

February 2, 2022

The Honorable Troy Waymaster, Chairperson  
House Committee on Appropriations  
Statehouse, Room 112-N  
Topeka, Kansas 66612

Dear Representative Waymaster:

**SUBJECT:** Fiscal Note for HB 2548 by Joint Committee on Information Technology

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2548 is respectfully submitted to your committee.

HB 2548 would require the Joint Committee on Information Technology (JCIT) to advise and consult on all state agency information technology projects that pose a significant business risk as determined by the Information Technology Executive Council's policies. The bill would define "business risk." The bill would also alter the definition of "information technology project." HB 2548 would require whenever an agency proposes an information technology project, the agency would prepare documentation that would include a financial plan showing the proposed source of funding and categorized expenditures for each phase of the project and cost estimates for any needs analysis or other investigations, consulting, or other professional services, computer programs, data, equipment, buildings, or major repairs or improvements to buildings, and other items or services necessary for the project. Also, the documentation would have to be consistent with the Information Technology Executive Council's policies.

The bill specifies the following requirements for prior to the release of any request for proposal for an information technology project with significant business risk:

1. Specifications for bids or proposals for a project would be submitted to the Chief Information Technology Officer (CITO) of the branch of state government of which the agency is a part of. Information technology projects requiring the CITO's approval must have that CITO's written approval on the bid or proposal specifications;
2. Each CITO must submit the project and project plan, including architecture and the cost benefit analysis, to each member of the JCIT and to the Kansas Legislative Research

- Department (KLRD). Each project plan must include a notice specifying the date the summary was mailed or e-mailed;
3. Each JICT member would review the summary and may submit questions, requests for additional information, or a request for a presentation and review of the proposed project at a JICT meeting;
  4. If at least two members of the JICT contact KLRD within seven business days of the date specified in the summary description and request that the JICT schedule a meeting for presentation and review, KLRD would notify the CITO of the appropriate branch of state government, the agency head, and the Committee Chairperson that a meeting has been requested within 24 hours of the members' contact with KLRD;
  5. The Committee Chairperson would be required to call a meeting of the Committee as soon as practicable after receiving notice of the request. The Chairperson would furnish the CITO and agency head with a notice of the time, date, and place of the meeting; and
  6. A state agency could not authorize or approve the release of any request for proposal or other bid event for an information technology project without having first advised and consulted with the JCIT at a meeting, unless if fewer than two members of the JCIT contact KLRD to request a Committee meeting for presentation and review or a Committee meeting is requested by at least two members, but the meeting does not occur within two calendar weeks of the Chairperson receiving the notification from KLRD.

The bill would also update and clarify provisions of the Kansas Cybercity Act and add additional state agency cybersecurity training requirements and reports.

The Office of Information Technology Services (OITS) states the agency does not currently have data on low-cost projects that are high-risk because state agencies are not reporting those outside their agency. OITS states that the Kansas Information Security Office currently provides security awareness training to Executive Branch agencies through a vendor. OITS estimates additional expenditures of \$120,096 in FY 2023 to train employees from the Board of Regents and universities, the Judicial Branch, and the Legislative Branch. OITS indicates this funding would be paid to an outside vendor and recovered through billings to participating agencies.

The Kansas Department of Transportation (KDOT) estimates that under current JCIT guidelines for when an information technology project must be reported is at the \$250,000 cost threshold and projects under that amount do not have to be reported. The agency states the bill updates the threshold to include additional factors based on business risk, which the agency estimates would result in an increase in the number of projects that need to be reported. KDOT estimates there would be an increase in Kansas Information Technology Office (KITO) fees for the agency from an anticipated increase in the number of projects that would be CITO reportable. According to agency, the average KITO fees paid in FY 2021 for three projects was \$20,000 each. KDOT estimates there could be six additional projects that would be CITO reportable, resulting in an increase of \$120,000 annually and funding of \$100,000 would be needed to fill an existing vacant FTE position. The agency states an increase to its operating expenditure limitation of

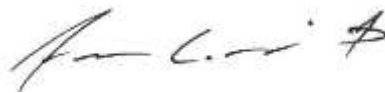
\$220,000 would be needed in FY 2023 and of that amount, \$100,000 would funding for a vacant FTE position and \$120,000 would be needed for fee increases.

The Board of Regents states that it is difficult to estimate a fiscal effect to the Board and the state's universities. The Board states the bill's enactment could result in higher administrative costs as more projects would be required to be reported. Also, the Board states there could be potential additional costs if project implementation is delayed.

The Office of Judicial Administration states enactment of the bill would result in additional time spent by Judicial staff for the increased oversight and reporting requirements in the bill. According to the Office, a fiscal effect cannot be estimated until the Judicial Branch has had an opportunity to operate under the bill's provisions.

The Kansas Department of Revenue indicates there would be no fiscal effect on agency operations because the agency follows all state IT processes. Any fiscal effect associated with HB 2548 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Brian Reiter, OITS  
Karen Clowers, Legislative Services  
J.G. Scott, Legislative Research  
Vicki Jacobsen, Judiciary  
Lynn Robinson, Department of Revenue  
Kelly Oliver, Board of Regents  
Dan Thimmesch, Health & Environment  
Brendan Yorkey, Department of Transportation