

**Chief Information Technology Officer – Executive Branch
Funding Presentation**

Joint Committee on Information Technology
Thursday, November 13, 2013

Jim Clark
Secretary, Kansas Department of Administration/Interim CITO

Thank you, committee, for allowing me to brief you on where we stand in terms of funding for OITS.

Some of the biggest issues that OITS has had to deal with involve billing for services provided. We are in the process of identifying the true costs of operating OITS and providing services to state agencies. We must ensure that the rates we are charging for services are accurate and properly allocated for reimbursement from SGF and federal funding sources. Having just begun to be involved in the funding of OITS, KDOA Financial Management Director Pam Fink and I are beginning to gain some grasp of the complexity of this issue.

OITS purchased a new rate-setting software which will help us calculate the rates for services. Implementation of the program had been postponed due to key vacancies in the agency. Over the next few months the software will be tested and implemented. This will provide us with greater clarity in the area of billing and reporting.

The interim plan would be to continue to charge rates to agencies for services provided while we analyze our costs and efficiencies and while we consider all billing options including the option of using State General funds to cover the cost of enterprise-wide IT services.

As Interim Chief Information Technology Officer, I have recently begun working with the Budget Office to present funding options to the legislature. One option we are particularly interested in is moving the funding for OITS to the State General Fund.

While the consideration of SGF funding of OITS is in the preliminary phase, I can say that there appears to be a significant hurdle that we are working to overcome – the collection of federal funds for services provided to agencies with federal programs on an indirect allocation process. There is an increased risk that the federal government would challenge the allocation process.