

Testimony of the Chief of Information Technology Officer

Neutral of Senate Bill 57

Before the Senate Ways & Means Committee

March 20, 2019

Chairwoman McGinn and members of the Committee, my name is Lee Allen and I am the Chief Information Technology Officer for the State of Kansas' executive branch. Thank you for this opportunity to address the committee regarding Senate Bill 57: Requiring review of information technology contracts by the joint committee on information technology.

In my role, I am responsible for reviewing and approving all planned and approved 'IT Projects' throughout the executive branch that meet the threshold set in statute. As this bill is currently written, the joint committee wouldn't receive any additional projects that aren't already presented and reviewed today. This bill would not cast a wider net; it would just add an additional step to the select few projects each year that meet the \$3 million threshold. This is due to the gaps that have developed over time with the current statutory definition of an 'IT Project' and the way business is now conducted. Like many IT-related policies and regulations, the existing definition and reporting process has not evolved at the same speed as technology and business.

The existing definition of an IT Project is, *"a project for a major computer, telecommunications or other information technology improvement with an estimated cumulative cost of \$250,000 or more and includes any such project that has proposed expenditures for: (1) New or replacement equipment or software; (2) upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefor; or (3) data or consulting or other professional services for such a project."*

Projects are currently self-reported by each individual agency to the Kansas Information Technology Office (KITO). The challenges faced by using the current definition as the sole means for reporting and monitoring miss a number of IT contracts throughout the state. Many IT-related contracts do not require any funds up front to issue a contract or for access to software, but later incur costs for licensing, maintenance, or upon consumption of services. These costs are not considered part of the project monitoring requirement as they are incurred in the production environment, after the product is already in use.

- An example of this would be an application that allows for web or mobile payment collection from citizens in exchange for a service/license. This application incurs no expense by the agency to develop and the vendor is compensated by a convenience fee on the transaction.
- Another example of something that we believe doesn't meet the 'IT Project' threshold would be the upgrade of a current application that has no direct cost, just a continuation of licensing or maintenance fees.
- A third unique situation that we believe would not be a reportable 'IT Project' would be an agency business decision to outsource an entire business unit and all its supporting technology.

I have no reservations presenting planned and approved 'IT Projects' to the joint committee on IT. I would just like to draw attention to what I believe are minor clarifications that would improve the ability of statewide IT to operate and meet the expectations implemented by this bill.

- JCIT would need the ability to meet as necessary outside of legislative session as to not add unnecessary length to an already thorough procurement process.
- A predefined length of time for the review process to take place.
- Further clarification as to specifically when in the procurement process JCIT would like to review and provide commentary.
- The addition of an emergency clause should a critical system outage occur.

Throughout the past year, there have been concerted efforts to revive and utilize the governance structure that currently exists for state IT operations, including the revival of the Information Technology Executive Council and its supporting subcommittees, as well as the hiring of the previously vacant role of Chief Information Technology Architect. With the addition of the CITA we will also be reviving the 3-year IT Plans for all agencies. This will shed further light on the larger projects that agencies are forecasting. When these existing tools are used correctly, the transparency and efficiency of IT operations throughout the state will improve.

Thank you to the Chair and members of the committee for allowing me to present this testimony, subject to your questions, this concludes my testimony.