



Department of Administration 2025 – 2026 Budget Review

Adam C. Proffitt
Secretary of Administration

Who We Are

The Department of Administration is a **service agency** that was established in 1953.

Our customers are **Kansas taxpayers**, our fellow **state employees** and **state agencies**.

It is our mission to provide **excellent customer service, every time**.

We strive to lead the State of Kansas enterprise by modeling **teamwork** and **cost-effective business practices**

What We Do

The Secretary of Administration is charged with the responsibility of managing the agency and its approximately 480 employees. The agency is organized by offices:

Office of the Secretary

Office of Chief Counsel

Office of Financial Management

Office of Personnel Services

Office of Facilities and Property Management

Office of Procurement and Contracts

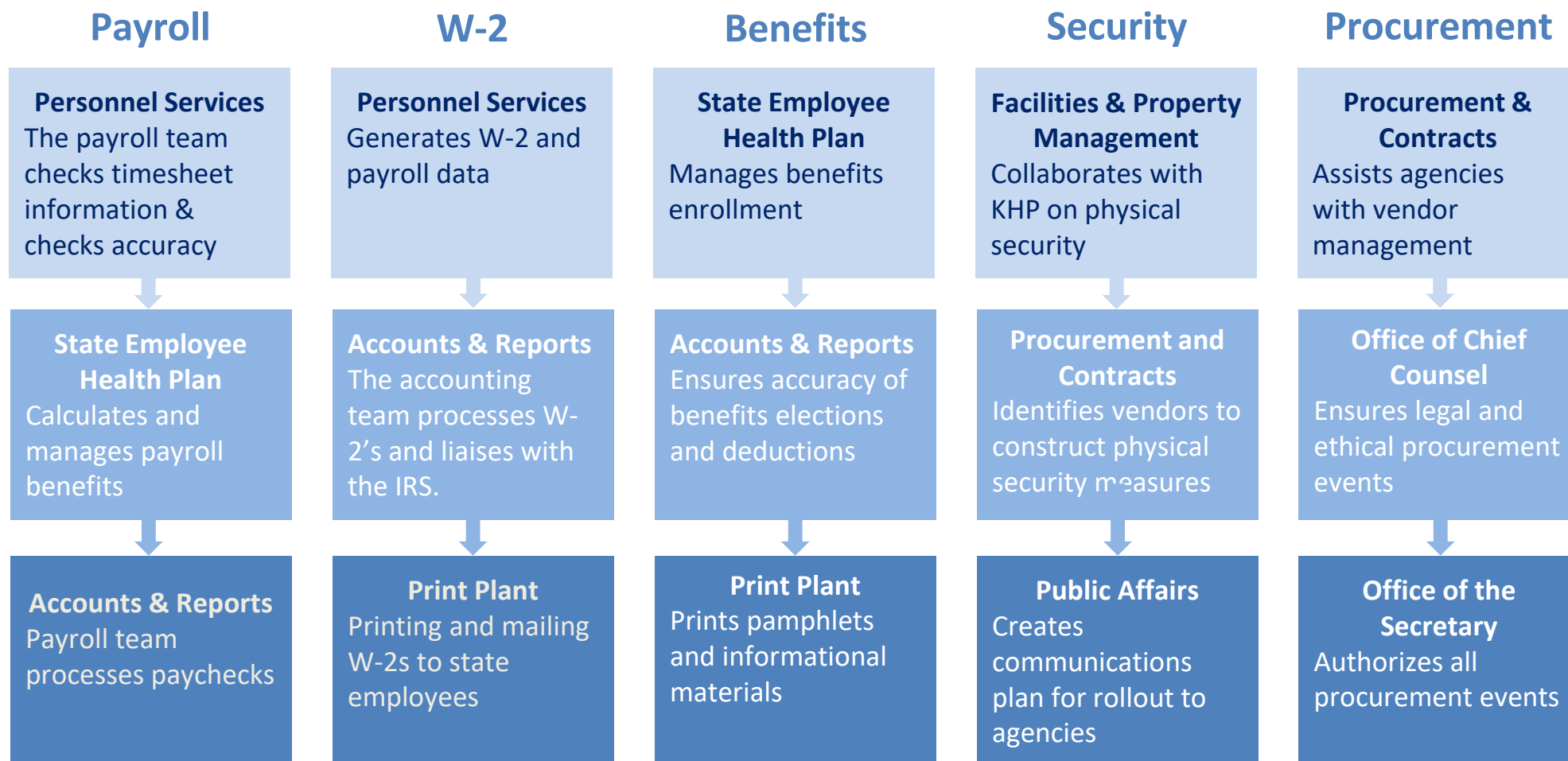
Office of Printing, Mailing and Surplus

Office of Accounts and Reports

State Employee Health Benefits Program

Office of Systems Management

Our Mission Interlocks



Budget

- The primary use of SGF at the Department of Administration is debt service.
- The Department of Administration manages the state's SGF appropriated debt.
- We serve as the state's main point of contact for the federal government on financial matters.
- The State of Kansas has one FEIN number and produces one Annual Comprehensive Financial Report (ACFR) for the State.

2026 Enhancement Requests

- Re-authorizing mail scanning/security equipment – \$400,000
 - Not new funding, was approved in FY24
 - Equipment was installed in fall of 2024 (FY25)
- Funding for debt service for new capital projects (KBI, KDOC & K-AIRES, all 3 in HB 2007) – \$10.3 million
 - Corresponding lapse to occur from other agencies; not a net new enhancement
 - Projects were approved by the 2024 Legislature; DofA in the process of issuing bonds now
- Enterprise Resource Planning (ERP) modernization - \$26,000,000
 - Funds year one of a three-year project stand it up
 - Ongoing costs to be close to current cost of operation

Enterprise Resource Planning (ERP) Modernization

What is ERP?

- **ERP stands for Enterprise Resource Planning**
 - It streamlines operations across departments like HR, Finance and Procurement
- **The current ERP system for the State of Kansas is PeopleSoft 9.2, which was implemented in 1994**

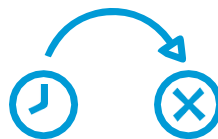
Why should we Modernize ERP?

Gap in functional capabilities, and business-led transformation are **key drivers and benefits** of State's ERP Business Case



Gaps in ERP system functionality inhibit the State's ability to efficiently deliver required outcomes across HR, Finance, and Procurement

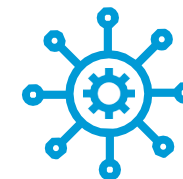
- The system's existing functional gaps create the need for extensive manual workarounds and will constrain further growth and enhancement of key capabilities moving forward



The current system (PeopleSoft 9.2) is ageing, and eventual replacement will be necessary

First implemented in 1994, the current system's limitations drive:

- Poor integration and data flow across systems
- Heavy reliance on e-mails and excels
- Constraints timely access to data needed for decision making



Business-led approach ERP system modernization will drive the right outcomes for the State

- A Statewide Business Transformation Program will enable process optimization and efficiency, improved employee and constituent experience and data-driven decision making

Gaps in current ERP functionality inhibit the State's ability to streamline critical business processes and efficiently deliver required outcomes. Without system modernization, these gaps will continue to create adverse impacts

Procurement

Gap: End to end procurement process is not well supported in ERP, with staff relying on manual interventions

Impact: 1. Longer Procurement Cycles
2. Extensive Manual Effort

Recruitment and Onboarding

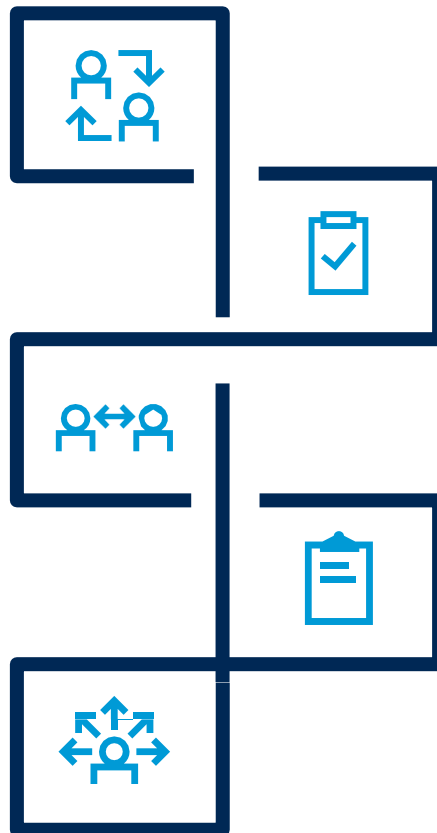
Gap: The current solution has limited capabilities for recruiting leading staff to utilize excel and email

Impact: 1. Long Time to Hire
2. Poor Applicant Experience
3. Losing on Hiring Top Talent
4. Add-on Staffing Firms Expenses

Self-Service Reporting

Gap: Limited self-service reporting functionality within PeopleSoft

Impact: 1. Potential Delays in Decision-Making
2. Higher Dependence on Human Intelligence



Grants Management

Gap: The current solution including eCivis fails to meet statewide wholistic grants management needs

Impact: 1. Missed Federal Grants Opportunities
2. Manual Grantee Monitoring & Reporting
3. Delays in Receiving Granted Funds

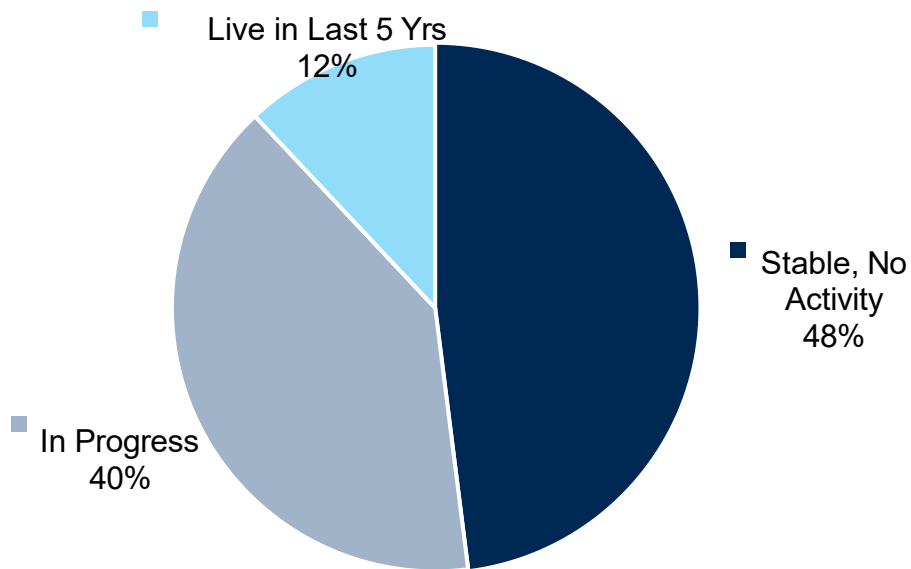
Workforce Planning

Gap: The current solution lacks effective capabilities for managing wholistic performance, training needs and succession planning

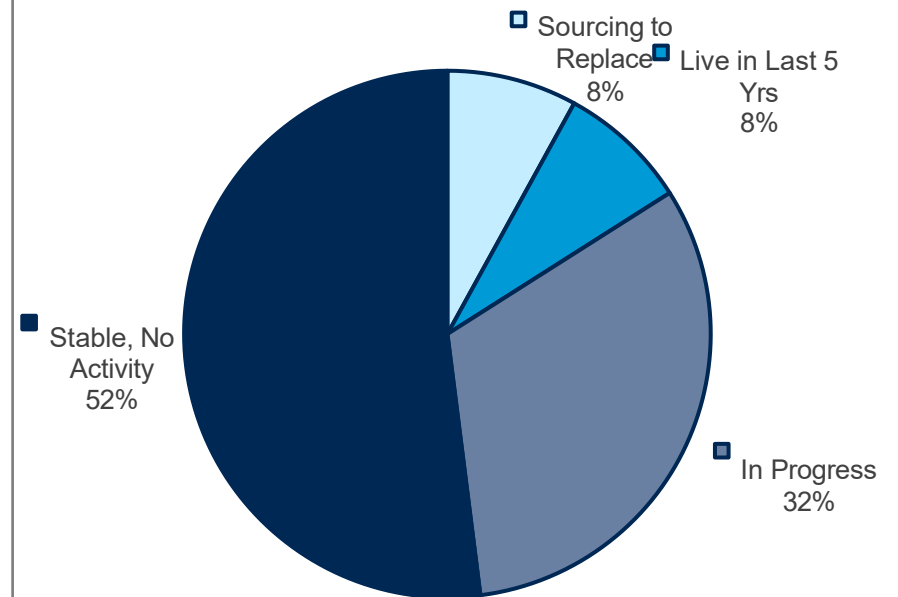
Impact: 1. Poor Employee Experience
2. Risk of Institutional Knowledge Loss

Around 50% of states either modernized or currently modernizing their ERP solutions

Statewide Financial Implementation Status

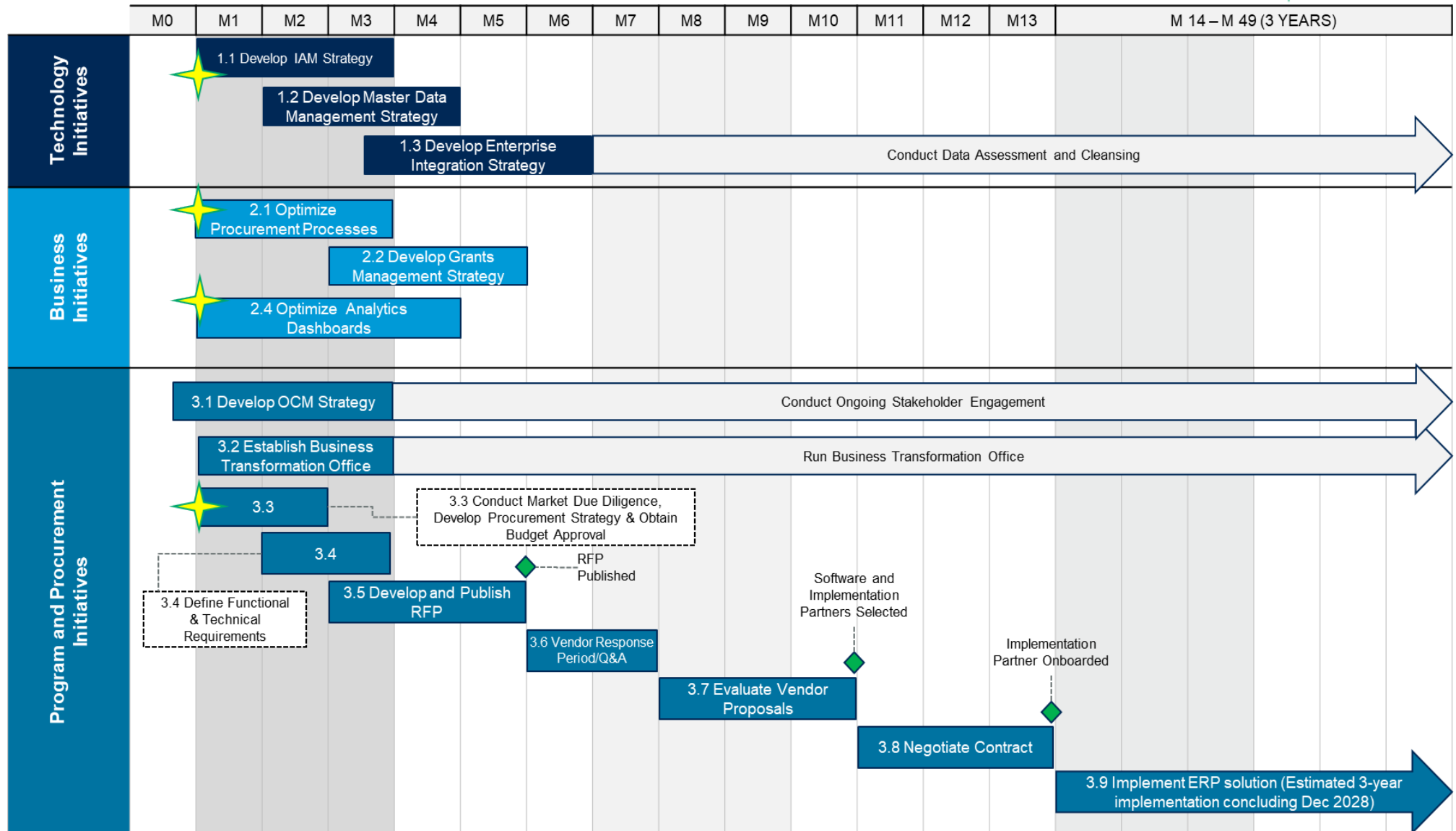


Statewide HR/Payroll Implementation Status



A Statewide Business Transformation Program will enable Kansas to undertake a business-led roadmap for ERP modernization, as well as technology and business process optimizations in the near-term

 = Quick Win



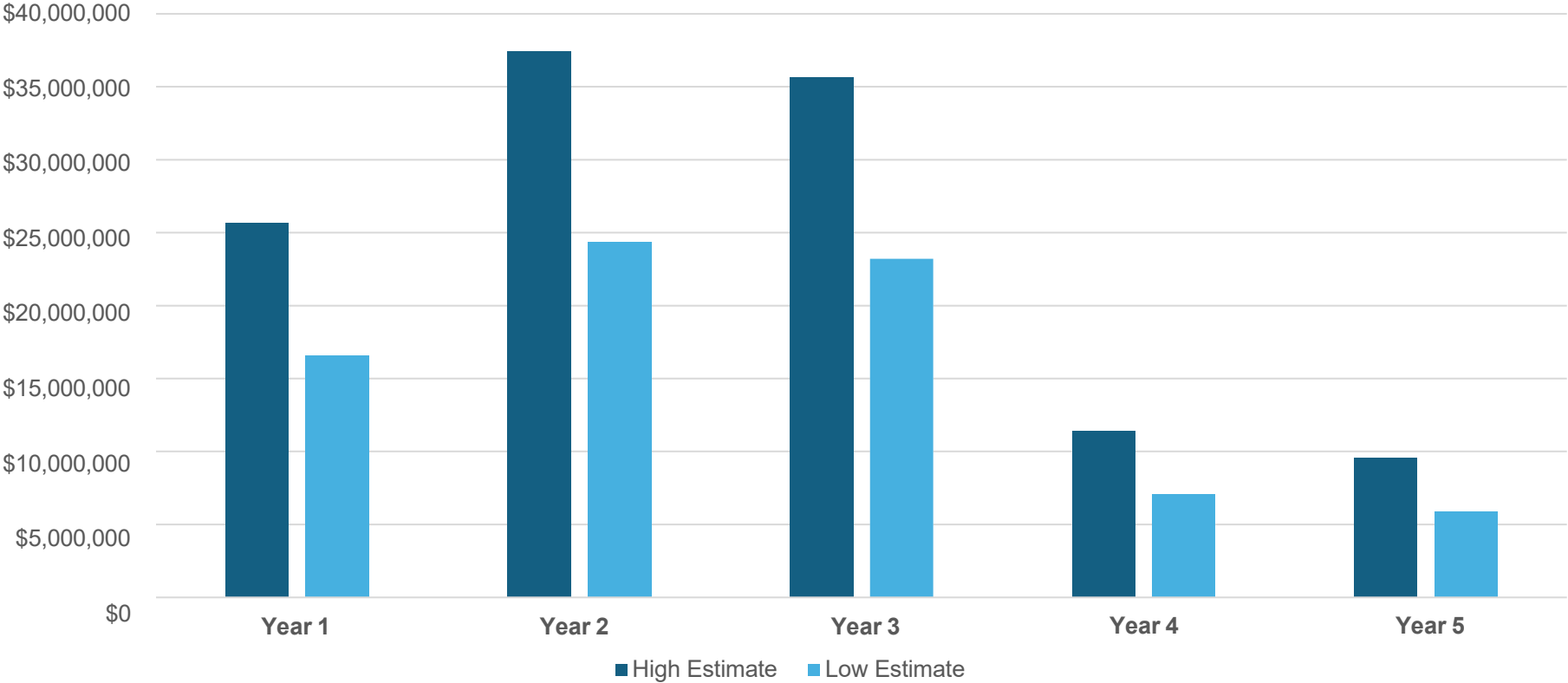
ERP Modernization Cost Estimate Summary

- **Estimated costs for the State's ERP Modernization over a five-year period range from \$77,054,300 to \$119,706,500.** These low and high estimates reflect the wide range of vendor pricing and product bundling available in the vendor solution marketplaces.
- **In Years 1-4 estimated costs for the State's ERP Modernization are higher while solution implementation is taking place.** During this period, costs include solution implementation services, Independent Verification and Validation (IV&V) services, annual software subscriptions and salary costs for Business Transformation Office resources.
- **In Year 5 and subsequent out years, estimated costs for the State's ERP solution are reduced following implementation.** During this period, costs include annual software subscriptions and salary costs for Business Transformation Office resources.

	Low Estimate	High Estimate
Estimated Initial Investment <i>(Years 1-4)</i>	\$ 71,206,300	\$ 110,170,500
Estimated Ongoing Annual Cost <i>(Year 5 and subsequent out-years)</i>	\$ 5,848,000	\$ 9,536,000
<i>Totals</i>	\$ 77,054,300	\$ 119,706,500

ERP Modernization Cost Estimate Detail

ERP Modernization: Estimated Five-Year Costs



Current ERP System Annual Spend

Current ERP System Annual Spend		
Category	Cost Component	Amount
Sierra Cedar	Managed Services and Hosting	\$1,639,781
Oracle PeopleSoft	Application & Database Licenses	\$2,282,039
Other Costs (ERP)	Broadcom (batch automation software)	\$19,087
	Pathlock (PeopleSoft security platform software)	\$467,034
	Phire (change request and issue management software)	\$21,111
	Clean Address (address verification software):	\$11,067
	Cisco DUO (MFA verification tokens)	\$3,400
	Training subscriptions	\$5,000
IBARS	IBARS Annual hosting cost	\$114,000
	IBARS Annual Licensing/Maintenance	\$133,827
Total		\$4,696,346

