
ENTERPRISE HUMAN RESOURCES INFORMATION SYSTEM

PERSONNEL, PUBLIC RETIREMENT, AND FINANCE
COMMITTEE

January 14, 2026

TEAM
KENTUCKY[®]

PERSONNEL CABINET

AGENDA

- **Introductions**
- **Background**
- **KHRIS Replacement**
- **Challenges**
- **Timeline**
- **Project Cost**
- **Q&A**

PESONNEL CABINET EXECUTIVE LEADERSHIP

- Office of the Secretary
 - Robert Long, Deputy Secretary
- Department of Human Resources Administration
 - Jamie Caldwell, Commissioner
- Department of Employee Insurance
 - Chris Chamness, Commissioner
- Division of Technology Services
 - Robbie Perkins, IT Director

BACKGROUND

- **Kentucky Human Resources Information System (KHRIS)**
 - **Enterprise Resource Planning (ERP) – Human Capital Management (HCM)**
 - **Core Human Resources(HR)/Payroll – 48,000 employees**
 - **Executive, Judicial, and Legislative Branches**
 - **24 Local Sheriff and County Clerk Offices**
 - **KY Employees' Health Plan (KEHP) Benefits Administration and Billing**
 - **192,000 Members (300,000+ covered lives, 754 billed customers)**
 - **KHRIS houses data for 474,971 current and former users**
 - **Software procured 2007 – version SAP ECC ERP HCM 6.0**

KHRIS REPLACEMENT

- 2015, SAP notified that software support would end December 2030
- SAP has not provided HR enhancements since 2016
- NO vendor maintenance/support and taxing compliance after 2030
 - Taxing compliance is required for federal, state, and hundreds of local taxing authorities
- NO security updates or compliant support/maintenance after December 2030
 - The Commonwealth cannot take on this level of risk for a system with data for 474,971 current and former users

CHALLENGES

- **Department of Human Resources Administration**
 - **Jamie Caldwell, Commissioner**
 - **Full HR services to 27 employers require a secure, integrated system**
 - **One of the nation's largest number of local tax authorities and no central occupational tax administration**
 - **Protection of personal employee and dependent data for more than 470,000 individuals at stake**
 - **Existing maintenance support ceases in 2030**
 - **An operational HR solution in place by 2030 to mitigate risk**

CHALLENGES

- **Department of Employee Insurance – Kentucky Employees’ Health Plan (KEHP)**
 - **Chris Chamness, Commissioner**
 - **Insurance Administration Complexity is Increasing – new demands from participating employers, vendors, and partners. Cannot offer some programs (e.g., HSAs) due to system limitations. Challenging to communicate.**
 - **Compliance Requirements – lacks system support, is overburdening staff (e.g., No Surprises Act, Transparency Act, state law changes)**
 - **Manual Processes – for financial and data ops, potential failure points to critical business operations and are susceptible to error**

TIMELINE

2026

JUL-DEC

- Release RFP
- Selection
- Finalize Contract

2027

JAN

- Project Kickoff

2030

JUL

- Implementation

2031-2032

JAN-DEC

- Postproduction Support

PROJECT COST

- **\$151M – Total Cost Forecasted**
 - **\$76.5M – Professional Services (Software Integrator Services)**
 - **\$54.5M – Software Vendor**
 - **\$11M – Other**
 - **Independent Verification and Validation (IV&V) and COT Project Manager**
 - **Vendor Dependent Verification Services (Confirm Dependent Eligibility)**
 - **Vendor Spending Account Administration (FSAs)**
 - **\$8.9M – Staff Augmentation**
 - **\$15K – COT Hardware**

OTHER STATES

- **Status**
 - **5 Positioning to replace, including KY**
 - **16 New system within last few years**
 - **15 In progress**
 - **14 Stable or unknown**
- **9 States with SAP with same issue**
 - **Most have SAP Financials as well, not KY**

QUESTIONS

