

2017-19 Biennium Budget Decision Package

Agency: Office of Financial Management

Decision Package Code/Title: M2-AP / All Payer Claims Database

Budget Period: 2017-2019 Biennium

Budget Level: Maintenance Level

Agency Recommendation Summary Text:

The Office of Financial Management (OFM) is requesting a renewal of the 2015-17 budget proviso that transferred \$4 million from the State Innovation Model (SIM) grant for the implementation of the Washington State All Payer Claims Database (WA-APCD) from the Health Care Authority (HCA) to the OFM. The procurement for the WA-APCD lead organization has taken longer than anticipated, which resulted in the implementation of the WA-APCD being delayed and the corresponding use of SIM funding being shifted into the 2017-19 biennium.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2	\$2,868,461	\$1,131,539	0	0
	0	0	0	0
Total Cost	\$2,868,461	\$1,131,539	0	0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.0	1.0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2	\$2,868,461	\$1,131,539	0	0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. C	\$2,868,461	\$1,131,539	0	0

Package Description

Background

The Office of Financial Management (OFM) was directed to establish the Washington State All Payer Claims Database (WA-APCD) by the Legislature under E2SHB 2572 (2014) and ESSB 5084 (2015). The development and implementation of the WA-APCD is being funded through federal grants including the SIM. The 2015-17 budget (ESSB6052) Section 213(1)(bb) transferred expenditure authority of \$4 million from the HCA to OFM for implementation of and reporting from the WA-APCD.

This decision package requests a reinstatement of the \$4 million for use during the 2017-19 biennium. The WA-APCD investment plan has already been submitted and approved by the Office of the Chief Information Officer.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This is not an alteration or expansion of a current program. This request is to finish the work started in the 15-17 biennium.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- OFM is required to contract with the WA-APCD lead organization, which is responsible for internal governance, management, funding, and operations of the database. The lead organization must sub-contract with a data vendor that will perform data collection, processing, aggregation, extracts, and analytics. Funding will be used for expenditures related to deliverables described in the WA-APCD lead organization contract and statements of work.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail: OFM anticipates the implementation of the WA-APCD will be completed during the 2017-19 biennium and that quarterly reporting will begin mid FY 2018.

Fully describe and quantify expected impacts on state residents and specific populations served.

The WA-APCD will:

- Assist patients, providers, and hospitals in making informed choices about care;
- Enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practice;
- Enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and
- Promote competition based on quality and cost.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: Reporting from the WA-APCD will be used at the regional/county level to inform innovation development by the Accountable Collaboratives of Health under Healthier WA.
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	Yes	Identify: This work responds to Chapter 43.371 RCW, which directs OFM to establish the WA-APCD.
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

No other alternatives have been explored. The grant has already been awarded. This decision package is simply requesting the authority to spend the funds.

What are the consequences of not funding this request?

The project would have to be stopped.

How has or can the agency address the issue or need in its current appropriation level?

The appropriation from the 15-17 biennium was removed at carryforward level, so we don't have the authority to spend the funds.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Contract with the lead organization	\$2,868,461	\$1,131,539	0	0
Total Cost	\$2,868,461	\$1,131,539		

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

- Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
- Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
- Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121.](#)) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

2017-19 Biennium Budget Decision Package

Agency: Office of Financial Management

Decision Package Code/Title: M2 – CF / CFL Impacts of the 2016 Supplemental Budget

Budget Period: 17-19 Biennium

Budget Level: Maintenance Level

Agency Recommendation Summary Text: A veto in OFM’s 2016 supplemental budget impacted the Carryforward Level (CFL) calculations for the 17-19 budget.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	\$290,000	\$357,000	\$290,000	\$357,000
Total Cost	\$290,000	\$357,000	\$292,000	\$357,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$290,000	\$357,000	\$292,000	\$357,000

Package Description

In the 2016 Supplemental Operating Budget, the Legislature transferred \$14,610,000 of OFM’s GF-S expenditure authority into a revolving fund. The Governor objected to the principle of having OFM be a revolving fund agency because charging agencies for these services could create the perception of unfairness, as agencies would likely receive services disproportionate to the amounts they would be charged. The veto attempted to restore as much GF-S expenditure authority as possible by vetoing the reduction in GF-S. This restored all but \$1,128,000 of OFM’s expenditure authority, and forced OFM to use \$1,128,000 of the revolving account to cover the shortfall.

Since the veto nullified all OFM’s 2016 Supplemental GF-S expenditure changes, the carry forward steps in OFM’s budget reverse every single 2016 supplemental GFS transaction. The net impact is zero. However, this approach meant that the ongoing costs, or savings, that would have been carried forward in OFM’s budget if not for the veto have not been accounted for. This decision package reconciles that difference.

If all the supplemental changes had been one-time, there would be no need for a technical correction because the amounts currently in OFM's budget (15-17 appropriation + 0 for the '16 supplemental) would be correct. If all the supplemental changes had been ongoing at the costs listed in the discreet steps in the '16 supplemental budget, OFM would seek to restore the full \$1,128,000 needed to continue paying these increased costs. However, the actual ongoing cost implications are a combination of ongoing costs, one-time costs, and bow waves, as shown in the attached spreadsheet.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This decision package brings OFM's base budget back to the correct level.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- Amounts are based on the calculated effects of the veto on the OFM 2016 supplemental budget. See attached spreadsheet.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail: N/A

Fully describe and quantify expected impacts on state residents and specific populations served.

None

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen? **None**

What are the consequences of not funding this request?

OFM's 17-19 budget calculations are not accurate and the agency was shorted \$647,000.

How has or can the agency address the issue or need in its current appropriation level?

The agency cannot address the issue within its current appropriation level.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency:

Decision Package Code/Title: Desktop Support Services

Budget Period: 15-17

Budget Level: ML

Agency Recommendation Summary Text:

The Office of Financial Management requests \$928,000 to pay Consolidated Technology Services (WaTech) for Desktop Support Services in the 2017-19 biennium. This service includes end user device connectivity to the Washington State Secure Government Network and the Internet. CTS ensures all the services, equipment and platforms used remain in compliance with IT policies and standards set by the Office of the Chief Information Officer.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	\$464,000	\$464,000	\$464,000	\$464,000
Total Cost	\$464,000	\$464,000	\$464,000	\$464,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$464,000	\$464,000	\$464,000	\$464,000

Package Description

Consolidated Technology Services (CTS) provides Desktop Support Services to eligible customers for a fee. Eligible customers include entities entitled to use this service, by law. The service includes end user device connectivity to the Washington State Secure Government Network and its resources, other state resources, and the Internet. CTS is responsible for ensuring all the services, equipment and platforms

used remain in compliance with IT policies and standards set by the Office of the Chief Information Officer.

Specific services include: Workstations (desktops/laptops), asset management, cabling, operating system, Microsoft Office Productivity Tools, Email, Local Area Network (LAN) support, IT Security & Compliance Services and all the staff that support these products and services.

When the Information Services Division was moved from OFM to the Department of Enterprise Services (DES), a service level agreement was entered into outlining the services and costs for DES to provide IT support. OFM had been paying \$1,253,350 per fiscal year for desktop support services. This function was moved from DES to CTS in the 15-17 biennium. CTS changed the rate structure for providing desktop support from an FTE basis to a per device basis. The cost for this service is approximately \$5,000 per year for each device supported. The change in rate structure increased the cost to OFM by \$464,000 in FY16, and it is assumed the increased cost will be the same in FY17. These costs will be ongoing.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

This is not a new service. OFM had the funding in its base budget to pay the cost of the service when it was being provided by DES. OFM does not have the funding to pay for the increased costs based on the new rate structure.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

The calculations are based on the annual charge from WaTech of \$5,000 per device. The amount requested in this decision package represents the increased cost of service from CTS above what was being charged by DES.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Desktop computing is a basic office and communication tool that agencies must have to function.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

N/A

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

At this time no alternatives have been explored. One possible alternative would be to explore the option of providing our own desktop support in house. Another possible alternative would be to explore the option of contracting with a non-state entity to provide desktop support.

What are the consequences of not funding this request?

OFM would not be able to pay the amount invoiced by WaTech for the cost of desktop services.

How has or can the agency address the issue or need in its current appropriation level?

The issue cannot be addressed within OFM's current appropriation level. The amount previously paid to DES for desktop support closely matched the amount in OFM's base budget when their desktop support was provided in house.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Desktop support	\$464,000	\$464,000	\$464,000	\$464,000
Total Cost	\$464,000	\$464,000	\$464,000	\$464,000

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121.](#)) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

2017-19 Biennium Budget Decision Package

Agency: Office of Financial Management

Decision Package Code/Title: M2-HC / Health Care Pricing Grant

Budget Period: 17-19 Biennium

Budget Level: Maintenance Level

Agency Recommendation Summary Text: The Office of Financial Management (OFM) is requesting a renewal of the unspent 2015-17 Health Care Pricing grant authority.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2	\$1,578,000	\$1,578,000	0	0
Total Cost	\$1,578,000	\$1,578,000	0	0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	.5	.5	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2	\$1,578,000	\$1,578,000	0	0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. C	\$1,578,000	\$1,578,000	0	0

Package Description

- The Office of Financial Management (OFM) is requesting a renewal of the unspent 2015-17 Health Care Pricing grant authority. The purpose of the grant is to establish a process for the annual review of health insurance premiums to protect consumers from unreasonable, unjustified and/or excessive rate increases.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

This is not an expansion or alteration of a current program or service. This proposal continues the work that was started in the 15-17 biennium.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- The assumptions are based on the grant budget which was approved by the Department of Health and Human Services.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

The purpose of the grant is to establish a process for the annual review of health insurance premiums to protect consumers from unreasonable, unjustified and/or excessive rate increases.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

No other alternatives were explored. The grant has already awarded to OFM. This decision package simply requests the authority to spend the remaining grant funds and complete the project.

What are the consequences of not funding this request?

The Office of Financial Management would be unable to finish the project that has been started.

How has or can the agency address the issue or need in its current appropriation level?

The federal appropriation authority was removed at carryforward level, so the agency does not have sufficient appropriation authority to complete the project.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: Office of Financial Management

Decision Package Code/Title: AD – Accounting Division CAFR Requirements

Budget Period: 17-19

Budget Level: Policy Level

Agency Recommendation Summary Text: The Governmental Accounting Standards Board (GASB) has recently passed new standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. Additional resources are needed to implement the standards for the state’s Comprehensive Annual Financial Report (CAFR).

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	\$131,000	\$126,000	\$126,000	\$126,000
Total Cost	\$131,000	\$126,000	\$126,000	\$126,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.0	1.0	1.0	1.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	\$75,000	\$75,000	\$75,000	\$75,000
Obj. B	\$25,000	\$25,000	\$25,000	\$25,000
Obj. E	\$24,000	\$24,000	\$24,000	\$24,000
Obj. G	\$2,000	\$2,000	\$2,000	\$2,000
Obj. J	\$5,000	0	0	0

Package Description

- Add an additional FTE to Accounting Division to implement new GASB standards for Other Postemployment Benefits (OPEB) and leases and ongoing work on pension standards in order to fulfill CAFR requirements.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this

information). Currently, the Accounting Division within OFM has 13 FTEs and operates on a budget of approximately \$1,520,000 per fiscal year. During the 15-17 biennium an additional part-time FTE was brought on to help with the implementation of the new Pension GASB standard. With the addition of the new GASB OPEB standard in FY 18 and Leases standard in FY 20 an additional FTE is needed to help with implementation and ongoing effort of these new CAFR reporting requirements.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- It is assumed we would need one additional FTE to implement the new GASB standards. The annual salary level of \$75,000 is consistent with other Financial Consultants within the Accounting Division. There will also be benefit, travel and goods & services costs associated with the FTE that will be ongoing. There will be a one-time cost for the purchase of a PC and office furniture.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail: The Office of Financial Management Accounting Division expects to continue to meet GASB standards and complete the state's Comprehensive Annual Financial Review (CAFR) with 120 days of the close of the fiscal year.

Fully describe and quantify expected impacts on state residents and specific populations served.

Providing a CAFR with 120 days that complies with GASB standards and receives a GFOA "Certificate of Achievement for Excellence in Financial Reporting" improves the state's reputation with bond rating agencies for accurate and timely financial reporting which improves state's ability to sell bonds.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Provide direction to all state agencies on the implementation of the new GASB standards.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The Accounting Division provides policy guidance and training on accounting procedures to all state agencies, boards, commissions, colleges and universities. This guidance and training is critical to ensure timely and accurate financial data necessary to produce the CAFR.

What alternatives were explored by the agency and why was this option chosen?

Using vacancy savings to hire a part-time FTE in the 15-17 biennium helped, but it is not sustainable within existing resources.

Staff time could be directed away from providing policy guidance and training to state agencies in order to implement the new GASB standards. However, this could lead to other accounting and reporting errors because agency staff are not receiving proper guidance and training.

Adding an FTE to implement the new GASB standards will maintain the agency's ability to produce a high quality CAFR while also meeting other agency mission critical functions.

What are the consequences of not funding this request?

Deficiencies in the state's CAFR could lead to not receiving the "Certificate of Achievement for Excellence in Financial Reporting", which could affect the state's reputation with bond rating agencies for accurate and timely financial reporting and decrease the state's ability to sell bonds.

How has or can the agency address the issue or need in its current appropriation level?

With some vacancy savings, the agency was able to bring in a part-time FTE to assist with the implementation of a new GASB standard. However, this is not sustainable within our current appropriation level.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 1050 – Office of Financial Management

Decision Package Code/Title: – OFM Enterprise Content Management

Budget Period: 2017-19

Budget Level: Policy Level

Agency Recommendation Summary Text:

Review, plan, and implement an Enterprise Content Management (ECM) system.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 466-1	\$520,000	\$202,000	\$95,000	\$98,000
Total Cost	350,000	32,000	32,000	32,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0
	0	0	0	0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	0	0	0	0
Obj. B	0	0	0	0
Obj. E	\$520,000	\$202,000	\$95,000	\$98,000

Package Description

OFM does not have a single comprehensive and modern solution to search, retain, hold and track documents related to litigation holds and public disclosure requests, thus increasing expenses and our exposure to risk.

OFM currently lacks a comprehensive and modern process for determining whether documents have been properly disposed of in accordance with records retention schedules, and to track the destruction or deletion of files and emails from staff PCs, shared drives, Outlook, and the Vault.

OFM also stores multiple copies of the same documents across multiple storage arenas. Multiple copies of the same document can cause confusion, inhibit smooth workflow and increase the agency storage costs.

Difficult search processes increase waste by requiring staff to use a great deal of time searching or recreating mission-critical documents.

Review, plan, and implement an Enterprise Content Management (ECM) system was included as part of the OFM Strategic Plan ensuring employees have the tools needed to do their jobs effectively.

The funds requested in the decision package will be used for the initial purchase, installation, configuration, training, and licensing of an ECM solution. Ongoing costs are for the annual software maintenance. There are costs for the first three years to fund a project manager position to assist us with oversight of the project.

WaTech, as our IT provider, will be a partner in the implementation and deployment of this system. After successful implementation at OFM, we plan to deploy the system to the Governor's Office. After that, WaTech can offer the system as a statewide solution to other agencies struggling with ECM.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

N/A

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

There is a onetime cost of \$350,000 to purchase the ECM software. Ongoing costs for software maintenance is \$35,000 a year. There is \$80,000 per year to bring on a part time contract project manager with ECM experience for the first two years to help coordinate and facilitate the transition to the new ECM application. There is \$90,000 per year the first two years for WaTech staff time for the implementation of the solution. There is an ongoing WaTech support costs of \$60,000 per year after the project is complete.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Outcomes for this project will be increased collaboration within work groups; automated workflows that increase efficiency and reduce paper; and reduced staff time spent searching for documents. It will also lead to on-time destruction of records that have met retention and a reduction in redundant, obsolete, and transient documents. Improved search capabilities will also enhance response time and reduce the risk of inadvertently overlooking responsive documents for both records requests and litigation holds.

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Performance Measure detail:

N/A

Fully describe and quantify expected impacts on state residents and specific populations served.

The impacts to state residents is that they will receive more timely and accurate information when submitting their Public Record Requests.

An ECM solution will allow OFM staff to spend less time on Litigation Holds, Discovery Requests, and Public Records Requests allowing them to focus on other tasks that provide greater value to the residents of Washington.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Secretary of State Attorney Generals
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:

Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		<p>ESSB 6002 2014 Supplemental Operating Appropriations requiring state agencies to reduce the amount of paper they send to the state records center.</p> <p>OFM was a participant in the OCIO Sponsored Information Governance Initiative and would likely show leadership to other agencies to help encourage adoption of information governance principles.</p> <p>WA State Auditor's Office Performance Audit report <i>The Effect of Public Records Requests on State and Local Governments</i>.</p>

Please provide a detailed discussion of connections/impacts identified above.

ESSB 6002 2014 Supplemental Operating Appropriations - *By implementing an ECM System we will be able to digitally archive records instead of sending boxes of paper to the State Archives. This would also allow records that have been digitally archived with the State Archives to be accessed electronically instead of having to manually pass boxes back and forth. This will also help OFM meet the requirement to reduce future paper archival volume with the Secretary of State's Office by the legislatively mandated 10%.*

Attorney General's Office - *An ECM would reduce the amount of time required to respond to discovery requests from the Attorney General's Office.*

WA State Auditor's Office Performance Audit report - *The Effect of Public Records Requests on State and Local Governments that staff time needed to locate, review, redact and prepare public records for release to be 90% of the cost of a public records request. It is also noted in the report that governments who participated in the survey reported more than \$10 million dollars in public disclosure litigation costs in the most recent year alone.*

The report also identifies that "Advances in technology have transformed the way governments conduct their business and increased the amount of digital information they must manage. Maintaining records today requires investments in information technology to organize, store, secure, search and inventory records, and trained employees to manage them."

What alternatives were explored by the agency and why was this option chosen?

The only other option is to continue to operate in the status quo.

What are the consequences of not funding this request?

Not funding this project will continue to put OFM with an increased risk related to public disclosure and litigation holds and take valuable staff time away from more value added work.

How has or can the agency address the issue or need in its current appropriation level?

We cannot address this issue within our current appropriation level. We can continue to practice data governance, but would not be able to implement an ECM system to assist with this and make it a less manual process.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

WA State Auditor's Office Performance Audit report The Effect of Public Records Requests on State and Local Governments - http://www.sao.wa.gov/state/Documents/PA_Public_Records_2-pager.pdf

Paper Records Reduction Workgroup - <http://www.sos.wa.gov/archives/RecordsManagement/Paper-Records-Reduction-Workgroup.aspx>

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
ECM Software Purchase	\$350,000			
ECM Software Maintenance		\$32,000	\$35,000	\$38,500
Total Cost	Enter Sum	Enter Sum	Enter Sum	Enter Sum

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

- Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
- Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
- Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

2017-19 Biennium Budget Decision Package

Agency: **105 Office of Financial Management**

Decision Package Code/Title: **1W / One Washington Program**

Budget Period: **2017-19**

Budget Level: **PL-Performance Level**

Agency Recommendation Summary Text:

One Washington is a comprehensive business transformation program to modernize and improve aging administrative systems and related business processes that are common across state government. This request will allow for readiness activities related to data business warehouse planning and system integrations and contracting with a strategic partner for the design of the long-term program blueprint that will detail the readiness, planning and implementation activities of the next four biennia.

One Washington will help ensure we have access to data that is accurate, available in a timely fashion, and meets the business needs of decision makers.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for four years. Additional fiscal details are provided below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 466	\$6,421,846	\$2,986,846	\$2,596,846	\$2,206,846
Fund 108	\$1,237,000	\$1,237,000		
Total Cost	\$7,658,846	\$4,223,846	\$2,596,846	\$2,206,846
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	7	7	7	7
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 466	\$1,921,846	\$2,986,846	\$2,596,846	\$2,206,846
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	\$666,684	\$666,684	\$666,684	\$666,684
Obj. B	\$203,064	\$203,064	\$203,064	\$203,064
Obj. C	\$5,332,298	\$1,932,298	\$1,542,298	\$1,152,298
Obj. E	\$1,405,000	\$1,405,000	\$168,000	\$168,000
Obj. G	\$16,800	\$16,800	\$16,800	\$16,800
Obj. J	\$35,000	0	0	0

Package Description:

One Washington's innovation and improvement efforts will focus on processes, reporting and systems that support the administrative areas of finance, procurement, budget and human resources.

The state budget and accounting act (RCW 43.88.160) requires provision of "a modern and complete accounting system for each agency..." The current suite of enterprise financial and administrative systems, for the State of Washington can no longer be considered complete and modern. The state's mainframe accounting system was first implemented in 1984, over 33 years ago. Similar to other state and local governments, universities and private corporations, the state's older financial systems don't meet modern high demands for business information and analytics, data-driven process improvements, decision support and transparency. The state's existing technology and business practices have become obsolete, limiting, and are at growing risk of a future failure. Integration with other systems is costly and difficult, and the lack of modern functionality in the current central financial and business systems leads to the creation of duplicate systems among state government agencies that implement ways to meet their business and legal requirements on their own.

Over the next four biennia, One Washington will take an all-inclusive, continual look at the state's collective business processes to identify key functions that need to be connected, made consistent and managed in a unified, cohesive manner to provide better information and data that can ultimately support better decisions. Creating consistency and commonality for these business processes and enterprise systems will improve the statewide collection of critical data, integrity of the data collected, accuracy through consistent business processes and common systems, transparency of data and information, data conversion for insights for decision making, prevention of catastrophic system failures and budget development, planning and management. This result of accurate, timely, and accessible data will facilitate opportunities to provide better data to the public, as well.

In the 2017-19 biennium, One Washington will contract with a strategic partner for the design of the long-term program blueprint that will detail the readiness, planning and implementation activities; expand change management and readiness activities to ensure all agencies are included and informed; continue work on refinement of the state's chart of accounts; develop a plan for the retirement of the mainframe financial system; development of a request for proposal (RFP) for the core financial systems replacement; continue procurement readiness activities; update the business intelligence strategy; and add change management and contracts support for the program. More detail regarding these activities is available in the **Second Biennium** section below.

This package builds on the work completed in previous biennia and will position the state to move forward in a cost-effective manner over the next four biennia as it replaces aging administrative and financial systems.

Business case: The 2013-15 operating budget provided resources to develop a plan and strategy for replacement of the state's enterprise reporting and planning (ERP) systems. The One Washington program was established to perform the strategy and planning. The One Washington team worked with 16 state agencies representing a cross-section of state government. The state contracted with the management consulting firm Accenture to perform assessments and develop a business case for transforming processes and replacing the core financial systems. The Accenture team included individuals with experience in state business management and ERP implementation. The resulting business case is available at <http://one.wa.gov/>.

In the business case, different applications that support budgeting, accounting, payroll, revenue, expenditures and assets were identified as functions found in a modern ERP system. The Washington systems are joined together using a combination of aging technology and outdated computer coding, requiring significant effort to translate and integrate information. The core general ledger system has been in operation for 30 years and other applications have been implemented over the past three decades. However, some critical government business processes, such as grant accounting, are not currently supported by an enterprise application. Other functions like procurement are incomplete with applications serving very specific purposes, but no application supporting the entire procurement process. As a result, agencies solve problems with workarounds such as developing agency specific databases, spreadsheets or specialized in-house applications. The current collection

of applications are aging, not well integrated with one another, do not readily produce needed information, and require substantial efforts by staff to function. What is lost is the power of enterprise data to support decision making, consistent business processes and effective use of resources.

Of the 170 systems identified in the business case, 138 can be decommissioned once modern finance and procurement systems are implemented. Implementation of the enterprise systems is critical for the following reasons:

- OFM no longer provides a modern, complete accounting system as required by law. This is a significant barrier to transformation.
- The state's approach to supporting financial management processes is no longer modern.
- The enterprise financial system suite is incomplete, leading to system duplication, workarounds and manual processes.
- It is costly and difficult to meet today's demands for decision-support and transparency information.
- We have the oldest statewide mainframe accounting system in the nation, putting us at risk of catastrophic failure.

In the business case it is estimated that to fully transform the state's business processes, it would take five to seven years and \$300 to \$500 million. However, implementing an ERP system over four to five biennia rather than two to three could raise the cost.

First Biennium:

During the 2015-17 biennium, One Washington began change management activities. Our preparation focused on six areas. These areas, or work streams, included planning for implementing systems and readiness preparation activities. Each work stream was designed to help prepare the state for an integrated approach to business processes and supporting systems. The ultimate goal is to provide accurate, usable data for decision makers in all the statewide enterprise areas:

- *Strategic integration partner selection.* Work in this area involves a nontraditional approach to choose a strategic partner and implementer to help with the planning, phasing and structuring of our implementation strategies. The strategic partner will help us to create a blueprint of the phases and implementation projects that we can achieve in strategic, incremental and fundable phases. This biennium we have performed market research, prepared a RFP, and established evaluation criteria to choose the strategic partner with the goal of beginning work on the creation of the blueprint in July 2017.
- *Chart of accounts (COA) improvement project.* This biennium we partnered with a vendor who performed a review of our current chart of accounts and created a future state chart of accounts. In financial system implementations, it is best practice to review, amend and prepare a chart of accounts for a new system environment. With completion of the design for the future state COA, we have established a COA governance process and standardized the use of the coding element Expenditure Sub-Sub-Object in the State Administrative and Accounting Manual (SAAM). We have documented this effort to create a repeatable process for further COA refinement prior to a financial system implementation. This is important work that positions One Washington for the next phase of work, implementation of an enterprise financial system
- *Procurement readiness.* We have documented the procurement processes of ten agencies to identify opportunities to improve and standardize data. With the collaboration and support of the Procurement Customer Advisory Group, we will identify the essential standard data and business processes that a statewide procurement system would need to collect for data transparency, required reporting and statewide decision making. This work of setting common expectations will begin preparing the state for the process of defining business requirements for an enterprise procurement system.
- *Transportation readiness.* We are partnering with the Washington State Department of Transportation (WSDOT) to identify business and accounting requirements of its current separate financial system.

Through this collaboration we will determine commonality, WSDOT specific requirements and opportunities for enterprise systems that all state agencies, including WSDOT, can use.

- *Facilities portfolio management tool.* This is a project to implement a software solution to provide a statewide facility portfolio management and inventory tool. This portfolio inventory will be used for the state budget process. This project will be completed this fiscal year and provides us an opportunity to demonstrate change management on a statewide level, as well as provide communications that reach all state agencies and deploy statewide training for a diverse audience. These will be great lessons learned on a successful project that we can apply to a larger statewide system implementation.
- *Budget systems modernization.* This is a project to upgrade the OFM budget development suite by leveraging the implementation of Legislative Evaluation and Accountability Program (LEAP) applications.

Second Biennium:

This decision package supports efforts during the second biennium. We will continue the readiness work started in the first biennium and provide funding for additional readiness activities in the areas of data business warehouse planning and system integrations. It also will support the integral work of the strategic partner and design of the long-term program blueprint that will detail the readiness, planning and implementation activities of the three future biennia. This will get us from where we are today to the ultimate vision of statewide enterprise systems that will provide accurate, timely data. This approach lays out the vision into incremental projects that we will request funding for over the next six to eight years. Due to the complexity and inherent nature of a large transformation initiative of this type, we will learn new information in every phase of the program and incremental project and refine our numbers and requests as we learn.

Objectives for the next biennium include:



Change Management and Communication Activities

- Add a change manager to support change management activities and communication necessary for a successful One Washington program.
- Expand change management and readiness activities to ensure all state agencies are included and informed.

COA Improvements

- Continue work on refinement of the chart of accounts started in the 2017-19 biennium.
- Continue work for the future state chart of accounts in preparation for implementation of an enterprise financial system in fiscal year 2019.

WSDOT Readiness

- Conduct readiness activities in support of the One Washington business transformation program.
- Provide detailed analysis required to document the unique processes, systems, and needs of the agency in order to participate fully in the One Washington program.
- Document the WSDOT Transportation Reporting and Accounting Information System (TRAINS) and current multilayered accounting methodology not currently supported by the statewide accounting system (AFRS).
- Document the impact on systems like the Capital Project Management System (CPMS) process for the agency to support WSDOT's requirements in an enterprise financial system.
- Develop an organizational change management (OCM) approach concurrent to the analysis to prepare for the change through detailed business and system impact assessments, communication and engagement plans, agency-wide stakeholder analysis, and in-depth planning sessions with key stakeholders.

Blue Printing

- Development of a blueprint of the One Washington enterprise business process transformation. This will be the first statement of work for the strategic partner. This blueprint will define incremental project implementations that we can fund and accomplish. This work will help us define the financial need for this program and refine the five biennia schedule we have included in this request.

Mainframe and Integration Plan

- This objective will contract with a consultant to create a plan for retirement of the mainframe system that the Agency Financial Reporting System (AFRS) lives on today, as well as identify all current integrations with AFRS and create a transition plan necessary for a new financial system.

Core Financial System Requirements and RFP

- This objective will prepare us for an implementation of a core financial system.
- Work will include market research, to see what software solutions are available.
- We will gather and document business requirements that are common across state government and essential for an enterprise system.
- We will prepare the necessary RFP documents for the core financial system and related services.
- We will ask for the funding for the core financial system in the supplemental budget for fiscal year 2019.

Procurement Readiness

- We will continue the readiness activities for the preparation of the implementation of an enterprise procurement system that we started in the 2015-17 biennium.

Business Intelligence Strategy

- We will contract for services to update the data business intelligence plan for statewide enterprise systems that was created in 2010. This enterprise data business intelligence plan will create a strategy to follow as we implement enterprise systems, so that the data will be usable in a connected, collective way, providing transparency and access to decision makers.

One Washington Program

- Creation of an enterprise governance structure for data and the overall project to develop a process timely project decision making and potential oversight of other enterprise systems.
- Add a contracts manager to assist with contract creation and administration of One Washington contracts.
- Establish a long-term relationship with a strategic partner that will partner with One Washington to transform business processes and implement systems to provide quality data for decision makers.
- Continue funding of existing positions and contracts for the program including project director, administrative support and contracted project management.

Work in this biennium will continue focusing on readiness of the enterprise, transformation of business processes, with the highlight being the work with the strategic partner to create the blueprint detailing specific project pieces we will implement in phases over the next few years. The first version of the blueprint will be available in the fall of 2017 to facilitate a supplemental request for the first phase of a core financial system replacement.

Third Biennium:

The request for the 2019-21 biennium will continue implementation of the core financial system beginning in fiscal year 2019 and begin work on expanded financials that would include functions like grants management, project accounting, expense reporting and reimbursement.

In the 2019-21 biennium, implementation of a statewide procurement system will begin.

Fourth Biennium:

The request for the 2021-23 biennium will continue the implementation of the expanded financial system functionality that will begin in fiscal year 2020.

In this biennium, work will begin on implementation of a statewide enterprise budgeting system.

Fifth Biennium:

The request for the 2023-25 biennium will address the Human Resource and Labor Relations system needs.

In this biennium, work on the Data Business Warehouse functionality processes and reporting will be completed, ensuring all state data collected in enterprise systems is usable in a common data warehouse.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and full-time employees (FTEs) by fund and activity (or provide working models or backup materials containing this information).

In the 2015-17 biennium, \$2 million was allocated for the program. Funding covered program administration, contract program management, and the contract to create the Chart of Accounts Redesign Report. The following activities were completed:

- Completion of the design of the future state chart of accounts.
- Statewide governance process was established for the new chart of accounts.
- The first phase of the chart of accounts work was completed, creating consistency in the expenditure sub sub-objects.
- Procurement processes were documented, identifying the need to gain agreement on enterprise common data and common business processes (additional work is still needed in this area prior to documenting business requirements for a statewide enterprise procurement system).
- Readiness work with WSDOT was started to prepare for WSDOT financial system integration into an enterprise system (additional work is necessary in this area).
- Market research for the procurement of a strategic partner.
- A competitive procurement process was developed for the selection of a strategic partner.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- The costs in this decision package are in addition to the \$2 million in our carryforward level (CFL) budget. The CFL funding will be used to pay for the One Washington Program Director and Administrative Assistant FTEs, as well as contract program management staff.
- It is assumed seven new FTEs will be needed to accomplish the planned work in the 2017-19 biennium. Five of the FTEs will be business analysts that will work on documenting financial system requirements, procurement readiness and continued chart of accounts improvements. These are different than the 3 existing Business Analysts in the Data and Information Technology group that provide service to the existing business portfolios and systems. There will also be a contracts manager to assist with contract creation and administration of One Washington contracts, and a change manager to support change management activities and communication necessary for a successful One Washington program. These costs would be ongoing. See attached staffing model for a breakdown of the costs by object of expenditure.
- In addition to the new FTEs, there will be a variety of contracts to accomplish the other tasks planned for the 2017-19 biennium. A large share of these costs will occur in FY 2018 with some costs going into FY 2019 and beyond. See attached spreadsheet for a breakdown of the contracts by task
- The revenue to cover the costs of the program will be generated through billings to other agencies. The allocation of costs will be done using the central service model based on the FTE counts for each agency. Fund 466 currently has an excess cash balance of approximately \$4.5 million, due to lower than expected costs of the TLA Debt repayment in 2015-17. The excess cash balance will be used to pay for costs in FY 2018, which will reduce the amount that needs to be billed out.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect? Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

- Produce a blueprint of the One Washington program, timelines and incremental projects.
- Produce a Mainframe and Integrations Plan.
- Produce an Enterprise Data Business Intelligence Plan.
- Document requirements for an enterprise financial system.
- Produce documents for the procurement of an enterprise financial system.
- Produce a Change Management Plan for the transition of WSDOT to an enterprise financial system.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

The ultimate goal of this business transformation program is to provide better data to decision makers.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: This program affects all state agencies.
Responds to specific task force, report, mandate or exec order?	Select Y/N Yes	Identify: Statute mandating modern financial and administrative systems.
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

All state agencies and decision makers need data and systems. Since there are not viable enterprise systems, agencies continue to request systems and solutions that serve only their agency and do not provide statewide data for decision makers. If the state could provide viable enterprise systems, all agencies would benefit.

What alternatives were explored by the agency and why was this option chosen?

The financial roadmap project which focused on the replacement of the current mainframe financial system started in the early 2000's but was discontinued due to the recession. The effort was renewed in 2013 with the business case. In the 2015-17 biennium, funding provided the ability to complete many enterprise readiness activities. This biennial request is the continuation of this important work. There are not any alternatives that have not been discussed, vetted and considered many times. This request is the best proposal after years of conversations, multiple studies and planning efforts. The state needs to replace this aged and frail financial system.

What are the consequences of not funding this request?

The current financial system is the oldest statewide mainframe financial system in the country. Other entities with this financial system have already replaced it due to fear of catastrophic failure. Without a financial system, the state would not be able to collect federal matching funds, pay vendors, collect receivables owed, or comply with federal, state and other reporting requirements.

How has or can the agency address the issue or need in its current appropriation level?

Current funding provides for One Washington administration ad contract program management. This funding is not sufficient to accomplish the detailed planning and gathering of business requirements necessary to move this program from the reparation stage to implementation of actual projects that will provide solutions that support our business process transformations.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this decision package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes – Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for the Office of the Chief Information Officer (OCIO) review