



State of Washington

INFORMATION TECHNOLOGY PROJECTS FUNDED THROUGH FINANCIAL CONTRACTS

Report to the Governor and Legislature

As required by Section 943, Chapter 4, Laws of 2013, 2nd Special Session
(2013–15 Operating Budget)

Executive Summary

The Office of Financial Management was directed in the 2013–15 operating budget to report every November 1 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 IT 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 IT 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 2014 supplemental operating budget (ESSB 6002) removed the financing authorization for the Department of Social and Health Services' conversion to the 10th version of the World Health Organization's International Classification of Diseases because these costs were determined not to be eligible for capitalization. The four remaining agencies, appropriations and projects authorized in the 2014 supplemental operating budget are:

- » Department of Enterprise Services – \$13.5 million for the Time, Leave and Attendance pilot project
- » Washington State Patrol – \$3.9 million for continuation of the mobile office platform
- » Department of Early Learning – \$3.3 million for implementation of electronic benefit transfers
- » Department of Corrections – \$4.3 million for radio infrastructure upgrades

Section 943 of the 2013–15 operating budget requires OFM, with assistance from the OCIO, to report to the Governor and fiscal committees of the Legislature by November 1 each year on the status of distributions and expenditures on information technology projects, and improved statewide or agency performance results achieved by project funding.

Summary of project distributions, expenditures and performance results

As of the release of this report, only the Department of Enterprise Services and the Washington State Patrol have issued COPs for the projects identified above. The 2014 supplemental operating budget increased the authorization for the Department of Enterprise Services Time, Leave and Attendance pilot project from \$10.0 million to \$13.5 million, and the department issued COPs for \$11.7 million in August 2014.

The Washington State Patrol issued COPs for \$1.6 million for part of its Mobile Office Platform project in August 2014, and plans to issue additional COPs for the balance, or some portion of the balance, around March 2015.

As a result of conversations with the State Treasurer's Office, the Department of Early Learning determined not all of its project can be capitalized. The COP authorization amount was reduced from \$5.6 million to \$3.3 million in the 2014 supplemental operating budget. The department plans to re-issue the request for bids around November 2014, and plans to issue COPs in March 2015.

The Department of Corrections has initiated discussions with the State Treasurer and anticipates issuing COPs around March 2015.

The statewide and specific agency performance results expected once each project is underway and completed are summarized in the following table. 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)	Amount Issued as of October 2014 (in thousands)	COP Issuance Date	COP Term	Future COP Issuance Date	Expected Improvements in Performance Results
DES	Time, Leave and Attendance	Implement an enterprise timekeeping system for all state agencies, with initial implementation in WSDOT and Ecology.	\$13,500	\$11,676	August 2014	10 Years		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 existing 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	\$1,614	August 2014	4 Years	March 2015	Continue replacement of in-car trooper computers. Once fully deployed, new computers will have access to the SECTOR (statewide electronic ticket and online reporting 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.
DEL	Electronic Benefit Transfers	Develop and implement an electronic benefit transfer system for child care subsidy payments.	\$3,315	\$0			March 2015	The project will update the 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	\$0			March 2015	The project will improve the efficiency of communication for DOC staff and ensure they have the necessary communication equipment to maintain core correctional operations.

