

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2548

As Amended by House Committee on
Appropriations

Brief*

HB 2548, as amended, would make several changes to the powers and duties of the Joint Committee on Information Technology (JCIT) with regard to JCIT's role in information technology (IT) project proposals. Further, the bill would amend the existing definitions of "information technology project" and "IT project change or overrun" and make changes to the responsibilities of state agency and agency heads with regard to cybersecurity training, assessment, and incident response.

JCIT Powers and Duties (Section 1)

The bill would require JCIT to advise and consult on State IT projects that have a significant business risk per Information Technology Executive Council (ITEC) policy. Further, the bill would expand the items JCIT is required to make recommendations on to the Senate Ways and Means Committee (SWAM) and House Committee on Appropriations (HAPP) to include IT project request for proposals (RFP).

[*Note:* The law requires JCIT to make recommendations on implementation plans, budget estimates, and three-year IT plans.]

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Definitions (Section 2)

The bill would amend the existing definitions of “business risk,” “information technology project,” and “Information technology project change or overrun.”

The term “business risk” would be defined as an overall level of risk that is determined through a business risk assessment and includes, but is not limited to, the cost of the project, information security of the project, and other elements determined by ITEC policy.

The bill would define “information technology project” as an effort by a state agency of defined and limited duration that implements, effects a change in, or presents a risk to process, services, security, systems, records, data, human resources, or IT architecture.

The bill would amend the definition for “information technology project change or overrun” by replacing the existing \$1.0 million threshold with regard to project expenditures to a threshold established per ITEC policy. The bill would also clarify an IT project that has experienced a change to its presented scope or timeline would have a change of more than 10 percent or a change that is significant as determined by ITEC policy.

IT Project Process (Section 6)

Submission of Project Documentation

The bill would require an agency to prepare and submit IT project documentation to the Chief Information Technology Officer (CITO) of their respective branch of state government. The IT project documentation would be required to:

- Contain a financial plan that shows funding sources and expenditures for each project phase;

- Contain cost estimates for needs analysis, other investigations, consulting and professional services, data, equipment, buildings, and associated costs;
- Include other items necessary for the project; and
- Be consistent with:
 - ITEC policy, procedures, and project planning methodology;
 - IT architecture for state agencies;
 - State agency data management standards; and
 - The State's Strategic IT Management Plan.

The bill would require that any IT project with significant business risk, as determined by ITEC policy, to be presented to the JCIT by the appropriate CITO.

Prior to Release of RFPs or Bids

Prior to the release of any IT project proposals with a significant business risk, an agency would be required to:

- Submit plans for such project to the appropriate CITO of the branch of government in which their office resides;
- Receive approval on the bid specifications if a project requires the CITO's approval;
- Submit, by the appropriate CITO, a project plan summary to members of JCIT for them to advise and consult on the project and to the Director of the Kansas Legislative Research Department (KLRD).

The project plan summary would be required to include the project, project plan, IT architecture information, cost

benefit analysis, and date the summary was mailed or emailed.

The bill would allow JCIT members to communicate with the appropriate branch CITO to seek any additional information regarding the project.

Request for a JCIT Meeting for Review

The bill would authorize JCIT members to request a presentation and review of the proposed IT project to be presented to JCIT in a meeting. To request a meeting, members would contact the Director of KLRD within seven business days from the specified project submission date (included in the project summary information) and request a meeting for the purpose of receiving such a presentation.

If at least two committee members make a request, the director of KLRD would have until the next business day after the second request to notify the appropriate CITO, head of the respective agency, and the chairperson of JCIT. Upon receipt of the communication, the chairperson would be required to call a meeting as soon as practicable for such a presentation and provide the appropriate CITO and respective agency head with notice of the time, date, and place of the meeting.

The bill would prohibit the agency from releasing any RFPs or bids for IT projects without having first advised and consulted with JCIT at a meeting.

Advise and Consult Criteria

The bill would deem the “advise and consult” criteria to have been met if fewer than two members notify KLRD with a request for a JCIT meeting within the specified time frame or the requested meeting does not occur within two calendar weeks of the chairperson receiving the communication from the Director of KLRD.

Reporting Requirement Changes (Section 7)

The bill would change the submission date of three-year IT plans from October 1st to November 1st of each year.

The bill would also change, from the Legislative branch CITO to JCIT, the entity responsible for reviewing all (Legislative, Judicial, and Executive branches) IT project budget estimates and revisions, three-year IT plans, and changes from the state IT architecture. JCIT would be responsible for making recommendations on the merit of associated appropriations to HAPP and SWAM.

Legislative CITO and JCIT Direction (Section 8)

The bill would change the entity responsible for monitoring execution of reported IT projects from the Legislative branch CITO to JCIT. The bill would require, under the direction of JCIT, the CITO of each branch of government to provide a report on the implementation of all such projects. The report would be required to include proposed expenditures or any revisions for the current and subsequent fiscal years.

The bill would allow for JCIT to require the head of any agency to advise and consult on the status of IT projects for their respective agency, including any revisions to expenditures for the current or ensuing fiscal years. The bill would also allow JCIT to provide updates to HAPP and SWAM.

The bill would require agency heads to report all IT project changes or overruns to JCIT through the appropriate CITO pursuant to established ITEC policy, prior to the approval of any such change.

Cybersecurity Act Changes (Section 10)

The bill would add a duty for the Kansas Information Security Office (KISO) by ensuring a cybersecurity awareness training program is available to all branches of state government and removing the requirement that such a training be made available at no cost. [Note: Current law is to ensure a cybersecurity training program is provided only to the Executive branch.]

The bill would remove the requirements for KISO to provide cybersecurity threat briefings to ITEC and to provide an annual status report of Executive branch cybersecurity programs to JCIT and the House Committee on Government, Technology, and Security.

Agency Head Responsibilities (Section 11)

The bill would establish new requirements for agency heads with regard to cybersecurity. The requirements would include:

- Participation in annual leadership training to better understand;
 - The impact of common types of cyberattacks and data breaches on state operations and assets;
 - How cyberattacks occur; and
 - The steps an agency head and their employees can take to protect information and IT systems;
- Disable IT login credentials the same day any employee terminates their employment for the State; and

- Require all employees with access to IT systems to partake in at least one hour of IT security training each year.

Internal Cybersecurity Assessments

The bill would rename the report on cybersecurity that is submitted to the Executive branch Chief Information Security Officer (CISO) by October 16th of even-numbered years. The bill would require the appropriate agency head authorization prior to the release of the renamed cybersecurity self-assessment reports. Agency heads would also be required to prepare a financial summary of cybersecurity expenditures to address the findings of the self-assessment report and submit the report to SWAM and HAPP with any confidential information redacted.

Further, the CISO, with input from JCIT and the Joint Committee on Kansas Security (Security Committee), would be required to develop a self-assessment report template for agency use. The CISO would be required to provide a summary of the self-assessments reports to JCIT and the Security Committee. The self-assessment reports would not be subject to the provisions of the Kansas Open Records Act through July 1, 2027.

Confidentiality (Section 12)

The bill would require all state and local governments to consider information collected under this act to be confidential. [Note: Current law specifies only information collected by the Executive branch and KISO should be considered confidential.]

Technical and Clarifying Changes (Sec 3 – 5 and 9)

The bill would make several technical changes, which includes replacing references to “IT project estimates” with

the term “IT projects,” and adding the phrase “that are reportable” in certain sections when IT projects are required to be reported on to other entities such as the Division of the Budget and Legislative Coordinating Council.

The bill would also clarify the budget requests of KISO would be separate from the Office of Information and Technology Services.

Background

The bill was introduced by JCIT as part of the Committee’s recommendations to the 2022 Legislature.

House Committee on Appropriations

In the House committee hearing, Representative Hoffman and the Legislative CITO provided **proponent** testimony on the bill, stating the bill would give the Legislature more oversight of IT projects during the project’s planning phase.

Neutral testimony was provided by the Secretary of Administration, who also serves as the Executive branch CITO, stating a risk-based approach to project evaluation provides a more holistic view of the impact of IT projects.

Opponent testimony was provided by a representative of the State Department of Education, who stated the agency’s IT staff is concerned the oversight process in the bill would slowdown internal IT project implementation.

The House Committee amended the bill to:

- Clarify requirements of IT project documentation prepared by agencies;

- Change the entity responsible for reviewing and monitoring IT project budget estimates and revisions, three-year IT plans, changes from state IT architecture, and project implementation;
- Change the requirement for the Director of KLRD to notify the chair of JCIT that a meeting to review a project has been requested to “the next business day”; and
- Require JCIT to report to the HAPP and SWAM their recommendations regarding the merit of IT project appropriations.

Fiscal information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Office of Information Technology Services anticipates additional expenditures of \$120,096 in FY 2023 for training employees from the State Board of Regents, Judicial Branch, and Legislative Branch. These expenditures would be recovered from the branches receiving the training.

The Kansas Department of Transportation anticipates additional expenditures totaling \$220,000 annually for project management fees (\$120,000) and filling 1.0 vacant FTE position (\$100,000).

The State Board of Regents indicates they were unable to estimate a fiscal impact, but noted enactment of the bill could result in higher administrative costs and unforeseen costs due to potential project delays.

The Office of Judicial Administration indicated they were unable to estimate a fiscal impact, but noted enactment of the bill could result in additional staff time due to its reporting provisions.

The Department of Revenue indicates enactment of the bill would have no fiscal effect on agency operations.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Information technology; oversight; Joint Committee on Information Technology; projects