

# OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Operating Expenditures:</b>					
State General Fund	\$ 0	\$ 280,000	\$ 0	\$ 280,000	\$ 0
Other Funds	38,960,124	44,186,186	44,186,186	45,680,314	45,680,314
<b>TOTAL</b>	<b>\$ 38,960,124</b>	<b>\$ 44,466,186</b>	<b>\$ 44,186,186</b>	<b>\$ 45,960,314</b>	<b>\$ 45,680,314</b>
<b>Capital Improvements:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 38,960,124</b>	<b>\$ 44,466,186</b>	<b>\$ 44,186,186</b>	<b>\$ 45,960,314</b>	<b>\$ 45,680,314</b>

## Percentage Change:

<b>Operating Expenditures</b>					
State General Fund	-- %	100.0 %	-- %	0.0 %	-- %
All Funds	(6.4)	14.1	13.4	3.4	3.4
FTE Positions	72.7	75.7	75.7	75.7	75.7
Non-FTE Perm.Uncl.Pos.	52.0	52.0	52.0	52.0	52.0
<b>TOTAL</b>	<b>124.7</b>	<b>127.7</b>	<b>127.7</b>	<b>127.7</b>	<b>127.7</b>

## AGENCY OVERVIEW

The Office of Information Technology Services, also known as 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 was established in 1972.

### MAJOR ISSUES FROM PRIOR YEARS

The **1992 Legislation** authorized DISC to provide telecommunication services to units of local government. This change affords benefits to state and local government by sharing statewide network costs among a broader user base, and by exchanging information among levels of government through a common telecommunications infrastructure.

The **1998 Legislation** (KSA 75-7201 *et. seq.*) revised the state's approach to the governance of information technology. The bill created Chief Information Technology Officers (CITO) for each branch of government, a Chief Information Technology Architect (CITA), and the Information Technology Executive Council (ITEC). The bill also established a \$250,000 level for

approval of information technology projects with oversight provided by the renamed and reconstituted Joint Committee on Information Technology (JCIT).

In **August 2011**, the name of the Division of Information Systems and Communications was changed to the Office of Information Technology Services. The central mail service operation was transferred to the Department of Administration, Office of General Services.

During the **2015 Legislative Session**, the Legislature added added \$2.5 million, all from the State General Fund, 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 Office of Information and Technology Services continues to pursue a policy of reducing Information Technology expenditures. The FY 2015 budget includes savings of \$3.8 and \$15.0 million for FY 2016 and FY 2017. The savings are to be accrued by consolidation of software licenses and services but are not reflected in any one agency budget. 2015 SB 112 grants the Department of Administration the authority to transfer funds from other cabinet level state agencies to the Department of Administration to achieve the state reductions. For FY 2015, the agency lapsed \$200,000 from the Department for Children and Families and \$300,000 from the Kansas Department of Health and Environment's State General Fund accounts. The agency also transferred \$3.3 million from the State Highway Fund to the State General Fund for a total of \$3.8 million in reductions and increased revenue.

## **BUDGET SUMMARY AND KEY POINTS**

**FY 2016 – Current Year.** The **agency** estimates expenditures of \$44.5 million, including \$280,000 from the State General Fund, an increase of \$11.6 million, or 35.4 percent, above the FY 2016 approved budget. The increase is attributable to new information technology projects totaling \$9.6 million. The remainder of the increase is due to revised estimates for agency operations. Of the \$44.5 million budget, \$44.0 million is off-budget. The off-budget expenditures appear in other agencies and reductions in this amount will not directly result in reductions to total state expenditures. For FY 2016, \$475,328, including \$280,000 from the State General Fund, are on-budget. The State General Fund expenditures are attributable to a supplemental request for funding of the geographic information systems (GIS) program. The remaining on-budget expenditures are from the federal, state, and local implementation grant to support State, regional, tribal and local jurisdictions' efforts to ensure the network meets their wireless public safety communications needs.

The **Governor** recommends expenditures of \$44.5 million, all from special revenue funds, for FY 2016. The Governor does not recommend adopting the supplemental request for State General Fund support for the GIS program.

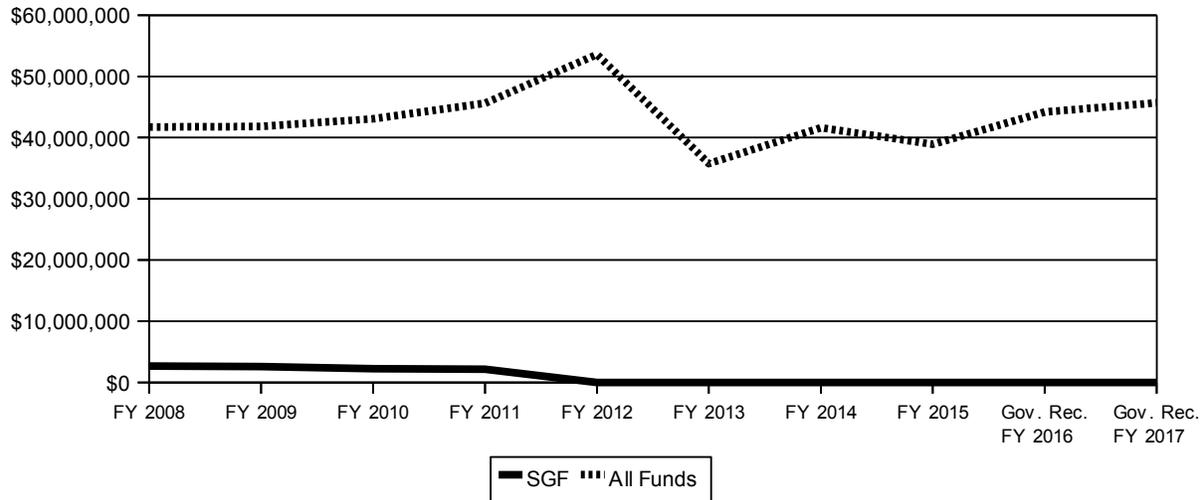
**FY 2017 – Budget Year.** The **agency** estimates expenditures of \$46.0 million, including \$280,000 from the State General Fund, an increase of \$14.0 million, or 43.8 percent, above the FY 2017 approved budget. The increase is attributable to new information technology projects totaling \$8.4 million. The remainder of the increase is due to revised estimates for agency operations. Of the \$46.0 million budget, \$45.5 million is off-budget. The off-budget expenditures appear in other agencies and reductions in this amount will not directly result in reductions to total state expenditures. For FY 2017, \$477,757, including \$280,000 from the State General Fund, are on-budget. The State General Fund expenditures are attributable to a supplemental request for funding of the GIS program. The remaining on-budget expenditures are from the

federal, state, and local implementation grant to support State, regional, tribal and local jurisdictions' efforts to ensure the network meets their wireless public safety communications needs.

The **Governor** recommends expenditures of \$45.7 million, all from special revenue funds, for FY 2017. The Governor does not recommend adopting the Supplemental request for State General Fund support for the GIS program.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2008 – FY 2017



## OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE/Non-FTE
2008	\$ 2,684,329	14.8 %	\$ 41,733,340	17.8 %	187.4
2009	2,570,168	(4.3)	41,814,333	0.2	223.6
2010	2,218,250	(13.7)	43,074,442	3.0	239.7
2011	2,149,228	(3.1)	45,611,374	5.9	235.7
2012	0	(100.0)	53,578,347	17.5	161.7
2013	0	0.0	35,760,551	(33.3)	119.7
2014	0	0.0	41,607,463	16.4	130.7
2015	0	0.0	38,960,124	(6.4)	124.7
2016 Gov. Rec.	0	0.0	44,186,186	13.4	127.7
2017 Gov. Rec.	0	0.0	45,680,314	3.4	127.7
Ten-Year Change					
Dollars/Percent	\$ (2,684,329)	(100.0)%	\$ 3,946,974	9.5 %	(59.7)

*In FY 2012, the Legislature moved central mail out of OITS and into the Department of Administration. The increase in expenditures is due to the VOIP and UCC roll-out.*

*In FY 2013, the Legislature deleted all vacant and unfunded positions within OITS.*

## Summary of Operating Budget FY 2015 - FY 2017

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
<b>By Program:</b>									
OITS - On Budget	\$ 180,629	\$ 475,328	\$ 477,757	\$ 2,429	0.5 %	\$ 195,328	\$ 197,757	\$ 2,429	1.2 %
OITS - Off Budget	38,779,495	43,990,858	45,482,557	1,491,699	3.4	43,990,858	45,482,557	1,491,699	3.4
TOTAL	\$ 38,960,124	\$ 44,466,186	\$ 45,960,314	\$ 1,494,128	3.4 %	\$ 44,186,186	\$ 45,680,314	\$ 1,494,128	3.4 %
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 8,048,244	\$ 8,213,017	\$ 8,472,432	\$ 259,415	3.2 %	\$ 8,213,017	\$ 8,472,432	\$ 259,415	3.2 %
Contractual Services	22,000,788	26,267,435	27,535,113	1,267,678	4.8	25,987,435	27,255,113	1,267,678	4.9
Commodities	118,748	200,300	200,300	0	0.0	200,300	200,300	0	0.0
Capital Outlay	8,711,115	9,785,434	9,752,469	(32,965)	(0.3)	9,785,434	9,752,469	(32,965)	(0.3)
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 38,878,895	\$ 44,466,186	\$ 45,960,314	\$ 1,494,128	3.4 %	\$ 44,186,186	\$ 45,680,314	\$ 1,494,128	3.4 %
Aid to Local Units	0	0	0	0	0.0	0	0	0	0.0
Other Assistance	81,229	0	0	0	0.0	0	0	0	0.0
TOTAL	\$ 38,960,124	\$ 44,466,186	\$ 45,960,314	\$ 1,494,128	3.4 %	\$ 44,186,186	\$ 45,680,314	\$ 1,494,128	3.4 %
<b>Financing:</b>									
State General Fund	\$ 0	\$ 280,000	\$ 280,000	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	0.0 %
GIS Contracting Services Fund	(42,641)	330,000	360,000	30,000	0.0	330,000	360,000	30,000	9.1
Governor's Economic Council Private Operations Fund	131,389	0	0	0	0.0	0	0	0	0.0
JAG Grant Fund	23,135	0	0	0	0.0	0	0	0	0.0
State and Local Implementation Grant	91,881	195,328	324,342	129,014	66.0	195,328	324,342	129,014	66.0
Information Technology Fund	36,675,588	42,002,187	42,995,972	993,785	2.4	42,002,187	42,995,972	993,785	2.4
Information Technology Reserve Fund	2,080,772	1,658,671	2,000,000	341,329	20.6	1,658,671	2,000,000	341,329	20.6
TOTAL	\$ 38,960,124	\$ 44,466,186	\$ 45,960,314	\$ 1,494,128	3.4 %	\$ 44,186,186	\$ 45,680,314	\$ 1,494,128	3.4 %

# BUDGET OVERVIEW

## A. FY 2016 – Current Year

### Adjustments to Approved Budget

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 0	\$ 280,000	\$ 280,000	\$ 0	\$ 0
All Other Funds	32,842,270	44,186,186	11,343,916	44,186,186	11,343,916
<b>TOTAL</b>	<b>\$ 32,842,270</b>	<b>\$ 44,466,186</b>	<b>\$ 11,623,916</b>	<b>\$ 44,186,186</b>	<b>\$ 11,343,916</b>
FTE Positions	72.7	75.7	3.0	75.7	3.0

The **agency** estimates expenditures of \$44.5 million, including \$280,000 from the State General fund, an increase of \$11.6 million, or 35.4 percent, above the FY 2016 approved budget. The increase is attributable to new information technology projects totaling \$9.6 million. The remainder of the increase is due to revised estimates for agency operations, primarily in core network updates necessitated by network consolidation. Of the \$44.5 million budget \$44.0 million is off-budget. The off-budget expenditures appear in other agency's and reductions in this amount will not directly result in reductions to total state expenditures. For FY 2016, \$475,328, including \$280,000 from the State General Fund, are on-budget. The State General Fund expenditures are attributable to a supplemental request for funding of the GIS program. The remaining on-budget expenditures are from the federal state and local implementation grant to support State, regional, tribal and local jurisdictions' efforts to ensure the network meets their wireless public safety communications needs.

- Salaries and Wages.** The agency requests \$8.2 million for salaries and wages, a reduction of \$392,674, or 4.6 percent, below the FY 2016 approved budget. The total FTE request increased by 2.0 positions, including 3.0 FTE positions and reduced by 1.0 non-FTE positions. The increase in FTE positions is due to staff budgeted for the Office 365 implementation totaling \$328,516. The agency originally had a shrinkage budget of \$1.6 million. In the revised estimate this amount is reduced to \$855,055; however the total number of funded vacant positions is further reduced accounting for the total budget reduction.
- Other Operating Expenditures.** The agency requests \$36.3 million for other operating expenditures, an increase of \$12.0 million, or 49.6 percent, above the FY 2016 approved budget. \$9.4 million of the increase is in contractual services and \$2.7 million is in capital outlay. The increase is partially attributable to a series of IT projects initiated by the agency totaling \$8.1 million. The remaining \$3.9 million is for revised estimates for agency operations; including \$360,000 for consolidated purchase of software maintenance and equipment maintenance contracts for CISCO products, \$1.2 million for telecommunication services

(based on one time pass through expenditures from FY 2015), \$1.95 million for consolidated purchase of MS enterprise licenses for OITS and eleven agencies, and \$427,761 for replacement of routers and switches too obsolete for support.

- *Executive Branch Technology Modernization Project (EBTM)*. The agency requests \$4.5 million for the Executive Branch Technology Modernization Project in FY 2016. OITS is partnering with AOS to provide: 1) The Kansas Private Government Cloud infrastructure (Kansas GovCloud), which shall be a converged infrastructure. Over the next three to five years this infrastructure will host the complete compute, storage, and networks needs for OITS agencies plus any additional growth. 2) Services for the implementation, deployment, and migration of existing logical systems onto the Kansas GovCloud infrastructure and all additional services.
- *Information Technology Financial Management System II (IFTM 2)*. The agency requests expenditures of \$156,179 for the IFTM 2 project for FY 2016. The IFTM 2 project is intended to provide financial analysis and modeling tools to allow the agency to increase the transparency and accuracy of the billing systems.
- *Email Consolidation*. The agency estimates expenditures of \$3.2 million for the Executive Branch Email Consolidation project in FY 2016. The project will consolidate all state agencies on one vendor based email system and shift the state to a fee for service model.
- *State Defense Building Fiber Project*. The agency estimates expenditures of \$148,000 for the State Defense Building Fiber Project in FY 2016. The State Defense Building Fiber Project will run two redundant paths of fiber optic cable to the State Defense Building on Topeka Blvd., which is to be a new data center and State employee location. This infrastructure project will include services from established contract vendors to perform the task of boring and trenching to lay conduit for pulling fiber underground to the State Defense Building, and various agency locations along the two paths.

The project will yield greater bandwidth and improved reliability to OITS and its customers. Additionally, this project will upgrade equipment on the State's Cisco ONS (Optical Networking System) Multiservice Transport Platform optical network. AOS professional services will be utilized to perform the equipment upgrades using equipment already owned by the State.

The **Governor** recommends expenditures of \$44.5 million, all from special revenue funds, for FY 2016. The Governor does not recommend adopting the supplemental request for State General Fund support for the GIS program.

## Supplemental Detail

FY 2016 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
GIS Program	\$ 280,000	\$ 280,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$280,000, all from the State General Fund, to operate the Kansas data access and support center (DASC), including the geospatial clearinghouse and to provide salary support for the State Geographic Information Officer. The information stored in the GIS on-line digital data library is accessible to all federal/state/municipal tax-supported agencies/entities. Besides the fee for ESRI software licenses, only the cost of media, shipping, and handling is charged to users. (Note: Private sector and non-tax-supported organizations are served on a fee basis.)

Presently, all other costs of the program, \$280,000 per year, are added to OITS overhead and spread across fees charged by OITS for unrelated services. This practice was cited in a December 2013 review completed by Legislative Post Audit. Funding the GIS program in this manner, results in higher rates for other services.

The **Governor** does not recommend adopting the Supplemental request for State General Fund support for the GIS program.

## B. FY 2017 – Budget Year

### Adjustments to Approved Budget

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 280,000	\$ 280,000	\$ 0	\$ 0
All Other Funds	31,962,256	45,680,314	13,718,058	45,680,314	13,718,058
<b>TOTAL</b>	<b>\$ 31,962,256</b>	<b>\$ 45,960,314</b>	<b>\$ 13,998,058</b>	<b>\$ 45,680,314</b>	<b>\$ 13,718,058</b>
FTE Positions	72.7	75.7	3.0	75.7	3.0

The **agency** estimates expenditures of \$46.0 million, including \$280,000 from the State General Fund, an increase of \$14.0 million, or 43.8 percent, above the FY 2017 approved budget. The increase is attributable to new information technology projects totaling \$8.4 million. The remainder of the increase is due to revised estimates for agency operations, primarily in core network updates necessitated by network consolidation. Of the \$46.0 million budget \$45.5 million is off-budget. The off-budget expenditures appear in other agency's and reductions in this amount will not directly result in reductions to total state expenditures. For FY 2017,

\$477,757, including \$280,000 from the State General Fund, are on-budget. The State General Fund expenditures are attributable to a supplemental request for funding of the GIS program. The remaining on-budget expenditures are from the federal state and local implementation grant to support State, regional, tribal and local jurisdictions' efforts to ensure the network meets their wireless public safety communications needs.

- **Salaries and Wages.** The agency requests \$8.5 million for salaries and wages, a reduction of \$501,923, or 5.6 percent, below the FY 2017 approved budget. The total FTE request increased by 3.0 positions. The increase is predominantly attributable to staff budgeted for the Office 365 totaling \$328,516. The agency request reduced the shrink budget from \$1.6 million to \$882,031, but eliminated funding from more vacant positions resulting in a net reduction of salary expenditures.
  
- **Other Operating Expenditures.** The agency requests \$37.5 million for other operating expenditures, an increase of \$14.5 million, or 63.1 percent, above the FY 2017 approved budget. \$12.3 million of the increase is in contractual services and \$2.6 million is in capital outlay. The increase is partially attributable to a series of IT projects initiated by the agency totaling \$8.4 million. The remaining \$6.1 million is for revised estimates for agency operations; including \$360,000 for consolidated purchase of software maintenance and equipment maintenance contracts for CISCO products, \$1.2 million for telecommunication services (based on one time pass through expenditures from FY 2015), \$1.95 million for consolidated purchase of MS enterprise licenses for OITS and eleven agencies, \$1.1 million for a full year's rent at State Defense Building, and \$427,761 for replacement of routers and switches too obsolete for support.
  - *EBTM.* The agency requests \$4.6 million for the Executive Branch Technology Modernization Project in FY 2017. OITS is partnering with AOS to provide: 1) The Kansas Private Government Cloud infrastructure (Kansas GovCloud), which shall be a converged infrastructure. Over the next three to five years this infrastructure will host the complete compute, storage, and networks needs for OITS agencies plus any additional growth. 2) Services for the implementation, deployment, and migration of existing logical systems onto the Kansas GovCloud infrastructure and all additional services.
  - *Information Technology Financial Management System II (IFTM 2).* The agency requests expenditures of \$156,179 for the IFTM 2 project for FY 2017. The IFTM 2 project is intended to provide financial analysis and modeling tools to allow the agency to increase the transparency and accuracy of the billing systems.
  - *Email Consolidation.* The agency estimates expenditures of \$3.2 million for the Executive Branch Email Consolidation project in FY 2017. The project will consolidate all state agencies on one vendor based email system and shift the state to a fee for service model.
  - *State Defense Building Fiber Project.* The agency estimates expenditures of \$444,000 for the State Defense Building Fiber Project in FY 2017. The State Defense Building Fiber Project will run two redundant paths of fiber optic cable to the State Defense Building on Topeka Blvd, which is to be a new data center and State employee location. This infrastructure project will include services from established contract vendors to perform the task

of boring and trenching to lay conduit for pulling fiber underground to the State Defense Building, and various agency locations along the two paths.

The project will yield greater bandwidth and improved reliability to OITS and its customers. Additionally, this project will upgrade equipment on the State's Cisco ONS Multiservice Transport Platform optical network. AOS professional services will be utilized to perform the equipment upgrades using equipment already owned by the State.

The **Governor** recommends expenditures of \$45.7 million, all from special revenue funds, for FY 2017. The Governor does not recommend adopting the Supplemental request for State General Fund support for the GIS program.

FY 2017 SUPPLEMENTALS							
Supplementals	Agency Estimate			Governor's Recommendation			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
GIS Program	\$ 280,000	\$ 280,000	0.0	\$ 0	\$ 0	0.0	

The **agency** requests \$280,000, all from the State General Fund, to operate the Kansas DASC, including the geospatial clearinghouse and to provide salary support for the State Geographic Information Officer. The information stored in the GIS on-line digital data library is accessible to all federal/state/municipal tax-supported agencies/entities. Besides the fee for ESRI software licenses, only the cost of media, shipping, and handling is charged to users. (Note: Private sector and non-tax-supported organizations are served on a fee basis.)

Presently, all other costs of the program, \$280,000 per year, are added to OITS overhead and spread across fees charged by OITS for unrelated services. This practice was cited in a December 2013 review completed by Legislative Post Audit. Funding the GIS program in this manner, results in higher rates for other services.

The **Governor** does not recommend adopting the Supplemental request for State General Fund support for the GIS program.

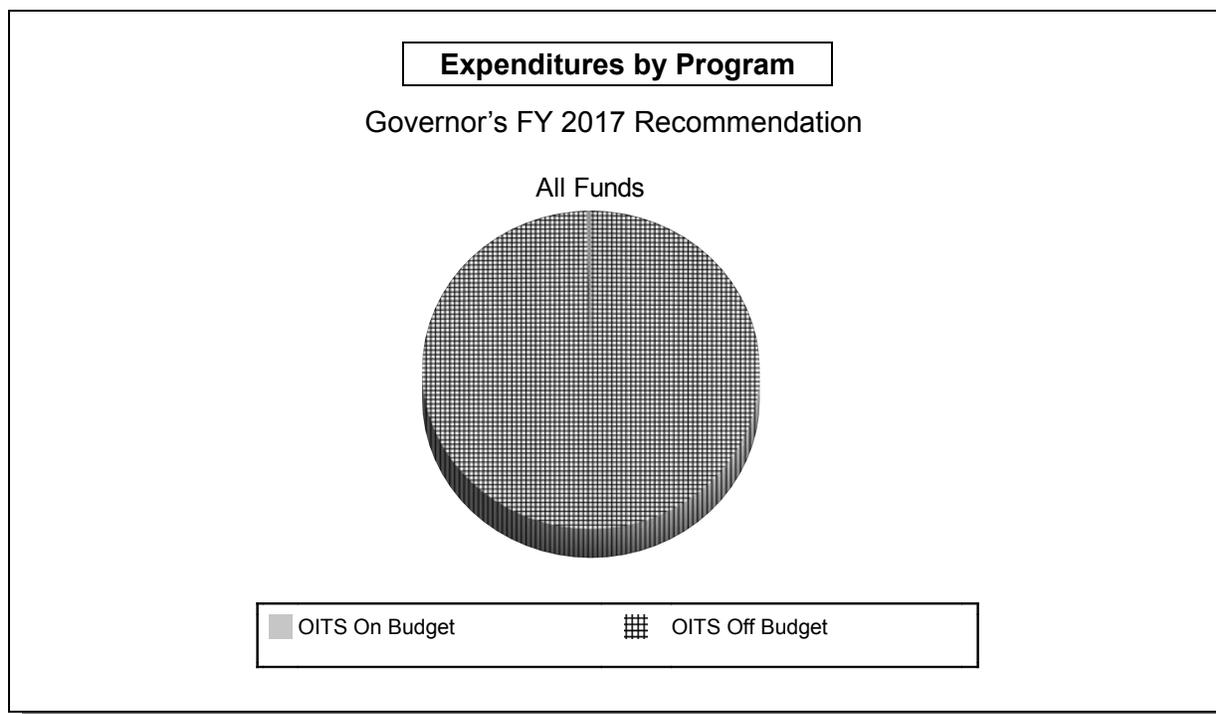
## Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	0.6 %	0.0 %
Federal Funds	0.4	0.0
Off-Budget Funds	99.0	0.0
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

**Note:** Details may not add to totals due to rounding.

<b>FY 2015 - OITS BILLED REVENUE BY SERVICE</b>	
(Revenue from services is deposited in the Information Technology Fund)	
Services	Revenues
Telecommunications (Data & Voice including pass throughs)	\$ 20,465,090
Mainframe Services	11,615,814
Pass throughs for O365 and Microsoft Consolidation	3,274,902
Professional Services (includes user help desk, web services, virtual server & storage))	2,408,524
Other (KITO, GIS, Non-telecom pass throughs, SLA's, Printing-discontinued now)	1,808,791
Data Center Space	510,784
Security	317,656
<b>TOTAL</b>	<b>\$ 40,401,561</b>

# PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
OITS - On Budget	\$ 197,757	0.4 %	\$ 0	0.0 %
OITS - Off Budget	45,482,557	99.6	0	0.0
<b>TOTAL</b>	<b>\$ 45,680,314</b>	<b>100.0 %</b>	<b>\$ 0</b>	<b>0.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2015 – FY 2017**

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
OITS: On-Budget	0.0	0.0	0.0	0.0	0.0
OITS: Off-Budget	72.7	75.7	75.7	75.7	75.7
<b>TOTAL</b>	<b>72.7</b>	<b>75.7</b>	<b>75.7</b>	<b>75.7</b>	<b>75.7</b>

## A. OITS: On-Budget

The Office of Information Technology Services On-Budget program contains funds which are not reflected as expenditures within other agency budgets. The two main programs are the State and Local Implementation Grant Federal Program and the GIS Program. In February 2012, Congress enacted The Middle Class Tax Relief and Job Creation Act of 2012, containing landmark provisions to create a nationwide interoperable broadband network. The Act provides \$135 million in funding for a State and Local Implementation Grant Program to support State, regional, tribal and local jurisdictions' efforts to ensure the network meets their wireless public safety communications needs.

Prior to FY 2016, the funding for the Governor's Economic Council was within the OITS program. During the 2015 Legislative Session the Governor recommended the funding be moved outside state government.

<b>OITS: ON-BUDGET SUMMARY OF EXPENDITURES FY 2015 – FY 2017</b>					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>					
Salaries and Wages	\$ 198,332	\$ 67,493	\$ 67,493	\$ 69,922	\$ 69,922
Contractual Services	(23,330)	406,585	126,585	406,585	126,585
Commodities	2,267	1,250	1,250	1,250	1,250
Capital Outlay	3,360	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 180,629</u>	<u>\$ 475,328</u>	<u>\$ 195,328</u>	<u>\$ 477,757</u>	<u>\$ 197,757</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 180,629</u></b>	<b><u>\$ 475,328</u></b>	<b><u>\$ 195,328</u></b>	<b><u>\$ 477,757</u></b>	<b><u>\$ 197,757</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 280,000	\$ 0	\$ 280,000	\$ 0
All Other Funds	180,629	195,328	195,328	197,757	197,757
<b>TOTAL</b>	<b><u>\$ 180,629</u></b>	<b><u>\$ 475,328</u></b>	<b><u>\$ 195,328</u></b>	<b><u>\$ 477,757</u></b>	<b><u>\$ 197,757</u></b>
FTE Positions	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	1.0	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>	<b><u>1.0</u></b>

The **agency** requests \$475,328, including \$280,000 from the State General Fund, an all funds reduction of \$46,081, or 8.8 percent, and a State General Fund increase of \$280,000 for FY 2016. The State General Fund increase is to fund the supplemental request for state support for the GIS Services program. The special revenue fund reduction is due to shifting some expenditures from FY 2016 to FY 2017. The agency transferred the majority of the funding for the program to the Adjutant General.

The **Governor** concurs with the FY 2016 agency request, absent, the \$280,000 supplemental for the GIS program.

The **agency** requests \$477,757, including \$280,000 from the State General Fund, for FY 2016. The agency did not originally budget any expenditures for FY 2017. The State General Fund increase is to fund the supplemental request for state support for the GIS Services program.

The **Governor** concurs with the FY 2017 agency request, absent, the \$280,000 supplemental for the GIS program.

### **B. OITS: Off-Budget**

The Office of Information and Technology Services provides services including telecommunications, data processing services, KANWIN connectivity, IT security, small agency support, and enterprise project management. The 100 filled positions in OITS provide 24 hour operational support for OITS information systems and telecommunications networks. The Office operates an IBM model z114 2818-MIO processor, that provides central processing services to all state agencies and a UNIX processing center for the support of distributed applications, including the Department of Revenue Tax 2000. In addition, the Division provides network operations and diagnostics, installation and repair of network equipment, equipment planning and KANWIN network support.

<b>OITS: OFF-BUDGET SUMMARY OF EXPENDITURES FY 2015 – FY 2017</b>					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>					
Salaries and Wages	\$ 7,849,912	\$ 8,145,524	\$ 8,145,524	\$ 8,402,510	\$ 8,402,510
Contractual Services	22,024,118	25,860,850	25,860,850	27,128,528	27,128,528
Commodities	116,481	199,050	199,050	199,050	199,050
Capital Outlay	8,707,755	9,785,434	9,785,434	9,752,469	9,752,469
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 38,698,266</i>	<i>\$ 43,990,858</i>	<i>\$ 43,990,858</i>	<i>\$ 45,482,557</i>	<i>\$ 45,482,557</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	81,229	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 38,779,495</u></b>	<b><u>\$ 43,990,858</u></b>	<b><u>\$ 43,990,858</u></b>	<b><u>\$ 45,482,557</u></b>	<b><u>\$ 45,482,557</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	38,779,495	43,990,858	43,990,858	45,482,557	45,482,557
<b>TOTAL</b>	<b><u>\$ 38,779,495</u></b>	<b><u>\$ 43,990,858</u></b>	<b><u>\$ 43,990,858</u></b>	<b><u>\$ 45,482,557</u></b>	<b><u>\$ 45,482,557</u></b>
FTE Positions	72.7	75.7	75.7	75.7	75.7
Non-FTE Uncl. Perm. Pos.	51.0	51.0	51.0	51.0	51.0
<b>TOTAL</b>	<b><u>123.7</u></b>	<b><u>126.7</u></b>	<b><u>126.7</u></b>	<b><u>126.7</u></b>	<b><u>126.7</u></b>

The **agency** requests \$44.0 million in expenditures, an increase of \$11.7 million, or 36.1 percent, above the FY 2016 approved budget. Major expenditures include:

- **Salaries and Wages.** The agency requests \$8.1 million for salaries and wages, a reduction of \$392,561, or 4.6 percent, from the FY 2016 approved budget. The budget funds 126.7 total positions.
- **Other Operating Expenditures.** The agency requests \$35.8 million in other operating expenditures, an increase of \$12.1 million, or 50.7 percent, above the FY 2016 approved budget. Major programs of expenditures include:
  - *Administrative Expenditures.* The agency estimates expenditures of \$1.6 million in non-salary administrative overhead. The majority of the expenditures are for the rent related charges of \$544,165, \$133,872 in computer service maintenance contracts, \$250,000 in a transfer to the University of Kansas for GIS services, \$208,500 for the monumental building surcharge, and \$133,600 to Gartner Consulting.
  - *Mainframe operations.* The agency estimates expenditures of \$4.7 million in non-salary mainframe costs. The majority of the expenditures are for a computer software maintenance contract (\$2.2 million), computer software rental (\$1.0 million), and rent related charges (\$688,778).
  - *Telecommunications.* The agency estimates expenditures of \$17.2 in non-salary telecommunications costs. Of that amount \$6.9 million is purely in pass-through expenditures of which \$5.6 million is commercial long distance fees and other carrier services costs. Other major categories of expenditure in telecommunications include data communications equipment (\$1.5 million), repairing and servicing of equipment (\$1.9 million), commercial local and long distance service (\$2.0 million), and computer equipment rental (\$1.0 million).
  - *Professional Services.* The agency estimates expenditures of \$711,441 in non-salary professional services expenditures for FY 2016; including Statistical Analysis Software for the information services section, Web services, and help desk. Major expenditure for this category include; computer systems parts (\$100,000), computer software maintenance service contracts (\$214,320), and repair and service of computer equipment (\$136,566).
  - *Kansas Information Technology Office (KITO).* The agency estimates expenditures of \$118,804 for non-salary expenditures for the KITO for FY 2016. Major expenditures for this category include; job related training and conferences (\$40,000) and other non-specified fees (\$30,000).
  - *Executive Branch Modernization Program.* The agency estimates expenditures of \$9.3 million for non-salary expenditures for the EBTM program for FY 2016. The EBTM program is part of an initiative to centralize Information Technology within the Office of Information and Technology Services and transition the state to a cloud based infrastructure. No expenditures for the EBTM program were included in the approved budget for FY 2016. Major expenditures in this category include; \$2.4 million for computer equipment rental; \$1.0 million for software leases, \$587,040 for consulting services, and \$4.4 million for software purchases.
  - *Information Security.* The agency estimates expenditures of \$2.2 million for information security for FY 2016. Major expenditures in this category

include, \$1.0 million in software purchases and leases, \$611,000 for RSA Security LLC, and \$99,400 to Gartner consulting.

The **Governor** concurs with the FY 2016 agency request

The **agency** requests \$45.5 million in expenditures, an increase of \$13.5 million, or 42.3 percent, above the FY 2017 approved budget. The agency estimate is an increase of \$1.5 million, 3.4 percent, above the FY 2016 revised estimate. The increase from FY 2016 to FY 2017 is attributable to expenditures for the 27<sup>th</sup> payroll and additional payments for the State Defense Building Fiber project in FY 2017.

The **Governor** concurs with the FY 2017 agency request

<b>PERFORMANCE MEASURES</b>				
<u>Measure</u>	<u>Gov. Rec. for FY 2015</u>	<u>Actual FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Number of annual mainframe disaster recovery exercises	N/A	1	1	1
Number of support service requests	N/A	3,660	7,296	7,440
Number of hours per month for network downtime	N/A	2	2	2