

Information Network of Kansas Board Meeting Minutes

March 2019 Board Meeting March 7, 2019

Opening

A meeting of the INK Board was called to order at 10:02 a.m. Thursday, March 7, 2019 at 700 SW Harrison, 2nd Floor Conference Room, Topeka, Kansas by Chair Aaron Kite, representing the Kansas Bar Association, with the following members present:

Doug Gaumer, representing the Kansas Bankers Association (Vice Chair)

Lucas Goff, representing the Kansas Association of Counties (Board Secretary)

Secretary Scott Schwab, Kansas Secretary of State

Gregg Wamsley, representing the Kansas Library Association (Board Treasurer)

Glen Yancey, CIO, Kansas Department of Health and Environment, representing the Executive Branch Chief Information Technology Officer

Others Present

Jennifer Cook, Deputy Assistant Secretary of State, Business Services; Duncan Friend, Information Network of Kansas; Nolan Jones, Ashley Gordon, and James Adams, Kansas Information Consortium, LLC.

The Board meeting began with self-introductions by all those in attendance at the meeting. Gaumer arrived at 10:09 a.m. after this occurred and the Consent Agenda had been approved.

Consent Agenda

The consent agenda for the meeting included the draft January 2019 INK Board Minutes, January and February 2019 Network Manager Reports and KanPay Counter contracts for the City of Mound Valley, Anderson Co. RWD4, Cherokee County Ambulance Association, Stanton County Emergency Medical Services, Hamilton County Emergency Medical Services, City of Gypsum, City of Toronto, Dickinson County Rural Water District #1. Two Kanform contracts were also included for the Kansas Department of Labor Industrial Safety and Health – Amusement Ride Permit Program and the Kansas Board of Cosmetology. A KanSite content management system contract for the Kansas Secretary of State was also included in the Consent Agenda.

The Consent Agenda was approved in two parts:

Action Taken: Yancey moved to approve the January 2019 INK Board meeting minutes, seconded by Wamsley. Approved unanimously. (*Gaumer had not yet arrived at the meeting.*)

In response to the Chair's question about the content of the contracts on the remainder of the Consent Agenda, Gordon stated that they were just run-of-the-mill, no changes to the standard template had been made.

Action Taken: Wamsley moved to approve the remainder of the Consent Agenda, seconded by Yancey. Approved unanimously. (*Gaumer had not yet arrived at the meeting.*)

Action Agenda

Regular Business

1) Kansas Business One-Stop

Secretary Schwab provided an overview of his perspective on the need for a Business One-Stop, indicating that Jennifer Cook from his office (also in attendance) was driving the project and deferred to her for a more detailed explanation of the work they had been doing so far. The Secretary's emphasis was on making it more user-friendly to navigate the current silos in state government to perform business formation and permitting, something he had emphasized during his campaign. He then turned over the discussion to Cook to discuss the options they were considering and progress to-date.

Cook told the Board that the Secretary of State's office had held their first stakeholder meeting about a month ago. The stakeholders in attendance included Department of Revenue, Department of Labor, Department of Commerce...Agriculture has also confirmed interest and will be attending their next meeting in April. The attendees were excited about the potential and Cook has been looking at what other states have done. The focus is now on West Virginia. This is one of the states where National Information Consortium (Kansas Information Consortium's parent company) does business. It makes use of a "wizard" option that they think will be beneficial. They are also focused on single sign-on, where after signing in once, you would capture some basic information about the business to carry with you. This could improve data integrity significantly. KIC is putting together a presentation for them to take to the agencies to review for the April meeting.

Kite asked a few questions to clarify the approach. Cook said it would be single website that was independent but that would link to Secretary of State and the other partners. Secretary Schwab emphasized that the first meeting was incredibly positive. A lot of times, when folks tried to do this in the past, whether it was politics, personality, or just turf war of data there had been difficulty, but they were very clear to these agencies that their data is their data. The main thing that he wanted to focus on is the interface of the input. What the agencies were most excited about, and Cook had highlighted it, was the integrity of the data.

He continued that they didn't want to reinvent the wheel if there's resources already there – they would only be asking for capital later – they're not at that far down the road and are still working with the other agencies and will see how they might be willing to assist in that. He said his goal would be that if they do have to come to any board for resources, that it's for something that's going to help the state entirely, not just the Secretary of State's office.

Yancey asked questions about how the West Virginia investment might be leveraged here. Jones responded that the agreement they have with all their states is anything that they've developed that's available there, Kansas can obtain at no cost. Now, a lot of technology things are not necessarily the same, but at a minimum they can gather the business processes, the paperwork, the project plans, all the rest of that. He continued, however, that if they can use their software they'll do it in a heartbeat.

Cook closed by noting that they had already had a conference call with the Chief of Staff at the West Virginia Secretary of State's office and they were interested in collaborating and were very helpful. Several board members noted that this type of service would be helpful to their clients – Gaumer noted that they were all "fighting for a better customer experience" and Secretary Schwab responded "Well, we're fighting to give you one, so we're on the same page."

2) INK Executive Director Position Committee Report / Hiring

Kite opened by recounting that a committee had been formed in November to look at the position of Executive Director – was it needed, and if so, to update the position description. Friend has essentially functioned in that position, but he’s never been formally appointed. The members of the committee were Kite, Gaumer, Yancey, and Matt Billingsley from Department of Revenue who was no longer with the agency. The committee did update the position description. Kite noted that the salary range had not been discussed or updated and was probably a separate item of discussion. If it were approved today, he suggested leaving that out.

Kite opened the topic for discussion, asking Friend to briefly recap how he had come to be performing these duties. Friend explained that he had been working in the Office of Information Technology Services, then came to the Secretary of State’s office to work on the Kansas Business Center. He was eventually hired by INK in mid-2015 to work on that project for the Secretary of State, then after about six months, the previous Executive Director, Jim Hollingsworth, who had been there about 14 years, left. So, Friend had begun performing what was essentially both jobs, although he had been stopped from performing the outreach part (to state agencies, technology groups, etc.) of the Executive Director job by the board leadership with the instruction to defer to KIC. Kite then asked Friend to explain how the position was funded. Friend explained that it was a little complicated, but pre-dated him – it was how Hollingsworth’s position had been handled for quite a while as well. As he understood it, in the beginning the Executive Director had been contracted for, but then they began paying him through the state payroll system with state benefits by cutting a check to Kansas, Inc. that was associated with the Board, who held an open position to use for this purpose. When Kansas, Inc. was abolished, someone had worked with the Department of Administration to perform this same service, which continued when Friend was hired. So, he cuts a check from INK quarterly to the Department of Administration, approved by the Board Treasurer, and was paid through the state.

Kite then stated to the Board that the point they were at was that they had an updated position description and then reopened the discussion. Yancey said he was a strong advocate for filling the position full-time with a specific mandate from the board about the outcome expectations for that role. He added that he felt there had been “drift” in the last few years for INK without it. He also felt the salary was undervalued. Kite followed up that he felt it was important that the Executive Director be independent, working at the pleasure of the Board and, without offense, not for KIC. He agreed with the previous statements made by Yancey. Jones added that the “drift” had not be helpful for KIC, either. He felt they did best when there was strong direction coming from the Board to help them be most effective.

Action Taken: A motion was made by Kite to approve the job description, absent the salary range. Further discussion ensued.

Two amendments to the motion were offered, the first by Gaumer as an addition to Item 3 in the Executive Director position description of the following “Assist the Board in developing a strategic plan and establishing methods and performance measures for advancing that strategy and report regularly to the Board on progress against those measures.” The second amendment to the motion was offered by Schwab, an addition to Item 12 as follows “Monitor and advocate for the Board’s Budget before the Legislature”.

Action Taken: Kite accepted these friendly amendments to the motion which then reads to approve the job description with the two changes noted and strike the salary range from the official description. Seconded by Gaumer. Approved unanimously.

Information Network of Kansas Board Meeting Minutes

There was then some discussion about whether Friend should occupy the position, or it should be publicly posted. The consensus was that, based on their experience in their organizations, it should be posted. Friend noted that as he had been performing most of the job for the last three years, he needed to understand what job he was performing currently, as he wasn't managing the Business Center project. This was not addressed, although Goff noted that the budget had a line item for a project manager salary. The discussion later continued about salary and the general opinion of the Board was to leave it off the posting and base it on qualifications and experience.

Action Taken: Schwab moved to post the position description to the State Notice of Vacancies list through the Department of Administration, seconded by Wamsley. Approved unanimously.

Action Taken: Kite then moved that a hiring committee be formed, composed of Gaumer, Wamsley, and Yancey. Seconded by Wamsley. Approved unanimously. The charge of the committee is to Organize and get the Executive Director position posted; Develop an applicant screen; Develop and approve interview questions; Schedule and conduct interviews; Make a recommendation to the INK Board on hiring.

3) INK Office Space

Kite introduced the subject, indicating Friend had advised him that the current office space that INK was using at the Secretary of State's office was no longer going to be available as they wanted to make use of it for other purposes. Friend handed out a copy of a worksheet showing the alternatives he had investigated (*see attached*) while he recounted the situation. He said the Secretary of State's office would work with him on timing, but he felt the desire was for it to be sooner than later. Funding for office space had been included in the 2019 budget, but this has been done quickly and was not based on an analysis of what was available. They had decided to use what the amount had been for the office space the previous Executive Director had at the Kansas Association of Counties. Friend said that the costs shown for three different locations had been put together quickly as well – over the last week and a half – so there were some estimates involved.

Friend had checked with the KAC, but they were in transition - they had lost their Executive Director and then their head of operations - and it didn't appear that space would be available quickly enough (or at the same cost) if at all. There were three properties shown on the worksheet – Friend walked through the amounts but expressed that the space in the Landon State Office Building was his preference. It was available around the beginning of April and there was no lease, so they weren't committed to a particular time frame – and it included access to the state network for Internet, janitorial, security, and was accessible by the public on the first floor. Also, according to Facilities Management it was likely the only place still available in a state property as present.

The board members discussed the alternatives and agreed with Friend's recommendation of the space in the state office building. It was about twice the size of the space he occupied now at the Secretary of State's office – a total of 415 sq. feet. He noted that he was continuing to store a lot of boxes he'd inherited from the previous offices so would use some of the room for those. Gaumer asked about the large number of files for a digital organization. Friend explained the challenge of putting a priority on the records schedule and the historical value of INK records due to it being the first of this model in the United States. Gaumer asked for the item to be placed on the agenda. There was then some discussion of whether it would be enough space. Friend responded that, as he'd conceptualized it, yes – but with the Executive Director undecided, it

Information Network of Kansas Board Meeting Minutes

could be they'd want more. There was a question about if the Board meetings could be held there and Friend indicated it would not be big enough for that, but Department of Transportation had been good about letting the Board use the current room and it was booked through the end of the year, and there was likely some space available in the Landon Building for common use. After discussion of the appropriate allowance for moving-related procurements, the consensus was to increase the amount to be up to \$3,000 from the \$1,850 Friend had proposed as an estimate.

Action Taken: Yancey moves for Friend to work with the Department of Administration to claim the space presented in the meeting and authorize up to \$3,000 of one-time expenses related to the move. Seconded by Kite. Approved unanimously.

4) Legislative Update

Jones began by discussing HB 2179, amending the state Driver Privacy and Protection Act that had been introduced by RL Polk. They are a long-time customer of the Department of Revenue and are pushing the bill. There is a federal "DPPA" and a state DPPA and the purpose of the bill is essentially to eliminate the state DPPA and say that the state will follow the federal one. Many states do. It allows some more exemptions or entities to obtain those records. He didn't know specifically why that company is pushing for it. It may be just to make it more uniform across the country. Since they're buying records, they may have some other reason. He has discussed it with the attorney for KDOR just in general about kind of their take on it. The KDOR attorney was present at the hearing. He doesn't have any comments about it either or testimony about that. Jones suspects it will pass. The bill does cover sale of driver history records which is one business INK is in, but Jones doesn't believe it will positively or negatively affect INK from a financial standpoint.

Friend indicated he attended the hearing as well. It wasn't clear to him that the bill was explained appropriately to the committee. Presently, as he understood it, state exemptions could be narrower than the federal ones – they didn't "already apply" as the person briefing the committee said. So, if this comes out later as an issue, it is possible that it would shed more light on the process and somehow involve INK, so he thought the Board should be aware.

Jones then discussed HB 2115 that was being pushed by a company called Transparent Business. It is opposed by the Chamber of Commerce, the National Association of State CIOs, and others. The bill was one part of one the most aggressive legislative agendas nationally he's ever seen. These bills were introduced in 21 states this year directly by this company. In a nutshell, it would require the state to use software to put, lack of better term, key logging software on all contractors' computers to monitor their productivity. And the way the bill was introduced in Kansas, it would be any contractor that does \$100,000 or more of business. The INK funding model probably would exempt INK/KIC, but it's bad for a variety of reasons whether it impacted INK or not. It looks to be dead this legislative session, but they are keeping an eye on it.

Friend ended by noting HB 2067. It hasn't come out of committee. It is for video streaming of legislative committee meetings in the Capitol. In response to Secretary Schwab, he confirmed that the bill was in Federal and State Affairs, an exempt committee. Friend had listened to the hearing and there were several proponents. Tom Day, the head of Legislative Administrative Services who also serves as the Legislative Chief Information Technology Officer testified as neutral and provided cost estimates – conservatively – of around \$500,000. The bill is of interest to the INK Board because INK currently funds the streaming audio

Information Network of Kansas Board Meeting Minutes

project for legislative committee hearings. He had talked with Tom Day at ITEC, however, and it didn't sound like they were looking for funding from INK on this as it would be a longer-term substantive commitment required. Secretary Schwab noted that people he'd talked to at the Statehouse didn't seem to think it would move forward – most people are focused on the audio and want the audio, and there would be some significant impacts to installing HD video cameras as the Capitol is an historic building with related restrictions.

5) Network Manager Report

Jones began by talking about recent press received re: Agent Kay, the chatbot that was deployed this year. It has grown more visible with relationship to the tax system. He has been on three different TV stations for live interviews, Topeka Capital Journal, Kansas City Business Journal. Interviews went well. Kansas is the first in the nation to do this.

He talked next about Judicial Branch and their plan as part of upgrading their system to provide access to court records for free – a service INK provides now that produces significant revenue for both INK and the counties. There was then discussion about how the current INK system operates with the fee essentially being split 50/50 with half the counties and then the other half to INK to split between KIC/INK, less credit card costs. The system is rolling out beginning in June, so they are keeping their eye on it. Jones said it is not clear whether the fee would drop then or wait until all counties were participating. There was then some discussion of the question of how Judicial Branch would fund the system and some comments re: the operating model of the federal PACER system.

Jones then discussed two issues he wanted to bring to the Board sometime in the future regarding modifications to the contract – he just wants to start the education process. The first relates to the prohibition in the current contract against using the cloud. He is not proposing that they move anything to the Cloud at this point. However, there is an opportunity that involves Amber Alert that would necessitate them using the Cloud for that service and there may be more. There's a lot to be figured out. As a company, NIC/KIC is in very deep discussions with Microsoft, primarily as well as AWS regarding the security, privacy, location of the data, all of that. Even though they're both FedRamp certified, the Feds use them. He would like the contract to be potentially amended so that if the appropriate time comes that they can leverage that technology they are permitted to do so. The second item has been brought up before and it is the different way in which Kansas handles backups from the other states. Basically, what he would come forward with is a proposal on a different approach that would be more consistent with how it's done elsewhere with other vendors, not specific to KIC. These weren't pressing matters, he just wanted to get them on the agenda. Friend then recapped how the current situation had come to be and he and Yancey discussed how Yancey had recommended a different strategy that hadn't been supported by previous board leadership.

Jones closed by noting that they receive user surveys from the applications they deploy – for example, they have received over 400 from the tax system. They closely monitor and review these and the questions and answers are fairly in-depth. He is emphasizing this both to say that they don't walk away from the applications once live and also because in the past two years since he has been here, the network manager reports have been fairly glowing. However, with the current makeup of the Board, he wants to provide a little bit more about the “warts” and challenges – not that this isn't included, but to make it more of a two-way discussion going forward.

6) Grant Subcommittee Report & Strategic Goals

Friend began this item by providing a brief background of the grant program and how it operated to end up with the grant the members saw before them today, including: the source of funding, the grant periods and the previous process that had been abandoned that established a grant pool amount each year, the purpose and composition of the grant committee, and that the board had the ultimate decision rights regardless of the committee recommendations – all of this by way of introducing Yancey to talk about the outcome of the committee meeting about the grant from the Kansas Human Rights Commission. He noted that the committee had larger questions for the Board that were prompted by the discussion of the grant.

Yancey indicated he thought that was a fair summary and indicated that the grant committee would have turned the grant down for other reasons related to the grant request itself if they had voted. This was a proposal that was a request for money that really in no way promoted INK, any of the related structures, or processes associated with it. It might be a worthy endeavor, but it was really just an agency saying “Hey, we want to do this and we don't have funding.” As a result, he asked “Is it still part of the charge for INK grants that it somehow relate to promoting the activities, the environment the brand, of the Information Network of Kansas?” He would struggle to quantify any better than that. His charge was to come back and say that the committee needs some direction from the INK board about what whether they should be funding or considering grants that don't link...don't have plans really to link with INK in any way, or its digital presence.

Friend added that he wanted to make sure that the Board knew there are procedures that are used for this determination. There is a matrix included in the board packet that includes INK's statutory objectives as part of the evaluation. His point was that it may be that there is a way an applicant could hit all these objectives and still not do what is being asked for and that's the larger question. For example, there is 25% assigned to Increasing citizen / business access, 15% Align with state initiatives, 10% Expand portal information. KHRC does have a website on the portal. There are others like “Improve access to technologies” and “Revenue generation, “Market adoption”, and “Integrated services.” This was not to dispute anything said, Friend understood where the committee was coming from, he just wanted the Board to know that there is criteria and they were using that criteria when this larger question came up.

The Board discussed the matter further along with the need for agencies to seek funding from the legislature for operational activities and it was suggested that a question be included in the grant application for applicants to indicate if they had done that prior to seeking funding and why it was not provided. There was a question from the Chair about how applicants were notified of rejection or approval in the past, and the need to revisit the policy and procedures for the grant program. And, there was general consensus that the grant should not be approved.

Action Taken: Kite moved not to approve the grant request from the Kansas Human Rights Commission. Schwab seconded the motion. Approved unanimously.

Action Taken: Secretary Schwab moved to amend the INK grant application to add the question “Why are you not using existing resources or requesting resources through the Legislative process?” and have Friend review the policy and come back and make recommendations to the board on the application and decision criteria. Gaumer seconded. Approved unanimously.

Information Network of Kansas Board Meeting Minutes

7) INK 3rd / 4th Quarter Financial Reports

Friend addressed the financial reports, explaining their background and deferred to Wamsley for his comments. Wamsley indicated there wasn't anything different from the usual. Friend added that he felt like it made sense to come back to the Board and do a briefing on the finances and how they operate. He stated that these did need approval from the Board.

Gaumer asked if there were an update on the Banking RFP. Friend apologized for not getting back to his bank directly. The finance committee had met and reported at the last meeting. Generally, the take was to keep the money in Kaw Valley for now, given that they were providing monthly reports of securitization, and focus on the grant program and expending the funds. Several board members weighed in on the issue and both Goff and Wamsley (from the committee) concurred with this summary of the outcome of their decision making. Wamsley summarized it that the idea was "that we are not an investment board, we are a "spending and doing board", so shouldn't we get the money out the door? Goff did have experience with this issue from his work at Cowley County but was new to the Board and still trying to get a sense of its mission. Friend also emphasized that, because it had been presented at the January Board meeting as members were leaving, he wanted to confirm that this was the final approach of the board before he got back to people – he had let Kaw Valley know, however.

Gaumer stated that he felt that one goal should be interest maximization. Also, second, he didn't see the bank fees broken out on the financials so wasn't sure what was being paid. There were then questions from the Board about the interest rate being received. Friend stopped to explain the situation that had led to the discussion, the issue of securitization, the limitations on the types of investments, while members continued to offer suggestions with regard to how the investments might be addressed. Friend suggested that the quickest option to move had originally been just to consolidate it with one of the two other banks that INK used (there are three overall) to reduce overhead.

The Board continued to discuss the matter and arrived at placing it on the agenda for the next meeting. Yancey asked if Friend could provide the grants awarded on an annual basis to provide some historical trends on that for use in determining a grant pool amount. Friend confirmed that he would. The consensus was to address the subject of the investment policy and reconstituting the finance committee at the next meeting.

Action Taken: Gaumer moved to accept the quarterly financial reports. Secretary Schwab seconded. No further discussion. Motion approved unanimously.

There was no new business discussed.

Adjournment

Motion to adjourn at 12:15pm made by Wamsley, seconded by Schwab. Approved unanimously. The next meeting of the Information Network of Kansas Board of Directors will be held at 10:00 am April 4 at 700 SW Harrison, 2nd Floor Executive Conference Room, Eisenhower State Office Building, Topeka, Kansas.

Minutes submitted by: Duncan Friend