OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

FY 2021 – FY 2023 BUDGET ANALYSIS

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
FIGURE 1					
BUDGET OVERVIEW, FY 2021 – FY 2023					
Operating Expenditures:					
State General Fund	$ 11,626,649	$ 4,250,190	$ 4,250,190	$ 4,250,000	$ 4,250,000
Federal Funds	2,064,484	-	-	-	-
All Other Funds	-	43,000	43,000	43,000	43,000
Subtotal	$ 13,691,133	$ 4,293,190	$ 4,293,190	$ 4,293,000	$ 4,293,000
Capital Improvements:					
State General Fund	$ -	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
Subtotal	$ -	$ -	$ -	$ -	$ -
*Off-Budget**	$ 53,159,956	$ 51,536,946	$ 51,536,946	$ 51,457,210	$ 51,457,210
Total On-Budget	$ 13,691,133	$ 4,293,190	$ 4,293,190	$ 4,293,000	$ 4,293,000
Total Off-Budget	53,159,956	51,536,946	51,536,946	51,457,210	51,457,210
GRAND TOTAL	$ 66,851,089	$ 55,830,136	$ 55,830,136	$ 55,750,210	$ 55,750,210
Percentage Change:					
State General Fund	(24.3) %	(63.4) %	(63.4) %	(0.0) %	(0.0) %
All Funds	1.8 %	(16.5) %	(16.5) %	(0.1) %	(0.1) %
FTE Positions	113.0	115.0	115.0	117.0	117.0

*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 otherwise specified.

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.
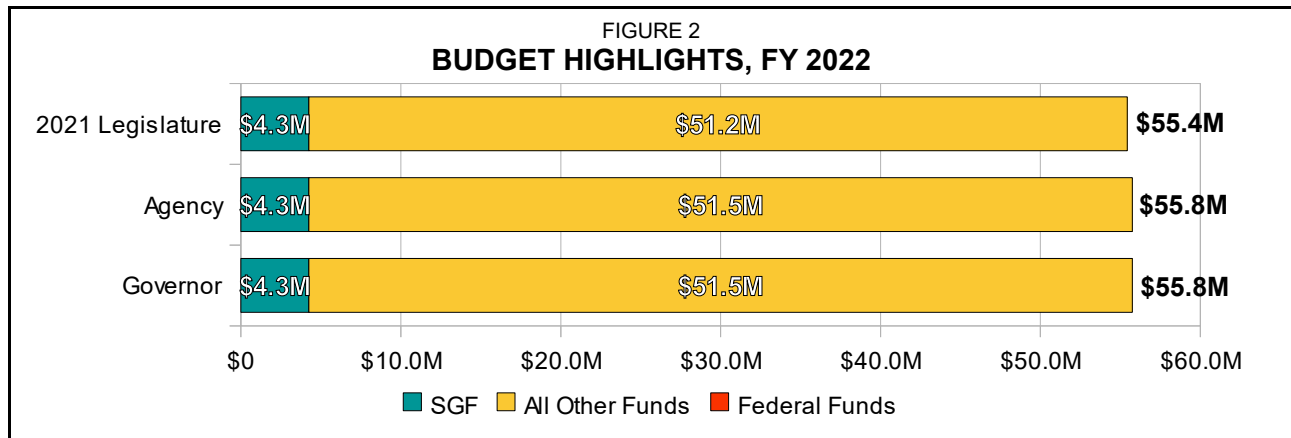
The Office of Information and Technology Services (OITS) is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies in a uniform and cost-effective manner. OITS functions like a utility by providing phone, computer, and 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 more than 450 offices, 17,000 data communication users, and 10,000 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 and 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 (OMB) and overseen by the Federal Health and Human Services Office of Cost Allocation (OCA). Federal guidelines include OMB Circular A-87 and A-25. In 2020, the agency revised its rate structure, with the intent of increasing transparency and communication and providing clarity and predictability for state agencies with regard to information technology service rates. OITS continues to review and revise its rates to better align with the cost of service.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of $55.4 million, including $4.3 million SGF, for the Office of Information and Technology Services for FY 2022. The only adjustment that was subsequently made to that amount was a reappropriation of $190 SGF from FY 2021 to FY 2022, which changes the current year approved amount to $4.3 million without any legislative action required.
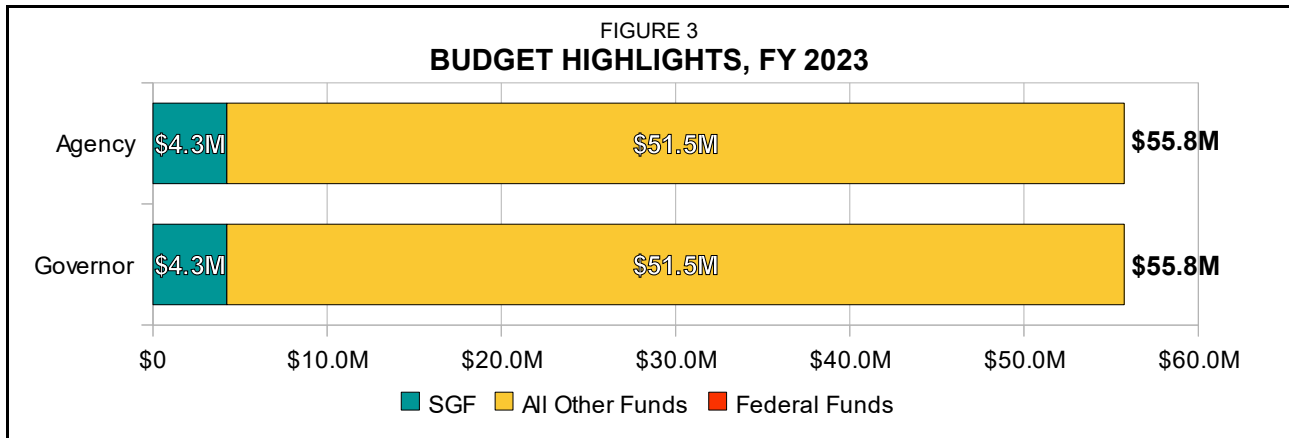
FIGURE 2
BUDGET HIGHLIGHTS, FY 2022

The **agency** requests a revised estimate of $4.3 million, including $4.3 million SGF, for on-budget expenditures in FY 2022. The revised estimate is the same as the FY 2022 approved budget. Included in this amount is $43,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The **agency** revised estimate also includes $51.5 million in off-budget expenditures, all from special revenue funds, which is an increase of $396,964, or 0.8 percent, above the FY 2022 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase can primarily be attributed the agency adding $1.0 million to its salary and wages expenditures by eliminating its shrinkage rate, expenditures related to desktop as a service and purchases of equipment for other state agencies ($700,000), increased utilization of data center as a services offered by OITS ($720,000), implementation of IT projects for OITS programs ($365,000), contractual service costs associated with Cisco SMARTnet and State network maintenance ($100,000), and increased travel and sustenance ($66,000).

The increase is partially offset by the cancellation of a planned IT security project ($1.0 million); fluctuations in utilization of OITS services and indirect costs related to such services ($625,000); reduced rent expenditures related to the Landon Building Data Center exit ($301,000); elimination of computer equipment purchases ($225,000); decreased expenditures for salaries, wages, and fringe benefits ($203,036); and reduced purchases of telecommunication equipment for state network maintenance ($150,000). The revised estimate also includes 115.0 off-budget FTE positions for FY 2022, which is an increase of 1.8 FTE positions above the FY 2022 approved number. The increase is due to the conversion of part-time and temporary staff to full-time employees.

The **Governor** concurs with the agency request in FY 2022

FIGURE 3
BUDGET HIGHLIGHTS, FY 2023

The **agency** request is $4.3 million, including $4.3 million SGF, for on-budget expenditures for FY 2023. The revised estimate is the same as the FY 2022 revised estimate. Included in this amount is $43,000 from the GIS Contracting Services Fund.

For FY 2023, the request also includes $51.5 million in off-budget expenditures, all from special revenue funds, which is a decrease of $79,736, or 0.2 percent, below the FY 2022 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease can primarily be attributed to reduced expenditures associated with purchases made on the behalf of other agencies for IT equipment and peripherals ($415,000), payments to third-party vendors for operation of the Unisys data center and state mainframe ($250,000), completion of internal IT projects present in the FY 2022 revised estimate for implementation of new ServiceNow modules and Apptio ($200,000), elimination of rent for a data center previously located in the Landon State Office Building ($150,000), and the absence of expenditures for passenger vehicles that were present in the FY 2022 revised request ($50,000).

The decrease is partially offset by increased off-budget expenditures for a three-year license renewal of the IT security product offered by Splunk ($800,000) for the Kansas Information Security Offices (KISO), increase cost for project management software licenses ($50,000), and salaries, wages, and associated benefits costs across the agencies programs ($135,764). The request also includes 117.0 off-budget FTE positions for FY 2023, which is a an increase of 2.0 FTE positions above the FY 2022 agency request number. The increase is to accommodate increased use of services offered by the Hosted Services program for the Unisys data center.

The **Governor** concurs with the agency request for FY 2023

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET), FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	$ -	$ -	$ -	$ -	$ -
Contractual Services	9,310,932	43,190	43,000	43,000	43,000
Commodities	4,965	-	-	-	-
Capital Outlay	4,376,036	4,250,000	4,250,000	4,250,000	4,250,000
Debt Service Interest	-	-	-	-	-
Subtotal	*$ 13,691,933*	*$ 4,293,190*	*$ 4,293,000*	*$ 4,293,000*	*$ 4,293,000*
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal–Operating	*$ 13,691,933*	*$ 4,293,190*	*$ 4,293,000*	*$ 4,293,000*	*$ 4,293,000*
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	**$ 13,691,933**	**$ 4,293,190**	**$ 4,293,000**	**$ 4,293,000**	**$ 4,293,000**
Financing:					
State General Fund	$ 11,626,649	$ 4,250,190	$ 4,250,190	$ 4,250,000	$ 4,250,000
GIS Contracting Service Fund	-	43,000	43,000	43,000	43,000
Federal Funds– COVID-19 Relief	2,064,484	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	**$ 13,691,133**	**$ 4,293,190**	**$ 4,293,190**	**$ 4,293,000**	**$ 4,293,000**
FTE Positions	--	--	--	--	--

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (OFF BUDGET),
FY 2021 – FY 2023

Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	$ 9,787,447	$ 11,227,446	$ 11,227,446	$ 11,363,210	$ 11,363,210
Contractual Services	26,435,487	33,976,500	33,976,500	34,231,000	34,231,000
Commodities	16,417,119	5,946,000	5,946,000	5,531,000	5,531,000
Capital Outlay	519,903	387,000	387,000	332,000	332,000
Debt Service Interest	-	-	-	-	-
Subtotal	$ 53,159,956	$ 51,536,946	$ 51,536,946	$ 51,457,210	$ 51,457,210
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal–Operating	$ 53,159,956	$ 51,536,946	$ 51,536,946	$ 51,457,210	$ 51,457,210
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	**$ 53,159,956**	**$ 51,536,946**	**$ 51,536,946**	**$ 51,457,210**	**$ 51,457,210**
Financing:					
State General Fund	$ -	$ -	$ -	$ -	$ -
Information Technology Fund	52,440,900	50,886,946	50,886,946	50,807,210	50,807,210
GIS Contracting Services Fund	716,148	650,000	650,000	650,000	650,000
Federal Funds– COVID-19 Relief	2,908	-	-	-	-
All Other Funds	-	-			
TOTAL	**$ 53,159,956**	**$ 51,536,946**	**$ 51,536,946**	**$ 51,457,210**	**$ 51,457,210**
FTE Positions	113.0	115.0	115.0	117.0	117.0

STATE GENERAL FUND

FIGURE 6
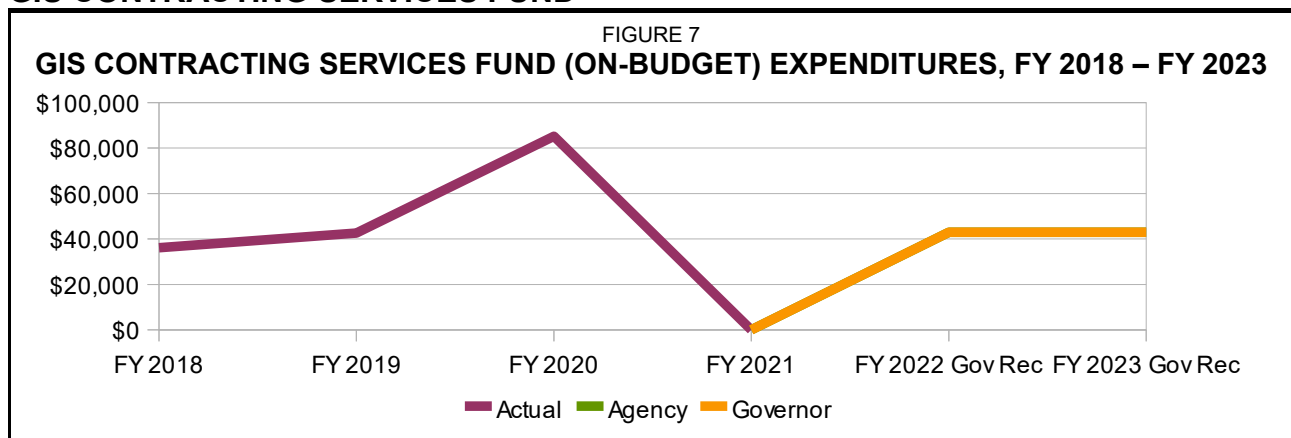**STATE GENERAL FUND EXPENDITURES, FY 2014 – FY 2023**
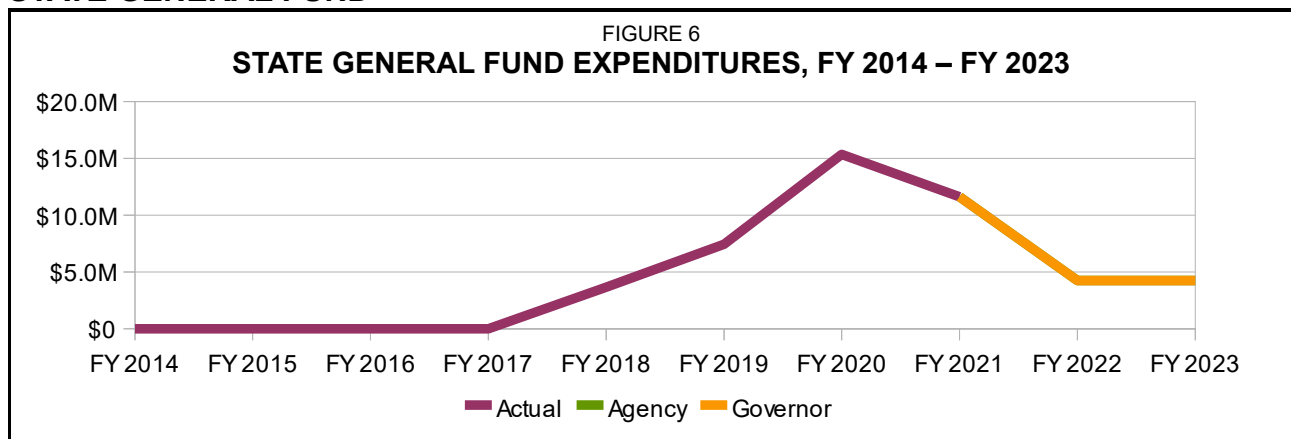
For the Office of Information and Technology Services, SGF expenditures averaged $9.5 million from FY 2018 to FY 2021. Historically, the majority of OITS expenditures are supported by off-budget funds received for services performed for other state agencies or local units of government. The appropriation of SGF moneys that began in FY 2018 and peaked in FY 2020 is a result of the following legislative actions:
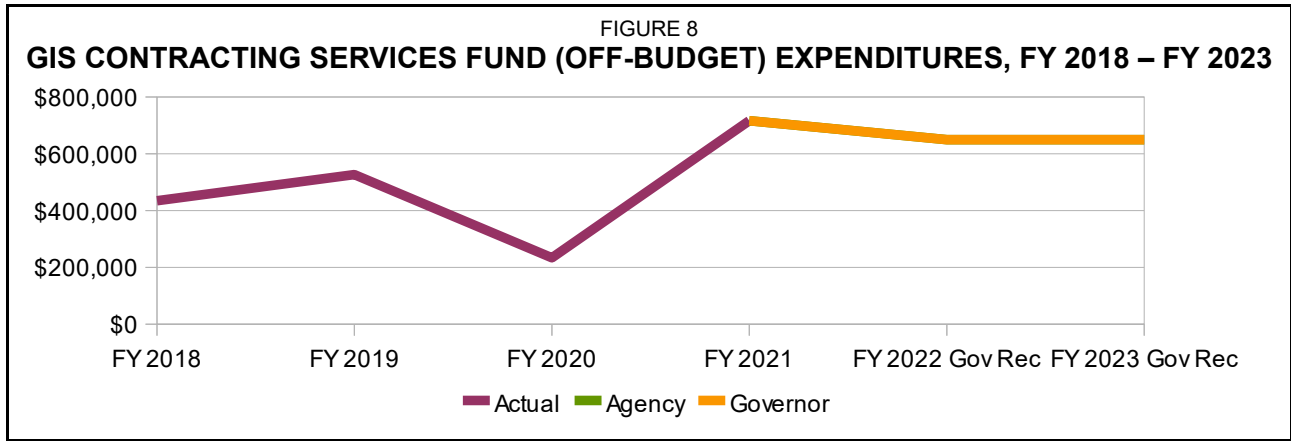
- The **2017 Legislature** added $4.1 million in FY 2018 and $5.4 million for FY 2019, all SGF, for the agency's IT modernization strategy, which included moving to an "as-a-service" model;

- 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; and

- 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 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.

In FY 2022 and for FY 2023, the agency request includes $4.3 million for continued rehabilitation and repair funding of IT equipment.

GIS CONTRACTING SERVICES FUND

FIGURE 7
GIS CONTRACTING SERVICES FUND (ON-BUDGET) EXPENDITURES, FY 2018 – FY 2023

FIGURE 8
GIS CONTRACTING SERVICES FUND (OFF-BUDGET) EXPENDITURES, FY 2018 – FY 2023

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

The GIS Contracting Services Fund refers to two special revenue funds, one on-budget and one off-budget, that generate revenue from licensing fees for the Geographic Information Systems subprogram within the Administration program. The on-budget fund collects fees from non-state entities, while the off-budget fund generates revenue from fees charged to state agencies and other intra-governmental entities. 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; and 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 such services.

The agency's on-budget expenditures average $40,986 from FY 2018 to FY 2021. OITS made no on-budget expenditures from this fund in FY 2021. The agency estimates it will collect $43,000 from non-state entities in FY 2022 and for FY 2023,

The agency's off-budget expenditures average $477,962 from FY 2018 to FY 2021, and the agency estimates it will collect $650,000 from state agencies in FY 2022 and for FY 2023 for this subprogram.

INFORMATION TECHNOLOGY FUND

FIGURE 9
INFORMATION TECHNOLOGY FUND EXPENDITURES, FY 2016 – FY 2023
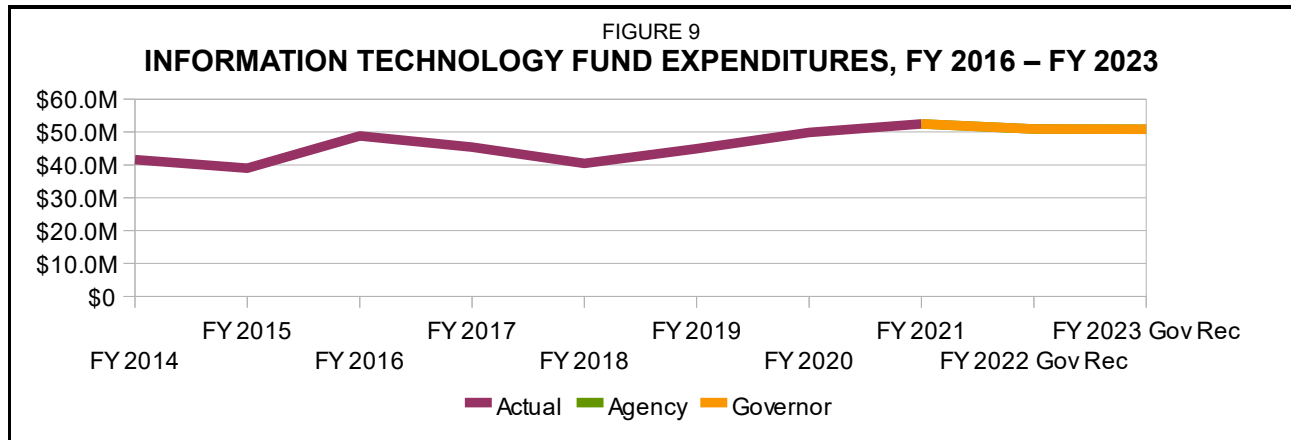
The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of IT goods and services to other state agencies. This fund generates revenue from rates and charges for services, as established by the Executive Chief Information Technology Officer pursuant to KSA 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 $45.3 million between FY 2014 to FY 2021. The agency estimates it will expend $50.9 million in FY 2022 and $50.8 million for FY 2023.

Rates are intended only to recover costs and comply with federal audit and cost accounting guidelines, as outlined in Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. Pursuant to those guidelines, the State of Kansas is required to file a Statewide Cost Allocation Plan (SWCAP) with the U.S. Department of Health and Human Services (HHS) annually, and 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 that the amount charged reflects actual costs incurred. Presently, OITS self-reports 8 services (previously 15), for each of which the SWCAP report 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

FIGURE 10
INFORMATION TECHNOLOGY FUND EXPENDITURES, FY 2019 – FY 2023
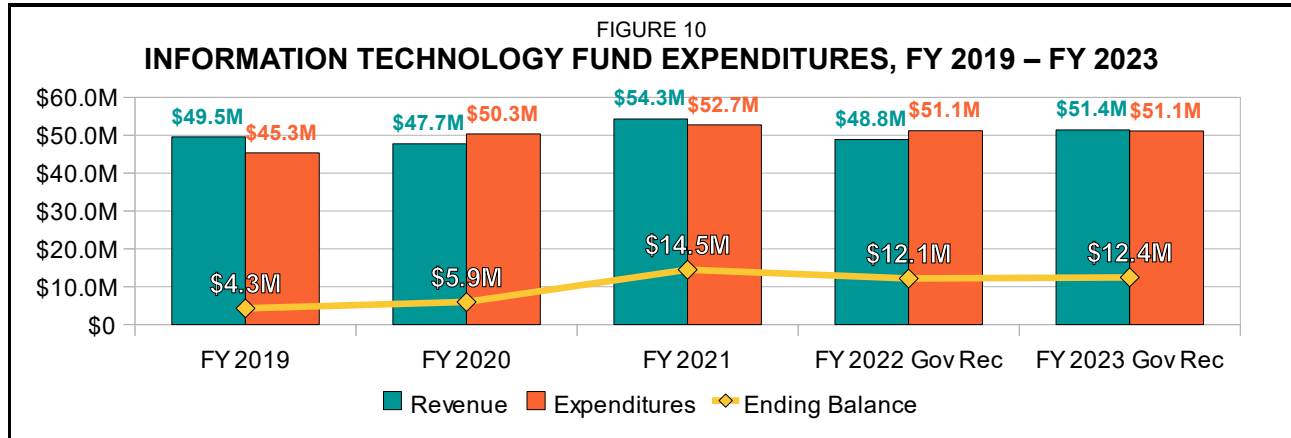
According to the agency, its general practice it to maintain a balance of 90 days of operating expenditures to accommodate any unforeseen circumstance that may impact its cash flow.

Projected Revenue (FY 2021 – FY 2023)			
Item	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Cloud/0365	$ 7,050,259	$ 8,012,327	$ 9,406,632
Network Telecommunications	18,674,341	14,222,926	13,591,740
Mainframe	4,096,415	3,962,562	4,314,739
State-owned Data Centers	1,257,532	396,480	342,000
Data Center as a Service (Unisys)	2,744,924	9,868,645	11,889,960
Project Management	660195	739,875	908,793
Surcharges	944,646	955,000	1,007,000
Direct Billings	15,990,863	5,915,000	5,500,000
TOTAL	**$ 51,419,175**	**$ 44,072,815**	**$ 46,960,864**

FY 2022 ANALYSIS

FIGURE 11

SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	$ 4,250,000	$ 51,182,982	$ 55,432,982	113.2
1. SGF Reappropriations	190	--	190	--
Subtotal–Legislative Approved	$ 4,250,190	$ 51,182,982	$ 55,433,172	113.2
Agency Revised Estimate,			-	
2. Salaries and Wages*	-	796,964	796,964	1.8
3. Data Center and Mainframe *	-	720,000	720,000	--
4. Direct Billed Services*	-	700,000	700,000	--
5. OITS IT Projects*	-	365,000	365,000	--
6. Network Maintenance*	-	100,000	100,000	--
7. Travel*	-	66,000	66,000	--
8. IT Security Project Postponement*	-	(1,050,000)	(1,050,000)	--
9. Landon Data Center Exit*	-	(301,000)	(301,000)	--
10. Computer Equipment Purchases*	-	(225,000)	(225,000)	--
11. Network/Telecommunication Equipment*	-	(150,000)	(150,000)	--
12. All Other Adjustments*	-	(625,000)	(625,000)	--
Subtotal–Agency Revised Estimate	$ 4,250,190	$ 51,579,946	$ 55,830,136	115.0
Governor's Recommendation:				
13. No Changes	$ -	$ -	$ -	--
TOTAL	$ 4,250,190	$ 51,579,946	$ 55,830,136	115

* *Staff Note*: These items reflect off-budget expenditures.

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the $4.3 million SGF, for on-budget expenditures, appropriated to the Office of Information and Technology Services for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATIONS.** The agency carried over $190 SGF from FY 2021 to FY 2022. This brings the approved SGF amount to $4.3 million in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of $4.3 million, including $4.3 million SGF, for on-budget expenditures in FY 2022. The revised estimate is the same as the FY 2022 approved budget. Included in this amount is $43,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The agency revised estimate also includes $51.5 million in off-budget expenditures, all from special revenue funds, which is an increase of $396,964, or 0.8 percent, above the FY 2022 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 115.0 off-budget FTE positions for FY 2022, which is an increase of 1.8 FTE positions above the FY 2022 approved number. The increase is due to the conversion of part-time and temporary staff to full-time employees.

The agency off-budget revised estimates include the following adjustments:

2. **SALARIES AND WAGES.** An increase in salaries and wages and associated benefits across the agency's programs totaling $796,964, or 7.6 percent, all from off-budget sources. The increase can primarily be attributed to the agency adding $1.0 million to its salary and wage expenditures by eliminating its shrinkage rate. The increase is partially offset by adjustments made by the agency related to its staffing needs ($203,036). The adjustments result in the addition of 1.8 FTE above the FY 2022 approved budget.

3. **DATA CENTER AND MAINFRAME.** A $720,000 increase, all from off-budget sources primarily attributed to increased utilization of the Unisys Data Center (DcaaS) and costs related to operation of the State Mainframe. The agency estimates total expenditures for the DcaaS and the mainframe to be $14.3 million in FY 2022.

4. **DIRECT BILLED SERVICES.** A $700,000 increase, all from off-budget sources, attributed to increased purchasing of certain commodities the agency procures on behalf of other state agencies such as desktop as a service devices, and other electronic peripherals (*e.g.*, keyboards, mice, and webcams), and a change in how the agency records expenditures for purchase of Microsoft Licenses not associated with the Office 365 agreement. The agency estimates total expenditures for direct billed services to be $5.9 million in FY 2022.

5. **OITS IT PROJECTS.** A $365,000 increase, all from off-budget sources, for the agency's Apptio implementation project ($160,000) and ServiceNow upgrade ($200,000). Apptio is a financial and operational data platform used by OITS for budgeting, reporting analysis and tracking of expenditures. OITS is currently implementing "Bill of IT" module, a new way to communicate agency billing and invoice material. ServiceNow, among other things, is an incident management tool used by the agency to create, diagnose, and troubleshoot technical support issues reported by agencies utilizing OITS services.

6. **NETWORK MAINTENANCE.** A $100,000 increase, all from off-budget sources, for Cisco SMARTnet service. This service provides OITS with ongoing technical support for various networking devices, such as switches and routers utilized by the agency's Network and Telecommunications program. Additionally, the service acts as a type of warranty for diagnosis and replacement of critical pieces of network equipment.

7. **TRAVEL.** A $66,000 increase, all from off-budget sources, for agency travel. In FY 2022, the agency request for travel is $150,000.

8. **IT SECURITY PROJECT POSTPONEMENT.** A $1.1 million decrease, all from off-budget sources, attributable to the agency canceling an identity access management solution consolidation project. The agency indicated due to other ongoing projects the work would not have been possible to complete at this time. The agency currently offers similar services to Executive Branch agencies such as multi-factor authentication, and single sign-on capabilities, but these service are *ad-hoc*. The agency estimates total FY 2022 expenditures for the Kansas Information security Office to be $4.3 million.

9. **LANDON DATA CENTER EXIT.** A $301,000 decrease attributable to the elimination of rent payments no longer required due to OITS ceasing operation of a data center in the Landon State Office Building. The building was able to be exited as a result of the migration of this data to the Unisys Data center. OITS still operates state-owned data centers in the Eisenhower Office Building. The FY 2022 revised agency request includes $1.2 million for rent payments.

10. **COMPUTER EQUIPMENT PURCHASES.** A $225,000 decrease, all from off-budget sources, attributable to the elimination of computer equipment purchased with Coronavirus Relief Fund moneys for the Kansas Information Security Office. The FY 2022 revised agency request includes.

11. **NETWORK/TELECOMMUNICATIONS EQUIPMENT.** A $150,000 decrease, all from off-budget sources, attributable to fewer one-time purchases of equipment for the maintenance and repair of the state network. In FY 2022, the revised agency request includes $4.3 million, all SGF, for ongoing maintenance and repair of the state network.

12. **ALL OTHER ADJUSTMENTS.** A decrease of $625,000, 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

The **Governor** concurs with the agency request for FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES

FIGURE 12
CHANGE FROM ACTUAL EXPENDITURES (ON-BUDGET), FY 2022
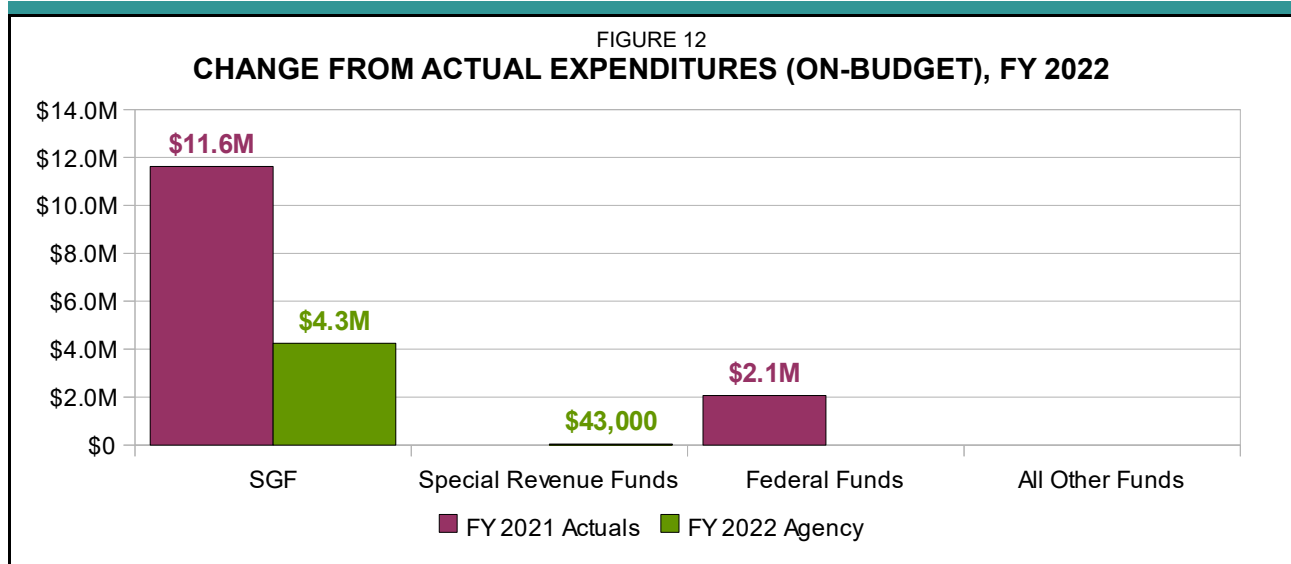
The agency estimates revised FY 2022 on-budget expenditures of $4.3 million, including $4.3 million SGF. This is an all funds decrease of $9.4 million, or 69.0 percent, and an SGF decrease of $7.4 million, or 63.4 percent, from the FY 2021 actual expenditures. The decrease is primarily due to financing commitments and one-time expenditures incurred in FY 2021 that are not present for FY 2022. These commitments and expenditures include SGF expenditures for data center migration ($2.0 million), upgrades to the state network infrastructure ($3.4 million), the Statewide Cost Allocation Plan settlement payment ($1.7 million), and federal Coronavirus Relief Fund moneys used for remote workforce enhancements and IT security($2.1 million).

FIGURE 13
CHANGE FROM ACTUAL EXPENDITURES (OFF-BUDGET), FY 2022
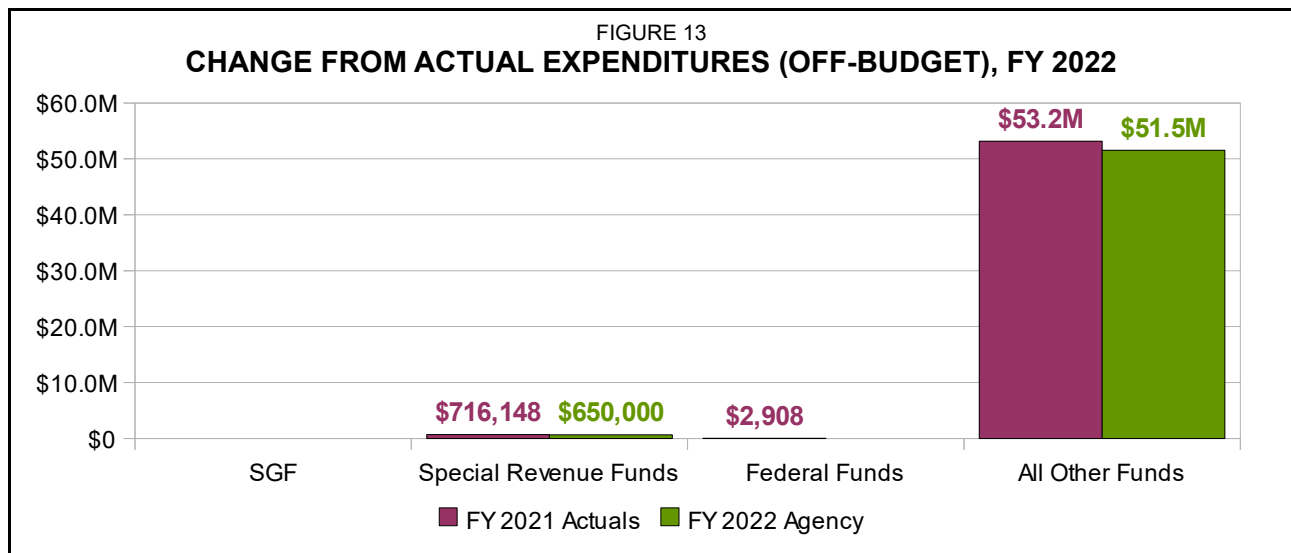
The agency estimates revised FY 2022 off-budget expenditures of $51.5 million, all from special revenue funds, which is a decrease of $1.6 million, or 3.1 percent, below FY 2021 actual expenditures. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as software licenses, cables, other electronic equipment, and peripherals ($10.5 million). The decrease is partially offset by increased expenditures for salaries and wages ($1.4 million) primarily due to the agency adding $1.0 million to its salary and wages expenditures by eliminating its shrinkage rate, and contractual services for use of the Unysis data center ($7.5 million).

FY 2023 ANALYSIS

FIGURE 14
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	$ 4,250,190	$ 51,579,946	$ 55,830,136	115.0
Agency Request:				
1. Software License Renewal*	-	800,000	800,000	--
2. Salaries and Wages*	-	135,764	135,764	2.0
3. New Software Licenses*	-	50,000	50,000	--
4. Direct Billed Services*	-	(415,000)	(415,000)	--
5. Data Center Contract	(190)	(250,000)	(250,190)	--
6. OITS IT Projects*	-	(200,000)	(200,000)	--
7. Landon Data Center Exit*	-	(150,000)	(150,000)	--
8. All Other Adjustment*	-	(50,500)	(50,500)	--
Subtotal–Agency Estimate	$ 4,250,000	$ 51,500,210	$ 55,750,210	117.0
Governor's Recommendation:				
9. No Changes	$ -	$ -	$ -	--
TOTAL	**$ 4,250,000**	**$ 51,500,210**	**$ 55,750,210**	**117.0**

* Staff note: These items reflect off-budget expenditures.

AGENCY REQUEST

The **agency** requests $4.3 million, including $4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2022 revised estimate. Included in this amount is $43,000 from the Contracting Services Fund.

The **agency** request also includes $51.5 million in off-budget expenditures, all from special revenue funds, which is a decrease of $79,736, or 0.2 percent, below the FY 2022 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request includes 117.0 off-budget FTE positions, for FY 2023, which is an increase of 2.0 FTE positions above the FY 2022 revised request.

The **agency** request includes the following adjustments:

1. **SOFTWARE LICENSE RENEWAL.** An $800,000, increase all from off-budget sources, primarily attributed to the three-year renewal of software licenses for the IT security services offered by the vendor Splunk. These licenses were last renewed in FY 2020.

2. **SALARIES AND WAGES.** A increase in salaries and wages and associate benefits across the agency's programs totaling $135,764, or 1.2 percent, all from off-budget sources. The increase can primarily be attributed to the addition of 2.0 FTE positions in the agency Hosted Services program ($104,097). Salaries and wage expenditures also increased for the KITO office ($58,078). The increases are partially offset by decrease in all other programs ($26,411).

3. **NEW SOFTWARE LICENSES.** A $50,000 increase, all from off-budget sources, primarily attributable to the purchase of additional Servicenow licenses for the Kansas Information Technology Office (KITO). The FY 2023 agency request for the KITO program is $944,206.

4. **DIRECT BILLED SERVICES.** A $415,000 decrease, all from off-budget sources, attributed to reduced expenditures on certain commodities the agency purchases on

behalf of other state agencies such as desktop as a service equipment and one-time requests for software and other electronic peripherals. The agency anticipates less demand for these purchase in FY 2023 due to heavy use in FY 2022. The FY 2023 agency request for the direct billed services program is $5.5 million.

5. **DATA CENTER CONTRACT.** A $250,000 decrease in contract expenditures, all from off-budget sources, primarily attributed to less expenditures for third-party vendors for mainframe and data center services such as the vendor-managed Unisys Data center. The FY 2023 agency request for the Hosted Services program is $14.5 million.

6. **OITS IT PROJECTS.** A $200,00 decrease from all off-budget sources, attributable to the completion of IT projects related to the use of ServiceNow and Apptio.

7. **LANDON DATA CENTER EXIT.** A $150,00 decrease attributable to the elimination of rent payments no longer required due to OITS no longer operating a data center in the Landon State Office Building. The FY 2023 agency request includes total rent payments of $1.0 million.

8. **ALL OTHER ADJUSTMENTS.** A decrease of $50,500, primarily attributable to the absence of expenditures for passenger vehicles, used for service calls to other state agencies, in the FY 2022 revised estimate that are no longer present in the FY 2023 request ($50,000).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request for FY 2023.

SPECIAL TOPICS

TOPIC 1
OITS RATE CHANGES FOR FY 2022

In a presentation presented to the Joint Committee on Information Technology on August 19, 2021, the Executive Chief Information Technology Officer indicated no agencies will experience a net cost increase for FY 2022 OITS services. A total of 69 state agencies will experience a cost decrease totaling $1.1 million due to a reduction in the network/telecommunication device rate. The ten agencies with the largest dollar decreases are listed in the table below:

FY 2022 RATE CHANGE AMOUNTS

Agency	FY 2022 Published Rates[1]	FY 2022 Proposed Rates[2]	Difference in Dollars	Difference in Percent
Department for Children and Families	$ 9,458,703	$ 9,271,176	$ (187,527)	(2.0) %
Kansas Department of Transportation	5,472,303	5,296,832	(175,471)	(3.2) %
Kansas Department of Health and Environment	5,010,622	4,839,037	(171,585)	(3.4) %
Kansas Department of Revenue	4,390,789	4,265,878	(124,911)	(2.8) %
Legislature	404,856	360,745	(44,111)	(10.9) %
OITS	1,729,666	1,693,197	(36,469)	(2.1) %
Judicial Branch	325,843	289,380	(36,463)	(11.2) %
Department of Administration	601,835	569,825	(32,010)	(5.3) %
Kansas Department for Aging and Disability Services	681,213	655,820	(25,393)	(3.7) %
Kansas State Department of Education	262,549	240,824	(21,725)	(8.3) %
All Other Agencies	9,979,112	9,720,102	(259,010)	(2.6) %
TOTAL	**$ 38,317,491**	**$ 37,202,816**	**$ (1,114,675)**	**(3.0) %**

Staff Note: According to OITS the figures provides were calculated using quantities of serves based on usage as of April 2021 and fluctuate based on agency need. Additionally they do not include all charges an agency may incur from OITS, such as direct billings, security services level agreements, Chief Information Officer payroll and other miscellaneous charges that are not directly associated with rated service.
1 These rates were published in FY 2021.
2 These rates were revised in FY 2022.

In calender year 2020, OITS was in the process of reviewing its rate structure, which at the time consisted of 119 rates. For FY 2021, the agency combined these rates to 30 individual services. This process resulted in the establishment of several "all in rates" for FY 2021 and FY 2022. These "all in rates" include:

- **COMMUNICATION DEVICES-PHONES AND PHONE JACKS.** OITS collapsed several previous rates such as voicemail, dial tone, and long distance and international calls into a single rate.

- **DATACENTER AS A SERVICE.** Prior to the restructure, each of the four levels of service (Platinum, Gold, Silver, Bronze) had numerous steps based on usage, effectively resulting in over 70 unique rates. Those have all been collapsed into four respective core rates.

- **SITEFINITY HOSTING AND WEB SERVICES.** Previously, there were individual rates for this service based on the size of a website and additional charges for adding various functions such as web application hosting and backups.

SPECIAL TOPICS

TOPIC 2
OITS RATE CHANGES FOR FY 2023

According to OITS, in FY 2023, 45 agencies experience a net cost increase of $3.3 million. Seven agencies account for $3.0 million of this increase and, of that amount, $2.0 million can be associated with increased costs for Data Center as a Service and $1.0 million for Office 365 licenses. Additionally, 31 agencies will experience a net cost decrease totaling $122,000. No agency will be cost neutral. The table below contains the 10 agency's with the largest dollar increases.

Agency	FY 2022 Proposed Rates[1]	FY 2023 Proposed Rates[2]	Difference in Dollars	Difference in Percent
Department for Children and Families	$ 9,271,176	$ 10,118,146	$ 846,970	9.1 %
Kansas Department of Transportation	5,296,832	5,806,062	509,230	9.6 %
Kansas Department of Health and Environment	4,839,037	5,260,363	421,326	8.7 %
Kansas Department of Labor	2,457,290	2,851,625	394,335	16.0 %
Kansas Department of Revenue	4,265,878	4,649,523	383,645	9.0 %
Kansas Department of Corrections	1,832,560	2,147,832	315,272	17.2 %
OITS	1,693,197	1,825,144	131,947	7.8 %
Larned State Hospital	410,851	484,776	73,925	18.0 %
Kansas Highway Patrol	714,266	773,811	59,545	8.3 %
Kansas Department for Aging and Disability Services	655,820	706,002	50,182	7.7 %
All Other Agencies	5,765,908	5,830,579	64,671	1.1 %
TOTAL	**$ 37,202,815**	**$ 40,453,863**	**$ 3,251,048**	**8.0 %**

Staff Note: According to OITS the figures provides were calculated using quantities of serves based on usage as of April 2021 and fluctuate based on agency need. Additionally they do not include all charges an agency may incur from OITS, such as direct billings, security services level agreements, Chief Information Officer payroll and other miscellaneous charges that are not directly associated with rated service.

1 These rates were published in FY 2021.
2 These rates were revised in FY 2022.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 15
EXPENDITURES AND FTE POSITIONS BY PROGRAM (ALL FUNDS), FY 2021 – FY 2023

| Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration*	$ 9,808,063	$ 5,539,794	$ 5,539,794	$ 5,332,463	$ 5,332,463
Business Productivity Tools (O365)	5,438,862	7,958,679	7,958,679	7,955,449	7,955,449
Hosted Services	14,034,512	14,765,291	14,765,291	14,449,388	14,449,388
Kansas Information Security Office	4,243,355	4,311,004	4,311,004	5,101,444	5,101,444
Kansas Information Technology Office	503,377	836,128	836,128	944,206	944,206
Network and Telecommunication*	12,808,456	12,708,450	12,708,450	12,706,465	12,706,465
Professional Services	3,631,857	3,795,790	3,795,790	3,760,795	3,760,795
Direct Billed Services	16,383,407	5,915,000	5,915,000	5,500,000	5,500,000
TOTAL	**$ 66,851,889**	**$ 55,830,136**	**$ 55,830,136**	**$ 55,750,210**	**$ 55,750,210**
FTE Positions:**					
Administration	30.0	30.0	30.0	30.0	30.0
Business Productivity Tools (O365)	6.0	7.0	7.0	7.0	7.0
Hosted Services	6.0	5.0	5.0	7.0	7.0
Kansas Information Security Office	17.0	17.0	17.0	17.0	17.0
Kansas Information Technology Office	6.0	6.0	6.0	6.0	6.0
Network and Telecommunication	23.0	23.0	23.0	23.0	23.0
Professional Services	25.0	27.0	27.0	27.0	27.0
Direct Billed Services	-	-	-	-	-
TOTAL	**113.0**	**115.0**	**115.0**	**117.0**	**117.0**

*Program receives SGF.
**All FTE positions are funded with off-budget funds.

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 16
ADMINISTRATION EXPENDITURES, FY 2016 – FY 2023
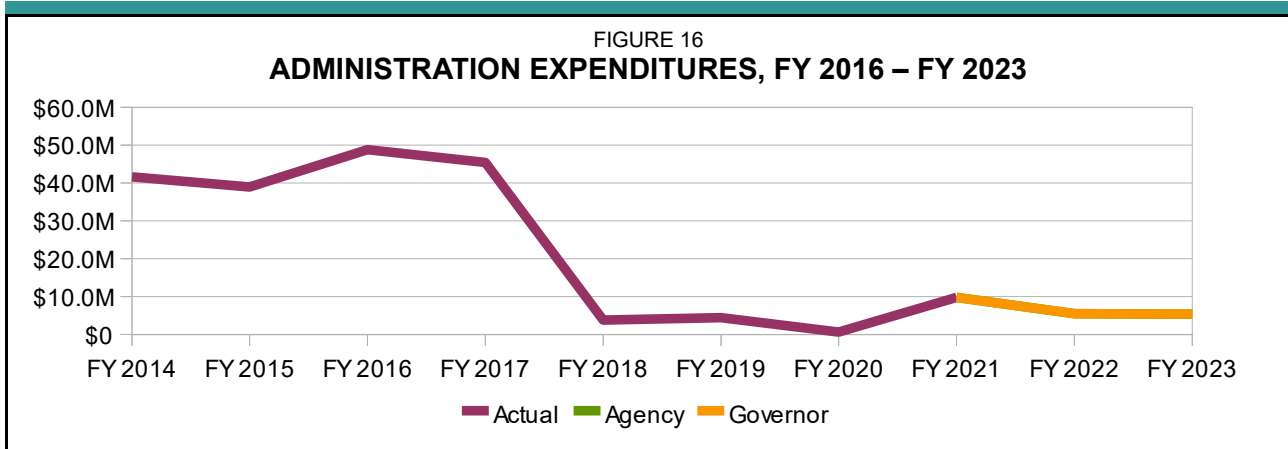
Staff note: In FY 2014 and FY 2015, the OITS budget was presented as part of the Department of Administration (DoA). In FY 2016 and FY 2017, the budget was presented independently from DoA. In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. As a result, the graph above depicts all of the agency's expenditures between FY 2014 and FY 2017 as occurring within the Administration subprogram before being spread across programs created after OITS began budgeting as an individual agency.

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

PROGRAM GOALS: • Facilitate strategic development of vision, mission and roadmap 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.

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 17
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. % of requested EB agencies submitting 3-year IT plans*	91.8 %	87.1 %	59.6 %	95.0 %	100.0 %
2. Number of contracts and RFPs executed*	19	2	13	15	15
3. Employee turnover rate*	18.8 %	23.7 %	--	18.0 %	18.0 %
4. Number of OITS projects*	526	10	14	18	18
5. % of A/P Invoices Paid on Time*	99.8 %	100.0 %	99.8 %	100.0 %	100.0 %

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ -	$ 1,728,850		$ 190	$ -
Federal Funds	-	2,065,484		-	-
All Other Funds	48,544	-		43,000	43,000
Subtotal-On Budget	$ 48,544	$ 3,794,334		$ 43,190	$ 43,000
Off-Budget	6,605,513	6,013,729		5,496,604	5,289,463
GRAND TOTAL	**$ 6,654,057**	**$ 9,808,063**		**$ 5,539,794**	**$ 5,332,463**
Percentage Change:					
SGF	(100.0) %	-- %		(100.0) %	(100.0) %
All Funds	48.2 %	47.4 %		(43.5) %	(3.7) %
FTE Positions	28.0	30.0		30.0	30.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Administration program expenditures of $5.3 million, all from special revenue funds. The request includes $5.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of $207,331, or 3.7 percent, below the FY 2022 revised estimate. The decrease can primarily be attributed to the elimination of one-time expenditures present in the FY 2022 revised estimate for the agency's Servicenow upgrade, and implementation of Apptio's "Bill of IT" functionality ($200,000).

The **Governor** concurs with the agency request for the Administration program in FY 2022 and for FY 2023.

BUSINESS PRODUCTIVITY TOOLS (O365)
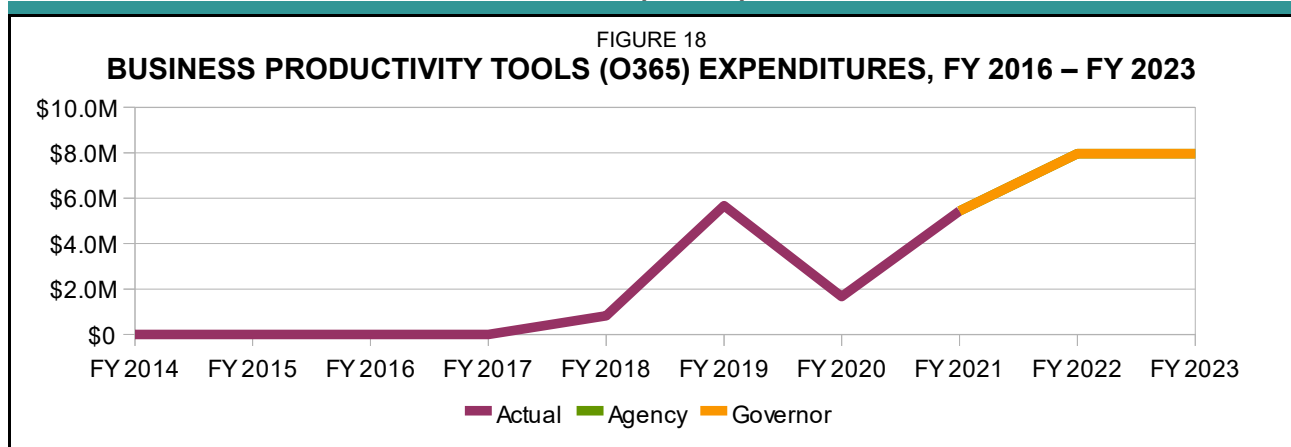
FIGURE 18
BUSINESS PRODUCTIVITY TOOLS (O365) EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

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 (O365) 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 19
BUSINESS PRODUCTIVITY TOOLS (O365), PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of time O365 is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Number of O365 users*	17,700	19,681	18,302	19,681	19,681
3. Teams Meetings hosting in O365*	N/A	264,000	--	250,000	250,000
4. Collaboration Teams Sites*	N/A	1,471	--	1,500	1,500

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ 250,187	$ -		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	$ 250,187	$ -		$ -	$ -
Off-Budget	1,416,542	5,438,862		7,958,679	7,955,449
GRAND TOTAL	**$ 1,666,729**	**$ 5,438,862**		**$ 7,958,679**	**$ 7,955,449**
Percentage Change:					
SGF	(91.6) %	(100.0) %		-- %	-- %
All Funds	(70.6) %	226.3 %		46.3 %	(0.0) %
FTE Positions	8.0	6.5		7.0	7.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Business Productivity Tools (O365) expenditures of $8.0 million, all from special revenue funds, which is $3,230, or less than 0.0 percent, below the FY 2022 revised estimate. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The Business Productivity Tools program request also includes 7.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Business Productivity Tools program in FY 2022 and for FY 2023.

HOSTED SERVICES
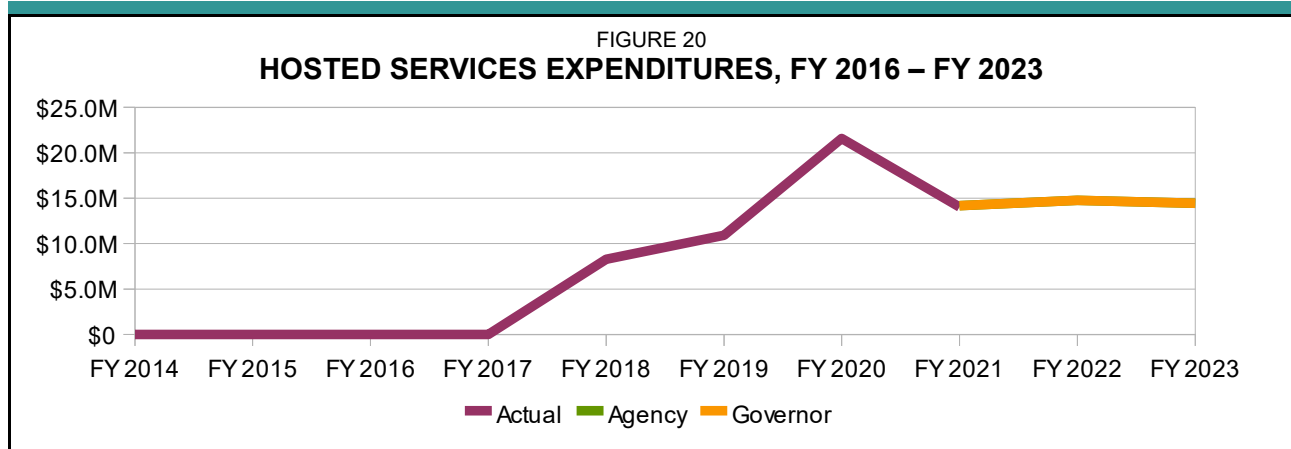
FIGURE 20
HOSTED SERVICES EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

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; reliability and performance of state applications; and an improved information security posture for the State of Kansas.

In 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 requests additional funding in FY 2020 and for FY 2021 to resolve the network infrastructure issues preventing migration activities. The migration project resumed in August 2020 and was completed in late CY 2021.

FIGURE 21
HOSTED SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of time mainframe service is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Average percentage of utilization of mainframe CPU*	52.0 %	40.0 %	56.0 %	40.0 %	40.0 %
3. Average percentage of utilization of mainframe storage	64.0 %	72.0 %	72.0 %	70.0 %	70.0 %
4. Percent of successfully completed mainframe backup jobs	95.0 %	95.0 %	95.0 %	95.0 %	95.0 %
5. Average communication line latency to Unisys DCaaS (minutes)*	22	4	--	4	4
6. Percentage of time Unisys DCaaS is available*	N/A	N/A	--	100.0 %	100.0 %
7. Percentage of time Microsoft Azure is available*	N/A	N/A	--	99.5 %	99.5 %

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ 14,360,840	$ 5,400,000		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	$ 14,360,840	$ 5,400,000		$ -	$ -
Off-Budget	7,205,475	8,634,512		14,765,291	14,449,388
GRAND TOTAL	**$ 21,566,315**	**$ 14,034,512**		**$ 14,765,291**	**$ 14,449,388**
Percentage Change:					
SGF	367.6 %	(62.4) %		(100.0) %	-- %
All Funds	97.2 %	(34.9) %		5.2 %	(2.1) %
FTE Positions	7.0	6.5		5.0	7.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Hosted Services program expenditures of $14.4 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 $315,903, or 2.1 percent, from the FY 2022 revised estimate. The decrease can primarily be attributed to a change in the contract rate for operation of the Unysis Data Center ($200,000), reduced rent payments resulting from ceasing operation of the Landon State Office Building Data Center ($150,000), and the elimination of a one-time purchase of a vehicle ($25,000). The request also includes an increase in salaries and wages ($87,693) and associated benefits ($65,368).

The Hosted Services program request also includes 7.0 FTE positions for FY 2023, which is an increase of 2.0 FTE positions above the FY 2022 revised estimate amount.

The **Governor** concurs with the agency request for the Hosted Services program in FY 2022 and for FY 2023.

KANSAS INFORMATION SECURITY OFFICE

FIGURE 22
KANSAS INFORMATION SECURITY OFFICE EXPENDITURES, FY 2016 – FY 2023
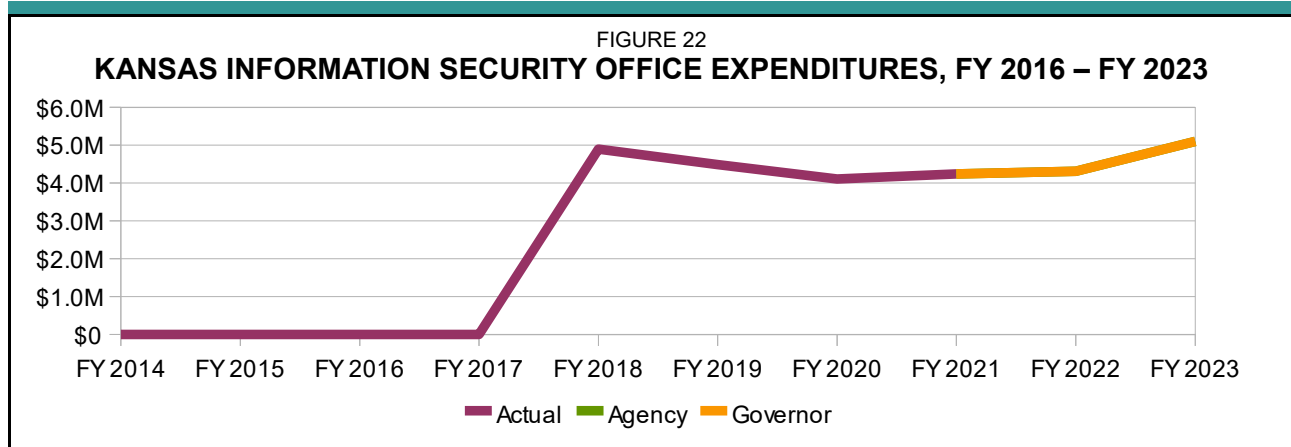
Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS:	• KSA 75-7236 through 75-7243
PROGRAM GOALS:	• Continue to ensure KISO staff is prepared for and can quickly response to critical events to ensure that 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 KanWIN network, including support for hardware, software, and licensing. Common expenses include technician time, which includes security engineering, network monitoring, review logging, incident response and security control installation, and operation and maintenance services. Expenses are currently included in the NTS connection rate, but the agency indicates a dedicated ESS rate has been establish for use in future fiscal years.

SECURITY CONSULTING SERVICES (SCS). KISO provides security engineering and technical support services for state agencies and, where applicable, local units of government. Services are provided on an hourly basis and include support for security controls, such as firewalls, intrusion prevention, and vulnerability scanning.

INFORMATION SECURITY OFFICER SERVICES (ISO). KISO provides a number of services, including security policy development and maintenance, information security risk assessment, compliance management, disaster recovery and business continuity planning assistance, development of digital incident management and response, configuration management, cybersecurity awareness and training, and continuous monitoring services. Accordingly, KISO functions as the State's point of contact with federal and national IT security organizations with regard to cybersecurity issues affecting local units of government. Expenses are based on service level

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

TECHNICAL SECURITY SERVICES (TSS). KISO provides a number of technical services, including custom vulnerability scanning and reporting, firewall management, managed intrusion detection and prevention, log management and continuous monitoring, security consulting, and engineering services. Though these services may be provided separately, they are frequently provided alongside 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 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 23
KANSAS INFORMATION SECURITY OFFICE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Respond to high priority incidents/requests within 8 hours per Service Level Agreements 100% of the time*	N/A	100.0 %	--	100.0 %	100.0 %
2. Yearly ticket resolution should be no less than 90% of the yearly opened*	90.0 %	95.0 %	92.0 %	93.0 %	93.0 %
3. Achieve and maintain a 3% "phished" rate in email security testing of service participating agency state employees*	6.0 %	6.0 %	6.7 %	4.0 %	3.0 %
4. Maintain a minimum information risk rating of 730 for state government agencies*	680	730	683	750	760

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ -	$ -		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	$ -	$ -		$ -	$ -
Off-Budget	4,105,146	4,243,355		4,311,004	5,101,444
GRAND TOTAL	**$ 4,105,146**	**$ 4,243,355**		**$ 4,311,004**	**$ 5,101,444**
Percentage Change:					
SGF	--%	-- %		-- %	-- %
All Funds	(8.5) %	3.4 %		1.6 %	18.3 %
FTE Positions	17.0	17.0		17.0	17.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Kansas Information Security Office (KISO) program expenditures of $5.1 million, all from special revenue funds. The request inc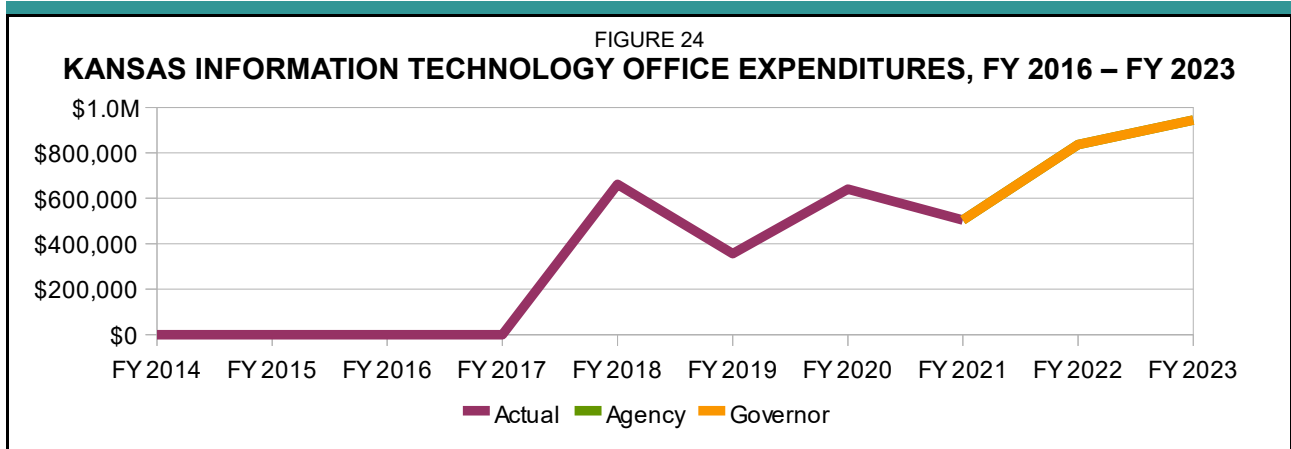ludes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of $790,440, or 18.3 percent, above the FY 2022 revised estimate. The increase can primarily be attributed to the three-

year license renewal for IT security services provided by the vendor, Splunk ($800,000). These licenses were last renewed in FY 2020. The KISO program request also includes 17.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the KISO program in FY 2022 and for FY 2023.

KANSAS INFORMATION TECHNOLOGY OFFICE

FIGURE 24
KANSAS INFORMATION TECHNOLOGY OFFICE EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018..

STATUTORY BASIS: • KSA 75-7204, 75-7201 *et seq.*

PROGRAM GOALS: • Review project submissions for completeness and facilitate 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.
• 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 the 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, the KITO implemented an automated IT strategic planning system for state agencies. The system provides for the automated planning of IT expenditures within a three-year budgetary time frame, providing a more streamlined view of IT needs throughout the State of Kansas.

FIGURE 25
KANSAS INFORMATION TECHNOLOGY OFFICE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Project plans are reviewed, and approval provided to the agency within 20 days of receipt*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Number of participants successfully completing certification in the Kansas Project Management Methodology Certification class*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

		Actual FY 2020		Actual FY 2021				Governor FY 2022		Governor FY 2023
3. Number of agencies running the Accessibility Management Platform (AMP)*		71.0 %		66.0 %		72.0 %		75.0 %		75.0 %
Financing										
SGF	$	-	$	-				$	-	$ -
Federal Funds		-		-					-	-
All Other Funds		-		-					-	-
Subtotal-On Budget	_$_	_-_	_$_	_-_				_$_	_-_	_$ -_
Off-Budget		640,247		503,377					836,128	944,206
GRAND TOTAL	**$**	**640,247**	**$**	**503,377**				**$**	**836,128**	**$ 944,206**
Percentage Change:										
SGF		--%		-- %					-- %	-- %
All Funds		79.7 %		(21.4) %					66.1 %	12.9 %
FTE Positions		5.5		5.5					6.0	6.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Kansas Information Technology Office (KITO) expenditures of $944,206, 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 increase of $108,078, or 12.9 percent, above the FY 2022 revised estimate. The increase can be attributed to the purchase of additional Servicenow licenses ($50,000), and unclassified regular wages ($41,601) and associate fringe benefit costs ($16,477).

The KITO program request also includes 6.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the KITO program in FY 2022 and for FY 2023.

NETWORK AND TELECOMMUNICATION
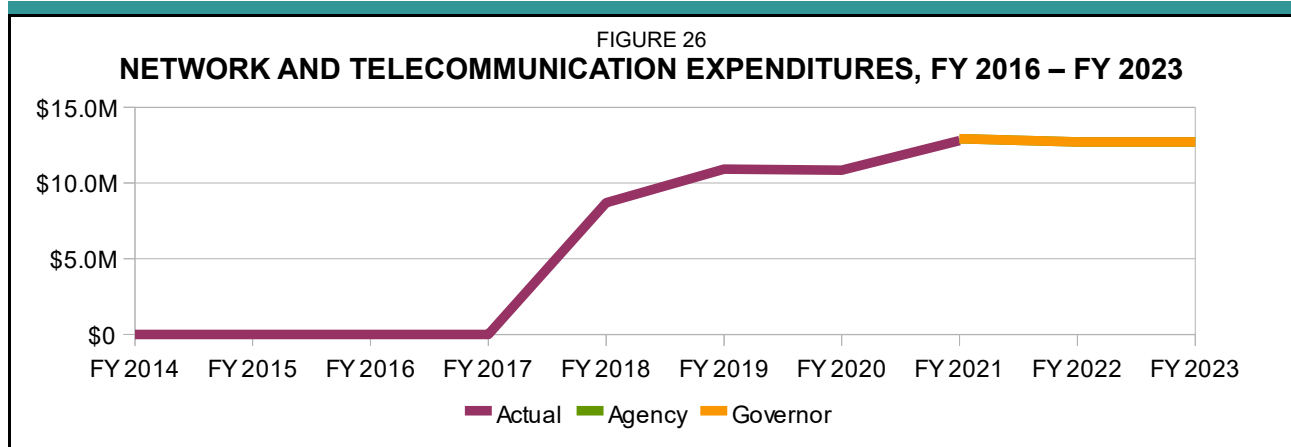
FIGURE 26
NETWORK AND TELECOMMUNICATION EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

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 the Kansas Wide-Area Information Network (KanWIN), the single largest internet protocol network in the State of Kansas. Its staff ensures 24/7 monitoring and response capabilities, as well as the routine planning, expansion, repair, and maintenance of the State's primary network. KanWIN currently services all three branches of government through 17,000 data jacks at more than 1,500 locations worldwide and wireless connectivity at more than 60 locations statewide. In addition to managing internet connectivity and switching equipment to state facilities, NTS also provides for network engineering, firewall management, load balancers, and routers. NTS also provides domain name services for ks.gov, kansas.gov, and more than 50 other domains throughout the state.

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 27
NETWORK AND TELECOMMUNICATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Percentage of network uptime in the capitol*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
2.Percentage of network uptime in the metropolitan*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
3.Percentage of network uptime in the wide area*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
4.Percentage of uptime in the voice environment*	98.1 %	99.9 %	- -	99.9 %	99.9 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ 232,583	$ 4,500,000		$ 4,250,000	$ 4,250,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	$ 232,583	$ 4,500,000		$ 4,250,000	$ 4,250,000
Off-Budget	10,856,498	8,308,456		8,456,465	8,456,465
GRAND TOTAL	**$11,089,081**	**$12,808,456**		**$ 12,706,465**	**$ 12,706,465**
Percentage Change:					
SGF	-- %	1,834.8 %		(5.6) %	-- %
All Funds	1.7 %	15.5 %		(0.8) %	-- %
FTE Positions	21.0	22.7		23.0	23.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Network and Telecommunication program expenditures of $12.7 million, including $4.3 million SGF. The request includes $8.5 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is a decrease of $1,985, or less than 0.1 percent, below the FY 2022 revised estimate for both on and off-budget items.

The Network and Telecommunications program request also includes 23.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Network and Telecommunication program in FY 2022 and for FY 2023.

PROFESSIONAL SERVICES
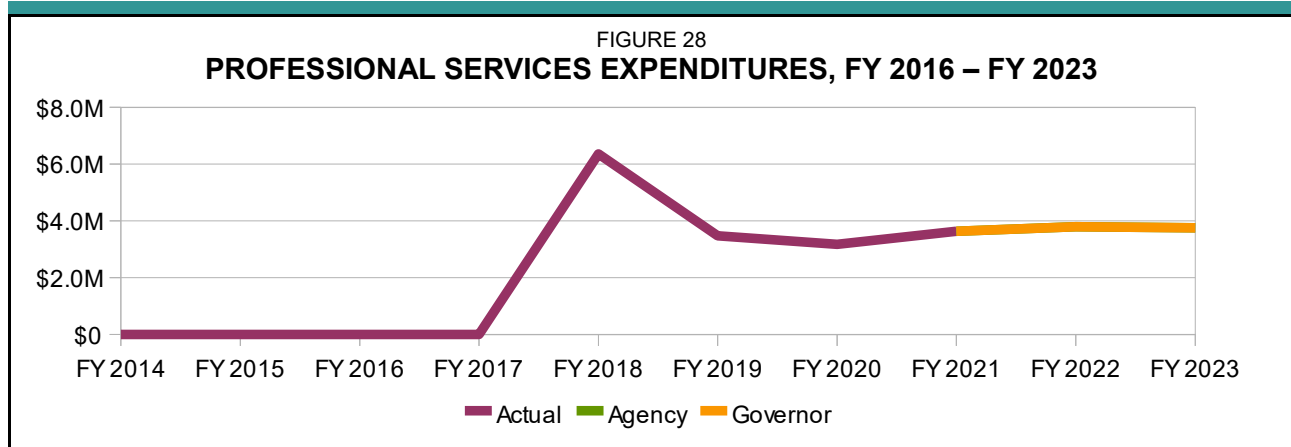
FIGURE 28
PROFESSIONAL SERVICES EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

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 Data Center as a Service vendor to provide oversight of OITS Professional Services managed servers in vendor-hosted environment.

UNIFIED ENDPOINT MANAGEMENT (UEM). This service provides the ability to remotely manage endpoint devices in a modern, secure setting encompassing one management portal. This portal has the capability for delegated access for all O365-tenet agencies to manage their own end-user devices through one unified application. The product that is being utilized is Microsoft Intune,

which works in conjunction with the O365-tenet licensing system.

DESKTOP-AS-A-SERVICE (DTAAS). This area functions as a liaison between the DtaaS vendor(s) and State agencies. They work closely with the DtaaS vendor to ensure 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. Professional 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 29					
PROFESSIONAL SERVICES, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Service Desk hold time less than or equal to 2 minutes	99.0 %	99.0 %	--	99.0 %	99.0 %
2. Number of tickets closed by Client Services team *	N/A	20,959	--	21,000	21,000
3. Number of non-Cabinet agencies receiving services from the Client Services*	14	16	14	17	17
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ -	$ (2,401)		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	*$ -*	*$ (2,401)*		*$ -*	*$ -*
Off-Budget	3,178,681	3,634,258		3,795,790	3,760,795
GRAND TOTAL	**$ 3,178,681**	**$ 3,631,857**		**$ 3,795,790**	**$ 3,760,795**
Percentage Change:					
SGF	(100.0) %	-- %		(100.0) %	-- %
All Funds	(8.6) %	14.3 %		4.5 %	(0.9) %
FTE Positions	27.0	25.0		27.0	27.0

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

BUDGET ANALYSIS

The agency requests FY 2023 Professional Services program expenditures of $3.8 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 $34,995, or 0.9 percent, below the FY 2022 revised estimate. The decrease can be attributed to elimination of the purchase of a vehicle ($25,000) for OITS staff to travel to service calls and adjustments for fringe benefits ($15,097. The decrease is partially offset by increased expenditures for group health insurance ($9,796).

The Professional Services program request also includes 27.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Professional Services program in FY 2022 and for FY 2023.

DIRECT BILLED SERVICES
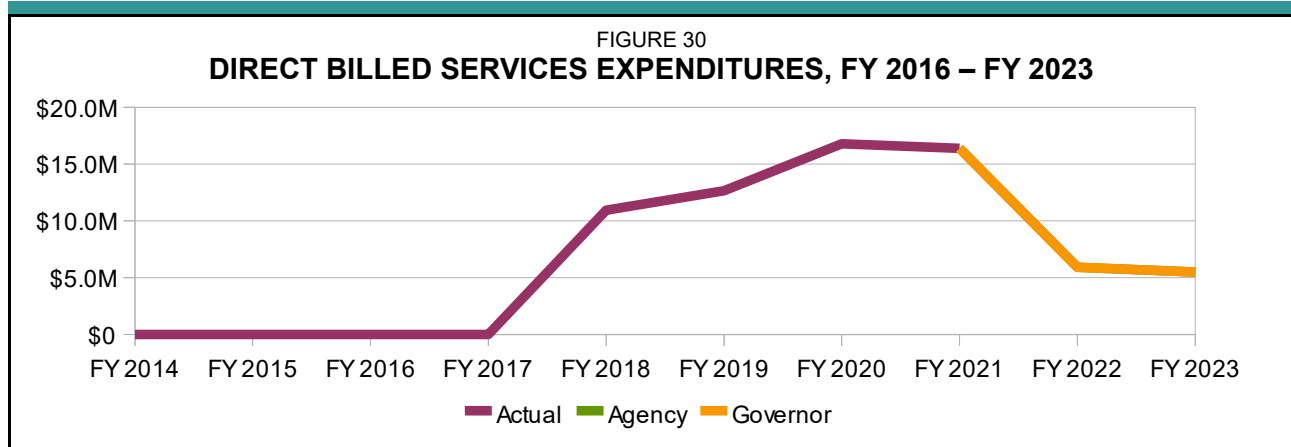
FIGURE 30
DIRECT BILLED SERVICES EXPENDITURES, FY 2016 – FY 2023

Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

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 desktop as a service. Accordingly, the agency began eliminating some rates and now bills costs directly to customers.

FIGURE 31
DIRECT BILLED SERVICES, PERFORMANCE MEASURES

No performance measures were submitted for this program

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	$ 505,189	$ -		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	$ 505,189	$ -		$ -	$ -
Off-Budget	16,269,581	16,383,407		5,915,000	5,500,000
GRAND TOTAL	**$16,774,770**	**$16,383,407**		**$5,915,000**	**$5,500,000**
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	32.4 %	(2.3) %		(63.9) %	(7.0) %
FTE Positions	--	--		--	--

BUDGET ANALYSIS

The agency requests FY 2023 Direct Billed Services program expenditures of $5.5 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 $415,000, or 7.0 percent, below the FY 2022

revised estimate. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as software licenses, cables, and other electronic equipment.

The Direct Billed Services program request does not include any FTE positions for FY 2023.

The **Governor** concurs with the agency request for the Direct Billed Services program in FY 2022 and for FY 2023.