

MINUTES

JOINT COMMITTEE ON INFORMATION TECHNOLOGY

April 24, 2007
Room 526-S—Statehouse

Members Present

Representative Joe McLeland, Chairperson
Senator Tim Huelskamp, Vice-Chairperson
Senator Janis Lee
Senator Mike Petersen
Representative Nile Dillmore
Representative Harold Lane
Representative Jim Morrison
Representative Stephanie Sharp

Staff

Julian Efird, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Don Heiman, Legislative Chief Information Technology Officer
Gary Deeter, Committee Secretary

Conferees

Duane Goossen, Secretary, Kansas Department of Administration
Duncan Friend, Project Manager, Financial Management System, Kansas Department of Administration
Jim Garner, Secretary, Kansas Department of Labor
Kevin Yowell, VoteTracker, Inc.
Morey Sullivan, Deputy Director, Division of Information Systems and Communications, Kansas Department of Administration
Rosie Ingram, Chief, Bureau of Program and Project Management, Kansas Department of Transportation
Eldon Rightmeier, Deputy Director, Bureau of Communications, Division of Information Systems and Communications, Kansas Department of Administration
Scott Shoemaker, Senior Architect, Network Strategy and Infrastructure, Calence

Tuesday Morning

Duane Goossen, Secretary of Administration, reviewed the background for the planned statewide Financial Management System (FMS), indicating that a feasibility study six years ago

identified the need to replace the Statewide Accounting and Reporting System (STARS). Funding limitations caused the project to be postponed. He noted that the project received funding in 2007 HB 2368, allowing the project to begin in FY 2007. He noted that the Taxpayer Transparency Program is now included with the FMS funding authorization and that the Department of Administration will implement the new program by March 2008, as required. Answering a question, Mr. Goossen said the agency's FY 2009 budget request will include the Taxpayer's Transparency Program as an integral part of the FMS project and that the programmatic language included in 2007 HB 2368 will be included in the Governor's recommended FY 2009 appropriations bill.

Duncan Friend, Project Manager, Financial Management System, Kansas Department of Administration, reviewed progress in developing the FMS (Attachment 1). He listed the benefits of the proposed system, the scope of the project, and the estimated \$40.7 million cost for implementation. Answering questions, Mr. Friend said the present consultant has extensive experience with other state systems (the Tennessee system, for example, is comparable to the proposed Kansas system), and he believes the present cost estimate to be accurate. He replied that most Regents' institutions have made major investments in financial management systems and will not be included in the proposed FMS. He said the FMS interface with Regents' systems will not significantly change from the current configuration, and that even though FMS must interface with the different university systems, FMS will be able to collect a wider range of data, including information for the Taxpayer's Transparency Program.

Mr. Goossen responded to further questions as follows.

- He said \$2 million originally allocated for Voice-over Internet Protocol (VoIP) may be re-allocated to the FMS project funding when the Legislature considers the Omnibus appropriations bill later in April 2007.
- He replied that a planned Kansas Department of Transportation (KDOT) financial management system will be rolled into the FMS and the \$5.5 million item will be captured for FMS funding.
- He listed three sources of funding for FMS: ongoing appropriations (\$2.4 million in FY 2007 and \$2.0 million in FY 2008 from the State General Fund); a one-time assessment from agencies that will realize savings from the FMS; and, after the FMS has been fully implemented, on-going fees from agencies for upgrades and maintenance of the system.
- Although there may be some minor costs to initiate data gathering for the Taxpayer's Transparency Program, that legislative initiative can be incorporated into the FMS with no additional funding.

The Chairperson suggested that, rather than funding FMS through on-going fees to agencies for maintenance, relevant agency budget items be moved to the Department of Administration budget. He also recommended that Pittsburg State University, which does not have an updated financial management system, be included in FMS.

Mr. Duncan continued his briefing, noting the need for additional staffing during the project. He said the Request for Proposals (RFP) will be developed, with the project anticipated to run from October 1, 2007, until the estimated completion by July 1, 2010. He commented that the Taxpayer's Transparency Program will be initiated immediately.

Jim Garner, Secretary of Labor, updated the Committee on the Unemployment Insurance Modernization Project, which, he said, will not merely modernize the agency technology, but revamp all business processes (Attachment 2). He stated that the present system, which is over 30 years

old, is obsolete and inadequate for meeting current needs. He noted that the project approved previously by the Legislature began in March 2005, then restarted with a new vendor in September 2005.

Presently, the agency is reviewing RFPs and plans to award a contract for Phase II during spring of 2007. He explained that the new system will save the state at least \$5.0 million annually and will save employers more than \$3.0 million in bookkeeping costs. Noting that the scope of the project has been expanded and cannot proceed without additional funding, he said the Department is seeking authorization for federal Reed Act funds. Answering questions, he said the total cost of the project, originally estimated at \$16.0 million to replace the benefits component, is estimated at \$47.0 million because the project includes all agency systems. He explained that one purpose of the Reed Act funding is to provide for system enhancement.

Kevin Yowell, VoteTracker, Inc., provided information on the first year for general use of VoteTracker in the Kansas Legislature, noting that two thirds of House members and three fourths of Senate members utilized the service during the 2007 Session ([Attachment 3](#)). He reviewed the use of various features, previewed new features for the next session, provided a list of benefits ([Attachment 4](#)), and referenced a survey to help develop new features ([Attachment 5](#)). Answering questions, he said the secure data for the system resides in Kansas City and the server is located in Washington State. He replied that he has no objection to moving the hardware and software to Topeka if legislative computer staff agree. He noted that one of the most requested future services is live amendments during legislative debate, a service VoteTracker can provide with Legislative Coordinating Council approval.

The JCIT minutes for January 19, 2007, were approved on motion of Representative Morrison, seconded by Representative Sharp.

Tuesday Afternoon

Morey Sullivan, Deputy Director, Division of Information Systems and Communications (DISC), Kansas Department of Administration, discussed concerns of commingling federal and state funds in shifting VoIP funds from DISC to FMS. He said that if the \$1.998 million expense was billed for FMS rather than VoIP, the feds would have no problem with the change.

Rosie Ingram, Chief, Bureau of Program and Project Management, KDOT, reviewed the proposed Comprehensive Program Management System (CPMS) replacement project, stating that the present 1992 mainframe system is obsolete and a new system will streamline and simplify processes ([Attachment 6](#)). She said an RFP closed August 11, 2006 and that the agency reviewed six proposals. A contract with the vendor Electronic Data Systems was initiated on January 4, 2007, to provide a fixed-price, deliverable-based system at a cost of \$6.88 million, with the total project cost estimated at \$9.28 million. The project will be divided into subprojects which will be monitored by the Executive Chief Information Technology Officer (CITO), and is scheduled for completion in November of 2009. The Chairperson noted that the last quarterly report he had received from the CITO listed a cost of \$6.1 million. Xavier Zarazua, Enterprise Project Manager's Office, explained that the subsequent quarterly report will provided the correct figures. Answering questions, Ms. Ingram said collaborating with the Kansas Turnpike Authority (KTA) on a joint project would be difficult, since KTA receives no federal aid and offers only a fixed route. She said the system is not an accounting system, so cannot be incorporated into the FMS; however, KDOT's new financial management system will be integrated with the FMS. The Vice-Chairperson requested information about possible system compatibility between KDOT and KTA and between KDOT and local units of government.

Members discussed the need to receive timely quarterly reports from the Executive CITO. Mr. Zarazua agreed that for those agencies scheduled to testify before the JCIT, the Kansas Information Technology Office (KITO) will forward the agency reports in their original form to JCIT members, allowing members to see the reports before they are compiled into the KITO quarterly report. Don Heiman, Legislative CITO, explained that agency reports of planned projects can have a variance up to 30 percent, but once the plans receive CITO approval, other rules apply.

Scott Shoemaker, Senior Architect for Network Strategy and Infrastructure, Calence, reported on the Bureau of Telecommunications assessment, presenting key findings, priority projects, and implementation strategies (Attachment 7). He commented on positive aspects, such as the Bureau's organizational structure and network management, and made several recommendations. Among them were: to restructure and more thoroughly document Kansas Wide-Area Information Network (KANWIN); to develop a customer service mentality; to create true Tier 1 capabilities; and to leverage Kansas Information Resources Management System (KIRMS) capabilities to guide improvements.

Eldon Rightmeier, Deputy Director, Bureau of Communications, DISC, reported on the LAN upgrade among the buildings of the Capitol Complex and commented on the Calence report (Attachment 8). He said the Capitol Complex has a redundant and therefore faster and more stable fibre-optic network. Noting that the Calence study includes 154 recommendations, he said the Bureau is rethinking its processes, reviewing policies, developing new principles, converging services, and considering new applications.

Mr. Shoemaker reviewed the Network Consolidation Feasibility Study, a report evaluating the feasibility of consolidating Kansas Research and Educational Network (KANREN), KANWIN, and Kansas Educational Network (KAN-Ed), and making recommendations (Attachment 9). Noting the different governance structures, business models, and network configurations, he stated that no comprehensive consolidation is possible, even though some shared services and standardization could result in cost effective collaboration. Members discussed whether the respective networks were overbuilt or underutilized. Mr. Shoemaker said the study did not specifically address those issues, further commenting that isolated statistics about a network needed a context for meaningful conclusions. He replied to another question that staffing among the three networks was not the focus of the study, further commenting that the organizations differ in maturity.

In order to clarify the intent of the Taxpayer's Transparency Program, *Representative Morrison made the following motion, seconded by Senator Huelskamp: The JCIT understands that the interface between the statewide Financial Management System and the Regents' systems will fully integrate the requirements of the Taxpayer's Transparency Program. Motion adopted.*

The Committee members agreed to request meeting two days in June and eight additional days during the 2007 Interim.

Prepared by Gary Deeter
Edited by Julian Efirm

Approved by Committee on:

June 14, 2007

(date)