# MINUTES

## JOINT COMMITTEE ON INFORMATION TECHNOLOGY

November 4-5, 2004
Room 519-S—Statehouse

## Members Present

Senator Tim Huelskamp, Chairperson
Representative Joe McLeland, Vice Chairperson
Senator Larry Salmans
Senator Chris Steineger
Representative Nile Dillmore
Representative John Faber
Representative Jim Morrison
Representative Joe Shriver

## Staff

Don Heiman, Legislative Chief Information Technology Officer
Julian Efird, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Mary Torrence, Revisor of Statutes Office
Diana Lee, Revisor of Statutes Office
Gary Deeter, Committee Secretary

## Conferees

John Oliver, Chief Information Officer, Kansas Public Employees Retirement System
Lippman Gee, Consultant, MTG Management Consultants
Wayne Maichel, Director, Unemployment Insurance Benefits, Kansas Department of Labor
Jeff Lewis, Chief Information Officer, Kansas Department of Labor
Mike Hayden, Secretary, Kansas Department of Wildlife and Parks
Karen Beard, Chief of Licensing, Kansas Department of Wildlife and Parks
Ben Nelson, Bureau Chief, Bureau of Computer Services, Kansas Department of Transportation
Lawrence Buening, Executive Director, Kansas Board of Healing Arts
Rae Anne Davis, Deputy Secretary of Operations, Kansas Department of Social and
    Rehabilitation Services
Peter Zoller, Project Sponsor, Wichita State University
David Alexander, Project Manager, Wichita State University

David Schmidt, Director, Computing and Telecommunications Center,
    Fort Hays State University
Denise Moore, Executive Chief Information Technology Officer

**Thursday, November 4, 2004**
**Morning Session**

John Oliver, Chief Information Officer, Kansas Public Employees Retirement System (KPERS), reviewed the Information Systems Replacement Project (<u>Attachments 1, 2, and 3</u>).  He said the Document Imaging Project was completed in February 2001 (costing $811,303) and the Backfile Conversion Project was completed in July, 2004, (costing $210,000) which converted 1,380 feet of paper files into electronic images.  He stated that in July, 2003, KPERS began a three-phase process, including replacement of its core business information systems:

- Risk mitigation;

- Core system replacement; and

- Expanding customer service that will eventually include integration with the SHaRP (Statewide Human Resources and Reporting and Payroll) system.

He noted that Phase I was completed ahead of schedule, and on budget ($590,000).  He said that the complexity of Phase II requires a consultant (MTG Management Consultants) and a vendor (presently negotiating with Sagitec).   Phase II is scheduled to begin January, 2005, and be completed by December, 2006, at an estimated cost of $4.6 million.  Phase III's expansion of services is projected to begin January, 2007.

Answering questions, Mr. Oliver said that vendor Sagitec was a start-up company, but its principals were experienced in retirement system information technology.  After commenting that a failsafe plan included backup by Patni, a Level 5 (ISO 9001:2000 certified) global firm headquartered in India, Mr. Oliver said the contract stipulated that no development could be done off-shore. Lippman Gee, consultant for MTG Management Consultants, commented that if Sagitec is selected the primary contractor, then his firm will provide project management and oversight for the work.  Mr. Gee noted that Patni is a multibillion dollar worldwide corporation with offices in this country.

Wayne Maichel, Director, Unemployment Insurance Benefits, Kansas Department of Labor, introduced Jeff Lewis, Chief Information Officer, who provided a status report on two projects (<u>Attachments 4, 5, and 6</u>):

- Unemployment Insurance (UI) Modernization Project; and

- America's JobLink Project .

Regarding the UI Modernization Project, Mr. Lewis stated that the first project has received Executive Branch CITO approval (August, 2004), legislative funding of $21 million (May, 2004), approval from the State Finance Council (June, 2004), approval from the Kansas Development Finance Authority (October, 2004), and has released three Request For Proposals (RFPs) for project management,  validation and verification, and business re-engineering and system requirements. He noted that a future RFP will address implementation, integration, and data conversion.  Answering questions, Mr. Lewis said the current contracts prohibit off-shore vendors and require vendors to offer health insurance to its employees.

Regarding the JobLink Project, Mr. Lewis explained that America's Job Link Alliance is a consortium of 26 state agencies created to provide workforce development strategies and business practices, and that the technical support center and data processing systems for America's JobLink, which includes Kansas, Nebraska, Oklahoma, Vermont, and Arkansas, are housed at the Kansas Department of Labor. He said America's JobLink is an Internet-based no-fee job matching and workforce information system for employers and job seekers. He noted that the project was started October 1, 2002, with a planned completion date of June 30, 2005, at an estimated cost of $2.4 million, all funded through federal grants. He stated that, to date, five of the eight phases have been completed.

*The corrected minutes for the September 9-10, 2004, meeting were approved on motion by Representative Shriver, seconded by Representative McLeland.*

## Afternoon Session

Mike Hayden, Secretary, Kansas Department of Wildlife and Parks, introduced Karen Beard, Chief of Licensing and Project Manager, who briefed the Committee on the Department's Kansas Outdoor Automated License System, which received CITO approval August 19, 2004 (Attachment 7). She stated that the Department, after receiving input from users and releasing an RFP, had contracted with Central Bank of Jefferson City, Missouri, and its subsidiary, Automated License Systems, to build an automated hunting/fishing licensing system accessible by "smart-card" readers at any vendor outlet, by an automated phone system, or from home computers through the Internet, eliminating all paper transactions. Answering questions, Mr. Hayden said the Department plans to expand the service to collect state park fees since the new system is flexible. Ms. Beard said a one-time fee of $100 would be assessed to existing vendors who wished to use the entire card reader and printer system, and a $50 fee if the vendor used their own computer and needed a printer. Home-based computers would print licenses on home printers. Mr. Hayden said that officers in the field eventually would either carry laptops or other personal digital devices, and be able to download current licensing information. He stated that a pilot project would begin June, 2005, and the system would be implemented statewide in August, 2005.

Ben Nelson, Bureau Chief, Bureau of Computer Services, Kansas Department of Transportation (KDOT), gave a status report on the agency's Advanced Public Transportation Management System, a pilot program with Reno County and 18 counties in northwest Kansas to enhance communication, safety, and coordination for rural public transportation services (Attachment 8). Mr. Nelson stated that an RFP was issued in 2003, and a contract awarded to Radio Satellite Integrators, noting that although the dispatchers will be located in Hays and Hutchinson, the central servers will be housed in the Eisenhower State Office Building Data Center, and the system will rely on KDOT's existing 800 MHZ radio system. The project is scheduled for completion in February, 2006.

Don Heiman, Legislative CITO, reported that the Kansas Legislative Information Systems Strategic Plan had been approved by the Legislative Coordinating Council. He said the next step will be to build the architecture, and create the back-office system before deploying laptops to all legislators after July 1, 2006. He distributed a revision of the state policy regarding project approval, commenting that the revised policy could be approved by the Information Technology Executive Council (Attachment 9).

Mr. Heiman announced the three-year lease acquisition of 337 PCs and laptops for legislative staff, the cost which includes $756,936 for the leased hardware, $525,000 for software licenses, and $18,350 of staff time, bringing the multiyear project total to $1.3 million. He noted significant savings

through price reduction on the new lease and technical support savings (Attachment 10). Mr. Heiman also noted that Senator Henry Helgerson had purchased all old leased Dell computer equipment, and would offer it for sale to legislative staff and legislators. He estimated that approximately $16,000 in shipping will be saved, since the equipment will not be returned to Dell at the end of the lease.

Answering questions, Mr. Heiman said the Legislature would continue to use the Liberty Document Management System until conversion to an XML (Extensible Markup Language) platform. He said the process of House floor amendments would not change during the coming session. Members discussed the direction of the Virtual Committee Project for the coming year, if laptops were not available to all members of the Legislature.

Larry Buening, Executive Director, Kansas Board of Healing Arts, updated the Committee on the Board's Enhancement Project (Attachment 11). He said the Board had contracted with IMERGE to develop a needs assessment, and IMERGE recommended a replacement system. He stated that after being granted funding for FY 2004 and FY 2005, the Board has worked with INK/AccessKansas to enable online renewals, and has contracted with GL Suite to provide license-renewal software, noting that the start-up phase will be completed November 15, 2004, enabling about 17,000 individuals in 13 health-care professions to renew their licenses online.

## Friday, November 5, 2004

Rae Anne Davis, Deputy Secretary of Operations, Kansas Department of Social and Rehabilitation Services, reviewed the status of the Enterprise Circle Plan Project, a plan to integrate all agency legacy systems (Attachments 12 and 13). She said the project began in 2003, but staff realized they lacked expertise to build a new system incrementally and, simultaneously, keep the present system operating. Employing consultant SBG, the agency completed the first project (Task Proposal Request 1), a needs assessment and strategic plan, on October 31, 2004, on time and on budget. The second project will build and implement a common "front end" for the system. The project is planned to begin in early 2005 pending federal approval. Ms. Davis estimated the cost of the project between $14 and $20 million, noting that Colorado spent almost $200 million for a similar system. Members questioned the wisdom of seeking federal approval before receiving CITO approval. Ms. Davis said about 50 percent of the funding will come from non-allocated federal dollars. She affirmed that the system is tied to the Department of Labor JobLink program. Denise Moore, Executive CITO, noted that the present project was recast, and that it received general approval, but each subproject would be given separate scrutiny before being allowed to advance.

Peter Zoller, Project Sponsor, Wichita State University (WSU), introduced David Alexander, Project Manager, Wichita State University Information Network Implementation Project, who reported on the project's progress, stating that the initiative presents a "cultural change" by integrating alumni, finance, human resources, payroll, student information, and financial aid into a seamless, intuitive whole (Attachment 14). He said the project, began in April, 2004, and scheduled for completion in March, 2007, will use current or emerging standards hardware and software, and that the project is presently on schedule, within budget parameters, and within scope. He noted high-level administrative support for the project, and exceptional support from vendor SunGard-SCT.

Members questioned why the project moved forward before CITO approval on October 18, 2004. Members also questioned support for affiliated organizations (e.s. Alumni Association) in the project, since they were separate corporations. Staff was asked to determine if including affiliate organizations in budgetary items is standard practice at other Kansas Board of Regents schools. It was pointed out by Mr. Alexander that the contract would allow other Regents institutions to buy software at the same rates.

David Schmidt, Director, Computing and Telecommunications Center, Fort Hays State University (FHSU), reported that an integrated administrative system has been completed except for the human resources component, noting that the financial system went live on July 1, 2004, and is working satisfactorily (Attachment 15). He reminded members that the SunGard student information system had been abandoned, and in-house staff developed a comparable system that is working. In answer to a question, Mr. Schmidt replied that the University received a refund of $452,000 from SunGard, further noting that file and program conversion is being outsourced to Legacy Migration Solutions of Chicago. He said further enhancements to the student system include Student Web Services and an FHSU portal, the latter using uPORTAL, an open-source-code program used by many universities. He commented that the human resources module will begin development in January, 2005.

Answering a question, Denise Moore said that Emporia State University (ESU) continues to wait for funding for its system integration project. Peter Zoller commented that ESU had attended the vendor demonstrations for the WSU project.

Chairperson Huelskamp noted that Attachment 16, compiled by Ms. Moore, addressed several issues raised on the first day of the meeting, including a requirement in RFPs for health insurance or a prohibition for off-shore outsourcing. He requested further information from the Revisor of Statutes Office regarding any vendor contract that includes an offshore company. Staff noted that Chapter 184, Section 24(j) of the *2004 Session Laws of Kansas* prohibited any off-shore outsourcing in the case of the Department of Social and Rehabilitation Services.

The next meeting is scheduled for December 10, 2004. The December 9 meeting is cancelled. The meeting was adjourned at 10:20 a.m.

Prepared by Gary Deeter
Edited by Julian Efird

Approved by Committee on:

   December 30, 2004   
(date)