

Report to the Governor and Legislature

INFORMATION TECHNOLOGY PROJECTS FUNDED THROUGH FINANCIAL CONTRACTS

As required by Section 943, Chapter 3, Laws of 2013, 2nd Special Session
(2013–15 operating budget)

Office of Financial Management
November 7, 2013



Executive Summary

The Office of Financial Management was directed in the 2013–15 operating budget to report every November 1st on the status of distributions and expenditures, and improved statewide or agency performance results, achieved by information technology projects funded pursuant to Section 943 of Third Engrossed Substitute Senate Bill 5034. This report offers a summary of the status of each of the five information technology projects authorized to enter into financial contracts and the expected improvements in performance results.

Background

The 2013–15 operating budget (3ESSB 5034) authorized the acquisition of five information technology projects through financial contracts (e.g., certificates of participation, or COPs) approved jointly by the Office of Financial Management (OFM) and the Office of the Chief Information Officer (OCIO). The five agencies, appropriations and projects authorized are:

- › Department of Enterprise Services – \$10,000,000 for the Time, Leave and Attendance pilot project
- › Washington State Patrol – \$3,867,000 for continuation of the mobile office platform
- › Department of Social and Health Services – \$8,500,000 for conversion to the tenth version of the World Health Organization’s International Classification of Diseases
- › Department of Early Learning – \$5,558,000 for implementation of electronic benefit transfers
- › Department of Corrections – \$4,323,000 for radio infrastructure upgrades

Section 943 of the legislation requires OFM, with assistance from the OCIO, to report to the Governor and fiscal committees of the Legislature by November 1st each year on the status of distributions and expenditures on information technology projects, and improved statewide or agency performance results achieved by project funding.

Each agency was provided expenditure authority in the 2013–15 operating budget to pay for debt service on COPs, assuming an August 2013 issuance, with the first debt service payment made Dec. 1, 2013.

Summary of Project Distributions, Expenditures and Performance Results

As of the release of this report, all five agencies have initiated discussions with the State Treasurer to determine the timing and applicability of COPs for the acquisition of the above-mentioned information technology projects.

None of the five projects issued COPs during the August 2013 period. Instead, the earliest expected COP issuance is March 2014 for the Washington State Patrol and the Department of Early Learning. The Department of Enterprise Services project is expected to issue COPs around August 2014. The timing for issuance of financial contracts is still under development for the Department of Social and Health Services and Department of Corrections projects.

As a result of conversations with the State Treasurer’s office, the Department of Early Learning has determined not all its agency project can be capitalized, so the full financial contract amount authorized may not be used and instead must be funded, in part, with additional cash. It is also likely the Department of Social and Health Services project cannot be fully capitalized and will need additional cash to reach completion.

The statewide and agency performance results expected once each project is underway and completed are summarized in Table 1. This table also summarizes each project purpose, authorized financial contract amount, and the anticipated term and date of issuance of financial contracts.

Agency	Project Title	Project Purpose	Authorized Amount (\$\$ in thousands)	COP Term	Anticipated COP Issuance	Expected Improvements in Performance Results
DES	Time, Leave and Attendance	Implement an enterprise timekeeping system for all state agencies, with initial implementation at WSDOT and Ecology.	\$10,000	7	August 2014	Reduce duplication of effort across state government in the maintenance of multiple timekeeping systems and provide state agencies with an automated and centrally supported timekeeping system.
WSP	Mobile Office Platform	Phase II of project to replace in-car computers as they reach the end of their useful life. WSP was funded for the first phase in the 2011–13 biennium.	\$3,867	4	March 2014	Continue replacement of in-car trooper computers. Once fully deployed, new computers will have access to the Statewide Electronic Ticket and Online Reporting (SECTOR) application, in-vehicle query tool and digital video system. The project is also expected to reduce the amount of time needed for WSP, WSDOT and the courts to process traffic violations.
DSHS	Electronic Medical Records	Provide the state psychiatric hospitals with a new electronic medical records system compliant with the International Classification of Diseases (ICD-10) by Oct. 1, 2014.	\$8,500	4	TBD	Bring the state into compliance with ICD-10 standards, create more accurate payments, reduce the number of rejected/improper claims, improve disease management and monitoring, and improve patient safety and health care outcomes. The project will also integrate documentation of clinical services delivered to the patient and potentially result in additional revenue.
DEL	Electronic Benefit Transfers	Develop and implement an electronic benefit transfer system for child care subsidy payments.	\$5,558	7	March 2014	Update the current child care subsidy model and retire legacy computer systems. The new system will increase accuracy of subsidy payments, decrease the number of overpayments, provide more efficient auditing methods and improve communication among consumers, providers and the department.
DOC	Radio Infrastructure Upgrades	Replace staff radio systems at the following corrections centers: Larch, Cedar Creek, Clallam Bay, Stafford Creek and Airway Heights.	\$4,323	10	TBD	Improve the efficiency of communication for DOC staff and ensure they have the communication equipment necessary to maintain core correctional operations.