
 - » Hays Regional - 25 Attended.
 - » Topeka Regional - 55 Attended.
 - » Concordia Regional - 12 Attended.
 - » Chanute Regional - 30 Attended.
- Develop draft Needs Assessment report.
- Project Completed January 1996.



LOCAL LEVEL INTERVIEWS

B.P. 9

Police

- Patrol/Investigation
- Records

Sheriff

- Records
- Jail

Adult Supervision

- Community Corrections
- Probation Officers
- Parole Officers

Juvenile Justice

- Juvenile Detention Facilities
- Juvenile Intake Officers
- Youth Shelters

Courts

- District Court Administrator
- Chief Clerk
 - » Clerks
- Chief Court Service Officer
 - » Court Service Officer
- Judges
 - » Administrative
 - » Magistrate
 - » District
- County/District Attorneys



STATE LEVEL INTERVIEWS

13-30

- Kansas Highway Patrol
- Kansas Sentencing Commission
- Kansas Bureau of Investigations
- Department of Corrections
- Office of Judicial Administration
- Department of Health and Environment
- Division of Information Systems and Communication
- Department of Social and Rehabilitative Services



INTERVIEW TOPICS

13-21

- Organization's Role in Criminal Justice Community
- Organization Structure
- Criminal Justice Activities and Work Flows
- Records Maintained
- Information Shared With Other Organizations
- Process Improvements
- Technical Infrastructure
- Data Structures and Images
- Applications Supported
- Automated Interfaces
- Information Resource Plans



NEEDS ASSESSMENT - STRATEGIC ISSUES

13-32

■ Policy

- » Statutes are not supported by the necessary infrastructure.
- » Statutes require the reporting of a broad scope of information.
- » The current processes do not support the statutory requirements.
- » Statutes do not support the dissemination to non-criminal justice agencies.

■ Data

- » The majority of the adult and juvenile records are not automated.
- » The completeness, accuracy, and timeliness of data is lacking.
- » The system does not capture and store all the data that is needed.
- » State and local jurisdictions are not benefiting from the data.
- » State and local jurisdictions question the value of collecting the amount of data.



NEEDS ASSESSMENT - STRATEGIC ISSUES *(continued)*

13-33

■ Forms and Procedures

- » The system is choked by manual and redundant processes.
- » Central repository maintains both automated and manual data systems.
- » Delays and inefficiencies increase the amount of effort required.
- » Policymakers, managers, and the public lack the needed understanding of how the systems operate.

■ Governance

- » Local criminal justice agencies do not have adequate involvement in the system governance structure.
- » Responsibility and authority for the state's criminal justice information systems are distributed.



NEEDS ASSESSMENT - STRATEGIC ISSUES *(continued)*

13-34

■ Information Technology

- » There is no local agency electronic access to the three state criminal justice information systems.
- » The three core systems are not integrated or linked together.
- » The systems are not sufficiently upgradable to meet future needs in a timely and cost-effective manner.
- » KBI lacks needed information technology staff support.
- » Life cycle costs are not considered in the management of systems.
- » Most local jurisdictions lack the basic applications.
- » There has been no long-term plan for guiding the state's criminal justice information systems.



NEEDS ASSESSMENT - STRATEGIC ISSUES *(continued)*

13-235

■ ASTRA Network

- » ASTRA switch messaging software is based upon outdated hardware and software technology that cannot be enhanced or upgraded.
- » ASTRA messaging software only provides basic functionality and does not incorporate very much “intelligence” in message processing.
- » ASTRA network does not provide state and local agencies with critical central files for wants, warrants, or other needs.
- » ASTRA network is not positioned to take advantage of the new capabilities of either NCIC 2000 or IAFIS.



NEEDS ASSESSMENT - IMPACT

13-36

- Critical decisions are being made without the necessary information.
 - » Bail, charging, plea agreements, sentencing, etc.
 - » Non-criminal justice decisions.
- Local jurisdictions have to commit significant resources to support the existing system.
 - » Staff resources.
 - » Jail space.
- Public safety and officer safety are adversely affected.
- The state is not able to meet state and federal mandates.
 - » Statutes.
 - » Federal funding programs.



STRATEGIC PLAN - OBJECTIVES

13-37

- Develop a strategic plan.
 - » Mission
 - » Goals
 - » Initiatives

- Develop a tactical implementation plan.
 - » Projects
 - » Budget
 - » Schedule

- Submit plan to Department of Justice/Bureau of Justice Assistance.



STRATEGIC PLAN - MISSION

Create and maintain an accessible, and appropriately secured, criminal justice information repository containing accurate, complete, and timely data on individuals and events for criminal justice and non-criminal justice users that supports effective administration of the criminal justice system, public and officer safety, and policy management in a cost-effective manner within the state of Kansas.

Kansas Criminal Justice Information System (CJIS)

82-91
13-38



STRATEGIC PLAN - GOALS

13-39

- Exceed local, state, and federal data standards.
- Increase system utilization.
- Reduce manpower requirements.
- Ensure compatibility with the national environment.
- Ensure the system's ability to migrate with technology.
- Ensure the state's ability to manage the system.
- Provide operational, statistical, and policy data to the criminal justice community.
- Respect the privacy rights of every citizen.



STRATEGIC PLAN - INITIATIVES/PROJECTS

13-#10

- #1 Design and implement a multijurisdictional governance structure that adequately represents all authorities involved in the criminal justice system.

1A - Governance

- #2 Enhance the statutory, policy, and procedural foundation required to ensure the proper collection, maintenance, and dissemination of centralized criminal justice information.

2A - Legislation

- #3 Improve the quality and timeliness of local and state data reporting to CJIS through agency support programs.

3A - Process Reengineering

3B - Records Training

3C - Compliance Monitoring



STRATEGIC PLAN - INITIATIVES/PROJECTS *(continued)*

#4 Establish the technology design and standards required for the development and migration toward a fully functioning CJIS.

4A - Architecture Design

#5 Reengineer the business processes and technology infrastructure within the state central repository organization.

5A - Records Automation

5B - Data Warehouse

5C - Application System



STRATEGIC PLAN - INITIATIVES/PROJECTS *(continued)*

#6 Improve the timeliness of key criminal justice information and the capability of providing state and local jurisdictions with timely identification services.

6A - AFIS Replacement

6B - Live Scan

6C - Remote AFIS

#7 Increase access to the CJIS repository and NCIC by replacing the ASTRA network and the message switching computer and its interfaces.

7A - Network Design

7B - ASTRA Switch Replacement

7C - ASTRA Terminal Replacement



STRATEGIC PLAN - INITIATIVES/PROJECTS *(continued)*

#8 Increase the scope and content of the data contained in the new CJIS central repository (warrants, probationers, protection orders, etc.).

8A - New Data Files

#9 Support the development and/or integration of local criminal justice information systems with the new CJIS in compliance with the architectural design.

9A - Corrections Interface

9B - County Attorney System

9C - Law Enforcement System

9D - Court Services System

9E - Large System Interfaces



STRATEGIC PLAN - INITIATIVES/PROJECTS *(continued)*

#10 Improve the state's participation in the federal and national system initiatives.

10A - Electronic Data Submission

10B - Interstate Identification Index

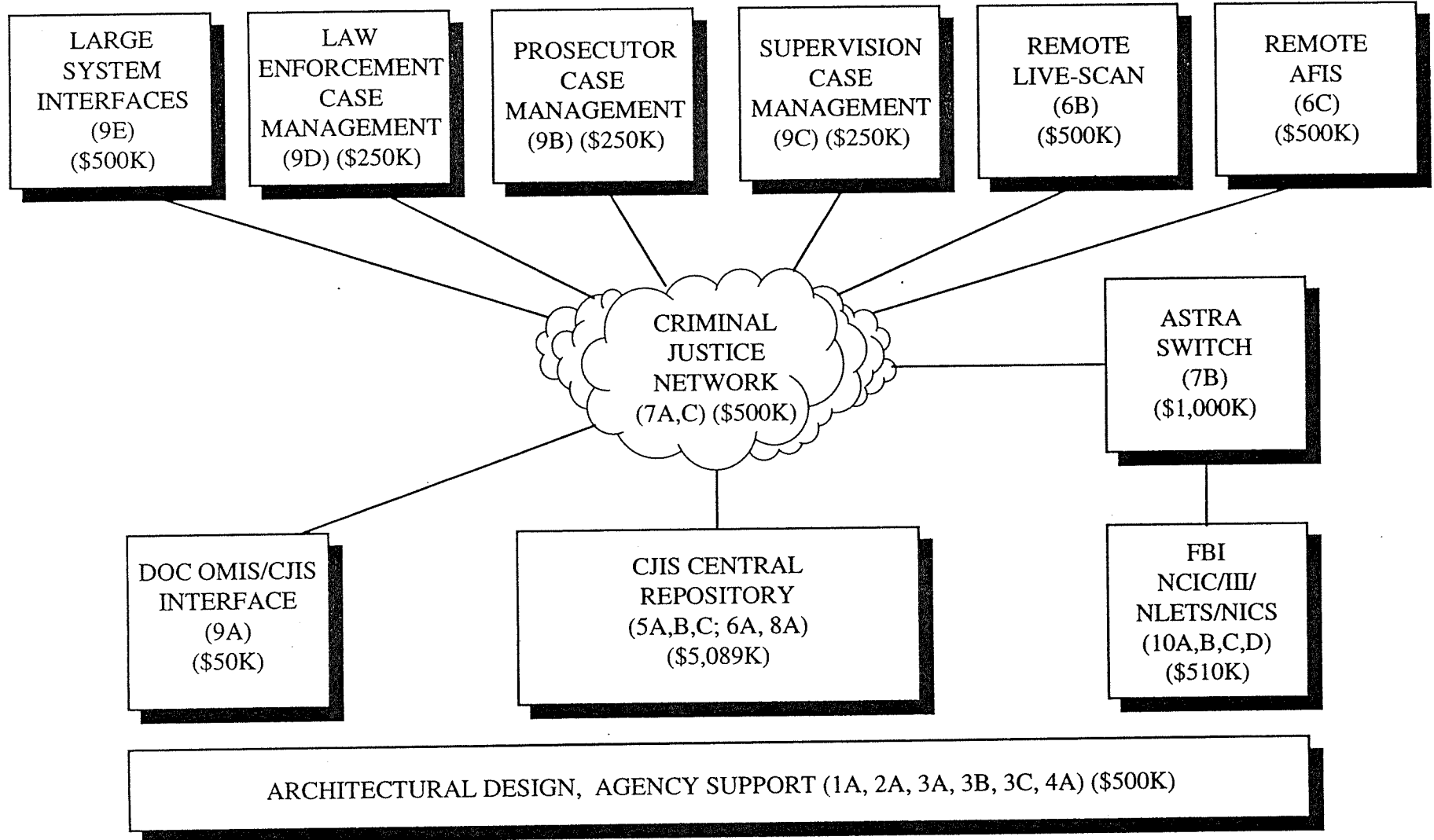
10C - National Fingerprint File

10D - National Instant Check System



STRATEGIC PLAN - SYSTEM COMPONENTS

13-45





STRATEGIC PLAN - IMPLEMENTATION SCHEDULE

13-4p

FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Governance			
	Statute Revision			
	Records Automation		Hot Files	
	CJIS Architecture	ASTRA Replacement		
	Repository Reengineering		Federal III/NFF	
	AFIS Replacement			
	Live-Scan/Remote AFIS			
	Reporting Procedures			
	Local Interfaces/Applications			



STRATEGIC PLAN - BUDGET REQUIREMENTS

1/3-4/1

<u>Initiative</u>	<u>Estimated Cost</u>	<u>1997 - 1998 Budget</u>
■ Governance	\$ 25,000	\$ 25,000
■ Statute Revision	25,000	25,000
■ Reporting Procedures	200,000	132,000
■ CJIS Architectural Design	250,000	250,000
■ Repository Reengineering	2,000,000	1,250,000
■ Records Automation	589,000	589,000
■ AFIS Replacement	2,000,000	2,000,000
■ Remote AFIS/Live-Scan	1,000,000	500,000
■ ASTRA/Network Replacement	1,500,000	50,000
■ Hot Files	500,000	0
■ System Interfaces and Applications	1,300,000	375,000
■ Federal Program Participation	510,000	10,000
■ Project Management	<u>225,000</u>	<u>180,000</u>
	\$10,124,000	\$5,386,000



STRATEGIC PLAN - FUNDING

86-91
13-48

CURRENT

	<u>FEDERAL</u>	<u>STATE</u>
■ 1992 - 1995 Byrne Funds	\$ 744,000	\$ 262,075
■ 1995 NCHIP - Records	403,235	
■ 1995 NCHIP - AFIS	500,000	
■ 1996 NCHIP	325,000	
■ Legislature - AFIS		1,500,000
■ 1996 Byrne	245,000	80,000
■ Additional Byrne - CJCC	<u>1,000,000</u>	<u>330,000</u>
	\$3,217,235	\$2,172,075

NEXT YEAR

■ 1997 Byrne	\$ 260,000	\$ 85,000 ^{1/}
■ Additional Byrne - CJCC	1,301,438	433,118 ^{2/}
■ 1997 NCHIP	<u>650,000</u> ^{3/}	<u>0</u>
	\$2,211,438	\$ 518,118

NEEDED

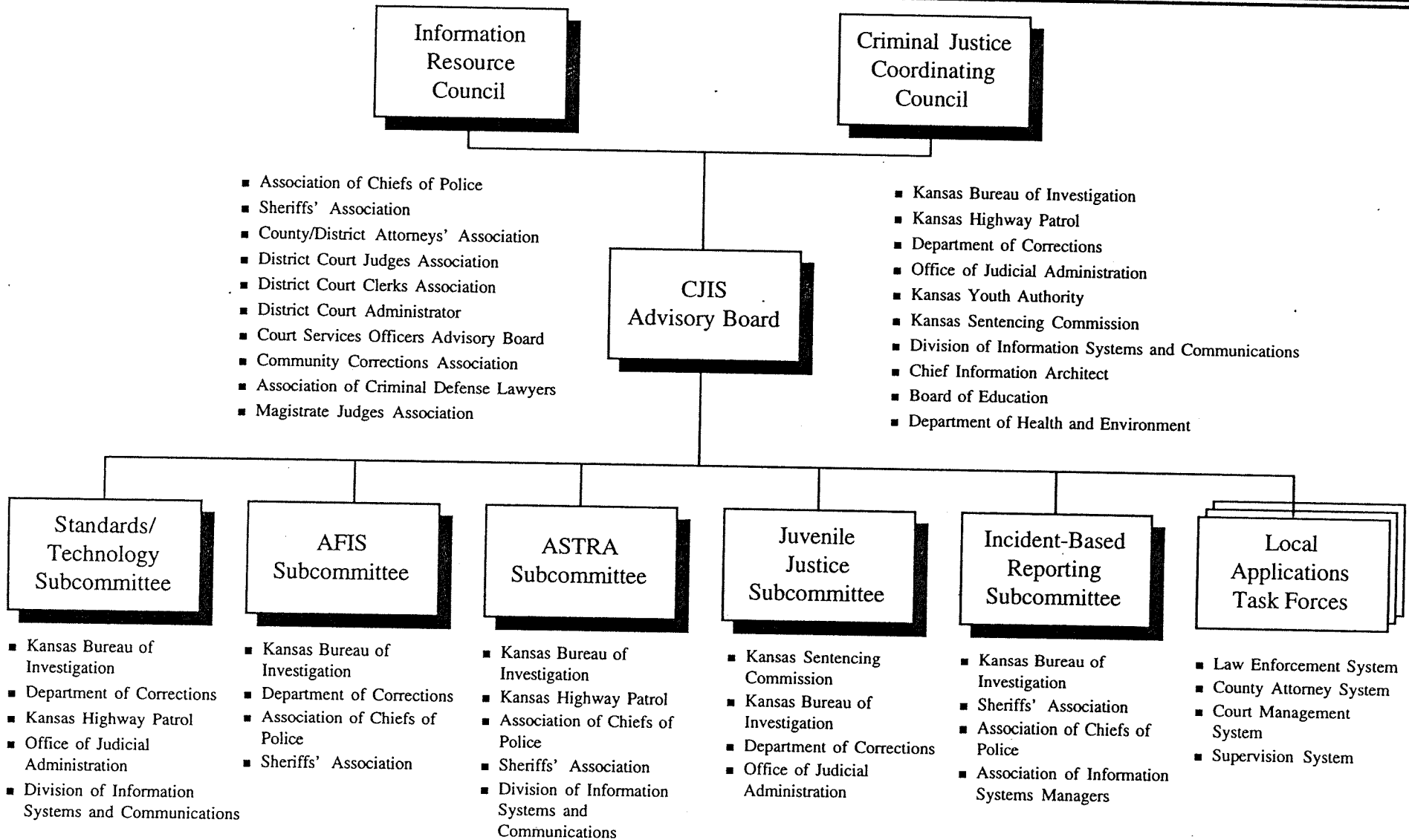
■ State or Federal	\$2,005,134
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^{1/} Local Funds, ^{2/} Budget Request, ^{3/} Estimated



STRATEGIC PLAN - GOVERNANCE STRUCTURE

13.49



STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
Strategic Plan Budget

WORKING DRAFT
3/4/97
1 of 4

13-570

#	PROJECT	FY 97	FY 98	FY 99	FY 00	BUDGET	EXPENDED
GOVERNANCE INITIATIVE							
1A	Governance	\$ 25,000				\$ 25,000	\$ 18,230
	Initiative Totals:	\$ 25,000				\$ 25,000	\$ 18,230
		0					
LEGISLATION INITIATIVE							
2A	Legislation	\$ 25,000				\$ 25,000	\$ 1,070
	Initiative Totals:	\$ 25,000				\$ 25,000	\$ 1,070
AGENCY SUPPORT INITIATIVE							
3A	Process Reengineering	\$ 45,000				\$ 45,000	\$ -
3B	Records Training	\$ 53,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 110,000	\$ -
3C	Compliance Monitoring		\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000	\$ -
	Initiative Totals:	\$ 98,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 200,000	\$ -
ARCHITECTURAL DESIGN INITIATIVE							
4A	Architecture Design	\$ 250,000				\$ 250,000	\$ 161,297
	Initiative Totals:	\$ 250,000				\$ 250,000	\$ 161,297
CENTRAL REPOSITORY INITIATIVE							
5A	Records Automation	\$ 290,000	\$ 299,000			\$ 589,000	\$ 81,872
5B	Data Warehouse		\$ 1,250,000			\$ 1,250,000	\$ -
5C	Application System		\$ 750,000			\$ 750,000	\$ -
	Initiative Totals:	\$ 290,000	\$ 2,299,000			\$ 2,589,000	\$ 81,872
IDENTIFICATION SERVICES INITIATIVE							
6A	AFIS Replacement	\$ 2,000,000				\$ 2,000,000	\$ 18,793
6B	Live-Scan		\$ 250,000	\$ 250,000		\$ 500,000	\$ -
6C	Remote AFIS		\$ 500,000			\$ 500,000	\$ -
	Initiative Totals:	\$ 2,000,000	\$ 750,000	\$ 250,000	\$ -	\$ 3,000,000	\$ 18,793

STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
Strategic Plan Budget

WORKING DRAFT
3/4/97
2 of 4

13-51

#	PROJECT	FY 97	FY 98	FY 99	FY 00	BUDGET	EXPENDED
CJIS NETWORK INITIATIVE							
	7A Network Design		\$ 50,000			\$ 50,000	\$ -
	7B ASTRA Switch Replacement		\$ 1,000,000			\$ 1,000,000	\$ -
	7C ASTRA Terminal Replacement		\$ 225,000	\$ 225,000		\$ 450,000	\$ -
	Initiative Totals:		\$ 1,275,000	\$ 225,000		\$ 1,500,000	\$ -
DATA EXPANSION INITIATIVE							
	8A New Data Files		\$ 500,000			\$ 500,000	\$ -
	Initiative Totals:		\$ 500,000			\$ 500,000	\$ -
LOCAL SYSTEM INITIATIVE							
	9A Corrections Interface		\$ 50,000			\$ 50,000	\$ -
	9B County Attorney		\$ 175,000	\$ 75,000		\$ 250,000	\$ -
	9C Court Services		\$ 150,000	\$ 100,000		\$ 250,000	\$ -
	9D Law Enforcement			\$ 250,000		\$ 250,000	\$ -
	9E Large System Interfaces			\$ 250,000	\$ 250,000	\$ 500,000	\$ -
	Initiative Totals:		\$ 375,000	\$ 675,000	\$ 250,000	\$ 1,300,000	\$ -
FEDERAL PROGRAMS INITIATIVE							
	10A Electronic Data Submission	\$ 10,000				\$ 10,000	\$ -
	10B Interstate Identification Index		\$ 50,000			\$ 50,000	\$ -
	10C National Fingerprint File					\$ -	\$ -
	10D National Instant Check System			\$ 450,000		\$ 450,000	\$ -
		\$ 10,000	\$ 50,000	\$ 450,000		\$ 510,000	\$ -
PROJECT MANAGEMENT							
	11A Project Manager	\$ 60,000	\$ 120,000	\$ 45,000		\$ 225,000	\$ 49,904
		\$ 60,000	\$ 120,000	\$ 45,000		\$ 225,000	\$ 49,904
	Totals:	\$ 2,758,000	\$ 5,403,000	\$ 1,679,000	\$ 284,000	\$ 10,124,000	\$ 331,166

STATE OF KANSAS
CRIMINAL JUSTICE INFORMATION SYSTEM
FUNDING PLAN

WORKING DRAFT
3/4/97

25-21
13-52

Funding Source	%	FY 96	FY 97	FY 98	FY 99	FY 00	TOTAL
STATE	32%						
<i>BJA Match (5%)</i>		\$242,786	\$85,517				\$328,302
<i>BJA Match (Additional)</i>			\$333,333	\$433,813			\$767,146
<i>Legislature (AFIS)</i>			\$1,500,000				\$1,500,000
State Subtotal:		\$242,786	\$1,918,850	\$433,813	\$0	\$0	\$2,595,448
FEDERAL	67%						
<i>NCHIP Grant</i>		\$903,000	\$355,000	\$650,000			\$1,908,000
<i>BJA Block Grant (5%)</i>		\$728,357	\$256,550	\$260,000			\$1,244,907
<i>BJA Block Grant (Additional)</i>			\$1,000,000	\$1,301,438			\$2,301,438
Federal Subtotal:		\$1,631,357	\$1,611,550	\$2,211,438			\$5,454,345
LOCAL	1%						
<i>AFIS/LIVE-SCAN Match</i>			\$0	\$85,800			\$85,800
<i>Local Applications</i>							\$0
Local Subtotal:			\$0	\$85,800			\$85,800
Available Funding		\$1,874,143	\$3,530,400	\$2,731,051	\$0	\$0	\$8,135,593
Plan Requirements			\$2,758,000	\$5,403,000	\$1,679,000	\$284,000	<u>\$10,124,000</u>
Cash Flow		\$1,874,143	\$2,646,543	-\$25,407	-\$1,704,407	-\$1,988,407	<u>(\$1,988,407)</u>

STATE OF KANSAS
 CRIMINAL JUSTICE INFORMATION SYSTEM
Project Funding Sources

WORKING DRAFT
 3/4/97

13-53

FUND	FEDERAL FUNDING	STATE FUNDING	LOCAL FUNDING	TOTAL FUNDING	EXPENDED FUNDS	AVAILABLE FUNDS	FUND EXPIRATION
NCHIP1	903,000.00	0.00	0.00	903,000.00	\$91,954.00	811,046.00	Oct-97
NCHIP2	325,000.00	0.00	0.00	325,000.00	\$0.00	325,000.00	Oct-98
NCHIP3 1/	650,000.00	0.00	0.00	650,000.00	\$0.00	650,000.00	Oct-99
NCHIPDV	30,000.00	0.00	0.00	30,000.00	\$0.00	30,000.00	Oct-98
BYRNE92	58,656.54	19,552.18	0.00	78,208.72	\$78,208.72	0.00	Oct-96
BYRNE93	230,650.00	76,883.33	0.00	307,533.33	\$161,003.62	146,529.71	Oct-97
BYRNE94	195,200.00	65,066.67	0.00	260,266.67	\$0.00	260,266.67	Oct-98
BYRNE95	243,850.00	81,283.33	0.00	325,133.33	\$0.00	325,133.33	Oct-99
BYRNE96	256,550.00	85,516.67	0.00	342,066.67	\$0.00	342,066.67	Oct-00
BYRNE97	260,000.00	0.00	85,800.00	345,800.00	\$0.00	345,800.00	Oct-01
BYRNEA95	1,000,000.00	333,333.33	0.00	1,333,333.33	\$0.00	1,333,333.33	Oct-99
BYRNEA96	1,301,438.00	433,812.67	0.00	1,735,250.67	\$0.00	1,735,250.67	Oct-00
AFIS	0.00	1,500,000.00	0.00	1,500,000.00	\$0.00	1,500,000.00	
TOTALS	5,454,344.54	2,595,448.18	85,800.00	8,135,592.72	331,166.34	7,804,426.38	

1/ - Estimated Funding