Executive Summary
NASCA Performance Measurement
Kansas Project Management Standard and Certification Project

In 1998 the Administration and Kansas Legislature took aggressive action to mitigate the occurrence of failed IT system projects. This action was taken in response to a failed Child Support Enforcement application. The action involved a wholesale change in the State's IT governance. With the passage of KSA 75-7201 et. Seq., the State created Chief Information Technology Officers for each branch of government, required a State enterprise IT architecture, and mandated the creation of project management standards for all branches of government.

In 1998 after extensive research on national and industry best practices, Kansas adopted its standards and created a 350-page textbook. The text was based on industries best practices text developed by the State of California and amended by Kansas to include Kansas Standards as well as federal government standards. Today, the State has trained and certified 89 project managers through a rigorous 120-hour in-class instruction program. All participants must pass final exam as a condition for certification.

The Standards have been used successfully in a number of projects. The investment in the Standards and certification is $177,800. This investment has been returned multifold. In one project, for example, $1.5 million was saved by bringing an application in ahead of schedule. In a second project, over $2.2 million was saved by early implementation of a HR/Payroll system. Also, over $2.8 million was saved in avoided federal penalties by successfully implementing a State Child Support Enforcement System.

The Kansas Standards and Certification program is highly popular in Kansas and among vendors who do business with the State. We have trained and certified a number of vendor personnel and we have responded to numerous requests from other states and foreign countries to use the text and certification materials. Kansas' goal is to achieve return on investment (ROI) breakeven points of 12 - 18 months with three times cost of capital in the out-years. To date, projects implemented under these standards have exceeded these ROI objectives.

NASCA Nomination, State of Kansas

The Kansas Project Standards and Methodology is nominated to NASCA for award consideration in the category of Government Performance. The Project started in 1998 as a result of several large information technology project failures. The largest failure was a $21 million child support enforcement system. In response to these failures the Administration and architecture, and managing large system developments. The keystone of this governance structure is a statutory requirement (Senate Bill 5--SB5) that the State develop and implement enterprise IT architecture and project management standards

Project Description

The newly appointed Chief Information Technology Officer (CITO) in full cooperation with the Information Technology Executive Council (ITEC) reviewed project methodologies from national certification programs and best practices across all State governments as well as the federal government. These practices were included in a base text developed by California from their review of industry best practices. This research became the basis for the creation of a 350 page text covering all aspects of project management to include project conception, feasibility studies, project planning, staffing, control, monitoring, reporting, risk management and post mortems. The methodology also included best practices from five of the nations leading IT consulting firms. The text was developed in the Fall of 1998. Soon thereafter a bid specification was created to attract instructors to teach the methodology. After bid award a learning syllabus was created to provide 120 hours of in-class instruction. Agencies then participate in the program by enrolling their top technologists and subject matter experts. The instruction includes a rigorous curriculum to include in-class hands-on exercise, mid-term exams, and final exams. Students who pass the exams are given an ITEC certification. Certified project managers are fully capable of passing national certification exams and they are used to manage the State's large IT system builds.

Improvement to State Operations

The State established three project objectives for the standards and certification program:

1. Bring all projects in on-time and on-budget,
2. Achieve hard dollar savings of three times cost of capital with IT project breakeven points of 12 - 24 months. Today, the State's cost of capital is 6.50%. Thus, the return after breakeven is targeted at 19.5% per year.
3. Aggressively report and scorecard project success through bimonthly independent reporting and auditing.

Cost Benefit Savings

In FY 1999 the State of Kansas approved $14,521,000 in projects with an average breakeven of 25 months.

Projects that have followed the project management standards achieved breakeven points of 23.5 months with annual return over 15% after breakeven. Two additional projects, for example, achieved immediate budget savings of over $3.7 million. These projects include the rebuild of Child Support Enforcement System (savings of $1.5 million from budget) and the State HR/Payroll system (immediate return of $2.2 million).

Today 89 individuals have received certification at a cost of $177,800. This cost has been more than realized from direct project savings - over $5 million in completed project savings. These savings are based on implementing projects below budget.

Benefits to Taxpayers and Citizens

The benefits to taxpayers are substantial. Most significant to these benefits is the ability to fully return project costs in less than 24 months. These aggressive breakeven point and out-year returns allow the State to reduce its reliance on State general funds and to reinvest savings in new projects. The Child Support Enforcement project, for example, followed the project management standards. As mentioned earlier the project saved $1.5 million in cash from the budget and allowed the State to avoid $2.8 million in project penalties from the Federal government. These penalties had been assessed when the original system failed. The penalties were waived when the project was redone and successfully implemented in October 1999. The same methodology and standards are being practiced on Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enhancements to the system. The PWORA system is ahead of budget and is scheduled for full implementation in about four months. Kansas is one of the leading states on PRWORA certification.

Relevancy to Other States

The Kansas Project Methodologies textbook, standards, and certification process is very popular. We have received numerous requests for the textbook. These requests are from other states, foreign countries, and private sector. The program is also attended by private sector personnel. Most recently we received a request from South Africa for rights to use the text and certification materials. The full text can be accessed at www.ink.org.

Course Syllabus

The Kansas IT Project Certification and Standards program uses the following syllabus.

I. Phases of an IT project
   a. Concept
   b. Planning
   c. Start-up
   d. Execution (including System Development Life Cycle procedures)
   e. Close-Out

II. Components of the Project Plan
   a. Project Statement
   b. Charter (goals/objectives/statement of work)
   c. Budgeting
   d. Organizational chart
   e. Work Breakdown Schedule
   f. Work identification plan
   g. Gantt or PERT charts
   h. Resource planning including FTE, facilities and tools
   i. Estimated Cost at completion analysis
   j. Requirements Analysis
   k. Risk identification /contingency planning
   l. Configuration/Change control management
   m. Quality assurance management
   n. Issue management
   o. Performance Evaluation close-out summary

III. IT Project Approval Process in Kansas Government
   a. Budget thresholds
   b. CITO approvals
   c. JCIT oversight and approvals
   d. 10% project variances (in budget and/or schedule) procedures
   e. Policies adopted by ITEC

A repository of IT project plans, their successes and problems are kept in the Kansas Information Technology Office. From these records additional information is made available to Project Managers on the experiences learned from other IT projects. These reports, in part, assist the Chief Information Technology Officer in measuring performance and productivity of IT projects.

The Kansas IT project management standards and certification program yields high rates of return and plays an important role in our ability to successfully implement systems on time and within budget across all branches of government.