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Sam Brownback, Governor

To: Chairman Pete DeGraaf & Members of the Govt, Technology & Security Committee
Date: February 15, 2017
From: Phil Wittmer, Executive Branch CITO
Re: HB2359 Kansas Information Technology Enterprise (KITE)

Thank you for giving me the opportunity to speak before your committee as a **Proponent** for HB2359. In an effort to easily identify specific sections, I am numbering the paragraphs.

1. The purpose of this legislation is to reposition the Kansas Information Technology Enterprise (KITE), formally known as Office of Information Technology Services (OITS), as a Cabinet-level agency.
2. Currently OITS functions as a Cabinet-level agency under the Governor's Executive Order 11-46, by which all non-Regents Executive Branch agency information technology directors and all staff performing information technology (IT) functions report directly to the Executive Branch Chief Information Technology Officer (CITO).
3. This legislation seeks to codify in statute the consolidation and transfer of all non-Regents Executive Branch IT staff, resources, functions, powers and duties to KITE under the authority of the Executive Branch CITO.
4. The name, Kansas Information Technology Enterprise, reflects the fact that Kansas Executive Branch IT strategy and functions are best consolidated at the Cabinet level to the benefit of all agencies and divisions across the enterprise. KITE will partner with agencies to serve their IT needs in a more cost-effective and people-efficient manner.
5. The Kansas Legislature-approved Alvarez & Marsals (A&M) statewide efficiency study conducted in 2016 revealed critical deficiencies in the structure, systems and operations across Kansas' IT agency siloes. Studies focused on Kansas and other states in a similar position consistently recommend transformational change which include consolidation and best practices. With the approved consolidation, KITE will be able to implement best practice s in IT to maximize the benefit to citizens, businesses and state agencies.
6. Over several decades, State agencies have created their own IT departments. This has led to system-critical inefficiencies and breakdowns in performance and security. Analysis of the fragmented IT budgets have revealed significant statewide over-spending on equipment and systems. The A&M study named the following meta-barriers to efficiency:
 - a. Inconsistent budgets across agencies, leading to an inability to evaluate the "basic building blocks of IT (PCs, servers, storage, labor)."
 - b. Limited-to-nonexistent tracking of metrics associated with IT service delivery.
 - c. Struggles to attract and retain IT talent.

7. Executive Branch IT functions should be consolidated under KITE. This will enable the State of Kansas to:
 - a. Increase cybersecurity by integrating risk and security management practices.
 - b. Improve customer service – to internal customers (employees) and external customers (citizens and businesses).
 - c. Provide effective, more efficient statewide operations through improved management and governance standards.
 - d. Establish quality-driven IT performance metrics.
 - e. Become better stewards of taxpayer dollars by leveraging economies of scale across the enterprise.
 - f. Largely convert ongoing fixed costs by OITS to variable costs for Agencies (i.e., _____ as a Service).
 - g. More efficiently use human resources by institutionalizing streamlined business practices.
 - h. Enhance the State’s ability to make data-driven decisions through data analytics.
 - i. Improve transparency by creating clear lines of accountability between agencies and KITE, as well as between KITE and the Legislature and taxpayers of Kansas.
8. As a result of this legislation, all non-Regents and non-elected office Executive Branch agency IT Chief Information Officers (CIOs), directors and staff performing IT functions, as well as all IT resources, functions, powers, duties, obligations, services and technology budgets vested in the State agencies/entities will be transferred to, vested in and consolidated within KITE. In practice, this means:
 - a. Implementing an enterprise Tier 1 Helpdesk, which will manage all incidents and requests across agencies.
 - b. Providing strategic oversight and consolidated project management for the planning, procurement, execution and analysis of all IT projects.
 - c. Taking an enterprise approach to strategically sourcing the people and competencies needed to achieve KITE and Cabinet agency service delivery objectives.
 - d. Spending less as an agency on enterprise projects, resources and contracts (see budget Q&A below) while retaining budgetary responsibility for KITE shared service and agency-specific IT contracts.
9. The A&M study recommended consolidating all major IT functions:
 - a. Data centers
 - b. Network services
 - c. Service desk functions
 - d. Application development and maintenance
 - e. Project management
 - f. Security
 - g. Management and leadership
 - h. Risk Mitigation/management
10. The study further recommended the State utilize an “as a service” model, rather the “buy, maintain, refresh” model that’s been used for decades. With enterprise-wide authority over IT equipment and systems, KITE will be able realize significant financial savings using this approach.

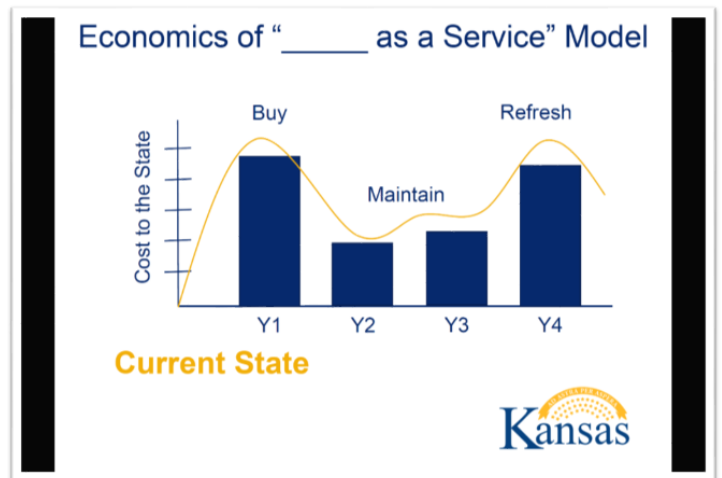
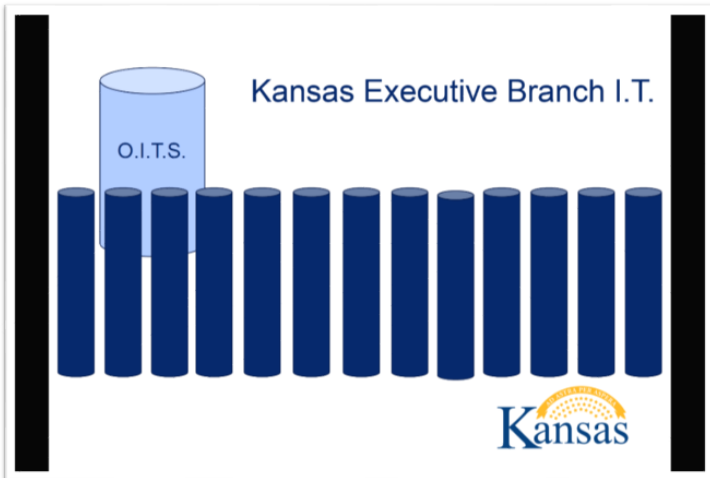
11. For example, purchasing personal computer (PC) equipment for all Executive Branch agencies using a “hardware as a service” model ensures predictable year-over-year spending, updated and well-maintained PCs, and more efficient and effective use of helpdesk service providers.
12. KITE will be funded through direct appropriations, charge-back for services and any other appropriate funding source. All funding currently utilized for IT by Cabinet agencies will be made available to KITE under the authority of the CITO. These may include but are not limited to:
 - a. IT Services
 - b. Labor (FT, PT, contract)
 - c. Contract payments
 - d. IT Purchases
 - e. Data under custodianship of Executive Branch agencies
 - f. Computer applications
 - g. Data storage (i.e., mainframes, servers, networks and equipment)
 - h. Geographic information systems (GIS)

These funds will be used to deliver IT services for Executive Branch agencies.

13. This act shall take effect and be in force from and after its publication in the statute book. The full implementation plan pertaining to the structure of funding and budgets as well as movement of staff shall be developed starting at the time this act is in effect and shall be completed no later than June 30, 2018.

EBIT vs KITE

EBIT



KITE

