

OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
<i>Operating Expenditures</i>					
State General Fund	\$ 15,348,799	\$ 11,626,639	\$ 11,626,639	\$ 4,500,000	\$ 4,250,000
Other Funds	48,544	43,000	1,853,948	43,000	43,000
<i>Subtotal</i>	<u>\$ 15,397,343</u>	<u>\$ 11,669,639</u>	<u>\$ 13,480,587</u>	<u>\$ 4,543,000</u>	<u>\$ 4,293,000</u>
<i>Capital Improvements</i>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Off-Budget:					
<i>Operating Expenditures</i>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	50,277,683	45,671,863	45,671,863	51,139,982	51,139,982
<i>Subtotal</i>	<u>\$ 50,277,683</u>	<u>\$ 45,671,863</u>	<u>\$ 45,671,863</u>	<u>\$ 51,139,982</u>	<u>\$ 51,139,982</u>
<i>Capital Improvements</i>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 65,675,026</u>	<u>\$ 57,341,502</u>	<u>\$ 59,152,450</u>	<u>\$ 55,682,982</u>	<u>\$ 55,432,982</u>
Percentage Change:					
<i>Operating Expenditures</i>					
State General Fund	106.1 %	(24.3) %	(24.3) %	(61.3) %	(63.4) %
All Funds	23.9 %	(12.7) %	(9.9) %	(2.9) %	(6.3) %
FTE Positions	113.5	113.2	113.2	113.2	113.2

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Division of Information Systems and Communications (DISC) was established in 1972 and renamed the Office of Information Technology Services (OITS) in 2011. OITS is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies in a uniform and cost-effective manner. OITS functions like a utility by providing phone, computer, and data communication services on-demand to offices across the state, while maintaining job resource accounting systems to accurately charge customers based on their use of shared resources. As of September 2020, OITS services more than 450 offices, 17,000 data communication users, and 10,000 phone users.

The OITS budget includes both on-budget expenditures, which reflect programs that are not financed by rate charges, and off-budget expenditures, which include services performed for other state agencies or local units of government. OITS supports its operations *via* recharge billings for the services it provides and the expenses it incurs. These shared services save the State of Kansas money by reducing duplication of hardware, software, and technical staff. OITS sets rates and maintains accounts according to federal regulations set by the Office of Management and Budget (OMB) and overseen by the Federal Health and Human Services Office of Cost Allocation (OCA). Federal guidelines include OMB Circular A-87 and A-25. In 2020, the agency revised its rate structure, with the intent of increasing transparency and communication and providing clarity and predictability for state agencies with regard to information technology service rates.

Consolidated Services Model

In 2011, OITS began shifting operations to a Consolidated Services Model, in which it consolidates state information technology (IT) infrastructure and outsources services to third-party vendors for "as a service" offerings where applicable. Examples of consolidation include outsourcing hosting and management of the state mainframe, migrating data center facilities to a managed third-party system, and contracting with vendors for desktop hardware procurement and management. The intended objectives of consolidation are to minimize risk to, reduce the cost of, and improve the reliability and scalability of state information technology systems to achieve maximum availability, fault tolerance, disaster recovery, and system security while ensuring compliance with state and federal agencies.

Mainframe as a Service (Completed)

In 2016, OITS contracted with Ensono to provide a scalable solution for the hosting and management of the state mainframe. This partnership eliminates the "last man standing" business model, where fixed costs lead to higher rates for the remaining state agencies after one agency migrates off the mainframe. Now, modernization of mainframe projects can be executed on a timeline that minimizes the business risks created by migration. The agency indicates this initiative has not only improved attention to maintenance, performance, and information security, but also resulted in the ability to project long-term operating costs. The agency estimates that mainframe services will cost about \$4.0 million per fiscal year with \$400,000 of the total cost attributed to indirect expenditures related to information technology security and information technology support services provided by the agency.

Desktop as a Service (Ongoing)

In 2017, OITS contracted with Insight Enterprises to provide procurement and management services for computers on a consumption basis. Previously, state agencies purchased desktop and laptop computers as needed, which resulted in long-term expenses to both maintain existing units and replace outdated units. Under the new model, state agencies can now work with Insight Enterprises to lease and procure computers as a service, reducing or eliminating costs associated with maintaining its own computers. The agency indicates this model allows the State of Kansas to reduce the number of outdated assets, standardize its equipment, reduce downtime and repair expenses, and maintain a predictable cost of operations while eliminating the need for capital expenditures. The agency estimates desktop services will cost about \$3.5 million per fiscal year from fees paid by other state agencies.

Data Center as a Service (Ongoing)

In 2017, OITS contracted with Unisys to provide data center hosting facilities, a managed private cloud, and managed public cloud services for state agencies. Previously, the State of Kansas managed its own data centers, which resulted in extensive costs to repair existing servers, replace aged servers and storage hardware, and maintain the facilities housing state data centers. Under the new model, state data centers would migrate to a centralized facility hosted and managed by Unisys. The agency indicates this model provides a redundant disaster recovery solution for critical agency applications, reducing risks due to outdated data center facilities and equipment.

In 2018, the agency began migrating state data centers to Unisys. In 2019, however, the agency discovered performance-impacting issues attributable to the age and complexity of the State's network and suspended migration activities accordingly to minimize negative business effects to state agencies. The migration was stalled at 20.0 percent completion for two years. Accordingly, the agency requested and received additional funding in both FY 2020 and FY 2021 to resolve the network infrastructure issues preventing migration activities. As of December 2020, data center migration is at about 80.0 percent completion. The agency indicates the Data Center Migration is on track to be completed by February 2021 and will cost about \$14.0 million per fiscal year once the migration is complete.

Consolidated Service Desk (Ongoing)

In 2017, OITS contracted with ServiceNow to establish centralized information technology support services for Executive Branch agencies, including small agencies residing within its user services environment. The Service Desk was implemented in 2018 and currently functions as the first point of contact for information technology issues. Each incident and service request is processed within the Professional Services program, which subsequently provides the initial investigation and diagnosis of incidents, escalating it to the appropriate support team when necessary. Incident requests will be managed using the ServiceNow tool.

Consolidated Email Systems (Completed)

In 2017, OITS completed migration of email and collaboration platforms to Microsoft Office 365 (O365), replacing the Exchange Email service and other email systems that operated independently within individual state agencies. This upgrade provides a secure multi-tenant solution built to comply with government security requirements and has resulted in predictable costs, email data that is secured in multiple data centers across the United States, and a fully redundant hosted email solution.

Consolidation of IT Licensing and Contracts (Ongoing)

Under the Consolidated Services Model, OITS works with other state agencies and suppliers to negotiate consolidated software licensing agreements in an effort to centralize contract, procurement, and asset management to increase efficiency in the acquisition process. Examples of such centralization include consolidated multi-year agreements with Microsoft, via Software House International, for three groups of software licenses and with CISCO, via Alexander Open Systems, for equipment maintenance. The agency indicates that the Microsoft consolidation achieved economies of scale and efficiencies in the time spent processing the annual renewal. The agency continues to evaluate opportunities to consolidate and centralize

software purchasing whenever feasible throughout the Executive Branch Information Technology (EBIT) and non-cabinet state agencies.

MAJOR ISSUES FROM PRIOR YEARS

The **2015 Legislature** added \$2.5 million, all from the State General Fund (SGF), for a supplemental request from OITS to pay an order from the federal government for improper rate setting in the distribution of information technology services.

The **2017 Legislature** added \$4.1 million in fiscal year (FY) 2018 and \$5.4 million for FY 2019, all SGF, for the agency's information technology modernization strategy, including moving to an "as a service" model. The 2017 Legislature also passed SB 56, which created the Kansas Cybersecurity Act, establishing the Chief Information Security Officer position to head the Kansas Information Security Office within OITS. SB 56 also identified new requirements and responsibilities for Executive Branch agencies regarding the implementation and maintenance of information security programs. The 2018 Legislature added \$4.9 million in FY 2018 and \$3.5 million for FY 2019, all SGF, for Information Technology Modernization and Kansas Department of Corrections (KDOC) Office 365 expenditures.

In **July 2018**, OITS was separated from the Department of Administration and began budgeting as an individual state agency.

The **2019 Legislature** added \$6.1 million, including \$4.0 million SGF, for additional information technology modernization funding in FY 2020. The 2019 Legislature also added \$205,707, all from the Information Technology Fund, for a 2.5 percent salary adjustment for state employees in FY 2020.

In **April 2019**, OITS donated \$10.4 million in new, unused hardware to Kansas State University. The agency paid the remaining \$6.0 million owed in financing on the hardware but received no reimbursement, negatively impacting its operating budget.

The **2020 Legislature** added \$10.4 million in FY 2020 and \$5.4 million for FY 2021, all SGF, for network infrastructure upgrades and data center migration activities. Additionally, the 2020 Legislature added \$4.5 million, all SGF, to establish a dedicated funding source for the rehabilitation and repair of information technology equipment in FY 2020 and FY 2021.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** requests a revised estimate of \$11.7 million, including \$11.6 million from the State General Fund (SGF), for on-budget expenditures in FY 2021. The revised estimate is an all funds increase of \$1.4 million, or 13.6 percent, and an SGF increase of \$1.4 million, or 13.9 percent, above the FY 2021 approved budget. The increase is due to the agency's supplemental requests of \$1.7 million for a repayment settlement with the federal Department of Health and Human Services (HHS) caused by the filing of the Statewide Cost Allocation Plan (SWCAP) with HHS. The increase is partially offset by a reappropriation of SGF for contractual services for rehabilitation and repair and network remediation of state IT equipment (\$306,577). **Absent the supplemental**, the on-budget revised estimate is an all funds decrease of \$331,577, or 0.3 percent, below the FY 2021 approved budget. The non-supplemental decrease is due to not budgeting the reappropriation of SGF for contractual services for rehabilitation and repair and network remediation of state IT equipment (\$306,577)

and adjustment to the estimated revenue to be more in line with its actual expenditures for software licenses associated with Geographic Information Systems (\$25,000). The revised estimate does not include any on-budget FTE positions in FY 2021, which is the same as the FY 2021 approved number.

In FY 2021, the revised estimate includes \$45.7 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$234,807, or 0.5 percent, below the FY 2021 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease is primarily attributed to a change in the agency's direct billing process for certain commodities such as software licenses, various cables, and other electronic equipment to more accurately reflect these expenditures, resulting in an increase of \$5.1 million in commodities that is offset by a \$5.3 million decrease in contractual services. The request also includes an increase in salaries and wages (\$157,193) attributed to conversion of lower skilled positions to higher skilled positions to better align with the agency's needs. The revised estimate also includes 113.2 off-budget FTE positions in FY 2021, which is a decrease of 0.3 FTE positions below the FY 2021 approved number. The decrease is primarily due to how the agency tracks positions.

The **Governor** recommends expenditures of \$13.5 million, including \$11.6 million SGF, for on-budget expenditures for FY 2021. The recommendation is an all funds increase of \$1.8 million, or 15.5 percent, above the agency's FY 2021 revised estimate. The increase is entirely attributed to the award of \$1.8 million in federal Coronavirus Relief Fund moneys for remote workforce enhancements (\$1.5 million) and IT security consulting services (\$302,103). Included in the Governor's recommendation is \$1.7 million, all from SGF, for the SWCAP settlement and a lapse of \$306,577 in reappropriated SGF. The recommendation does not include any on-budget FTE positions for FY 2021, which is the same as the agency's FY 2021 revised estimate.

For FY 2021, the Governor's recommendation includes \$45.7 million in off-budget expenditures and 113.2 FTE positions for FY 2021, which is the same as the agency's FY 2021 revised estimate.

FY 2022 – Budget Year. The **agency** requests \$4.5 million, all SGF, for on-budget expenditures for FY 2022. The request is an all funds decrease of \$7.1 million, or 61.1 percent, below the FY 2021 revised estimate. The decrease is primarily due to financing commitments and one-time expenditures that occurred in FY 2021 and are not present for FY 2022, including SGF for data center migration (\$2.0 million), upgrades to the state network infrastructure (\$3.4 million), and the SWCAP settlement payment (\$1.7 million). The request does not include any on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

For FY 2022, the request includes \$51.1 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 12.0 percent, above the FY 2021 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase is in contractual services expenditures, primarily due to the completion of state agency server migration to the Unisys environment (\$5.3 million) and hosting more servers within this data center. The request also includes a salaries and wages increase (\$93,619), primarily attributed to conversion of lower skilled positions to higher skilled positions to better align with the agency's needs. The request also includes 113.2 off-budget FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$4.3 million, all SGF, for on-budget expenditures for FY 2022. The recommendation is an SGF decrease of \$250,000, or 5.5 percent, below the FY 2022 agency request. The decrease is attributable to Governor's recommendation to partially adopt the agency's reduced resources submission for capital outlay costs associated with rehabilitation and repair of state networking equipment. The recommendation does not include any on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

For FY 2022, the Governor's recommendation includes \$51.1 million in off-budget expenditures and 113.2 off-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Time User Mainframe Service is Available	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of time Office 365 is available	100.0 %	99.9 %	99.0 %	99.0 %	99.0 %	99.0 %
Percent of service desk hold times less or equal to two minutes	0.0	0.0	99.0 %	99.0 %	99.9 %	99.9 %
Percent of utilization of mainframe storage	80.0 %	80.0 %	63.0 %	63.0 %	63.0 %	63.0 %
Percent of Successfully Completed Mainframe Backup Jobs	95.0 %	95.0 %	95.0 %	95.0 %	95.0 %	100.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 44.5	\$ 53.0	\$ 61.7	\$ 65.7	\$ 59.2	\$ 55.4
FTE Positions	74.7	100.5	113.5	113.5	113.2	113.2

The measures above have been identified by the agency in cooperation with the Kansas Division of the Budget and the Kansas Legislative Research Department as key performance measures for the agency. The agency's performance measures are spread across its various programs as follows:

Business Productivity Tools (O365)

OITS has migrated to the email and collaboration platform known as Office 365 (O365) hosted by Microsoft. This upgrade provided a secure multi-tenant solution built to comply with government security requirements. This service replaced the Exchange Email service and other email systems that operated independently in each agency in most cases. Some agencies still provide their own legacy Microsoft email services or are in their own O365 tenant not managed by OITS. In FY 2020, O365 was available 99.0 percent of the time and the agency expects that to continue in FY 2021 and 2022.

Hosted Services

OITS functions like a utility by providing on-demand phone, computer, and data communication services to offices across the state, while maintaining job resource accounting systems to accurately charge customers based on their use of shared resources. In that regard, OITS customers expect services to be always available and reliable. In FY 2020, the mainframe was available 100.0 percent of the time, and the agency expects that to continue in FY 2021 and for FY 2022. Additionally, the State of Kansas primarily utilizes data hosting facilities in Overland Park maintained by the vendor Unisys. Some data hosting remains within the Topeka

located facility located in the Eisenhower State Office Building (ESOB). The agency estimates mainframe as a service expenditures to be \$4.5 million for FY 2021, and data center as a service to be \$14.0 million in FY 2022.

Kansas Information Technology Office

The Kansas Information Technology Office (KITO) provides IT management and consulting services to state agencies on projects more than \$250,000. In FY 2020 the agency reviewed and approved 19 project plans within 20 days of receipt, and had 17 participants complete their certification in the Kansas Project Management Methodology Certification Class.

Additionally, in 2019, the Kansas Information Technology Office began implementing an automated three-year IT strategic planning time frame for state agencies, which provides for a more streamlined view at information technology needs throughout the State of Kansas. The agency expects the system to be in-service by FY 2021.

Kansas Information Security Office

The Kansas Information Security Office (KISO) strives to improve the State's cybersecurity capabilities by mitigating threats and providing services to state agencies. KISO currently tracks the percentage of response to high priority incidents/requests within eight hours per Services Level Agreements. Accordingly, the agency has set a goal for FY 2021 and FY 2022 to respond to 100.0 percent of these incidents within the eight-hour time frame. KISO also tracks the "phished" rate in email security testing of service-participating state agency employees. The agency has set a 3.0 percent failure rate as the expectation for participating agencies for FY 2021 and FY 2022.

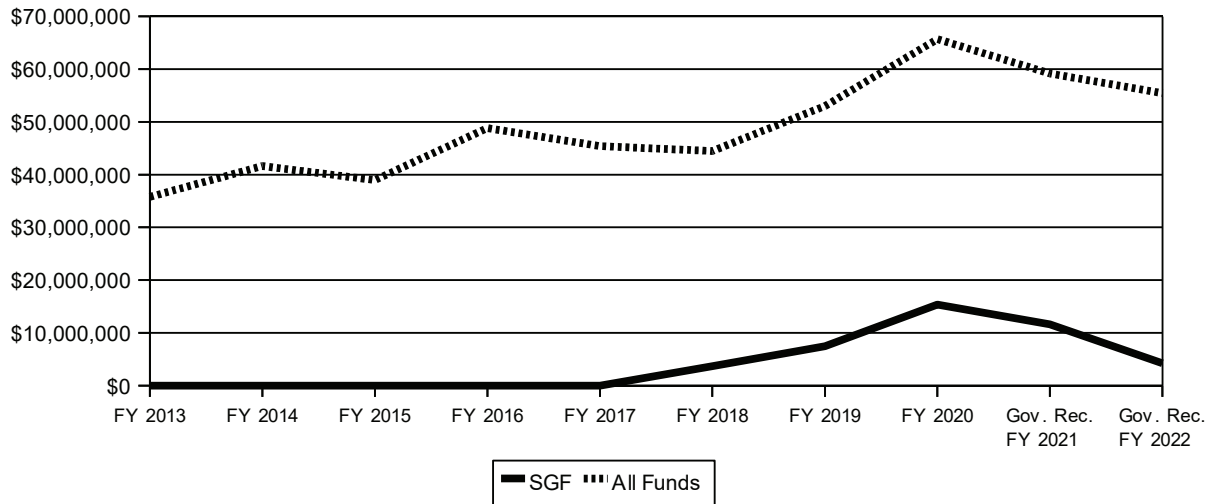
Additionally, the agency has set a goal of maintaining a minimum information risk rating of 730 out of 900 for state agencies for FY 2021 and FY 2022. The agency indicated that the average information risk rating for government agencies is between 700-780, The scoring service utilized classifies a score of 250-640 as meeting basic security effectiveness, 640-740 as intermediate security effectiveness, and 740-900 as advance security effectiveness.

Professional Services

The Professional Services program is composed of high-performance teams that provide technical support to various state agencies that fulfill statutory requirements for the State of Kansas. Currently, Professional Services provides primary IT support for 1 cabinet agencies and 26 non-cabinet agencies, as well as *ad hoc* IT support for many more. These services are supported through rates developed to recover operating costs. In FY 2020, user accounts were available 99.9 percent of the time, and the agency anticipates maintaining that rate in FY 2021 and for FY 2022. Additionally the agency indicated for 99.0 percent of service desk call, hold times were two minutes or less and expects to maintain this rate for FY 2021 and 2022.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 35,760,551	(33.3)%	119.7
2014	0	--	41,607,463	16.4	130.7
2015	0	--	38,960,124	(6.4)	124.7
2016	0	--	48,802,345	25.3	75.7
2017	0	--	45,392,568	(7.0)	88.7
2018	3,657,838	--	44,467,022	(2.0)	74.7
2019	7,445,509	103.5	52,993,816	19.2	100.5
2020	15,348,799	106.1	65,675,026	23.9	113.5
2021 Gov. Rec.	11,626,639	(24.3)	59,152,450	(9.9)	113.2
2022 Gov. Rec.	4,250,000	(63.4)	55,432,982	(6.3)	113.2
Ten-Year Change Dollars/Percent	\$ 4,250,000	-- %	\$ 19,672,431	55.0 %	(6.5)

The agency's on-budget expenditures are primarily from the SGF and relate to substantial upgrades to the State's IT infrastructure. The agency did not receive or use SGF moneys for such upgrades from FY 2013 to FY 2017.

Staff Note: The all funds figures contain both on and off budget expenditures.

Summary of Operating Budget (On-Budget) FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 48,544	\$ 1,769,939	\$ 43,000	\$ (1,726,939)	(97.6)%	\$ 3,580,587	\$ 43,000	\$ (3,537,587)	(98.8)%
Business Productivity Tools (O365)	250,187	0	0	0	--	0	0	0	--
Hosted Services	14,360,840	5,400,000	0	(5,400,000)	(100.0)	5,400,000	0	(5,400,000)	(100.0)
Kansas Information Technology Office	0	0	0	0	--	0	0	0	--
Network and Telecommunications	232,583	4,500,000	4,500,000	0	0.0	4,500,000	4,250,000	(250,000)	(5.6)
Kansas Information Security Office	0	0	0	0	--	0	0	0	--
Professional Services	0	0	0	0	--	0	0	0	--
Direct Billed Services	505,189	0	0	0	--	0	0	0	--
TOTAL	\$ 15,397,343	\$ 11,669,939	\$ 4,543,000	\$ (7,126,939)	(61.1)%	\$ 13,480,587	\$ 4,293,000	\$ (9,187,587)	(68.2)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	--%	\$ 0	\$ 0	\$ 0	--%
Contractual Services	10,030,443	7,169,639	43,000	(7,126,639)	(99.4)	8,980,587	43,000	(8,937,587)	(99.5)
Commodities	0	0	0	0	--	0	0	0	--
Capital Outlay	5,366,900	4,500,000	4,500,000	0	0.0	4,500,000	4,250,000	(250,000)	(5.6)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 15,397,343</i>	<i>\$ 11,669,639</i>	<i>\$ 4,543,000</i>	<i>\$ (7,126,639)</i>	<i>(61.1)%</i>	<i>\$ 13,480,587</i>	<i>\$ 4,293,000</i>	<i>\$ (9,187,587)</i>	<i>(68.2)%</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 15,397,343	\$ 11,669,639	\$ 4,543,000	\$ (7,126,639)	(61.1)%	\$ 13,480,587	\$ 4,293,000	\$ (9,187,587)	(68.2)%
Financing:									
State General Fund	\$ 15,348,799	\$ 11,626,639	\$ 4,500,000	\$ (7,126,639)	(61.3)%	\$ 11,626,639	\$ 4,250,000	\$ (7,376,639)	(63.4)%
GIS Contracting Services Fund	42,484	43,000	43,000	0	0.0	43,000	43,000	0	0.0
Information Technology Fund	0	0	0	0	--	0	0	0	--
Coronavirus Relief Fund	6,060	0	0	0	--	1,810,948	0	(1,810,948)	--
TOTAL	\$ 15,397,343	\$ 11,669,639	\$ 4,543,000	\$ (7,126,639)	(61.1)%	\$ 13,480,587	\$ 4,293,000	\$ (9,187,587)	(68.2)%

Summary of Operating Budget (Off-Budget) FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 6,605,513	\$ 5,488,036	\$ 5,265,780	\$ (222,256)	(4.0)%	\$ 5,488,036	\$ 5,265,780	\$ (222,256)	(4.0)%
Business Productivity Tools (O365)	1,416,542	8,587,529	8,482,785	(104,744)	(1.2)	8,587,529	8,482,785	(104,744)	(1.2)
Hosted Services	7,205,475	8,787,426	14,456,947	5,669,521	64.5	8,787,426	14,456,947	5,669,521	64.5
Kansas Information Technology Office	640,247	724,616	823,045	98,429	13.6	724,616	823,045	98,429	13.6
Network and Telecommunications	10,856,498	8,421,163	8,172,352	(248,811)	(3.0)	8,421,163	8,172,352	(248,811)	(3.0)
Kansas Information Security Office	4,105,146	5,270,405	5,377,777	107,372	2.0	5,270,405	5,377,777	107,372	2.0
Professional Services	3,178,681	3,177,688	3,346,296	168,608	5.3	3,177,688	3,346,296	168,608	5.3
Direct Billed Services	16,269,581	5,215,000	5,215,000	0	0.0	5,215,000	5,215,000	0	0.0
TOTAL	\$ 50,277,683	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 9,030,298	\$ 10,336,863	\$ 10,430,482	\$ 93,619	0.9 %	\$ 10,336,863	\$ 10,430,482	\$ 93,619	0.9 %
Contractual Services	37,729,889	29,339,500	34,689,000	5,349,500	18.2	29,339,500	34,689,000	5,349,500	18.2
Commodities	357,072	5,278,500	5,257,500	(21,000)	(0.4)	5,278,500	5,257,500	(21,000)	(0.4)
Capital Outlay	3,158,834	717,000	763,000	46,000	6.4	717,000	763,000	46,000	6.4
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 50,276,093</i>	<i>\$ 45,671,863</i>	<i>\$ 51,139,982</i>	<i>\$ 5,468,119</i>	<i>12.0 %</i>	<i>\$ 45,671,863</i>	<i>\$ 51,139,982</i>	<i>\$ 5,468,119</i>	<i>12.0 %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	1,590	0	0	0	--	0	0	0	--
TOTAL	\$ 50,277,683	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	--%	\$ 0	\$ 0	\$ 0	--%
GIS Contracting Services Fund	276,907	550,000	550,000	0	0.0	550,000	550,000	0	0.0
Information Technology Fund	49,963,505	45,121,863	50,589,982	5,468,119	12.1	45,121,863	50,589,982	5,468,119	12.1
Coronavirus Relief Fund	37,271	0	0	0	--	0	0	0	--
TOTAL	\$ 50,277,683	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %	\$ 45,671,863	\$ 51,139,982	\$ 5,468,119	12.0 %

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The 2020 Legislature approved a State General Fund (SGF) budget of \$9.9 million for the Office of Information Technology Services in FY 2021. An adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$306,577, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021.

This adjustment changes the FY 2021 approved SGF amount to \$10.2 million. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

	CHANGE FROM APPROVED BUDGET (ON-BUDGET)				
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 10,206,577	\$ 11,626,639	\$ 1,420,062	\$ 11,626,639	\$ 1,420,062
All Other Funds	68,000	43,000	(25,000)	1,853,948	1,785,948
TOTAL	\$ 10,274,577	\$ 11,669,639	\$ 1,395,062	\$ 13,480,587	\$ 3,206,010
FTE Positions	0.0	0.0	0.0	0.0	0.0

FY 2021 – Current Year. The **agency** requests a revised estimate of \$11.7 million, including \$11.6 million SGF, for on-budget expenditures in FY 2021. The revised estimate is an all funds increase of \$1.4 million, or 13.6 percent, and an SGF increase of \$1.4 million, or 13.9 percent, above the FY 2021 approved budget. The increase is due to the agency's supplemental request of \$1.7 million for a repayment settlement with the federal Department of Health and Human Services (HHS) caused by the filing of the Statewide Cost Allocation Plan (SWCAP) with HHS. The increase is partially offset by a reappropriation of SGF for contractual services for rehabilitation and repair and network remediation of state IT equipment (\$306,577). **Absent the supplemental**, the on-budget revised estimate is an all funds decrease of \$331,577, or 0.3 percent, below the FY 2021 approved budget. The non-supplemental decrease is due to not budgeting the reappropriation of SGF for contractual service for rehabilitation and repair and network remediation of state IT equipment (\$306,577) and adjustment to the estimated revenue to be more in line with its actual expense for software licenses associated with Geographic Information Systems (\$25,000). The revised estimate does not include any on-budget FTE positions in FY 2021, which is the same as the FY 2021 approved number.

The **Governor** recommends expenditures of \$13.5 million, including \$11.6 million SGF, for on-budget expenditures for FY 2021. The recommendation is an all funds increase of \$1.8 million, or 15.5 percent, above the agency's FY 2021 revised estimate. The increase is entirely

attributed to the the award of \$1.8 million in federal Coronavirus Relief Fund moneys for remote workforce enhancements (\$1.5 million) and IT security consulting services (\$302,103). Included in the Governor’s recommendation is \$1.7 million, all from SGF, for for the SWCAP settlement and a lapse of \$306,577 in reappropriated SGF The recommendation does not include any on-budget FTE positions for FY 2021, which is the same as the agency’s FY 2021 revised estimate.

CHANGE FROM APPROVED BUDGET (OFF-BUDGET)					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	45,906,670	45,671,863	(234,807)	45,671,863	(234,807)
TOTAL	\$ 45,906,670	\$ 45,671,863	\$ (234,807)	\$ 45,671,863	\$ (234,807)
FTE Positions	113.5	113.2	(0.3)	113.2	(0.3)

In FY 2021, the revised estimate includes \$45.7 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$234,807, or 0.5 percent, below the FY 2021 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease is primarily attributed to a change in the agency’s direct billing process for certain commodities such as software licenses, various cables, and other electronic equipment to more accurately reflect these expenditures, resulting in an increase of \$5.1 million in commodities that is offset by a \$5.3 million decrease in contractual services. The request also includes an increase in salaries and wages (\$157,193) attributed to conversion of lower skilled positions to higher skilled positions to better align with the agency’s needs. The revised estimate also includes 113.2 off-budget FTE positions in FY 2021, which is a decrease of 0.3 FTE positions below the FY 2021 approved number. The decrease is primarily due to how the agency tracks positions.

Staff Note: The FTE’s in the above table are entirely funded from off-budget dollars.

The request is detailed below by category of expenditure:

- Salaries and Wages.** The agency estimates revised FY 2021 salaries and wages expenditures of \$10.3 million, all from special revenue funds, which is an increase of \$157,193, or 1.5 percent above the approved amount. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The increase is primarily attributed to an increase in unclassified employee pay (\$275,482) and unclassified temporary employee pay (\$199,275), partially offset by a decrease in employer contributions for group health insurance (\$130,124) and classified regular employee pay (\$85,582). The agency indicated the increase was for the conversion of lower skilled positions to higher skilled position to better align with the agency’s needs;
- Contractual Services.** The agency estimates revised FY 2021 contractual services expenditures of \$36.5 million, which is a decrease of \$3.9 million from off-budget sources, or 9.7 percent, below the approved amount. The request includes \$7.2 million SGF for on-budget expenditures, which is an increase of \$1.4 million, or 24.2 percent, above the approved amount. The SGF increase is attributed to the agency’s supplemental request for \$1.7 million for SWCAP

repayment and is partially offset by a reappropriation of SGF for contractual services for rehabilitation and repair and network remediation of state IT equipment (\$306,577). The net decrease is attributed to a change in process within the agency shifting expenditures that have typically been classified as contractual services to commodities expenditures;

- Commodities.** The agency estimates revised FY 2021 commodities expenditures of \$5.3 million special revenue funds, which is an increase of \$5.1 million, or 3,869 percent. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The increase can be attributed to a change in how the agency directly bills for certain commodities such as software licenses, various cables, and other electronic equipment to allow for the agency to charge an agency with the same account code used to make the purchase; and
- Capital Outlay.** The agency estimates revised FY 2021 capital outlay expenditures of \$5.2 million, which is a decrease of \$222,000 from off-budget sources, or 4.1 percent. The request includes \$4.5 million SGF for on-budget expenditures, which is the same as the FY 2021 approved amount. The off-budget decrease can be attributed to a decrease in expenditures for transmission equipment (\$733,000), partially offset by an increase in expenditures for computer equipment (\$193,000) and telecommunication equipment (\$173,000).

The **Governor** recommends expenditures of \$45.7 million in off-budget expenditures, all from special revenue funds, and 113.2 FTE positions for FY 2021, which is the same as the agency's FY 2021 revised estimate.

Supplemental Detail

FY 2021 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
SWCAP Repayment	\$ 1,726,639	\$ 1,726,639	0.0	\$ 1,726,639	\$ 1,726,639	0.0

The **agency** requests \$1.7 million, all SGF, for the SWCAP repayment settlement with the federal HHS.

In November 2017, HHS contacted OITS, through the service firm Maximus, indicating that the reported amount for Telecommunications Data Services shows an excess balance of \$5.6 million as of the end of FY 2016. HHS also requested return of the federal share of those excess funds, which is calculated by determining the Federal Financial Participation (FFP) rate, a weighted average of how much federal money is used in making payments to OITS. The excess fund balance for Telecommunications Data Services grew to \$15,197,354 as calculated under OITS previous self-reported 15 lines of service methodology, of which Telecommunications and Data Services was 1 line by the end of FY 2019. OITS reevaluated and consolidated into eight lines of services. The State then amended the filings for FY 2017 and FY 2018 and corrected the filing for FY 2019 using 8 lines of services instead of 15. This reduced the excess balance to \$7.4 million, of which \$5.6 million could not be amended since it was previously under review by HHS. The result was a net balance due since FY 2016 of \$1.7

million. OITS indicates the efforts to recalculate the fund balance has reduced the potential repayment in future years and FY 2021 savings of \$1.8 million (before consolidation, the Fund balance by the end of FY 2019 was \$15.2 million, with a potential repayment of \$3.5 million).

The **Governor** concurs with the agency's supplemental request in FY 2021.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY (ON-BUDGET)			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 4,543,000	\$ 4,293,000	\$ (250,000)
FTE Positions	113.2	113.2	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ (7,126,639)	\$ (7,376,639)	
All Other Funds	0	(1,810,948)	
TOTAL	\$ (7,126,639)	\$ (9,187,587)	
<i>Percent Change:</i>			
State General Fund	(61.3) %	(63.4) %	
All Other Funds	12.0	12.0	
TOTAL	(2.9) %	(6.3) %	
Change in FTE Positions	0.0	0.0	

FY 2022 – Budget Year. The **agency** requests \$4.5 million, including \$4.5 million SGF, for on-budget expenditures for FY 2022. The request is an all funds decrease of \$7.1 million, or 61.1 percent, below the FY 2021 revised estimate. The decrease is primarily due to financing commitments and one-time expenditures that occurred in FY 2021 and are not present for FY 2022, including data center migration (\$2.0 million), upgrades to the state network infrastructure (\$3.4 million), and the SWCAP settlement payment (\$1.7 million). The request does not include any on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$4.3 million, all SGF, for on-budget expenditures for FY 2022. The recommendation is an SGF decrease of \$250,000, or 5.5 percent, below the FY 2022 agency request. The decrease is attributable to Governor's recommendation to partially adopt the agency's reduced resources submission of for capital outlay costs associated with rehabilitation and repair of state networking equipment. The recommendation does not include any on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

FY 2022 OPERATING BUDGET SUMMARY (OFF-BUDGET)

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 51,139,982	\$ 51,139,982	\$ 0
FTE Positions	113.2	113.2	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	5,468,119	5,468,119	
TOTAL	\$ 5,468,119	\$ 5,468,119	
<i>Percent Change:</i>			
State General Fund	(61.3) %	(63.4) %	
All Other Funds	12.0	12.0	
TOTAL	(2.9) %	(6.3) %	
Change in FTE Positions	0.0	0.0	

For FY 2022, the request includes \$51.1 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 12.0 percent, above the FY 2021 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase is primarily due to the completion of state agency server migration to the Unisys environment (\$5.3 million) and hosting more servers within this data center. The request also includes a salaries and wages increase (\$93,619), primarily attributable to conversion of lower skilled positions to higher skilled positions to better align with the agency's, and an increase in capital outlay expense (\$46,000) for the purchase of two new vehicles to service the Capitol Complex. The request also includes 113.2 off-budget FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The request is detailed below by category of expenditure:

- **Salaries and wages.** The agency requests FY 2022 salaries and wages expenditures of \$10.4 million, all from special revenue funds which is an increase of \$93,619, or 0.9 percent, above the FY 2021 revised estimate. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The increase is primarily attributed to employer contributions for group health insurance and KPERS;
- **Contractual Services.** The agency requests FY 2022 contractual services expenditures of \$34.7 million, which is a decrease of \$1.7 million, or 4.9 percent, below the FY 2021 revised estimate. The request includes a \$7.1 million SGF decrease for one-time expenditures that occurred in FY 2021 and are not present for FY 2022. These include expenditures for data center migration (\$2.0 million), upgrades to the state network infrastructure (\$3.4 million), and the SWCAP settlement payment (\$1.7 million). This is partially offset by an increase in off-budget expenditures from special revenue funds associated with the data center

as a services initiative as more agencies begin to move their servers to the Unisys data center and out of the Eisenhower and Landon data centers (\$5.7 million). The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another;

- **Commodities.** The agency requests FY 2022 commodities expenditures of \$5.3 million from off-budget special revenue funds, which is the same as the FY 2021 revised estimate. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another; and
- **Capital Outlay.** The agency requests FY 2022 capital outlay expenditures of \$5.3 million, including \$4.5 million SGF for the rehabilitation and repair of equipment based on a planned life-cycle replacement schedule. The request includes \$761,000 in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$46,000, or 0.9 percent, above the FY 2021 revised estimate. The increase is primarily attributed to an increase in off-budget special revenue expenditures for the purchase of two vehicles (\$50,00) to service the Capitol Complex.

The **Governor** recommends expenditures of \$51.1 million in off-budget expenditures, all from special revenue funds, and 113.2 off-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

FY 2022 Reduced Resources

The Governor has requested that specified agencies with SGF moneys provide a reduced resources budget submission of 10.0 percent for FY 2022. The information below provides details of the agency’s reduced resources budget submission for the SGF.

FY 2022 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Network and Telecom-Capital Outlay	\$ (500,000)	\$ (500,000)	0.0	\$ (250,000)	\$ (250,000)	0.0

The **agency** has submitted a reduced resource budget of \$500,000, all SGF, for capital outlay costs associated with rehabilitation and repair of state networking equipment.

Staff Note: \$500,000 is 11.1 percent of the SGF budget request for FY 2022.

The **Governor** recommends partially adopting a reduced resources budget of \$250,000, all SGF, for capital outlay costs association with rehabilitation and repair of state networking equipment. The recommendation is an SGF increase of \$250,000 above the agency reduced resource proposal for FY 2022.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$10,280, including \$0 SGF, and FY 2022 longevity payments total \$10,440 including \$0 SGF.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	8.1 %	7.1 %
GIS Contracting Services Fund	1.1	1.1
COVID-19 Funds	0.0	0.0
Information Technology Fund	90.9	91.3
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

GIS Contracting Services Fund Analysis

In 1989, Executive Order 06-08 established the Kansas Geographical Information Systems (GIS) Policy Board, which currently directs the Kansas Geological Survey and the University of Kansas to monitor contracted services and funding. Pursuant to KSA-74-99f08, OITS is required to fund the state geographic information system data access and support center, while the Kansas GIS Policy Board is required to house and support those services.

The GIS Contracting Services Fund refers to two special revenue funds, one on-budget and one off-budget, that generate revenue from licensing fees for the Geographic Information Systems subprogram within the Administration program. The on-budget fund collects fees from non-state entities, while the off-budget fund generates revenue from fees charged to state agencies and other intra-governmental entities. The agency estimates it will collect \$43,000 from non-state entities in FY 2021 and for FY 2022, and \$550,000 from state agencies in FY 2021 and FY 2022.

GIS CONTRACTING SERVICES FUND (ON-BUDGET)					
Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenue	85,224	43,000	43,000	43,000	43,000
Transfers in	0	0	0	0	0
Funds Available	\$ 85,224	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000
Less:					
Expenditures	\$ 85,224	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ending Balance as Percent of Expenditures	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

GIS CONTRACTING SERVICES FUND (OFF-BUDGET)

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 154,983	\$ 386,948	\$ 386,948	\$ 386,948	\$ 386,948
Revenue	466,132	550,000	550,000	550,000	550,000
Transfers in	0	0	0	0	0
Funds Available	\$ 621,115	\$ 936,948	\$ 936,948	\$ 936,948	\$ 936,948
Less:					
Expenditures	\$ 234,167	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 386,948	\$ 386,948	\$ 386,948	\$ 386,948	\$ 386,948
Ending Balance as Percent of Expenditures	165.2%	70.4%	70.4%	70.4%	70.4%

Information Technology Fund Analysis

The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of information technology goods and services to other state agencies. This fund generates revenue from rates and charges for services, as established by the Executive Chief Information Technology Officer pursuant to KSA 75-4703(a). Revenue may fluctuate as the result of monthly receipts based on seasonal user activity and a need to react to consumer demand for additional resources or special products. Moreover, there may be year-to-year variations in revenue due to changes in agency use and demand of resources; cost increases as new efficiency initiatives, such as the consolidated service model, are developed; and changes in software maintenance, utility, and server costs.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 8,500,540	\$ 5,910,741	\$ 5,910,741	\$ 6,760,525	\$ 6,760,525
Revenue	47,714,750	46,271,647	46,271,647	50,672,401	50,672,401
Transfers in	0	0	0	0	0
Funds Available	\$ 56,215,290	\$ 52,182,388	\$ 52,182,388	\$ 57,432,926	\$ 57,432,926
Less:					
Expenditures	\$ 49,886,528	\$ 45,121,863	\$ 45,121,863	\$ 50,589,982	\$ 50,589,982
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	418,021	300,000	300,000	300,000	300,000
Ending Balance	\$ 5,910,741	\$ 6,760,525	\$ 6,760,525	\$ 6,542,944	\$ 6,542,944
Ending Balance as Percent of Expenditures	11.8%	15.0%	15.0%	12.9%	12.9%

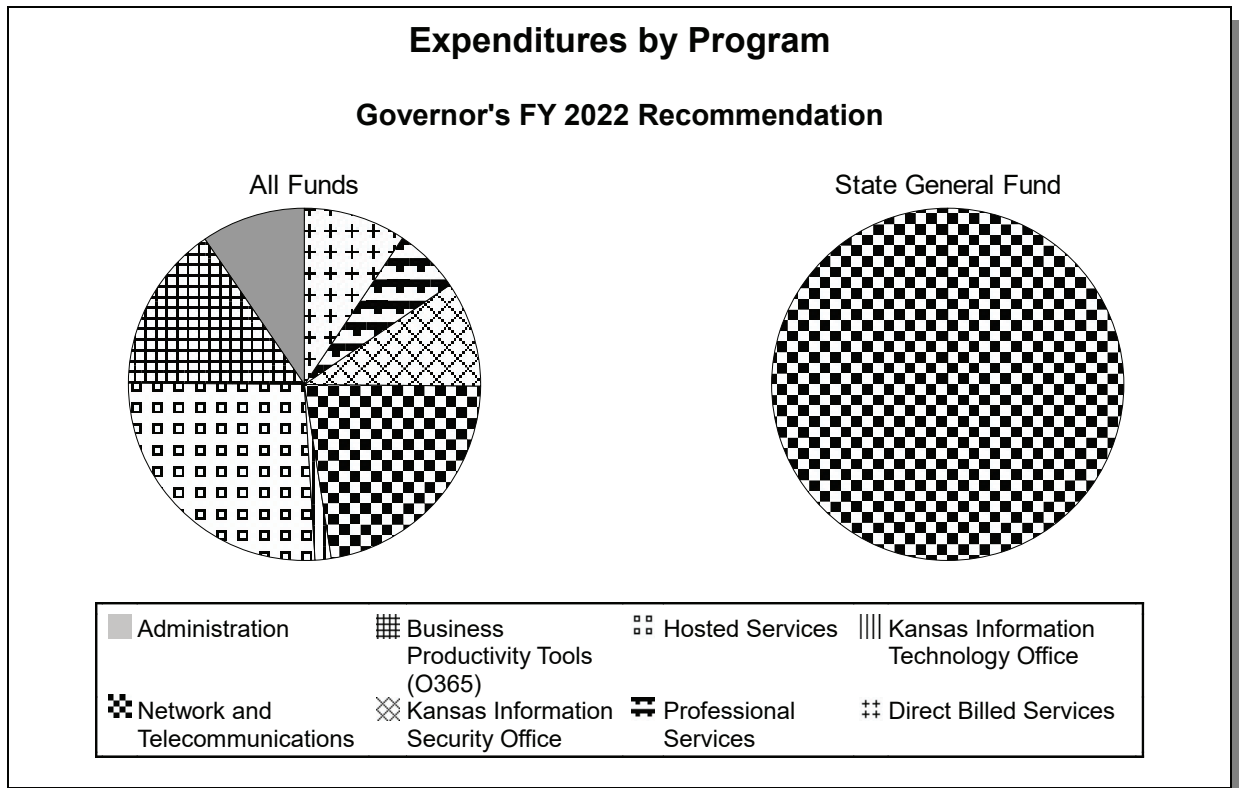
Rates are based on the agency's approved budget for the upcoming year and are set to closely reflect the actual cost of delivering services. For example, the hourly Computer Processing Unit (CPU) rate is designed to cover the cost of the mainframe itself, the operating system, the personnel directly assigned to operate the system, any other hardware or software directly associated with the CPU, and costs for space and a portion of overhead. Other costs are allocated across rate centers based on direct costs and FTE positions. The agency estimates it will receive \$46.3 million in FY 2021 and \$50.7 million for FY 2022.

Rates are intended only to recover costs and comply with federal audit and cost accounting guidelines, as outlined in Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*. Pursuant to those guidelines, the State of Kansas is required to file a Statewide Cost Allocation Plan (SWCAP) with the U.S. Department of Health and Human Services (HHS) annually and currently contracts with Maximus Consulting Services to manage the process. The SWCAP report details the direct and allocated indirect costs of services provided to other state agencies that may use federal funds. HHS monitors each service to ensure that the amount charged reflects actual costs incurred. Presently, OITS self-reports eight services (previously fifteen), for each of which the SWCAP report details an annualized beginning balance, revenue earned, allowable costs, and ending balance.

In November 2017, HHS contacted OITS through Maximus, indicating that the reported amount for Telecommunications Data Services shows an excess balance of \$5.6 million as of the end of FY 2016. HHS also requested return of the federal share of those excess funds, which is calculated by determining the Federal Financial Participation (FFP) rate, a weighted average of how much federal money is used in making payments to OITS. The excess fund balance for Telecommunications Data Services grew to \$15,197,354 as calculated under OITS previous self-reported 15 lines of service methodology, of which Telecommunications and Data Services was 1 line by the end of FY 2019. OITS reevaluated and consolidated into eight lines of services. The state then amended the filings for FY 2017 and FY 2018 and corrected the filing for FY 2019 using 8 lines of services instead of 15. This reduced the excess balance to \$7.4 million, of which \$5.6 million could not be amended since it was previously under review by HHS. The result was a net balance since FY 2016 of \$1.7 million. OITS indicates the efforts to recalculate the fund balance has reduced the potential repayment in future years and FY 2021 savings of \$1.8 million (before consolidation, the Fund balance by the end of FY 2019 was \$15.2 million, with a potential repayment of \$3.5 million).

PROJECTED REVENUE (FY 2020 - FY 2022)			
	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Tech & Skilled Operating	\$ 15,074,339	\$ 12,960,548	\$ 13,441,228
Tech & Skilled Capital	274,427	509,151	588,942
Phone Operating Charges	11,210,620	15,734,726	16,123,803
Phone Capital Charges	372,499	314,695	322,476
Other Service Charges - OITS Operating	3,563,745	9,889,478	13,398,351
Operating Sales	20,096,005	6,863,049	6,797,601
Other Misc. Revenue	340,781	0	0
TOTAL	\$ 50,932,416	\$ 46,271,647	\$ 50,672,401

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Administration	\$ 5,308,780	9.6 %	\$ 0	0.0 %
Business Productivity Tools (O365)	8,482,785	15.3	0	0.0
Hosted Services	14,456,947	26.1	0	0.0
Kansas Information Technology Office	823,045	1.5	0	0.0
Network and Telecommunications	12,422,352	22.4	4,250,000	100.0
Kansas Information Security Office	5,377,777	9.7	0	0.0
Professional Services	3,346,296	6.0	0	0.0
Direct Billed Services	5,215,000	9.4	0	0.0
TOTAL	\$ 55,432,982	100.0 %	\$ 4,250,000	100.0 %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022

Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Administration	0.0	0.0	0.0	0.0	0.0
Business Productivity Tools (O365)	0.0	0.0	0.0	0.0	0.0
Hosted Services	0.0	0.0	0.0	0.0	0.0
Kansas Information Technology Office	0.0	0.0	0.0	0.0	0.0
Network and Telecommunications	0.0	0.0	0.0	0.0	0.0
Kansas Information Security Office	0.0	0.0	0.0	0.0	0.0
Professional Services	0.0	0.0	0.0	0.0	0.0
Direct Billed Services	0.0	0.0	0.0	0.0	0.0
<i>Subtotal-On-Budget</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Off-Budget:					
Administration	28.0	30.0	30.0	30.0	30.0
Business Productivity Tools (O365)	8.0	6.5	6.5	6.5	6.5
Hosted Services	7.0	6.5	6.5	6.5	6.5
Kansas Information Technology Office	5.5	5.5	5.5	5.5	5.5
Network and Telecommunications	21.0	22.7	22.7	22.7	22.7
Kansas Information Security Office	17.0	17.0	17.0	17.0	17.0
Professional Services	27.0	25.0	25.0	25.0	25.0
Direct Billed Services	0.0	0.0	0.0	0.0	0.0
<i>Subtotal-Off-Budget</i>	<i>113.5</i>	<i>113.2</i>	<i>113.2</i>	<i>113.2</i>	<i>113.2</i>
TOTAL	113.5	113.2	113.2	113.2	113.2

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

PROGRAMS AND SUBPROGRAMS					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Administration	\$ 48,544	\$ 1,769,639	\$ 3,580,587	\$ 43,000	\$ 43,000
Business Productivity Tools (O365)	250,187	0	0	0	0
Hosted Services	14,360,840	5,400,000	5,400,000	0	0
Kansas Information Technology Office	0	0	0	0	0
Network and Telecommunications	232,583	4,500,000	4,500,000	4,500,000	4,250,000
Kansas Information Security Office	0	0	0	0	0
Professional Services		0	0	0	0
Direct Billed Services	505,189	0	0	0	0
<i>Subtotal</i>	<u>\$ 15,397,343</u>	<u>\$ 11,669,639</u>	<u>\$ 13,480,587</u>	<u>\$ 4,543,000</u>	<u>\$ 4,293,000</u>
Off-Budget:					
Administration	\$ 6,605,513	\$ 5,488,036	\$ 5,488,036	\$ 5,265,780	\$ 5,265,780
Business Productivity Tools (O365)	1,416,542	8,587,529	8,587,529	8,482,785	8,482,785
Hosted Services	7,205,475	8,787,426	8,787,426	14,456,947	14,456,947
Kansas Information Technology Office	640,247	724,616	724,616	823,045	823,045
Network and Telecommunications	10,856,498	8,421,163	8,421,163	8,172,352	8,172,352
Kansas Information Security Office	4,105,146	5,270,405	5,270,405	5,377,777	5,377,777
Professional Services	3,178,681	3,177,688	3,177,688	3,346,296	3,346,296
Direct Billed Services	16,269,581	5,215,000	5,215,000	5,215,000	5,215,000
<i>Subtotal</i>	<u>\$ 50,277,683</u>	<u>\$ 45,671,863</u>	<u>\$ 45,671,863</u>	<u>\$ 51,139,982</u>	<u>\$ 51,139,982</u>
TOTAL	<u>\$ 65,675,026</u>	<u>\$ 57,341,502</u>	<u>\$ 59,152,450</u>	<u>\$ 55,682,982</u>	<u>\$ 55,432,982</u>
Financing:					
State General Fund	\$ 15,348,799	\$ 11,626,639	\$ 11,626,639	\$ 4,500,000	\$ 4,250,000
All Other Funds	50,326,227	45,714,863	47,525,811	51,182,982	51,182,982
TOTAL	<u>\$ 65,675,026</u>	<u>\$ 57,341,502</u>	<u>\$ 59,152,450</u>	<u>\$ 55,682,982</u>	<u>\$ 55,432,982</u>
FTE Positions	113.5	113.2	113.2	113.2	113.2

A. Administration

The Administration program establishes the vision for the Office of Information Technology Services and works with each department to ensure agency operations meet needs related to travel, human resources, finance, contract management, and agency communication.

Geographic and Information Services Subprogram

The Kansas GIS Policy Board works to ensure a technological environment where GIS is recognized as an integral and indispensable tool for government and businesses to serve the information needs of citizens and customers. Kansas provides a broad contingency of GIS

users with open access to complete an accurate framework data with appropriate guidelines to protect individual privacy and other sensitive information. The Kansas GIS Policy Board formed a cooperative relationship with the Federal Geographic Data Committee (FGDC) by becoming a Cooperating Partner of the FGDC in support of the National Spatial Data Infrastructure, resulting in the establishment of the Data Access and Support Center.

The Kansas GIS Policy Board is responsible for the development of standards, strategies, and policies that emphasize cooperation and coordination among agencies, organizations, and government entities in order to maximize the cost-effectiveness of GIS by creating public and private partnerships throughout Kansas. The Board consists of 23 members from state and local government agencies as well as public, private, and academic interests. It provides review, coordination, and recommendations for GIS programs and investments. Currently, partnerships, within and among levels of government and private entities, provide the basis for assigning roles and responsibilities for the development and maintenance of data themes.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
No performance measures were submitted for this program						
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 3.8	\$ 4.5	\$ 9.4	\$ 6.7	\$ 9.0	\$ 5.3
FTE Positions	9.0	24.5	28.0	28.0	30.0	30.0

ADMINISTRATION					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Contractual Services	\$ 42,484	\$ 1,769,639	\$ 3,580,587	\$ 43,000	\$ 43,000
Capital Outlay	6,060	0	0	0	0
<i>Subtotal</i>	<u>\$ 48,544</u>	<u>\$ 1,769,639</u>	<u>\$ 3,580,587</u>	<u>\$ 43,000</u>	<u>\$ 43,000</u>
Off-Budget:					
Salaries and Wages	\$ 2,966,611	\$ 3,418,036	\$ 3,418,036	\$ 3,430,780	\$ 3,430,780
Contractual Services	1,827,628	2,059,000	2,059,000	1,824,000	1,824,000
Commodities	33,518	10,000	10,000	10,000	10,000
Capital Outlay	1,776,666	1,000	1,000	1,000	1,000
Debt Service	0	0	0	0	0
Other Assistance	1,090	0	0	0	0
<i>Subtotal</i>	<u>\$ 6,605,513</u>	<u>\$ 5,488,036</u>	<u>\$ 5,488,036</u>	<u>\$ 5,265,780</u>	<u>\$ 5,265,780</u>
TOTAL	<u>\$ 6,654,057</u>	<u>\$ 7,257,675</u>	<u>\$ 9,068,623</u>	<u>\$ 5,308,780</u>	<u>\$ 5,308,780</u>
Financing:					
State General Fund	\$ 0	\$ 1,726,639	\$ 1,726,639	\$ 0	\$ 0
All Other Funds	6,654,057	5,531,036	7,341,984	5,308,780	5,308,780
TOTAL	<u>\$ 6,654,057</u>	<u>\$ 7,257,675</u>	<u>\$ 9,068,623</u>	<u>\$ 5,308,780</u>	<u>\$ 5,308,780</u>
FTE Positions	28.0	30.0	30.0	30.0	30.0

The **agency** requests \$5.3 million, all from special revenue funds, for the Administration program for FY 2022. The request includes 5.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$1.9 million, or 26.9 percent, below the FY 2021 revised estimate. The decrease can primarily be attributed to elimination of one-time costs associated with the non-recurring SWCAP repayment settlement with HHS for \$1.7 million, all SGF, in FY 2021. The decrease is partially attributed to reduced expenditures for contractual services related to one-time implementation cost for additional modules for ServiceNow (\$235,000), the agency's IT help desk solution, in FY 2021. The Administration program request also includes 30.0 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Administration program for FY 2022.

B. Business Productivity Tools (O365)

The Business Productivity Tools program is responsible for providing a redundant, hosted email and collaboration platform built and hosted by Microsoft in a secure multi-tenant solution. These services replace the Exchange Email service and other email systems operated by individual state agencies. Microsoft offers various plans based on customer needs, including the following:

- **G1.** This plan provides a business-class email solution through a web browser using Outlook Web App with a 50.0 gigabyte mailbox size and 25.0 megabyte attachment limit. Users can create and edit Microsoft Word, Excel, PowerPoint, and OneNote documents from any modern browser, with archiving, data loss prevention, and legal hold capabilities. Additionally, rights management services enables access restrictions to documents; email to specific people; and prevents others from viewing or editing them. Other features include the ability to hold online meetings with audio and visual; connect with other Skype for Business users *via* instant messages and voice or video calls; and 5.0 terabytes of personal cloud storage space *via* OneDrive for Business, with syncing capabilities for offline access; and
- **G3.** This plan encompasses all features included with the G1 offering, in addition to a 100.0 gigabyte mailbox size; access to full applications in the Microsoft Office suite of programs across computers, tablets, mobile devices, and operating systems; and the ability to install Microsoft Office on multiple devices.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percentage of time O365 is available	100.0 %	99.9 %	99.0 %	99.0 %	99.9 %	100.0 %
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 0.8	\$ 5.7	\$ 2.5	\$ 1.7	\$ 8.5	\$ 8.5
FTE Positions	4.0	5.0	5.0	8.0	6.5	6.5

BUSINESS PRODUCTIVITY TOOL (O365) SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Contractual Services	\$ 250,187	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal</i>	<u>\$ 250,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Off-Budget:					
Salaries and Wages	\$ 488,604	\$ 629,529	\$ 629,529	\$ 600,785	\$ 600,785
Contractual Services	883,990	7,954,000	7,954,000	7,878,000	7,878,000
Commodities	196	2,000	2,000	2,000	2,000
Capital Outlay	43,752	2,000	2,000	2,000	2,000
Debt Service					
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 1,416,542</u>	<u>\$ 8,587,529</u>	<u>\$ 8,587,529</u>	<u>\$ 8,482,785</u>	<u>\$ 8,482,785</u>
TOTAL	<u>\$ 1,666,729</u>	<u>\$ 8,587,529</u>	<u>\$ 8,587,529</u>	<u>\$ 8,482,785</u>	<u>\$ 8,482,785</u>
Financing:					
State General Fund	\$ 250,187	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,416,542	8,587,529	8,587,529	8,482,785	8,482,785
TOTAL	<u>\$ 1,666,729</u>	<u>\$ 8,587,529</u>	<u>\$ 8,587,529</u>	<u>\$ 8,482,785</u>	<u>\$ 8,482,785</u>
FTE Positions	8.0	6.5	6.5	6.5	6.5

The **agency** requests \$8.5 million, all from special revenue funds, for the Business Productivity Tools program for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$104,744, or 1.2 percent, below the FY 2021 revised estimate. The decrease can be attributed to the elimination of one-time costs associated with O365 (\$76,000), and distributing the agency salary shrinkage rate proportionally across its programs (\$34,00). The Business Productivity Tools program request also includes 6.5 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Business Productivity Tools (O365) program for FY 2022.

C. Hosted Services

The Hosted Services program provides data center hosting services and manages usage of the state mainframe to customers. Previously, the Hosted Services program managed the state mainframe, including hosting mainframe services, managing mainframe hardware, and obtaining licensure of software products. The Hosted Services program is also responsible for data center services, including hosting data centers, providing managed data center space to multiple state agencies, and managing physical work within State-owned data centers, such as equipment rack installation and electrical connections. Under the Consolidated Services Model, the agency moved to transfer hosting and management responsibilities of the mainframe and data centers to a third-party vendor.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percentage of time mainframe service is available	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Average percentage of utilization of mainframe CPU	76.0 %	76.0 %	76.0 %	52.0 %	52.0 %	52.0 %
Average percentage of utilization of mainframe storage	80.0 %	80.0 %	0.0 %	63.0 %	63.0 %	63.0 %
Percent of successfully completed mainframe backup jobs	95.0 %	95.0 %	95.0 %	95.0 %	95.0 %	95.0 %
Average communication line latency to Unisys DCaas*				22 ms	<4ms*	<4ms*
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 8.3	\$ 10.9	\$ 18.4	\$ 21.5	\$ 14.2	\$ 14.5
FTE Positions	2.0	2.0	7.0	7.0	6.5	6.5

* The Governor's Office does not utilize this measure for evaluation purposes.

Under the Consolidated Services Model the agency instead partners with a third-party vendor to host a centralized data center environment, thereby reducing the risk incurred from outdated data center facilities and aged server and storage hardware, while also providing a redundant disaster recovery solution for critical agency applications. Accordingly, performance measures for the Hosted services program are centered on mainframe and data center offerings through third-party vendors.

The State of Kansas primarily utilizes data hosting facilities in Overland Park maintained by the vendor Unisys. Some data hosting remains within the Topeka located facility located in the Eisenhower State Office Building (ESOB).

Mainframe as a Service

In 2016, the agency contracted with Ensono to provide mainframe services that monitor maintenance, performance, and information securities, while also allowing for more predictable operational costs. The mainframe was available 100.0 percent of the time in FY 2020, and the agency estimates that to continue in FY 2021 and for FY 2022.

Data Center as a Service

In 2017, the agency contracted with Unisys to provide data center hosting facilities, which would centralize most existing physical and virtual environments into a more secure environment. The contract with Unisys includes hardware, virtual machines, server operating systems, and associated support and administration, including a backup solution for data recovery and 24/7 monitoring of the environment. Moreover, services provided by Unisys are consumption-based and will provide a predictable cost model for future expenses. The agency indicates migration to the Unisys environment will centralize existing physical and virtual environments in a more secure data center ecosystem, improving attention to hardware and system maintenance; reliability and performance of state applications; and an improved information security posture for the State of Kansas.

In 2018, the agency began migrating state data centers to Unisys. In 2019, however, the agency took a strategic pause in migration activities upon discovering three performance-impacting issues attributable to the age and complexity of the state's network. Accordingly, the agency requests additional funding in FY 2020 and for FY 2021 to resolve the network infrastructure issues preventing migration activities. The migration project resumed in August of 2020 and is expected to be complete in February of 2021 and will cost about \$14.0 million per fiscal year once the migration is complete.

HOSTED SERVICES					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Contractual Services	\$ 9,000,000	\$ 5,400,000	\$ 5,400,000	\$ 0	\$ 0
Capital Outlay	5,360,840	0	0	0	0
<i>Subtotal</i>	<u>\$ 14,360,840</u>	<u>\$ 5,400,000</u>	<u>\$ 5,400,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Off-Budget:					
Salaries and Wages	\$ 321,929	\$ 593,426	\$ 593,426	\$ 572,947	\$ 572,947
Contractual Services	6,878,614	8,160,000	8,160,000	13,846,000	13,846,000
Commodities	684	27,000	27,000	6,000	6,000
Capital Outlay	3,748	7,000	7,000	32,000	32,000
Debt Service	0	0	0	0	0
Other Assistance	500	0	0	0	0
<i>Subtotal</i>	<u>\$ 7,205,475</u>	<u>\$ 8,787,426</u>	<u>\$ 8,787,426</u>	<u>\$ 14,456,947</u>	<u>\$ 14,456,947</u>
TOTAL	<u>\$ 21,566,315</u>	<u>\$ 14,187,426</u>	<u>\$ 14,187,426</u>	<u>\$ 14,456,947</u>	<u>\$ 14,456,947</u>
Financing:					
State General Fund	\$ 14,360,840	\$ 5,400,000	\$ 5,400,000	\$ 0	\$ 0
All Other Funds	7,205,475	8,787,426	8,787,426	14,456,947	14,456,947
TOTAL	<u>\$ 21,566,315</u>	<u>\$ 14,187,426</u>	<u>\$ 14,187,426</u>	<u>\$ 14,456,947</u>	<u>\$ 14,456,947</u>
FTE Positions	7.0	6.5	6.5	6.5	6.5

The **agency** requests \$14.5 million, all from special revenue funds, for the Hosted Services Program for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$269,521, or 1.9 percent, and an SGF decrease of \$5.4 million, or 100.0 percent, from the FY 2021 revised estimate. The increase can primarily be attributed to increased cost associated with the data center as a services initiative as more state agencies begin to move their servers to the Unisys data center and out of the Eisenhower and Landon data centers. The increase is partially offset by an SGF reduction of \$5.4 million as one-time costs for data center migration in FY 2021 are not carried forward. The Hosted Services program request also includes 6.5 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Hosted Services program for FY 2022.

D. Kansas Information Technology Office

The Kansas Information Technology Office (KITO), also known as the Enterprise Project Management Office, supports the statutory responsibilities of the Executive, Judicial, and Legislative Branch Chief Information Technology Officers (CITOs) and the Chief Information Technology Architect (CITA). KITO responsibilities include providing oversight of IT projects as outlined in statute, Information Technology Executive Council (ITEC) policies, and Joint Committee on Information Technology (JCIT) guidelines. Services provided by the KITO include IT project management and assistance to state agencies, including project planning assistance; review of requests for proposals prior to release; project execution, monitoring, and reporting; and training.

In FY 2021, the KITO implemented an automated IT strategic planning system for state agencies. The system provides for the automated planning of IT expenditures within a three-year budgetary time frame, providing a more streamlined view at IT needs throughout the State of Kansas.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Project plans are reviewed, and approval provided to agency within 20 days of receipt*	21	36	N/A	19	N/A	N/A
Number of participants successfully completing certification in the Kansas Project Management Methodology Certification class*	14	11	N/A	17	N/A	N/A
Number of agencies running the Accessibility Management Platform (AMP)*	10/14	11/14	N/A	10/14	N/A	N/A
State Website Accessibility Report Card- Number of EBIT agencies with AMP score >85%*	13/14	13/14	N/A	13/14	N/A	N/A
Number of projects with cost over \$250,000 that are behind schedule*	16	14	N/A	13	N/A	N/A
Number of projects with cost over \$250,000 that have deficiency gaps for actual vs. planned resources*	6	15	N/A	16	N/A	N/A
Agency Expenditures						
All Funds (Dollars in thousands)	\$ 660.8	\$ 356.2	\$ 876.6	\$ 640.2	\$ 724.6	\$ 823.0
FTE Positions	3.5	4.5	5.5	5.5	5.5	5.5

* The Governor's Office does not utilize this measure for evaluation purposes.

The agency has identified the following objectives for the KITO:

- Project Management Consultation.** The KITO provides oversight and consultation services on major IT projects throughout Kansas government. This comprehensive consultation and evaluation service includes assisting agencies with project plan development and submission, *ad hoc* project reporting, project monitoring and tracking, and project closeout. Accordingly, the KITO reviewed and approved 19 of projects within 20 days of receipt in FY 2020;

- **Project Library.** The KITO maintains a project library as a resource to assist customers with complex projects and strategy recommendations;
- **Project Status Reports.** The KITO also compiles quarterly IT project status reports from agency submissions for presentation to the JCIT. These quarterly reports detail projects with budgets above \$250,000 that are behind schedule or have deficiency gaps in resources. Accordingly, the agency indicates that 13 of such projects were behind schedule in FY 2020, and 16 have deficiency gaps for actual vs planned resources;
- **Project Management Methodology.** KITO staff members are all certified in using, and have experience with, the State of Kansas Project Management Methodology. The KITO provides support to agencies and institutions on implementation and use of the project management methodology practices and project reporting compliance. Project management training is provided by the KITO to help educate individuals on the State's project management methodology as well as other project management related skills. Accordingly, in FY 2020 seventeen participants successfully completed the class; and
- **Project Contract and Procurement.** The KITO provides contract and procurement services through the review and evaluation of requests for proposal.

KANSAS INFORMATION TECHNOLOGY OFFICE SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Off-Budget:					
Salaries and Wages	\$ 301,532	\$ 462,616	\$ 462,616	\$ 529,045	\$ 529,045
Contractual Services	212,618	260,000	260,000	292,000	292,000
Commodities	179	1,000	1,000	1,000	1,000
Capital Outlay	125,918	1,000	1,000	1,000	1,000
Debt Service	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 640,247</u>	<u>\$ 724,616</u>	<u>\$ 724,616</u>	<u>\$ 823,045</u>	<u>\$ 823,045</u>
TOTAL	<u>\$ 640,247</u>	<u>\$ 724,616</u>	<u>\$ 724,616</u>	<u>\$ 823,045</u>	<u>\$ 823,045</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	640,247	724,616	724,616	823,045	823,045
TOTAL	<u>\$ 640,247</u>	<u>\$ 724,616</u>	<u>\$ 724,616</u>	<u>\$ 823,045</u>	<u>\$ 823,045</u>
FTE Positions	5.5	5.5	5.5	5.5	5.5

The **agency** requests \$823,045, all from special revenue funds, for the Kansas Information Technology Office (KITO) program for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$98,429, or 13.6 percent, above the FY 2021 revised estimate. The increase can be attributed to distributing the agency salary shrinkage rate proportionally across its programs (\$66,429) and additional costs

associated with implementing a project management solution (\$32,000). The KITO program request also includes 5.5 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Kansas Information Technology Office for FY 2022.

E. Network and Telecommunications

The Network and Telecommunications Services (NTS) program provides state agencies with communications services, including daytime telephone and network services; after-hours support and monitoring; off-hour batch job processing for the Statewide Management, Accounting and Reporting Tool (SMART), the Statewide Human Resources and Payroll (SHARP) system, and mainframe operations; and security and environmental monitoring of on-site and off-site data centers. NTS offerings are facilitated by an infrastructure consisting of more than 7.0 million feet of cable, roughly the same distance as driving from Topeka to Los Angeles, California. NTS offerings include the following:

- **Network Services.** NTS operates the Kansas Wide-Area Information Network (KanWIN), the single largest Internet protocol network in the State of Kansas. Its staff ensures 24/7 monitoring and response capabilities, as well as the routine planning, expansion, repair, and maintenance of the State's primary network. KanWIN currently services all three branches of government through 17,000 data jacks at more than 1,500 locations worldwide and wireless connectivity at more than 60 locations statewide. In addition to managing Internet connectivity and switching equipment to state facilities, NTS also provides for network engineering, firewall management, load balancers, and routers. NTS also provides domain name services for ks.gov, kansas.gov, and more than 50 other domains throughout the state; and
- **Telecommunications Services.** NTS also provides state agencies with telecommunications services, including Voice over Internet Protocol (VoIP) technology, which provides a combined voice and data solution sharing a common network infrastructure. Additional services include voicemail and automated call distribution. Coverage currently includes more than 10,000 voice handsets throughout state offices and call centers.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percentage of uptime in the voice environment*	0.0	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
Percentage of network uptime in the Capitol Complex*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
Percentage of network uptime in the metropolitan area network*	99.9 %	99.9 %	99.9 %	99.9 %	0.0 %	99.9 %
Percentage of network uptime in the wide area network *	99.9 %	99.9 %	99.9 %	99.9 %	0.0 %	99.9 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 8.7	\$ 10.9	\$ 11.1	\$ 11.1	\$ 12.9	\$ 12.4
FTE Positions	20.7	22.2	21.0	21.0	22.7	22.7

* The Governor's Office does not utilize this measure for evaluation purposes.

NETWORK AND TELECOMMUNICATIONS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Contractual Services	\$ 232,583	\$ 0	\$ 0	\$ 0	\$ 0
Capital Outlay	0	4,500,000	4,500,000	4,500,000	4,250,000
<i>Subtotal</i>	<u>\$ 232,583</u>	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 4,250,000</u>
Off-Budget:					
Salaries and Wages	\$ 1,912,796	\$ 1,955,663	\$ 1,955,663	\$ 1,951,852	\$ 1,951,852
Contractual Services	8,591,598	6,296,000	6,296,000	6,051,000	6,051,000
Commodities	11,277	18,500	18,500	18,500	18,500
Capital Outlay	340,827	151,000	151,000	151,000	151,000
Debt Service	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 10,856,498</u>	<u>\$ 8,421,163</u>	<u>\$ 8,421,163</u>	<u>\$ 8,172,352</u>	<u>\$ 8,172,352</u>
TOTAL	<u>\$ 11,089,081</u>	<u>\$ 12,921,163</u>	<u>\$ 12,921,163</u>	<u>\$ 12,672,352</u>	<u>\$ 12,422,352</u>
Financing:					
State General Fund	\$ 232,583	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,250,000
All Other Funds	10,856,498	8,421,163	8,421,163	8,172,352	8,172,352
TOTAL	<u>\$ 11,089,081</u>	<u>\$ 12,921,163</u>	<u>\$ 12,921,163</u>	<u>\$ 12,672,352</u>	<u>\$ 12,422,352</u>
FTE Positions	21.0	22.7	22.7	22.7	22.7

The **agency** requests \$12.7 million, including \$4.5 million SGF, for the Network and Telecommunications program for FY 2022. The request includes \$8.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$248,811, or 1.9 percent, below the FY 2021 revised estimate. The decrease is primarily attributed to agency's realignment of off-budget revenue to be closer to FY 2020 actual amounts, resulting in a lower expenditure

estimate. The Network and Telecommunications program request also includes 22.7 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$12.4 million, including \$4.3 million SGF, for the Network and Telecommunications program for FY 2022. The request includes \$8.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The recommendation is an SGF decrease of \$250,000 below the FY 2022 agency request. The decrease is due to the Governor partially adopting the agency's reduced resources submission of \$250,000, all SGF, for capital outlay costs associated with rehabilitation and repair of state networking equipment.

F. Kansas Information Security Office

The Kansas Information Security Office (KISO) program is establishing a modernized and forward-leaning cybersecurity capability to both address current gaps as well as ensure the State's digital transformation is achieved in a secure manner. Accordingly, KISO provides technical and nontechnical IT security services for state agencies. Technical services include management of firewalls, intrusion prevention systems, forensics, security information, and event management, while nontechnical services include information security officers as a service, audits, and security consulting. KISO provides the following services:

- **Enterprise Security Services (ESS).** KISO provides security for connections to and use of the KanWIN network, including support for hardware, software, and licensing. Common expenses include technician time, which includes security engineering, network monitoring, review logging, incident response and security control installation, and operation and maintenance services. Expenses are currently included in the NTS connection rate, but the agency indicates a dedicated ESS rate has been established for use in future fiscal years;
- **Security Consulting Services (SCS).** KISO provides security engineering and technical support services for state agencies and, where applicable, local units of government. Services are provided on an hourly basis and include support for security controls, such as firewalls, intrusion prevention, and vulnerability scanning;
- **Information Security Officer Services (ISO).** KISO provides a number of services, including security policy development and maintenance, information security risk assessment, compliance management, disaster recovery and business continuity planning assistance, development of digital incident management and response, configuration management, cybersecurity awareness and training, and continuous monitoring services. Accordingly, KISO functions as the State's point of contact with federal and national IT security organizations with regard to cybersecurity issues affecting local units of government. Expenses are based on service level agreements and are based on the size and complexity of the customer organization;
- **Technical Security Services (TSS).** KISO provides a number of technical services, including custom vulnerability scanning and reporting, firewall management, managed intrusion detection and prevention, log management and continuous monitoring, security consulting, and engineering services. Though these services may be provided separately, they are frequently provided

alongside ISO offerings. Expenses are based on service level agreements and are based on the size and complexity of the customer organization; and

- Central Active Directory Security Services (CADSS).** KISO provides a variety of select security services for organizations part of the OITS Central Active Directory Solution. Services include vulnerability scanning, firewall management, managed intrusion detection and prevention, web content filtering, log management, and continuous monitoring services. Expenses are currently included in the Professional Services network user rate.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Respond to high priority incidents/ requests within 8 hours per Service Level Agreements 100% of the time*	NA	NA	NA	NA	100.0 %	100.0 %
Achieve and maintain a 3% "phished" rate in email security testing of service participating agency state employees*	19.0 %	8.0 %	NA	6.0 %	5.0 %	3.0 %
Maintain a minimum information risk rating of 730 for state government agencies*	630	640	NA	680	720	750
Yearly ticket resolution should be no less than 90% of the yearly opened tickets*	NA	NA	NA	90.0 %	93.0 %	0.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 4.9	\$ 4.5	\$ 5.4	\$ 4.1	\$ 5.3	\$ 5.4
FTE Positions	10.5	12.5	17.0	17.0	17.0	17.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The agency strives to improve the State's cybersecurity capabilities through the KISO, which mitigates threats and provides various services to state agencies. The Kansas Cybersecurity Act, KSA 75-7236, authorizes KISO to establish general security requirements for state agencies, though individual agencies may also establish more-stringent parameters. KISO works towards improving the State's cybersecurity posture through both implementing protective measures and engaging in educational campaigns.

Information Security Standards

KISO serves as the focal point of a collaborative effort to implement the provisions of the Kansas Cybersecurity Act and works to ensure state agencies maintain successful information security programs. These programs protect against attacks, such as ransomware, against the State's data and data infrastructure. KISO primarily faces challenges in the timely patching of vulnerabilities, especially regarding state agencies that do not subscribe to its services.

KISO currently tracks the percentage of response to high priority incidents and requests within eight hours per Services Level Agreements. Accordingly, the agency has set a goal for FY 2021 and FY 2022 to respond to 100.0 percent of these incidents within the eight-hour time frame. Additionally, the agency has set a goal of maintaining a minimum information risk rating

of 730 out of 900 for state government agencies for FY 2021 and FY 2022. The agency indicated that the average information risk rating for government agencies is between 700-780, The scoring service utilized classifies a score of 250-640 as meeting basic security effectiveness, 640-740 as intermediate security effectiveness, and 740-900 as advance security effectiveness.

Cybersecurity Awareness

KISO also engages in an educational campaign to boost cybersecurity awareness among state employees and protect against malicious incursions, such as phishing, on the State's security posture. Phishing refers to the fraudulent practice of disguising oneself as a reputable entity to obtain personal information, such as passwords, through email, messaging, and other modes of communication. The agency indicates that phishing accounts for around 90.0 percent of data breaches, and phishing attempts have increased some 65.0 percent in the past year. Accordingly, KISO uses periodic phishing campaigns to refresh employee awareness. For example, KISO engaged in a baseline phishing campaign of various state employees in January 2018. Afterward, those employees received training on cybersecurity awareness, and a subsequent post-training phishing campaign was conducted in January 2019. The agency is currently working towards a 3.0 percent phishing rate during email security tests in FY 2021 and for FY 2022.

During a Joint Committee on Information Technology meeting on October 22, 2019, the Chief Information Security Officer expressed challenges of not only enrolling agency employees in awareness campaigns, but also assuring that employees are actively participating in cybersecurity awareness training. KISO has faced challenges with the active participation of agency executives in such training and reporting.

KANSAS INFORMATION SECURITY OFFICE SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Off-Budget:					
Salaries and Wages	\$ 1,621,154	\$ 1,633,405	\$ 1,633,405	\$ 1,724,777	\$ 1,724,777
Contractual Services	2,210,016	3,105,000	3,105,000	3,125,000	3,125,000
Commodities	84	2,000	2,000	2,000	2,000
Capital Outlay	273,892	530,000	530,000	526,000	526,000
Debt Service	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 4,105,146</u>	<u>\$ 5,270,405</u>	<u>\$ 5,270,405</u>	<u>\$ 5,377,777</u>	<u>\$ 5,377,777</u>
TOTAL	<u>\$ 4,105,146</u>	<u>\$ 5,270,405</u>	<u>\$ 5,270,405</u>	<u>\$ 5,377,777</u>	<u>\$ 5,377,777</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	4,105,146	5,270,405	5,270,405	5,377,777	5,377,777
TOTAL	<u>\$ 4,105,146</u>	<u>\$ 5,270,405</u>	<u>\$ 5,270,405</u>	<u>\$ 5,377,777</u>	<u>\$ 5,377,777</u>
FTE Positions	17.0	17.0	17.0	17.0	17.0

The **agency** requests \$5.4 million, all from special revenue funds, for the Kansas Information Security Office (KISO) for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$107,372, or 2.0 percent, above the FY 2021 revised estimate. The increase can primarily be attributed to distributing the agency salary shrinkage rate proportionally across its programs and changes in salaries and wages fringe benefit costs (\$91,372) and increased travel (\$20,000) for State agency visits and training. The KISO program request also includes 17.0 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Kansas Information Security Office for FY 2022.

G. Professional Services

The Professional Services program is comprised of high-performance teams that provide technical support to various state agencies that fulfill statutory requirements for the State of Kansas. These services are supported through rates developed to recover operating costs. Presently, the agency offers the following services through this program:

- **User Services.** This service is responsible for supporting the gateway for end user access *via* a user account. This service provides management for several resources such as: software, user accounts, user security, shared file permissions, and end-user device management for desktops, mobile devices and printers. This service also works with the Data Center as a Service vendor to provide oversight of OITS Professional Services managed servers in vendor-hosted environment;
- **Unified Endpoint Management (UEM).** This service provides the ability to remotely manage endpoint devices in a modern, secure setting encompassing one “management portal.” This portal has the capability for delegated access for all O365-tenet agencies to manage their own end-user devices through one unified application. The product that is being utilized is Microsoft Intune, which works in conjunction with the O365-tenet licensing system;
- **Desktop-as-a-Service (DtaaS).** This area functions as a liaison between the DtaaS vendor(s) and State agencies. They work closely with the DtaaS vendor to ensure SLA's are being met and work with agencies to provide accurate forecasting of device requirements and availability. They also coordinate licensing of O365 select products (such as Visio, Project, and Teams) as well as other enterprise licensed third-party applications;
- **Consolidated IT Service Desk.** The consolidated service desk is the first point of contact for IT communications for all Executive Branch state agencies. Each incident and service request is categorized and prioritized for resolution, and the Service Desk team will provide the initial investigation and diagnosis of incidents, escalating to the appropriate IT support team when necessary. These responsibilities continue through the duration of the incident, and closure of the incident ticket does not occur until the user is satisfied that their service has been restored to normal service levels; and

- **Other Service Offerings.** Professional Services also offers a variety of miscellaneous functions, including GovDelivery by Granicus (Digital communication suite), which is used to send emails and digital newsletters to specific groups; Windows Update Service, which provides an environment where state agencies can update servers and desktops with the latest Microsoft updates; and Professional Technical Services, which provides technician support to state agencies.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Service Desk hold times less than or equal to 2 minutes	NA	NA	NA	99.0 %	99.0 %	99.0 %
Percentage of uptime for Sitefinity websites*	NA	NA	NA	99.0 %	99.0 %	99.0 %
DtaaS on-time shipment percentage*	NA	NA	NA	99.0 %	99.0 %	99.0 %
Agency Expenditures						
All Funds (Dollars in millions)	\$ 6.4	\$ 3.5	\$ 3.4	\$ 3.2	\$ 3.2	\$ 3.3
FTE Positions	25.0	29.0	27	27	25.0	25.0

* The Governor's Office does not utilize this measure for evaluation purposes.

PROFESSIONAL SERVICES SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Off-Budget:					
Salaries and Wages	\$ 1,417,672	\$ 1,644,188	\$ 1,644,188	\$ 1,620,296	\$ 1,620,296
Contractual Services	1,714,201	1,505,500	1,505,500	1,673,000	1,673,000
Commodities	737	3,000	3,000	3,000	3,000
Capital Outlay	46,071	25,000	25,000	50,000	50,000
Debt Service	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 3,178,681</u>	<u>\$ 3,177,688</u>	<u>\$ 3,177,688</u>	<u>\$ 3,346,296</u>	<u>\$ 3,346,296</u>
TOTAL	<u>\$ 3,178,681</u>	<u>\$ 3,177,688</u>	<u>\$ 3,177,688</u>	<u>\$ 3,346,296</u>	<u>\$ 3,346,296</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,178,681	3,177,688	3,177,688	3,346,296	3,346,296
TOTAL	<u>\$ 3,178,681</u>	<u>\$ 3,177,688</u>	<u>\$ 3,177,688</u>	<u>\$ 3,346,296</u>	<u>\$ 3,346,296</u>
FTE Positions	27.0	25.0	25.0	25.0	25.0

The **agency** requests \$3.3 million, all from special revenue funds, for the Professional Services program for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$168,608, or 5.3 percent, above the FY 2021 revised estimate. The increase can be attributed to increased license cost for ServiceNow (\$165,000)

and purchase of a new vehicle (\$25,000). This increase is partially off set by a decrease in salaries and wages (\$23,892), primarily attributed to distributing the agency salary shrinkage rate proportionally across its programs. The Professional Services program request also includes 25.0 FTE positions for FY 2022, which is the same number as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Professional Services program for FY 2022.

H. Direct Billed Services

The Direct Billed Services program allows for OITS to bill costs directly to state agencies and is not part of a monthly billing rate. Upon establishment in 1972, the Division of Information Systems and Communications (now OITS) was charged with providing data processing services for other divisions, departments, and agencies of the state. Expenditures for this program are expected to increase, as more state agencies utilize desktop as a service. Accordingly, the agency began eliminating some rates and now bills costs directly to customers.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
No performance measures were submitted for this program						
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 10.9	\$ 12.7	\$ 9.4	\$ 16.8	\$ 5.2	\$ 5.2
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0

DIRECT BILLED SERVICES SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Contractual Services	\$ 505,189	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal</i>	<u>\$ 505,189</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Off-Budget:					
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	15,411,224	5,215,000	5,215,000	5,215,000	5,215,000
Commodities	310,397	0	0	0	0
Capital Outlay	547,960	0	0	0	0
Debt Service	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 16,269,581</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>
TOTAL	<u>\$ 16,774,770</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>
Financing:					
State General Fund	\$ 505,189	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	16,269,581	5,215,000	5,215,000	5,215,000	5,215,000
TOTAL	<u>\$ 16,774,770</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>	<u>\$ 5,215,000</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests \$5.2 million, all from special revenue funds, for the Direct Billed Services Program Kansas for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is the same as the FY 2021 revised estimate. The Direct Billed Services program request does not have any FTE positions for FY 2022.

The **Governor** concurs with the agency's request for the Direct Billed Services program for FY 2022.