INFORMATION ITEM

Follow-up information from the Finance and Administration Cabinet

At the May 20, 2021 Capital Planning Advisory Board meeting, the Finance and Administration Cabinet presented its six-year capital plan for 2022-2028. The questions below were asked regarding the Kentucky Business One-Stop Phase IV project.

(1) Are additional phases planned for the project? If so, please provide the details.
(2) Please provide a breakdown of the total project cost to date.
(3) Please provide details as to future plans to incorporate Department of Revenue sales and use tax applications into the Portal.

The attached document is provided from Teresa Lajara, Executive Director, Legislative and Intergovernmental Affairs, Finance and Administration Cabinet, in response to member questions.

BOARD ACTION: Information only. No action is required.

(1) Are additional phases planned for the project? If so, please provide the details.

Current: Phase III

- In December of 2018, the project added the Secretary of State (SOS) Business Dissolutions functionality to the Kentucky Business One Stop (KBOS) application, which allows a business to be dissolved.

- In January 2020, the KBOS team completed implementation of Application Programming Interfaces (APIs) to export Commonwealth Business Identifier (CBI) information for Alcoholic Beverage Control (ABC) on Licensing and Renewal application modernization.

- Teams are working on user interface and usability improvements to KBOS landing page, updating KBOS website content, and fixing broken links across KBOS webpages.

- As a part of Phase III, we will move KBOS to a new, lower cost SSO-IAM solution.

- Remaining work to be completed under Phase III is significant architecture changes to the KBOS platform to integrate with Department of Revenue (DOR) new integrated tax system DORIS. Additional work is required with ABC on continued efforts with the Licensing and Registration system.

Next: Phase IV: The goal of the Phase IV project is to improve and modernize Secretary of State (SOS) IT Applications & Infrastructure. The immediate needs identified are as follows:

- Improve the current interfaces between SOS and One Stop applications - the anticipated benefits are reducing support call volumes by removing fragile asynchronous calls, providing greater control of end-to-end processes, and making role management and registration easier

- Develop one version of SOS and One Stop functionality, which may be achieved by combining the back-end databases and having a common front-end. This change reduces duplicated functionality in two different systems, and combines efforts by providing an overall improved SOS experience

- Modernize the legacy Integrated Development Environment (IDE) Desktop applications by identifying heavily used functionality and rebuilding on modern, scalable, supportable technology platform, and sun setting old functionality that is no longer needed. The benefit is improved return on investment on the new technology investment that will reduce overall maintenance and support costs. An initial list of IDE desktop applications has been identified and prioritized.

(2) Please provide a breakdown of the total project cost to date.

Phase	Department	Biennium	Appropriation	Expenditures
Phase I	Secretary of State	2012-2014	$5,000,000	$4,998,014.27
Phase II	Finance and Administration	2014-2016	$6,743,000	$6,740,556.49
Phase III	Finance and Administration	2016-2018	$12,000,000	$5,183,346.69
TOTALS TO DATE (as of 5/20/21)			*$23,743,000*	*$16,921,917.45*
Phase IV	Secretary of State	2022-2028	$4,128,000	
TOTAL			$27,871,000	

KYBOS Phase III Project Spending					
Expense Category	**FY 2018**	**FY 2019**	**FY 2020**	**FY2021**	**Grand Total**
Contractor Services		$205,012.50			$205,012.50
Hourly Consulting	$46,240.00	$1,725,176.25	$1,616,827.50	$714,736.25	$4,102,980.00
Mailbox		$36.00	$12.00		$48.00
Phones		$300.00			$300.00
Security Software		$167.28		$1,329.62	$1,496.90
Servers		$12,270.00	$26,105.00	$21,000.00	$59,375.00
Storage		$3,783.30	$3,665.85	$3,004.90	$10,454.05
Transfer of expenditures from Public Protection Cabinet			$ 800,000.00		$800,000.00
Grand Total	**$46,240.00**	**$1,946,745.33**	**$2,446,610.35**	**$740,070.77**	**$5,179,666.45**

(3) Please provide details as to future plans to incorporate Department of Revenue sales and use tax applications into the Portal.

The current KYBOS process provides an automated prompt during the Department of Revenue registration. After the taxpayer completes their SOS registration, they are asked "Would you like to register with the Department of Revenue for any application tax accounts?" If they answer "yes," they are taken directly into the tax registration portion of the application. Once they submit that portion, they have completed both their SOS registration and DOR tax account registration.

(Document provided via email from Teresa Lajara, Executive Director, Legislative and Intergovernmental Affairs, Finance and Administration Cabinet)