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MEMORANDUM

TO: Senator Mike Petersen
Special Committee on Information Technology

FROM: Andy Sandberg, Chief Information Officer
Kansas Department of Revenue

RE: Department of Revenue's IT Readiness for Tax Season

DATE: December 16, 2020

Thank you for the opportunity to address the Joint Committee regarding the Kansas Department of Revenue's (KDOR) IT readiness for the upcoming tax season.

The Joint Committee's inquiry ostensibly was prompted by KDOR's 3-year IT plan updates, specifically the Data Center and Server Migration Project listed as off track in the document.

The 3-year plan for the KDOR update showing the DataCenter and Server Migration project as "Off Track" is the result of the project being paused while performance concerns brought forward by the agency were addressed by OITS and the vendor. Once these issues were addressed by adding a Datacenter in Overland Park, the server migrations have continued with a positive impact on agency system performance. The revised schedule has been achieved and the project is on track to be completed on the revised schedule at this time. The project is set to be completed and all system migrated prior to the upcoming tax season and we expect all systems to function at or above previous year baselines.

The Agency has recently completed an extensive Internal Revenue Service Tri-Annual audit that leaves no indication of systemic, control, procedural, or other issues that would indicate IT unreadiness for the upcoming tax season.

As 2020 is an unprecedented year, the largest risk to the IT processing for the upcoming tax season is to the staff that perform critical roles in processing taxes from the pandemic. A large part of the staff is currently teleworking which is working well with no effect to the processing capacity of the systems. If employees in Channel Management were to be exposed to the virus, there could be a delay in processing due to the equipment operations that need to occur to process paper returns. Those individuals that participate in the physical scanning of checks and paper tax returns play a key role that could possibly be affected by the closure of state buildings. Contingency plans are in place to insure that Channel Management continues to function even if employees within that critical unit should contract the virus.

I would note that all tax operating systems performed well during the 2020 tax processing season without a single day of non-production. Notwithstanding the pandemic, 1.7 Million individual income tax returns have been processed thus far this year with refunds issued in a timely manner.

I would be happy to answer any questions or expound on anything from my testimony.