MINUTES

JOINT COMMITTEE ON INFORMATION TECHNOLOGY

December 12-13, 2005
Room 526-S—Statehouse

Members Present

Representative John Faber, Chairperson
Senator Tim Huelskamp, Vice Chairperson
Senator Janis Lee
Senator Mike Petersen
Senator Vicki Schmidt
Senator Chris Steineger
Representative Nile Dillmore
Representative Harold Lane
Representative Jim Morrison
Representative Joe McLeland

Staff

Don Heiman, Legislative Chief Information Technology Officer
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

Denise Moore, Executive Chief Information Technology Officer
Bill Roth, Kansas Chief Information Technology Architect
Elizabeth Unger, Vice Provost for Academic Services and Technology, Kansas State University,
    and Chairperson, Regents Information Technology Council
Bruce Vieweg, Associate Vice President for Academic Affairs and Chief Information Officer,
    Emporia State University
Jim Bingham, Chief Information Officer, University of Kansas Medical Center
Brad Williams, Kansas Board of Regents
Ravi Pendse, Chief Information Officer and Associate Vice President of Academic Affairs and
    Research, Wichita State University
David Schmidt, Director, Computing and Telecommunications, Fort Hays State University

John Oliver, Chief Information Officer, Kansas Public Employees Retirement System
Carmen Alldritt, Director, Division of Vehicles, Kansas Department of Revenue
Al Gerstner, Manager, Motor Carrier Services Bureau, Kansas Department of Revenue
Alan Anderson, Director, Bureau of Driver's Licensing, Kansas Department of Revenue
Terry Mitchell, Public Service Administrator, Kansas Department of Revenue
Duncan Friend, Division of Information Systems and Communications, Department
  of Administration
Gary Daniels, Secretary, Kansas Department of Social and Rehabilitation Services

Monday, December 12
Morning Session

Denise Moore, Executive Chief Information Technology Officer (CITO), reviewed the quarterly summary report for July, August, and September, 2005 (Attachment 1). She reported on 24 active projects, 16 completed projects, three recast projects, 12 approved projects, and 21 planned projects.

Regarding the Adjutant General's Kansas Homeland Security and Defense Mapping Tool, which develops geo-spatial data, she said the completion date was extended to May 2006 in order to complete an Oracle upgrade on the GIS system. Since the project is 67.0 percent behind schedule, it has been placed on alert status, with monthly reporting.

Ms. Moore said that because Medicaid prescription drug payments are being changed to Medicare Part D, the Department of Administration Division of Health Policy and Finance must adapt its system to address the federal changes. There is a $325,537 project funded 90/10 by federal funds and the State General Fund (SGF). She said coordinating with the Medicaid provider, Electronic Data Systems (EDS), has caused a three-month delay, but the project will still meet federal deadlines. Regarding the Medicaid Management Information System (MMIS), she said the federal government was moving toward a National Provider Identifier (NPI) for prescription drugs. Answering questions, she replied that she was unsure if the federal government must approve the Kansas design for NPI. She replied that no discussions had yet taken place regarding moving to an electronic prescribing system, and that the federal deadline for an NPI system was May 2007.

Ms. Moore reported on the Kansas Board of Healing Arts project, which is 100 percent fee-funded, stating that on-line renewal and integration of licenses have been completed and the paperless board meeting sub-project is on schedule. She replied to a question that she did not know if the Board's system would link with other state licensing systems.

Ms. Moore likewise commented on the following projects.

- The Kansas Department of Health and Environment (KDHE) Kansas Immunization Registry is scheduled for completion in May 2006.

- The KDHE Network One-Stop is nearly complete.

- The KDHE Vital Statistics Integrated Information System is completing final testing on the $3.9 million project.

- The Kansas Department of Labor (KDOL) Unemployment Insurance Benefits System Modernization, after changing from vendor BearingPoint to IBM, has resumed and is on track. Answering a question, Ms. Moore said the project did not list internal costs, a project requirement which did not take effect until after the project had started.

- The vendor for the KDOL Call Center upgrade did not meet project specifications, requiring alternative solutions. The problem will not affect the cost or scope of the project.

- The Secretary of State Election and Voter Information System (ELVIS) is testing its backup site, KanWin circuits and undergoing a third-party audit, with no major defects indicated. The $5.7 million project is funded by 95.0 percent federal Help America Vote Act funds, 3.0 percent SGF, and 2.0 percent county funds.

- The Secretary of State's voting machines project has issued a Request for Proposals (RFP) and five vendors were awarded contracts in November 2005. Each county may select a vendor compatible with its infrastructure.

- The Department of Social and Rehabilitation Services (SRS) consolidation of GroupWise servers into two primary hubs is funded 46.0 percent SGF and 54.0 percent federal funds.

- Kansas Department of Transportation (KDOT) is integrating emergency radio services (Kansas Highway Patrol, local sheriffs, and Emergency Medical Services) in a $62.0 million project. Equipment for the southeast Kansas phase of the project has been ordered.

- The KDOT Crew-Card Reporting System is a $953,797 project.

- The Kansas Department of Wildlife and Parks reports adjusted internal costs totaling $143,500 for the Kansas Outdoor Automated Licensing System.

- The Emporia State University Enterprise Resource Planning System is on schedule and within budget parameters.

- Fort Hays State University completed the financial module of its Administrative System, but plans to delay the Human Resources module, using those funds to upgrade computing capacity.

- The Kansas State University $10 million Legacy Application System Empowered Replacement project lost critical staff, which has delayed the Student Financial Aid module.

- The Wichita State University $10.7 million Enterprise Resource Plan replacement project is on schedule.

Members expressed concern regarding a delay in the Fort Hays Human Resource module and one member stated his frustration that Regents institutions use different vendors, develop

independent systems, and seem to ignore cooperative possibilities. Members discussed how to encourage Regents institutions to cooperate in shared projects. Ms. Moore cautioned that mandates sometimes create, as well as solve, problems.

Don Heiman, Legislative CITO, reported that a vendor "bake-off" was scheduled before replacing the legislative information systems, a process by which vendors (International Role Call, Abortex, Xcential, Propylon, and Public Services Associates) will demonstrate their products' proficiency in running a standardized program created by the legislative systems team. The vendors will be scored, and a data model will be created for an RFP to be issued in the fall of 2006.

Bill Roth, Chief Information Technology Architect, presented a review of the most recent three-year IT Management and Budget Plan (Attachment 2). He outlined the process by which IT expenditures, trends, and storage capacity can be used to align agency initiatives with business goals. An enterprise business partner model and a value chain model are used to assist agencies in strategic and tactical IT deployment.

The Committee minutes for November 16-17 were approved. (Motion, Representative Morrison; second, Representative Lane)

Afternoon Session

Dr. Elizabeth Unger, Vice Provost for Academic Services and Technology, Kansas State University, and Chairperson of the Regents Information Technology Council, responded to questions from a previous meeting about Regents IT purchases (Attachment 3). She emphasized the importance of a learning environment and the key role that technology plays in that environment. Responding to a question, Bruce Vieweg, Associate Vice President for Academic Affairs and Chief Information Officer, Emporia State University, explained that since each department upgrades IT equipment independently, reporting aggregate expenditures is difficult, although most PC replacements at Emporia State were included under the Banner Project costs.

During the discussion, additional information from Denise Moore was distributed that was in response to members' questions from a previous meeting (Attachment 4). Jim Bingham, Chief Information Officer, University of Kansas Medical Center, indicated that some figures reported for projects were estimates rather than actual expenditures, thus creating discrepancies between data in Attachment 3 and Attachment 4. Dr. Unger explained that departmental budget requests are created by averaging expenditures from the past three years. Brad Williams, Kansas Board of Regents, replied that he would obtain more specific information on how budgets are developed.

David Schmidt, Chief Information Officer, Fort Hays State University, was asked to explain the need for upgrading the central computer for the university portal. He indicated that $88,000 of the estimated $150,000 cost was available for a new mainframe. Answering questions, he estimated additional software licenses would add $10,000 per year to the cost. Asked about continuing a recast project without CITO approval, he said he had been in contact with Ms. Moore about that issue.

Ravi Pendse, Chief Information Officer and Associate Vice President of Academic Affairs and Research, Wichita State University, noted that research grants provided some funds for PC purchases. Mr. Heiman commented that such grants should be included in project reports.

Dr. Unger reported on a new Kansas State University Student Recruitment System, a $1.1 million project (Attachment 5). She said a cost/benefit analysis has been completed and a bid process is underway. Answering a question, she said no other university is building a similar recruitment system. Ms. Moore replied to a question that the project cost will be about $500,000, but the total figure includes the estimated three-year operating costs.

John Oliver, Chief Information Officer, Kansas Public Employees Retirement System (KPERS), reported on the progress of the Information Systems Replacement Project (Attachment 6). He noted that the KPERS infrastructure included programs up to 40 years old. He said Phase 1 (risk mitigation) was completed on time and within the budget of $590,000. Phase II (core replacement) is 52.0 percent complete, ahead of schedule, and will be completed by December 2006 at a cost of $4.756 million. He noted that the project is being completed in less time and at half the cost of similar projects in other states. He said Phase III (service enhancements) will begin in July 2006 and should be completed by July 2007 at a cost of $2.7 million. Answering a question, he said after Phase III, the next project will be platform consolidation, part of which will be replacing the imaging technology. He replied that the platform consolidation is not presently in the agency budget and that KPERS does not have SGF financing.

Al Gerstner, Bureau Chief, Motor Carrier Services Bureau, Division of Vehicles, Kansas Department of Revenue (KDOR), introduced PRISM (Performance and Registration Information Systems Management), a program to link the agency's commercial motor vehicle registration and licensing systems with the federal Department of Transportation's motor carrier safety information system. He stated that the program will determine the safety fitness of a motor carrier prior to issuing license plates and should result in improved safety for motor carriers (Attachment 7). He commented that the Federal Motor Carrier Safety Administration had allocated $500,000 to implement PRISM, of which $266,000 is designated for KDOR and $234,000 for the Kansas Highway Patrol. He explained that the agency applied for additional funding through a grant from the Information Network of Kansas (INK), after which an RFP will be issued in June 2006, with the system being implemented by June 2008. Answering questions, he said 46.0 percent of carriers renew licenses online. Carmen Alldritt, Director, Division of Vehicles, KDOR, replied that there is no additional fee for online registration, and that carriers may come to the office to renew, where they will be charged a $3.00 service fee.

Duncan Friend, Division of Information Systems and Communications (DISC), briefed the Committee on the SHARP 8.9 upgrade project, reviewing the history of Oracle's recent acquisition of PeopleSoft, the impending lack of support for the present version, and the need for the upgrade (Attachment 8). The project's total cost is estimated to be $2.768 million, including $1.624 million of internal costs. He said the system was projected to go live on June 27, 2007. Answering questions about variations in reported costs, he said the project did not include an additional $2.6 million for three years of operational costs. Connie Guerrero replied to another question that Regents payroll systems operate independently and only interface with SHARP in order for SHARP to print paychecks.

Members discussed an apparent need to replace the State Accounting and Reporting System (STARS). Ms. Moore observed that ongoing discussions about replacing STARS have been deterred by the cost, which is estimated to be $30.0 million. She replied that STARS is not Generally

Accepted Accounting Principles-compliant, which has resulted in many parallel agency "shadow" systems being built to compensate for its shortcomings. She replied that she did not know the cost of the parallel systems.

Gary Daniels, Secretary, SRS, provided an update on the Enterprise Circle Plan (Attachment 9). He noted the need to integrate the many overlapping and redundant silo systems in the agency, saying that earlier attempts had been stymied by the complexities of the agency and, recently, by structural changes in administration of the agency's programs that were moved. He stated that $3.0 million in expenditures for the project created a server environment, but produced inadequate integration of programs. The project will be recast after contracting with a vendor for a new feasibility study. Committee members asked questions about how data flows from SRS to the newly created Health Policy and Finance Division and to EDS, the vendor for Kansas Medicaid. Members also wanted to know whether Centers for Medicare and Medicaid Services would need to approve a new Advanced Planning Document before the project could be recast, since some of the $3.0 million came from federal sources.

Tuesday, December 13
Morning Session

The Committee met in the Docking State Office Building, 2nd floor, where Ms. Alldritt, Alan Anderson, and Terry Mitchell of the Division of Vehicles, KDOR, demonstrated the driver's license identification and verification program, a three-step process that verifies the Social Security number, compares the digital photograph that appears on the license with images in a database, and performs a source verification history of the individual. Mr. Anderson noted that the new Kansas system meets all requirements of the federal Real Identification mandate for driver's licenses, except for retention of hard document copies and interconnectivity with the federal database. He stated future plans for the system include connection with Kansas court records and Kansas vital statistics records.

The Committee resumed its meeting in Room 526-S of the Statehouse. Staff distributed a follow-up letter from Mike Hayden, Secretary, Kansas Department of Wildlife and Parks (KDWP) regarding settlement with Central Bank of liquidated damages for $51,000, $30,000 of which is listed as future credits, and a $21,000 check payable to KDWP (Attachment 10).

Revisor's staff distributed a bill draft requested at the last meeting (Attachment 11). She noted that the changes on page 3 were suggestions by Mr. Heiman at the Committee's previous meeting on November 16-17. Answering a question, she said the bill would not conflict with the Attorney General's opinion requiring a separation of powers. Members agreed that the bill needed to include in-kind services and contributed services (such as Kansas State University's agreement to market certain cell phones in exchange for the company providing wireless internet to the campus).

On a motion (by Representative Morrison, seconded by Senator Huelskamp) that the Committee introduce the proposed bill with the changes suggested, the motion was adopted.

Members discussed agency use of fees to fund IT projects, as well as the practice of adding convenience fees to credit card payments. Denise Moore agreed to work with staff to develop a survey of agencies in order to compile a list of fees charged by agencies.

Representative Morrison invited discussion about a proposal to add legislators to the INK Governing Board. He stated that he originally favored the concept, but that after reconsidering, he judged that such a change might interfere with the autonomy of the Board.

A motion by Representative Dillmore, seconded by Representative Morrison, was for the Committee to recommend that the INK Board continue as it is presently constituted by law. The motion passed.

Representative McLeland commented that although DISC is responsible for all infrastructure hardware in the Capitol Restoration Project, the Legislative CITO had to include the infrastructure costs in a legislative project plan.

Representative McLeland made a motion, seconded by Representative Lane, to recommend a change in the Information Technology Executive Council (ITEC) policy to require reporting on projects by the agency that actually performs the work. The motion passed.

Representative McLeland, after commenting on the Board of Regents PC replacement costs totaling $19 million without any university reporting those expenditures in project reports, made a motion requesting that ITEC consider how best to address the issue and report to the Committee its recommendations. The motion also included the recommendation to alert Senate Ways and Means and House Appropriations committees about such omissions in project expenditures. The motion was seconded by Representative Lane and passed.

Observing that the Regents will be presenting a plan to the Legislature to remedy years of deferred maintenance at a cost of almost $600 million, Representative McLeland recommended that the plan should include a provision that all existing wiring be upgraded to at least Category (CAT) 5E. Chief IT Architect Bill Roth said that all data wiring will be upgraded to CAT 5E or 6 during any renovation.

A motion was made by Representative McLeland, seconded by Senator Peterson, to recommend that the Regents include voice and data wire upgrades in their deferred maintenance proposal, with the Committee recommendation to be transmitted to the Senate Ways and Means and House Appropriations committees. The motion passed.

Senator Huelskamp observed that an estimated $24.0 to $36.0 million cost of replacing STARS has caused agencies to create alternative systems. *He made a motion that the Executive CITO ascertain how many agency accounting systems presently operate as alternative systems outside STARS and ascertain the costs for the parallel systems. Senator Schmidt seconded the motion, which passed.*

Representative McLeland expressed concern that Fort Hays State University, in building its student information system, decided to postpone developing the Human Resources module and use the allocated funds to upgrade its mainframe. Mr. Heiman estimated the cost of the mainframe upgrade to be $150,000. *A motion was made by Representative McLeland and seconded by Representative Lane to recommend to Senate Ways and Means and House Appropriations committees that the Fort Hays administrative, financial, student information, and human resources*

project continue as originally planned and additional funding be provided for the mainframe upgrade. The motion passed. Ms. Moore, answering a question, said that the project had not been amended because neither change had tripped a threshold.

Representative McLeland made a motion, seconded by Representative Lane, recommending that Senate Ways and Means and House Appropriations committees scrutinize the SRS Enterprise Circle project and consider not approving funding until the proposed feasibility study is completed. The Executive CITO assured the Committee that the project would not go forward until she had examined the feasibility study. The motion passed.

Representative Morrison made a motion to have Senate Ways and Means and House Appropriations continue monitoring projects by KDWP and KDOL, the former regarding a vendor which installed a system at no cost to the agency and the latter using an American Automobile Association office in Lawrence as a site to renew driver's licenses. The motion was seconded by Senator Huelskamp and the motion passed.

Senator Schmidt made a motion that the Committee recommend the following caution to the Senate Ways and Means Committee, the House Appropriations Committee, and the newly created Health Care and Finance Division: If the state pursues any electronic prescription project, these entities are urged to consider companies that have had success implementing e-prescriptions under Medicaid directives before they allocate any funds to a Kansas e-prescription project. Representative Lane seconded the motion, which passed.

Mr. Heiman reported that Novell announced an upgrade that allows Microsoft Outlook to be a fully compatible client under GroupWise. The upgrade will allow legislators who wish to be able to use Microsoft Outlook on their laptop computers that capability as soon as Dave Larson's team is able to upgrade the individual computers with the new release of GroupWise.

The Chairperson informed members that he would try to arrange a Committee meeting a day or two before the beginning of the legislative session.

Prepared by Gary Deeter
Edited by Julian Efird

Approved by Committee on:

    January 6, 2006
        (date)