MINUTES

JOINT COMMITTEE ON INFORMATION TECHNOLOGY

June 12-13, 2006
Room 526-S—Statehouse

Members Present

Senator Tim Huelskamp, Chairperson
Representative John Faber, Vice Chairperson
Senator Janis Lee (June 13 only)
Senator Mike Petersen
Representative Nile Dillmore
Representative Harold Lane
Representative Joe McLeland

Staff

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

Conferees

Vickie Rogers, Director, Information Technology (IT) Project Management, Kansas
    Information Technology Office, Department of Administration
Duncan Friend, Director, Enterprise Technology Initiatives, Division of Information
    Systems and Telecommunications, Department of Administration
George Vega, Director, Division of Personnel Services, Department of Administration
Bob Mackey, Director, Division of Accounts and Reports, Department of
    Administration
Janice Magathan, Manager, Payroll Services, Department of Administration
Jim Garner, Secretary of Labor
Brian Huesers, Director of Information Systems, Department of Health and
    Environment
Amy Biel, Director, Disease Surveillance and Data Management, Bureau of
    Epidemiology, Department of Health and Environment
Mindee Reece, Director, Center for Public Health Preparedness, Department of
    Health and Environment
Jeff Lewis, Chief Information Officer, Department of Social and Rehabilitation
    Services
Phil Ward, Business Manager, Osawatomie State Hospital

Christiane Swartz, Administrator, Purchasing and Contract Management, Division of
Health Policy and Finance, Department of Administration
Carmen Alldritt, Director, Division of Vehicles, Department of Revenue
Deann Williams, Bureau Chief, Motor Carrier Services, Department of Revenue
Tony Folsom, Deputy Director, Division of Property Valuation, Department of
Revenue
Charles Sewell, Project Director, Division of Property Valuation, Department of
Revenue
Jim Conant, Director, Resource Management, Department of Revenue
Tim Blevins, Chief Information Officer, Department of Revenue
Alan Anderson, Bureau Chief, Driver License Bureau, Division of Vehicles,
Department of Revenue
Jill Shelley, Legislative Division of Post Audit

Monday, June 12
Morning Session

Vickie Rogers, Director, IT Project Management, reviewed the IT quarterly report on agency projects for the first quarter of 2006 (Attachment 1). She commented on new projects, recently completed projects, recast projects, and planned projects. She noted that:

- The Department of Health and Environment's Immunization Registry was behind schedule;
- HB 2554 (passed during the 2006 Legislative Session) would increase the cost of the Offender/Missing Person Application by 30.0 percent, requiring the project to be recast by the Department of Corrections;
- The Department of Transportation was increasing the Communication System Interoperability Program from nine tower sites to 13 sites in the first district; and
- The Department of Wildlife and Parks plans to add new components to the Kansas Outdoor Automated Licensing System, necessitating the recast of the project and completion schedule.

Answering questions, Ms. Rogers said that $143,000 of the Wildlife and Parks project reflected internal agency costs. A Committee member, noting a number of problems connected with the project, suggested considering a different vendor. The Chairperson requested that the agency provide the full costs of the project, including internal and vendor costs, in future reporting. Regarding the Kansas State University's Student Recruitment System, members recommended Regents universities investigate developing one recruitment system flexible enough for all state universities to utilize.

Don Heiman, Legislative CITO, reviewed the progress on the Capitol Restoration Project, saying the wiring in the East Wing would be completed by June 30, 2006.

George Vega, Director, Personnel Services, Kansas Department of Administration (KDOA), introduced conferees who are involved in the Statewide Human Resources and Payroll System (SHaRP) upgrade to version 8.9 (Attachment 2). Duncan Friend, Project Director, told about the software history of SHaRP, noting the benefits and risks in the project. He said the total cost of the three-year upgrade, including internal costs of $1.6 million, will be $2.77 million. Responding to a question, he acknowledged that if the licensing fees and ancillary fees are included, the total cost would be $10.7 million.

Janice Magathan, Manager of Payroll Services, responded to a Committee member's concerns about whether SHaRP could handle multiple charity payroll deductions. Another Committee member commented that, since the University of Kansas, Kansas State University, and SHaRP all use products supplied by PeopleSoft, sharing resources might save taxpayers redundant expenses.

Bob Mackey, Director, Division of Accounts and Reports, reviewed a proposed replacement of the state's central financial management system and the need to transition from the 20-year-old STARS (Statewide Accounting and Reporting System). He noted that a 2001 feasibility study recommended replacing STARS, but the cost seemed prohibitive. He further explained that some agencies have built shadow systems to accommodate deficiencies in STARS (Attachment 3). He said a Request for Proposals (RFP) has been distributed to vendors with a closing date of July 6, 2006. He said that the vendor will update the original needs assessment and help a second RFP to implement a new Financial Management System, with a funding request to be presented to the Legislature in January of 2008.

Jim Garner, Secretary of Labor, reviewed progress on the Unemployment Insurance Modernization Project (Attachment 4). He stated that the new system would better serve customers and provide integration for current applications. He noted that the project included two phases, a planning phase (currently on schedule) and an implementation phase, as well as an independent validation and verification process. Phase I costs are estimated to be $4.8 million; the entire project cost, $21 million. Answering a question about preparing an RFP for Phase II, he said the RFP will be "system agnostic," which will obviate preference for current vendor IBM. He cited a business use case for the system (Attachment 5).

Commenting on the number of projects being recast, a Committee member requested Ms. Rogers provide a future meeting with information on how projects are evaluated for successful completion.

Afternoon Session

Ms. Rogers continued her review of the quarterly report, including newly approved projects. Answering a question about the KU Wireless Project that was implemented before it was approved, she said the scope of the project was later expanded, triggering the reporting requirement. Regarding the University of Kansas Medical Center deployment of tablet laptops, a Committee member requested the number of first-year medical students who received tablets.

The minutes for May 25 were approved (on motion by Representative Faber; seconded by Representative Lane).

Brian Huesers, Chief Information Officer, Department of Health and Environment, presented information on the Electronic Disease Surveillance System (EDSS) and the Kansas Health Alert Network (KS-HAN), distributing details in Attachment 6.

Regarding EDSS, he noted four responses to an RFP were received and award of a contract is expected by July 20, 2006. Regarding KS-HAN, responses are due June 12 and award of a contract is expected before August 1, 2006. He stated that the both projects will replace legacy applications, improve interoperability, provide better security, meet the new federal standards, and adhere to Information Technology Executive Council methodology. He noted that both projects propose a commercial off-the-shelf software solution.

Amy Biel, Director, Disease Surveillance and Data Management, Bureau of Epidemiology, described EDSS, and how it will facilitate tracking and reporting on 58 specific diseases. She noted that the current electronic system is inadequate for the advanced reporting required by the federal Centers for Disease Control (CDC) and is limited in its interoperability with other systems. She said funding is provided by two federal CDC grants. Answering a question, she said building a modular system gives more flexibility than building a single system that addresses the multiple disparate requirements among agencies.

Mindee Reece, Director, Center for Public Health Preparedness, commented on KS-HAN, saying that the CDC, responding to the aftermath of Hurricane Katrina, mandated that each state create a system for registering and tracking health professionals who could assist in the event of other disasters. She noted that the current Public Health Information Exchange does not meet federal standards, and that the funding sources are from two federal sources: the Prevention Bioterrorism Cooperative Agreement and the Health Resources Services Administration Bioterrorism Cooperative Agreement. She said the project contract will be awarded by July 29, 2006, and the project is scheduled to be completed by April 6, 2007. Answering questions, Ms. Reece said alerts presently are sent to hospitals, law enforcement, and the Division of Emergency Management. She replied that all system components will be compatible and interoperable.

Jeff Lewis, Chief Information Officer, Department of Social and Rehabilitation Services (SRS), provided updates on two projects. He said the Behavioral Health Care Inpatient Registration and Billing System Replacement Project will integrate data among the five state hospitals, replacing isolated and antiquated legacy systems (Attachment 7). Noting that no State General Fund money will be used, he said 55.0 percent of the funding will come from internal fee fund resources and 45.0 percent from federal Title 19 funds. An RFP has been issued with a closing date of July 20, 2006, with a contract award planned by late September of 2006. Answering a question, Phil Ward, Business Manager, Osawatomie State Hospital, said using internal resources will not jeopardize Medicare or Medicaid funding.

Regarding the Enterprise Circle Plan, which has been on hold, Mr. Lewis said SRS has contracted with Forrester Research to produce a feasibility study at a cost of $248,700, with the study results scheduled to be presented to SRS on June 26, 2006 (Attachment 8). Answering questions, Mr. Lewis said the next step will be to develop a strategic plan. He could not give specific percentages regarding the funding mix for the study project financing.

Christiane Swartz, Administrator, Purchasing and Contract Management, Division of Health Policy and Finance, described the status of the National Provider Identifier (NPI) Project, an upgrade to the Medicaid Management Information System (Attachment 9). She said the NPI is intended to identify each health-care provider, tracing transactions through the entire health-care system, a process mandated by the federal Health Insurance Portability and Accountability Act, with Kansas Medicaid required to meet the requirement by May 23, 2007. She said the first phase of collecting and storing provider data is nearly complete and the final phase of processing transactions will be implemented by the deadline. She noted that the $2.4 million Phase I is currently within budget parameters and that Phase II is estimated to cost $4.7 million.

Tuesday, June 13, 2006
Morning Session

Deann Williams, Bureau Chief, Motor Carrier Services, Division of Vehicles, reported on the progress of the Kansas Apportioned International Registration Project (KAIR) and the planned implementation of the Performance Registration Information Systems Management (PRISM) by the agency (Attachment 10). She said the new KAIR/PRISM system will be web-based, allow motor carriers to apply for temporary truck registration from remote locations, and facilitate the agency's

denying registration to unsafe carriers. She stated that an RFP has been released and funding for the project will be provided by the federal Motor Carrier Safety Administration and a grant from the Information Network of Kansas (INK).

Tony Folsom, Deputy Director, Division of Property Valuation, updated the Committee on implementation of the new Computer-Assisted Mass Appraisal (CAMA) System (Attachment 11). He said Tyler Technologies continues to deliver Orion software components for the 10 beta counties, eight that will go live this year. When the Tyler contract expires in August of 2006, agency staff will continue deploying Orion in the remaining counties: 17 counties in 2007; 21 counties in 2008; 23 counties in 2009; and the remaining 34 counties in 2010. Deployment will begin in the northeast quadrant of the state and work clockwise around the state. He acknowledged that the vendor was eight months behind schedule and the project was one year behind schedule in implementation. Answering a question, Charles Sewell, Project Director for CAMA, said the old system retained data for one year, while the new system allows multi-year retention. He noted that the new system is web-based, able to customize data for different applications, is more flexible to meet the needs of the various counties, and is compatible with other systems.

Answering additional questions, Mr. Folsom said the contract with Tyler was limited to the 10 beta test counties and that Tyler will provide support for agency staff during implementation of the project in the remaining counties. He responded that the vendor will receive $2.5 million for the current contract and that the total cost of $6.5 million for the five-year project includes software licenses.

Carmen Alldritt, Director, Division of Vehicles, described the Vehicle Information Processing System (VIPS), which is used to issue license plates, certificates of title, and registration renewals for 2.7 million private and commercial Kansas vehicles (Attachment 12). Noting that VIPS is antiquated and inadequate, she has requested a grant of $308,000 from INK for a feasibility study to identify the best alternative for replacing the system. Responding to a question, Tim Blevins, Chief Information Officer, said the Department hoped to receive the grant this summer.

Jill Shelley, Legislative Post Audit, reviewed a performance audit regarding the use of funding originally intended to upgrade and enhance two agency computer systems, CAMA and VIPS (Attachment 13). She observed that, over the past five fiscal years, more than $36.0 million has been deposited into the fund for VIPS and CAMA, with another $10.0 million estimated in FY 2006. However, since FY 2002, appropriations provisos have authorized expenditures for general agency operations, including salaries and wages. Regarding the issue of salvage titles, Ms. Shelley said VIPS is not set up to accommodate changes, and would need to be reprogrammed at a cost of $30,000. She also indicated that a change would result in collecting approximately $7.0 million in lost revenue.

Answering questions, Jim Conant, Resource Manager, said no new money was available to finance VIPS, but that the planned feasibility study might identify new funding sources. He said each $1.00 of the title fee generates about $1.0 million in revenue annually. Regarding the expenditures, Tim Blevins replied that about 10 to 15 staff salaries are associated with VIPS and CAMA support. Mr. Blevins did not anticipate the need for additional staff with a new VIPS.

Alan Anderson, Bureau Chief, Driver License Bureau, Division of Vehicles, offered comments about the federal Real Identification Act, which mandates certain federal requirements for driver's licenses when used for identification. Requirements include confirming documents verifying a person's identity, electronic storage of data, and use of special materials to create the license. Mr. Anderson said the deadline of May 11, 2008, seems unreasonable, but federal officials have maintained that the date is fixed. Replying to a question, he said no federal funding has been authorized for implementing the new federal requirements.

The Chairperson discussed future meetings, proposing the next meeting from August 2 to August 11, requesting that members e-mail staff with any conflicts (juliane@klrd.state.ks.us), noting that if the Legislative Coordinating Council approves, other meetings probably will be held in September, November, and December.

Prepared by Gary Deeter
Edited by Julian Efird

Approved by Committee on:

     August 7, 2006
(date)