

March 23, 2021

The Honorable Rick Billinger, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator Billinger:

SUBJECT: Fiscal Note for SB 249 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 249 is respectfully submitted to your committee.

SB 249 would define “business risk” and would alter the definition of an “information technology project.” The altered definition would specify that an information technology project would no longer be subject to the \$250,000 minimum and instead define “information technology project” as an information technology effort of defined and limited duration that implements, effects a change in or presents a risk to processes, services, security, systems, records, data, human resources, or architecture.

The bill would require the Chief Information Technology Officers of the Executive Branch, Legislative Branch, and Judicial Branch to require recommendations on planned projects that have been reviewed and not only on project estimates. The bill would also revise what information is required to be submitted when an agency proposes an information technology project. Under the provisions of the bill, when any agency proposes an information technology project, the agency would prepare and submit information technology project documentation pursuant to policies established by the Information Technology Executive Council.

The bill would specify that any information technology project with significant business risk, as determined by policies of the Information Technology Executive Council, would be presented to the Joint Committee on Information Technology by the Chief Information Technology Officer of the applicable branch of state government. SB 249 would specify that prior to the release of any request for proposal or other bid event, specifications for bid or proposals for information technology projects would be submitted to the Chief Information Technology Officer of the branch of state government of which the agency or agencies are a part. Information technology projects requiring Chief Information Technology Officer approval would also require the Chief Information Technology Officer’s written approval on specifications for bids or proposals.

SB 249 would specify that the Joint Committee on Information Technology may require the head of any state agency with primary responsibility for an information technology project to advise and consult on the status and progress of an information technology project, including

revisions to expenditures for the current fiscal year and ensuing fiscal years, and to report on the status and progress of information technology projects to the Senate Ways and Means Committee and the House Appropriations Committee. Prior to authorizing or approving any information technology project change or overrun, a state agency head would be required to report the changes or overruns to the Joint Committee on Information Technology.

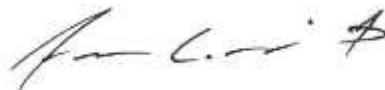
The Office of Information Technology Services (OITS) states that staff supports the Chief Information Technology Officers of the three branches of state government by working with state agencies to provide oversight and reporting of projects. OITS states a fee is charged to agencies for project oversight and this fee would continue if the bill were enacted. The agency estimates that agencies would be reporting more projects under the new process, which would result in state agencies being charged the fee for the additional projects.

OITS estimates additional expenditures of \$200,000 in FY 2021 and \$375,000 in FY 2022, including the cost of 1.00 FTE position in FY 2022 if the bill is enacted. Of the FY 2021 amount, the entire amount would be spent to implement an automated reporting system to replace the current process, which is primarily manual because the agency estimates an increase in the number of projects that would be reported. Of the FY 2022 amount, \$250,000 would be for the completion of the new reporting system; \$75,000 for an additional FTE to support the new reporting process; and \$50,000 for maintenance of the new system. OITS also estimates an increase of \$425,000 in fee fund revenue in FY 2022 because of the estimated increase of new projects that would be reported. OITS indicates the additional revenue would be used to develop and provide on-going training to state agencies on the new reporting process.

The Office of Judicial Administration states enactment of the bill could result in additional time spent by Judicial Branch staff on the bill's provisions; however, a fiscal effect cannot be determined until the Judicial Branch has an opportunity to operate under the bill's provisions. Legislative Administrative Services estimates enactment of the bill would not have a fiscal effect on the operations of the Legislature.

Various Cabinet agencies, including the Department of Corrections, Kansas Department of Transportation, and the Kansas Department of Health and Environment indicated that enactment of the bill would either have a negligible fiscal effect on operations or that the agency was unable to estimate a fiscal effect. Any fiscal effect associated with SB 249 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Mark Koval, OITS
Debbie Thomas, Judiciary
Karen Clowers, Legislative Services