Consolidation for Transformation

Plan to Improve IT Performance, Value and Stability

Executive Branch Information Technology

March 13, 2018

Kansas

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Current IT Problematic, Creating Service Outages

Current state is challenged by effective life cycle management

- State data centers in need of significant repairs
- Lack of funds to address all issues internally
- Lack of service levels or proactive planning
- Insufficient qualified staffing to manage the environment

Metric	Typical Age	Kansas Age
Average Server Age	3-4 yrs	9+ yrs
Average Desktop Age	3-4 yrs	9+ yrs
Average Network Device Age	3-4 yrs	8 yrs
PCs per Tech Ratio	400:1	230:1
Data Centers		EOL

Current state of infrastructure results in Increased number and severity of outages, breaches, service loss

-2yr	3 Data Center Outages
-1yr	3 Security Breaches (10M records)
-4m	3 Network Outages

Potential outages could impact critical state services such as:

- Loss of access to critical systems (KDOC)
- Loss of access control/ doors/panic buttons/cameras (KHP)
- Hinder Child Abuse and Neglect investigations (DCF)
- Loss of access to State hospital critical records (KDADS)
- Impact to processing Medicaid applications (KDHE)

Kansas

Non-Partisan, Repeated Recommendation: Consolidation

Three separate studies conducted

All three make same recommendation: Consolidation Across Executive Branch

- 2010 Senate Bill 572
    - ☐ Commissioned an Information Technology Consolidation Feasibility Study.
    - ☐ **Study called for Consolidation of IT**

- 2015 Third Party Consultants
    - ☐ **Recommended Consolidation of IT**
    - ☐ Outsourcing of various services

- 2016 – Third Party efficiency study
    - ☐ **Data Center Consolidation/Outsourcing**
    - ☐ **Network Services Consolidation/Outsourcing**
    - ☐ **Service Desk and End User Services Consolidation**
    - ☐ **Project Management Consolidation**
    - ☐ **Application Management Consolidation**

Kansas

2018 Transformation Plan: Cabinet Agencies Only

New Agency: **Kansas Department for Technology and Innovation (KDTI)**

Goals:

- Consolidation of **Cabinet-level Agency IT** into KDTI under the authority and direction of the Executive CITO

- Transform **organization of IT staffing** to reflect enterprise approach IT delivery

- Provide IT services where **comparative advantage** against third party solutions

- **External solutions** where the State can
  - ☐ Utilize best practices
  - ☐ Achieve significant risk reduction
  - ☐ Recognize measurable cost savings

- Highly **standardized** IT solutions to eliminate unnecessary costs

- Phase One establishes KDTI and implements enterprise approach IT delivery

- Phase Two to address application lifecycle management, data management

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Transformation Achieves Efficient Resourcing, Investment

Increased stability of state of Kansas IT resources and talent

- Prior 18 months: ~25% turnover rate for IT staff
- Industry norms do not exceed 10%
- ~20% of current staff are full or early retirement eligible

Efficient allocation of existing state labor resources

- Current total IT staff is ~730
- IT transformation results in ~530
- If current attrition and retirement is realized, staffing could be as low as 402

Funds available after full implement due to efficiencies ~$16.5M *FY20-21*

- Covers investment in transformation project upfront expenses
- Creates investment for needed services such as information security
- Enables development and retention of key IT talent

Note: only ~28%-30% of cost reductions are SGF

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Move from CapEx to OpEx, Steady Spend

- Eliminates current, repeating 5yr spike

- 5yr spike addresses hardware, not resolution of data center concerns

Current (CapEX) vs. Transformation (OpEX)
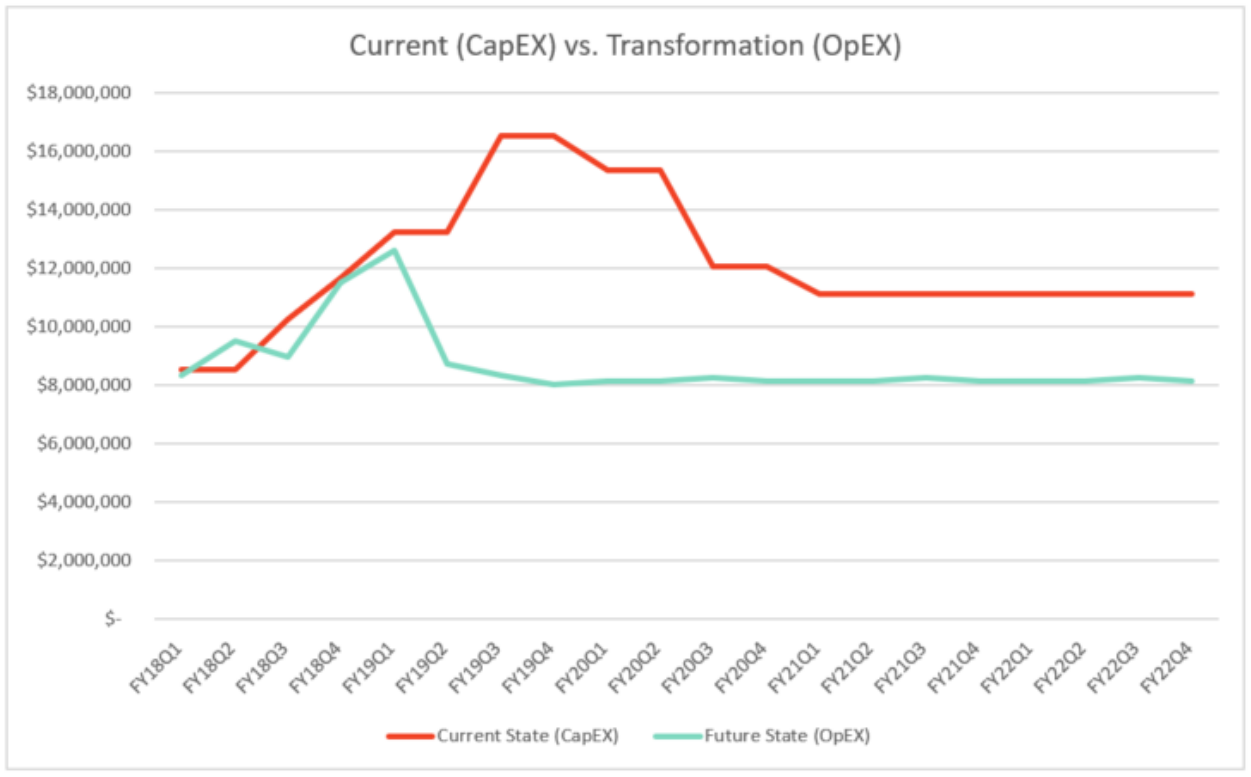
To Complete Transformation: Need Approval

Consolidation cannot move forward without your support

**Request of
Senate Ways and Means
Approve
Senate Sub for House Sub for HB2331**

#	Program	Dependencies	State Fiscal Quarters												
			4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
1	Mainframe Outsourcing (MFaaS)														
2	Desktop as a Service (DTaaS)	3													
3	Service Management (implementation of an ITIL-based Service Desk, PC Support, asset mgmt,														
4	Data Center as a Service (DCaaS)	3													
5	Network as a Service (NaaS)	3													
6	Disaster Recovery as a Service (DRaaS)	4													
7	Organizational Transformation (people Impact)	TBD													
8	Application Management	TBD													
9	Financial Transformation (service catalog, cost recovery)	TBD													
10	Enterprise PMO	TBD													
11	Security and Risk Management														

Legend:
- Planning and Requirements Definition
- Sourcing Options and Procurement (if applicable)
- Implementation
- Ongoing Operational Run State
- Ongoing Management Activities
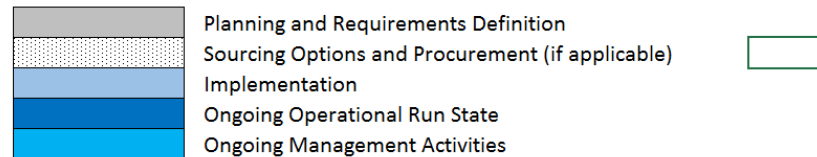
Successful Milestones

O365 Implementation – spring 2017

Mainframe Outsourcing – Nov 2017

Desktop as a Service (DTaaS) – Dec 2017

Tier I Service Desk – Nov 2017

Communication Plan: Established, Ongoing

- Established CORE Leadership Team of IT Leaders – 2017

- Presented plan to Governor's staff and Budget Director – Oct 2017

- Presentation of plan to Cabinet Secretaries – Oct-Nov 2017

- Presentation of plan to agency CFO's – Oct 2017

- Established Executive Governance Committee – Jan 2018
  - ☐ 4 Agency Secretaries
  - ☐ 3 Agency CIOs
  - ☐ 3 Agency CFOs
  - ☐ Executive Branch CITO
  - ☐ Executive Branch COO

- Present plan to Legislature – 2018 Session
  - ☐ Senate Sub for House Sub for HB2331

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