OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

Executive Summary

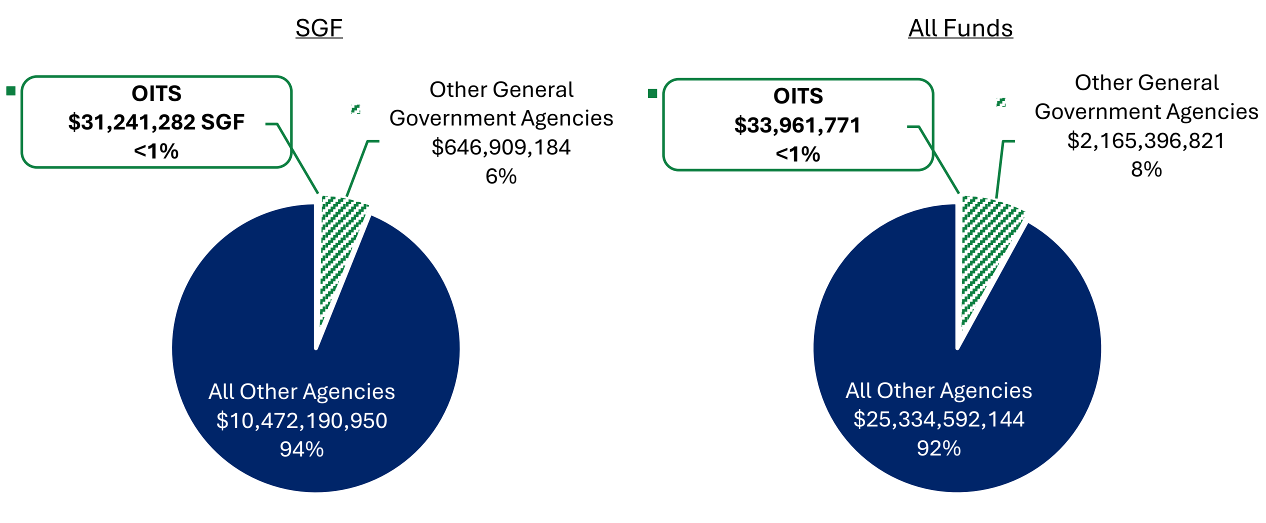
The mission of the Office of Information Technology Services (OITS) is to provide efficient and cost-effective electronic information processing and technical management services to state agencies, functioning as a “utility” for phone, computer, and data communication services while managing services for around 95 agencies and thousands of users for Office 365, data communication, and phones.

The OITS budget comprises both on-budget and off-budget expenditures. On-budget expenditures are funded primarily through State General Fund (SGF) appropriations and federal moneys. Historically, these funds have supported statewide IT infrastructure projects and, more recently, state government-wide cybersecurity initiatives. Off-budget expenditures involve services performed for other state agencies and are funded through recharge billings for the services provided. This prevents double counting of appropriations, as the funds are already included in the budgets of the state agencies utilizing OITS services. This document will provide information pertaining to On-budget expenditures only. Off-budget expenditure information can be found in the referenced off-budget document.

Expenditures by Fiscal Year and Version

	SGF	All Funds	Note
FY 2024 Actual	$ 11,790,250	$ 16,464,982	Actual expenditures
FY 2025 Actual	15,163,090	27,393,622	Actual expenditures
FY 2026 Approved	31,241,282	33,665,586	2025 SB 125 & 2024 SB 291
FY 2026 Agency	31,241,282	33,961,771	Revised estimate, submitted September 2025
FY 2027 Agency	39,511,182	41,086,182	Agency request, submitted September 2025

Agency Request as Percentage of Statewide Total, FY 2026



OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

Budget and Policy Snapshot

The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** (NEW), adjustments related to **reappropriated funds** ( ), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the FY 2026 Analysis and FY 2027 Analysis sections later in this document.

FY 2026

This agency does not have significant operational changes from the FY 2026 approved budget.

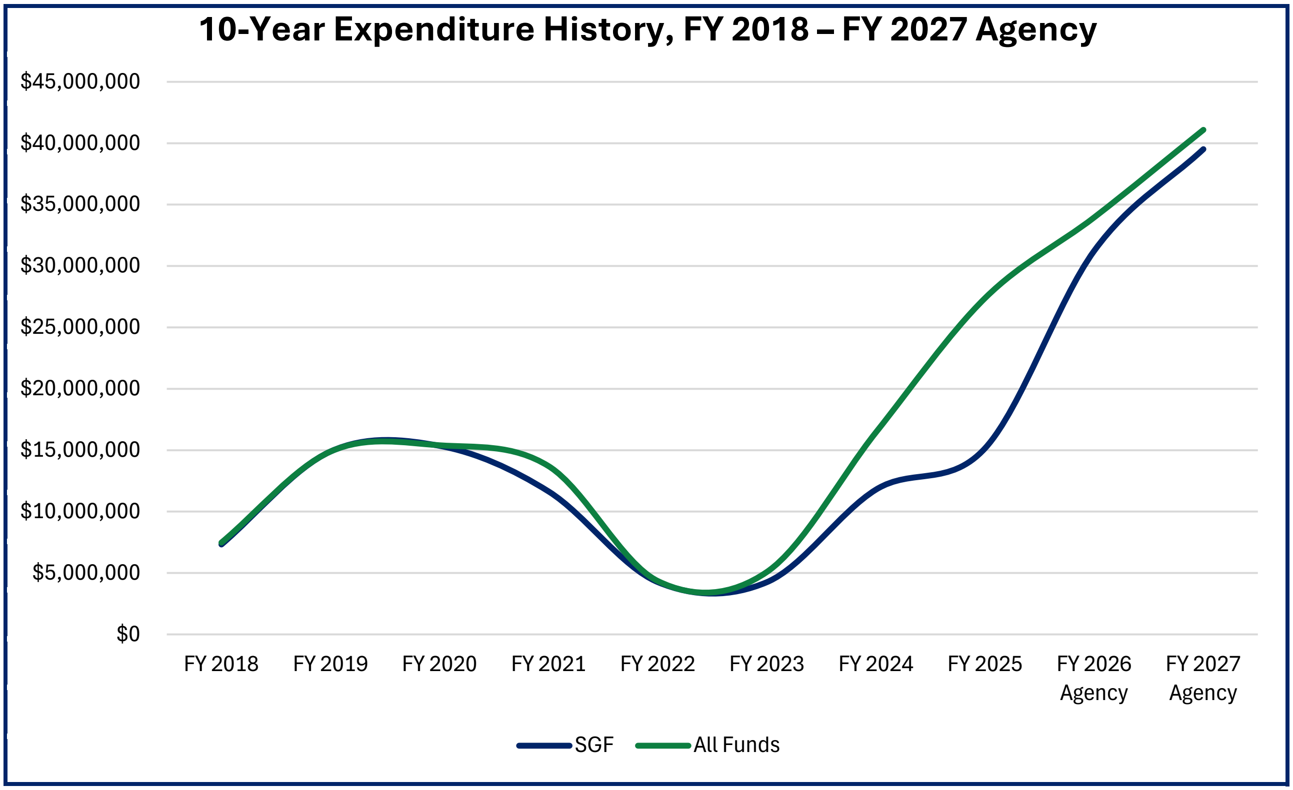
FY 2027

Item	Amount	Source	Note
NEW Data Center as a Service Contract Stopgap	$ 8,000,000	SGF	Cover costs of the data center contract that were not fully determined until after the budget cost indices were finalized.
NEW Personnel to Assist with Non-Cabinet Agency IT	250,212	SGF	Delivered IT support to non-cabinet agency users transitioning to the OITS Environment for organizations lacking internal IT resources.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

Summary of Expenditures



	SGF		All Funds			CPI-U*
Fiscal Year	**Amount**	**Change (%)**	**Amount**	**Change (%)**	**FTE**	**Change (%)**
FY 2018	$ 7,315,676	--	$ 7,475,838	2,724.1	23.60	0.2
FY 2019	14,891,018	103.5	14,891,018	99.2	27.60	--
FY 2020	15,348,799	3.1	15,397,343	3.4	-	0.8
FY 2021	11,626,449	(24.3)	13,691,933	(11.1)	-	2.4
FY 2022	4,250,000	(63.4)	4,343,333	(68.3)	-	9.2
FY 2023	4,250,000	--	5,089,226	17.2	-	5.8
FY 2024	11,790,250	177.4	16,464,982	223.5	15.00	3.0
FY 2025	15,163,090	28.6	27,393,622	66.4	29.00	3.0
FY 2026 Agency	31,241,282	106.0	33,961,771	24.0	49.00	2.8
FY 2027 Agency	39,511,182	26.5	41,086,182	21.0	52.00	2.4

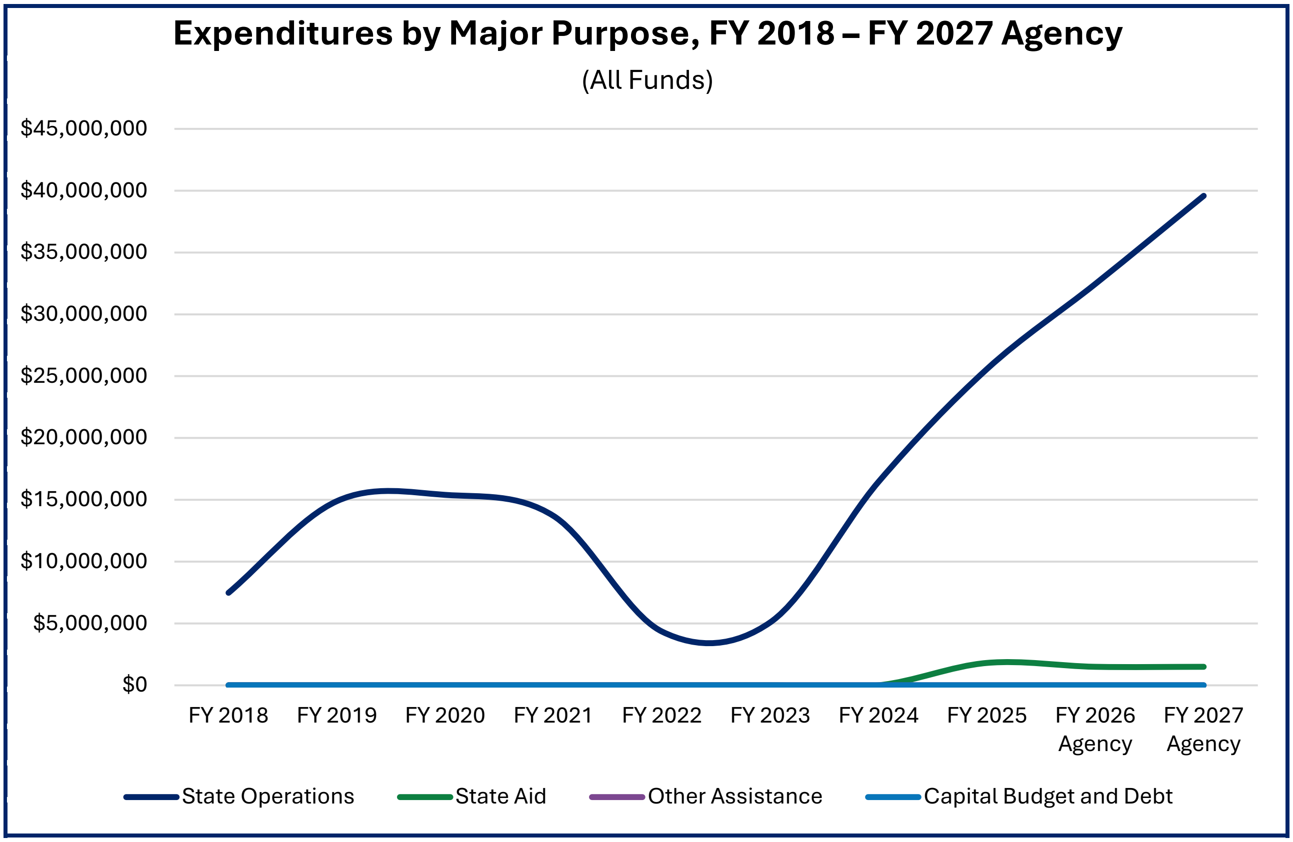
5-Year Change (FY 2023–2027)	$ 35,261,182	829.7	$ 35,996,956	707.3	52.00	11.6
10-Year Change (FY 2018–2027)	32,195,506	440.1	33,610,344	449.6	28.40	33.1
3-Year Average** (FY 2023–2025)	10,401,113	N/A	16,315,943	N/A	14.67	N/A

* *Note* : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** *Note* : Reflects the three most recent years of actuals data.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget



Expenditures by Category, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total		FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations							
Salaries and Wages	17.7	%	$ 1,313,265	$ 2,402,101	$ 5,983,976	$ 6,021,333	$ 6,281,940
Contractual Services	62.4		10,385,784	19,389,204	23,678,719	21,184,188	26,547,992
Commodities	--		105,204	32,965	-	-	-
Capital Outlay	15.5		4,660,729	3,754,541	4,250,000	5,256,250	6,756,250
Operating Adjustments	--		-	-	(247,109)	-	-
Subtotal	**95.6**	**%**	**$ 16,464,982**	**$ 25,578,811**	**$ 33,665,586**	**$ 32,461,771**	**$ 39,586,182**
State Aid and Assistance							
Aid to Locals	4.4	%	$ -	$ 1,814,811	$ -	$ 1,500,000	$ 1,500,000
Other Assistance	--		-	-	-	-	-
Subtotal	**4.4**	**%**	**$ -**	**$ 1,814,811**	**$ -**	**$ 1,500,000**	**$ 1,500,000**
Capital Budget and Debt							
Capital Improvements	--	%	$ -	$ -	$ -	$ -	$ -
Debt Service Principal	--		-	-	-	-	-
Debt Service Interest	--		-	-	-	-	-
Subtotal	**--**	**%**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Reappropriations	--	%	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	**100.0**	**%**	**$ 16,464,982**	**$ 27,393,622**	**$ 33,665,586**	**$ 33,961,771**	**$ 41,086,182**

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency

(State Operations, All Funds)

	FY 2026 Agency % of Total		FY 2024 Actual		FY 2025 Actual		FY 2026 Approved		FY 2026 Agency		FY 2027 Agency
Salaries and Wages											
Employee Pay	15.3 %	$	1,020,972	$	1,859,286	$	5,165,008	$	5,205,493	$	5,385,973
Employee Benefits	2.4		292,293		542,815		818,968		815,840		895,967
Shrinkage	--		-		-		-		-		-
Subtotal	**17.7 %**	**$**	**1,313,265**	**$**	**2,402,101**	**$**	**5,983,976**	**$**	**6,021,333**	**$**	**6,281,940**
Contractual Services											
Communication	-- %	$	-	$	-	$	-	$	-	$	-
Fees (Professional)	27.8		1,802,553		6,475,712		11,507,596		9,431,199		6,440,492
Fees (Other Services)	7.4		2,544,460		2,574,881		2,545,000		2,502,500		10,502,500
Freight and Express	--		-		37		-		-		-
Printing and Advertising	--		-		-		-		-		-
Rent and Leases	14.7		2,121,463		5,050,876		3,000,000		5,000,000		5,000,000
Repair and Servicing	12.4		3,915,889		5,149,548		4,596,123		4,220,489		4,575,000
Travel and Subsistence	0.1		1,419		-		30,000		30,000		30,000
Utilities	--		-		-		-		-		-
Other	--		-		138,150		2,000,000		-		-
Subtotal	**62.4 %**	**$**	**10,385,784**	**$**	**19,389,204**	**$**	**23,678,719**	**$**	**21,184,188**	**$**	**26,547,992**
Commodities											
Clothing	-- %	$	-	$	-	$	-	$	-	$	-
Equipment and Parts	--		-		32,965		-		-		-
Food	--		-		-		-		-		-
Fuel	--		-		-		-		-		-
Motor Vehicle Parts	--		88		-		-		-		-
Supplies (Office)	--		-		-		-		-		-
Supplies (Professional)	--		-		-		-		-		-
Supplies (Research)	--		-		-		-		-		-
Other	--		105,116		-		-		-		-
Subtotal	**-- %**	**$**	**105,204**	**$**	**32,965**	**$**	**-**	**$**	**-**	**$**	**-**
Capital Outlay											
Books	-- %	$	-	$	-	$	-	$	-	$	-
Computer Hardware	--		196,000		165,094		-		-		-
Computer Software	--		1,386,997		722,397		-		-		-
Equipment, Furniture	0.3		43,030		57,807		-		100,000		100,000
Information Processing	15.2		3,034,702		2,591,472		4,250,000		5,156,250		6,656,250
Telecommunications	--		-		217,771		-		-		-
Other	--		-		-		-		-		-
Subtotal	**15.5 %**	**$**	**4,660,729**	**$**	**3,754,541**	**$**	**4,250,000**	**$**	**5,256,250**	**$**	**6,756,250**
Operating Adjustments	**-- %**	**$**	**-**	**$**	**-**	**$**	**(247,109)**	**$**	**-**	**$**	**-**
TOTAL	**95.6 %**	**$**	**16,464,982**	**$**	**25,578,811**	**$**	**33,665,586**	**$**	**32,461,771**	**$**	**39,586,182**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

State Aid

Expenditures by Classification, FY 2024 – FY 2027 Agency

(State Aid, All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Aid						
Federal Aid Payments	4.4 %	$ -	$ 1,814,811	$ -	$ 1,500,000	$ 1,500,000
State Aid Payments	--	-	-	-	-	-
TOTAL	**4.4 %**	**$ -**	**$ 1,814,811**	**$ -**	**$ 1,500,000**	**$ 1,500,000**

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	6.5 %	$ -	$ 75,000	$ 388,181	$ 2,045,000	$ 2,045,000
Information Services	7.9	2,672,522	4,114,884	-	2,462,500	10,462,500
KISO	72.2	5,738,338	9,070,971	21,933,412	22,622,532	22,642,220
KITO	--	-	4,400	4,432,500	-	-
Network and Telecommunication	13.4	3,379,390	1,401,891	4,441,002	4,186,250	4,186,250
Professional Services	--	-	570,944	106,187	-	250,212
TOTAL	**100.0 %**	**$ 11,790,250**	**$ 15,238,090**	**$ 31,301,282**	**$ 31,316,282**	**$ 39,586,182**

FTE Positions by Program, FY 2024 – FY 2027 Agency

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	-- %	--	2.0	2.0	--	--
Information Services	--	--	1.0	--	--	--
KISO	100.0	15.0	24.0	43.0	49.0	49.0
KITO	--	--	--	--	--	--
Network and Telecommunication	--	--	2.0	2.0	--	--
Professional Services	--	--	--	1.0	--	3.0
TOTAL	**100.0 %**	**15.0**	**29.0**	**48.0**	**49.0**	**52.0**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	92.0 %	$ 11,790,250	$ 15,163,090	$ 31,241,282	$ 31,241,282	$ 39,511,182
ARPA State Relief Fund	3.4	4,674,732	10,340,721	2,364,304	1,145,489	-
Kansas SLCGP Grant	4.4	-	1,814,811	-	1,500,000	1,500,000
All Other Funds	0.2	-	75,000	60,000	75,000	75,000
TOTAL	**100.0 %**	**$ 16,464,982**	**$ 27,393,622**	**$ 33,665,586**	**$ 33,961,771**	**$ 41,086,182**

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026	SGF	ARPA State Relief Fund	All Other Funds	Total	FTE Positions
Approved, FY 2026					
1. 2025 SB 125, without Reappropriations	$ 16,241,282	$ 2,364,304	$ 60,000	$ 18,665,586	48.0
2. 2024 House Sub. for SB 291	15,000,000	-	-	15,000,000	--
Subtotal – Approved Legislation	$ 31,241,282	$ 2,364,304	$ 60,000	$ 33,665,586	48.0
Reappropriations					
No Reappropriations	$ -	$ -	$ -	$ -	--
Supplemental Requests					
No Supplemental Requests	$ -	$ -	$ -	$ -	--
Agency Changes					
3. State and Local Cybersecurity Grants	$ -	$ -	$ 1,500,000	$ 1,500,000	--
4. FTE Realignment	37,327	-	-	37,327	1.0
5. ARPA Projection Completions	-	(1,218,815)	-	(1,218,815)	--
6. All Other Adjustments	(37,327)	-	15,000	(22,327)	--
Subtotal – Agency Changes	$ -	$ (1,218,815)	$ 1,515,000	$ 296,185	1.0
TOTAL – Agency Revised Estimate	**$ 31,241,282**	**$ 1,145,489**	**$ 1,575,000**	**$ 33,961,771**	**49.0**

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for select state agencies. The approved budget for OITS totals $100.1 million, $34.0 million of which is considered on-budget.

2. 2024 House Sub. for SB 291

The 2024 Legislature passed, and the Governor enacted, a bill that creates and amends law concerning the administration and organization of IT and cybersecurity services within each branch of state government. The bill also appropriates $15.0 million for FY 2026. Approved expenditures include funding for the 24/7 Cybersecurity Operations Center, network repair and remediation, and an IT emergency fund for state agencies.

Other Changes

3. State and Local Cybersecurity Grants

The revised estimate includes an increase of $1.5 million, all federal funds, for state and local cybersecurity grants in FY 2026. OITS and the Kansas Information Security Office (KISO) administer the State and Local Cybersecurity Grant Program (SLCGP), created by the Infrastructure Investment and Jobs Act[1]. Counties can apply for grants to assist in funding cybersecurity projects such as security awareness training, endpoint detection and monitoring devices, creation of cyber resiliency plans, and testing of existing plans.

[1] Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021). https://www.congress.gov/bill/117th-congress/house-bill/3684/text

4. Agency FTE Realignment

The revised estimate includes an increase of $37,327 SGF to realign staffing resources to better meet agency needs for the KISO in FY 2026. The agency shifted staff from its Administration (2.0 FTE positions), Network and Telecom (2.0 FTE positions), and Professional Services (1.0 FTE position) programs to its KISO program. The net result is an increase of 1.0 FTE on-budget position for the agency.

5. ARPA Project Completions

The revised estimate includes a decrease of $1.2 million in spending, all from the American Rescue Plan Act (ARPA) State Relief Fund, in FY 2026. This decrease is attributable to the completion of the initial development of an enterprise professional licensure platform for non-cabinet, regulatory agencies to track license applications and renewals. The agency's total ARPA spending is $2.4 million, primarily for network infrastructure modernization and security upgrades.

6. All Other Adjustments

The revised estimate includes an all funds decrease of $22,327, primarily attributable to fluctuations in indirect costs related to OITS services, in FY 2026. Indirect costs include, but are not limited to, fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – On-Budget

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027	SGF	ARPA State Relief Fund	All Other Funds	Total	FTE Positions
Approved, FY 2026					
2025 SB 125, without Reappropriations	$ 16,241,282	$ 2,364,304	$ 60,000	$ 18,665,586	48.0
2024 House Sub. for SB 291	15,000,000	-	-	15,000,000	--
1. ARPA Project Completions (FY 2026)	-	(1,218,815)	-	(1,218,815)	--
Subtotal – Approved with Adjustments	$ 31,241,282	$ 1,145,489	$ 60,000	$ 32,446,771	48.0
Enhancement Requests					
2. Data Center as a Service Stopgap	$ 8,000,000	$ -	$ -	$ 8,000,000	--
3. Professional Services – Non-Cabinet	250,212	-	-	250,212	3.0
Subtotal – Enhancements	$ 8,250,212	$ -	$ -	$ 8,250,212	3.0
Other Changes					
4. FTE Realignment (FY 2026 Request)	$ 47,752	$ -	$ -	$ 47,752	1.0
5. State and Local Cybersecurity Grants	-	-	1,500,000	1,500,000	--
6. ARPA Project Completions (FY 2027)	-	(1,145,489)	-	(1,145,489)	--
7. All Other Adjustments	(28,064)	-	15,000	(13,064)	--
Subtotal – Other Changes	$ 19,688	$ (1,145,489)	$ 1,515,000	$ 389,199	1.0
TOTAL – Agency Request	**$ 39,511,182**	**$ -**	**$ 1,575,000**	**$ 41,086,182**	**52.0**

Approved Budget

1. ARPA Project Completions (FY 2026)

The approved budget includes expenditures in FY 2026 that are not included in the agency allocation for FY 2027. These expenditures are not included for FY 2027 as to better provide a point of comparison. For OITS, this analysis excludes $1.2 million in ARPA funding due to the completion of initial development for an enterprise professional licensure platform in FY 2026. This platform enables non-cabinet regulatory agencies to track license applications and renewals.

Enhancement Requests

2. Data Center as a Service Stopgap

The agency requests an additional $8.0 million SGF in enhancement funding to cover a one-time cost gap for the new Data Center as a Service contract, which was finalized after FY 2027 budget instructions were published for FY 2027. This funding will bridge costs until FY 2028 rate adjustments take effect.

3. Professional Services Non-Cabinet

The agency requests an additional $250,212 SGF in enhancement funding and 3.0 FTE positions to provide dedicated IT resources and technical support to non-cabinet agencies lacking internal IT staff for FY 2027.

Other Changes

4. FTE Realignment (2026 Request)

The agency's request includes an increase of $47,752 SGF to realign staffing resources to better support KISO for FY 2027. The agency is increasing staffing in the KISO program by 6.0 FTE positions, which it will achieve by shifting positions from Administration (2.0 FTE positions), Network and Telecom (2.0 FTE positions), and Professional Services (1.0 FTE position), resulting in a net increase of 1.0 FTE on-budget position.

5. State and Local Cybersecurity Grants

The agency's request includes a $1.5 million increase in federal funds for state and local cybersecurity grants for FY 2027. OITS and the KISO administer the SLCGP, created by the Infrastructure Investment and Jobs Act. Counties can apply for grants to assist in funding cybersecurity projects such as security awareness training, endpoint detection and monitoring devices, creation of cyber resiliency plans, and testing of existing plans.

6. ARPA Project Completions (FY 2027)

The agency's request includes a $2.4 million decrease in ARPA funding as network infrastructure modernization and security upgrade projects are completed for FY 2027. This reduction aligns with the requirement that all ARPA funds be expended by September 2026.

7. All Other Adjustments

The agency's request includes a decrease of $13,064 across all other on-budget funding sources due to fluctuations in indirect costs, such as service fees, communications devices, office supplies, utilities, and vehicles, for FY 2027.

2024 House Sub. for SB 291

The 2024 Legislature passed, and the Governor enacted, House Sub. for SB 291. The bill, among other things, creates and amends laws concerning the administration and organization of IT and cybersecurity services within each branch of state government. Beginning in 2027, the bill centralizes cybersecurity services under the appropriate Chief Information Technology or Security Officer of each branch of government. The bill also requires state agencies to develop plans to comply with national cybersecurity standards and establishes corresponding penalties for state agencies not in compliance with these standards. All provisions of the bill will sunset on July 1, 2026.

Initially the bill appropriated $15.0 million to the KISO in FY 2026. In every fiscal year thereafter, the bill requires the Director of the Budget (Director), in consultation with the Executive Branch Chief Information Technology Officer and Chief Information Security Officer, to determine the five-year average of each state agency's cybersecurity service cost financed with SGF and special revenue funds; lapse the certified SGF amount; and transfer appropriate special revenues to a new fund that will be created by the bill.

Beginning on July 1, 2028, and annually thereafter, the Director, in consultation with relevant Chief Information Technology Officers, is required to assess each state agency's compliance with the cybersecurity provisions of the bill for the previous fiscal year. If found non-compliant, the Director would certify an amount equal to 5.0 percent of the appropriated and reappropriated SGF moneys and 5.0 percent of the funds credited to and available in each special revenue fund for that agency. If a special revenue fund lacks an expenditure limitation, the Director will be required to establish a limitation that is 5.0 percent less than the total amount available in that fund. The bill requires a detailed written report each year on these compliance determinations to be submitted to the Legislature prior to the regular session, outlining the amounts certified for each non-compliant state agency for the fiscal year. The Senate Committee on Ways and Means and the House Committee on Appropriations will review and consider a 5.0 percent lapse and decreased expenditure limitation for non-complying agencies during budget committee hearings.

With the bill's provisions set to sunset July 1, 2026, the Joint Committee on Information Technology is reviewing its provisions and is anticipated to make recommendations to the 2026 Legislature.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

Executive Summary

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Expenditures by Fiscal Year and Version

	SGF	All Funds	Note
FY 2024 Actual	$ -	$ 65,869,368	Actual expenditures
FY 2025 Actual	-	69,004,111	Actual expenditures
FY 2026 Approved	-	66,522,412	2025 SB 125
FY 2026 Agency	-	82,243,053	Revised estimate, submitted September 2025
FY 2027 Agency	-	85,380,350	Agency request, submitted September 2025

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

Budget and Policy Snapshot

The tables below provide a selection of items that inform the agency budget request. These items include **new lines of services and revenue sources** (NEW), adjustments related to **reappropriated funds** (), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the FY 2026 Analysis and FY 2027 Analysis sections later in this document.

FY 2026

	Item	Amount	Source	Note
NEW	Data Center as a Service Opperational Cost	$ 8,998,000	Information Technology Fund	$0.27 per GB/Month charge for data storage, and vendor cost increase.
NEW	Enterprise Licensure Platform	2,500,000	Information Technology Fund	Chargback for support of enterprise licensure platform.

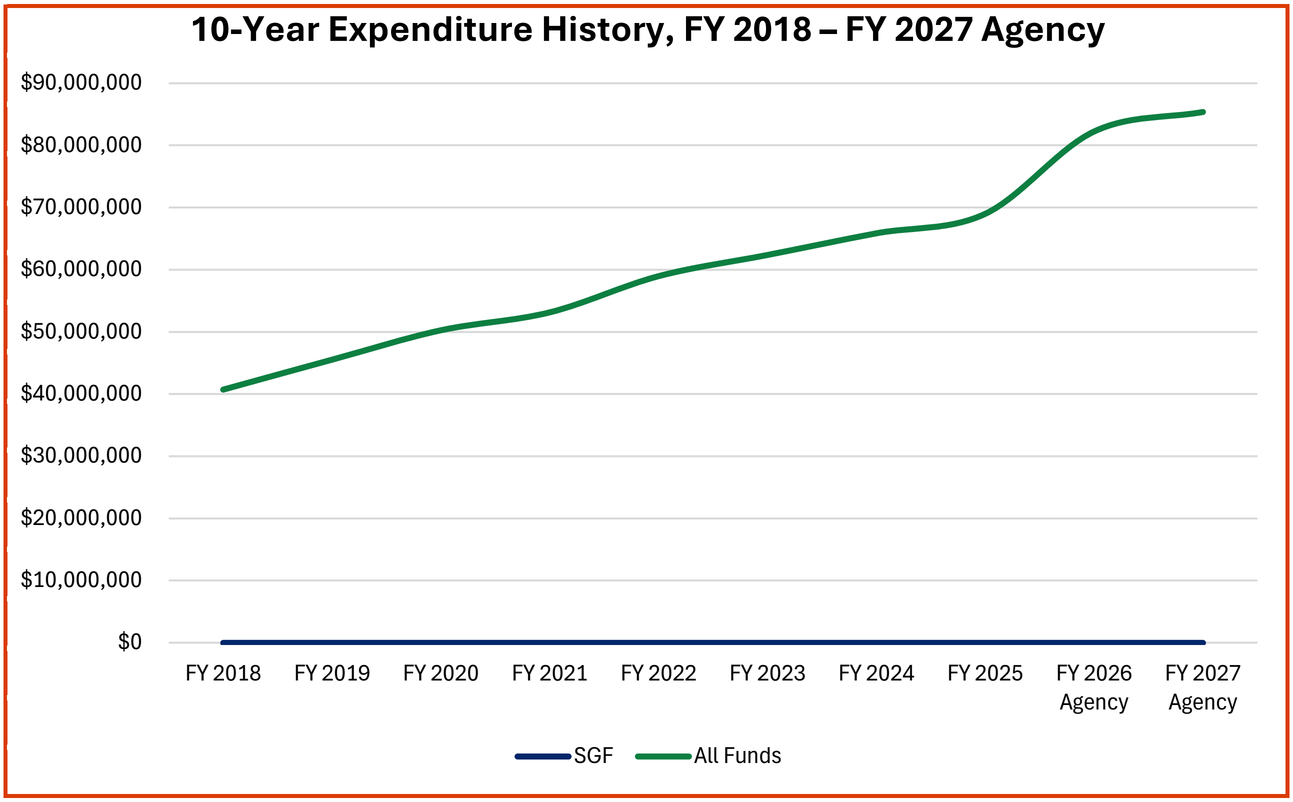
FY 2027

	Item	Amount	Source	Note
NEW	Data Center as a Service Opperational Cost	$ 12,000,000	Information Technology Fund	$0.27 per GB/Month charge for data storage and vendor cost increase.
NEW	Enterprise Licensure Platform	2,585,000	Information Technology Fund	Chargback for support of enterprise licensure platform.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

Summary of Expenditures



	SGF		All Funds			CPI-U*
Fiscal Year	Amount	Change (%)	Amount	Change (%)	FTE	Change (%)
FY 2018	$ -	--	$ 40,729,103	(55.0)	62.85	0.2
FY 2019	-	--	45,548,307	11.8	86.70	--
FY 2020	-	--	50,277,683	10.4	113.50	0.8
FY 2021	-	--	53,159,956	5.7	113.15	2.4
FY 2022	-	--	58,982,031	11.0	115.00	9.2
FY 2023	-	--	62,387,250	5.8	117.00	5.8
FY 2024	-	--	65,869,368	5.6	111.00	3.0
FY 2025	-	--	69,004,111	4.8	117.00	3.0
FY 2026 Agency	-	--	82,243,053	19.2	135.50	2.8
FY 2027 Agency	-	--	85,380,350	3.8	135.50	2.4

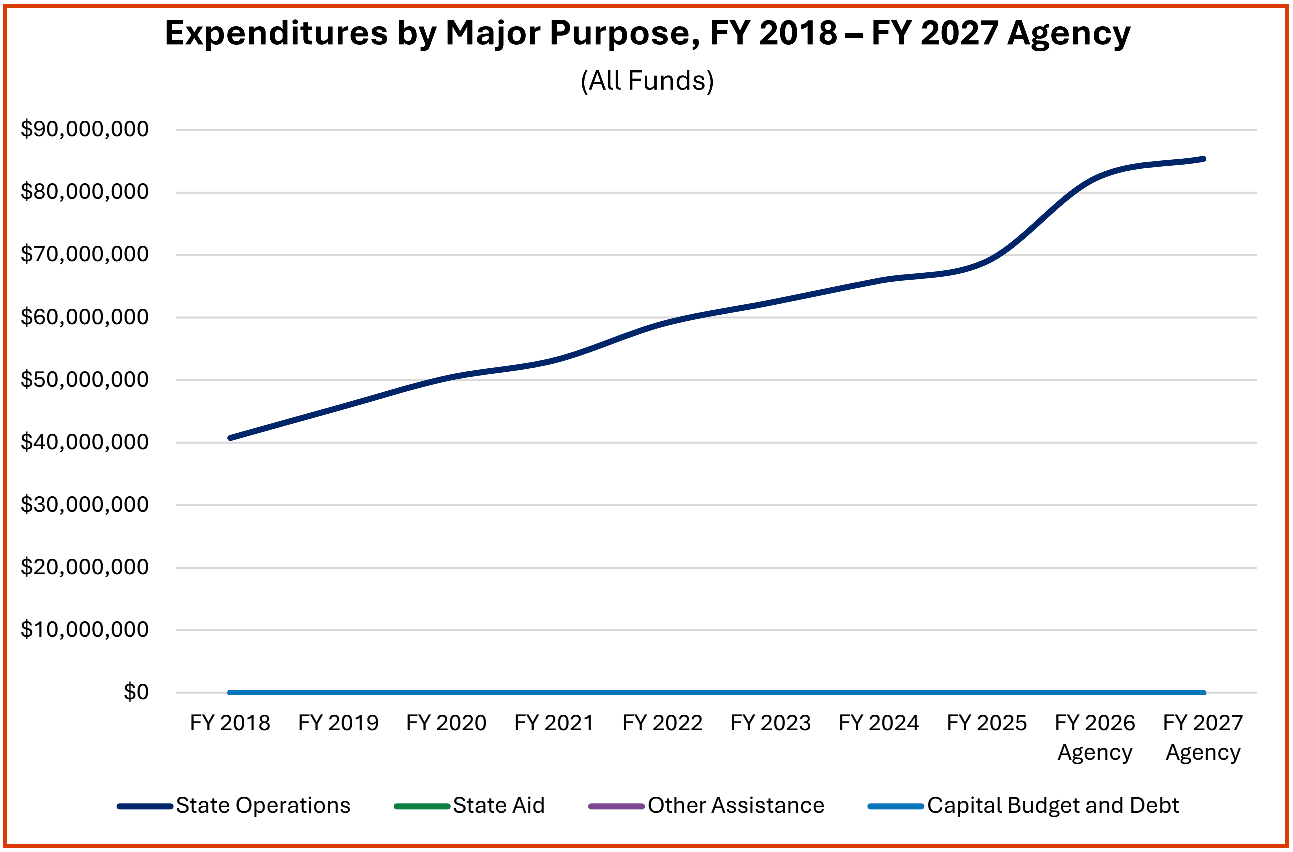
5-Year Change (FY 2023–2027)	$ -	--	$ 22,993,100	36.9	18.50	11.6
10-Year Change (FY 2018–2027)	-	--	44,649,221	109.6	9.80	33.1
3-Year Average** (FY 2023–2025)	-	N/A	65,753,576	N/A	115.00	N/A

* *Note* : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** *Note* : Reflects the three most recent years of actuals data.

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget



Expenditures by Category, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total		FY 2024 Actual		FY 2025 Actual		FY 2026 Approved		FY 2026 Agency		FY 2027 Agency
State Operations											
Salaries and Wages	19.0 %	$	11,385,929	$	11,975,869	$	14,641,412	$	15,644,053	$	15,695,350
Contractual Services	69.9		42,541,488		44,361,340		44,348,500		57,478,000		60,563,000
Commodities	11.0		10,664,198		11,343,587		7,070,500		9,066,000		9,067,000
Capital Outlay	0.1		1,277,753		1,323,315		462,000		55,000		55,000
Operating Adjustments	--		-		-		-		-		-
Subtotal	**100.0 %**	**$**	**65,869,368**	**$**	**69,004,111**	**$**	**66,522,412**	**$**	**82,243,053**	**$**	**85,380,350**
State Aid and Assistance											
Aid to Locals	-- %	$	-	$	-	$	-	$	-	$	-
Other Assistance	--		-		-		-		-		-
Subtotal	**-- %**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Capital Budget and Debt											
Capital Improvements	-- %	$	-	$	-	$	-	$	-	$	-
Debt Service Principal	--		-		-		-		-		-
Debt Service Interest	--		-		-		-		-		-
Subtotal	**-- %**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Reappropriations	-- %	$	-	$	-	$	-	$	-	$	-
GRAND TOTAL	**100.0 %**	**$**	**65,869,368**	**$**	**69,004,111**	**$**	**66,522,412**	**$**	**82,243,053**	**$**	**85,380,350**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency

(State Operations, All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	14.5 %	$ 8,588,347	$ 9,153,121	$ 11,138,500	$ 11,926,729	$ 11,926,769
Employee Benefits	4.5	2,797,582	2,822,748	3,502,912	3,717,324	3,768,581
Shrinkage	--	-	-	-	-	-
Subtotal	**19.0 %**	**$ 11,385,929**	**$ 11,975,869**	**$ 14,641,412**	**$ 15,644,053**	**$ 15,695,350**
Contractual Services						
Communication	3.9 %	$ 2,485,738	$ 2,800,772	$ 3,201,500	$ 3,199,500	$ 3,199,500
Fees (Professional)	5.3	2,089,983	5,138,888	1,890,000	4,400,000	4,475,000
Fees (Other Services)	29.5	14,110,352	13,207,761	15,227,000	24,225,000	27,225,000
Freight and Express	0.1	1,774	1,646	1,000	1,500	1,500
Printing and Advertising	0.1	3,853	5,500	8,000	5,000	5,000
Rent and Leases	2.4	2,245,080	1,881,038	2,713,000	1,960,000	1,960,000
Repair and Servicing	19.9	14,249,745	14,663,706	13,995,000	16,385,000	16,385,000
Travel and Subsistence	0.2	101,624	166,432	195,000	170,000	170,000
Utilities	--	84,000	100,000	85,000	-	-
Other	8.7	7,169,339	6,395,597	7,033,000	7,132,000	7,142,000
Subtotal	**69.9 %**	**$ 42,541,488**	**$ 44,361,340**	**$ 44,348,500**	**$ 57,478,000**	**$ 60,563,000**
Commodities						
Clothing	-- %	$ -	$ 973	$ -	$ -	$ 1,000
Equipment and Parts	0.1	26,819	9,903	16,000	16,000	16,000
Food	0.1	1,294	1,259	1,000	1,000	1,000
Fuel	--	-	-	-	-	-
Motor Vehicle Parts	0.1	13,399	12,145	13,500	13,000	13,000
Supplies (Office)	0.1	16,323	12,116	15,000	13,000	13,000
Supplies (Professional)	0.1	279	354	-	500	500
Supplies (Research)	--	-	-	-	-	-
Other	11.0	10,606,084	11,306,837	7,025,000	9,022,500	9,022,500
Subtotal	**11.0 %**	**$ 10,664,198**	**$ 11,343,587**	**$ 7,070,500**	**$ 9,066,000**	**$ 9,067,000**
Capital Outlay						
Books	-- %	$ -	$ -	$ -	$ -	$ -
Computer Hardware	--	(122,862)	36,681	7,000	-	-
Computer Software	--	263,165	333,901	-	-	-
Equipment, Furniture	0.1	735,013	64,017	305,000	55,000	55,000
Information Processing	--	402,437	840,799	-	-	-
Telecommunications	--	-	47,917	150,000	-	-
Other	--	-	-	-	-	-
Subtotal	**0.1 %**	**$ 1,277,753**	**$ 1,323,315**	**$ 462,000**	**$ 55,000**	**$ 55,000**
Operating Adjustments	**-- %**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL	**100.0 %**	**$ 65,869,368**	**$ 69,004,111**	**$ 66,522,412**	**$ 82,243,053**	**$ 85,380,350**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	10.3 %	$ 7,718,626	$ 7,920,404	$ 6,754,995	$ 8,474,645	$ 8,490,836
Cloud/O365	12.5	7,960,668	8,925,883	9,810,123	10,293,978	10,373,364
Direct Billed Services	19.5	18,088,605	18,222,268	14,000,000	16,000,000	16,000,000
Information Services	30.2	13,986,700	13,092,396	15,550,042	24,824,393	27,838,328
KISO	4.6	5,093,383	2,977,261	4,062,668	3,774,694	3,779,947
KITO	0.7	688,664	464,725	1,170,789	592,218	594,331
Network & Telecom	13.4	8,853,689	11,160,436	10,452,788	11,049,787	11,061,471
Professional Services	8.8	3,479,033	6,240,738	4,721,007	7,233,338	7,242,073
TOTAL	**100.0 %**	**$ 65,869,368**	**$ 69,004,111**	**$ 66,522,412**	**$ 82,243,053**	**$ 85,380,350**

FTE Positions by Program, FY 2024 – FY 2027 Agency

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	33.0 %	30.0	31.0	31.0	44.8	44.8
Cloud/O365	5.2	7.0	7.0	7.0	7.0	7.0
Direct Billed Services	--	--	--	--	--	--
Information Services	8.9	13.0	10.0	10.0	12.0	12.0
KISO	11.8	15.0	18.0	18.0	16.0	16.0
KITO	2.2	5.0	6.0	6.0	3.0	3.0
Network & Telecom	23.4	16.0	19.0	19.0	31.8	31.8
Professional Services	15.5	25.0	26.0	26.0	21.0	21.0
TOTAL	**100.0 %**	**111.0**	**117.0**	**117.0**	**135.5**	**135.5**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	-- %	$ -	$ -	$ -	$ -	$ -
Information Technology Fund	99.3	65,869,368	68,327,861	66,522,412	81,643,053	84,780,350
GIS Contracting Services Fund	0.7	-	676,250	-	600,000	600,000
TOTAL	**100.0 %**	**$ 65,869,368**	**$ 69,004,111**	**$ 66,522,412**	**$ 82,243,053**	**$ 85,380,350**

Fee Fund Analysis

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 intended only to recover costs and to comply with federal audit and cost accounting 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. 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 the amount charged reflects actual costs incurred.

Information Technology Fund

FY 2024 – FY 2027 Agency

	FY 2024 Actual	FY 2025 Actual	FY 2026 Agency	FY 2027 Agency
Beginning Balance	$ 13,587,550	$ 10,359,879	$ 1,467,954	$ 2,744,901
Revenue				
Agency Charge Back Billing	$ 59,338,934	$ 60,805,438	$ 82,920,000	$ 82,920,000
Encumbrances	3,302,763	(1,369,502)	-	-
Subtotal – Revenue	**$ 62,641,697**	**$ 59,435,936**	**$ 82,920,000**	**$ 82,920,000**
Total Amount Available	$ 76,229,247	$ 69,795,815	$ 84,387,954	$ 85,664,901
Expenditures				
Salaries and Wages	$ 11,385,929	$ 11,975,869	$ 15,644,053	$ 15,695,350
Contractual Services	42,541,488	43,685,090	56,878,000	59,963,000
Commodities	10,664,198	11,343,587	9,066,000	9,067,000
Capital Outlay	1,277,753	1,323,315	55,000	55,000
Subtotal – Expenditures	**$ 65,869,368**	**$ 68,327,861**	**$ 81,643,053**	**$ 84,780,350**
Ending Balance	**$ 10,359,879**	**$ 1,467,954**	**$ 2,744,901**	**$ 884,551**

OFFICE OF INFORMATION TECHNOLOGY SERVICES

Budget Summary – Agency Request – Off-Budget

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026							
		SGF		All Other Funds		Total	FTE Positions
Approved, FY 2026							
1. 2025 SB 125	$		$	66,522,412	$	66,522,412	117.0
Reappropriations							
No Reappropriations	$	-	$	-	$	-	--
Supplemental Requests							
No Supplemental Requests	$	-	$	-	$	-	--
Agency Changes							
2. Data Center as a Service Opperational Cost	$		$	8,998,000	$	8,998,000	--
3. Enterprise Licensure Platform				2,500,000		2,500,000	--
4. Increased Microsoft Azure Usage				1,995,000		1,995,000	--
5. FTE Realighment and Support				1,002,641		1,002,641	19.0
6. ServiceNow Cost and Scope Increase				525,000		525,000	--
7. Cisco Smart Net Desk Phones				500,000		500,000	
8. Additional Microsoft 365 Licences				460,000		460,000	
9. Building Rent				200,000		200,000	
10. All Other Adjustments				(460,000)		(460,000)	--
Subtotal – Agency Changes	$	-	$	15,720,641	$	15,720,641	19.0
TOTAL – Agency Revised Estimate	**$**	**-**	**$**	**82,243,053**	**$**	**82,243,053**	**136.0**

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. The approved budget for OITS totals $100.1 Million, $66.5 million of which is considered off-budget. These funds support the agency's chargeback operations, which provide IT services to state agencies, including network infrastructure, data center operations, applications hosting, and technical support services. State agencies that utilize these services are charged based on usage and service requirements.

Agency Changes

2. Data Center as a Service Operational Cost

The revised estimate includes an increase of $9.0 million, all from off-budget special revenue funds, for increased vendor operational costs associated with the Data Center as a Service in FY 2026. The new cost reflects escalating costs associated with enterprise data storage solutions, including expanded storage capacity requirements, new hardware, disaster recovery tools, and increased data retention needs.

3. Enterprise Licensure Platform

The agency's request includes an increase of $2.5 million, all from off-budget special revenue funds, for the Enterprise professional licensure platform in FY 2026. This represents the ongoing operational costs, system maintenance, licensing fees, and technical support for the platform, following completion of the development funded by American Rescue Act (ARPA) funds. The system enables certain non-cabinet regulatory agencies to efficiently track license applications, renewals, and compliance activities.

4. Increased Microsoft Azure Usage

The revised estimate includes an increase of $2.0 million, all from off-budget special revenue funds, for increased Microsoft Azure cloud computing usage in FY 2026. This reflects increased utilization of cloud infrastructure by state agencies for on-demand access to computing resources, data storage, application hosting, and database hosting. Cost for the solutions vary based on resource use time, data storage, and computing resources utilized.

5. FTE Realignment and Support

The revised estimate includes an increase of $1.0 million, all from off-budget special revenue funds, and 19.0 FTE positions for staff realignment and support in FY 2026. The agency indicates, of the 19.0 FTE, 12.0 are additional positions, while the remainder are part-time interns. This adjustment reflects agency efforts align staffing resources with operational demands across its services. The additional FTE positions support IT project management and service delivery requirements for network operations.

6. ServiceNow Cost and Scope Increase

The revised estimate includes an increase of $525,000, all from off-budget special revenue funds, for increased cost and usage of the ServiceNow Solution in FY 2026. ServiceNow is OITS's primary IT service management tool that allows for incident tracking and reporting and asset management. It also utilizes modules for customer service, security operations, and human resources functions.

7. Cisco Smart Net Desk Phone Upgrade

The revised estimate includes an increase of $500,000, all from off-budget special revenue funds, for Cisco Smart Net desk phone upgrades in FY 2026. This upgrade enabled Webex Voice calling and soft phone capabilities, which allows end users to leverage their PC as a Voice over Internet Protocol (VoIP) Device and make and receive calls from their assigned office phone number when using the Webex platform.

8. Additional Microsoft 365 Licenses

The revised estimate includes an increase of $460,000, all from off-budget special revenue funds, for additional licenses for Microsoft 365 in FY 2026. This includes productivity products such as Microsoft Word, Excel, and PowerPoint.

9. Building Rent

The revised estimate includes an increase of $200,000, all from off-budget special revenue funds, for increasing building rent in FY 2026. The increase is due to the agency underestimating the total cost in the approved amount in the FY 2026 approved budget.

10. All Other Adjustments

The revised estimate includes a decrease of $460,000, all from off-budget special revenue funds, primarily attributable to fluctuations in indirect costs and operational expenses in FY 2026. These adjustments include changes in equipment maintenance costs, telecommunications expenses, and other operational overhead associated IT service delivery

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027	SGF	All Other Funds	Total	FTE Positions
Approved, FY 2026				
2025 SB 125	$ -	$ 66,522,412	$ 66,522,412	117.0
Enhancement Requests				
No Enhancement Requests	$ -	$ -	$ -	--
Agency Changes				
1. Data Center as a Service Operational Cost	$	$ 12,000,000	$ 12,000,000	--
2. Enterprise Licensure Platform	-	2,500,000	2,500,000	--
3. Increased Microsoft Azure Usage		2,000,000	2,000,000	
4. FTE Realignment & Support	-	1,053,938	1,053,938	19.0
5. ServiceNow Cost and Scope Increase	-	525,000	525,000	--
6. Cisco Smart Net Desk Phones	-	500,000	500,000	
7. Additional Microsoft 365 Licences		460,000	460,000	
8. Building Rent		200,000	200,000	
9. All Other Adjustments		(381,000)	(381,000)	--
Subtotal – Agency Changes	$ -	$ 18,857,938	$ 18,857,938	19.0
TOTAL – Agency Request	**$ -**	**$ 85,380,350**	**$ 85,380,350**	**136.0**

Agency Changes

1. Data Center as a Service Operational Cost

The agency request includes an increase of $12.0 million, all from off-budget special revenue funds, for increased vendor operational costs associated with the Data Center as a Service for FY 2027. The new cost reflects escalating costs associated with enterprise data storage solutions, including expanded storage capacity requirements, new hardware, disaster recovery tools, and increased data retention needs.

2. Enterprise Licensure Platform

The agency's request includes an increase of $2.5 million, all from off-budget special revenue funds, for the Enterprise professional licensure platform for FY 2027. This represents the ongoing operational costs, system maintenance, licensing fees, and technical support for the platform, following completion of the ARPA-funded development. The system enables certain non-cabinet regulatory agencies to efficiently track license applications, renewals, and compliance activities.

3. Microsoft Azure Usage

The agency's request includes an increase of $2.0 million, all from off-budget special revenue funds, for increased Microsoft Azure cloud computing usage for FY 2027 This reflects increased utilization of cloud infrastructure by state agencies for on-demand access to computing resources, data storage, application hosting, and database hosting. Cost for the solutions vary based on resource use time, data storage, and computing resources utilized.

4. FTE Realignment and Support

The revised estimate includes an increase of $1.1 million, all from off-budget special revenue funds, and 19.0 FTE positions for staff realignment and support for FY 2027. The agency indicates, of the 19.0 FTE positions, 12.0 are additional positions, while the remainder are part-time interns. This adjustment reflects the agency's efforts to better align staffing resources with operational demands across its services. The additional FTE positions support IT project management and increased service delivery requirements for network operations.

5. ServiceNow Cost and Scope Increase

The revised estimate includes an increase of $525,000, all from off-budget special revenue funds, for increased cost and usage of the ServiceNow solution for FY 2027. ServiceNow is OITS' primary IT service management tool that allows for incident tracking and reporting and asset management. It also utilizes modules for customer service, security operations, and human resources functions.

6. Cisco Smart Net Desk Phone Upgrade

The revised estimate includes an increase of $500,000, all from off-budget special revenue funds, for Cisco Smart Net desk phone upgrades for FY 2027. This upgrade enabled Webex Voice calling and soft phone capabilities, which allows end users to leverage their PC as a VoIP device and make and receive calls from their assigned office phone number when using the Webex platform.

7. Additional Microsoft 365 Licenses

The revised estimate includes an increase of $460,000, all from off-budget special revenue funds, for additional licenses for Microsoft 365 for FY 2027. This includes productivity products such as Microsoft Word, Excel, and PowerPoint.

8. Building Rent

The revised estimate includes an increase of $200,000, all from off-budget special revenue funds, for increased building rent for FY 2027. The increase is due to the agency underestimating the total cost in the approved amount in the FY 2026 approved budget.

9. All Other Adjustments

The agency's request includes a decrease of $381,000, all from off-budget special revenue funds, due to various operational cost adjustments for FY 2027. These adjustments include changes in equipment maintenance costs, telecommunications expenses, and other operational overhead associated with IT service delivery.