

# Report of the Joint Committee on Information Technology to the 2020 Kansas Legislature

**CHAIRPERSON:** Representative Kyle Hoffman

**VICE-CHAIRPERSON:** Senator Mike Petersen

**RANKING MINORITY MEMBER:** Representative Brandon Whipple

**OTHER MEMBERS:** Senators Kevin Braun, Tom Holland, Dinah Sykes, and Caryn Tyson; Representatives Kenneth Collins, Steve Huebert, and Jeff Pittman

## **CHARGE**

The Committee is directed to:

- Study computers, telecommunications, and other information technologies used by state agencies and institutions;
- Review proposed new acquisitions, including implementation plans, project budget estimates, and three-year strategic information technology plans of state agencies and institutions. All state governmental entities are required to comply with provisions of KSA 75-7209 *et seq.* by submitting such information for review by the Joint Committee;
- Monitor newly implemented technologies of state agencies and institutions;
- Study the long-term information technology strategic plan for the State;
- Review possible solutions and funding requirements for enhanced cybersecurity and computer modernization for state agencies;
- Make recommendations to the Senate Committee on Ways and Means and House Committee on Appropriations on implementation plans, budget estimates, and three-year plans of state agencies and institutions; and
- Report annually to the Legislative Coordinating Council and make special reports to other legislative committees as deemed appropriate.

February 2020

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# Joint Committee on Information Technology

## ANNUAL REPORT

### Conclusions and Recommendations

The Joint Committee on Information Technology makes the following recommendations to the 2020 Legislature:

- Continue seeking input from agencies on any proposed cybersecurity legislation and give Committee members an opportunity to add items before drafting the report to the Legislature;
- Explore the establishment of an information technology (IT) capital investment fund, as suggested by the Secretary of Administration;
- Execute a written agreement between Legislative Administrative Services and the Office of Information Technology Services (OITS) establishing clear rates for OITS services throughout the year;
- Determine how much the State is spending on IT, including the cost of personnel, through performance-based budgeting; and
- Direct the Department of Administration and OITS to modify 2019 SB 57 and introduce a new bill in the House during the 2020 Session.

*Proposed Legislation:* None

### BACKGROUND

The Joint Committee on Information Technology has statutory duties assigned by its authorizing legislation in KSA 46-2101 *et seq.* The Committee may set its own agenda, meet on call of its Chairperson at any time and any place within the State, and introduce legislation. The Committee consists of ten members: five senators and five representatives. The duties assigned to the Committee by KSA 46-2101 and KSA 2018 Supp. 75-7201 *et seq.* are as follows:

- Study computers, telecommunications, and other information technologies used by state agencies and institutions. The state governmental entities defined by KSA 75-7201 include executive, judicial, and legislative agencies and Board of Regents institutions;
- Review proposed new acquisitions, including implementation plans, project budget estimates, and three-year strategic information technology (IT) plans of state agencies and institutions. All state governmental entities are required to comply with provisions of KSA 75-7209 *et seq.* by submitting such information for review by the Committee;
- Monitor newly implemented technologies of state agencies and institutions;
- Make recommendations to the Senate Committee on Ways and Means and the House Committee on Appropriations on implementation plans, budget estimates, and three-year plans of state agencies and institutions; and

- Report annually to the Legislative Coordinating Council (LCC) and make special reports to other legislative committees as deemed appropriate.

In addition to the Committee’s statutory duties, the Legislature or its committees, including the LCC, may direct the Committee to undertake special studies and to perform other specific duties.

KSA 75-7210 requires the Executive, Judicial, and Legislative Chief Information Technology Officers (CITOs) to submit to the Committee annually all IT project budget estimates and revisions, all three-year plans, and all deviations from the state IT architecture. The Legislative CITO is directed to review the estimates and revisions, the three-year plans, and the deviations, and make recommendations to the Committee regarding the merits of and appropriations for the projects. In addition, the Executive and Judicial CITOs are required to report to the Legislative CITO the progress regarding implementation of projects and proposed expenditures, including revisions to such proposed expenditures.

## COMMITTEE ACTIVITIES

The Committee met during the 2019 Session on April 2 and May 29, 2019. In addition to these days, the Committee met during the 2019 Interim, as authorized by the LCC, on August 19, October 21 and 22, and December 16, 2019.

### April 2

#### *Election of Chairperson, Vice-chairperson, and Ranking Minority Member*

The Committee elected a new chairperson, vice-chairperson, and ranking minority member for the 2019 calendar year.

#### *Executive Branch Quarterly IT Project Report*

The Executive CITO reviewed the executive branch agency reports for the October-December 2018 quarter. The Executive CITO reported four projects on “alert” status:

- Fort Hays State University’s (FHSU) Enterprise Resource Planning

implementation is behind schedule and will likely be recast;

- The Kansas Bureau of Investigation’s (KBI) feasibility study for biometric identification will transition from a vendor to in-house resources;
- The Kansas Criminal Justice Information System’s Oracle eCitation Project III is currently behind schedule; and
- The Pittsburg State University (PSU) Oracle Cloud Implementation requires more testing and will be recast.

The Executive CITO cited two projects on “caution” status:

- Kansas Department of Health and Environment’s (KDHE) Medicaid Management Information System (MMIS) requires further attention; and
- The Kansas Department of Transportation’s (KDOT) K-Hub needs further technical work.

The Executive CITO noted one new approved project:

- The Department for Children and Families’ (DCF) Supplemental Nutrition Assistance Program Work Program Communications Application; a grant will cover the \$1.3 million estimated cost.

#### *Executive Branch IT Leadership Changes*

The Executive CITO reported changes to IT leadership within the Kansas Information Technology Office (KITO) and the Office of Information Technology Services (OITS). Sara Spinks, the former Interim Director of KITO, has become KITO Director, and Dan Klucas has been named Chief Operating Officer of OITS. The position of Chief Information Technology Architect, which has been open for several years, has been filled by Eric Davis, who also acts as Chief Technology Officer for OITS and Secretary of the Information Technology

Executive Council. Mr. Davis briefly presented his resume of his professional background and outlined his short-term and long-term objectives. Short-term, under the statutory umbrella, he stated he plans to update statutory responsibilities related to Information Technology Executive Council (ITEC) policies, state IT architecture, and the State Strategic Information Management Plan, as well as revitalize the three-year planning process applicable to agencies. Long-term, he intends to focus on support for agency plans and promote a three-year actionable strategy. He stated his goal is to emphasize forward-looking advances in IT that will better serve agencies and citizens.

**May 29**

### ***Briefing on Canceled CGI Contracts***

The Secretary of Revenue briefed the Committee on the canceled contracts for vendor CGI. He noted there were two CGI contracts: the first allowed the vendor to implement the software; the second was a ten-year maintenance agreement that included a \$453,000 monthly payment. He explained when he stepped into his position with the agency, he reviewed all contracts and, after consulting with all stakeholders, determined the CGI contracts were not in the best interest of the agency or the State, especially because the maintenance contract required the agency to outsource the program and give up control of the operating system. The Secretary stated the agency was transitioning out of the software contract, with 30 days' notice. Regarding the maintenance contract, he noted the CGI software updates did not meet expectations and would create chaos during the 2020 tax season. Members expressed concern regarding the ripple effects of the canceled contracts. The Secretary stated 56 staff members were affected, many of whom were returning to agency employment. Responding to another member's concern, the Chief Information Officer, Kansas Department of Revenue (KDOR), replied KDOR data is stored in the Landon State Office Building with backup at the Kansas Museum of History.

### ***Limited-scope Performance Audit Report: OITS***

Legislative Division of Post Audit (LPA) staff reviewed a limited-scope performance audit on the services and rate structures of OITS. He offered background information regarding the audit: OITS provides centralized information processing

services to all state agencies and has 75 staff with expenses of \$41.0 million funded almost entirely by billing state agencies for services; rates are based on estimates. LPA staff reported two findings from the audit: OITS' fiscal year (FY) 2019 rates did not accurately reflect prior year expenses and OITS' FY 2019 service rates did not accurately reflect forecast expenses. He acknowledged the complexity of the rate-setting process and offered two recommendations: regularly review the accuracy and completeness of the rate models, and develop a plan for improving the rate-setting process by balancing agency needs for budget stability with a plan to cover services that consistently operate at a loss. Responding to a question, LPA staff replied the auditors did not consult the agencies receiving the services.

The Executive CITO also stated OITS continues to evaluate its rate structure, is considering requesting agencies to fund less expensive costs from their budgets, and is discussing alternatives with the Governor. He explained smaller agencies have a node rate and larger agencies, which have in-house IT staff, have a router rate. He also stated OITS is considering a vendor-supported network.

### ***Recent IT Security Audits***

LPA staff presented the most recent IT security audits: Osawatomi State Hospital and Kansas State Library. Each audit was presented in executive session pursuant to KSA 75-4319(b)(12) (C).

### ***Executive Branch Quarterly Report and Updates***

The Executive CITO presented the executive branch agency reports for the January-March 2019 quarter. The Executive CITO reminded members KITO provides only project oversight, not project management; the quarterly reports are self-reported by the agencies. The total reported projects include 12 active projects, 12 approved projects, 14 planned projects, and three completed projects. Of the active projects, four are on "alert" status, one is on "caution," and one has been canceled. He explained the project on "caution" status—the KDHE's MMIS—has shown improved metrics and will be recast. He commented briefly on the four projects on Alert status:

- The FHSU Enterprise Implementation Project is incomplete and will be recast;
- The K-Hub Project deliverables of the Kansas Department of Transportation are incomplete;
- The closing of the OITS data centers and moving to hybrid cloud data storage has encountered delays and will be recast; and
- The PSU Oracle Cloud Implementation has fallen behind schedule because of personnel issues.

After noting the approved and planned projects, the Executive CITO responded stated the hybrid cloud storage will not be shared with third-party entities and plans for child-support tracking services will include more than one IT system.

The Executive CITO provided policy updates on the ITEC and KITO. He reported on two approved ITEC policy updates: Policy 1210, Web Accessibility Requirements, and Policy 7230A, Default Security Requirements. He reported on three KITO Process Policy changes: changing the definition and limitations of an IT project, expanding risk discovery, and assigning risk levels for projects. He also commented OITS has been nominated for national awards and KITO services and staff have gained recognition in various IT areas.

The Executive CITO provided further updates. He presented a Three-Year Integrated Plan to be developed from agency data and architecture information to be developed through ITEC. A member requested KITO provide subsequent quarterly reports, separate agency IT costs from KITO, costs in order to provide more pricing transparency, and OITS develop a scalable and predictable cost structure.

## August 19

### *Executive Branch Quarterly Report and Updates*

The Executive CITO presented the report of agency IT projects for the April-June 2019 quarter. He provided an index of all active projects during this period highlighted those on “alert,” “caution,”

or “recast” status. He stated, of the 44 active projects totaling \$200.0 million, 10.0 percent were on “caution” status and 20.0 percent were on “alert” status. He noted the DCF project, Structured Decision-Making, under the Division of Prevention and Protection Services will be recast because of new leadership, and the KDHE MMIS project is behind schedule, but will be completed.

The projects on “alert” status include DCF’s Placement Management System, KDHE’s Public Health Informatics EpiTrax, OITS’ Data Center as a Service IT Hybrid Cloud Project, and KDOT’s K-Hub.

The Executive CITO continued by reporting on four new approved projects:

- A new document management system for the Kansas Corporation Commission;
- A budget system and a disaster recovery project for Emporia State University;
- KBI’s databank software replacement; and
- Wichita State University’s high-performance computing system.

The Executive CITO commented only one new planned project has surfaced: a Kansas Highway Patrol (KHP) in-car camera project. There is one new completed project: PSU’s Oracle Cloud Implementation III.

Members extensively discussed the different OITS charges to agencies under the node rate (service provided to smaller agencies where OITS owns and maintains all IT equipment) and the router rate (services provided to larger agencies that own their own equipment). The Executive CITO explained the two rates have historical precedence, but the node rate is the more efficient basis for charges.

### *Judicial IT Projects Update*

The Judicial CITO updated members on the multi-year electronic court system project, specifically the progress on the eCourt Case Management System, which will centralize all court system documents. He noted the old system

provided unified, but not uniform, documents; the new system will standardize all forms and documents. He reported the pilot implementation went well, and all documents were migrated into standardized documents in six counties: Clay, Dickinson, Geary, Marion, Morris, and Riley. Working with vendor Tyler Technologies, the Office of Judicial Administration accomplished the complex migration through extensive training, thorough preparation, and refinement through testing. The next two tracks, which are scheduled for May and August 2020, include Sedgwick and Shawnee counties. The Judicial CITO responded to members' questions with the following information:

- No work was outsourced; all was completed by staff;
- All communication among counties is encrypted and secure;
- The \$15.9 million project costs include licenses, professional services, and follow-up support and maintenance;
- The contract with Tyler Technologies is a fixed-price contract; and
- It is too soon to ascertain if the the work-share feature of the new system will create a morale or retention issue.

### ***Legislative IT Projects Update***

The Acting Legislative CITO, who is also the Director of Legislative Administrative Services, announced all House and Senate committee rooms are wired for streaming audio, and both the House and Senate chambers are wired for streaming video and audio. He noted a recent court case requiring a legislature to provide services for a deaf legislator has not affected Kansas and, to date, has impacted no other states. The Acting Legislative CITO introduced the Director of Technical Services, Kansas Legislative Office of Information Services (KLOIS). The Director of Technical Services outlined recently implemented services:

- The converged HyperFlex and Rubrik initiatives have eliminated data communication bottlenecks;
- The House of Representatives voting system software has been upgraded;
- Individual printers will be phased into workgroup printers after KLOIS selects a new vendor.

Regarding security, the Director of Technical Services recommended the National Conference of State Legislatures' Cybersecurity Task Force publications as resources. She stated the new printer initiative will reduce the number of printers needed by about 75 and will enable KLOIS to eliminate one staff technical support person. She replied enabling legislator smartphones to print on legislative printers is being considered.

The Director of Application Services, KLOIS, reported no major issues were encountered during the 2019 Legislative Session. He noted 660 legislative bills and 96 resolutions were published through Kansas Legislative Information System and Services (KLISS). He reviewed past service and commented on new projects. He stated his team is updating the entire system to implement the updated Python programming language. He stated Application Services is working with the Kansas Legislative Research Department and Office of Revisor of Statutes to refine service delivery. Several members expressed a desire to improve the bill tracking system so the process of transferring the content of a bill into another bill can be more easily identified.

### ***Briefing on KBI's Automated Fingerprint Identification System (AFIS)***

The Chief Information Officer (CIO) for KBI briefed the Committee on the need to replace AFIS, the State's only identification system upon which criminal history records are created and maintained. He stated the aging system is approaching obsolescence; vendor support will end in June of FY 2022, after which time the State will be exposed to a significant public safety risk, especially for local law enforcement. A new system will offer improvements that will keep Kansas abreast of current technologies. He noted a

planned project for replacing AFIS was submitted to KITO in 2017, but has repeatedly been passed over for funding. The CIO also noted approximately 60 statutes now require fingerprint records.

### ***Recent IT Security Audits***

LPA staff presented the most recent IT security audits: Pooled Money Investment Board, Office of the State Treasurer, and Board of Indigents' Defense Services. Each audit was presented in executive session pursuant to KSA 75-4319(b)(12)(C).

### **October 21 and 22**

#### ***State of Kansas IT Strategic Plan***

The Chairperson announced the LCC has tasked the Committee not only to monitor state agencies' IT projects, but also to update members regarding state agency cybersecurity and three-year IT strategic plans.

The Chairperson welcomed the newly appointed Secretary of Administration and Executive CITO. The Secretary provided a brief background of her previous responsibilities with the U.S. State Department and with the University of Kansas. Stating she has been assessing past and present IT statuses, she announced she intends to marshal funding, infrastructure, and IT staff resources to provide positive outcomes for state agencies. She referenced the Executive Branch Three-Year IT Plan Summary, which she said will provide a benchmark to develop synergies that increase the effectiveness of the 54 state agencies and seven state universities.

The Secretary discussed the common goals shared by all agencies—the 42 agencies that do not have a dedicated IT department, as well as the 21 that do. She listed the top five challenges facing agencies seeking to serve all 2.9 million Kansas residents: technology obsolescence, recruiting and retaining talent, budget constraints, process immaturity, and resource constraints. Regarding OITS, she outlined four enterprise initiatives to facilitate effective service delivery: modernizing infrastructure, improving service quality and delivery, developing collaborative solutions, and expanding project management and reporting processes. The Secretary identified specific areas

of concern: network and data center remediation, developing a risk assessment policy that is broader than a simple cost assessment, using an open position to create a human resources director, conducting a thorough analysis of the rate structure, and instituting strategic financial management through the tool Apptio and the guidelines of the federal Statewide Cost Allocation Plan.

The Secretary cited two financial issues to be addressed. She noted OITS' services to LAS has annual costs, but LAS pays for services only during the time the Legislature is in session, creating a \$3.8 million deficit for OITS across the last five years. Another deficit was created when \$10.4 million in new but unused hardware was donated to Kansas State University. OITS paid the \$6.0 million owed on the hardware, but received no reimbursement and has subsequently tried to make up the deficit through its rate structure. The Secretary explained she will be proposing a budget enhancement of \$14.9 million to address the deficits; the enhancement will also include proposing an IT capital investment fund to level the funding swings connected with IT purchases. The Secretary responded to members' questions with the following information:

- The new human resources director will assist in ensuring agencies match employee skill sets with their jobs;
- Regarding the OITS deficit incurred through LAS, there are actual costs involved even when the Legislature is not in session;
- More information about the rate structure will be provided at the December 19 meeting. Current rates do not reflect the actual cost of service to agencies; and
- The proposed \$14.9 million budget enhancement covers the deficit, but may not cover an excessive federal penalty. The possible federal penalty is being estimated.

#### ***IT Consolidation Audit***

LPA staff reviewed a recent audit responding to the question of consolidating Executive Branch



IT services. He noted OITS began consolidating IT services in 2011, a process that does not include non-cabinet agencies or Board of Regents institutions. He also noted, in 2015, it was determined 70.0 percent of the State's IT infrastructure was beyond its useful life and millions of dollars in maintenance costs had been deferred. According to the audit, OITS' consolidation plan will increase cabinet-agency costs by between \$2.6 million and \$38.4 million annually. A solid cost estimate could not be determined because no total state IT expenditures currently are being tracked. He reviewed details of the audit and listed the benefits and challenges of OITS' current consolidation plan: the plan will modernize the State's outdated IT infrastructure and may provide better monitoring of IT costs, but based on OITS' past performance, some agencies expressed concern about the quality and cost of services and oversight capability. LPA staff indicated OITS' consolidation of IT services follows a national trend, and he noted no recommendations were included in the audit.

### ***Proposed Cybersecurity Legislation***

Staff from the Office of the Revisor of Statutes distributed a preliminary draft of proposed legislation to amend the current statute requiring IT security training for state agency staff. He outlined the recommended changes to the statute:

- Send the risk-assessment report to the JCIT and the Joint Committee on Kansas Security, rather than to the Chief Information Security Officer (CISO) and the House Committee on Government Technology and Security;
- All heads of agencies shall receive annual training in IT security;
- Ensure an employee's IT login credentials are terminated the same day the employee ends employment with the State; and
- Require all employees with access to IT receive at least one hour of security training annually.

### ***Cybersecurity Update***

The CISO reviewed the Kansas Cybersecurity Act (Act) and outlined the work of the Kansas Information Security Office (KISO). The CISO stated the Act enables agencies to maintain successful information security programs. It also established the CISO and the KISO as the focal points of a collaborative effort to implement the provisions of the Act. KISO provides three primary services using a charge-back fee structure under a service level agreement with each agency. KISO uses periodic "phishing" campaigns to refresh employee security awareness. The CISO noted the challenge not only of enrolling agency employees in awareness campaigns, but also ensuring employees are actively participating in cybersecurity measures. He also noted the challenge of timely patching of vulnerabilities and the active participation of agency executives in training and reporting. These challenges are especially crucial for those agencies that do not subscribe to KISO services.

The CISO presented the KISO's strategic plan, which identified gaps, laid-out goals, and assigned priorities based on aggregate findings to ensure areas of most concern are addressed first. He responded to members' questions with the following information:

- KISO deals with ransomware attacks every day;
- KISO receives no federal funds;
- KISO performance metrics are based on performance-based budgeting and increasingly sophisticated education campaigns; and
- KISO is authorized to establish certain general security requirements for each agency; however, any agency may also establish more stringent parameters.

For the last portion of the CISO's presentation, the Committee entered executive session pursuant to KSA 75-4319(b)(12)(C) to discuss matters of security of state information systems.

## **IT Budgets and Strategic Plans**

### ***Board of Regents***

The CIO of Emporia State University and Chairperson of the Board of Regents' IT Committee presented the Board of Regents' IT Three-Year Strategic Plans. He commented each of the Regents institutions is working to "right-size" its complex IT systems and minimize risks through continuity of operations planning, thus increasing the effectiveness of cybersecurity, improving policies, and diversifying key processes. To assist in meeting these challenges, he cited leveraging the resources of KanREN, sharing data center space, and using collaborative procurement contracts. Other plans include building partnerships with industry and communities and creating a hybrid data center.

### ***KBI***

The CIO of KBI reported on the agency's IT plans, cybersecurity efforts, and budget challenges. He listed seven goals of the KBI, among which include improving cybersecurity, increasing flexibility with the Kansas Criminal Justice Information System (KCJIS), and developing collaborative systems that facilitate efficiencies for stakeholders. He cited current projects that support these goals, such as the Automated Biometric Identification System, and noted the high priority of addressing cybersecurity threats. The CIO recognized the challenge of recruiting and retaining talented staff and the constant need to balance staff and project requirements against budget parameters. Responding to questions, the CIO replied the KBI does not charge fees to users who access the database or who access KCJIS. He acknowledged the likelihood of budget enhancement requests. He reported the feasibility study for AFIS has been completed.

### ***KDOT***

The Deputy Secretary of KDOT outlined the agency's IT budget and strategic plan. She explained the agency is funded through the State Highway Fund and the IT budget is a part of the agency's budget, but is not shown as a separate line item. The IT budget is developed through collaboration among IT members, assessed by an executive IT committee, and recommended to the Secretary of Transportation, who reviews and

submits the budget to the Governor. She noted two supplemental requests for IT: an asset management system for federal reporting and a construction management system. She commented on the agency's current security posture and future security needs. She added one goal is to provide more real-time information to drivers.

### ***KDHE***

The CIO of KDHE presented the agency's three-year IT plans. He stated the vision and mission of the agency and noted the diverse services being provided. He also noted the agency is funded from six different sources and IT services support a complex level of programs. He explained because Java programmers are in such demand, much of the software is being migrated to MS.net. The CIO outlined the agency's three-year IT plan: retool current systems to align with skill sets and minimize complexity; use cloud-based software solutions; leverage the most effective IT programs; and invest in security and compliance in collaboration with KISO. The CISO also listed the challenges facing IT deployment: staff retention, agency funding at the program level rather than at the enterprise level, and the constraints created by implementation of the data center as a service migration.

### ***KHP***

The CIO of KHP outlined the IT issues facing the agency, specifically that current software is not integrated, requiring duplicate entries, increased errors, and slower processing. Compounding the problem is the increase in Kansas Open Records Act requests and subpoenas. He emphasized the high level of security provided to meet KCJIS regulations. He also noted there is no separate IT budget in large part because KHP interacts with other law enforcement entities as well as the general public. He commented a request for proposal has been issued to upgrade KCJIS; the upgrade will, among other things, allow troopers to self-dispatch. In-car camera and mobile data applications will be updated and all software will be consolidated under one vendor so information can be shared with other agencies. The CIO explained how the technology used at the Training Academy in Salina will be thoroughly refreshed to be more effective not only for KHP personnel, but also for many other law enforcement and civilian groups.

### ***Kansas State Historical Society (KSHS)***

The Executive Director of the State Historical Society provided an overview and a brief history of the agency, which was established in 1875 and serves as the repository of state records, newspapers, and other artifacts as a service to the public. The services of the KSHS have progressed through the years, such as creating a website in 1994 but is now totally digital, currently storing 145 terabytes of digital data. The KSHS expects to expand by 10-15 terabytes annually. The Executive Director listed the primary IT challenges of the agency: increasing storage capacity, updating preservation software, balancing transparency and security, and submitting budget enhancements to meet increasing costs.

### ***Kansas Board of Cosmetology***

The Executive Director of the Kansas Board of Cosmetology (Board) provided information on the Board's long-term vision and budget for IT and cybersecurity. She reported the Board licenses more than 25,000 individuals and 4,700 facilities, as well as provides administrative support and enforcement of professional standards. She stated IT services are provided by OITS and by the Board of Healing Arts; the Board contracts with Ergometrics for monthly reporting. Noting the agency's IT challenges, she commented OITS has discontinued its dedicated staff assigned to each small agency for IT support, and, at the same time, has increased IT fees, resulting in the Board paying more for fewer services. Future plans include adding inspection video for each facility inspection; renewing all applications online, allowing a licensee to print his or her license; and hosting an agency website.

### **December 16**

#### ***Executive Branch Quarterly Report and Project Status Update***

The Secretary of Administration and Executive CITO reviewed the KITO report for the July-September 2019 quarter and outlined recommendations for IT project oversight. The Secretary reported 17 active projects, 9 approved projects, 10 planned projects, and 6 projects completed; 2 of those completed were the KDHE Bureau of Public Health Informatics EpiTrax (\$315,000) and the PSU Oracle Cloud

Implementation III (\$4.4 million). Of the active projects, she stated 2 were on "caution" status: the DCF Prevention and Protection Services Placement Management System (completed and live on October 1), and the KDHE Bureau of Environmental Remediation Database (behind on deliverables, yet will be on time and within budget parameters). The Secretary listed the 5 active projects on "alert" status:

- Office of the Attorney General's iManage Document Management Project (status due to schedule overrun of 30 percent);
- FHSU's Enterprise Resource Planning (ERP) Implementation (status due to a schedule overrun of 39.0 percent, a task completion rate of 12.0 percent, and a deliverable completion rate of 89.0 percent);
- KDHE's MMIS Modernization and Fiscal Agent Operations Takeover Services Re-procurement Project III (status due to deliverable completion rate of 83.0 percent and a task completion rate of 41.0 percent);
- OITS' Data Center IT Hybrid Cloud Project-Infrastructure (status due to a schedule overrun of 25.0 percent); and
- KDOT's K-Hub (status due to a deliverable completion rate of 79.0 percent and a task completion rate of 88.0 percent).

A project manager at KDOT, responding to questions, replied that the K-Hub interfaces were more complex than anticipated, delaying completion of the project by at least one year, even though the project remains within budget. He commented two system interfaces are using older software that needs to be updated. Noting the official ending timeline of June 2020, he replied an extension is allowed for the project.

Responding to a question about the FHSU ERP, the Director of KITO replied the scope and other parts of the project will be recast and a new

schedule will be developed; the project is still within budget parameters.

Regarding the KDHE project, the Enterprise Systems Director explained the go-live date of May 2020 will be extended to July 2021. She said the possibility of Medicaid expansion and other federal changes have thrown the project off schedule even though the project is under budget.

### ***IT Project Reporting Process Review***

The Secretary of Administration provided an assessment of the IT project reporting process. She expressed appreciation for the services of the ITEC policy review team and listed the goals of the ITEC review:

- Evaluate IT projects based on business risk;
- Incorporate flexibility into the oversight process;
- Improve transparency of IT resource utilization;
- Identify and close gaps in reporting;
- Simplify the process; and
- Clearly define “IT project.”

The Secretary explained the proposed changes:

- Abandon the single-determining factor approach of cost threshold and instead implement a business risk-based approach to determine reporting requirements;
- Create a comprehensive registry of all IT projects regardless of cost;
- Assign the appropriate level of reporting for the corresponding level of business risk; and
- Automate the process to simplify reporting.

Finally, she referenced the proposed IT project definition, reviewed business risk factors, and stated an automation tool to assist agencies in developing projects should be ready to use by July 2021.

Members expressed appreciation for the evaluation process. A member, noting the two systems will both be active during the trial period, requested a cost comparison between the two systems. Another member requested for each project to include a return-on-investment statement.

Members requested more information on the OITS service rates assessed to agencies. The Secretary replied vendor Maximus is preparing a Statewide Cost Allocation Plan report to submit to the federal government and she expects the federal penalty to be in the 20.0 percent range with a cost estimate of \$1.3 million. Regarding rates, the Secretary stated the Department of Administration’s Office of Financial Management was working with the data center to adjust the rate structure as appropriate. Currently, there are 72 rates, reduced from 119. In addition to reducing the number of rates, the categories have been revised to be more easily understood.

### ***Legislative CITO Update***

The newly appointed Legislative CITO presented a brief professional history and updated the Committee on the current status of KLOIS projects and systems. He reported a request for proposal had been issued to ascertain if the present printer lease arrangement is the most cost-effective. He briefly commented on plans for additional applications for current services, such as the KLISS website research tab, a chamber search system, and a website archive system. He commented on his involvement with the ITEC policy review initiative, outlined enhanced information access for the legislative session, and offered specific plans for the future of KLISS, the latter including a member dashboard, electronic bill books, and dynamic chamber calendars. He concluded his presentation by listing strategic planning goals that will provide a “virtual Statehouse” for enhanced citizen participation, integrated and secure systems, and more accessible information. Responding to a question, he replied KLISS is flexible and easily updated, but would consider any promising alternatives.

### ***Recent IT Security Audits***

An IT auditor with the LPA presented the most recent IT security audits: the University of Kansas and the Kansas Neurological Institute. Each audit was presented in executive session pursuant to KSA 75-4319(b)(12)(C).

### ***K-TRACS Presentation***

The Executive Secretary of the Kansas Board of Pharmacy presented information about K-TRACS, which is a 24/7 web database that monitors controlled substances dispensed to Kansas patients. The service is securely accessible to prescribers and pharmacists. She explained that by separate authorizations the service is available to states, local government agencies, and the military. The data is encrypted; complies with regulations, such as the Health Insurance Portability and Accountability Act; and is shared at no cost to users. The Executive Secretary commented on future expansions of K-TRACS through KDHE and a U.S. Department of Justice grant. She also noted statistics at the end of her report to illustrate the extensive service provided by K-TRACS.

The Executive Secretary stated any state that wishes to access K-TRACS must be authorized by the Board of Pharmacy before receiving access, and such authorization may be rescinded by the Board at any time. Currently, 35 states are authorized to access K-TRACS. She reported funding comes from a variety of sources: health-related fee-fund state agencies and a \$1.0 million grant from the Center for Disease Control and Prevention. An estimated 20.0 percent to 30.0 percent of the cost is funded by taxes.

### ***Office of the Attorney General Presentation***

The Deputy Attorney General and Chief Information Security Officer for the Office of the Attorney General reported on IT activity in his agency. He stated the only current project is an upgrade of the 2010 document management system that went live December 16, 2019. A possible future project could be the development of a more robust disaster recovery solution.

### ***Committee Comments and Recommendations***

Before developing recommendations for the report to the 2020 Kansas Legislature, members

discussed possible revisions in the authority and focus of the Committee. A member expressed a desire for the Committee to be aware of proposed projects before they go through a formal approval process so legislative input can help prevent projects that end up being placed on caution, alert, or being recast. Another member recommended projects include not merely initial costs, but ongoing costs. Another member suggested developing policies to guide the CITO might be more effective than putting requirements in statute. All members agreed the Committee would be more effective in oversight if project information were received ahead of time.

The CISO responded to members' desire for early information and referenced a template that could be used to assess agency compliance with the Kansas Cybersecurity Act.

## **CONCLUSIONS AND RECOMMENDATIONS**

The Chairperson highlighted the following documents that will provide background information and reference points for the Committee's recommendations:

- 2019 SB 57, currently in the Senate Committee on Ways and Means; the bill offers additional oversight for agency IT contracts;
- Revisor bill draft requiring IT security training for agencies; and
- Revisor bill draft requiring each branch's CITO to submit project cost estimates to the JCIT and to the Kansas Legislative Research Department.

The Chairperson referenced the proposed recommendations developed from the previous meeting and invited members to comment on each item. Members approved certain recommendations, edited or combined others, and declined to approve eight recommendations. The Committee agreed on the following recommendations:

- Continue seeking input from agencies on any proposed cybersecurity legislation and

give Committee members an opportunity to add items before drafting the report to the Legislature;

- Explore the establishment of an IT capital investment fund as suggested by the Secretary of Administration;
- Execute a written agreement between Legislative Administrative Services and the Office of Information Technology

Services (OITS) establishing clear rates for OITS services throughout the year;

- Determine how much the State is spending on IT, including the cost of personnel, through performance-based budgeting; and
- Direct the Department of Administration and OITS to modify 2019 SB 57 and introduce a new bill in the House during the 2020 Session.