



A Report to the Legislature on Information Technology Expenditures

Prepared pursuant to:

**Section 715, Chapter 3, Laws of 2013, 2nd Special Session
(2013–15 Operating Budget)**

Office of Financial Management
Office of the Chief Information Officer

February 2014

Table of Contents

- 1** Executive Summary
- 1** Background
- 2** Summary of Efficiencies Implemented
- 3** Appendices
 - 3** Letter from OFM Director Directing Allotment Reductions for Information Technology Expenditures
- 5** Questionnaire to Agencies – 3ESSB 5034 Section 715 Information Technology Reduction Agency Reporting Requirements
- 6** Agency Reports

INFORMATION TECHNOLOGY EXPENDITURES

Section 715, Chapter 3, Laws of 2013, 2nd Special Session (2013–15 operating budget)

Executive summary

The Office of Financial Management (OFM) and the Office of the Chief Information Officer (OCIO) were directed to provide a compilation of agency efforts to generate efficiencies in the procurement, maintenance and operations of information technology, pursuant to Section 715 of the 2013–15 operating budget (Third Engrossed Substitute Senate Bill 5034). This report includes a summary and the detail of agency reports received.

Background

The operating budget directed OFM to reduce General Fund-State allotments by \$5 million to reflect savings through efficiencies in the procurement, maintenance and operations of information technology in state agencies. Accordingly, through a memo to agency directors (copy attached), OFM directed agencies to reduce General Fund-State allotments for IT expenditures using the methodology described below. In total, 35 state agencies were so directed.

For non-higher education agencies, OFM used the following methodology to allocate the allotment reduction:

- » Fiscal year 2012 actual agency spending on IT expenditures reported as X and Y data in AFRS, the Agency Financial Reporting System.
- » Applied central service model fund splits to estimate the General Fund-State portion of IT spending.

For higher education agencies, OFM used the following methodology to allocate the allotment reduction:

- » Self-reported FY 2012 actual agency spending on IT expenditures to the OCIO.
- » Estimated General Fund-State portion of IT spending based on total FY 2012 actual expenditures from General Fund-State, tuition and fees.

Section 715 also directed OFM and OCIO to provide a compilation of agency efforts in generating efficiencies in the procurement, maintenance and operations of information technology. OCIO and OFM requested all state agencies, regardless of whether they were directed to reduce General Fund-State allotments, to answer a questionnaire on IT expenditures. A copy of the questionnaire is included in the appendices.

A total of 40 agencies (23 of which were directly affected by the allotment reduction) responded to the questionnaire. Individual agency responses are attached to this report. Below is a high-level summary of the agency responses, including common themes and actions taken in response to the allotment reduction as well as agency activities related to IT expenditures.

Summary of efficiencies implemented

Procurement efficiencies

- » **Master contracts:** Agencies are using master contracts and cooperative procurement processes for acquiring technology. This approach eliminates or reduces the time and resources devoted to procurement and encourages an enterprise view of purchases, resulting in lower costs through volume discounts.
- » **Centralizing IT procurement decisions:** Several agencies noted they are improving their internal processes for approving purchasing decisions, and in some cases, these decisions are being centralized to reduce duplication and move toward greater standardization.

Maintenance and operations efficiencies

- » **Investing in technology to create efficiencies:** The State Auditor's Office has shifted to using mobile hotspots, allowing several auditors to work from the same connection instead of paying for individual connections. Many agencies are continuing to virtualize their servers and are moving toward desktop virtualization. Several agencies note they are exploring or moving to cloud technologies.
- » **Leasing equipment:** Several agencies noted they are opting to lease instead of purchase equipment.
- » **Eliminating underused equipment:** Agencies are implementing Lean practices, such as reducing IT inventory not being used. Some are also eliminating maintenance contracts.

Staffing changes

- » A few agencies reported they have reduced staff in response to the allotment reduction.

Delayed purchases

- » Most agencies reported delaying some IT purchases. For example, the Department of Ecology delayed the purchase of additional storage architecture investments and the Health Care Authority delayed purchasing business analytics and business intelligence infrastructure improvements.

Other cost savings

- » The Department of Corrections moved OMNI (the department's Offender Management system) off the mainframe to a distributed Windows environment, resulting in an annual savings of \$1.4 million beginning in FY 2015.
- » The University of Washington has invested in technologies that will result in significant savings to the institution and service improvements for students, including:
 - › MyPlan – Launched in January 2013, this online academic planning tool enables UW students to easily create and manage multi-year academic plans in consultation with their advisers to meet academic goals. This also gives the university detailed information about course demands and makes it much easier for the university to plan courses to meet demand.
 - › Tegrity – This web-based lecture and presentation recording service enables faculty on all three UW campuses to “flip the classroom” by recording lectures so students can view them any time through a browser or on a mobile phone, with class time reserved for interactive learning and collaboration.

Explored but not yet implemented strategies

- » Nearly half the agencies reported they are exploring the use of public and private cloud technology for infrastructure, services, security and storage.



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

September 25, 2013

TO: Agency Directors**FROM:** David Schumacher
Director**SUBJECT: ALLOTMENT REDUCTION FOR INFORMATION TECHNOLOGY
EXPENDITURES**

Section 715 of 3ESSB 5034 (Chapter 4, Laws of 2013, 2nd Special Session) directs the Office of Financial Management to reduce General Fund-State allotments for information technology (IT) expenditures by \$5.0 million for the 2013-15 biennium to “drive efficiency in state procurement, maintenance, and operations of information technology.”

For non-higher education agencies, OFM used the following methodology to allocate the allotment reduction:

- FY 2012 actual agency spending on IT expenditures reported as X and Y data in AFRS.
- Applied central service model fund splits to estimate the General Fund-State portion of IT spending.

For higher education agencies, OFM used the following methodology to allocate the allotment reduction:

- Self-reported FY 2012 actual agency spending on IT expenditures to the Office of the Chief Information Officer (OCIO).
- Estimated GF-S portion of IT spending based on total FY 2012 actual expenditures from General Fund-State, Tuition (149), and Fees (148).

Attached is the agency breakdown of allotment reductions to fulfill the requirements of Section 715. Please submit an allotment packet by October 7, 2013, using a packet purpose type of “Operating Legislative Allotment Reductions” to place your reduction in reserve.

Questions may be directed to your [assigned budget analyst](#).

cc: Agency Budget Officers

Attachment

2013-15 Omnibus Operating Budget, 3ESSB 5034, Section 715
General Fund-State Allotment Reductions
Information Technology Expenditures
(Dollars in Thousands)

Agency #	Agency	FY2014	FY2015	Total
020	Leg Eval and Accy Prg Com	(11)	(11)	(22)
038	Joint Legislative Systems Committee	(64)	(64)	(128)
040	Statute Law Committee	(7)	(7)	(14)
055	Administrative Office of the Courts	(139)	(139)	(278)
082	Public Disclosure Commission	(3)	(3)	(6)
085	Secretary of State	(14)	(14)	(28)
103	Department of Commerce	(3)	(3)	(6)
105	Office of Financial Management	(7)	(7)	(14)
107	Health Care Authority	(86)	(86)	(172)
140	Department of Revenue	(146)	(146)	(292)
225	Washington State Patrol	(39)	(39)	(78)
227	Criminal Justice Training Commission	(3)	(3)	(6)
235	Department of Labor and Industries	(3)	(3)	(6)
240	Department of Licensing	(9)	(9)	(18)
245	Military Department	(22)	(22)	(44)
300	Dept of Social & Health Services	(676)	(676)	(1,352)
303	Department of Health	(41)	(41)	(82)
305	Department of Veterans Affairs	(1)	(1)	(2)
310	Department of Corrections	(227)	(227)	(454)
315	Department of Services for the Blind	(2)	(2)	(4)
350	Superintendent of Public Instruction	(53)	(53)	(106)
353	Center for Child Deaf & Hearing Loss	(6)	(6)	(12)
357	Department of Early Learning	(4)	(4)	(8)
360	University of Washington	(214)	(214)	(428)
365	Washington State University	(122)	(122)	(244)
370	Eastern Washington University	(42)	(42)	(84)
375	Central Washington University	(31)	(31)	(62)
376	The Evergreen State College	(17)	(17)	(34)
380	Western Washington University	(31)	(31)	(62)
461	Department of Ecology	(41)	(41)	(82)
467	Recreation & Cons Funding Board	(3)	(3)	(6)
477	Department of Fish and Wildlife	(14)	(14)	(28)
490	Department of Natural Resources	(19)	(19)	(38)
495	Department of Agriculture	(4)	(4)	(8)
699	Community and Technical Colleges	(396)	(396)	(792)
Total		(2,500)	(2,500)	(5,000)

3ESSB 5034 Section 715 Information Technology Reduction Agency Reporting Requirements

Section 715(2) of the 2013-15 omnibus operating budget requires agencies to report at least annually to the Office of the Chief Information Officer (OCIO) and the Office of Financial Management (OFM) on efficiencies gained in state procurement, maintenance, and operations of information technology. General Fund-State agency allotments for information technology spending were reduced by \$2.5 million in Fiscal Year 2014 and \$2.5 million in Fiscal Year 2015 pursuant to Section 715(3).

Please answer the following questions regarding agency efforts for the 2013-15 biennium and return this form to Jill Satran (jill.satran@ofm.wa.gov) at the OCIO by **December 15, 2013**. OFM is then required to compile these reports and submit them to the fiscal committees of the Legislature at least every year beginning January 1, 2014.

What IT procurement efficiencies have you implemented in your agency?

What efficiency measures have you implemented in your IT maintenance and operations to generate savings?

What IT staffing changes have you implemented in your agency in response to the allotment reduction?

Have you delayed any purchases of IT infrastructure for your agency?

What other IT cost-savings initiatives have you implemented or expenses have you avoided? Please describe the change implemented and the results achieved.

What cost saving ideas is your agency exploring but have not yet implemented, or are there intra-agency or statewide IT savings ideas the OCIO should discuss?

IT PROCUREMENT EFFICIENCIES: What IT procurement efficiencies have you implemented in your agency?

Agency	Response
Accountancy, Board of	<p>The board gains IT efficiencies through:</p> <ul style="list-style-type: none"> › Using master contracts for procurement. › Carefully researching and planning IT Investments. › By always looking to other agencies for solutions before purchasing or planning.
Agriculture, Department of	<p>Agriculture uses a very efficient IT procurement process whereby all IT purchases are vetted to ensure business needs are sound. All IT purchases then require IT approval prior to purchase as a form of checks and balances.</p>
Attorney General, Office of	<p>Nothing to report at this time.</p>
Auditor, Office of the State	<p>Providing wireless connectivity to remote users has been changed from single wireless cards to Mi-Fi Hotspots that allow our auditor teams to use one hotspot per location.</p>
Community and Technical Colleges, State Board for	<p>Efficiencies include:</p> <ul style="list-style-type: none"> › Greater use of Washington state master contracts and WISCA contracts. › Cooperative procurement process with colleges and universities: CANVAS – Learning Management System and Lecture Capture. › Community and technical college system Adobe software agreement.
Corrections, Department of	<p>Corrections is in the process of performing a detailed review of our procurement activities, in consultation with our contracting and legal affairs unit, to ensure full agency compliance with the new regulations. In some cases, we have had to absorb more work because of the new procurement laws. As part of this process, we are looking at ways to Lean and simplify the procurement process, and to ensure competitive pricing and timely delivery of goods and services for DOC. At this point, we have implemented a few small changes, such as streamlining processes for imaging and delivery of leased personal computers.</p>
County Road Administration Board	<p>Adhering to careful budget management in determining the need, and then using the best possible purchasing options using state master contracts and smart-buys whenever possible.</p>
Criminal Justice Training Center	<p>Reduce yearly costs on data services with Internet access. Previously, our yearly subscription for T1 services through CTS was \$36,000. This past summer, we moved to Comcast Fiber and now pay \$18,000 a year, cutting our yearly fees in half.</p>

<p>Early Learning, Department of</p>	<p>To further take advantage of Microsoft’s academic pricing, DEL joined the WSIPC contract to leverage buying power through volume, resulting in lower annual licensing costs.</p> <p>Our server infrastructure is 90% virtual. This has reduced the number of servers that would have needed to be purchased and managed from 30 to 15.</p> <p>We use the software available through our Microsoft license to save on other vendor licensing and renewal fees.</p>
<p>Eastern Washington University</p>	<p>EWU’s Information Technology Division continuously strives to achieve procurement efficiencies by:</p> <ul style="list-style-type: none"> › Re-bidding or renegotiating all maintenance and licensing agreements as they renew. › Using Washington state master contracts and WISCA contracts where possible. › Aggressively negotiating pricing for new technology products such as licensing and purchase of equipment. › Standardizing, to the degree possible, the procurement specifications for similar type technology equipment and supplies. › Bulk ordering technology equipment to secure optimal pricing. › Establishing and working with the Washington Higher Education Technology Consortium, a cooperative that includes the technology leadership from the six four-year public universities and the State Board for Community and Technical Colleges to leverage the full negotiating and buying power that comes from statewide purchases. Examples of successes include: Canvas – Learning Management System and Tegrity Lecture Capture System.
<p>Ecology, Department of</p>	<p>For any IT-related acquisition (products or services), Ecology first looks for opportunities to leverage a current statewide master contract to minimize the administrative overhead of an agency-specific procurement.</p>
<p>Employment Security Department</p>	<p>Effective May 1, 2013, ESD changed IT procurement processes to purchase items less than \$1,000 directly from vendors. Previously all IT procurement activity went through DES’ Technology Purchasing Services. Working directly with the vendor provided efficiencies through eliminating steps and streamlining the purchasing process.</p>
<p>Enterprise Services, Department of</p>	<p>Leaned our IT procurement process and switched from using purchase orders to using purchasing cards. All IT purchases are now made with a purchase card except when credit cards are not accepted by the vendor. This has significantly cut down on procurement time and paperwork.</p>
<p>Financial Management, Office of</p>	<p>See responses from the Department of Enterprise Services, which is our IT service provider.</p>
<p>Fish and Wildlife, Department of</p>	<p>Process-mapped and streamlined our TAR (technology acquisition request) process. Removed superfluous steps. Temporarily appointed CIO as sole signature authority of all amounts for the purpose of validating process and enlightening post-procurement cost accounting methods and errors.</p>

Gambling Commission	IT procurement in the commission is centralized in the Information Technology Division. We continue to look for IT procurement efficiencies through an agency-wide cost savings process.
Governor, Office of the	See responses from the Department of Enterprise Services, which is our IT service provider.
Health, Department of	<p>We have established an IT governance board composed of chief administrators from each division to prioritize IT spending. This has helped our agency manage all IT spending at an enterprise level to better use existing IT resources. DOH is currently in a major IT transformation project (IT as a Service [ITaaS]), to standardize processes, reduce resource duplication and move to a service delivery model.</p> <p>All IT spending now goes through a review to ensure this matches directives, DOH divisional requirements, and guidance from federal agencies, the Legislature, OCIO, and DES. The main objective is to ensure we leverage standardization and future state objectives: Cloud (both private and public) vice host inside DOH data center, commercial off-the-shelf vice custom built applications in house, mobile technology enabled.</p>
Health Care Authority	HCA plans to continue to expand virtualization as opportunities arise and technology advances. This includes leasing versus purchasing equipment where it makes sense to minimize the total cost of ownership (e.g., with PCs) and increase efficiencies.
Industrial Insurance Appeals, Board of	Not subject to reduction.
Insurance Commissioner, Office of	As an agency that has maximized server virtualization and implemented a virtual private cloud that provides the entire computing infrastructure for the agency (production, development, testing and disaster recovery), OIC has continued with its virtualization efforts and replaced traditional desktop PCs with Wyse/Windows 7 thin clients. Implementing desktop virtualization in conjunction with server virtualization has streamlined service delivery for IT and created mobility and flexibility for end users. Over the lifecycle, the costs of delivering desktop computing will bend the cost curve for IT procurement and maintenance and effort.
Labor and Industries, Department of	We currently have a few Lean initiatives to improve the process for agency software purchase and maintenance. The team has met several times and is now defining the ‘to be’ process.

<p>Licensing, Department of</p>	<p>All purchases are sent to at least 3 potential suppliers to foster competition and to get the lowest price possible. This results in an average 3% to 8% savings per item.</p> <p>Large procurements of like equipment are consolidated to take advantage of price breaks from the pre-defined WSCA contract pricing. Resellers are willing to negotiate and the experience to date is that we save an extra 2% to 2.5%.</p> <p>We required that all purchases exceeding \$50,000 be reviewed by the Gartner research team so that it can give us buying intelligence on what the price points should be according to industry trends.</p> <p>We recently approved the process to allocate desktops or laptops based on job role in the agency. This will help us drive better use of desktops, which cost less to purchase and have fewer maintenance needs.</p>
<p>Military Department</p>	<p>The IT Division recently completed a Lean review of the IT purchasing process and implemented a complete revision of the Military Department’s purchasing process beginning at the customer level through the submission of the approved purchase order to the vendor. The process includes streamlined procedures for the customer requesting pricing to authorizing the completion of the purchase order.</p>
<p>Parks, Washington State</p>	<p>State Parks now leases all desktop and laptop hardware through DES with a 4-year replacement cycle. We replace approximately one-third of all hardware each year for 3 years. The lease bundles the support of an authorized service dealer that installs all the new equipment. This has made procurement of hardware more efficient and easier to budget.</p>
<p>Public Disclosure Commission</p>	<p>PDC uses all state master contracts when available, procuring software maintenance renewals through DES Leasing and Brokering first, and direct purchases through alternative vendors only as necessary.</p>
<p>Retirement Systems, Department of</p>	<p>DRS seeks to purchase from established central service master contracts. This contributes to shorter procurement times and cost savings. DRS continuously balances purchased asset benefits against cost and procurement times. If the cost-savings are significant enough to warrant extra effort in procurement or the purchase supports the agency’s IT strategic vision in such a way as to save cost in the near future, exceptions to the standard purchase process are considered.</p>
<p>Revenue, Department of</p>	<p>DOR continues to use WEBS to post acquisitions and has realized efficiencies through this method.</p>
<p>Secretary of State</p>	<p>We do price comparison on all hardware/software purchases.</p>
<p>Social and Health Services, Department of</p>	<p>If not already leasing, most programs in the agency have shifted from buying to leasing IT equipment. All programs in the agency are continuing to use longer replacement cycles for IT equipment. Many programs in the agency are continuing to scrutinize software licensing to ensure we are not over-buying or retaining software we no longer use or need.</p>

State Patrol, Washington	During FY14, WSP initiated a Lean effort to improve the purchasing and payment efficiency for IT. This will help implement initial strategies and identify possible areas for ongoing improvement. If these improvements are validated, they will be deployed across the agency in FYs 2014 and 2015. At this time, no specific savings areas have been identified.
The Evergreen State College	No procurement efficiencies were implemented in response to OFM's assigned \$17,000 annual allocation reduction. Instead the reduction was taken as a general operating budget reduction at the institutional level.
Traffic Safety Commission	WTSC processes IT procurements through the DES master contracts.
Transportation Improvement Board	TIB is a small agency (11 FTE), and procures very little IT equipment. No new procurement efficiencies were implemented in 2013.
Treasurer, Office of the State	None. DES dismantling of Technology Acquisition Services adds some procurement effort for our agency staff, but we are able to absorb the increased workload.
University of Washington	<p>The UW has implemented or expanded use of the following procurement efficiencies:</p> <ul style="list-style-type: none"> › Washington state master contracts › Cooperative procurement process with colleges and universities: <ul style="list-style-type: none"> • CANVAS – Learning Management System • Lecture Capture › Advance payment for central mainframe computer maintenance agreement pricing and reduced expenses by 28% (possible through passage of Third Substitute House Bill 2585 in 2012) › Leadership in the Internet 2 Project, including participation in shared technology contracts through NetPlus, such as: <ul style="list-style-type: none"> • Splunk Enterprise: A platform for real-time operational intelligence to search, analyze and visualize massive streams of machine data generated by IT system and technology infrastructure • Windows Azure: An open and flexible cloud platform that enables the building, deployment and management of applications across a global network.
Utilities and Transportation Commission	Wherever possible, we purchase equipment and software through established state master and WSCA contracts or through our agency's Microsoft Enterprise agreement. We usually purchase servers, computers and laptops that meet the Washington state standard configurations. The only recent exception has been the acquisition of our Microsoft Surface Pro tablets. As there was no contract in place for those tablets, we purchased them through Microsoft's channels.

<p>Veterans Affairs, Department of</p>	<p>DVA currently leases all computer, laptop and server equipment, which enables us to refresh our equipment every 4 or 5 years, and allows us to roll equipment cost into the budget as a recurring cost and planned expenditure. DVA is also adopting a shared printing concept in which we have replaced many end-of-life printers with leased, high-volume copier/printer/scanners to be shared in workgroups, with some positive budget results.</p>
--	---

M&O EFFICIENCIES: What efficiency measures have you implemented in your IT maintenance and operations to generate savings?	
Agency	Response
Accountancy, Board of	<p>Our efficiency measures include:</p> <ul style="list-style-type: none"> › Reducing the amount of IT inventory, both hardware and software, that must be maintained and/or stored (while not in use). › Using CTS' or DTS' services whenever possible to avoid additional support and/or maintenance costs. › Using such "free" services as forward proxy, network vulnerability scanning, SAW, etc.
Agriculture, Department of	<p>AGR has partnered with the Department of Natural Resources (DNR) in the data center in the Natural Resources Building. DNR is now hosting the majority of AGR servers in its virtual server environment in exchange for AGR Helpdesk personnel aiding with its annual PC refresh effort. AGR benefits by deferring the replacement purchase of approximately 5 servers each year.</p> <p>AGR is currently researching the financial benefits of implementing Information Technology Service Management tools and processes. The goal is to implement efficiencies in the IT Helpdesk that may free up agency IT FTEs to perform critical enterprise-level work that the agency is struggling to accomplish.</p>
Attorney General, Office of	Nothing to report at this time.
Auditor, Office of the State	<p>Our agency has leased laptops for our teams instead of purchasing saves by standardizing unit image, streamlines deployment process.</p> <p>We have streamlined the data backup of laptops to Iron Mountain, and purchased reusable, pre-built code for building applications.</p> <p>We have maximized staff resources through IT cross training and streamlining of processed functions.</p>
Community and Technical Colleges, State Board for	<p>Efficiencies include:</p> <ul style="list-style-type: none"> › Transitioning email to the cloud using MS Office 365. › Implementing cloud-based e-discovery tools. › Decommissioning Bellevue data and print center.
Corrections, Department of	<p>Our agency has:</p> <ul style="list-style-type: none"> › Eliminated 2 CTS-hosted servers. (\$15,000) › Eliminated 1 CTS-hosted firewall. (\$18,000) › Eliminated maintenance for WebSphere (Offender Management Network Information [OMNI] application middleware) on mainframe. (\$85,000) › Eliminated maintenance for ITCAMS (OMNI application monitoring) on mainframe. (\$24,000) › Received lower DASD rate from CTS and reduced DASD utilization for OBTS. (\$85,000) <p>Total savings note: The \$227,000 identified total savings are the DOC share of the statewide target as mandated by OFM.</p>

<p>County Road Administration Board</p>	<p>We achieved significant savings by implementing the use of virtual machines whenever feasible to cut down on hardware server costs and maintenance.</p>
<p>Criminal Justice Training Center</p>	<p>Due to licensing, warranty support maintenance and various subscriptions, the agency has not implemented any savings in maintenance and operations. However, we are looking into all-in-one solutions to reduce cost on services such as remote support, virus subscriptions and backup.</p>
<p>Early Learning, Department of</p>	<p>Monitoring VPN usage and mobile Wi-Fi device usage for low utilization. Subscribed to GovDelivery for our agency listserv, newsletter and cross-promotional communication needs, allowing us to communicate more effectively and efficiently while expanding our audience. While this service costs more than our previous listserv, it results in less staff time preparing and sending communications, which frees up time to work on other critical tasks.</p>
<p>Eastern Washington University</p>	<p>Eastern has implemented numerous efficiencies that have resulted in cost savings. Eastern has invested the cost savings generated from these efficiencies in IT, which continues to expand and advance throughout our campus. EWU’s Information Technology Division is providing more service to our campus with the same number of FTEs. As a result of this continuous evaluation and assessment, the IT Division has achieved a number of operational efficiencies, including:</p> <ul style="list-style-type: none"> › Re-bid or renegotiate all maintenance and licensing agreements as they are set to renew. › Consolidation of all IT staff institution-wide reporting to the Information Technology Division. › Re-engineered a number of units in IT for increased effectiveness and services: Technical Support; Help Desk; Technical Analysts (ERP Support); Instructional Support units; Network and Telecommunications; Data Center; Database Administrators. › Developed new units (with existing staffing) to respond to changing institutional needs: Project Management Office; Business Intelligence, Analytics and Decision Support; Application Development › Implemented institution-wide IT project process. › Implemented change management.
<p>Ecology, Department of</p>	<p>During the past 2 biennia, Ecology reviewed all IT maintenance, service-level and licensing agreements as they came up for renewal. Most agreements have been renegotiated to lower rates and multi-year renewal cycles. Multi-year renewal cycles typically create 10% to 50% in savings for each agreement. Savings achieved have been redirected to higher value services.</p>

<p>Employment Security Department</p>	<p>Effective May 2014, ESD will drop software assurance (SA) on Microsoft SQL licensing. ESD calculated that it would be more cost effective to drop SA, use the SA benefits to upgrade to the current SQL version as of May 2014, and then when the need arises, to upgrade beyond that to buy new licenses outright.</p> <p>It is estimated that the SA on MS SQL server licensing will be approximately \$600,000 (with MS core-based licensing SA renewal). Currently ESD is operating at the MS SQL Server 2008 version. It is estimated that ESD will stay with this version until 2016 (at the least), when ESD will upgrade to the latest version as of May 2014. It is also estimated that ESD will upgrade to a later version approximately in 2021. By not renewing SA in 2014, 2017 and 2020, ESD will save about \$1.8 million in SA renewal costs.</p>
<p>Enterprise Services, Department of</p>	<p>Virtualized 95% of all our servers which reduces the time needed to maintain equipment and allows us to be much more agile when making choices about hosting, upgrades, re-platforming, etc. Implemented software-defined storage to consolidate most of our storage and allow us to manage it from a single interface.</p>
<p>Financial Management, Office of</p>	<p>See responses from the Department of Enterprise Services, which is our IT service provider.</p>
<p>Fish and Wildlife, Department of</p>	<p>We are using Sunset ServiceNow-ITSM to leverage our recently upgraded MS ServiceManager 2012-R2, with Cireson Total Management Suite master pack enhancements. ServiceManager is integrated with 6 other core MS SystemsCenter products (e.g., Ops Mgr, COnfig Mgr, VM Manager, Orchestrator and more) that most state agencies already own under ELA. DFW did not have funds to continue ServiceNow at an approximately 5-year subscription cost of \$467,000. ServiceManager with the Cireson enhancements costs \$64,000 over 5 years, which includes both start-up and maintenance costs.</p>
<p>Gambling Commission</p>	<p>The Gambling Commission’s Information Technology Division has taken steps to identify and evaluate internal costs associated with ongoing, routine IT work to ensure that we adequately address our current business capacity. Work that directly impacts the agency’s mission is given the highest priority. Any other work is risk assessed to see if it really needs to be done now or whether it can be deferred. We are evaluating our current PC replacement strategy to see if any purchases can be deferred.</p>
<p>Governor, Office of the</p>	<p>See responses from the Department of Enterprise Services, which is our IT service provider.</p>
<p>Health, Department of</p>	<p>DOH is currently embarked on a major IT transformation project to improve efficiency, embrace cloud technologies (both private and public), provide transparency, and embrace Lean, ITIL v3 and ISO 200000 methodology. We will put measures in place to drive sound business decisions. Today, DOH has significant maintenance and operation needs with little bandwidth for new work. Under the 3-year IT transformation project, DOH will align with a model that reflects business/government best practices.</p>

Health Care Authority	Nothing to contribute at this time.
Industrial Insurance Appeals, Board of	Virtualized servers decreased the number of physical servers by nearly half.
Insurance Commissioner, Office of	<p>OIC continues its focus to “do more and deliver more within existing resources constraints” by continuing to keep the agency’s technology footprint small and nimble by leveraging virtualization and undertaking continuous enterprise system development efforts. Ongoing infrastructure and application maintenance and operations are not segregated and measured as a stand-alone tower. Instead, maintenance and operations are folded into the iterative lifecycle of each project. This approach has allowed OIC to keep the IT infrastructure and application fresh and closely aligned with emerging business needs.</p>
Labor and Industries, Department of	<p>Beginning with the 2013–15 biennium, we are consolidating oversight for the majority of the agency’s software purchasing and maintenance into a smaller number of areas. This has allowed us to expand our view of the spending from an enterprise level. In cases where we have multiple maintenance agreements with the same vendor, we are working to combine those to gain savings.</p>
Licensing, Department of	<p>Agile and Scrum methods have been implemented at DOL. We have reduced time to production for application development. This method is now used by some of our contracted vendor development partners.</p> <p>Instituted that all purchases exceeding \$50,000 will be reviewed by our Gartner research team, so it can give us buying intelligence on what the price points should be according to industry trends.</p> <p>Procurements are tracked as a subset of the total cost of services in the Aptio product.</p>
Military Department	<p>The Military Department has migrated to a Microsoft Hyper-V virtualized server cluster configuration with mirrored clusters for mission failover. This has reduced the number of physical server hardware, resulting in lower software license costs, lower cooling and power costs, and lower hardware procurement costs.</p>
Parks, Washington State	<p>Use software configuration management software (SCCM) more effectively for automated software deployment and support. This helps keep hardware up to date and provides better protection from viruses and attacks.</p> <p>Connected State Parks Headquarters building to the State Metropolitan Optical Network. This will reduce our monthly charges for the 100MB fiber circuit tab by \$1,000 per month.</p> <p>This year we began leasing 102 printers for our field staff. Maintenance is paid on a per-usage basis. Printers are installed and maintained by a support vendor. This provides better response time for repairs and support and reduces travel costs for State Parks.</p> <p>Designed and planned a more virtualized model for our server infrastructure. This model will provide better disaster recovery and reduce monthly lease rates by \$2,500.</p>

Public Disclosure Commission	In recent years, PDC has realized savings in IT maintenance and operations expenditures through the elimination of most hardware and software maintenance agreements, with the exception of software maintenance renewals for VMware, Symantec Endpoint and SonicWall email security.
Retirement Systems, Department of	<p>To the extent possible, DRS has standardized its hardware platforms, configurations and software versions. This reduces the number of support models needed.</p> <p>DRS has migrated most of its Employer Information System VSAM data files to ADABAS, resulting in a 60%-70% storage savings for that data.</p>
Revenue, Department of	DOR continues to virtualize servers wherever possible, surpassing the 80% virtualization target set by executive order. DOR also continues to converge its phone and network systems whenever possible to gain efficiencies with its current Voice over Internet Protocol (VoIP) solution.
Secretary of State	Our hardware replacement cycle is 5 to 7 years.
Social and Health Services, Department of	Programs in the agency are looking for opportunities to cost share where possible. At an agency level, we are working on details for implementing shared virtual utility servers in more than 100 field sites where multiple programs are located. This would eliminate the need to replace hundreds of physical servers.
State Patrol, Washington	<p>The agency has emphasized use of online training opportunities both in the IT Division and other business areas. This has increased training attendance and cut costs. We are unable to report specific cost savings due to incomplete data collection.</p> <p>The IT Division Customer Service Unit will initiate an upgrade of the service desk work order system to improve efficiency during the last quarter of FY 2014.</p>
The Evergreen State College	Changes to purchasing rules now allow institutions to purchase 5 years of equipment maintenance. In three examples, Evergreen has achieved small savings by negotiating maintenance for extended years and plans to negotiate for more years. Additional improvements to purchasing rules may support more savings over time.
Traffic Safety Commission	The agency contracts for its IT maintenance and bundles IT requests to reduce the number of service calls, which cuts costs.
Transportation Improvement Board	TIB has one IT person on staff responsible for all maintenance and operations of hardware, software, programming, website design and upkeep, and maintaining and updating the agency dashboard.
Treasurer, Office of the State	Ongoing virtualization of our servers has allowed us to consolidate from 2 A La Carte racks to a single rack as of this December, saving \$800 per month based on current CTS rates. Virtualization also represents an overall savings on server hardware.

<p>University of Washington</p>	<p>UWIT continues to expand functionality and tools available through cloud computing contracts.</p> <p>UW’s data centers have been reduced from 5 to 3, resulting in lower rates and significant operating costs savings. The UW Tower’s Data Center reduced its data storage pricing and attracted new co-location customers. It received an EPA ENERGY STAR ranking of 95 out of 100.</p>
<p>Utilities and Transportation Commission</p>	<p>Over the past several years, we have started using CTS services for new servers and infrastructure services. The last 16 servers that the commission implemented have been deployed in the CTS Virtual A La Carte service. Also, the commission uses the CTS Hosted Active Directory, Exchange, SSL VPN, Server Backup, Avaya PBX and SMON services. While the transition to CTS’s hosted services from our own services has not saved the agency money, we expect that we will begin realizing savings as CTS’ prices become more competitive and the number of servers and infrastructure the agency manages increases.</p>
<p>Veterans Affairs, Department of</p>	<p>DVA is keeping 3 end-of-lease servers in production for one year after end of lease, saving approximately \$2,300. These servers will be virtualized at end of life. Additionally, DVA replaced its agency-supported data backup system with a vendor-supported, cloud-based data-backup solution, saving approximately \$5,900. Cumulatively, our efficiency measures have resulted in a projected total savings of \$8,200.</p>

STAFFING CHANGES: What IT staffing changes have you implemented in your agency in response to the allotment reduction	
Agency	Response
Accountancy, Board of	We have one IT person in the agency — not a lot of room for allotment reduction.
Agriculture, Department of	IT resources at AGR continue to be limited and include the minimum necessary to meet the agency mission. We have implemented efficiencies and partnered with business units to respond to the allotment reduction.
Attorney General, Office of	Nothing to report at this time.
Auditor, Office of the State	IT cross-training and streamlining of processes and functions to maximize manpower.
Community & Technical Colleges, State Board for	None. Other staffing adjustments include cross-training and job-shadowing.
Corrections, Department of	None.
County Road Administration Board	None. Our small agency operates efficiently with just enough professional staff to perform its duties and responsibilities.
Criminal Justice Training Center	No changes were implemented in regard to IT staffing.
Early Learning, Department of	We did not reduce or eliminate IT positions. Vacant positions were not filled unless they were essential. Recruitment has been difficult, resulting in prolonged vacancies.
Eastern Washington University	EWU did not modify IT staffing as a result of this allotment reduction. EWU did not plan for this allotment reduction since we were not aware of how Section 715 of the budget bill would affect EWU under the allotment reduction until it was assessed.
Ecology, Department of	None. Ecology's share (\$82,000) of the allotment reduction came out of our storage investment pool. We are monitoring CTS storage services to evaluate whether future use of these services would achieve savings.
Employment Security Department	Effective June 1, 2013, ESD eliminated 40 IT positions. Note: This was not in response to the allotment reduction. ESD receives federal funding tied to the state unemployment rate. As the unemployment rate for the state dropped dramatically, so has funding. This resulted in significant budget reductions, and in turn, staffing cuts that had to be made across the agency.
Enterprise Services, Department of	We conducted a skills assessment survey to identify the knowledge and skill levels of existing DES staff. This enables us to quickly identify internal resources to meet urgent needs, and in many cases, avoid the need to hire additional staff.

Financial Management, Office of	See responses from the Department of Enterprise Services, which is our IT service provider.
Fish and Wildlife, Department of	DFW central-IT reorganized along closely related professional roles. The objective was to increase efficiency and competency via an osmosis-effect; similar functions support and strengthen one another. We also delayed the hiring of critical staff which absorbed allotment reduction.
Gambling Commission	The Gambling Commission is a non-appropriated fund agency and was not subject to the allotment reductions. Therefore, no IT staffing changes have been implemented.
Governor, Office of the	See responses from the Department of Enterprise Services, which is our IT service provider.
Health, Department of	<p>Our initial approach was more reactive than proactive. We took a recent FTE vacancy and used that funding to cover our apportioned allotment reduction. We then spread the workload across several other IT FTEs.</p> <p>Under the IT transformation project, all IT staff are evaluated against our customer needs and aligned accordingly. The goal is to reduce duplication of work, align our workforce for current and future need, reduce overall IT costs, etc.</p>
Health Care Authority	Nothing to contribute at this time.
Industrial Insurance Appeals, Board of	Not subject to reduction.
Insurance Commissioner, Office of	None. OIC did not experience significant allotment reductions during the current reporting period. External legislative demands placed on the agency resulting from national public policy decisions, such as the Affordable Care Act and health care reform, have required OIC to maintain staffing levels.
Labor and Industries, Department of	We have not implemented staffing changes in response to the allotment reduction.
Licensing, Department of	DOL is part of the transportation budget.
Military Department	We have implemented a standard Monday-Friday, 8-5, work schedule for all IT technicians. This maximizes the availability of our limited IT technical resources during the period when our customer requirements are the highest. It also allows us to provide resources to immediate problems, resulting in quicker resolutions and less downtime for our customers.
Parks, Washington State	No major staffing changes. The IT staff was reduced by about one-third over the past few years before the 2013–15 biennium. Efficiencies and cost reductions have continually been explored and implemented to help the agency to manage with current IT resources.

Public Disclosure Commission	PDC's share of the IT allotment reductions is \$3,000 per fiscal year. We have not made further IT staffing changes in response to this reduction, having recently eliminated the agency systems administrator position, an ITS3 position and an ITS4 (applications developer) position in response to previous rounds of budget cuts. We reassigned system administration responsibilities among remaining IT staff.
Retirement Systems, Department of	<p>Being non-General Fund, DRS received no allotment reductions. However, in response to the state's general allotment reductions and in the interest of being vigilant in its resource stewardship, DRS has chosen to hold several positions vacant. The Information Services Division is currently running with approximately 5 fewer FTEs. Potential recruitments to fill positions are analyzed carefully and alternatives are always considered.</p> <p>For example, in our Enterprise Architecture Unit, a team member will be retiring in February 2014 whose duties are primarily managing mainframe security. This unit has needed some programming skills to support mainframe, reporting and production control efficiency initiatives for some time. This unit has 2 vacant positions that have been considered for programmers. After significant analysis, it was decided that when filling the position of the retiring team member, we would update the position to include programming skills instead of hiring for 2 positions.</p>
Revenue, Department of	No staff reductions or changes have been made as a result of the allotment reduction.
Secretary of State	We have reduced our IT staff count by 4 FTEs (1 ITS2 and 3 ITS3s).
Social and Health Services, Department of	<p>All programs received a proportionate reduction. Each has absorbed the reduction in a different way.</p> <p>Staff reductions have been in the form of continuing at reduced IT staffing levels resulting from budget reductions over the past 6 years.</p>
State Patrol, Washington	<p>In the ongoing interest of identifying more efficient methods of supporting WSP goals and objectives, the IT Division conducted a review of business and personnel requirements for selected IT units.</p> <p>This effort identified personnel shortfalls in the division's ability to meet agency business requirements. The division has prioritized existing staffing and selectively reallocated a number of IT personnel positions to address these shortfalls. These actions have improved the IT Division's ability to support agency needs with assigned personnel allotments.</p>
The Evergreen State College	None.
Traffic Safety Commission	The WTSC does not have IT staff. We contract for these services and pay on an as-needed basis.
Transportation Improvement Board	No change was made in staffing levels.

Treasurer, Office of the State	None. OST has no General Fund appropriations so was not subject to the allotment reduction.
University of Washington	The UW chose to take the allotment reduction centrally and not reduce its IT budgets.
Utilities and Transportation Commission	None. The commission's IT staffing levels have remained the same, but the number of servers and applications we maintain has increased dramatically.
Veterans Affairs, Department of	DVA has not implemented any IT staffing changes in response to the allotment reduction. In FY 2014, DVA is allocated a total of 690.3 FTEs, with 6 in IT. This equates to a ratio of .87% IT FTEs versus 99.13% non-IT FTEs, which is below the state government average of 3.6% IT FTEs, according to Gartner Group's IT Key Metrics Data 2013.

DELAYED PURCHASING: Have you delayed any purchases of IT infrastructure for your agency?

Agency	Response
Accountancy, Board of	Yes — we've delayed PC and server purchasing beyond the recommended life cycle to save money. While most of our PCs are 6 years old, they are still functioning. Soon we will upgrade our servers from 2003 to 2012 models without replacing hardware as the current hardware is sufficient to meet our needs.
Agriculture, Department of	AGR has deferred purchasing approximately 10 servers as a result of our sharing agreement with DNR.
Attorney General, Office of	Nothing to report at this time.
Auditor, Office of the State	Yes.
Community and Technical Colleges, State Board for	Yes: PBX upgrade at our Bellevue Office.
Corrections, Department of	No.
County Road Administration Board	Yes, but only by scheduling some upgrades later than vendors recommend.
Criminal Justice Training Center	Our infrastructure is due for a computer refresh; our workstations are about 6 years old. However, we currently have no plans to perform a system-wide refresh for our workstations. We will re-evaluate for the next fiscal year.
Early Learning, Department of	We have delayed purchasing networking equipment for state and field offices and purchasing servers and storage for offsite DR.
Eastern Washington University	EWU follows a formal process for purchasing and implementing infrastructure projects including software and hardware. The process includes the IT Strategic Plan, resource availability and staff availability to complete any project. Once the project is approved, including funding and staff support, it will proceed on a given timeline. All proposed projects are subject to approval, disapproval or delay, depending on the priority of the project and availability of funding and staff hours.
Ecology, Department of	Yes, we have delayed additional storage architecture investments.
Employment Security Department	Due to agency-wide budget cuts mentioned earlier, ESD has had to defer scheduled replacement that would have occurred for end-of-life servers, PCs and switches. Investments in this area will have to be made up in the coming years when budgets stabilize.
Enterprise Services, Department of	No.

Financial Management, Office of	See responses from the Department of Enterprise Services, which is our IT service provider.
Fish and Wildlife, Department of	No, but none was planned in the 4 months since the start of the new biennium.
Gambling Commission	The Gambling Commission has deferred purchasing new network switches until FY 2015.
Governor, Office of the	See responses from the Department of Enterprise Services, which is our IT service provider.
Health, Department of	Yes. In DOH, we are looking at replacing our legacy IT applications and IT infrastructure with new lenses. First, we ask if there any commercial off-the-shelf systems that solve the business problem and meet the agency need versus building a custom system in house. Second, we ask whether CTS or AWS already provides this service — or the infrastructure to support it —and does it make more financial sense to use these services (i.e., private or public cloud). Third, we ask if this has mobile technology to support business. All level I, II, and II projects undergo this review from an IT governance board in DOH composed of chief administrators from each division.
Health Care Authority	Yes, the HCA delayed the purchase of needed business analytics and business intelligence infrastructure improvements.
Industrial Insurance Appeals, Board of	Not subject to reduction.
Insurance Commissioner, Office of	Not during the current reporting period.
Labor and Industries, Department of	We have not delayed any IT infrastructure purchases.
Licensing, Department of	Over the past five years, DOL made a decision to move to break/fix for all administrative office desktops, laptops, monitors and printers. This has placed us in a technical debt situation; we are behind in best-practice equipment replacement and do not have funds to bring equipment up to standards. We are gaining some cost savings to begin replacement of this 6- to 12-year-old equipment.
Military Department	Not at this time.
Parks, Washington State	Have delayed replacement of aging servers for 6 months. Approximate savings of \$60,000.

Public Disclosure Commission	Yes. For FY 2014, we have reduced our remaining IT equipment and IT software allotments by \$1,500 each, which will delay indefinitely the replacement/refresh of one or more of our oldest laptops (used by commissioners and staff at commission meetings). For FY 2015, we had no IT operating and maintenance or procurement allotments available to reduce (they had already been zeroed out due to an uneven fiscal year split in the agency's overall appropriation), so we have had to reduce allotments in other non-IT infrastructure areas, including court reporter costs and professional development. Our most recent hardware acquisitions have been to replace outdated IT staff workstations, preceded by a server and SAN and network infrastructure refresh in 2010.
Retirement Systems, Department of	DRS has delayed purchases in infrastructure to ensure that all purchases support both a sustainable cost model and the DRS IT strategic vision for the near future.
Revenue, Department of	No. Reductions were taken in other areas of the department to protect the technology investments needed to continue efficiencies.
Secretary of State	Yes.
Social and Health Services, Department of	As noted above, all programs in the agency are continuing to use longer replacement cycles for IT equipment. Recent infrastructure procurements have been to replace 5- to 10-year-old computers.
State Patrol, Washington	The agency has continued to maintain its IT infrastructure through scheduled technology upgrades and replacements. For the past several years, WSP has used a 5-year life cycle for these replacements. Given the preference for a 4-year life cycle as indicated in OCIO Policy 201: PC Procurement Policy, WSP will document thoughts on maintaining a longer life cycle and submit to the OCIO for further discussion.
The Evergreen State College	No.
Traffic Safety Commission	Our agency refresh schedule for IT equipment was extended. We delayed the purchase of a new server for 2 years.
Transportation Improvement Board	No. However, no large IT purchases have been made in recent years.
Treasurer, Office of the State	No.
University of Washington	No.
Utilities and Transportation Commission	The agency has transitioned from a 3-year computer replacement cycle to a 4-year cycle as a result of the budget crisis and direction from OFM/OCIO. We have not delayed any other IT infrastructure projects based on funding.
Veterans Affairs, Department of	No.

OTHER COST-SAVINGS INITIATIVES: What other IT cost-savings initiatives have you implemented or expenses have you avoided? Please describe the change implemented and the results achieved.

Agency	Response
Accountancy, Board of	<p>We've received shared code for an online application and e-commerce system from OIC, saving time and money. We've shared our developed online application code with several agencies.</p> <p>When implementing our e-commerce system, we built it in a way that encourages ACH usage versus bank card, saving the state several thousands of dollars. An ACH transaction costs the state .10 a transaction where a bank card transaction can cost as much as 2.2% for the total transaction.</p>
Agriculture, Department of	Other than being prudent of our IT purchasing, the agency has not driven any specific IT cost-savings initiatives.
Attorney General, Office of	Nothing to report at this time.
Auditor, Office of the State	<p>Cost savings achieved through:</p> <ul style="list-style-type: none"> › Sunsetting BlackBerry Server and all BlackBerry for ActiveSync. › Sunsetting Polycomm systems. › Doing Internet refresh in-house versus outsource.
Community and Technical Colleges, State Board for	<p>Changes include:</p> <ul style="list-style-type: none"> › Implementing a centralized shared analytics service for colleges deeply discounted by vendor. › Transitioning from pre-printed vendor check forms to laser print. › Using direct deposit for financial aid. › Transitioning from pre-printed payroll check forms to laser print. › Implementing a security event and incident management appliance to move away from a very manual network monitoring process to an automated system that allows for preventive measures and a more secure environment. › Implementing server virtualization where possible to decrease the overall server footprint. › Creating an IT Security Task Force to share best practices, implement standards, create awareness and mitigate costs associated with a potential breach.
Corrections, Department of	<p>DOC's main offender management system (OMNI) is being moved off the mainframe to a distributed Windows environment.</p> <p>The final component of the project will be moved off the mainframe in January 2014. This project and reductions in costs related to running OBTS on the mainframe have resulted in an annual savings of \$1.4 million starting in FY 2015.</p>
County Road Administration Board	We have found a balance in fulfilling the basic needs and being careful and thoughtful in our spending while ensuring that our systems are effective, stable and secure.

<p>Criminal Justice Training Center</p>	<p>Telepresence communication through Oovoo for a yearly savings of \$1,000.</p> <p>The agency has relied on CD duplication of data, USB thumb drives for distribution of materials. However, we will begin using secure, cloud-based solutions to distribute data, thus avoiding the need for purchasing CDs and USB thumb drives. Through the cloud, end users will have a secure way to access materials for training.</p>
<p>Early Learning, Department of</p>	<p>Legacy Early Childhood Education and Assistance Program Management System application was re-hosted from CTS to DEL internal servers, saving \$700 per month. The application no longer needed to be accessed by the public and is accessed occasionally by a few internal staff.</p> <p>DEL website re-hosted to DEL servers and replaced TeamSite Content Management solution with Team Foundation Server for version control, repurposing \$1,050 per month paid to CTS for these services. These cost savings made it possible to subscribe to GovDelivery.</p> <p>We saved about \$9,000 annually in license renewals by changing from Symantec Endpoint Encryption to the BitLocker Encryption included in the Windows 7 license that is part of our Microsoft agreement through the WSIPC contract.</p>
<p>Eastern Washington University</p>	<p>Eastern has centrally implemented a number of technologies that have increased efficiencies and effectiveness and generated cost savings, which include:</p> <ul style="list-style-type: none"> › Transitioned email from on-premise Exchange to cloud-based Office 365. › Transitioned learning management system from on-premise Blackboard to the cloud-based Canvas. › Consolidated file servers institution-wide. › Transitioned a significant number of file servers in the Data Center to a virtual platform. <p>In addition to those mentioned above, Eastern has implemented new technology in key areas across campus to better serve our students:</p> <ul style="list-style-type: none"> › Recreational facilities and programs software to provide real-time transactional data for operations staff and customers. › Bookstore textbook inventory system moved to a hosted system, generating savings in staff time and maintenance. › Customer relationship management software solution enabling EWU to use advanced personalization technology to target and reach key student audiences during the recruitment period. This technology allows staff to reach more students without increasing staffing. › Student ID card system replacement resulted in consolidation of software products. This new technology provides a wider reporting range and faster services to customers while reducing staff time spent on redundant processes. <p>Projects listed above are a sample of the full suite of projects that have added or enhanced services across campus. At the same time, many of these projects created efficiencies in both the technology area and use of staff hours. Cost savings generated by these projects have been reinvested in university-wide information technology efforts, along with departmental services throughout our campus.</p>

<p>Ecology, Department of</p>	<p>Ecology has several cost-saving initiatives with an IT component, including:</p> <ul style="list-style-type: none"> › Implementation of CTS VoIP services. Ecology and CTS are co-managing a project to move Ecology’s phone system from analog to CTS VoIP shared services. This includes migrating to a new voice mail system. Estimated savings will be reinvested to higher-value services such as unified communications to integrate voice, video and email or incremental improvements to agency enterprise search and records management technologies. › The outcome of a Lean effort is implementation of an off-the-shelf grants management system that streamlines Ecology’s grant management process. This effort creates efficiencies through streamlined processes and improved management reporting. › Ecology is a partner with DES and DOT for early adoption of the Time, Leave Attendance (TLA) system for labor tracking and distribution. This initiative will streamline processes and eliminate significant duplicate data entry so staff can focus on higher-value work. It will also lead to the retirement of Ecology’s legacy automated leave reporting system.
<p>Employment Security Department</p>	<p>None to report.</p>
<p>Enterprise Services, Department of</p>	<p>Standardized database design tools, saving \$23,745 annually. Eliminated one set of database design tools (Sybase PowerDesigner), saving \$13,665 in annual support costs. Reduced licensed components of database design tools (Embarcadero All-Access), saving \$10,800 in annual support costs.</p> <p>Virtualized and modernized the Human Resources Management System (HRMS) environment and reorganized the support teams, which resulted in an annual savings of over \$2.5 million.</p>
<p>Financial Management, Office of</p>	<p>See responses from the Department of Enterprise Services, which is our IT service provider.</p>
<p>Fish and Wildlife, Department of</p>	<p>Agency fiscal operations requested that central IT upgrade an agency proprietary and legacy budget reporting application, which is a local database instance of select AFRS data with custom reports. Instead, IT leveraged DES’ Enterprise Reporting Service’s SAP BusinessObjects and WebIntelligence. DFW-IT and ERS demonstrated that ERS was entirely capable of producing custom-canned and ad hoc reports of infinite views to satisfy the functional requirement.</p> <p>Building on that success, DFW required and budgeted \$180,000 annually for an agency-owned BI Tool. DFW-CIO entered into a memorandum of understanding with DES-CIO to leverage ERS infrastructure. This new proof-of-concept represents approximately \$1.0 million in cost avoidance for stand-alone product start-up and maintenance over 5 years. Additionally, it builds on DFW’s end-user competency in ERS and relieves duplicative costs to establish and sustain user proficiency in yet another BI tool.</p>
<p>Gambling Commission</p>	<p>The Gambling Commission has deferred several software upgrades, such as SharePoint and Microsoft Office, until at least FY 2015.</p>
<p>Governor, Office of the</p>	<p>See responses from the Department of Enterprise Services, which is our IT service provider.</p>

<p>Health, Department of</p>	<p>The first initiative was to bring on an IT consultant to help DOH determine its current state and what the future state needed to look like to meet OCIO, DES, DOH division, and external customer requirements. The result was a 3-year IT transformation plan that uses Lean, ITIL v3 and ISO 20000 processes to drive efficiency and cost savings across the department. This includes embracing cloud technologies (both private and public), commercial off-the-shelf products versus custom in-house builds and mobile device technologies. To date, we have established a governance board for IT spending and major decisions to ensure alignment with all customers (internal and external to the department).</p>
<p>Health Care Authority</p>	<p>A service operations tracking and ticketing mechanism is being implemented in HCA’s service desk for greater efficiencies (reduced turn-around time, accountability, request tracking, request fulfillment, reminders, etc.), and helps alignment with Apptio and Portfolio Management. We also consolidated printing services to one leased environment with multifunctional devices (scan, copy, e-mail, print and some with fax).</p>
<p>Industrial Insurance Appeals, Board of</p>	<p>Not subject to reduction.</p>
<p>Insurance Commissioner, Office of</p>	<p>During the last reporting period, OIC focused significant effort on renegotiating hardware and software maintenance agreements to achieve better renewal pricing. Due to the sluggish economy, OIC was able to obtain very competitive pricing for numerous software maintenance agreements and hardware acquisitions.</p>
<p>Labor and Industries, Department of</p>	<p>By consolidating most of the software maintenance agreements into a single area (which provides the enterprise view), we have more directly managed licenses with the product owners. This has given us a better understanding of the products to validate their purpose. In addition, we have better data on past and present use to allow more accurate projections.</p>
<p>Licensing, Department of</p>	<p>All purchases are sent to at least 3 potential suppliers to foster competition and get the lowest price possible. This results in an average 3% to 8% savings per item. Additional savings come through the bid process. Based on average bid savings and total purchases to date, we have annual savings of \$42,000 (\$424,000 times 2 at 5%). (Multiplied by two because we are six months into the year.)</p> <p>Large procurements of like equipment are consolidated to get price breaks from the pre-defined WSCA contract pricing. Resellers are willing to negotiate and we usually save an extra 2 to 2.5%. Additional savings over WSCA pricing based on volume purchasing. Budget purchases of \$400,000 times 2.5% amount to annual savings of \$10,000.</p> <p>The CIO has instituted a directive that all purchases exceeding \$50,000 will be reviewed by our Gartner research team, so that they can give us buying intelligence on what the price points should be according to industry trends. This recently saved us an additional 5.5% or \$10,220 on a large purchase of Riverbed Network devices. Current annual savings are \$10,220 but we expect this to grow as other large contracts come due.</p>

	<p>Eliminated Cascade (CCM) contract for VFS computer support. By reorganizing management of field office support, existing staff have taken on extra support work with no noticeable decline in customer service. Annual savings are \$169,572.</p> <p>Removed Cisco 2801 and 2851 series routers from SmartNet maintenance and purchased refurbished spares to get us to end of life of the devices. Reduced annual maintenance costs about \$103,000 (less \$5,700 cost of spares) amounts to \$97,300 in savings.</p> <p>Surplused video conferencing equipment and eliminated annual maintenance cost of about \$7,000. Also replaced end-of-life Riverbed appliances and received about \$33,000 in credit for trade-up on purchase.</p>
<p>Military Department</p>	<p>Implemented the Microsoft Suite of Operations Management software for the daily management of our server farm and customer workstations. This has resulted in lower software support and licensing costs to third-party vendors and consolidated all our management, monitoring and reporting applications under one application package, which has further cut technician training costs.</p> <p>Implemented instructor-led, online training, which has resulted in a 66% savings over conventional training. The training is tailored to our work environment and flexible so that if a class is missed, the technician can play the recorded class with all interaction between instructor and students intact.</p>
<p>Parks, Washington State</p>	<p>State Parks continues to be unenrolled in the Microsoft Enterprise Agreement (EA). About 4 years ago, State Parks disengaged from the EA during very difficult budget constraints. This was a calculated move since we held licenses for Windows 7, Office 2010 and a Core CALS that included Client Access Licenses for Exchange 2010. This saved the agency about \$110,000 per year. We predict the need for new software during the 2015–17 biennium and will likely be requesting funds to re-enroll.</p>
<p>Public Disclosure Commission</p>	<p>In addition to the measures previously described, we also temporarily reduced one IT4 position from full- to part-time (to meet other general budget reduction targets during FY 2013) and eliminated all IT professional development expenditures for the past few years. To more efficiently use remaining IT staff, who have been re-allocated responsibilities previously handled by the systems administrator, we have implemented a centralized help desk intake/assignment system. This has somewhat mitigated the impact of adding these assignments to our remaining 2 applications developers, one database administrator and chief technical officer, at least to the extent the chief technical officer can direct and monitor the helpdesk workload more systematically.</p>

Retirement Systems, Department of	<p>Put further monitoring in place to identify some of the most process-intensive and costly batch jobs. When we identify outliers, our enterprise architect and the mainframe programmers collaborate to identify ways to make these jobs more efficient.</p> <p>Continued work to reduce print costs. We have removed several old reports that are not used. We have moved reports to electronic format, where feasible. DRS uses EOS and the EOS Thin Client.</p> <p>DRS has 3 Lean Black Belts and 19 Lean Green Belts. Two of the Green Belts are in the Information Services Division. One more team member is scheduled to be trained. These individuals all work to consistently improve inefficient processes. In the Information Services Division, we are working on initiatives for notification of releases, employee onboarding and production control.</p>
Revenue, Department of	No response.
Secretary of State	We extended our hardware recycle period; reviewed our bandwidth usage and reduced our circuit costs; combined server functions and reduced server count; and reduced staff printers/centralized printing functions.
Social and Health Services, Department of	Programs across the agency are continuing to keep IT staff training to a minimum, and/or encouraging staff to take no-cost training, if possible, to meet the need. Training costs are less than 1% of the agency's IT budget.
State Patrol, Washington	The WSP IT Division has recently deployed new call center technology — the Cisco Systems VoIP UCCX tool — which allows improved management of call center workflows. The system supports the development of key performance and customer satisfaction indicators, which, in turn, allow measurement of performance outcomes in key service desk areas. Thus far, this initiative has resulted in identifying opportunities to maximize staff coverage at peak customer service times using current personnel and resources. WSP anticipates additional efficiencies as this system is expanded in our call center.
The Evergreen State College	Server virtualization to decrease the overall server hardware expense.
Traffic Safety Commission	As a small state agency, WTSC has standardized purchases of computer hardware and software to reduce incompatibilities and separate maintenance costs.
Transportation Improvement Board	TIB recently created a portal on the TIB dashboard to provide staff with quick access to important grant application information as well as access to project photos and project maps using Google Maps. Results achieved included a more productive project selection process and time savings for TIB staff.
Treasurer, Office of the State	None this fiscal year.

<p>University of Washington</p>	<p>The UW has implemented the following cost-saving or service-enhancing IT tools:</p> <ul style="list-style-type: none"> › Direct deposit and pay cards: As authorized in 3SHB 2585, this service enables the UW to begin considering shutting down our old check-writing system. › SpaceScout: This Web and mobile app helps UW students find the perfect study spot and was recognized with a “Campus Technology 2013 Innovators Award,” an international competition judged by higher education technology leaders. › MyPlan: Launched in January 2013, this online academic planning tool enables UW students to easily create and manage multi-year academic plans, in consultation with their advisers, to meet academic goals. › Tegrity: This web-based lecture and presentation recording service enables faculty on all 3 UW campuses to “flip the classroom”— recording lectures so students can view them any time through a browser or on a mobile phone, with class time reserved for interactive learning and collaboration. › Notify.UW: This new service alerts students in real time if a course of interest opens or closes, enabling them to more quickly adjust their courses and register for high-demand classes. › UW Profiles: A new web-based set of institutional dashboards provides a dynamic way for decision makers to easily access, explore and understand common metrics.
<p>Utilities and Transportation Commission</p>	<p>Continuing to evaluate current processes and purchases.</p>
<p>Veterans Affairs, Department of</p>	<p>None</p>

EXPLORED BUT NOT YET IMPLEMENTED: What cost savings ideas is your agency exploring but have not yet implemented, or are there intra-agency or statewide IT savings ideas the OCIO should discuss?	
Agency	Response
Accountancy, Board of	We are always looking for ways to streamline processes and provide great customer service at a low cost. We are looking for a records management system that will help reduce costs related to our public records.
Agriculture, Department of	As previously mentioned, AGR is exploring the implementation of ITSM technology as a way of driving efficiencies in the area of IT helpdesk. We don't envision that these efficiencies will result in any savings, but they should help us avoid hiring additional IT staff to implement and maintain critical enterprise-wide IT solutions.
Attorney General, Office of	Nothing to report at this time.
Auditor, Office of the State	Potential savings could be realized by cross-agency sharing of common applications instead of every agency building its own.
Community and Technical Colleges, State Board for	Cost-saving ideas include: <ul style="list-style-type: none"> › Evaluating cloud service providers for cold storage of data › Evaluating other cloud offerings for: <ul style="list-style-type: none"> • scalability and flexibility of services • backup • Security as a Service
Corrections, Department of	Will continue migration of OBTS functionality to OMNI to reduce OBTS mainframe costs.
County Road Administration Board	We have discussed, but not implemented, recommendations to our clients, the county road departments, that would generate savings for them.
Criminal Justice Training Center	Ideas include: <ul style="list-style-type: none"> › Decommissioning our yearly subscription with BlackBerry Enterprise Solutions. Currently working with CTS to allow data connection through ActiveSync. › Re-evaluating our current landline phone services through Century Link. › Re-evaluating our cellular mobile services with T-Mobile. We currently subscribe with Verizon and Sprint; moving to T-Mobile could cut our monthly cost in half.
Early Learning, Department of	Exploring a move off the DSHS domain and into the SSV domain. DEL would use CTS for network connectivity and share network circuits in locations where DEL is co-located with DSHS. This would result in cost savings for both DSHS and DEL on circuit cost, and DEL would save money by centralizing desktop support for these remote sites. Four divisions in DSHS manage the IT resources for DEL field office staff, which requires DEL IT staff to coordinate with CTS, DSHS Information System Services Division, Children's Administration, Economic Services Administration and Division of Child Support IT staff. Navigating through seven helpdesk units is cumbersome for end-users. Migrating from the DSHS network to a self-supporting, agile environment would allow DEL to operate in a more efficient manner and remove technical barriers. Exploring the use of cloud services.

	<p>Consolidating external application support functions into a single application support unit with a single phone line, email mailbox and ITSSM tracking system.</p> <p>IT savings could be achieved by having all co-located state agencies share network circuit cost.</p>
<p>Ecology, Department of</p>	<p>Piloting the Dell technology equipment leasing option for PCs/laptops through the DES technology leasing services master contract. We are evaluating whether this option would save the agency money on the PC/laptop replacement costs and related FTE costs for managing technology equipment.</p> <p>Scheduled a Lean event for first quarter 2014 to evaluate our IT asset inventory process and tools to increase efficiencies related to IT asset tracking and management.</p> <p>Will be working with a contractor in 2014 to review the IT infrastructure and operations staffing structure and process to look for ways to improve services and contain and/or reduce costs to maintain current services.</p> <p>IT Savings Ideas for OCIO – Reduce administrative costs for procurement:</p> <ul style="list-style-type: none"> › Statewide master contract for ECRM technology solutions. › Statewide master contract for Enterprise Search technology solutions of multi-media data. › Statewide master contract for web hosting solutions.
<p>Employment Security Department</p>	<p>ESD is committed to continually looking for areas to implement efficiencies and achieve cost savings. Over the course of the next year, ESD will be starting many IT-related Lean initiatives. By using Lean principles to identify and eliminate wastes, we anticipate many small gains that will add up to substantial savings.</p>
<p>Eastern Washington University</p>	<p>The OCIO should:</p> <ul style="list-style-type: none"> › Allow maintenance contracts to be negotiated for multiple years. › Evaluate cloud offerings for each new technical system implemented.
<p>Enterprise Services, Department of</p>	<p>DES is working on a proof of concept with the Department of Fish and Wildlife (DFW) to explore the possibility of leveraging investment in self-service Business Intelligence/Reporting capabilities. DFW could realize significant savings by using the DES Business Objects installation with DFW data instead of purchasing its own Business Intelligence solution.</p> <p>There are third-party vendors who provide SAP support. Many companies have successfully reduced their overall support costs by not using the traditional SAP-provided support. We are exploring how we could leverage these vendors to reduce the cost of supporting our own SAP suite of tools.</p> <p>We have been experimenting with Branch Office VPN options for smaller offices to eliminate the need for directly-connected SGN circuits. We believe most of the smaller offices across the state could also realize significant cost savings by replacing expensive SGN-connected circuits with a private ISP and Branch Office VPN services from CTS.</p>

Financial Management, Office of	See responses from the Department of Enterprise Services, which is our IT service provider.
Fish and Wildlife, Department of	To address an increase in public disclosure requests (PDR) at the lowest possible cost and least-intrusive method to end users, DFW is looking to leverage SharePoint 2013 and Office365 configured as an enterprise content management (ECM) solution. SharePoint alone is inadequate to automate and sustain today’s records management (RM) and content life cycle management (CLM) standards such as DoD 5015.2, so this solution will include supplemental ECM and CLM enhancements such as KnowledgeLake and Gimmal. PDRs seek content that is most often produced by end users as documents and messages. This project seeks to minimize disparate data silos currently represented by network shares, sharepoint (CTS-hosted), local-machine drives, PSTs and Symantec Vault. Instead, all content would be created, stored, indexed, discoverable and RM-policy enforceable via SP’s infrastructure, O365 and SkydrivePro’s centralization and exposure to the SP.
Gambling Commission	The Gambling Commission is exploring cost savings ideas such as greater use of technology to mitigate costs such as printing and travel.
Governor, Office of the	See responses from the Department of Enterprise Services, which is our IT service provider.
Health, Department of	DOH has embarked on a 3-year IT transformation plan to go from current state to an IT as a Service (ITaaS) model. This is in alignment with the CTS model for chargeback for IT services and provides more transparency on the true cost of IT. DOH also embraces the OCIO plan for migrating services to the cloud (both private and public), and all current and future procurements keeps this goal in mind. DOH will continue to work closely with OCIO, DES and CTS to ensure all IT spending is in the best interest of the state taxpayers and current business customers.
Health Care Authority	<p>The HCA is exploring but not has yet implemented:</p> <ul style="list-style-type: none"> › Leveraging cloud hosting of Software as a Service (SaaS) for a portfolio management tool for the agency and Platform as a Service (PaaS). › Improved business analytics and business intelligence reporting capabilities with HCA’s infrastructure and multiple program operations. › Remapping IT systems roadmap plans that will align across all systems. › Leveraging the federal government’s Medicaid Information Technology Architecture 3.0 and potential federal investments to adopt a more efficient and comprehensive approach to service delivery, and develop a sustainable foundation of interoperable systems and information sharing. › Potentiality of IT shared services with other states that might include data sharing and integration strategies, leveraging provider credentialing and MMIS functionality, and disaster recovery. <p>Intra-agency or statewide IT savings ideas:</p> <ul style="list-style-type: none"> › Shared services availability of certain security services that otherwise would be expensive for agencies to expense themselves. › OCIO-provided SaaS for portfolio management functions.

<p>Industrial Insurance Appeals, Board of</p>	<p>Not subject to reduction.</p>
<p>Insurance Commissioner, Office of</p>	<p>We have a couple of items for consideration:</p> <ul style="list-style-type: none"> › Cost containment for certain shared services is still problematic. Unfortunately, the implementation of some CTS shared services remains a cost increase to agencies — not a cost decrease — with little or no service improvement. Take shared email for example: OIC is in the process of fully migrating to the CTS shared email service (OIC has been vaulting email since 2010) and the ongoing cost in actual dollars to OIC will be several times more costly as compared to OIC provisioning the service internally. Implementation of certain shared services will continue to be slow if we are unable to drive down the initial startup costs for the service and bend the maintenance and operation cost curve for agencies. › Implementing a Washington government private cloud as a comprehensive shared service. OIC recently asked CTS about its plans to stand up a comprehensive shared service for a Washington government private cloud and the response confirmed that CTS (perhaps in joint discussion with the OCIO’s office) is not planning to implement a full-service Washington government private cloud. OIC supports CTS’ work to advance the state’s use of shared services. However, this approach seems incomplete and not strategic from a start-up cost and technical perspective. We hope this agency perspective is useful.
<p>Labor and Industries, Department of</p>	<p>We are continuing to focus on improvements in software management. Other areas for consideration include:</p> <ul style="list-style-type: none"> › Peripherals – gathering cost to understand current spend. › Desktop support – gathering data to understand current staff support ratios. › Servers – gathering data to understand cost of virtual/physical, as well as utilization levels. › Mainframe – gathering data to understand costs of storage and MIPS usage.
<p>Licensing, Department of</p>	<p>We will be implementing a new testing plan that will drive down rework, lowering internal cost to application development with the potential to reduce contracted development.</p>
<p>Military Department</p>	<p>We are researching the reassignment of hardware resources to better support the Military Department’s mission as a result of budget reductions and mission capability changes.</p>
<p>Parks, Washington State</p>	<p>We are in negotiations with the Environmental Lands Use Hearings Office (ELUHO), a joint tenant at our Headquarters building, for State Parks to share an SMON circuit. We are working with CTS and ELUHO on an implementation plan. State Parks will save approximately \$500 per month and ELUHO will be directly connected to the SGN, eliminating its need for 2 small branch office VPNs.</p>

<p>Public Disclosure Commission</p>	<p>In adopting the agency’s 2013–15 Strategic Plan, the commission has identified restoring lost IT operating and maintenance resources as a critical need for the agency to meet core operational functions and statutory mandates. In recognition of the critical nature of the situation, the PDC chair wrote to the Governor in October, requesting reconsideration of the additional allotment reductions for IT expenditures. The agency has also submitted a maintenance-level decision package requesting \$9,141 for FY 2015 to maintain basic software maintenance and assurance agreements that are necessary to the continued functionality of our IT systems and applications.</p>
<p>Retirement Systems, Department of</p>	<p>The most significant idea we are planning to pursue is the use of Amazon Web Services. Our first effort will be to explore the use of cloud-based storage on Amazon Web Services for off-site network backups. This will eliminate the need for backup tapes (a cost) and potentially reduce or eliminate our storage requirement with Iron Mountain to hold these backups. It also has the potential to reduce or eliminate expenditures in on-site backup equipment such as tape drives.</p> <p>Upon completion, we should be able to back up directly to the cloud. These backups will be encrypted prior to transfer to the cloud and then stored with another level of encryption (double-encrypted). Storage cost savings are expected to be significant. We also anticipate the benefit of having our backups available for immediate use, whereas now we must order the backups to be delivered from Iron Mountain, when needed.</p> <p>Mainframe optimization ideas: Program buffer pool caching, data retrieval caching, MQ Series optimizations.</p>
<p>Revenue, Department of</p>	<p>DOR is considering leasing computers instead of purchasing.</p>
<p>Secretary of State</p>	<p>Not at this time.</p>
<p>Social and Health Services, Department of</p>	<p>As noted above, at an agency level, we are working on details for implementing shared virtual utility servers in more than 100 field sites where multiple programs are located. This would eliminate the need to replace hundreds of physical servers in the field.</p>
<p>State Patrol, Washington</p>	<p>Working with the OCIO and the Apptio vendor to implement the Apptio budget tracking application to model WSP IT spending. The IT Division continues to implement a more detailed model of the agency’s IT spending by ensuring consistency across the agency in the coding/tracking/reporting of IT expenditures and by continuing to fine-tune the cost model built in Apptio.</p> <p>We have begun the replacement of selected employee laptops and PCs with mobile tablet devices. This effort has not yet expanded to the point of being able to confirm savings.</p>
<p>The Evergreen State College</p>	<p>Evaluating cloud service option as a part of all medium- and large-system upgrades and replacements.</p>

Traffic Safety Commission	The agency is currently evaluating our current IT service and maintenance contracts to determine if DES could provide better IT support and customer service at similar or reduced rates.
Transportation Improvement Board	In the upcoming year, we are considering building an online application system.
Treasurer, Office of the State	We are continually working with our business customers to enhance our treasury management system for efficiencies in how they do their business. Although we are conservative in our IT spending, our primary focus is on business process improvement. Our IT expenses are nearly at the same level as FYs 1996–97 and while salaries and benefits have increased, our IT staffing level has fallen from 21 to 14.
University of Washington	<p>The UW is finalizing plans to replace its legacy payroll system with a modern, flexible payroll and human resource information management system, using an outsourced contract model for operating the new system in a shared service environment.</p> <p>The UW is implementing a central, standardized electronic document management system which will significantly reduce the costs of storing official records in hard copy, and enhance access and retrieval of documents.</p> <p>Using eProcurement will enable us to shut down the legacy purchasing/payables system in the next few years.</p>
Utilities and Transportation Commission	We are a pilot agency of CTS’s new, emerging private Cloud service and expect to implement all our replacement and new servers in this environment. We are also awaiting the new CTS-provided campus wireless network service and expect to save a significant amount of money by using this service. We have deferred our plans to build our own internal wireless network and will use CTS’s new service instead.
Veterans Affairs, Department of	DVA is in the testing phase of server virtualization, with the expectation of implementing virtual servers into production during this biennium.