

# OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

## FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2023 – FY 2025**

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Operating Expenditures:</b>					
State General Fund	\$ 4,250,000	\$ 12,500,000	\$ 12,500,000	\$ 12,502,809	\$ 14,002,809
Federal Funds	839,060	5,700,000	5,700,000	5,700,000	5,700,000
All Other Funds	166	60,000	60,000	60,000	60,000
<i>Subtotal</i>	<u>\$ 5,089,226</u>	<u>\$ 18,260,000</u>	<u>\$ 18,260,000</u>	<u>\$ 18,262,809</u>	<u>\$ 19,762,809</u>
<b>Capital Improvements:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Off-Budget*</b>	<b>\$ 62,387,250</b>	<b>\$ 64,260,280</b>	<b>\$ 64,260,280</b>	<b>\$ 60,898,054</b>	<b>\$ 60,898,054</b>
Total On-Budget	\$ 5,089,226	\$ 18,260,000	\$ 18,260,000	\$ 18,262,809	\$ 19,762,809
Total Off-Budget	62,387,250	64,260,280	64,260,280	60,898,054	60,898,054
<b>GRAND TOTAL</b>	<b><u>\$ 67,476,476</u></b>	<b><u>\$ 82,520,280</u></b>	<b><u>\$ 82,520,280</u></b>	<b><u>\$ 79,160,863</u></b>	<b><u>\$ 80,660,863</u></b>
<b>Percentage Change:</b>					
State General Fund	-- %	194.1 %	194.1 %	-- %	12.0 %
All Funds	7.0 %	22.3 %	22.3 %	(4.1) %	(2.3) %
FTE Positions	117.0	126.0	126.0	126.0	140.0

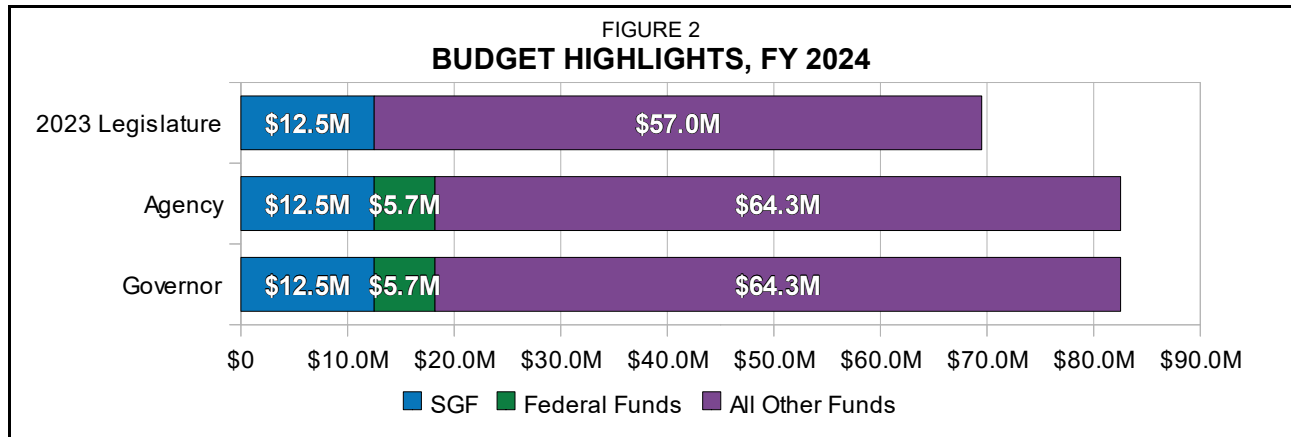
*Staff Note:* \*Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

The Office of Information and Technology Services (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 approximately 60 agencies, 18,800 MS Office 365 users, 17,500 data communication users, and 14,100 phone users.

The OITS budget includes both on-budget expenditures and off-budget expenditures. On-budget expenditures reflect programs that are not financed by OITS rate charges, but primarily State General Fund (SGF) appropriations, and have historically been expended on statewide information technology (IT) infrastructure projects, including substantial upgrades to the State's network. Off-budget expenditures include services performed for other state agencies or local units of government that are historically expended to support such services. OITS supports its operations via recharge billings for the services it provides and the expenses it incurs. Expenditures are classified as off-budget to avoid double counting of appropriations, because these funds are captured in the budgets of state agencies paying for OITS services. These shared services create efficacy and cost savings 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 and overseen by the Federal Health and Human Services Office of Cost Allocation. 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. OITS continues to review and revise its rates to better align with the cost of service.

## EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$69.5 million, including \$12.5 million SGF, for the Office of Information and Technology Services for FY 2024. No adjustments were made to the approved FY 2024 budget.

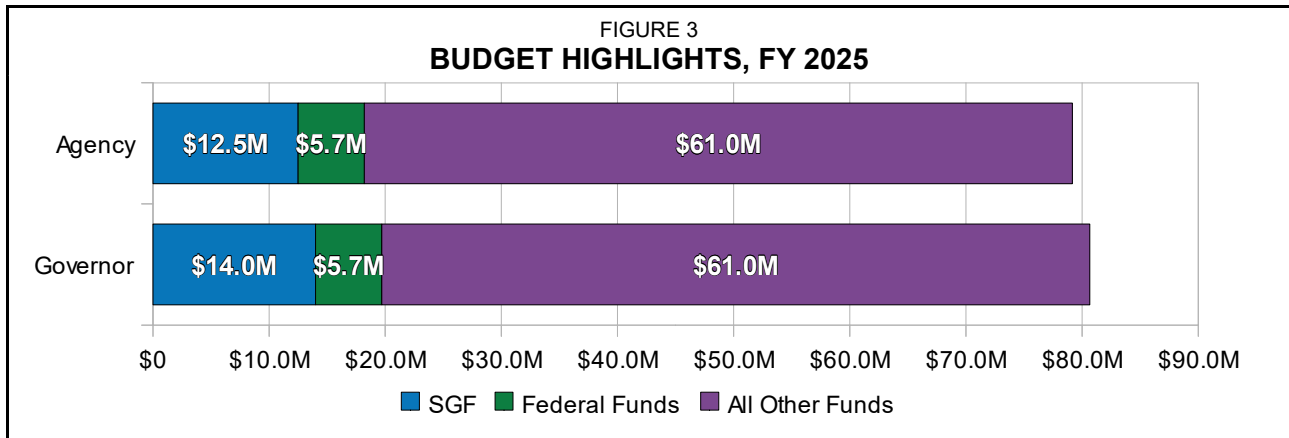


The **agency** requests a revised estimate of \$18.3 million, including \$12.5 million SGF, for on-budget expenditures in FY 2024. The revised estimate is an all funds increase of \$5.7 million, or 45.4 percent, above the FY 2024 approved amount. Included in this amount is \$5.7 million in American Rescue Plan Act (ARPA) funds for cybersecurity initiatives (\$2.5 million), network infrastructure upgrades (\$2.0 million), and development of an Enterprise Licensing Program (\$1.2 million). Also included is \$60,000 in expenditures from the GIS Contracting Services fund, which is the same as the FY 2024 approved amount, to support state geographic information systems for the user community in Kansas.

The agency's revised estimate also includes \$64.2 million in off-budget expenditures, all from special revenue funds, which is an increase of \$7.3 million, or 12.9 percent, above the FY 2024 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase can be primarily attributed to expenditures for software, services, and equipment purchased on behalf of other state agencies (\$4.0 million), increased expenditures on application and software subscriptions (not Microsoft O365) for enhanced cybersecurity (\$2.0 million), subscription license costs for Microsoft Office 365 (\$1.9 million), remodeling and furnishing costs associated with moving the agency to the Capitol Complex (\$1.0 million), and communication services costs (\$336,500). The increase is partially offset by decreased expenditures on various contractual services (\$1.6 million) and other fluctuations in indirect costs related to the delivery of services offered to other state agencies (\$397,000).

The revised estimate also includes 126.0 FTE positions for FY 2024, which is the same as the FY 2024 approved amount. Of the 126.00 FTE positions, 15.0 are classified as on-budget, which is an increase of 6.0 FTE positions above the FY 2024 approved amount, and 111.0 are classified as off-budge, which is a decrease of 6.0 FTE positions from the FY 2024 approved amount.

The **Governor** concurs with the agency's request in FY 2024.



The **agency** requests \$18.3 million, including \$12.5 million SGF, for on-budget expenditures in FY 2025. The request is an all funds increase of \$2,809, or less than 1.0 percent, above the FY 2024 revised estimate for FY 2025. Included in this amount is \$5.7 million in ARPA funds. Also included is \$60,000 in expenditures from the GIS Contracting Services Fund, which is the same as the FY 2024 approved amount, to support state geographic information systems for the user community in Kansas.

The agency's revised estimate also includes \$60.9 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$3.4 million, or 5.3 percent, below the FY 2024 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease can be primarily attributed to reduced need for software, services, and equipment purchased on behalf of other state agencies (\$2.0 million); the elimination of a one-time expenditure for remodeling and furnishing of office space in the Capitol Complex (\$1.0 million); the absence of one-time costs associated with a change in vendor for the Mainframe as a Service (MFaaS) solution (\$585,000); and a reduced ongoing costs associated with this change (\$205,000).

The revised estimate also includes 126.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate. Of the 126.00 FTE positions, 15.0 are classified as on-budget.

The **Governor** recommends expenditures of \$19.8 million, including \$14.0 million SGF, for on-budget expenditures for FY 2025. The recommendation is an SGF increase of \$1.5 million, or 8.2 percent, above the agency's FY 2025 on-budget request. The increase is attributable to the Governor recommending establishment of a 24/7 cybersecurity operations center. The recommendation includes 140.0 FTE positions for FY 2024, which is an increase of 14.0 on-budget FTE positions above the agency's FY 2025 request.

The **Governor's** recommendation also includes \$60.9 million in off-budget special revenue expenditures, which is the same as the agency's FY 2025 off-budget request.

## EXPENDITURES AND FINANCING

FIGURE 4

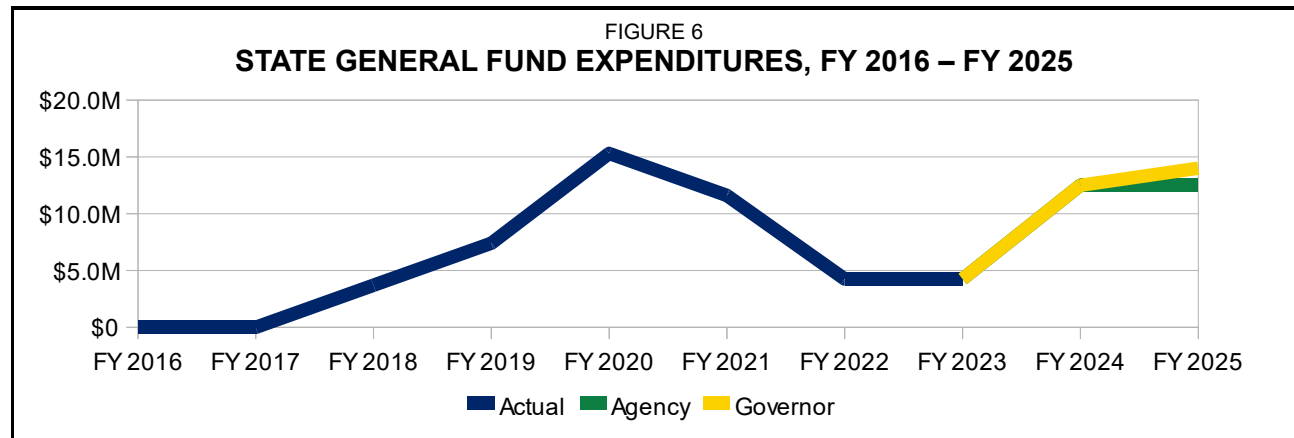
### BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON BUDGET), FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Category of Expenditure:</b>					
Salaries and Wages	\$ -	\$ 1,926,169	\$ 1,926,169	\$ 1,914,200	\$ 3,320,200
Contractual Services	3,757,483	12,023,000	12,023,000	13,098,609	13,098,609
Commodities	-	-	-	-	94,000
Capital Outlay	1,331,743	4,310,831	4,310,831	3,250,000	3,250,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 5,089,226</u>	<u>\$ 18,260,000</u>	<u>\$ 18,260,000</u>	<u>\$ 18,262,809</u>	<u>\$ 19,762,809</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 5,089,226</u>	<u>\$ 18,260,000</u>	<u>\$ 18,260,000</u>	<u>\$ 18,262,809</u>	<u>\$ 19,762,809</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
<b>TOTAL</b>	<u><b>\$ 5,089,226</b></u>	<u><b>\$ 18,260,000</b></u>	<u><b>\$ 18,260,000</b></u>	<u><b>\$ 18,262,809</b></u>	<u><b>\$ 19,762,809</b></u>
<b>Financing:</b>					
State General Fund	\$ 4,250,000	\$ 12,500,000	\$ 12,500,000	\$ 12,502,809	\$ 14,002,809
GIS Contracting	-	60,000	60,000	60,000	60,000
Services Fund					
Information	166	-	-	-	-
Technology Fund					
Hospitality	-	-	-	-	-
American Rescue Plan	839,060	5,700,000	5,700,000	5,700,000	5,700,000
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<u><b>\$ 5,089,226</b></u>	<u><b>\$ 18,260,000</b></u>	<u><b>\$ 18,260,000</b></u>	<u><b>\$ 18,262,809</b></u>	<u><b>\$ 19,762,809</b></u>
FTE Positions	--	15.0	15.0	15.0	29.0

FIGURE 5  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (OFF BUDGET), FY 2023 – FY 2025**

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Category of Expenditure:</b>					
Salaries and Wages	\$ 10,936,518	\$ 12,604,780	\$ 12,604,780	\$ 12,535,554	\$ 12,535,554
Contractual Services	40,908,572	40,968,000	40,968,000	40,678,000	40,678,000
Commodities	9,376,096	9,125,500	9,125,500	7,125,500	7,125,500
Capital Outlay	1,166,064	1,562,000	1,562,000	559,000	559,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 62,387,250</i>	<i>\$ 64,260,280</i>	<i>\$ 64,260,280</i>	<i>\$ 60,898,054</i>	<i>\$ 60,898,054</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal–Operating</i>	<i>\$ 62,387,250</i>	<i>\$ 64,260,280</i>	<i>\$ 64,260,280</i>	<i>\$ 60,898,054</i>	<i>\$ 60,898,054</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 62,387,250</b>	<b>\$ 64,260,280</b>	<b>\$ 64,260,280</b>	<b>\$ 60,898,054</b>	<b>\$ 60,898,054</b>
<b>Financing:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
GIS Contracting Services Fund	280,000	280,000	280,000	280,000	280,000
Information Technology Fund	62,107,250	63,979,280	63,979,280	60,617,054	60,617,054
Hospitality	-	1,000	1,000	1,000	1,000
American Rescue Plan	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 62,387,250</b>	<b>\$ 64,260,280</b>	<b>\$ 64,260,280</b>	<b>\$ 60,898,054</b>	<b>\$ 60,898,054</b>
FTE Positions	117.0	111.0	111.0	111.0	111.0

## STATE GENERAL FUND



For the Office of Information and Technology Services, SGF expenditures averaged \$7.5 million from FY 2018 to FY 2023. Historically, the majority of OITS expenditures are supported by off-budget funds received for services performed for other state agencies or for local units of government. The appropriation of SGF moneys, which began in FY 2018 and peaked in FY 2020, is a result of the following legislative actions:

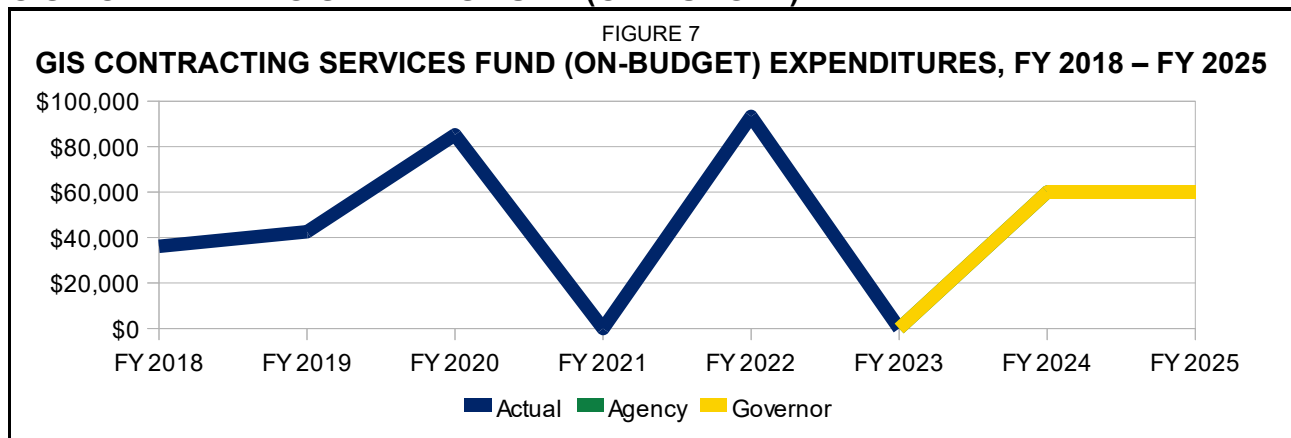
- The **2017 Legislature** added \$4.1 million in FY 2018 and \$5.4 million for FY 2019, all SGF, for the agency's IT modernization strategy, which included moving to an "as-a-service" model;

- The **2018 Legislature** added \$4.9 million in FY 2018 and \$3.5 million for FY 2019, all SGF, for continued IT modernization and Kansas Department of Corrections Office 365 expenditures;
- The **2019 Legislature** added \$6.1 million, including \$4.0 million SGF, for additional IT modernization funding in FY 2020;
- 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, during the 2020 Session, the agency requested continued appropriations of funding for IT rehabilitation and repair, similar to dedicated funding appropriated to the Department of Administration for the rehabilitation and repair of state buildings. Accordingly, the 2020 Legislature added \$4.5 million, all SGF, to establish a dedicated funding source for the rehabilitation and repair of IT equipment in FY 2020 and FY 2021;
- The **2021 Legislature** added \$1.8 million in FY 2021, all SGF, for a supplemental request from OITS to pay an order from the federal government for improper rate setting in the distribution of IT services in FY 2016. The 2021 Legislature also adopted the proposed reduced resources package for FY 2022, decreasing the SGF appropriation for the dedicated rehabilitation and repair of IT equipment by \$250,000;
- The **2022 Legislature** appropriated \$4.3 million, all SGF, for continued rehabilitation and repair of state IT equipment and infrastructure in FY 2022 and FY 2023; and
- The **2023 Legislature** appropriated \$12.5 million, all SGF, in FY 2023 and FY 2024. Of that, \$4.3 million was allocated to the continued rehabilitation and repair of state IT equipment and infrastructure, \$5.8 million was allocated to expand the capabilities of the Kansas Information Security Office (KISO) — including the addition of 10.0 FTE positions for this program — and \$2.5 million was allocated for the extension of Unysis, the data center as a service (DCaaS) vendor.

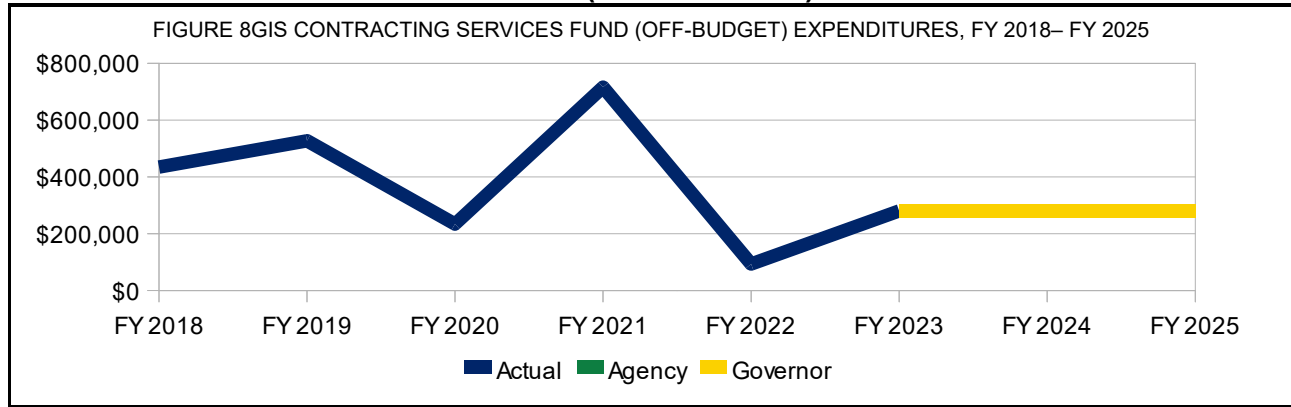
The decline in SGF expenditures after FY 2020 is due to the completion of projects associated with network upgrades to accommodate information technology modernization strategy and data center migration activities. These funds have essentially been replaced with off-budget funds as agencies have begun utilizing the modernized infrastructure to subscribe to OITS technology services.

For FY 2024 and FY 2025, SGF expenditures are increasing because of ongoing cybersecurity efforts partially funded with SGF, DCaaS contract extension, and continued rehabilitation and repair of state network infrastructure.

### GIS CONTRACTING SERVICES FUND (ON-BUDGET)



## GIS CONTRACTING SERVICES FUND (OFF-BUDGET)



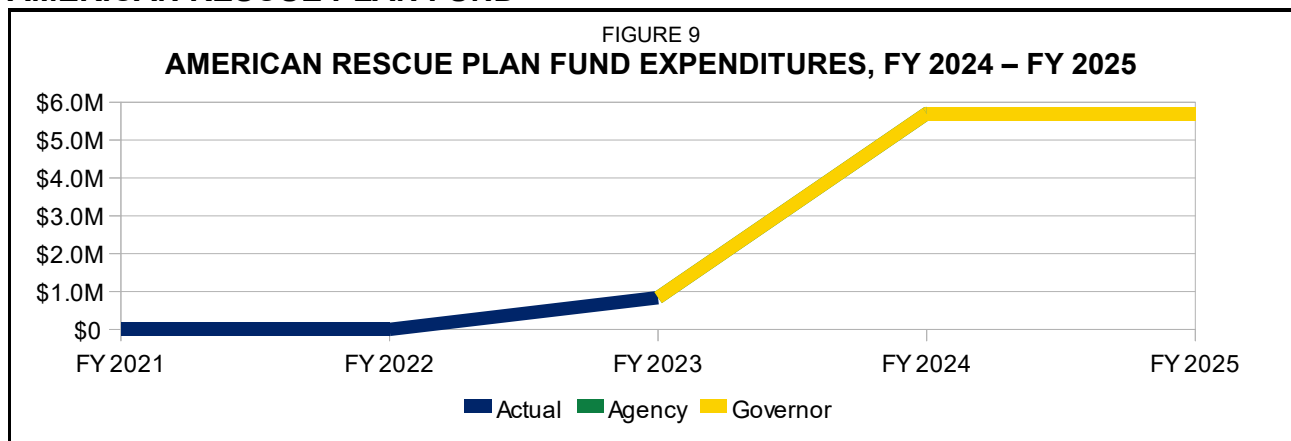
In 1989, Executive Order 06-08 established the Kansas Geographical Information Systems (GIS) Policy Board, which currently directs the Kansas Geological Survey and the University of Kansas to monitor contracted services and funding. Pursuant to KSA-74-99f08, OITS is required to fund the state geographic 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. Both generate revenue from licensing fees for the GIS 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 intragovernmental entities. On-budget expenditures, which reflect programs that are not financed by rates charged for OITS services, have historically been expended on statewide IT infrastructure projects, including substantial upgrades to the State’s network. Off-budget expenditures, which are financed from services performed for other state agencies or local units of government, are used to support and recover costs of such services.

The agency’s on-budget expenditures averaged \$42,879 from FY 2018 to FY 2023. OITS made no on-budget expenditures from this fund in FY 2021. The agency estimates it will collect \$60,000 from non-state entities in FY 2024 and FY 2025.

The agency’s off-budget expenditures average \$308,863 from FY 2018 to FY 2023, and the agency estimates it will collect \$280,000 from state agencies in FY 2024 and FY 2025 for this subprogram.

## AMERICAN RESCUE PLAN FUND

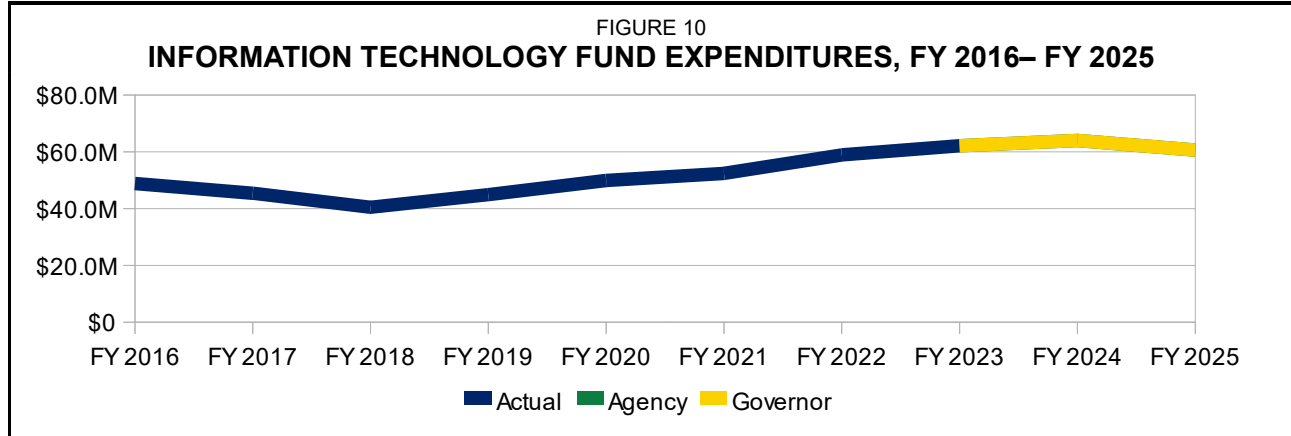


In FY 2024, OITS received \$5.7 million from the ARPA. Of that, \$1.2 million is for the development of a Professional Licensure Platform for use with non-cabinet regulatory agencies to track license applications and renewals, \$2.0 million will be for network infrastructure

modernization, and \$2.5 million will be for security upgrades. As of August 2023, seven non-cabinet agencies will utilize the solution (Real Estate Commission, Board of Accountancy, Board of Veterinary Examiners, Board of Examiners in Optometry, Board of Mortuary Arts, Board of Barbering, and Board of Technical Professions).

The agency will receive additional federal funds in FY 2025 and FY 2026 and anticipates using them to complete further network modernization projects and cybersecurity enhancements. The total amount of federal funds received for FY 2023, 2024, 2025, and 2026 is \$17.5 million.

**INFORMATION TECHNOLOGY FUND**



The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of IT 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.

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. Costs are allocated across rate centers based on direct costs and FTE positions. Information Technology Fund expenditures averaged \$50.3 million between FY 2016 to FY 2023. The agency estimates it will expend \$63.9 million in FY 2024 and \$60.6 million for FY 2025.

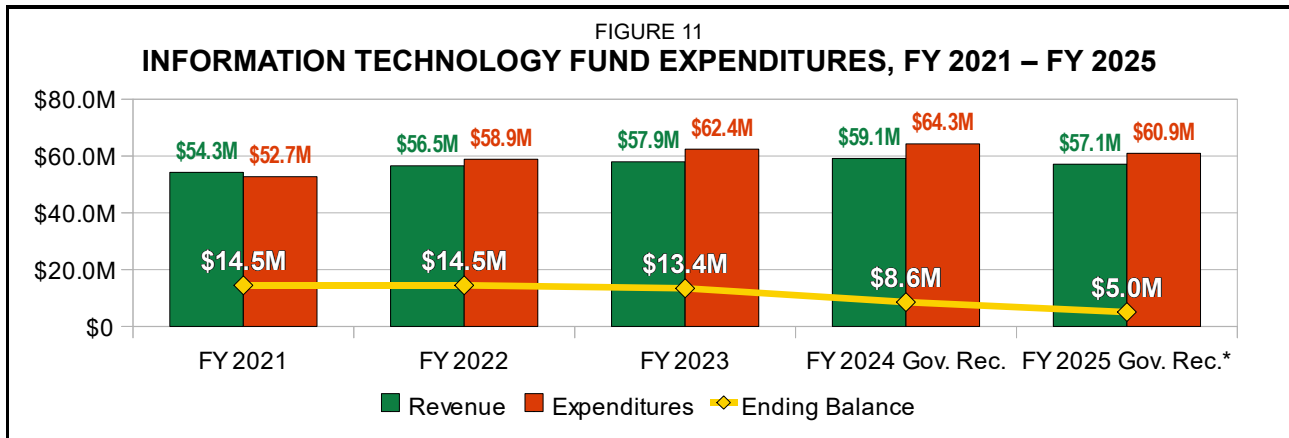
Rates are intended only to recover costs and to comply with federal audit and cost accounting guidelines, as outlined by Office of Management and Budget Cost Principles for State, Local, and Indian Tribal Governments. Pursuant to those guidelines, the State of Kansas is required to file a Statewide Cost Allocation Plan (SWCAP) with the U.S. Department of Health and Human Services (HHS) annually, and the State 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 the amount charged reflects actual costs incurred. Presently, OITS self-reports 8 services (previously 15), for each of which the SWCAP reports details an annualized beginning balance, revenue earned, allowable costs, and ending balance.

In FY 2021, OITS returned \$1.8 million, all SGF, to HHS for a SWCAP repayment settlement. The repayment was for the federal share of an excess fund balance of \$5.6 million for Telecommunications Data Services in FY 2016. The 2021 Legislature appropriated SGF moneys



for this purpose.

### INFORMATION TECHNOLOGY FUND



According to the agency, its general practice is to maintain a balance of 90 days of operating expenditures to accommodate any unforeseen circumstance that may impact its cash flow.

PROJECTED REVENUE (FY 2022 – FY 2024)			
Item	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Office 365/Cloud Services	\$ 8,510,000	\$ 10,400,000	\$ 10,400,000
Network Telecommunications	14,946,000	14,650,000	14,650,000
Mainframe	4,300,000	4,100,000	4,100,000
State-owned Data Centers	595,000	510,000	510,000
Data Center as a Service (Unisys)	11,000,000	12,300,000	12,300,000
Project Management	450,000	865,000	865,000
Surcharges	1,100,000	1,000,000	1,000,000
Direct Billings	15,999,000	16,000,000	14,000,000
<b>TOTAL</b>	<b>\$ 56,900,000</b>	<b>\$ 59,825,000</b>	<b>\$ 57,825,000</b>

## FY 2024 ANALYSIS

FIGURE 12

### SUMMARY OF BUDGET REQUEST, FY 2024

	On- Budget	On/Off Budget	FTE
<b>Legislative Approved:</b>			
Amount Approved by 2023 Legislature	\$ 12,560,000	\$ 69,498,754	126.0
1. No changes.	-	-	--
<i>Subtotal—Legislative Approved*</i>	<i>\$ 12,560,000</i>	<i>\$ 69,498,754</i>	<i>126.0</i>
<b>Agency Revised Estimate:</b>			
2. Direct-Billed Software, Services, and Equipment	\$ -	\$ 4,000,000	--
3. ARPA Projects	5,700,000	5,700,000	--
4. Application and Software Subscriptions (Not O365)	-	1,956,500	--
5. O365 Software Cost	-	1,853,000	--
6. FTE and Salary Adjustments**	773,169	1,006,695	--
7. Office Space Remodel and Furnishing	-	1,000,000	--
8. Agency Personal Computer Equipment**	998,991	998,991	--
9. Communication Services	-	336,500	--
10. KISO Program Adjustments**	(1,772,160)	(2,691,160)	--
11. Other Contractual Services	-	(742,000)	--
12. All Other Adjustments	-	(397,000)	--
<i>Subtotal—Agency Revised Estimate*</i>	<i>\$ 18,260,000</i>	<i>\$ 82,520,280</i>	<i>126.0</i>
<b>Governor’s Recommendation:</b>			
13. No Changes	\$ -	\$ -	--
<b>TOTAL*</b>	<b>\$ 18,260,000</b>	<b>\$ 82,520,280</b>	<b>126.0</b>

Staff Note: Table contains both on- and off-budget expenditures. Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. Legislative Approved

\*Staff Note: These subtotal and totals contain SGF, federal funds, and GIS Contracting funds.

\*\*Staff Note: The amount contained in the “On-Budget” column for this item represents a change in SGF.

Subsequent to the 2023 Session, no adjustments were made to the \$12.5 million SGF appropriated to the Office of Information and Technology Services for FY 2024.

1. **NO CHANGES.** The 2023 legislature approved a budget of \$69.5 million, including \$12.5 million SGF, for the Office of Information and Technology Services for FY 2024. No adjustments were made to the approved FY 2024 budget.

### AGENCY ESTIMATE

The **agency** submits a revised estimate of \$18.3 million, including \$12.5 million SGF, for on-budget expenditures in FY 2024. The revised estimate is an all funds increase of \$5.7 million, or 45.4 percent, above the FY 2024 approved amount. Included in this amount is \$5.7 million in ARPA funds. Also included is \$60,000 in expenditures from the GIS Contracting Services fund, which is the same as the FY 2024 approved amount, to support state geographic information systems for the user community in Kansas.

The **agency’s** revised estimate also includes \$64.3 million in off-budget expenditures, all from special revenue funds, which is an increase of \$7.3 million, or 12.9 percent, above the FY 2024 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The revised estimate also includes 126.0 FTE positions for FY 2024, which is the same as the FY 2024 approved amount. Of the 126.00 FTE positions, 15.0 are classified as on-budget, which is an increase of 6.0 FTE positions above the approved amount for FY 2024, and 111.0 FTE positions are classified as off-budget for FY 2024, which is a decrease of 6.0 FTE from the FY 2024 approved amount.

The **agency's** total request is \$82.5 million, including \$12.5 million SGF, for FY 2024.

The **agency's** revised estimate includes the following adjustments:

2. **DIRECT-BILLED SOFTWARE, SERVICES, AND EQUIPMENT.** The revised estimate includes an increase of \$4.0 million, all from off-budget sources, attributable to increased purchases of certain software subscription services and increased utilization of services offered by OITS, such as DCaaS and desktop as a service (DtaaS). The agency estimates total expenditures for direct-billed services to be \$16.0 million in FY 2024.
3. **ENTERPRISE LICENSING PLATFORM.** The agency's estimate includes \$5.7 million from the ARPA. Of that, \$1.2 million is for the development of a Professional Licensure Platform for use with non-cabinet regulatory agencies to track license applications and renewals, \$2.0 million is for network infrastructure modernization, and \$2.5 million is for security upgrades.
4. **APPLICATION AND SOFTWARE SUBSCRIPTIONS (NOT O365).** The revised estimate includes an increase of \$2.0 million, all from off-budget sources, for additional software as a service licenses and cost increases for existing subscriptions. The services are primarily focused on improving the effectiveness of the KISO. Due to the ongoing cost of such services, they have been allocated to the "Rents" category within the State accounting system.
5. **O365 SOFTWARE COST.** The revised estimate includes an increase of \$1.9 million, all from off-budget sources, attributable to cost increases for Microsoft Office 365 software licenses.
6. **FTE POSITIONS AND SALARY ADJUSTMENT.** The revised estimate includes an increase of \$1.0 million, including \$773,169 SGF, attributable to the agency realigning staffing resources to better meet agency needs, and changing the funding source for 6.0 FTE positions reallocated to KISO. The KISO request includes 30.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2024 approved amount.
7. **OFFICE SPACE REMODEL AND FURNISHING.** The revised estimate includes an increase of \$1.0 million, all from off-budget sources, attributable to the cost of remodeling and furnishing new office space within the Landon State Office Building.
8. **AGENCY PERSONAL COMPUTER EQUIPMENT.** The revised estimate includes an increase of \$1.0 million, including \$998,991 SGF, attributable to purchases of software licenses and technology for expanded Security Office Operations.
9. **COMMUNICATION SERVICES.** The revised estimate includes an increase of \$336,500, all from off-budget sources, for increased utilization of communication services provided by Cox Communications and AT&T, primarily within the Network and Telecommunications program (\$300,000).
10. **KISO ADJUSTMENTS.** The revised estimate includes a decrease of \$2.7 million, including \$1.7 million SGF, partially attributable to the KISO hiring FTE positions and the reduced use of vendors for certain security services (see items 7 and 9, above). The agency's revised request for KISO is \$9.7 million, including \$5.8 million SGF.

11. **OTHER CONTRACTUAL SERVICES.** The revised estimate includes a decrease of \$742,000, all from off-budget sources. The decrease is attributable to the change in funding source for certain services to SGF dollars, and reduced reliance on vendors.
12. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of \$397,000, all from off-budget sources, primarily attributable to fluctuations in utilization of OITS services and indirect costs related to such services. Indirect costs include, but are not limited to, fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

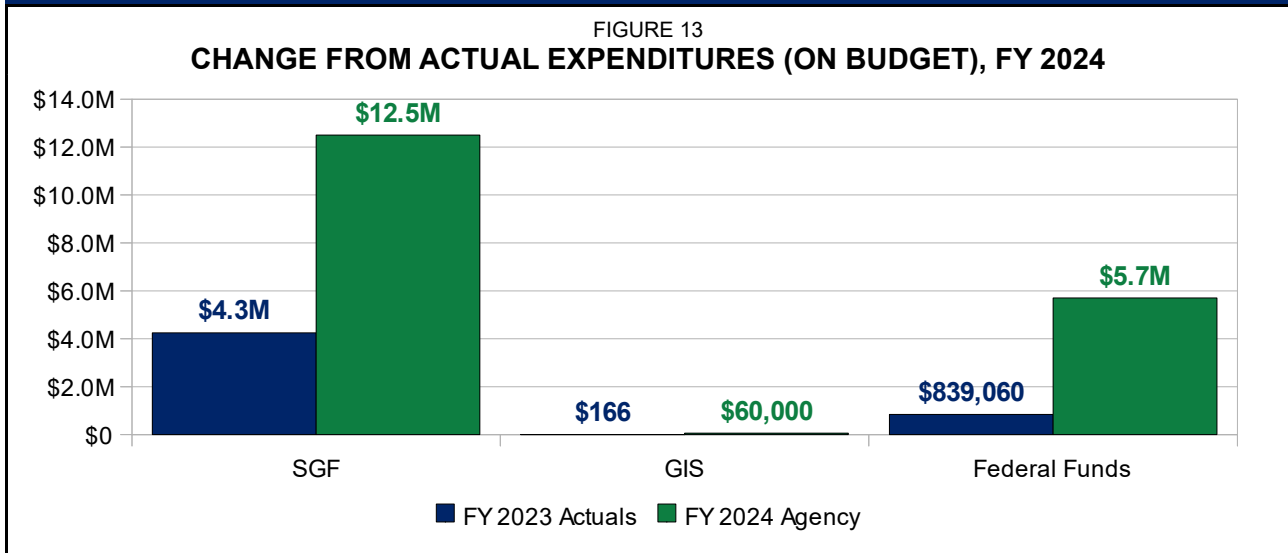
### **GOVERNOR'S RECOMMENDATION**

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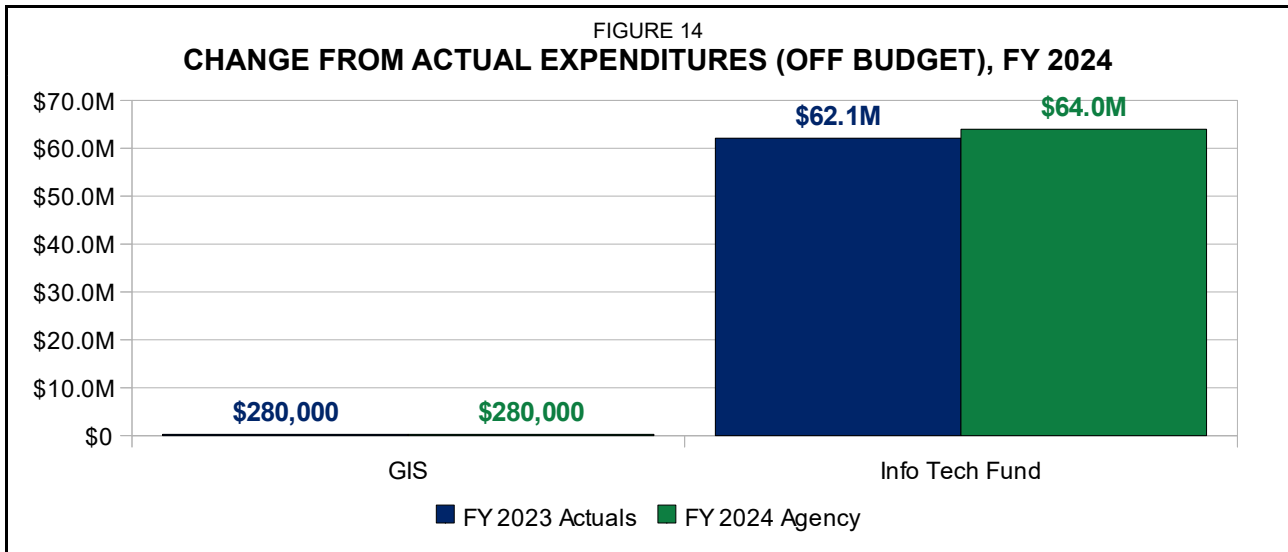
The Governor concurs with the agency's revised estimate in FY 2024.

13. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate in FY 2024.

## FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2024 on-budget expenditures of \$18.3 million, including \$12.5 million SGF. This is an increase of \$13.2 million, or 258.8 percent, above the FY 2023 actuals. The increase is partially attributable to expanded cybersecurity operations within KISO (\$5.8 million SGF) and extension of the contract with the DCaaS vendor (\$2.5 million SGF) approved by the 2023 Legislature. Additionally, the agency received ARPA funds for development of a professional licensure platform and network upgrades (\$5.7 million).



The **agency** estimates revised FY 2024 off-budget expenditures of \$64.3 million, all from special revenue funds, which is an increase of \$1.9 million, or 3.0 percent, above FY 2023 actual expenditures. The increase can be attributed to increased expenditures on salaries and wages as a result of filling vacant positions and salary increases approved by the 2023 Legislature (\$1.6 million), and expenses related to the relocation to the Landon State Office Building (\$395,936).

## FY 2025 ANALYSIS

FIGURE 15

### SUMMARY OF BUDGET REQUEST, FY 2025

	On-Budget	On/Off Budget	FTE
<b>Agency Request:</b>			
Request without Major Changes*	\$ 18,260,000	\$ 82,520,280	126.0
1. Application and Software Subscriptions (Not O365)**	\$ 1,500,000	\$ 1,500,000	--
2. Communications	-	500,000	--
3. Direct-Billed Software, Services, and Equipment	-	(2,000,000)	--
4. KISO Equipment**	(1,060,831)	(1,060,831)	--
5. Professional Services**	(424,391)	(1,009,391)	--
6. Office Space Remodel and Furnishing	-	(1,000,000)	--
7. Repair and Service	-	(205,000)	--
8. Salary and Fringe Benefit **	(11,969)	(81,195)	--
9. All Other Adjustments	-	(3,000)	--
<i>Subtotal–Agency Request*</i>	\$ 18,262,809	\$ 79,160,863	126.0
<b>Governor's Recommendation:</b>			
10. Cybersecurity Monitoring	1,500,000	1,500,000	14.0
<b>TOTAL*</b>	\$ 19,762,809	\$ 80,660,863	140.0

Staff Note: Table contains both on- and off-budget expenditures. Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting.

\*Staff Note: The subtotal and totals for the on-budget column contain SGF, federal funds, and GIS Contracting funds.

\*\*Staff Note: The amount contained in the “On-Budget” column for this item represents a change in SGF.

### AGENCY REQUEST

The **agency** requests \$18.3 million, including \$18.3 million, including \$12.5 million SGF, for on-budget expenditures in FY 2025. The request is an all-funds increase of \$2,809, or less than 1.0 percent, above the FY 2024 revised estimate. Included in this amount is \$5.7 million in ARPA funds. Also included is \$60,000 in expenditures from the GIS Contracting Services Fund, which is the same as the FY 2024 approved amount, to support state geographic information systems for the user community in Kansas.

The **agency's** revised estimate also includes \$60.9 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$3.4 million, or 5.3 percent, below the FY 2024 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The revised estimate also includes 126.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate. Of the 126.00 FTE positions, 15.0 are classified as on-budget.

The **agency's** total request is \$79.2 million, Including \$12.5 million SGF for FY 2025.

The request includes a decrease of \$3.4 million in base budget expenditures. Significant adjustments are as follows:

1. **APPLICATION AND SOFTWARE SUBSCRIPTIONS (NOT O365).** The request includes an increase of \$1.5 million, all from SGF, for additional software as a service licenses and cost increases for existing subscriptions. The services are primarily focused on improving the effectiveness of the KISO. Due to the ongoing cost of such services, they have been allocated to the “Rents” category within the states accounting system.
2. **COMMUNICATIONS.** The request includes an increase of \$500,000, all from off-budget sources, for an anticipated cost increase due to utilization of communication services provided by Cox Communications and AT&T.

3. **DIRECT-BILLED SOFTWARE, SERVICES, AND EQUIPMENT.** The request includes a decrease of \$2.0 million, all from off-budget sources, attributed to a change in how the DTaaS offering is billed. Current leases began expiring in FY 2023, and will gradually decrease over the next three fiscal years as a result of the individual agency being billed directly by the vendor. Agencies are still able to obtain bulk pricing due to the master contract negotiated by OITS. This expense will be seen in individual agency budgets. The agency estimates total expenditures for direct-billed services to be \$14.0 million in FY 2025.
4. **KISO EQUIPMENT.** The request includes a decrease of \$1.1 million, all SGF, attributable to the elimination of one-time expenditures for computer equipment and software for KISO.
5. **PROFESSIONAL SERVICES.** The request includes a decrease of \$1.0 million, including \$424,391 SGF, for one-time costs associated with a change in vendor for the MFaaS offering (\$485,000), and consulting services for the KISO (\$424,391) and Kansas Information Technology Office (\$100,00).
6. **OFFICE SPACE REMODEL AND FURNISHING.** The request includes a decrease of \$1.0 million, all from off-budget sources, attributable to the elimination of one-time expenditures for furniture and remodeling expenses associated with the relocation of OITS to the Capitol Complex.
7. **REPAIRS AND SERVICE.** The request includes a decrease of \$205,000, all from off-budget sources, attributable to reduced cost associated with the new MFaaS contract.
8. **SALARY AND FRINGE BENEFITS.** The request includes a decrease of \$81,195, including \$11,969 SGF, for minor fluctuations in salary and benefits.
9. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of \$3,000, all from off-budget sources, primarily attributable to fluctuations in utilization of OITS services and indirect costs related to such services. Indirect costs include, but are not limited to, fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

## **GOVERNOR'S RECOMMENDATION**

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The **Governor** recommends on-budget expenditures of \$19.8 million, including \$14.0 million SGF, for FY 2025. The recommendation is an SGF increase of \$1.5 million, or 8.2 percent, above the agency's FY 2025 on-budget request. The increase is attributable to the Governor recommending establishment of a 24/7 cybersecurity operations center to mitigate the potential impacts of a cyberattack. The recommendation includes 140.0 FTE positions for FY 2024, which is an increase of 14.0 on-budget FTE positions above the agency's FY 2025 request. Of that amount, 29.0 FTE positions would be considered on-budget and 111.0 FTE positions would be off-budget.

The **Governor's** recommendation includes \$60.9 million in off-budget special revenue expenditures, which is the same as the agency's FY 2025 off-budget request.

The **Governor's** total recommendation is \$80.6 million, including \$14.0 million SGF, for FY 2025.

The **Governor's** recommendation includes the following adjustments:

10. **CYBERSECURITY MONITORING.** Creation of a 24/7 cybersecurity operations center to monitor, mitigate, and respond to cyberattacks against the state network. The recommendation includes an increase \$1.5 million, all from SGF. This is an SGF increase of 26.1 percent above the agency's FY 2025 request. The recommendation includes 14.0 FTE positions, 12.0 of which will be staff for the cybersecurity operations center, and the other 2.0 will be a Chief Data Officer and a Chief Privacy Officer.



## ENHANCEMENT REQUESTS

FIGURE 16

### ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
Request	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>FY 2025 Enhancements:</b>						
1. Cybersecurity Monitoring	-	-	-	1,500,000	1,500,000	14.0

1. **CYBERSECURITY MONITORING.** Creation of a 24/7 cybersecurity operations center to monitor, mitigate, and respond to cyberattacks against the state network. The recommendation includes an increase \$1.5 million, all from SGF. This is an SGF increase of 12 percent. The recommendation includes 14.0 FTE, 12.0 of which will be staff for the cybersecurity operations center, and the other 2.0 FTE will be a Chief Data Officer and a Chief Privacy Officer.

**The Governor recommends adoption of this request.**

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 17  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025**

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Expenditures:</b>					
Administration	\$ 5,844,945	\$ 6,939,081	\$ 6,939,081	\$ 5,921,238	\$ 5,921,238
Professional Services	3,874,800	5,260,114	5,260,114	5,245,890	5,245,890
Hosted Services	15,646,574	18,040,005	18,040,005	17,328,798	17,328,798
Kansas Information Technology Office	1,061,514	1,065,388	1,065,388	966,879	966,879
Kansas Information Security Office	5,664,452	9,740,407	9,740,407	9,734,517	11,234,517
Network and Telecommunication	9,699,847	11,768,971	11,768,971	12,260,446	12,260,446
ARPA Projects	839,060	5,700,000	5,700,000	5,700,000	5,700,000
O365	7,596,248	8,006,314	8,006,314	8,003,095	8,003,095
Direct-Billed Services	17,249,036	16,000,000	16,000,000	14,000,000	14,000,000
<b>TOTAL</b>	<b>\$ 67,476,476</b>	<b>\$ 82,520,280</b>	<b>\$ 82,520,280</b>	<b>\$ 79,160,863</b>	<b>\$ 80,660,863</b>
<b>FTE Positions:</b>					
Administration	31.0	30.0	30.0	30.0	30.0
Professional Services	26.0	25.0	25.0	25.0	25.0
Hosted Services	6.0	13.0	13.0	13.0	13.0
Kansas Information Technology Office	8.0	5.0	5.0	5.0	5.0
Kansas Information Security Office	18.0	30.0	30.0	30.0	44.0
Network and Telecommunication	22.0	16.0	16.0	16.0	16.0
ARPA Projects	-	-	-	-	-
O365	6.0	7.0	7.0	7.0	7.0
Direct-Billed Services	-	-	-	-	-
<b>TOTAL</b>	<b>117.0</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>	<b>140.0</b>

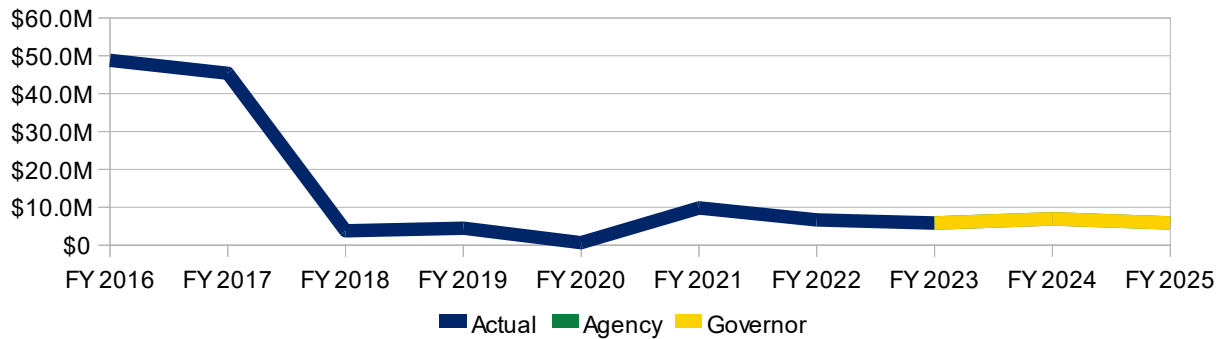
Staff Note: Table contains both on and off-budget expenditures. Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting.

### 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.

# ADMINISTRATION

FIGURE 18  
ADMINISTRATION EXPENDITURES, FY2024 – FY 2025



**STATUTORY BASIS:** • KSA 75-4701 *et seq.*, 75-4703, 75-7201 *et seq.*

**PROGRAM GOALS:** • Facilitate strategic development of vision, mission, and road map for OITS.

- Ensure administrative and operational needs of OITS are met, including human resources, finance, contract and vendor management, asset management, project management, and agency communication.

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.

According to the agency, the Geographic and Information Services subprogram within the Administration program works to ensure a technological environment where geographical information systems (GIS) are 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 and 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.

FIGURE 19  
ADMINISTRATION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	166	60,000	60,000	60,000	60,000
<i>Subtotal On-Budget</i>	<i>\$ 166</i>	<i>\$ 60,000</i>	<i>\$ 60,000</i>	<i>\$ 60,000</i>	<i>\$ 60,000</i>
Off-Budget**	5,844,779	6,879,081	6,879,081	5,861,238	5,861,238
<b>GRAND TOTAL</b>	<b>\$ 5,844,945</b>	<b>\$ 6,939,081</b>	<b>\$ 6,939,081</b>	<b>\$ 5,921,238</b>	<b>\$ 5,921,238</b>
<b>Percent Change:</b>					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(12.3) %	18.7 %	-- %	(14.7) %	-- %
FTE Positions	31.0	30.0	30.0	30.0	30.0

## BUDGET ANALYSIS

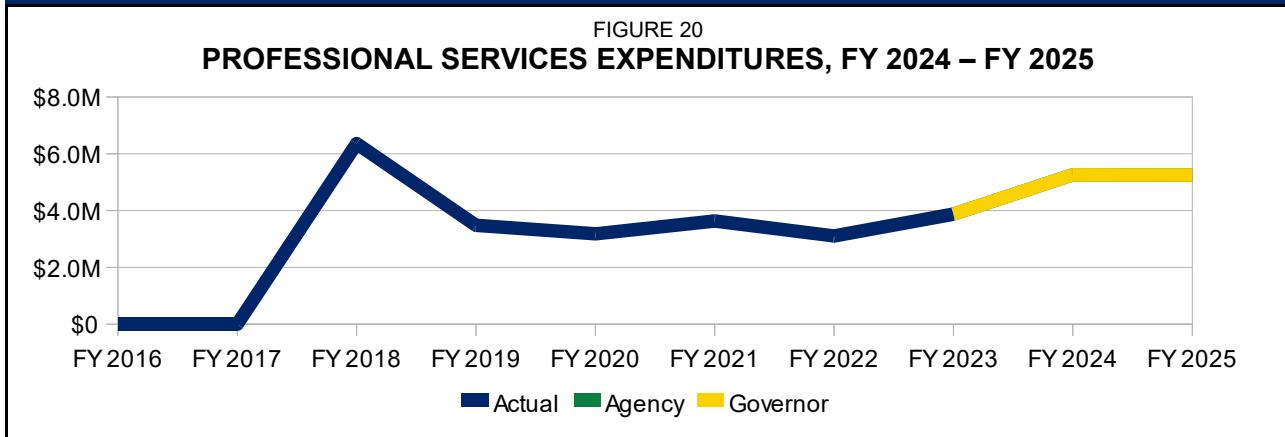
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The **agency** submits a revised estimate of \$6.9 million, all from special revenue funds, for Administration program expenditures in FY 2024. The revised estimate includes \$6.9 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The revised estimate is an all funds increase of \$966,324, or 16.2 percent, above the FY 2024 approved amount. The increase is primarily attributed to expenditures related the OITS office remodel and relocation to the Capitol Complex that was initially planned to be completed in FY 2023. The revised estimate also includes 30.0 FTE positions for FY 2024, a decrease of 1.0 FTE position below the FY 2024 approved amount. The FTE position was moved to another program to better align with the utilization of services.

The **agency** requests FY 2025 Administration program expenditures of \$5.9 million, all from special revenue funds. The request includes \$5.9 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 \$1.0 million, or 14.7 percent, below the FY 2024 revised estimate. The decrease can be primarily attributed to the elimination of one-time expenditures present in the FY 2024 revised estimate for the agency's relocation to the Capitol Complex (\$1.0 million). The Administration program request also includes 30.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Administration program in FY 2024 and for FY 2025.

## PROFESSIONAL SERVICES



**STATUTORY BASIS:** • KSA 75-4701 *et seq.*, KSA 75-4703

**PROGRAM GOALS:** • Reduce customer wait time at OITS and across all agencies that use our services.  
• Continue to support non-cabinet agencies with quality support.

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. 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 DCaaS vendor to provide oversight of OITS Professional Services managed servers in a 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 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 service level agreements 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.

**OTHER SERVICE OFFERINGS.** Client Services also offers a variety of miscellaneous functions, including GovDelivery by Granicus (a 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.

FIGURE 21  
**PROFFESIONAL SERVICES FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 280,450	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 280,450</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Off-Budget**	3,594,350	4,260,114	4,260,114	4,245,890	4,245,890
<b>GRAND TOTAL</b>	<b><u>\$ 3,874,800</u></b>	<b><u>\$ 5,260,114</u></b>	<b><u>\$ 5,260,114</u></b>	<b><u>\$ 5,245,890</u></b>	<b><u>\$ 5,245,890</u></b>
<b>Percent Change:</b>					
SGF	333.2 %	256.6 %	-- %	-- %	-- %
All Funds	24.8 %	35.8 %	-- %	(0.3) %	-- %
FTE Positions	26.0	25.0	25.0	25.0	25.0

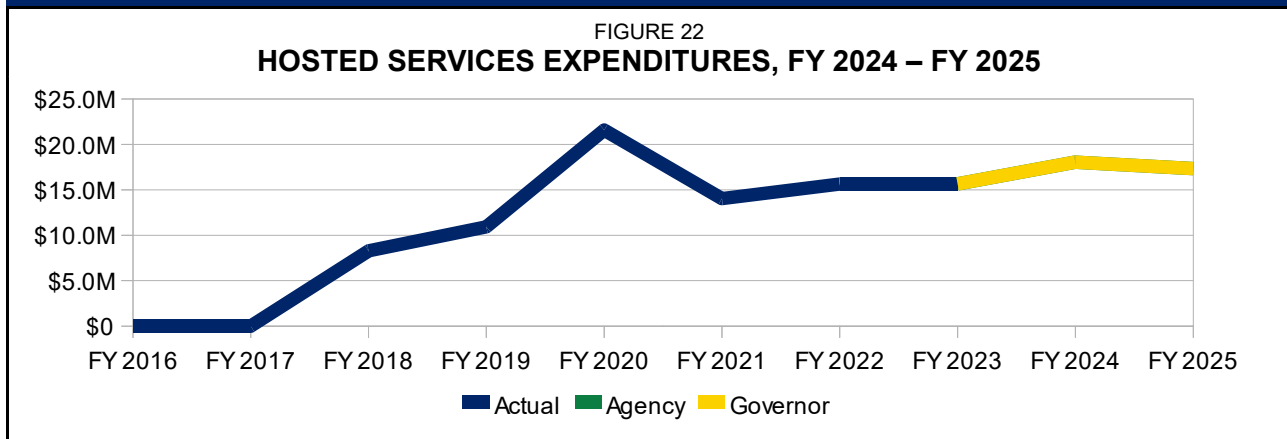
**BUDGET ANALYSIS**

The **agency** requests FY 2025 Professional Services program expenditures of \$5.2 million, including \$1.0 million SGF. The request also includes \$4.2 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 \$14,244, or less than 1.0 percent, below the FY 2024 revised estimate. The decrease can be primarily attributed to changes in fringe benefit

costs and reduced expenditures for personal computer equipment. The Professional Services program request also includes 25.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Professional Services program in FY 2024 and for FY 2025.

## HOSTED SERVICES



**STATUTORY BASIS:** • KSA 75-4701 *et seq.*, 75-4703

- PROGRAM GOALS:**
- Provide secure, standardized, and redundant mainframe services for Executive Branch agency customers through a partner solution.
  - Provide secure, standardized, and redundant managed data center services for Executive Branch agency customers through a partner solution.
  - Provide secure and standardized data center hosting services for State of Kansas agency customers in the Eisenhower State Office Building.
  - Provide standardized Microsoft Azure public cloud guidance and support for Executive Branch agency customers.

The Hosted Services program provides data center hosting services and manages usage of the state mainframe for customers.

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 as well as reliability and performance of state applications, and provide an improved information security posture for the State of Kansas.

In calendar year (CY) 2018, the agency began migrating state data centers to Unisys. In CY 2019, however, the agency notes it 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 requested additional funding for FY 2020 and FY 2021 to resolve the network infrastructure issues preventing migration activities. The migration project resumed in August 2020 and was completed in late CY 2021.

FIGURE 23  
**HOSTED SERVICES FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 1,846,302	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 1,846,302</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Off-Budget**	13,800,272	15,540,005	15,540,005	14,828,798	14,828,798
<b>GRAND TOTAL</b>	<b><u>\$ 15,646,574</u></b>	<b><u>\$ 18,040,005</u></b>	<b><u>\$ 18,040,005</u></b>	<b><u>\$ 17,328,798</u></b>	<b><u>\$ 17,328,798</u></b>
<b>Percent Change:</b>					
SGF	219.2 %	35.4 %	-- %	-- %	-- %
All Funds	-- %	15.3 %	-- %	(3.9) %	-- %
FTE Positions	6.0	13.0	13.0	13.0	13.0

### BUDGET ANALYSIS

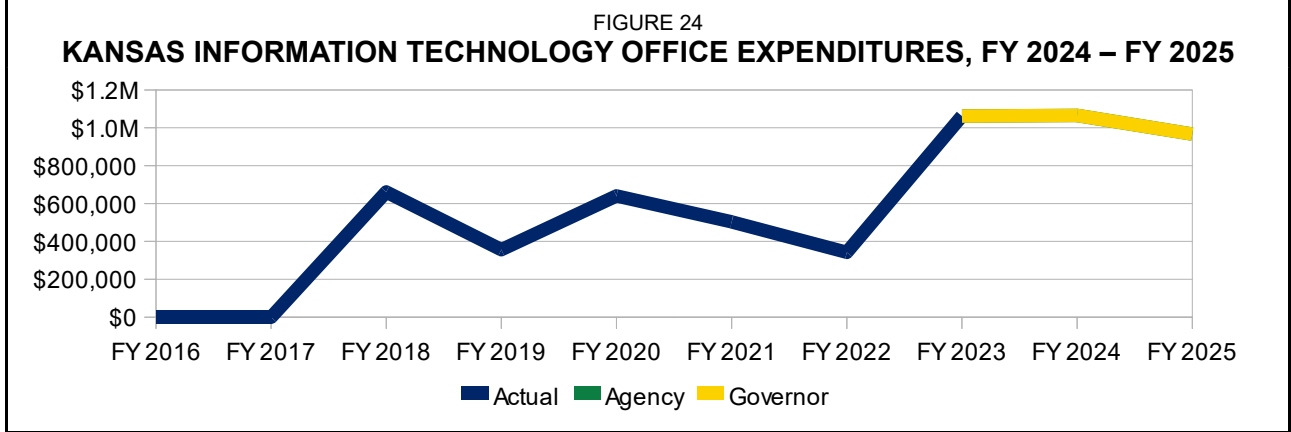
The **agency** requests FY 2025 Hosted Services program expenditures of \$17.3 million, including \$2.5 million SGF. The request also includes \$14.8 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$711,027, or 3.9 percent, below the FY 2024 revised estimate. The decrease can be primarily attributed to reduced anticipated

expenditures for the MFaaS offering as a result of the implementation of a new vendor contract (\$695,000). The Hosted Services program request also includes 13.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Hosted Services program in FY 2024 and for FY 2025.



# KANSAS INFORMATION TECHNOLOGY OFFICE



- STATUTORY BASIS:** • KSA 75-7204, 75-7201 *et seq.*
- PROGRAM GOALS:**
- Review project submissions for completeness and facilitate Chief Information Technology Officer (CITO) review/approval within 20 days of agency submission.
  - Promote project management best practices by facilitating regular offerings of the Kansas Project Management Methodology Certification class and by supporting participants throughout the certification process.
  - Promote and provide training for the Accessibility Management Platform (AMP) for agency use when modifying a website.

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 KITO include IT project management and assistance

to state agencies, including project planning assistance; review of requests for proposals (RFPs) prior to release; project execution, monitoring, and reporting; and training.

In FY 2021, 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 of IT needs throughout the State of Kansas.

FIGURE 25  
**KANSAS INFORMATION TECHNOLOGY OFFICE FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 357,608	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 357,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Off-Budget**	703,906	1,065,388	1,065,388	966,879	966,879
<b>GRAND TOTAL</b>	<b><u>\$ 1,061,514</u></b>	<b><u>\$ 1,065,388</u></b>	<b><u>\$ 1,065,388</u></b>	<b><u>\$ 966,879</u></b>	<b><u>\$ 966,879</u></b>
<b>Percent Change:</b>					
SGF	100.0 %	(100.0) %	-- %	-- %	-- %
All Funds	210.3 %	0.4 %	-- %	(9.2) %	-- %
FTE Positions	8.0	5.0	5.0	5.0	5.0

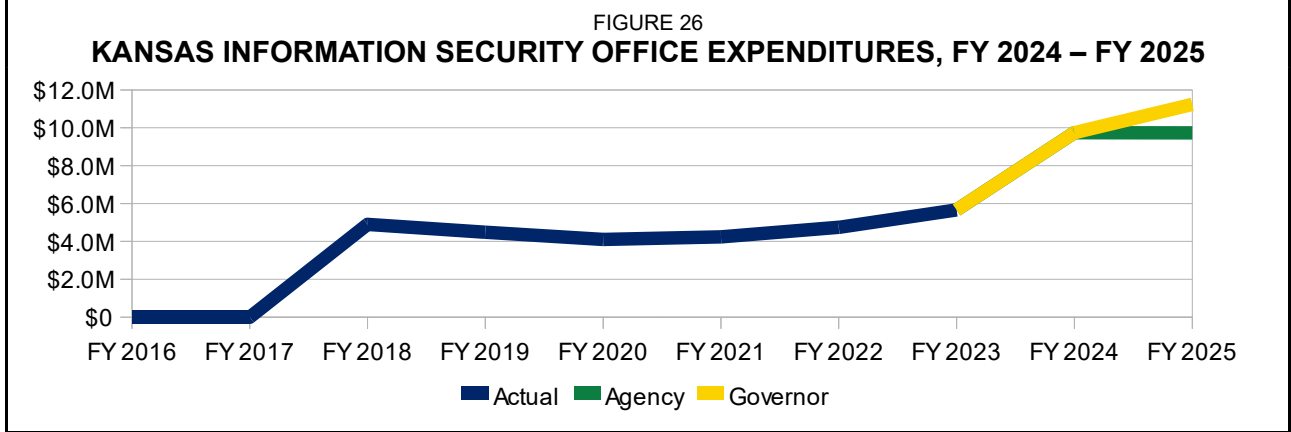
**BUDGET ANALYSIS**

The agency requests FY 2025 KITO program expenditures of \$966,879, all from off-budget, special revenue funds. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$98,509, or 9.2 percent, below the FY 2024 revised estimate. The decrease can be primarily attributed to reduced expenditures for

consultants (\$100,000). The KITO program request also includes 5.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the KITO program in FY 2024 and for FY 2025.

# KANSAS INFORMATION SECURITY OFFICE



**STATUTORY BASIS:** • KSA 75-7236 through 75-7243

**PROGRAM GOALS:**

- Continue to ensure KISO staff is prepared for and can quickly respond to critical events to ensure they do not become full-blown cybersecurity incidents.
- Continue to drive a cybersecurity-aware culture among State of Kansas employees through various education and awareness campaigns. These efforts will ultimately culminate in a lower risk to the State of Kansas by reducing employee susceptibility to phishing attacks.
- Continue to raise awareness of cybersecurity standards and practices to raise the State of Kansas cyber hygiene. The results of the efforts will lead to a better cyber risk rating.

The Kansas Information Security Office (KISO) program works to 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 Kansas Wide-Area Information Network (KanWIN), 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 (ISO) SERVICES.** 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 KISO offerings.

Expenses are based on service level agreements and are based on the size and complexity of the customer organization.

**CENTRAL ACTIVE DIRECTORY SECURITY SERVICES (CADSS).** KISO provides a variety of select security services for organizations that are a 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.

FIGURE 27  
**KANSAS INFORMATION SECURITY OFFICE FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 373,237	\$ 5,750,000	\$ 5,750,000	\$ 5,752,809	\$ 7,252,809
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 373,237</u>	<u>\$ 5,750,000</u>	<u>\$ 5,750,000</u>	<u>\$ 5,752,809</u>	<u>\$ 7,252,809</u>
Off-Budget**	5,291,215	3,990,407	3,990,407	3,981,708	3,981,708
<b>GRAND TOTAL</b>	<b><u>\$ 5,664,452</u></b>	<b><u>\$ 9,740,407</u></b>	<b><u>\$ 9,740,407</u></b>	<b><u>\$ 9,734,517</u></b>	<b><u>\$ 11,234,517</u></b>
<b>Percent Change:</b>					
SGF	60.6 %	1,440.6 %	-- %	0.0 %	26.1 %
All Funds	19.4 %	72.0 %	-- %	(0.1) %	15.4 %
FTE Positions	18.0	30.0	30.0	30.0	44.0

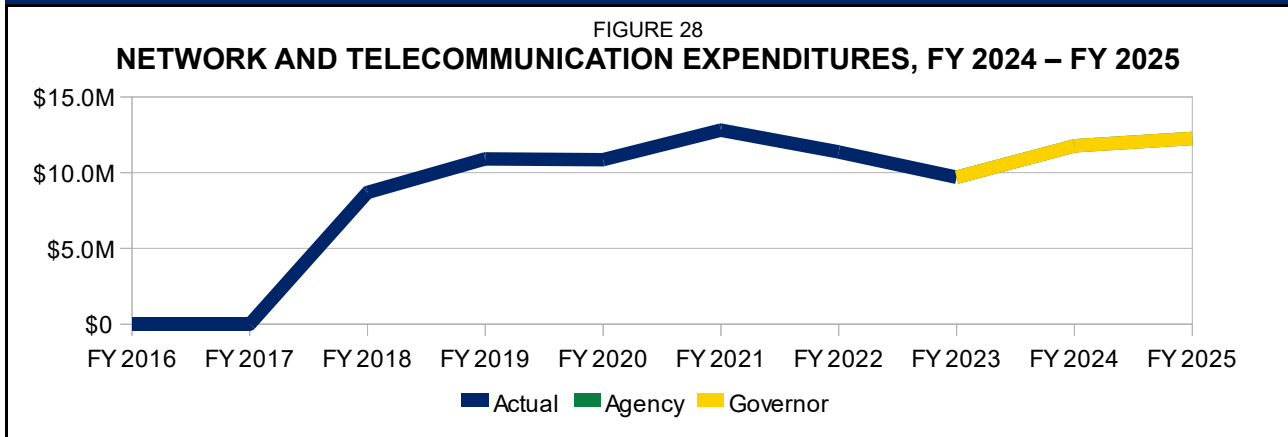
**BUDGET ANALYSIS**

The **agency** requests FY 2025 KISO program expenditures of \$9.7 million, including \$5.8 million SGF. The request also includes \$4.0 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 \$5,890, or less than 1.0 percent, below the FY 2024 revised estimate. The KISO program request also includes 30.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request in FY 2024.

For FY 2025, the **Governor** recommends KISO expenditures of \$11.2 million, including \$7.3 million SGF. The recommendation includes \$4.0 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation is an all funds increase of \$1.5 million, or 15.4 percent, above the agency's FY 2025 request. The increase is attributable to the Governor's recommendation to establish a 24/7 cybersecurity monitoring center. The recommendation also includes 44.0 FTE positions for FY 2025, which is an increase of 14.0 FTE positions above the agency's FY 2025 request.

## NETWORK AND TELECOMMUNICATION



**STATUTORY BASIS:** • KSA 75-4709 *et seq.*, 75-4701 *et seq.*, 75-4703

**PROGRAM GOALS:**

- Provide secure, standardized, and redundant local, metro, and wide area network (LAN, MAN, WAN) services for State of Kansas agency customers.
- Provide standardized network circuits across the State of Kansas to allow for secured communication between agency customers.
- Provide secure, standardized, and redundant voice over internet protocol (VoIP) telephone services for State of Kansas agency customers.

The Network and Telecommunication (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 operates 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.

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.

FIGURE 29

**NETWORK AND TELECOMMUNICATION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 1,392,403	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 1,392,403</u>	<u>\$ 3,250,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,250,000</u>
Off-Budget**	8,307,444	8,518,971	8,518,971	9,010,446	9,010,446
<b>GRAND TOTAL</b>	<b><u>\$ 9,699,847</u></b>	<b><u>\$ 11,768,971</u></b>	<b><u>\$ 11,768,971</u></b>	<b><u>\$ 12,260,446</u></b>	<b><u>\$ 12,260,446</u></b>
<b>Percent Change:</b>					
SGF	(58.7) %	133.4 %	-- %	-- %	-- %
All Funds	(14.6) %	21.3 %	-- %	4.2 %	-- %
FTE Positions	22.0	16.0	16.0	16.0	16.0

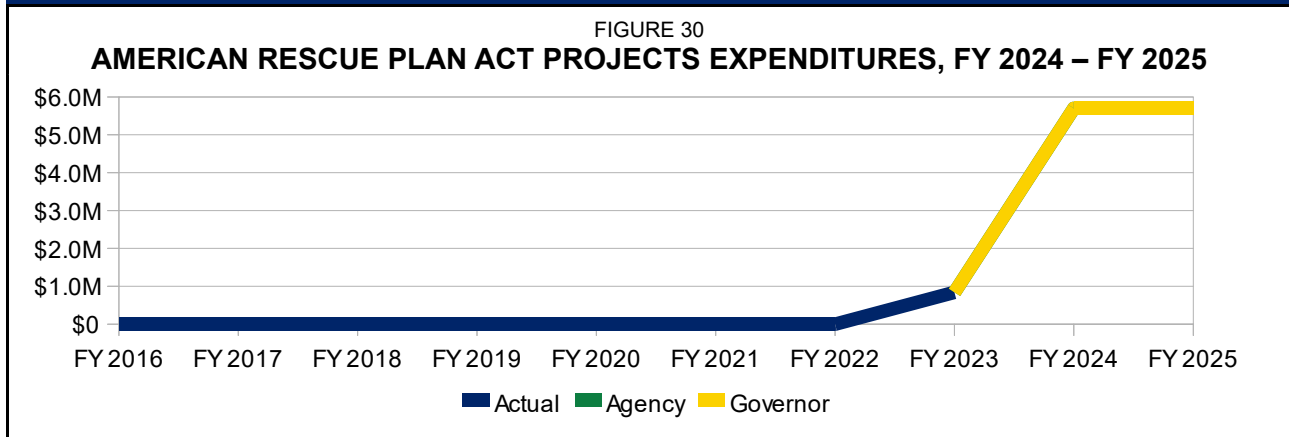
**BUDGET ANALYSIS**

The **agency** requests FY 2025 Network and Telecommunication program expenditures of \$12.3 million, including \$3.2 million SGF. The request also includes \$9.0 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 increase of \$491,475, or 4.2 percent, above the FY 2024 revised estimate. The increase can be primarily attributed to an anticipated increase in

communications services provided by Cox Communications and AT&T (\$500,000). The Network and Telecommunication program request also includes 6.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Network and Telecommunication program in FY 2024 and for FY 2025.

## AMERICAN RESCUE PLAN ACT PROJECTS



**STATUTORY BASIS:** • No statutory basis was submitted for this program.  
**PROGRAM GOALS:** • No goals were submitted for this program.

In March of CY 2023, OITS was awarded \$17.0 million in federal funding for information technology projects and cybersecurity initiatives over the next three fiscal years, receiving approximately \$5.7 million each year. Moneys for these projects must be expended by the end of FY 2026. According to OITS, funds will be spent on the following projects: firewall

hardware modernization; enterprise disaster recovery design; hardware acquisition and implementation; enterprise identity and access management implementation and application integration; privileged access management solutions; upgrades to Splunk (a predictive analytic tool); Network modernization; and an Enterprise Licensure Platform.

FIGURE 31  
**AMERICAN RESCUE PLAN ACT PROJECTS FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	839,060	5,700,000	5,700,000	5,700,000	5,700,000
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	<u>\$ 839,060</u>	<u>\$ 5,700,000</u>	<u>\$ 5,700,000</u>	<u>\$ 5,700,000</u>	<u>\$ 5,700,000</u>
Off-Budget**	-	-	-	-	-
<b>GRAND TOTAL</b>	<b><u>\$ 839,060</u></b>	<b><u>\$ 5,700,000</u></b>	<b><u>\$ 5,700,000</u></b>	<b><u>\$ 5,700,000</u></b>	<b><u>\$ 5,700,000</u></b>
<b>Percent Change:</b>					
SGF	9.0 %	-- %	-- %	-- %	-- %
All Funds	99.0 %	579.3 %	-- %	-- %	-- %
FTE Positions	99.9	99.9	99.9	99.9	99.9

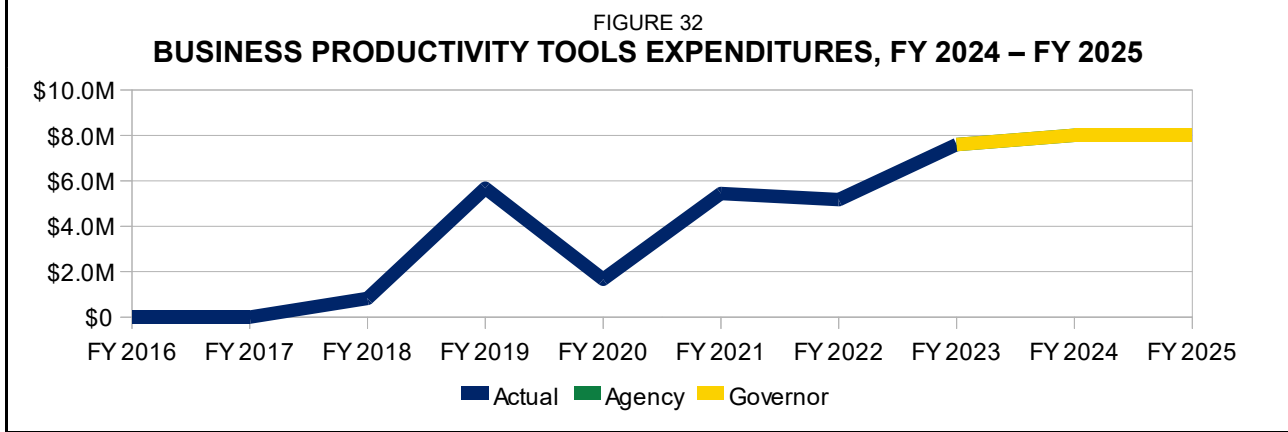
### BUDGET ANALYSIS

The agency requests FY 2025 American Rescue Plan Act (ARPA) Project expenditures of \$5.7 million, all from federal funds. The request is the same as the FY 2024 revised estimate. The agency anticipates funds in this FY will be expended on network and cybersecurity (\$2.5 million), continued state

network modernization (\$2.0 million), and the enterprise license platform development (\$1.2 million).

The **Governor** concurs with the agency's request for ARPA project expenditures in FY 2024 and for FY 2025.

## BUSINESS PRODUCTIVITY TOOLS



**STATUTORY BASIS:** • KSA 75-4701 *et seq.*, 75-4703

**PROGRAM GOALS:**

- Provide secure, standardized, and redundant email services for Executive Branch agency customers.
- Provide secure, standardized, and redundant collaboration services (Teams/SharePoint) for Executive Branch agency customers.
- Provide standardized email and a collaboration feature set for Executive Branch agency customers.

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.

FIGURE 33  
**BUSINESS PRODUCTIVITY TOOLS FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget**	7,596,248	8,006,314	8,006,314	8,003,095	8,003,095
<b>GRAND TOTAL</b>	<b>\$ 7,596,248</b>	<b>\$ 8,006,314</b>	<b>\$ 8,006,314</b>	<b>\$ 8,003,095</b>	<b>\$ 8,003,095</b>
<b>Percent Change:</b>					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	46.9 %	5.4 %	-- %	-- %	-- %
FTE Positions	6.0	7.0	7.0	7.0	7.0

### BUDGET ANALYSIS

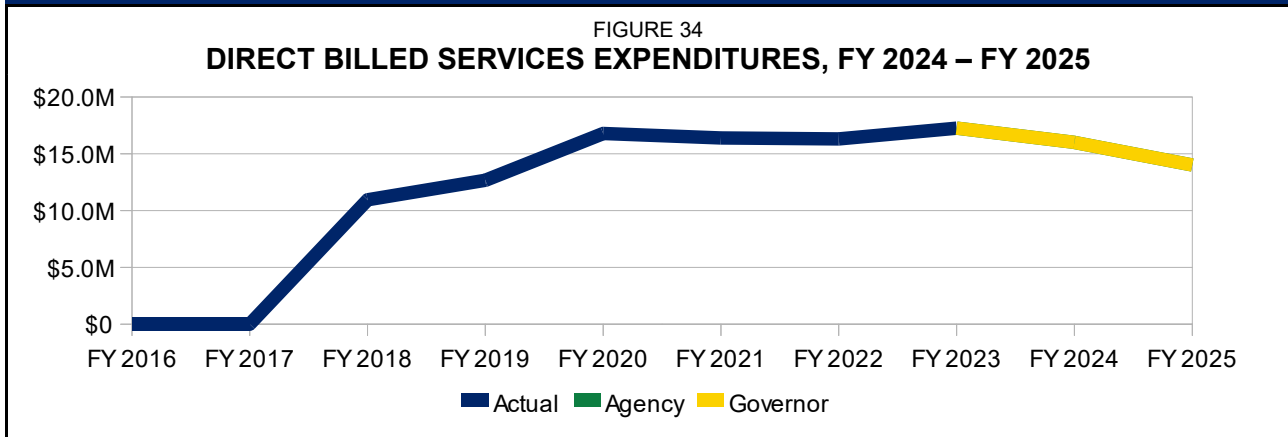
The **agency** requests FY 2025 Business Productivity Tools program expenditures of \$8.0 million, all from special revenue funds. The revised estimate only includes off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$3,219, or less than 1.0 percent,

below the FY 2024 revised estimate. The Business Productivity Tools program request also includes 7.0 FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Business Productivity Tools program in FY 2024 and for FY 2025.



## DIRECT BILLED SERVICES



**STATUTORY BASIS:** • No statutory basis was submitted for this program.

**PROGRAM GOALS:** • No goals were submitted for this program.

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 DtaaS. Accordingly, the agency began eliminating some rates and now bills costs directly to customers.

FIGURE 35  
**DIRECT BILLED SERVICES FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal On-Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget**	17,249,036	16,000,000	16,000,000	14,000,000	14,000,000
<b>GRAND TOTAL</b>	<b>\$ 17,249,036</b>	<b>\$ 16,000,000</b>	<b>\$ 16,000,000</b>	<b>\$ 14,000,000</b>	<b>\$ 14,000,000</b>
<b>Percent Change:</b>					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	5.8 %	(7.2) %	-- %	(12.5) %	-- %
FTE Positions	-	-	-	-	-

### BUDGET ANALYSIS

The agency requests FY 2024 Direct Billed Services program expenditures of \$14.0 million, all from special revenue funds. 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 \$2.0 million, or 12.5 percent, below the FY 2024 revised estimate. The decrease is attributed to a change in how the DTaaS offering is billed.

Individual agencies will now be billed directly by the vendor, utilizing a master contract negotiated by OITS.

The Direct Billed Services program request does not include any FTE positions for FY 2025, which is the same as the FY 2024 revised estimate.

The **Governor** concurs with the agency's request for the Direct Billed Services program in FY 2024 and for FY 2025.