

OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 4,250,000	\$ 4,250,000	\$ 4,250,000	\$ 15,750,000	\$ 10,000,000
Federal Funds	-	-	-	-	-
All Other Funds	93,333	60,000	60,000	60,000	60,000
<i>Subtotal</i>	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Off-Budget*</i>	\$ 58,982,031	\$ 57,356,213	\$ 57,356,213	\$ 51,180,974	\$ 56,413,134
Total On-Budget	\$ 4,343,333	\$ 4,310,000	\$ 4,310,000	\$ 15,810,000	\$ 10,060,000
Total Off-Budget	58,982,031	57,356,213	57,356,213	51,180,974	56,413,134
GRAND TOTAL	<u>\$ 63,325,364</u>	<u>\$ 61,666,213</u>	<u>\$ 61,666,213</u>	<u>\$ 66,990,974</u>	<u>\$ 66,473,134</u>
Percentage Change:					
State General Fund	(63.4) %	-- %	-- %	270.6 %	135.3 %
All Funds	(5.3) %	(2.6) %	(2.6) %	8.6 %	7.8 %
FTE Positions	115.0	117.0	117.0	135.0	126.0

*Staff Note: Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

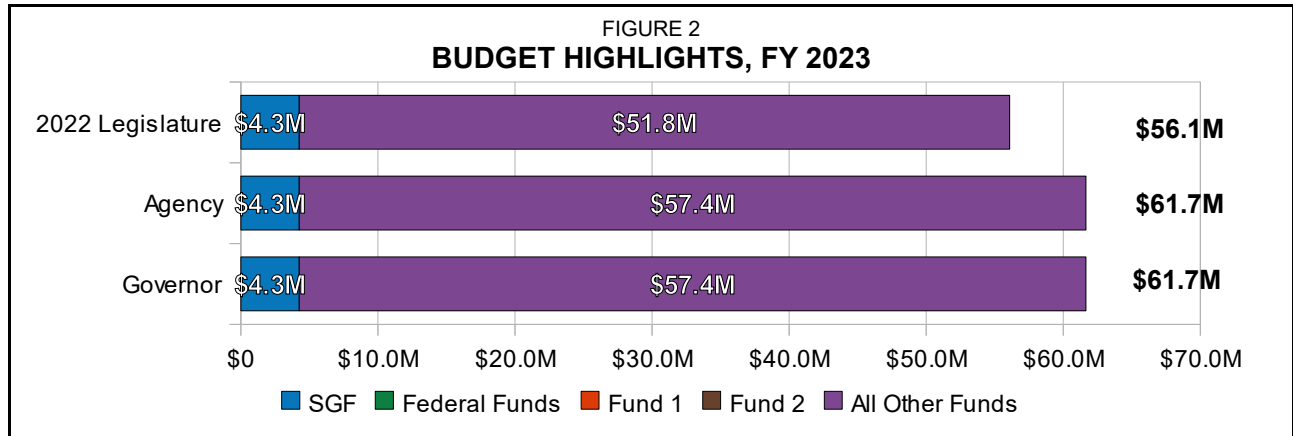
The Office of Information and Technology Services (OITS) is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies in a uniform and cost-effective manner. OITS functions like a utility by providing phone, computer, and data communication services on demand to offices across the state, while maintaining job resource accounting systems to accurately charge customers based on their use of shared resources. As of September 2020, OITS services approximately 60 agencies, 18,800 MS Office 365 users 17,500 data communication users, and 14,100 phone users.

The OITS budget includes both on-budget expenditures and off-budget expenditures. On-budget expenditures reflect programs that are not financed by OITS rate charges, but primarily State General Fund (SGF) appropriations, and have historically been expended on statewide information technology (IT) infrastructure projects, including substantial upgrades to the State's network. Off-budget expenditures include services performed for other state agencies or local units of government and are historically expended to support such services. OITS supports its operations via recharge billings for the services it provides and the expenses it incurs. Expenditures are classified as off-budget to avoid double counting of appropriations because these funds are captured in the budgets of state agencies paying for OITS services. These shared services create efficacy and cost savings by reducing duplication of hardware, software, and technical staff. OITS sets rates and maintains accounts according to federal regulations set by the Office of Management and Budget (OMB) and overseen by the Federal Health and Human

Services Office of Cost Allocation (OCA). In 2020, the agency revised its rate structure, with the intent of increasing transparency and communication and providing clarity and predictability for state agencies with regard to information technology service rates. OITS continues to review and revise its rates to better align with the cost of service.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$56.1 million, including \$4.3 million SGF, for the Office of Information and Technology Services in FY 2023.

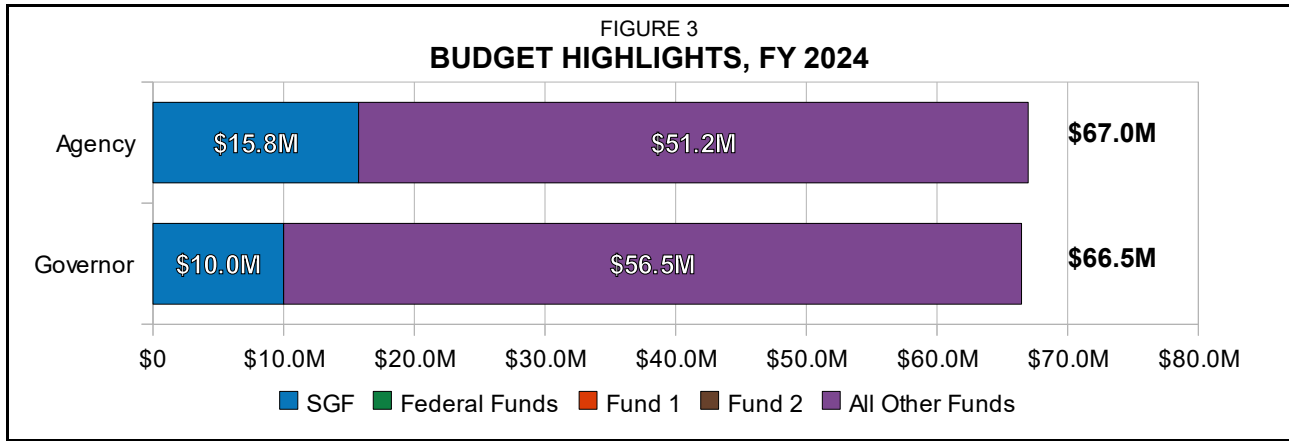


The **agency** submits a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2023 approved amount. Included in this amount is \$60,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The agency's revised estimate also includes \$57.4 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 10.6 percent, above the FY 2023 approved amount. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase can primarily be attributed to expenditures for software, services, and equipment purchased on behalf of other state agencies (\$6.5 million), the relocation to the Capitol Complex (\$1.0 million), license costs for new software utilized in the Hosted Services Program (\$225,000), renewal of licenses for Cisco and Info Block Maintenance (\$175,000), increased expenditures for temporary professional services within the Client Services program (\$150,000), one-time purchases of Cisco desk phones (\$150,000), and increased expenditures for various vendor maintenance services including, Cisco Smartnet, Hewlett Packard, and ConvergeOne. (\$100,000).

The increase is partially offset by a decrease in the Business Productivity program due to the agency shifting more of the costs associated with Microsoft licensing to the Direct Billed Services Program to better align their costs and revenues (\$1.9 million), and reduced services fees related to the Unysis data center (\$800,000). The revised estimate also includes 117.0 off-budget FTE positions for FY 2023, which is the same as the FY 2023 approved number.

The **Governor** concurs with the agency request in FY 2023.



The **agency** requests \$15.8 million, including \$15.8 million SGF, which is an SGF increase of \$11.5 million, or 266.8 percent, above the FY 2023 revised estimate for on-budget expenditures for FY 2024. The increase is attributed to the agency’s enhancement request to replace off-budget special revenue funding for the Kansas Information Security Office (KISO) and further expand KISO’s capabilities. The request includes funding for cybersecurity training and a statewide cybersecurity posture assessment (\$6.9 million); salaries and wages to support current and additional Information Security Officers (ISOs), security engineers, security analysts, and staff to assist with collaboration and partnership with entities such as local governments on cybersecurity endeavors (\$4.5 million); and the purchase of equipment to improve the base level of security on networks (\$166,840).

The request includes 36.0 on-budget FTE positions for FY 2024, which is an increase of 36.0 FTE positions above the FY 2023 revised estimate. (*Staff Note:* 18.0 FTE positions are funded from off-budget special revenue funds in the FY 2023 revised estimate, 6.0 FTE positions are new ISOs, 8.0 FTE positions are cybersecurity support staff, and 4.0 FTE positions are general support staff.)

The FY 2024 request also includes \$51.2 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$6.2 million, or 10.8 percent, below the FY 2023 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease can primarily be attributed to the agency’s request to fully fund the KISO from on-budget SGF moneys, instead of off-budget sources (\$5.2 million), and the elimination of a one-time expenditure for relocation of OITS to the Capitol Complex (\$1.0 million) The request includes 99.0 off-budget FTE positions for FY 2024, which is a decrease of 18.0 FTE positions below the FY 2023 revised estimate.

The **Governor** recommends expenditures of \$10.1 million, all SGF, for on-budget expenditures for FY 2024. The recommendation is an SGF decrease of \$5.8 million, or 36.4 percent, below the FY 2024 agency request. The decrease is attributable to the Governor recommending partial adoption of the agency’s enhancement request for new and ongoing cybersecurity activities, and not recommending the portion of the request that would have changed the funding source for the Kansas Information Security Office (KISO) from off-budget special revenue funds to SGF moneys. The recommendation includes 9.0 on-budget FTE positions for FY 2024, which is an increase of 9.0 FTE positions above the FY 2023 revised estimate.

For FY 2024, the Governor’s recommendation also includes \$56.4 million in off-budget special revenue fund expenditures. The recommendation is an increase of \$5.2 million, or 10.2 percent, above the FY 2024 agency request. The increase is attributable to the Governor partially adopting the agency’s enhancement request, and replacing a portion of the SGF moneys requested for KISO operations with off-budget special revenue funds. The recommendation includes 117.0 off-budget FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON BUDGET), FY 2022 – FY 2024

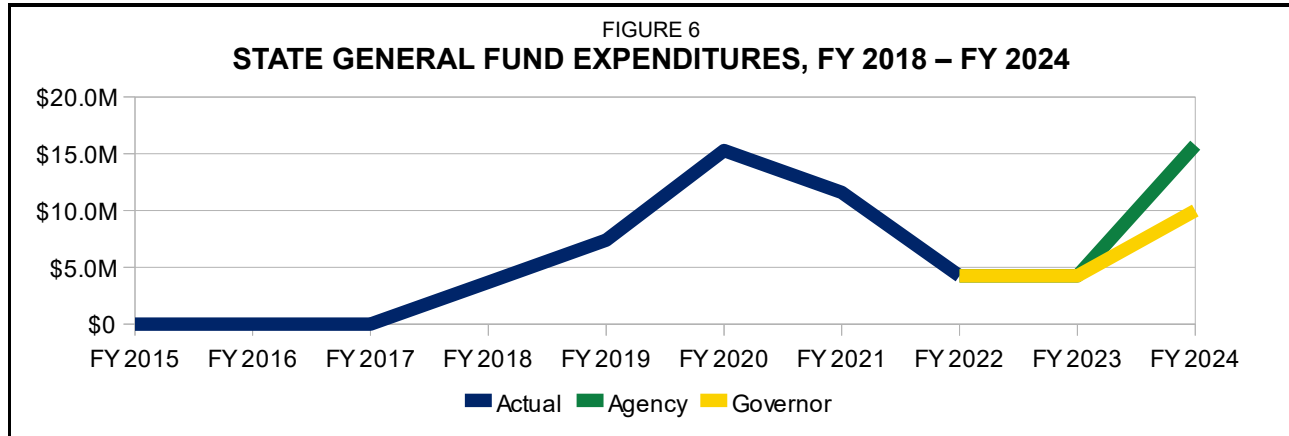
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ -	\$ -	\$ -	\$ 4,477,160	\$ 1,153,000
Contractual Services	760,213	1,310,000	1,310,000	8,166,000	5,845,160
Commodities	531,430	-	-	-	-
Capital Outlay	3,051,690	3,000,000	3,000,000	3,166,840	3,061,840
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Financing:					
State General Fund	\$ 4,250,000	\$ 4,250,000	\$ 4,250,000	\$ 15,750,000	\$ 10,000,000
GIS Contracting Service Fund	93,333	60,000	60,000	60,000	60,000
TOTAL	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
FTE Positions	--	--	--	36.0	9.0

FIGURE 5
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (OFF BUDGET*)
FY 2022 – FY 2024**

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 10,250,436	\$ 11,795,713	\$ 11,795,713	\$ 9,674,474	\$ 11,845,634
Contractual Services	32,848,566	37,929,000	37,929,000	34,985,000	37,941,000
Commodities	14,150,309	6,030,500	6,030,500	6,030,500	6,030,500
Capital Outlay	1,732,720	1,601,000	1,601,000	491,000	596,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Fund	58,888,698	57,256,213	57,256,213	51,080,974	56,313,134
GIS Contracting Services Fund	93,333	100,000	100,000	100,000	100,000
TOTAL	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
FTE Positions	115.0	117.0	117.0	99.0	117.0

*Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

STATE GENERAL FUND



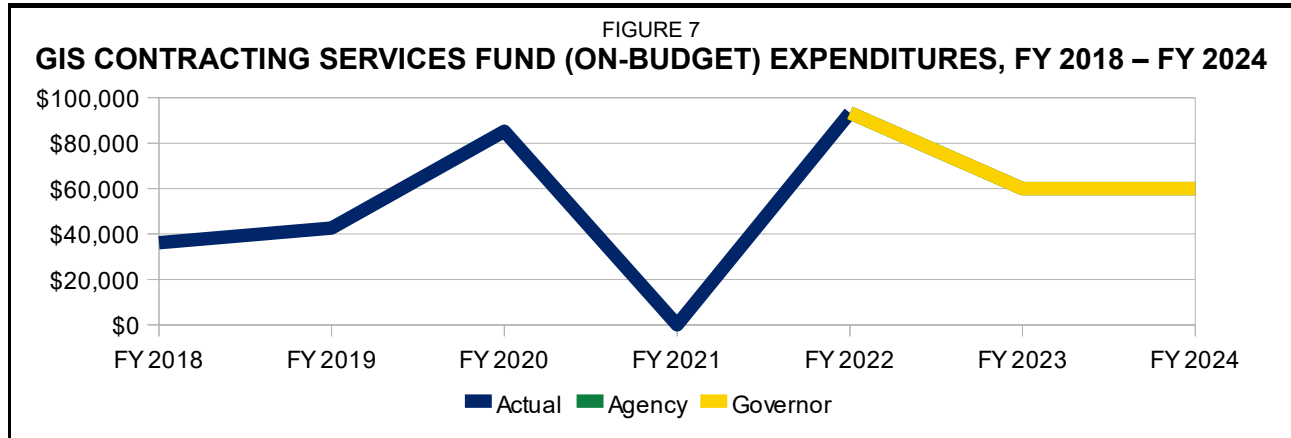
For the Office of Information and Technology Services, SGF expenditures averaged \$9.5 million from FY 2018 to FY 2021. Historically, the majority of OITS expenditures are supported by off-budget funds received for services performed for other state agencies or for local units of government. The appropriation of SGF moneys, which began in FY 2018 and peaked in FY 2020, is a result of the following legislative actions:

- The **2017 Legislature** added \$4.1 million in FY 2018 and \$5.4 million for FY 2019, all SGF, for the agency's IT modernization strategy, which included moving to an "as-a-service" model;
- The **2018 Legislature** added \$4.9 million in FY 2018 and \$3.5 million for FY 2019, all SGF, for continued IT modernization and Kansas Department of Corrections Office 365 expenditures;
- The **2019 Legislature** added \$6.1 million, including \$4.0 million SGF, for additional IT modernization funding in FY 2020;
- The **2020 Legislature** added \$10.4 million in FY 2020 and \$5.4 million for FY 2021, all SGF, for network infrastructure upgrades and data center migration activities. Additionally, during the 2020 Session, the agency requested continued appropriations of funding for IT rehabilitation and repair similar to dedicated funding appropriated to the Department of Administration for the rehabilitation and repair of state buildings. Accordingly, the 2020 Legislature added \$4.5 million, all SGF, to establish a dedicated funding source for the rehabilitation and repair of IT equipment in FY 2020 and FY 2021; and
- The **2021 Legislature** added \$1.8 million in FY 2021, all SGF, for a supplemental request from OITS to pay an order from the federal government for improper rate setting in the distribution of IT services in FY 2016. The 2021 Legislature also adopted the proposed reduced resources package for FY 2022, decreasing the SGF appropriation for the dedicated rehabilitation and repair of IT equipment by \$250,000.
- The **2022 Legislature** appropriated \$4.3 million, all SGF, for continued rehabilitation and repair of state IT equipment and infrastructure in FY 2022 and FY 2023.

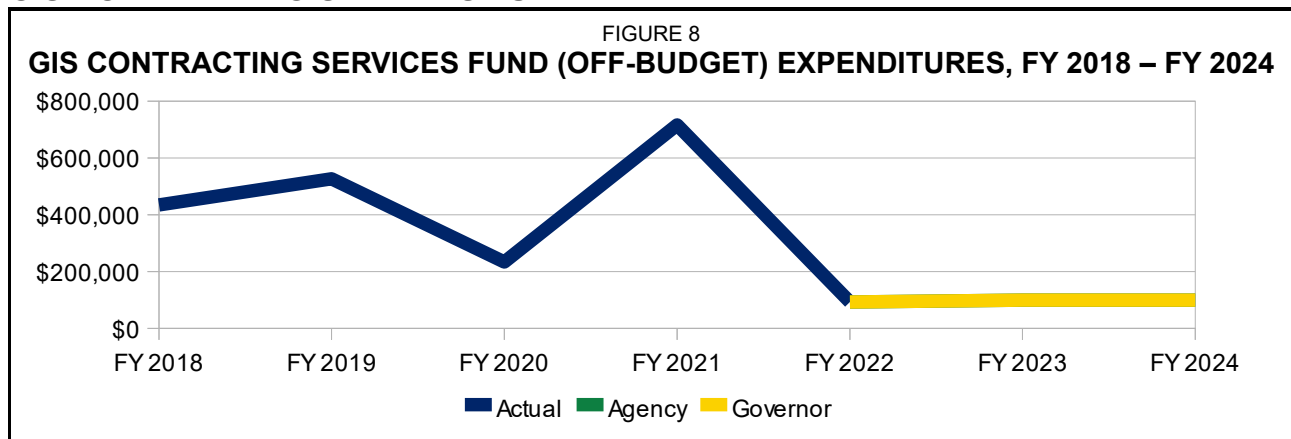
The decline in SGF expenditures after FY 2020 is due to the completion of projects associated with network upgrades to accommodate information technology modernization strategy and data center migration activities. These funds have essentially been replaced with off-budget funds as agencies have begun utilizing the modernized infrastructure to subscribe to OITS technology services.

For FY 2024, the agency has requested an additional \$11.5 million, all SGF, to fully replace off-budget funding for the Kansas Information Security Office (KISO), and expand its capabilities. The request would fund increase the KISO from 18.0 FTE positions to 36.0 FTE positions, and allow for statewide cybersecurity training and assessment.

GIS CONTRACTING SERVICES FUND



GIS CONTRACTING SERVICES FUND



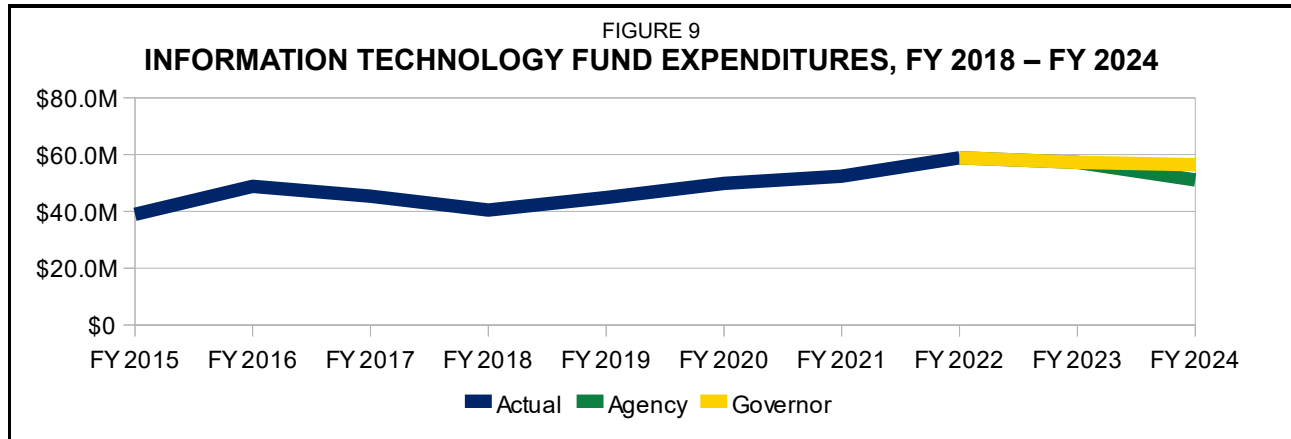
In 1989, Executive Order 06-08 established the Kansas Geographical Information Systems (GIS) Policy Board, which currently directs the Kansas Geological Survey and the University of Kansas to monitor contracted services and funding. Pursuant to KSA-74-99f08, OITS is required to fund the state geographic information system data access and support center, while the Kansas GIS Policy Board is required to house and support those services.

The GIS Contracting Services Fund refers to two special revenue funds, one on-budget and one off-budget. Both generate revenue from licensing fees for the Geographic Information Systems subprogram within the Administration program. The on-budget fund collects fees from non-state entities, while the off-budget fund generates revenue from fees charged to state agencies and other intragovernmental entities. On-budget expenditures, which reflect programs that are not financed by rates charged for OITS services, have historically been expended on statewide IT infrastructure projects, including substantial upgrades to the State’s network. Off-budget expenditures, which are financed from services performed for other state agencies or local units of government, are used to support and recover costs such services.

The agency’s on-budget expenditures averaged \$51,455 from FY 2018 to FY 2022. OITS made no on-budget expenditures from this fund in FY 2021. The agency estimates it will collect \$60,000 from non-state entities in FY 2023 and FY 2024.

The agency's off-budget expenditures average \$401,036 from FY 2018 to FY 2022, and the agency estimates it will collect \$100,000 from state agencies in FY 2023 and FY 2024 for this subprogram.

INFORMATION TECHNOLOGY FUND



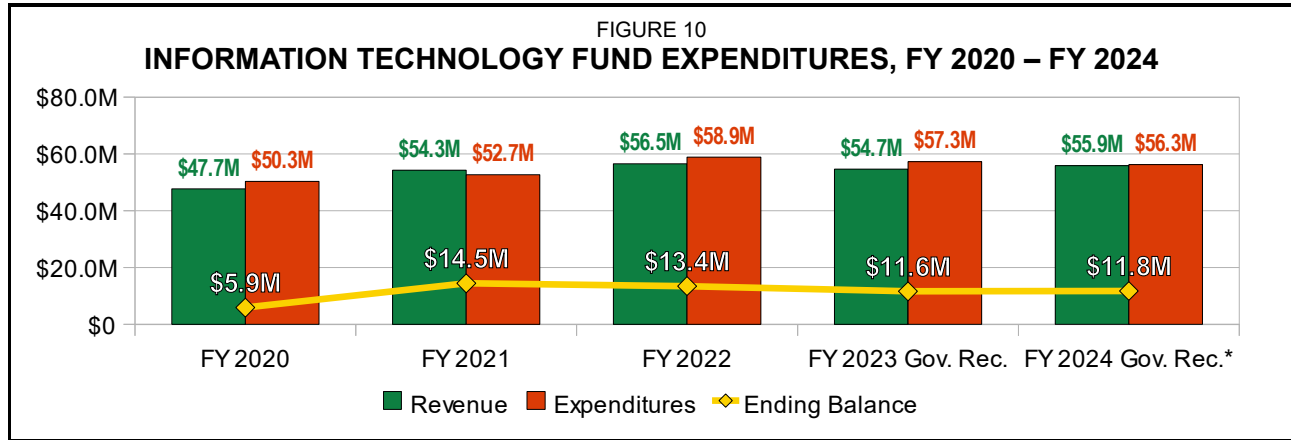
The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of IT goods and services to other state agencies. This fund generates revenue from rates and charges for services, as established by the Executive Chief Information Technology Officer pursuant to KSA 75-4703(a). Revenue may fluctuate as the result of monthly receipts based on seasonal user activity and a need to react to consumer demand for additional resources or special products. Moreover, there may be year-to-year variations in revenue due to changes in agency use and demand of resources; cost increases as new efficiency initiatives, such as the consolidated service model, are developed; and changes in software maintenance, utility, and server costs.

Rates are based on the agency's approved budget for the upcoming year and are set to closely reflect the actual cost of delivering services. Costs are allocated across rate centers based on direct costs and FTE positions. Information Technology Fund expenditures averaged \$47.4 million between FY 2015 to FY 2022. The agency estimates it will expend \$57.4 million in FY 2023 and \$51.2 million for FY 2024.

Rates are intended only to recover costs and to comply with federal audit and cost accounting guidelines, as outlined by Office of Management and Budget (OMB) Cost Principles for State, Local and Indian Tribal Governments. Pursuant to those guidelines, the State of Kansas is required to file a Statewide Cost Allocation Plan (SWCAP) with the U.S. Department of Health and Human Services (HHS) annually, and the State currently contracts with Maximus Consulting Services to manage the process. The SWCAP report details the direct and allocated indirect costs of services provided to other state agencies that may use federal funds. HHS monitors each service to ensure that the amount charged reflects actual costs incurred. Presently, OITS self-reports 8 services (previously 15), for each of which the SWCAP report details an annualized beginning balance, revenue earned, allowable costs, and ending balance.

In FY 2021, OITS returned \$1.8 million, all SGF, to HHS for a SWCAP repayment settlement. The repayment was for the federal share of an excess fund balance of \$5.6 million for Telecommunications Data Services in FY 2016. The 2021 Legislature appropriated SGF moneys for this purpose.

INFORMATION TECHNOLOGY FUND



According to the agency, its general practice is to maintain a balance of 90 days of operating expenditures to accommodate any unforeseen circumstance that may impact its cash flow.

Item	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Office 365/Cloud Services	\$ 7,867,000	\$ 9,058,068	\$ 10,375,056
Network Telecommunications	15,366,000	14,077,590	14,077,590
Mainframe	4,113,018	3,943,477	4,059,462
State-owned Data Centers	678,000	507,600	507,600
Data Center as a Service (Unisys)	9,573,801	10,305,000	10,305,000
Project Management	604,617	698,577	861,076
Surcharges	982,000	955,000	1,007,000
Direct Billings	16,323,782	12,000,000	12,000,000
TOTAL	\$ 55,508,218	\$ 51,545,312	\$ 53,192,784

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 4,250,000	\$ 51,883,918	\$ 56,133,918	117.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<u>\$ 4,250,000</u>	<u>\$ 51,883,918</u>	<u>\$ 56,133,918</u>	<u>117.0</u>
Agency Revised Estimate:				
2. Service Center Software Replacement	\$ 1,250,000	\$ -	\$ 1,250,000	--
3. Rehab and Repair of Networking Equipment	(1,250,000)	-	(1,250,000)	--
4. Software, Services, and Equipment-Direct Billed	-	6,500,000	6,500,000	--
5. OITS Office Relocation-LSOB	-	1,000,000	1,000,000	--
6. Hosted Services Software	-	225,000	225,000	--
7. Network and Telecom License Renewal	-	175,000	175,000	--
8. Temporary Professional Services	-	150,000	150,000	--
9. Desk Phones Purchase	-	150,000	150,000	--
10. Help Desk Software Increase	-	100,000	100,000	--
11. Vendor Maintenance Agreements	-	100,000	100,000	--
12. Office 365 Licenses Shift	-	(1,911,000)	(1,911,000)	--
13. Unisys Data Center Charges	-	(900,000)	(900,000)	--
14. All Other Adjustments	-	(56,705)	(56,705)	--
<i>Subtotal—Agency Revised Estimate</i>	<u>\$ 4,250,000</u>	<u>\$ 57,416,213</u>	<u>\$ 61,666,213</u>	<u>117.0</u>
Governor's Recommendation:				
15. No Changes	-	-	-	--
TOTAL	<u><u>\$ 4,250,000</u></u>	<u><u>\$ 57,416,213</u></u>	<u><u>\$ 61,666,213</u></u>	<u><u>117.0</u></u>

LEGISLATIVE APPROVED

- NO CHANGES.** The 2022 Legislature approved a budget of \$56.1 million, including \$4.3 million SGF, for the Office of Information and Technology Services for FY 2023. No adjustments were made to the the approved FY 2023 budget.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2023 approved amount. Included in this amount is \$60,000 in expenditures from the GIS Contracting Services Fund, which is an increase of \$17,000, or 39.5 percent, above the FY 2023 approved amount, to support state geographic information systems for the user community in Kansas.

The **agency** on-budget revised estimate includes the following adjustments:

- SERVICE CENTER SOFTWARE REPLACEMENT.** The agency estimate includes a \$1.3 million increase, all SGF, to replace the current service center software with ServiceNow, a technical support and troubleshooting software service. This increase is offset by a \$1.3 million decrease, all SGF, for rehabilitation and repair of state networking equipment, which is explained further in Item 3.

3. **REHAB AND REPAIR OF NETWORKING EQUIPMENT.** The agency estimate includes a \$1.3 million decrease, all SGF, for reduced purchases related to the rehabilitation, repair, and upgrade of state networking equipment. OITS has indicated it is concluding a multi-year network refresh and is shifting focus to other areas of need within the State IT enterprise.

The **agency** revised estimate also includes \$57.4 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 10.6 percent, above the FY 2023 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The revised estimate also includes 117.0 off-budget FTE positions for FY 2023, which is the same as the FY 2023 approved number.

The agency off-budget revised estimates include the following adjustments:

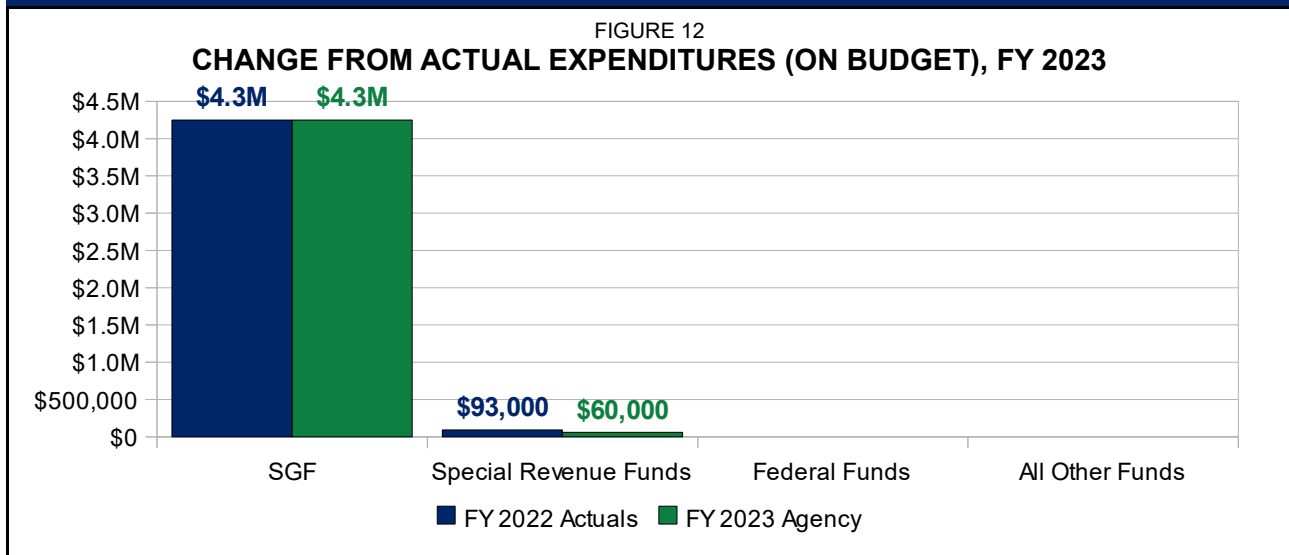
4. **SOFTWARE, SERVICES, AND EQUIPMENT-DIRECT BILLED.** The revised estimate includes an increase of \$6.5 million , all from off-budget sources, attributed to increased purchases of certain software subscription services, and increased utilization of services offered by OITS, such as data center and desktop as a service. The agency estimates total expenditures for Direct Billed Services to be \$12.0 million in FY 2023
5. **OITS OFFICE RELOCATION.** The revised estimate includes an increase of \$1.0 million, all from off-budget sources, attributed to the planned relocation of the OITS offices to the Landon State Office Building.
6. **HOSTED SERVICES SOFTWARE.** The revised estimate includes an increase of \$225,000 , all from off budget sources, attributed to the adoption of new software to help manage the Hosted Services Program. The agency estimates total expenditures for Hosted Services to be \$14.5 million in FY 2023.
7. **NETWORK AND TELECOMMUNICATION LICENSE RENEWAL.** The revised estimate includes an increase of \$175,000 , all from off-budget sources, attributed to the renewal service licenses from Cisco and Info Block to assist and administering the Network and Telecommunications Program. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
8. **TEMPORARY PROFESSIONAL SERVICES.** The revised estimate includes an increase of \$150,000 , all from off budget sources, attributed to temporary professional services acquired to assist in administering the Client Services Program. The agency estimates total expenditures for Client Services to be \$5.3 million in FY 2023.
9. **DESK PHONE PURCHASE.** The revised estimate includes an increase of \$150,000, all from off-budget sources, attributable to increased one-time purchases of Cisco Desk phones for a state agency. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
10. **HELPDESK SOFTWARE LICENCE INCREASE.** The revised estimate includes an increase of \$100,000 , all from off-budget sources, attributable to an increase in the cost of the help desk software, ServiceNow.
11. **VENDOR MAINTINANCE AGREEMENTS.** The revised estimate includes an increase of \$100,000, all from off-budget sources, attributable to increased cost for various vendor maintenance services including, Cisco Smartnet, Hewlett Packard, and ConvergeOne.

12. **OFFICE 365 LICENSES SHIFT.** The revised estimate includes a decrease of \$1.9 million, all from off-budget sources, attributable to the agency shifting more of the costs associated with Microsoft licensing to the Direct Billed Services Program to better align their costs and revenues. The agency estimates total expenditures for the Direct Billed Services to be \$12.0 million in FY 2023.
13. **UNYSIS DATA CENTER CHARGES.** The revised estimate includes a decrease of \$900,000 in costs attributable to Unysis Data Center charges. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
14. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of \$56,705, all from off-budget sources, primarily attributable to fluctuations in utilization of OITS services and indirect costs related to such services. Indirect costs include but are not limited to fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

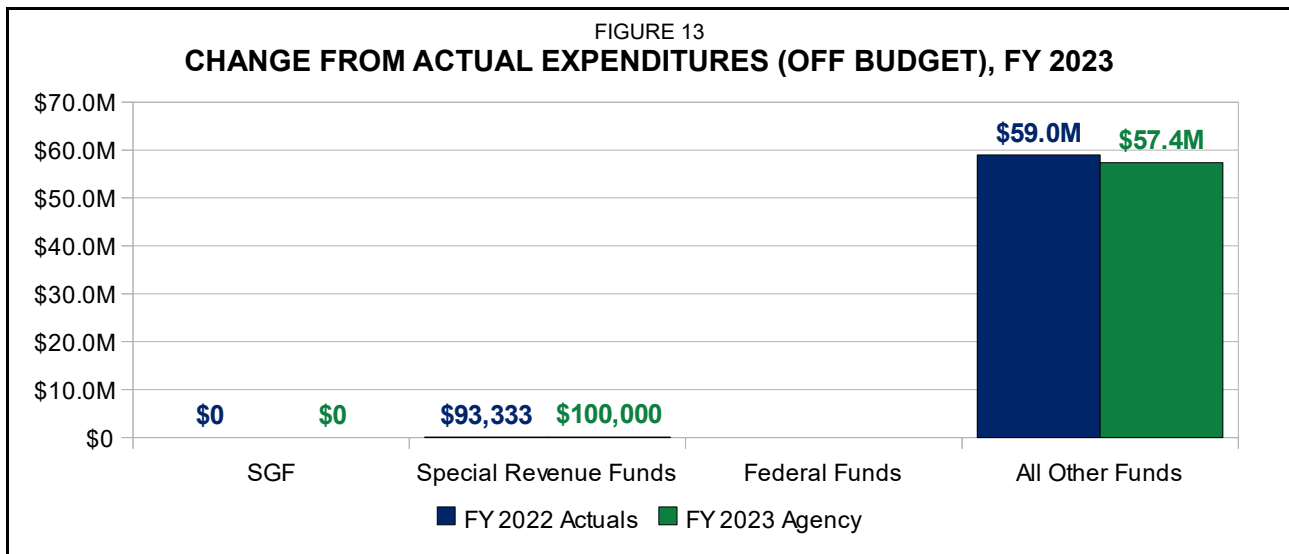
GOVERNOR'S RECOMMENDATION

NO CHANGES. The Governor concurs with the agency request in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2023 on-budget expenditures of \$4.3 million, including \$4.3 million SGF. The revised estimate is the same as the FY 2022 actual expenditures. Included in this amount is \$60,000 from the GIS Contracting Services Fund, which is an increase of \$17,000, or 39.5 percent, above the FY 2023 approved amount, to support state geographic information systems for the user community in Kansas.



The **agency** estimates revised FY 2023 off-budget expenditures of \$57.4 million, all from special revenue funds, which is a decrease of \$1.7 million, or 2.6 percent, below FY 2022 actual expenditures. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as cables, electronic equipment, and peripherals (\$8.1 million). The decrease is partially offset by increased expenditures for certain contractual services including ongoing software licenses and utilization of OITS services by other state agencies (\$5.6 million), and increased salaries and wages increases related to the 5.0 percent salary increase approved by the 2022 Legislature (\$1.5 million).

FY 2024 ANALYSIS

FIGURE 14
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 4,250,000	\$ 57,416,213	\$ 61,666,213	117.0
Agency Request:				
1. Enhancement–Cybersecurity Operations	\$ 11,500,000	\$ (5,227,084)	\$ 6,272,916	18.0
2. OITS Relocation	-	(1,000,000)	(1,000,000)	--
3. All Other Adjustments	-	51,845	51,845	--
<i>Subtotal–Agency Estimate</i>	\$ 15,750,000	\$ 51,240,974	\$ 66,990,974	135.0
Governor’s Recommendation:				
4. Enhancement–Cybersecurity Operations	\$ (5,750,000)	\$ 5,232,160	\$ (517,840)	(9.0)
TOTAL	\$ 10,000,000	\$ 56,473,134	\$ 66,473,134	126.0

AGENCY REQUEST

The **agency** requests \$15.8 million, including \$15.8 million SGF, which is an SGF increase of \$11.5 million, or 266.8 percent, above the FY 2023 revised estimate for on-budget expenditures. Included in this amount is \$60,000 from the GIS Contracting Services Fund. The request includes 36.0 on-budget FTE positions for FY 2024, which is an increase of 36.0 FTE positions above the FY 2023 revised estimate. *Note:* This is a net increase is 18.0 new FTE positions. As described below in Item 1, the agency requests funding for the KISO’s current 18.0 FTE positions with on-budget SGF moneys. Historically, these positions have been funded using off-budget moneys.

The agency request also includes \$51.2 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$6.2 million, or 10.8 percent, below the FY 2023 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request includes 99.0 off-budget FTE positions, for FY 2024, which is an decrease of 18.0 FTE positions below the FY 2023 revised estimate. *Note:* The combined FTE positions for the agency’s request totals 135.0.

The **agency** request includes the following adjustments:

1. **ENHANCEMENT – CYBERSECURITY OPERATIONS.** The request includes an \$11.5 million increase, all SGF, to improve the State’s cybersecurity posture and replace off-budget special revenue funding currently used to fund the Kansas Information Security Office (KISO) with SGF moneys.
2. **OITS RELOCATION.** The request includes a \$1.0 million decrease, all from off-budget sources, attributable to the elimination of one-time expenditures associated with the relocation of OITS to the Capitol Complex.
3. **ALL OTHER ADJUSTMENTS.** The request includes a decrease of \$51,845, all from off-budget sources, primarily attributable to fluctuations in utilization of OITS services and indirect costs related to such services. Indirect costs include, but are not limited to, fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$10.0 million, all SGF, for on-budget expenditures for FY 2024. The recommendation is an SGF decrease of \$5.8 million, or 36.5 percent, below the FY 2024 agency request. The decrease is attributable to the Governor recommending partial adoption of the agency's enhancement request for new and ongoing cybersecurity activities. The recommendation includes 9.0 on-budget FTE positions for FY 2024, which is a decrease of 27.0 FTE positions below the FY 2024 Request.

For FY 2024, the Governor's recommendation includes \$56.4 million in off-budget special revenue expenditures. The recommendation is an increase of \$5.2 million, or 10.2 percent, above the FY 2024 agency request. The increase is attributable to the Governor partially recommending the agency's enhancement request and shift \$5.2 million of the agency's request to off-budget special revenue funds.

The **Governor's** recommendation includes the following adjustments:

4. **ENHANCEMENT – CYBERSECURITY OPERATIONS.** The Governor recommends partial adoption of the agency's enhancement request. The recommendation includes \$11.0 million, including \$5.8 million SGF, and \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation is an all funds decrease of \$517,840, or 4.5 percent, below the agency FY 2024 request. The Governor also recommends the addition of 9.0 FTE positions for this purpose (Item 1).

ENHANCEMENT REQUESTS CYBERSECURITY INITIATIVES

The agency requests enhancements to improve the cybersecurity posture of the State and assist the Kansas Information Security office (KISO) in meeting requirements of the Kansas Cybersecurity Act (KCA), KSA 75-7239.

CYBER SECURITY ENHANCEMENT REQUEST				
Item	SGF	Other Funds	All Funds Change	New FTE
1. Enhanced Cybersecurity Operations	\$ 11,500,000	\$ (5,232,160)	\$ 6,267,840.0	18.00
TOTAL	<u>\$ 11,500,000</u>	<u>\$ (5,232,160)</u>	<u>\$ 6,267,840.0</u>	<u>18.00</u>

ENHANCED CYBERSECURITY OPERATIONS. The agency requests \$11.5 million SGF to improve the the States cybersecurity posture, by adding additional capacity to the Kansas Information Security office, and shift the funding source for the KISO from off-budget special revenue funds (Rates paid by other state agency's to OITS), to SGF, resulting in the office being entirely funded with SGF. The request is an all funds increase of \$6.3 million, or 120.0 percent, above the FY 2023 revised estimate for the KISO. Included in this request is \$3.9 million for cybersecurity and assessments, \$2.3 million to hire: 6.0 FTE additional information security officers and replace charge back for existing 6.0 information security officers; 8.0 FTE new cybersecurity analysts and protection positions; and 4.0 FTE positions to assist with collaboration with local government on cybersecurity issues. Also included in the request is expenditures of \$5.2 million for existing KISO operations, including cybersecurity training and mediation (\$3.0 million), and salaries and wages for the KISO's current 18.0 FTE, 6.0 FTE of which are information security officers for other state agencies (\$2.2 million)

The Governor partially recommends the agency's request. The Governor recommends \$11.0 million, including \$5.8 million SGF, and \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation also includes 9.0 FTE positions.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 15
**EXPENDITURES AND FTE POSITIONS BY PROGRAM
(ON AND OFF BUDGET), FY 2022 – FY 2024**

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 6,664,356	\$ 6,544,325	\$ 6,544,325	\$ 5,707,377	\$ 5,707,377
Client Services	3,103,649	5,327,015	5,327,015	5,433,887	5,433,887
Hosted Services	15,639,059	14,534,416	14,534,416	14,036,103	14,036,103
Business Productivity Tools (O365)	5,171,152	5,993,956	5,993,956	5,996,938	5,996,938
Network and Telecommunication	11,362,683	10,762,414	10,762,414	11,124,697	11,124,697
Kansas Information Technology Office	342,133	1,277,003	1,277,003	1,191,972	1,191,972
Kansas Information Security Office	4,743,397	5,227,084	5,227,084	11,500,000	10,982,160
Direct Billed Services	16,298,935	12,000,000	12,000,000	12,000,000	12,000,000
TOTAL	<u>\$ 63,325,364</u>	<u>\$ 61,666,213</u>	<u>\$ 61,666,213</u>	<u>\$ 66,990,974</u>	<u>\$ 66,473,134</u>
FTE Positions:					
Administration	30.0	31.0	31.0	31.0	31.0
Client Services	27.0	26.0	26.0	26.0	26.0
Hosted Services	5.0	6.0	6.0	6.0	6.0
Business Productivity Tools (O365)	7.0	6.0	6.0	6.0	6.0
Network and Telecommunication	23.0	22.0	22.0	22.0	22.0
Kansas Information Technology Office	6.0	8.0	8.0	8.0	8.0
Kansas Information Security Office*	17.0	18.0	18.0	36.0	27.0
Direct Billed Services	-	-	-	-	-
TOTAL	<u>115.0</u>	<u>117.0</u>	<u>117.0</u>	<u>135.0</u>	<u>126.0</u>

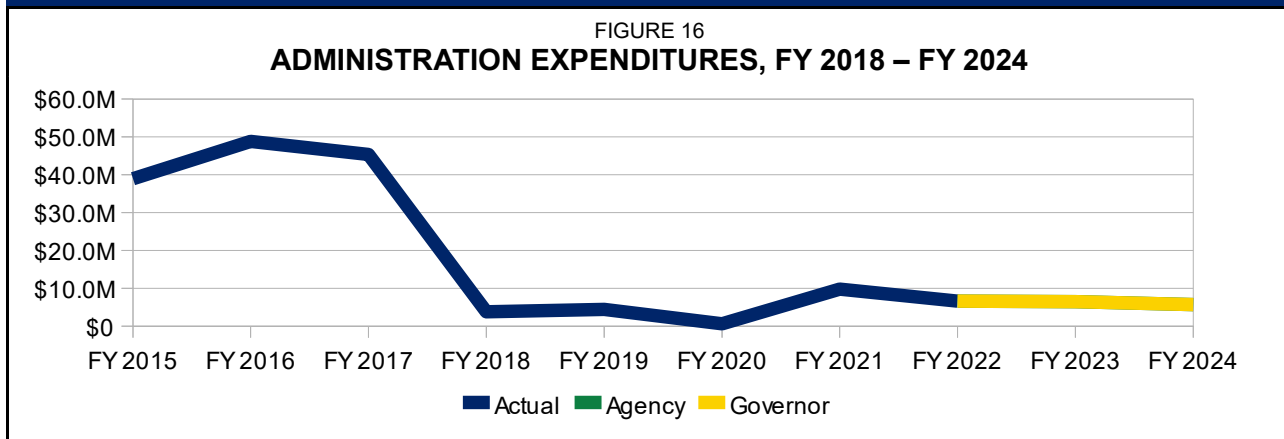
Staff note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

*Staff note: In FY 2024, the agency has requested SGF funding for specific program FTE positions.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



Staff Note: In FY 2014 and FY 2015, the OITS budget was presented as part of the Department of Administration (DoA). In FY 2016 and FY 2017, the budget was presented independently from DoA. In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. As a result, the graph above depicts all of the agency's expenditures between FY 2014 and FY 2017 as occurring within the Administration subprogram before being spread across programs created after OITS began budgeting as an individual agency.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703, 75-7201 *et seq.*

PROGRAM GOALS: • Facilitate strategic development of vision, mission and roadmap for OITS.
• Ensure administrative and operational needs of OITS are met including human resources, finance, contract and vendor management, asset management, project management and agency communication.

The Administration program establishes the vision for the Office of Information Technology Services and works with each department to ensure agency operations meet needs related to travel, human resources, finance, contract management, and agency communication.

According to the agency, the Geographic and Information Services subprogram within the Administration program works to ensure a technological environment where geographical information systems (GIS) are recognized as an integral and indispensable tool for government

and businesses to serve the information needs of citizens and customers. Kansas provides a broad contingency of GIS users with open access to complete and accurate framework data with appropriate guidelines to protect individual privacy and other sensitive information. The Kansas GIS Policy Board formed a cooperative relationship with the Federal Geographic Data Committee (FGDC) by becoming a Cooperating Partner of the FGDC in support of the National Spatial Data Infrastructure, resulting in the establishment of the Data Access and Support Center.

BUDGET ANALYSIS

The agency requests FY 2024 Administration Program expenditures of \$5.7 million, all from special revenue funds. The request includes \$5.7 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$836,948, or 12.8 percent, below the FY 2023 revised estimate. The decrease can primarily be attributed to the elimination of one-time expenditures present in the FY 2023 revised estimate for the agency's relocation to the

Capitol Complex (\$1.0 million). The decrease is partially offset by increased expenditures on rent related to OITS' relocation into the Landon State Office Building (\$150,000). The Administration Program request also includes 31.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Administration program in FY 2023 and for FY 2024.

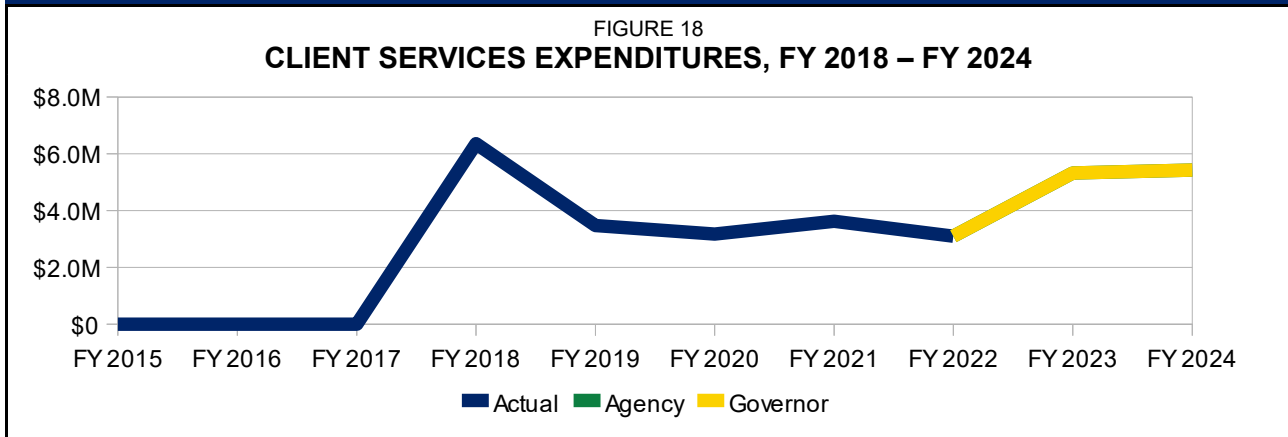
FIGURE 17
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of requested Executive Branch agencies submitting 3-year IT plans*	87.1 %	90.0 %	89.6 %	95.0 %	95.0 %
2. Number of contracts and RFPs executed*	2	12	01	15	15
3. Employee turnover rate*	23.7 %	23.3 %	21.9 %	20.0 %	20.0 %
4. Percent of Invoices Paid on Time*	100.0 %	100.0 %	99.9 %	100.0 %	100.0 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,728,850	\$ -		\$ -	\$ -
Federal Funds	2,065,484	-		-	-
All Other Funds	-	93,333		60,000	60,000
<i>Subtotal—On-Budget</i>	<u>\$ 3,794,334</u>	<u>\$ 93,333</u>		<u>\$ 60,000</u>	<u>\$ 60,000</u>
Off-Budget**	6,013,729	6,571,023		6,484,325	5,647,377
GRAND TOTAL	<u>\$ 9,808,063</u>	<u>\$ 6,664,356</u>		<u>\$ 6,544,325</u>	<u>\$ 5,707,377</u>
Percentage Change:					
SGF	-- %	(100.0) %		-- %	-- %
All Funds	47.4 %	(32.1) %		(1.8) %	(12.8) %
FTE Positions	30.0	30.0		31.0	31.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

CLIENT SERVICES



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration Program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, KSA 75-4703

PROGRAM GOALS: • Reduce customer wait time at OITS and across all agencies that use our services.
• Continue to support non-cabinet agencies with quality support.

The Client Services Program is composed of high-performance teams that provide technical support to various state agencies that fulfill statutory requirements for the State of Kansas. These services are supported through rates developed to recover operating costs. Presently, the agency offers the following services through this program:

USER SERVICES. This service is responsible for supporting the gateway for end-user access via a user account. This service provides management for several resources such as: software, user accounts, user security, shared file permissions, and end-user device management for desktops, mobile devices and printers. This service also works with the Data Center as a Service vendor to provide oversight of OITS Professional Services managed servers in vendor-hosted environment.

UNIFIED ENDPOINT MANAGEMENT (UEM). This service provides the ability to remotely manage endpoint devices in a modern, secure setting encompassing one management portal. This portal has the capability for delegated access for all O365-tenet agencies to manage their own end-user devices through one unified application. The product that is being utilized is Microsoft Intune,

which works in conjunction with the O365-tenet licensing system.

DESKTOP-AS-A-SERVICE (DTAAS). This area functions as a liaison between the DtaaS vendor(s) and state agencies. They work closely with the DtaaS vendor to ensure service level agreements are being met and work with agencies to provide accurate forecasting of device requirements and availability. They also coordinate licensing of O365 select products (such as Visio, Project, and Teams) as well as other enterprise licensed third-party applications.

CONSOLIDATED IT SERVICE DESK. The consolidated service desk is the first point of contact for IT communications for all Executive Branch state agencies. Each incident and service request is categorized and prioritized for resolution, and the Service Desk team will provide the initial investigation and diagnosis of incidents, escalating to the appropriate IT support team when necessary. These responsibilities continue through the duration of the incident, and closure of the incident ticket does not occur until the user is satisfied that their service has been restored to normal service levels.

OTHER SERVICE OFFERINGS. Client Services also offers a variety of miscellaneous functions, including GovDelivery by Granicus (a digital communication suite), which is used to send emails and digital newsletters to specific groups; Windows Update Service, which

provides an environment where state agencies can update servers and desktops with the latest Microsoft updates; and Professional Technical Services, which provides technician support to state agencies.

BUDGET ANALYSIS

The agency requests FY 2024 Client Services program expenditures of \$5.4 million, including \$1.3 million SGF. The request includes \$4.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an increase of \$106,872, or 2.0 percent, above the FY 2023 revised estimate for both on and off-budget items. The increase is primarily attributed to

increased licensing cost for the helpdesk software, ServiceNow (\$100,000).

The Client Services request also includes 26.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Client Services program in FY 2023 and for FY 2024.

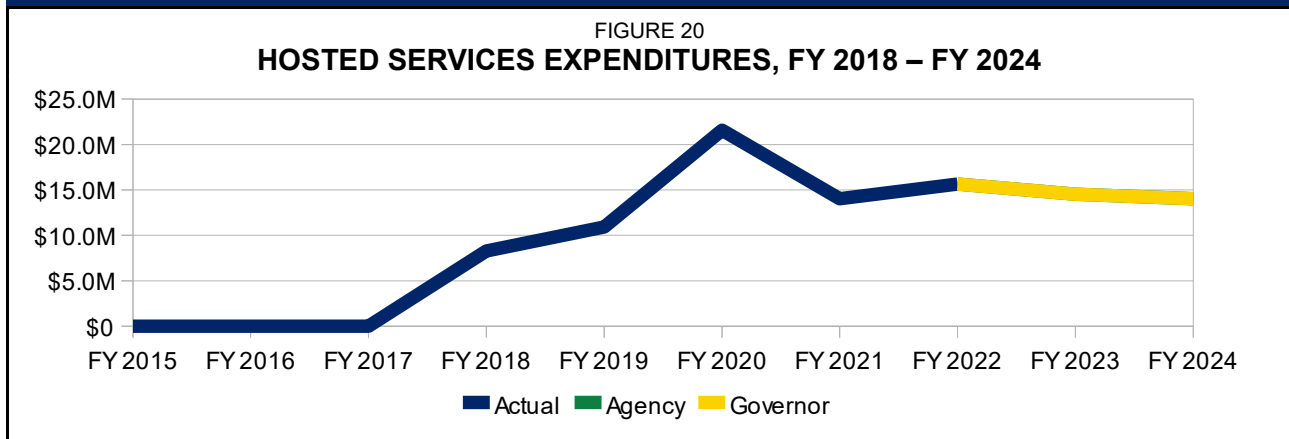
FIGURE 19
CLIENT SERVICES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Service Desk hold time less than or equal to 2 minutes	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %
2. Number of tickets closed by Client Services team *	20,959	21,064	21,012	22,000	22,500
3. Number of non-Cabinet agencies receiving services from the Client Services*	16	22	17	24	25
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ (2,401)	\$ 64,741		\$ 1,250,000	\$ 1,250,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ (2,401)</i>	<i>\$ 64,741</i>		<i>\$ 1,250,000</i>	<i>\$ 1,250,000</i>
Off-Budget**	3,634,258	3,038,908		4,077,015	4,183,887
GRAND TOTAL	\$ 3,631,857	\$ 3,103,649		\$ 5,327,015	\$ 5,433,887
Percentage Change:					
SGF	-- %	(2,796.4) %		1,830.8 %	-- %
All Funds	14.3 %	(14.5) %		71.6 %	2.0 %
FTE Positions	25.0	27.0		26.0	26.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

HOSTED SERVICES



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration Program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant mainframe services for Executive Branch agency customers through a partner solution.
- Provide secure, standardized, and redundant managed data center services for Executive Branch agency customers through a partner solution.
- Provide secure and standardized data center hosting services for State of Kansas agency customers in the Eisenhower State Office Building.
- Provide standardized Microsoft Azure public cloud guidance and support for Executive Branch agency customers.

The Hosted Services Program provides data center hosting services and manages usage of the state mainframe for customers.

In 2017, the agency contracted with Unisys to provide data center hosting facilities, which would centralize most existing physical and virtual environments into a more secure environment. The contract with Unisys includes hardware, virtual machines, server operating systems, and associated support and administration, including a backup solution for data recovery and 24/7 monitoring of the environment. Moreover, services provided by Unisys are consumption-based and will provide a predictable cost model for future expenses. The agency indicates migration to the Unisys environment will centralize existing physical and virtual environments in a more secure data

center ecosystem, improving attention to hardware and system maintenance; reliability and performance of state applications; and an improved information security posture for the State of Kansas.

In calendar year (CY) 2018, the agency began migrating state data centers to Unisys. In CY 2019, however, the agency notes it took a strategic pause in migration activities upon discovering three performance-impacting issues attributable to the age and complexity of the State's network. Accordingly, the agency requested additional funding for FY 2020 and FY 2021 to resolve the network infrastructure issues preventing migration activities. The migration project resumed in August 2020 and was completed in late CY 2021.

BUDGET ANALYSIS

The agency requests FY 2024 Hosted Services program expenditures of \$14.0 million, all from special revenue funds. The request includes only off-budget expenditures, which

are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$498,313, or 3.4 percent, below the FY 2023

revised estimate. The decrease can primarily be attributed to a cost associated with the contract for multi-factor authentication service that is present in the FY 2023 revised estimate but absent in FY 2024 request (\$500,00).

is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Hosted Services program in FY 2023 and for FY 2024.

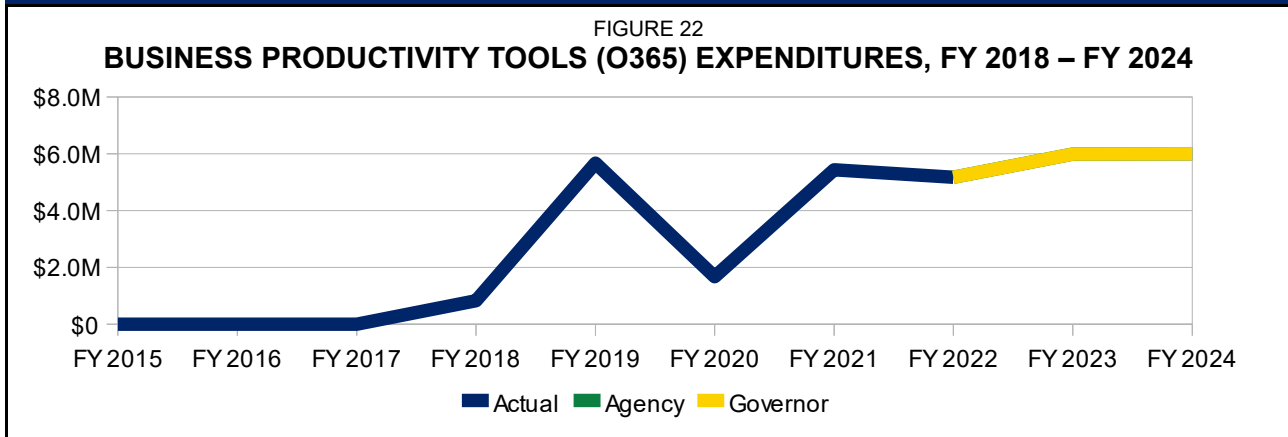
The Hosted Services program request also includes 6.0 FTE positions for FY 2024, which

FIGURE 21 HOSTED SERVICES, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of time mainframe service is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Average percentage of utilization of mainframe CPU*	40.0 %	40.0 %	44.0 %	40.0 %	40.0 %
3. Average percentage of utilization of mainframe storage	72.0 %	66.0 %	67.3 %	70.0 %	70.0 %
4. Percent of successfully completed mainframe backup jobs	95.0 %	100.0 %	96.7 %	95.0 %	95.0 %
5. Average communication line latency to Unisys Data Center (minutes)*	4.0	4.0	10.0	4.0	4.0
6. Percentage of time Unisys DCaaS is available*	--	100.0 %	--	100.0 %	100.0 %
7. Percentage of time Microsoft Azure is available*	--	100.0 %	--	99.5 %	99.5 %
Financing	FY 2021	FY 2022		FY 2023	FY 2024
SGF	\$ 5,400,000	\$ 578,438		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<u>\$ 5,400,000</u>	<u>\$ 578,438</u>		<u>\$ -</u>	<u>\$ -</u>
Off-Budget**	8,634,512	15,060,621		14,534,416	14,036,103
GRAND TOTAL	<u>\$ 14,034,512</u>	<u>\$ 15,639,059</u>		<u>\$ 14,534,416</u>	<u>\$ 14,036,103</u>
Percentage Change:					
SGF	(62.4) %	(89.3) %		(100.0) %	-- %
All Funds	(34.9) %	11.4 %		(7.1) %	(3.4) %
FTE Positions	6.5	5.0		6.0	5.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

BUSINESS PRODUCTIVITY TOOLS (O365)



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant email services for Executive Branch agency customers.
- Provide secure, standardized, and redundant collaboration services (Teams/SharePoint) for Executive Branch agency customers.
- Provide standardized email and a collaboration feature set for Executive Branch agency customers.

The Business Productivity Tools (O365) program is responsible for providing a redundant, hosted email and collaboration platform built and hosted by Microsoft in a secure multi-tenant solution. These services

replace the Exchange Email service and other email systems operated by individual state agencies. Microsoft offers various plans based on customer needs.

BUDGET ANALYSIS

The agency requests FY 2024 Business Productivity Tools (O365) expenditures of \$6.0 million, all from special revenue funds, which is \$2,982, or less than 0.1 percent, above the FY 2023 revised estimate. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another.

The Business Productivity Tools program request also includes 6.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Business Productivity Tools (O365) program in FY 2023 and for FY 2024.

FIGURE 23

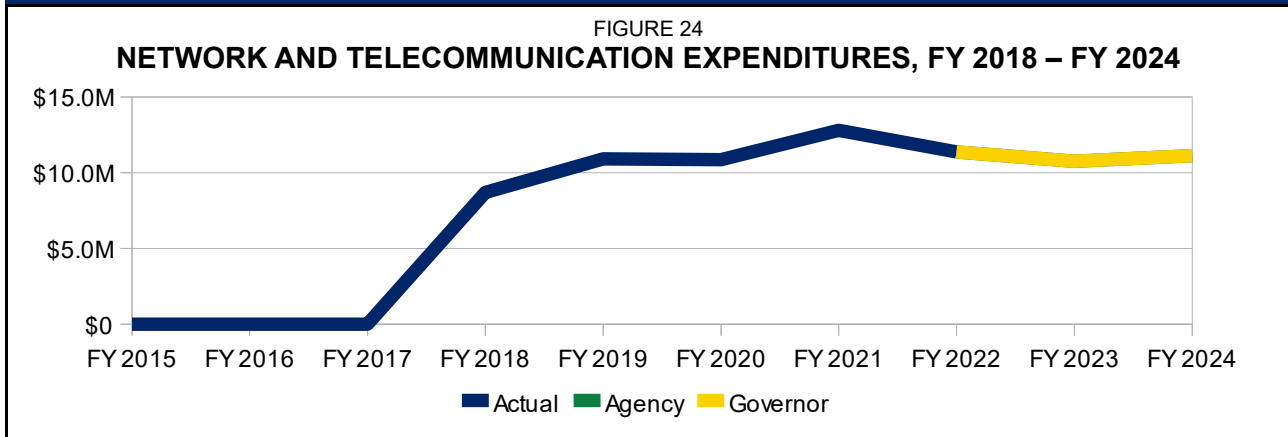
BUSINESS PRODUCTIVITY TOOLS (O365), PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of time O365 is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Number of O365 users*	19,681	18,720	18,700	20,000	20,000
3. Teams Meetings hosted in O365*	264,000	297,426	--	300,000	300,000
4. Collaboration Teams Sites*	1,471	1,799	--	2,000	2,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	\$ -	\$ -		\$ -	\$ -
Off-Budget**	5,438,862	5,171,152		5,993,956	5,996,938
GRAND TOTAL	\$ 5,438,862	\$ 5,171,152		\$ 5,993,956	\$ 5,996,938
Percentage Change:					
SGF	(100.0) %	-- %		-- %	-- %
All Funds	226.3 %	(4.9) %		15.9 %	0.0 %
FTE Positions	8.0	7.0		6.0	6.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

NETWORK AND TELECOMMUNICATION



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4709 *et seq.*, 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant local, metro, and wide area network (LAN, MAN, WAN) services for State of Kansas Agency customers.
- Provide standardized network circuits across the State of Kansas to allow for secured communication between agency customers.
- Provide secure, standardized, and redundant voice over internet protocol (VoIP) telephone services for State of Kansas agency customers.

The Network and Telecommunication (NTS) program provides state agencies with communications services, including daytime telephone and network services; after-hours support and monitoring; off-hour batch job processing for the Statewide Management, Accounting and Reporting Tool (SMART), the Statewide Human Resources and Payroll (SHARP) system, and mainframe operations; and security and environmental monitoring of on-site and off-site data centers.

NTS offerings are facilitated by an infrastructure consisting of more than 7.0 million feet of cable, roughly the same distance as driving from Topeka to Los Angeles, California.

NTS operates the Kansas Wide-Area Information Network (KanWIN), the single largest internet protocol network in the state of Kansas. Its staff ensures 24/7 monitoring and response capabilities, as well as the routine planning, expansion, repair, and maintenance of the State's primary network. KanWIN

currently services all three branches of government through 17,000 data jacks at more than 1,500 locations worldwide and wireless connectivity at more than 60 locations statewide.

In addition to managing internet connectivity and switching equipment to state facilities, NTS also provides for network engineering, firewall management, load balancers, and routers. NTS also provides domain name services for ks.gov, kansas.gov, and more than 50 other domains throughout the state.

NTS also provides state agencies with telecommunications services, including Voice over Internet Protocol (VoIP) technology, which provides a combined voice and data solution sharing a common network infrastructure. Additional services include voicemail and automated call distribution. Coverage currently includes more than 10,000 voice handsets throughout state offices and call centers.

BUDGET ANALYSIS

The agency requests FY 2024 Network and Telecommunication program expenditures of \$11.1 million, including \$3.0 million SGF. The request includes \$8.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an increase of \$362,283, or 3.4 percent, above the FY 2023 revised estimate for both on and off-budget items. The increase is primarily attributable to expenditures related to repairs and services of

state networking and telecommunications equipment (\$352,000).

The Network and Telecommunications program request also includes 22.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Network and Telecommunication program in FY 2023 and for FY 2024.

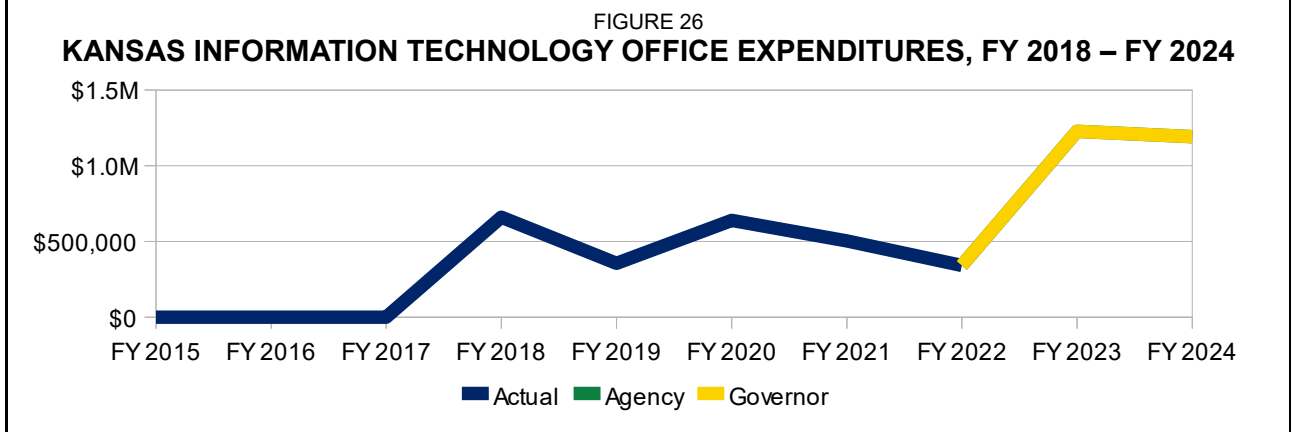
FIGURE 25
NETWORK AND TELECOMMUNICATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of network uptime in the capitol complex*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
2. Percentage of network uptime in the metropolitan area network*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
3. Percentage of network uptime in the wide area network*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
4. Percentage of uptime in the voice environment*	99.9 %	99.9 %	99.3 %	99.9 %	99.9 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,500,000	\$ 3,374,451		\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ 4,500,000</i>	<i>\$ 3,374,451</i>		<i>\$ 3,000,000</i>	<i>\$ 3,000,000</i>
Off-Budget**	8,308,456	7,988,232		7,762,414	8,124,697
GRAND TOTAL	\$ 12,808,456	\$ 11,362,683		\$ 10,762,414	\$ 11,124,697
Percentage Change:					
SGF	1,834.8 %	(25.0) %		(11.1) %	-- %
All Funds	15.5 %	(11.3) %		(5.3) %	3.4 %
FTE Positions	22.7	23.0		22.0	22.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

KANSAS INFORMATION TECHNOLOGY OFFICE



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

- STATUTORY BASIS:** • KSA 75-7204, 75-7201 *et seq.*
- PROGRAM GOALS:**
- Review project submissions for completeness and facilitate Chief Information Technology Officer (CITO) review/approval within 20 days of agency submission.
 - Promote project management best practices by facilitating regular offerings of the Kansas Project Management Methodology Certification class and by supporting participants throughout the certification process.
 - Promote and provide training for the Accessibility Management Platform (AMP) for agency use when modifying a website.

The Kansas Information Technology Office (KITO), also known as the Enterprise Project Management Office, supports the statutory responsibilities of the Executive, Judicial, and Legislative Branch Chief Information Technology Officers (CITOs) and the Chief Information Technology Architect (CITA). KITO responsibilities include providing oversight of IT projects as outlined in statute, Information Technology Executive Council (ITEC) policies, and Joint Committee on Information Technology (JCIT) guidelines. Services provided by the KITO include IT project management and

assistance to state agencies, including project planning assistance; review of requests for proposals (RFPs) prior to release; project execution, monitoring, and reporting; and training.

In FY 2021, the KITO implemented an automated IT strategic planning system for state agencies. The system provides for the automated planning of IT expenditures within a three-year budgetary time frame, providing a more streamlined view of IT needs throughout the State of Kansas.

BUDGET ANALYSIS

The agency requests FY 2024 Kansas Information Technology Office (KITO) expenditures of \$1.2 million, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$85,031, or 6.7 percent, below the FY 2023 revised estimate. The decrease can be attributed to reduced

professional services fees for consulting services (\$100,000) present in the FY 2023 revised estimate. The decrease is partially offset by increased expenditures associated with repairs and servicing (\$10,000). The KITO program request also includes 8.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the KITO program in FY 2023 and for FY 2024.

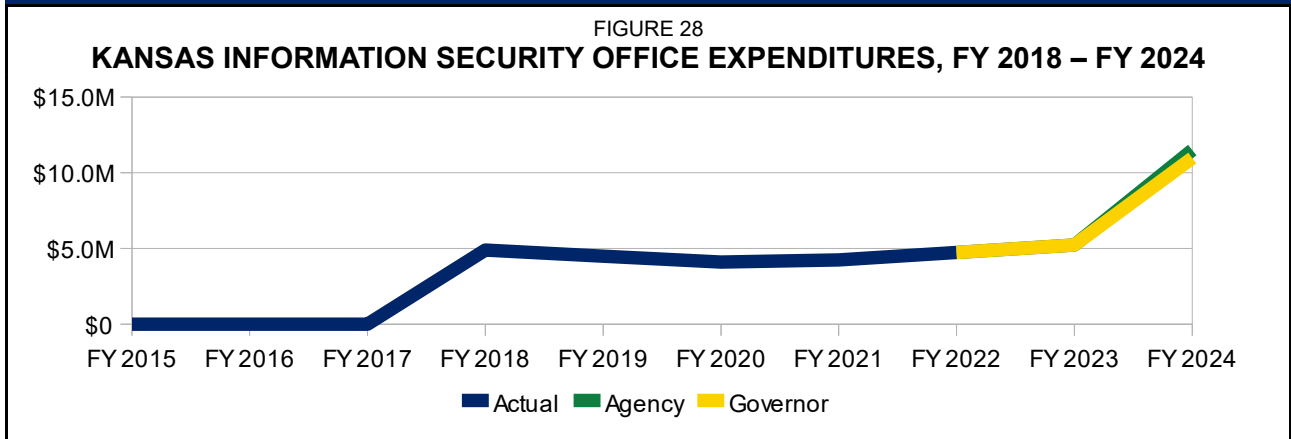
FIGURE 27
KANSAS INFORMATION TECHNOLOGY OFFICE, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Project plans are reviewed, and approval provided to the agency within 20 days of receipt*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Number of participants successfully completing certification in the Kansas Project Management Methodology Certification class*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
3. Percentage of agencies running the Accessibility Management Platform (AMP)*	66.0 %	68.0 %	68.3 %	75.0 %	75.0 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Off-Budget**	503,377	342,133		1,277,003	1,191,972
GRAND TOTAL	<u>\$ 503,377</u>	<u>\$ 342,133</u>		<u>\$ 1,277,003</u>	<u>\$ 1,191,972</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(21.4) %	(32.0) %		273.2 %	(6.7) %
FTE Positions	44,686.0	6.0		8.0	8.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

KANSAS INFORMATION SECURITY OFFICE



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

- STATUTORY BASIS:** • KSA 75-7236 through 75-7243
- PROGRAM GOALS:**
- Continue to ensure KISO staff is prepared for and can quickly respond to critical events to ensure that they do not become full-blown cybersecurity incidents.
 - Continue to drive a cybersecurity aware culture among State of Kansas employees through various education and awareness campaigns. These efforts will ultimately culminate in a lower risk to the State of Kansas by reducing employee susceptibility to phishing attacks.
 - Continue to raise awareness of cybersecurity standards and practices to raise the State of Kansas cyber hygiene. The results of the efforts will lead to a better cyber risk rating.

The Kansas Information Security Office (KISO) program works to ensure the State's digital transformation is achieved in a secure manner. Accordingly, KISO provides technical and nontechnical IT security services for state agencies. Technical services include management of firewalls, intrusion prevention systems, forensics, security information, and event management, while nontechnical services include information security officers as a service, audits, and security consulting. KISO provides the following services:

ENTERPRISE SECURITY SERVICES (ESS). KISO provides security for connections to and use of the KanWIN network, including support for hardware, software, and licensing. Common expenses include technician time, which includes security engineering, network monitoring, review logging, incident response and security control installation, and operation and maintenance services. Expenses are currently included in the NTS connection rate, but the agency indicates a dedicated ESS rate has been established for use in future fiscal years.

SECURITY CONSULTING SERVICES (SCS). KISO provides security engineering and technical support services for state agencies and, where applicable, local units of government. Services are provided on an hourly basis and include support for security controls, such as firewalls, intrusion prevention, and vulnerability scanning.

INFORMATION SECURITY OFFICER (ISO) SERVICES. KISO provides a number of services, including security policy development and maintenance, information security risk assessment, compliance management, disaster recovery and business continuity planning assistance, development of digital incident management and response, configuration management, cybersecurity awareness and training, and continuous monitoring services. Accordingly, KISO functions as the State's point of contact with federal and national IT security organizations with regard to cybersecurity issues affecting local units of government. Expenses are based on service level

agreements and are based on the size and complexity of the customer organization.

TECHNICAL SECURITY SERVICES (TSS). KISO provides a number of technical services, including custom vulnerability scanning and reporting, firewall management, managed intrusion detection and prevention, log management and continuous monitoring, security consulting, and engineering services. Though these services may be provided separately, they are frequently provided alongside KISO offerings.

Expenses are based on service level agreements and are based on the size and complexity of the customer organization.

CENTRAL ACTIVE DIRECTORY SECURITY SERVICES (CADSS). KISO provides a variety of select security services for organizations part of the OITS Central Active Directory Solution. Services include vulnerability scanning, firewall management, managed intrusion detection and prevention, web content filtering, log management, and continuous monitoring services. Expenses are currently included in the Professional Services network user rate.

PERFORMANCE AND BUDGET ANALYSIS

The agency requests FY 2024 Kansas Information Security Office (KISO) program expenditures of \$11.5 million, all SGF. The request is an all funds increase of \$6.3 million, or 120.0 percent, above the FY 2023 revised estimate. The increase can be attributed to the agency's FY 2024 enhancement requests to shift the KISO's funding from off-budget special revenue funds to SGF (\$5.2 million) and add additional capacity to improve the State's cybersecurity posture with additional agency Information Security Officers (ISOs), additional cybersecurity professionals, expanded training, and outreach (\$6.3 million).

The KISO program request also includes 36.0 FTE positions for FY 2024, which is an increase of 18.0 FTE positions above the FY 2023 revised estimate. Included in the 18.0 FTE positions are 6.0 new ISOs, 8.0 cybersecurity analysts and engineers, and 4.0 collaboration and support staff. *Note:* This is a net increase of

18.0 new FTE positions. The agency requests funding for the KISO's current 18.0 FTE positions with on-budget SGF moneys. Historically, these positions have been funded using off-budget moneys.

The **Governor** recommends FY 2024 KISO expenditures of \$11.0 million, including \$5.8 million SGF. The recommendation includes \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation is an all funds decrease of \$517,840, or 4.5 percent, below the agency FY 2024 request. The decrease is attributable to the Governor's partial adoption of the agency cybersecurity enhancement request. The recommendation also includes 27.0 FTE positions for FY 2024, 9.0 of which are funded with SGF moneys, which is a decrease of 9.0 FTE positions below the FY 2024 request.

FIGURE 29

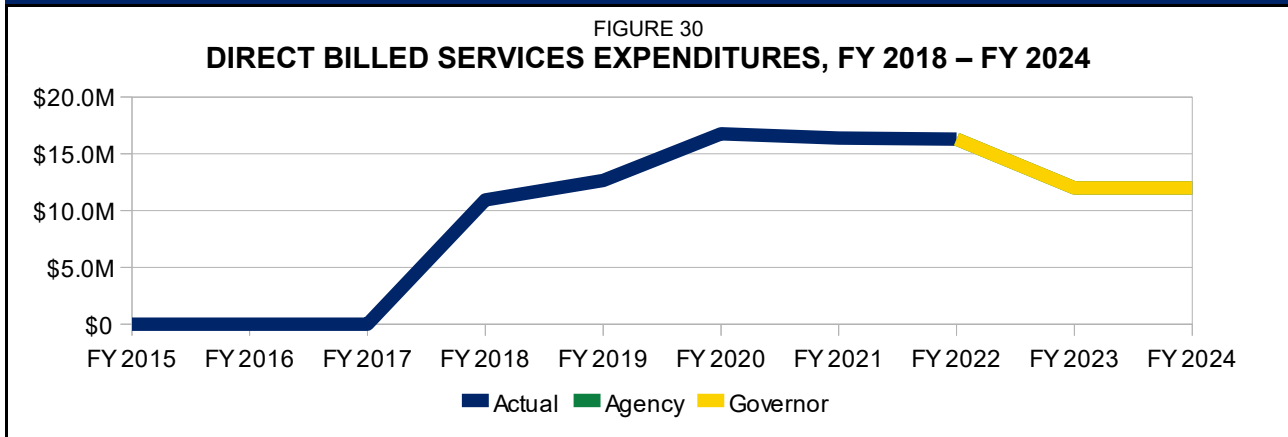
KANSAS INFORMATION SECURITY OFFICE, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Respond to high priority incidents/requests within 8 hours per Service Level Agreements 100% of the time*	100.0 %	100.0 %	--	100.0 %	100.0 %
2. Yearly ticket resolution should be no less than 90% of the yearly opened*	95.0%	99.0%	94.7%	97.0%	97.0%
3. Achieve and maintain a 3% "phished" rate in email security testing of service participating agency state employees*	6.0%	4.0%	5.3%	3.0%	3.0%
4. Maintain a minimum information risk rating of 730 for state government agencies*	730	710	707	760	760
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ 232,370		\$ -	\$ 5,750,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ -</i>	<i>\$ 232,370</i>		<i>\$ -</i>	<i>\$ 5,750,000</i>
Off-Budget**	4,243,355	4,511,027		5,227,084	5,232,160
GRAND TOTAL	<u>\$ 4,243,355</u>	<u>\$ 4,743,397</u>		<u>\$ 5,227,084</u>	<u>\$ 10,982,160</u>
Percentage Change:					
SGF	-- %	100.0 %		(100.0) %	100.0 %
All Funds	3.4 %	11.8 %		10.2 %	110.1 %
FTE Positions	17.0	17.0		18.0	27.0

*The Governor's Office does not utilize this measure for evaluation purposes.

Staff Note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

DIRECT BILLED SERVICES



Staff Note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • No statutory basis was submitted for this program.

PROGRAM GOALS: • No goals were submitted for this program.

The Direct Billed Services program allows for OITS to bill costs directly to state agencies and is not part of a monthly billing rate. Upon establishment in 1972, the Division of Information Systems and Communications (now OITS) was charged with providing data processing services for other divisions,

departments, and agencies of the State. Expenditures for this program are expected to increase as more state agencies utilize desktop as a service. Accordingly, the agency began eliminating some rates and now bills costs directly to customers.

BUDGET ANALYSIS

The agency requests FY 2024 Direct Billed Services program expenditures of \$12.0 million, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is the same as FY 2023 revised estimate.

The Direct Billed Services program request does not include any FTE positions for FY 2024, which is the same as the FY 2023 revised estimate.

The **Governor** concurs with the agency request for the Direct Billed Services program in FY 2023 and for FY 2024.