MINUTES

JOINT COMMITTEE ON INFORMATION TECHNOLOGY

<u>May 1-3, 2012</u>
<u>Room 152-S—Statehouse</u>

Members Present

Representative Mike Burgess, Vice-chairperson
Representative Joe McLeland (May 1-2)
Representative Terry Calloway (May 1-2)

Members Absent

Senator Mike Petersen, Chairperson
Senator Tom Holland
Senator Garrett Love
Senator Vicki Schmidt
Representative Nile Dillmore
Representative Harold Lane

Staff Present

Amy Deckard, Kansas Legislative Research Department
Laura Jurgensen, Kansas Legislative Research Department
Sean Ostrow, Office of the Revisor of Statutes
Jim Miller, Legislative Chief Information Technology Officer
Gary Deeter, Committee Secretary
Florence Deeter, Assistant Secretary

Conferees

Anthony Schlinsog, Executive Chief Information Technology Officer
Donna Shelite, Director of Vehicles, Division of Motor Vehicles, Kansas Department of Revenue
Darin Bodenhamer, Project Director, Kansas Department of Health and Environment
Glen Yancey, Chief Information Officer, Kansas Department of Health and Environment
Jim Moudry, Director of Technology, Product Development and Contracts, Software Engineering Services

Others Attending

See attached sheet.

Tuesday, May 1

The Vice-chairperson called the meeting to order at 3:09 p.m. and welcomed Anthony Schlinsog, Executive Chief Information Technology Officer, who briefed the Committee on several issues.

Mr. Schlinsog reviewed the latest quarterly reports for agency information technology (IT) projects. He stated, currently, agencies have 25 active projects, 16 in good standing, with a cost totaling $242.6 million. Three projects are on hold: Central Message Switch Replacement at the Kansas Bureau of Investigation (KBI), the data integration project between the Kansas Criminal Justice Information System and the Kansas Department of Revenue, and the State-wide Broadband Project at the Kansas Department of Commerce. One project is on caution status (e-Citation, KBI), and five projects are on alert status (Attachment 1). He highlighted two notable projects:

- An electronic transcript project at both the Kansas Board of Regents and at the Kansas Department of Education; and

- A joint project of the University of Kansas and the Kansas University Medical Center to develop a single software product for payroll/personnel systems.

Answering a question, Mr. Schlinsog said the Board of Regents' product will be available for all Regents universities as well as for private colleges.

Mr. Schlinsog continued by outlining the progress in IT consolidation (Attachment 2). He reported, after extensive analysis and data-gathering, 25 recommendations are being presented to the Governor to lower IT costs and improve IT efficiencies. Some initiatives will require up-front investments, and nearly all will require significant planning. The 25 recommendations are grouped under seven business areas:

- Strengthening shared services;
- Consolidation of state application portfolios;
- Creating a transparent and efficient IT organization;
- Improving access to state systems;
- Improving IT management and governance;
- Strengthening cyber-security; and
- Developing an efficient and skilled IT workforce.

Responding to questions, Mr. Schlinsog commented:

- Regarding the Regents' IT software licensing, educational licenses are significantly different from other business IT licenses.

- A single statewide sign-on portal is the ideal, but will not occur in the foreseeable future.

- Legislative Post Audit provides outside audits for most state agencies.

- Until the Office of IT Services (OITS) reaches more stable financial footing, some initiatives cannot move forward.

- The 25 recommendations will be prioritized for implementation.

The meeting was adjourned at 4:19 p.m.

Wednesday, May 2

The Vice-chairperson called the meeting to order at 3:13 p.m. and welcomed Glen Yancey, Chief Information Officer, Kansas Department of Health and Environment (KDHE); Darin Bodenhamer, Project Director, Kansas Eligibility and Enforcement Systems (KEES), KDHE; and Ben Nelson, Chief Information Officer, Kansas Department of Social and Rehabilitation Services (SRS). The three men gave a presentation on KEES (Attachment 3).

Mr. Yancey reported the project is on schedule and within budget parameters. He said the vendor, Accenture, provides a basic commercial off-the-shelf product which must be modified to meet agency specifications. Phase I (to be completed late summer 2012) will include the online application and medical programs and a presumptive eligibility tool. Phase II (late summer 2013) will provide the eligibility system and unite KDHE and SRS medical and human services programs. He reported the Accenture coding had not followed best practices, requiring additional work to clean up the code.

Mr. Nelson described the SRS Business Process Re-engineering section of the project, which he reported as a resounding success: reducing wait time, reducing error rate, speeding up problem resolution, and improving staff morale. Responding to a question, he replied the process had not reduced staff, but it had significantly increased efficiency in handling case loads.

Mr. Yancey explained the project was changed from a "waterfall" approach to an iterative approach (divide the process into smaller tasks; test and validate sooner), which will require a recast of the project. Mr. Bodenhamer noted the new approach will enable the agency to meet deadlines more readily, mitigate scope creep, and assess costs on a more timely basis.

Mr. Bodenhamer listed the federal partners of the project (Food and Nutrition Services, Centers for Medicare and Medicaid Services (CMS), both of which participate regularly in project progress reviews.

Mr. Yancey, noting the agencies KEES must interface with, said Joint Access Design (JAD) meetings are being scheduled and interface specifications will be completed by August 2012. NTT America (Ashburn, Virginia) has been chosen as the hosting vendor, with a back-up data center in Santa Clara, California. An independent consultant will provide Enterprise Content Management and integration analysis.

The Vice-chairperson interrupted the presentation in order to accommodate other conferees, saying if there is time, the presenters will be given an opportunity to complete the report.

Donna Shelite, Director, Division of Motor Vehicles (DMV), Kansas Department of Revenue, provided a status report on the DMV Modernization Project (Attachment 4). She traced the history of the project, a multi-year modernization effort to replace three mainframe systems, combining vehicle titles and registration, drivers' licensing, and inventory management into a single modern system. She said the implementation of the first phase of the project began on May 1, 2012, converting 6.8 million driver and vehicle records and switching to new computer equipment. In preparation for the conversion, an extensive media outreach ensured citizens were aware of the week-long transition. The vendor, 3M, and county treasurers are working together to make the transition seamless. Contingency plans call for 3M to be available 24/7 to assure a successful transition.

Jim Moudry, Director of Technology, Product Development and Contracts, Software Engineering Services, the consultant providing independent validation and verification services for KEES, presented an initial evaluation of the project (Attachment 5). He offered assessments on scope (yellow), schedule (yellow), cost (green), and staffing (red). He noted the potential for scope changes, commented on the joint application design sessions being behind schedule, and reported staffing is inadequate for the financial reporting requirements. His recommendations included the need to streamline the decision-making process and increase the vendor's transparency for processes and information. Answering a question about Accenture's reliability, Mr. Moudry acknowledged that Texas encountered challenges with the vendor on a similar project.

Mr. Schlinsog returned to review several items from Attachment 2. He said one of the next steps in implementing Unified Communications will be video; however, vendors like Cisco offer expensive systems, so implementing video will be postponed until finances are available. Regarding a cyber-security officer, he reported, of eight candidates, three were selected and are presently being interviewed. He also noted OITS staffing has been reduced significantly; a year ago, staff totaled 190, whereas the current staffing is down to 141. Recently, approval was given to fill six key positions.

Mr. Schlinsog responded to members' questions:

- OITS will try to identify an appropriate person in-house to develop cloud computing. Several staff are experienced in virtualization.

- The Landon State Office Building (Landon) has power limitations. Creating a new data center will cost $500,000 to bring sufficient power increases to Landon. The Burlington Northern Santa Fe building is a possible alternative.

- Representatives from IBM will be visiting next week and will help determine a direction for cloud computing.

Members commented that location for a new data center should not be restricted to the Topeka area. A member requested an organization chart for OITS.

The meeting was adjourned at 5:11 p.m. A further meeting was scheduled for 3:30 p.m. on Thursday, May 3, 2012, to hear an update on the Kansas Legislative Information Systems and Services Project. However, because of legislative scheduling priorities, the Vice-chairperson announced on May 3 at 3:35 p.m. that the meeting would be postponed until the following week.

Prepared by Gary Deeter

Edited by Amy Deckard and Laura Jurgensen

Approved by the Committee on:

_____ June 8, 2012 _____
                (Date)