

**Agency: 163 Consolidated Technology Services (WaTech)**

**TAB – C – 17-19 Agency Decision Packages**



### Agency Budget Request Decision Package Summary

(Lists only the agency Performance Level budget decision packages, in priority order)

Agency: 163 Consolidated Tech Services

8/30/2016  
11:30:49AM

Budget Period: 2017-19

Decision Package Code	Decision Package Title
PL-A0	IT Master Contract and Procurement
PL-A4	Remote Access Services Allocation
PL-A9	Enterprise Security
PL-AC	Increased Cyber Defense
PL-AE	Cybersecurity Caseload Management
PL-AD	SDC - Customer Migration
PL-A3	Mainframe Allocation
PL-A2	Washington One-Stop Portal -BizHub



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** 9T Transfer

**Budget Period:** 2017-19

**Budget Level:** ML2 – Inflation and Other Rate Change

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests net zero adjustments to expenditure authorities and revenue sources to realign functions within the Agency after the 2015 merger of the Office of Chief Information Officer (OCIO), Enterprise Technology Services (ETS), and Consolidated Technology Services (CTS) as directed by Engrossed Second Substitute Senate Bill 5315.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-1	136,000	136,000	136,000	136,000
Fund 458-6	(359,000)	(359,000)	(359,000)	(359,000)
Fund 472-6	16,000	16,000	16,000	16,000
Fund 461-6	207,000	207,000	207,000	207,000
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	0.0	0.0	0.0	0.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-1	136,000	136,000	136,000	136,000
Fund 458-6	(359,000)	(359,000)	(359,000)	(359,000)
Fund 472-6	16,000	16,000	16,000	16,000
Fund 461-6	207,000	207,000	207,000	207,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj.	0	0	0	0

**Package Description**

During the 2015 Legislative session, Engrossed Second Substitute Senate Bill 5315 aligned functions of CTS, OCIO, and ETS into one agency. Since the passage of the Legislation, WaTech has been evaluating and aligning the functions between the three parts of the Agency to achieve effectiveness and efficiency in service delivery to its customers.

The following are the major alignments since the merger of three agencies:

1. Moving security staff from the former ETS to the Enterprise Security Office. This is the beginning of the initiative to integrate security functions into the relevant lines of business such as network and computing .
2. Establishing the Office of Project Management. This alignment moves project managers from the former ETS and CTS and centralizes them in one office to serve the entire WaTech as needed.
3. Centralizing the database administrator into the appropriate office.
4. Centralizing the administrative assistants' pool and the customer account managers. This alignment standardizes treatment of administrative assistants and customer account managers.
5. Relocating Dial.wa.gov to Access Washington. This alignment allows WaTech to leverage the expertise of the staff supporting state wide applications.

WaTech requests adjustments to the funds and revenue sources to accurately reflect the alignments.

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

This proposal is not an expansion or alteration of a current program or service. The proposal requests adjustments to the funds and revenue sources to accurately reflect the alignments of the Agency.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

Salary and benefits are based on the FY 2017 salary and benefits for the positions transferred. The shared services and overhead costs per FTE are based on the FY 2017 budget for the Shared Service Cost Centers and the Overhead Cost Centers.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

Funding this request will align funds and revenue sources more closely to the organization of the agency, core technology investments, and the services it provides.

**Performance Measure detail:**

The decision package supports the Results Washington goal # 5: Efficient, Effective & Accountable Government.

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

This request does not directly impact state residents. It will enable WaTech to continue to support state agencies that provide services to state residents.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:

<b>Other local gov't impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Tribal gov't impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Other state agency impacts?</b>	<b>Yes</b>	<b>Identify:</b> Funding this request will adjust the Central Service Model costs paid by state agencies.
<b>Responds to specific task force, report, mandate or exec order?</b>	<b>No</b>	<b>Identify:</b>
<b>Does request contain a compensation change?</b>	<b>No</b>	<b>Identify:</b>
<b>Does request require a change to a collective bargaining agreement?</b>	<b>No</b>	<b>Identify:</b>
<b>Facility/workplace needs or impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Capital Budget Impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is change required to existing statutes, rules or contracts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is the request related to or a result of litigation?</b>	<b>No</b>	<b>Identify lawsuit (please consult with Attorney General's Office):</b>
<b>Is the request related to Puget Sound recovery?</b>	<b>No</b>	<b>If yes, see budget instructions Section 14.4 for additional instructions</b>

**Identify other important connections**

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

The only impact to other state agencies is the adjustment to the Central Services Model.

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

WaTech has to operate out of three funds. This change, as well as future biennial changes, is necessary to align revenue sources with the services they support. The alternative is to move these positions back to the units and operate the Agency as three separate parts. That would be both ineffective and inefficient.

**What are the consequences of not funding this request?**

This is a technical adjustment with a net zero impact.

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

This request does not require additional appropriations but to align revenue to services provided.

**Other supporting materials:**

Electronic back-up to be sent separately.

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

No 

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

# 2017-19 IT Addendum

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## Part 1: Itemized IT Costs

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

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Staffing (moving staff – no new costs)	0	0	0	0
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Part 2: Identifying IT Projects

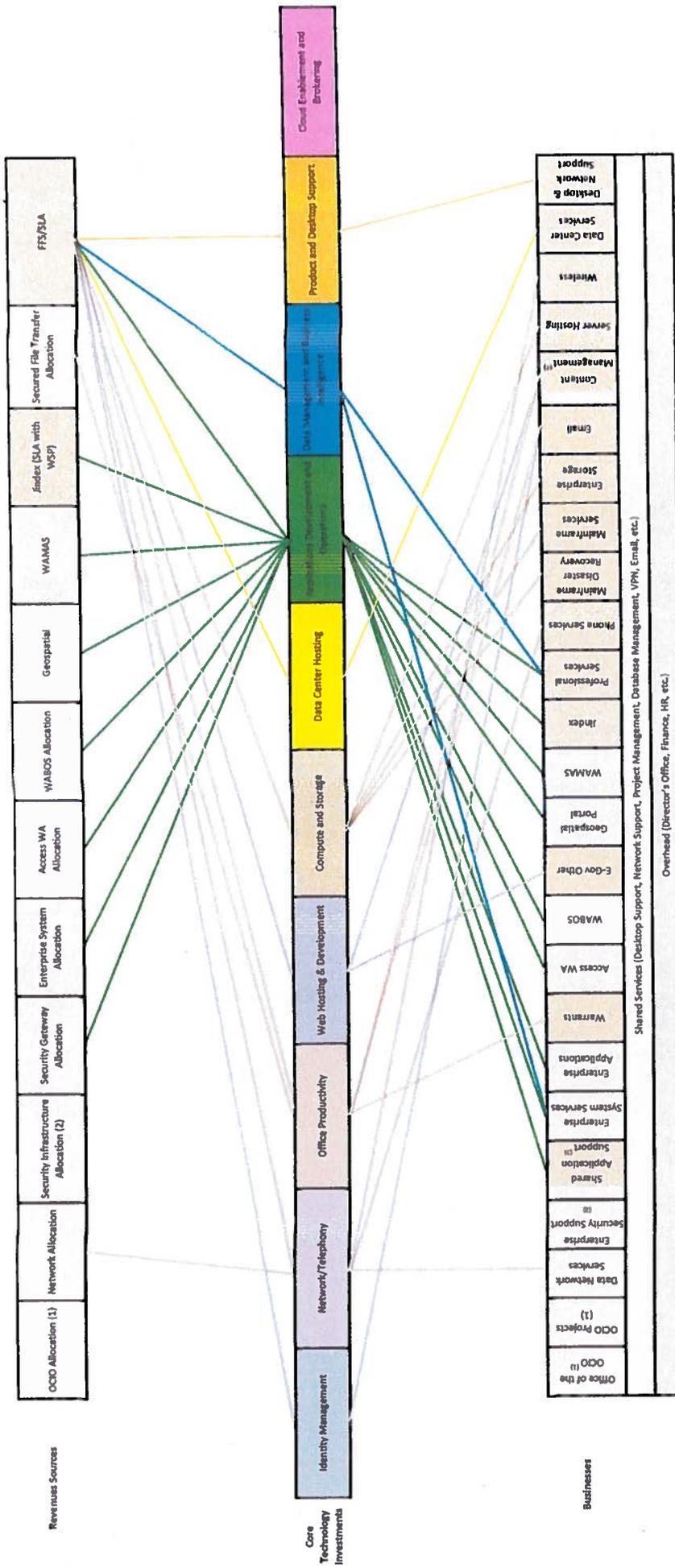
If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below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

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

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



# WA Tech Revenue Sources and Core Technology Investments



NOTE:  
 (1) OCO sets policies for all IT related matters. Thus, it is part of all Core Technology Investments.  
 (2) Security Infrastructure Allocation supports security for the whole Agency. Thus, it is part of all Core Technology Investments.  
 (3) Share Application Support is funded 76% by Enterprise System Fee and 22% by SIA.  
 (4) Content Management - the secured file transfer is funded by allocation and the remaining services (LatiServe, Share Web Hosting, and SharePoint) are funded by fee-for-service.



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A5 - SecureAccess WA Workload Increase

**Budget Period:** 2017-19

**Budget Level:** ML2 – Inflation and Other Rate Change

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$1,836,000 and 4.0 FTE in the 2017-19 Biennium to support the increasing number of users in SecureAccess Washington (SAW). Funding this request will allow approximately five million users to work online securely with 94 state agencies.

**Fiscal Summary:**

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	616,000	1,220,000	1,208,000	1,208,000
<b>Total Cost</b>	<b>616,000</b>	<b>1,220,000</b>	<b>1,208,000</b>	<b>1,208,000</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	2.0	4.0	4.0	4.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	616,000	1,220,000	1,208,000	1,208,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	148,000	296,000	296,000	296,000
Obj. B	52,000	103,000	103,000	103,000
Obj. E	404,000	809,000	809,000	809,000
Obj. J	12,000	12,000	0	0

**Package Description**

SecureAccess Washington (SAW) is an online gateway to 94 state agencies and multiple services through those agencies via the internet. It is a single sign-on application that simplifies users' access to agencies such as the Departments of Health, Revenue, Labor & Industries, and DSHS. SAW allows secure internet access to online government services with the use of a unique single self-generated user identification and password.

As indicated by its utilization SAW is a very popular tool for residents of Washington to conduct business with state agencies. The number of registered users has increased from 874,000 in June 2013 to over three million in June 2016. At the current rate of growth, the number of users will increase to approximately 4.5 million by June 2018 and over 5 million by June 2019. This growth is expected to slow or level off after FY 2019.

This growth drives increases for the cost of software licenses and staff to support SAW users (programmer/developer staff time and service desk staff).

#### Secure Gateway Staff:

Currently, WaTech has four developers dedicated to maintaining and modifying SAW. The current ratio of developers to users is approximately 1.0 FTE per 1 million users. To support the increasing number of users and to maintain the appropriate staff to user ratio, WaTech will need 1.0 additional FTE in FY 2018 and 2.0 for FY 2019.

#### Service Desk Staff:

In FY 2016, there were 22,500 calls to the WaTech service desk related to SAW. This is approximately 0.72 percent of the total FY 2016 SAW users. Assuming the same ratio, WaTech estimates that the service desk will receive over 33,000 calls related to SAW in FY 2018 and 38,500 calls in FY 2019. On an average, each call lasts approximately 10 minutes. This workload will require 1.0 FTE in FY 2018 and 2.0 FTE in FY 2019.

#### Licensing Costs:

The licensing costs are estimated to average \$0.53 per user in FY 2017 and this assumption is being used for 2017-19. WaTech will need an additional \$391,870 in FY 2018 and \$783,740 in FY 2019 to accommodate the increased number of users.

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

SecureAccess Washington is one of the major services funded through the Security Gateway statewide allocation. The total allocation for the 2015-17 Biennium is \$9,047,000, with a carry-forward into 2017-19 of over \$10 million (\$5 million annually).

#### **Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

Please see attached backup.

#### **Decision Package Justification and Impacts**

##### **What specific performance outcomes does the agency expect?**

Internal measures include:

- Increased number of Washington State citizens accessing state services via SAW (over 5 million users by the end of FY 2019).
- Reduce time required to respond to customer requests for access, and resolution of trouble calls.
- Ensure that state sites are protected by blocking unauthorized, malicious sites attempting entry.

##### **Performance Measure detail:**

The decision package supports the Results Washington goal #5: Efficient, Effective & Accountable Government. It also supports two goals in the WaTech strategic roadmap: 1) enhanced identity and access management, and 2) new and enhanced security capabilities.

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

This will impact the 94 agencies and at least five million users expected to access the system by the end of the 2017-19 biennium.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Increased user experience for 94 state agencies' services.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

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

State agencies are impacted through their increased use of the SAW Enabled Agency Portal (SEAP), which is an agency-branded portal that utilizes the SAW functionality but gives agencies more freedom to customize the look and feel for their specific type of users. Additionally, we have more

agencies integrating applications containing Category 3 or 4 data, which requires enhanced support for protecting that data.

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

The alternative would be to limit the number of SAW users and the number of agencies participating. This means state agencies have to find the alternative to doing business on line. It is inconvenient for Washington citizens who use state services and is not cost effective for state agencies to seek an alternate option.

**What are the consequences of not funding this request?**

Not funding this request will entail limiting the numbers of SAW users and agencies' requests.

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

Similar to the previous question, WaTech would have to limit the addition of new SAW users and processing agencies' requests for support.

**Other supporting materials:**

Please see attached backup.

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Software and licensing	392,000	809,000	809,000	809,000
Staff	224,000	411,000	399,000	399,000
<b>Total Cost</b>	<b>616,000</b>	<b>1,220,000</b>	<b>1,208,000</b>	<b>1,208,000</b>

## Part 2: Identifying IT Projects

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

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

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



Step ML A5 - SecureAccess WA (SAW) Workload increase

Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	2.0	4.0	3.0
Object A	\$ 147,852	\$ 295,704	\$ 443,556
Object B	\$ 51,663	\$ 103,327	\$ 154,990
Object E	\$ 404,257	\$ 808,514	\$ 1,212,771
Object J	\$ 12,000	\$ 12,000	\$ 24,000
<b>Total</b>	<b>\$ 615,772</b>	<b>\$ 1,219,545</b>	<b>\$ 1,835,317</b>

Revenue	FY 2018	FY 2019	Biennium 2017-19
Fund			
<b>458 Data Processing Revolving Account</b>	<b>\$ 615,772</b>	<b>\$ 1,219,545</b>	<b>\$ 1,835,317</b>

**Users**

Registered users as of June 2013	873,962
Registered users as of June 2014	1,624,358
Registered users as of June 2015	2,315,072
Registered users as of June 2016	3,111,528
Estimated users as of June 2017	3,850,794
Estimated users as of June 2018	4,590,061
Estimated users as of June 2019	5,329,327
User increase in FY 2018	739,266
User increase in FY 2019	1,478,533

**Licensing Costs**

Annual licensing costs per user (based on FY 2016 estimate)	\$ 0.53
Estimated additional licensing costs FY 2018	\$ 391,870
Estimated additional licensing costs FY 2019	\$ 783,740

**Security Staff**

Current security staff dedicated to SAW (FY 2017)	4.0	
Estimated staff to user ratio (per million users)	1.0	
Additional staffing needed for FY 2018	1.0	0.77
Additional staffing needed for FY 2019	2.0	1.54
Security staffing costs FY 2018	\$ 223,902	Staffing Model
Security staffing costs FY 2019	\$ 435,804	Staffing Model

**Total Security Costs**

FY 2018	\$ 615,772
FY 2019	\$ 1,219,545

**Service Desk**

Numbers of service desk calls related to SAW in FY 2016	22,509	
Ratio of help desk calls to users in FY 2016	0.72%	
Estimated number of service desk calls in FY 2017	27,857	
Estimated number of service desk calls in FY 2018	33,205	
Estimated number of service desk calls in FY 2019	38,553	
Average length of time per call (minutes)	10	
Estimated additional service desk hours due to increase in number of calls FY 2018	1,783	
Estimated additional service desk hours due to increase in number of calls FY 2019	2,674	
Annual productive hours per FTE	1,560	
Estimated additional service desk FTE needed in FY 2018	1.0	1.14
Estimated additional service desk FTE needed in FY 2019	2.0	1.71
Service desk staffing costs FY 2018	\$ 98,842	Staffing Model
Service desk staffing costs FY 2019	\$ 191,683	Staffing Model



## Ramos, Deborah (WaTech)

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**From:** Lee, Larry (WaTech)  
**Sent:** Friday, August 26, 2016 5:46 PM  
**To:** Fitzgerald, Judy (WaTech); Kermen, Chawntain (WaTech)  
**Subject:** WaTech DP Consult for SR1608\_04240 - WaTech - A5 SecureAccess WA Workload Increase

Good afternoon Judy and Chawntain,

This email is to summarize your Decision Package (DP) Consultation with WaTech. Your Service Request ticket number is SR1608\_04240 – WaTech – A5 SecureAccess WA Workload Increase. Based on information included in your DP and gathered during the consultation, your identified requirements include the addition of software and licensing, and FTEs to support the package. WaTech does not currently provide a service that aligns with software licenses and FTEs. The WaTech SecureAccess Washington team currently utilizes the WaTech provided server hosting platform and Colocation service for server hosting, and a variety of staff support tools. It was discussed that the SecureAccess Washington team at WaTech will continue to use these services.

If your requirements change, please send a new request to the WaTech Service Desk at [servicedesk@watech.wa.gov](mailto:servicedesk@watech.wa.gov) and include the subject line **Consultation Request for 2017-19 Biennial Budget Submittal for WaTech - A5 SecureAccess WA Workload Increase**.

Let me know if I can be of assistance.

Larry

Larry E. Lee  
Customer Account Manager  
Customer Relations Team  
Washington Technology Solutions (WaTech) / Consolidated Technology Services (CTS)  
360-407-8936 Office  
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[WaTech.wa.gov](http://WaTech.wa.gov)



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A8 - WSP into the Network Allocation

**Budget Period:** 2017-19

**Budget Level:** MI.2 – Inflation and Other Rate Change

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$1,940,000 be added for the 2017-19 Biennium to the Data Network Allocation to support the Washington State Patrol's (WSP) implementation of WaTech-supplied Wide Area Network (WAN) connecting WSP's district offices, detachments, crime labs, and specialty offices statewide. This request aligns with consistently managing the State Network as a Critical State Asset.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	492,000	1,448,000	1,448,000	1,448,000
<b>Total Cost</b>	<b>492,000</b>	<b>1,448,000</b>	<b>1,448,000</b>	<b>1,448,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	0.0	0.0	0.0	0.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	492,000	1,448,000	1,448,000	1,448,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Object E	492,000	1,448,000	1,448,000	1,448,000

**Package Description**

The Washington State Patrol (WSP) currently operates a low-cost but inadequate WAN based on its Public Safety Microwave Network. While cost effective for years, this network cannot meet new demands for access to video, large evidence files, rapid digital exchange of information, and business continuity required by the WSP's mission. At the same time, growing normal traffic on the agency's microwave network is pushing it beyond its capacity. Adding the WSP to the State Data Network will provide the WSP the same level of service as other state agencies using WaTech to provide shared WAN transport services.

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

This request will increase the base budget for the Data Network Allocation. The current annual allocation is \$21.7 million (Fund 458-6).

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

WSP will incur costs for this effort that will be outlined in their own separate Decision Package.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

The WSP has 63 locations statewide that will be included in the statewide data transport network which will be provided by WaTech.

**Performance Measure detail:**

The request supports Results Washington Goal #4 – Healthy & Safe Communities. Help keep people safe in their homes, on their jobs, and in their communities.

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

State Troopers, other offices and WSP staff will experience fewer administrative burdens and have more time to provide services to citizens. Additionally, timely delivery of training and information to law enforcement officers is critical to ensure appropriate and consistent law enforcement services.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Other state agencies including the Washington State Department of Transportation and the Department of Natural Resources who share the microwave network will experience improved capacity of this network.
Responds to specific task force, report, mandate or exec order?	No	Identify:

<b>Does request contain a compensation change?</b>	<b>No</b>	<b>Identify:</b>
<b>Does request require a change to a collective bargaining agreement?</b>	<b>No</b>	<b>Identify:</b>
<b>Facility/workplace needs or impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Capital Budget Impacts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is change required to existing statutes, rules or contracts?</b>	<b>No</b>	<b>Identify:</b>
<b>Is the request related to or a result of litigation?</b>	<b>No</b>	<b>Identify lawsuit (please consult with Attorney General's Office):</b>
<b>Is the request related to Puget Sound recovery?</b>	<b>No</b>	<b>If yes, see budget instructions Section 14.4 for additional instructions</b>

**Identify other important connections**

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

WaTech will require additional capacity to expand circuits to WSP locations. Once implemented, this move will contribute positively to the overall state network as greater numbers of circuits and connection points increase WaTech's opportunities to combine circuits and achieve greater buying power.

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

The WSP looked at expanding the public safety microwave network's bandwidth, but the extent of growth expected in the use of statewide data transport will far exceed the capability that could be added to the public safety microwave network. This proposal, working with WaTech to design and implement a long-term high-capacity WAN supports state strategy to use shared services and ensures the WSP investments benefit all agencies where possible.

**What are the consequences of not funding this request?**

The WSP will not reach parity with other large state agencies that depend on a statewide data transport network of sufficient capacity to provide service and conduct the state's business. Not funding this request will prevent the WSP from implementing a disaster recovery capability that will provide recovery times consistent with the needs of first responders.

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

WaTech cannot support this request within its current funded level.

**Other supporting materials:** None

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

No 

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

## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services

**Decision Package Code/Title:** AB - Infrastructure for Cloud Services

**Budget Period:** 2017-19

**Budget Level:** ML2 – Inflation and Other Rate Change

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) is requesting an allocation of \$5.8 million and 9 FTE in the 17-19 biennium for staff, equipment, software licenses, and network transport in order to maintain acceptable performance and security of the state’s vital data communication networks as the amount of network traffic increases rapidly due to the use of “cloud” technology.

**Fiscal Summary:**

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	3,765,000	2,016,000	2,016,000	2,016,000

<b>Total Cost</b>	<b>3,765,000</b>	<b>2,016,000</b>	<b>2,016,000</b>	<b>2,016,000</b>
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Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	9.0	9.0	9.0	9.0

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	3,765,000	2,016,000	2,016,000	2,016,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	747,000	759,000	759,000	759,000
Obj. B	249,000	250,000	250,000	250,000
Obj. E	2,713,000	1,005,000	1,005,000	1,005,000
Obj. G	2,000	2,000	2,000	2,000
Obj. J	54,000	0	0	0

**Package Description**

WaTech proposes to spend \$5.8 million in the 2017-19 biennium to facilitate state agencies’ use of information technology cloud services. The term “cloud services” refers to on-demand IT resources and applications delivered over a network or internet connection, typically offered with pay-as-you-go pricing.

Most leading technology vendors, such as Microsoft and Amazon, are focusing their business on delivering IT products and capabilities via cloud services and are diminishing the traditional model

of providing software installed on the customers' local servers. These technology and market changes are driving state agencies' use of IT services delivered by private sector cloud providers. The result of this is a rapid increase in the traffic through the state networks that is expected to explode exponentially during the next few years.

Our existing network infrastructure is optimized for delivering large amounts of data between state agencies and the state data center(s) not for sending that data to external networks. With cloud services, a large part of the network traffic must now be directed, secured, and managed outside of the state's network. Without this investment in additional capacity, security and, manageability, the state's data networks will not be able to handle the additional load. This will result in poor performance, access problems, and unacceptable security risks.

The \$5.8 million would fall into three categories: Identity Management, Network Capacity and, Network Security.

*Identity Management (\$2.9 million and 7 FTE)* is the process of establishing user identities; authenticating that the identity truly belongs to the user and; retiring or changing permissions of users in all of the hundreds of applications that touch the state's networks. The Identity Management infrastructure and service allows state employees Single-Sign-On (SSO) access to cloud services while maintaining compliance with state policies regarding, authentication, authorization, and auditing. This funding will support agencies' ability to easily control and manage increasing employee access to cloud services.

*Network Capacity (\$1.6 million and 1 FTE)* refers to the amount of data that can be transported within and outside WaTech's state-wide communications networks (network core). About 2.5 million gigabytes of data are transported through the network every month. This is hundreds of millions of transactions to hundreds of applications that are necessary for the everyday operations of state and local governments and to provide public access to governmental services and data. Increasing use of cloud services will push network traffic far beyond this current level. As network utilization increases, a corresponding increase in network core circuit speed and capacity (bandwidth) is required. State agencies' decisions to move servers and applications to cloud services exponentially increase the load in the network core. Increased utilization demands increased bandwidth but seamless, high performance cloud access also requires dedicated network equipment. Cloud services must be integrated into the network core in a manner that ensures the performance, accessibility, and resilience of the state's information assets operating in the cloud. Dedicated equipment is required in the State Data Center (SDC) in Olympia, the Quincy Data Center (QDC), and in third-party colocation facilities that act as network hubs for connecting cloud vendors via dedicated high capacity circuits.

This request is only for the network core. It does not address any upgrades to any circuits going to the more than 1,000 office locations that WaTech supports with transport and connectivity services funded by the existing Network allocation.

*Information Security (\$1.3 million and 1 FTE)* focuses on mitigating the risks of sending and storing State of Washington data at an external provider. As custodians of constituent data, it is critical that security controls are implemented to ensure not only the safe passage of the data to external providers, but that the data itself, when stored externally, is done so to all applicable state and federal standards. The data must be kept carefully guarded through proper encryption, auditing, monitoring and access controls. This request is necessary to continue protecting state data as cloud computing is adopted. This proposal augments our approach to data security by adding dedicated security infrastructure that increases capacity and accommodates the unique requirements of cloud

computing. This investment empowers the State of Washington to embrace the power of cloud computing while maintaining best security practices to avoid a costly data breach.

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

This proposal evolves the capacity and capability of the state's existing network, security and, identity management services.

WaTech's annual spending on state networks is \$21.7 million and 40.7 FTE. Annual spending on information security infrastructure is \$5.0 million and 7.4 FTE. Annual spending on Identity Management \$444,000 and 3.0 FTE.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

This proposal includes costs for WaTech staff, network equipment, software licensing and, data transport. The costs were calculated based on currently available information regarding cloud technology and vendor costs. The solution design is based on currently available information regarding customer agency needs and WaTech's capacity to implement.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

WaTech expects that this investment will result in maintaining secure, resilient, dependable and consistent access to IT cloud services by adding a dedicated leg to the state's networks that connects WaTech's two data centers with a cloud aggregation vendor. This aggregator acts as a hub for IT cloud service vendors. WaTech will connect to two hubs, one located in Seattle and one in Ashburn, Virginia. These two hubs will enable WaTech to connect to our current strategic cloud providers, Microsoft (Azure/Office 365) and Amazon Web Services. These hubs will also support future connectivity to other cloud providers.

**Performance Measure detail:** The decision package supports the Results Washington goal # 5: Efficient, Effective & Accountable Government.

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

This proposal supports state agencies' movement toward putting public-facing applications in the cloud. For example, the Department of Health, the Health Care Authority, The Public Disclosure Commission and, The Department of Fish and Wildlife are currently moving applications to cloud providers through the Internet:

- The Department of Health is moving its Washington Health and Life Events System (WHALES) and Medical Marijuana Authorization System (MMJAS) to cloud services. Parts of the WHALES application are already in the Amazon Web Services cloud and MMJAS was moved in July, 2016.
- The Health Care Authority is moving its Healthier Washington Analytics, Interoperability, and Measurement environment to Amazon Web Services.
- The Public Disclosure Commission is moving its Customer Service and Case Management System to a cloud provider.
- The Department of Fish and Wildlife WILD system is a cloud-based system that supports sales of fishing and hunting licenses and permits.

These agencies believe that cloud services allow for an It environment that is more agile and easier to maintain and update than an on premises investment in their own servers. However, moving data over the Internet is risky and unpredictable. Evolving the state's network, security, and Identity Management capabilities will support and maintain state agencies' and the public's access to these applications in a dependable, secure, and resilient fashion.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Any state agency that has plans or is currently migrating information or applications to a Cloud provider service will be positively affected by this proposal. Without the infrastructure in this proposal, agencies will have to traverse the Internet which will result in increased security risk, performance latency and, significantly increased costs to protect their data.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery?

No

If yes, see budget instructions Section 14.4 for additional instructions

**Identify other important connections**

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

Cloud services offer access to servers, storage, databases and a broad set of applications. State agencies are increasingly turning to private sector cloud services as a cost-effective means to solve their business problems; modernize obsolete applications and infrastructure and; deliver vital government services to their constituents.

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

The only alternative to dedicating a portion of the state's network to cloud access is to allow this traffic to traverse the "unwashed" Internet. This option was chosen because it is the most cost effective enterprise approach to the more and more prevalent interest of state agencies to use cloud services.

**What are the consequences of not funding this request?**

Not funding this request will result in the state (WaTech and its customers) being backed into significantly larger costs to attempt to secure the state's data over the Internet. Internet performance (latency), security, and redundancy are beyond the control of WaTech or any state agency. The expense of trying to improve these aspects of the Internet for the state's use would be five or more times as expensive as this proposal.

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

WaTech is not appropriated. Its supporting revenue comes from allocations or fee-for-service sales. This underscores the current problem faced by WaTech and some of its state agency customers. Those agencies that are currently trying to use the Internet to access cloud services need a lot of expertise, coordination and, migration assistance from WaTech. These agencies are consuming large amounts of WaTech staff time and providing no revenue for that purpose. On the other hand, WaTech cannot sell a service or capability that is not built yet.

WaTech's current effort to support agencies' moves to cloud service is adding to its unfortunate fiscal condition. The alternative to providing this service, however, is untenable. The costs to WaTech and in turn, its customers would be in the tens of millions of dollars over several years.

**Other supporting materials:**

Please find attached Excel file documentation that shows how funds will be spent and PowerPoint presentations that provide an easy to understand overview of what Cloud service is all about.

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Staff Costs	1,052,000	1,011,000	1,011,000	1,011,000
Goods/Other Services	2,713,000	1,005,000	1,005,000	1,005,000
<b>Total Cost</b>	<b>3,765,000</b>	<b>2,016,000</b>	<b>2,016,000</b>	<b>2,016,000</b>

## Part 2: Identifying IT Projects

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

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

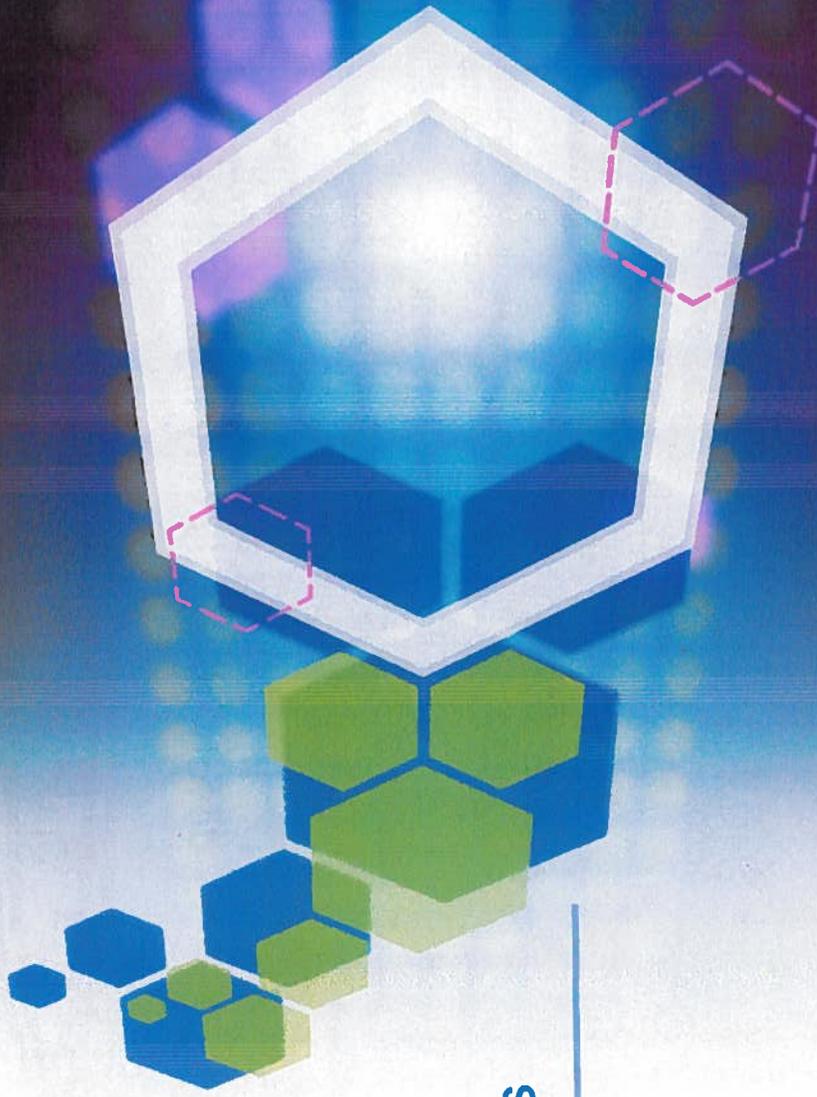
If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.







"The consolidated technology services agency - RCW 43.105.036"



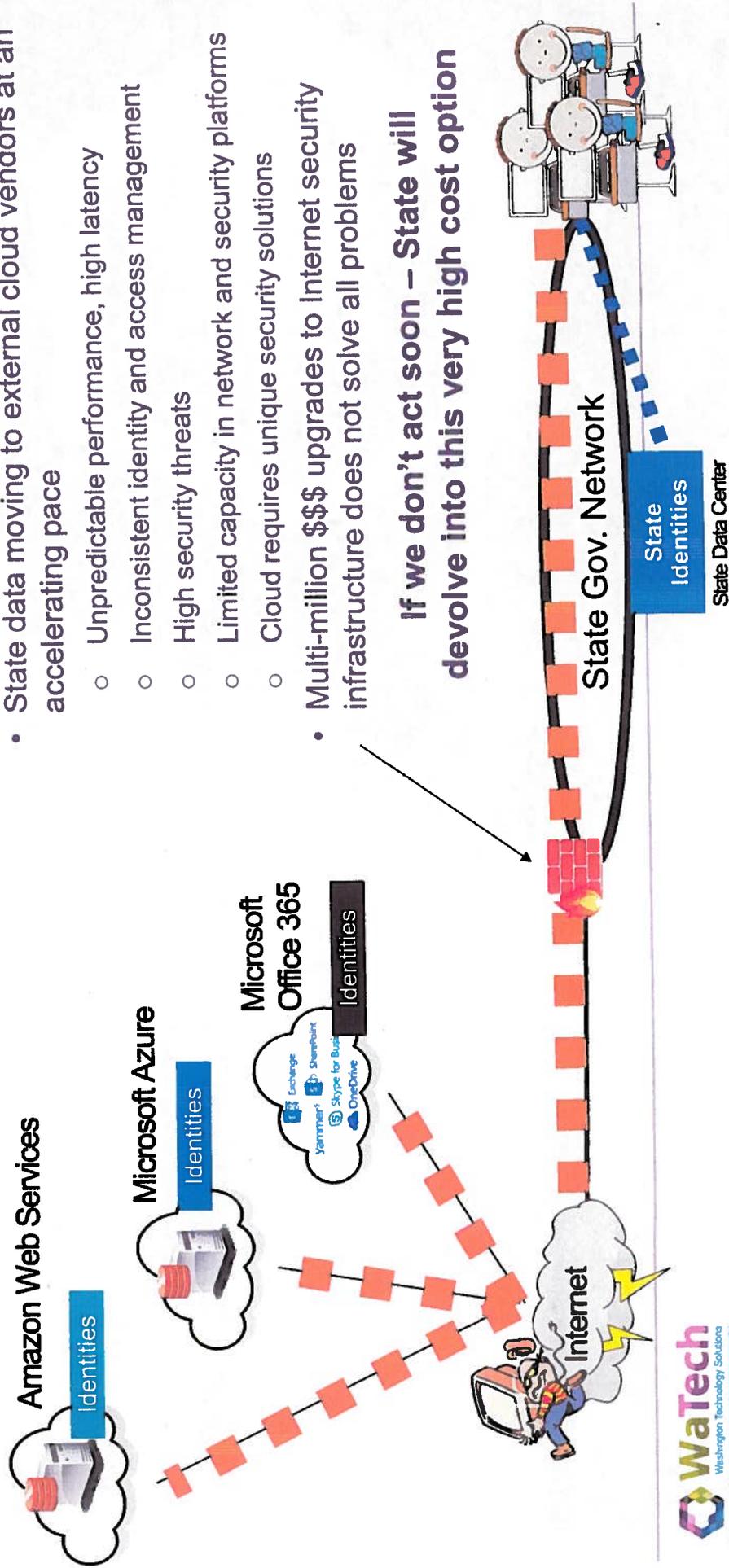
## Infrastructure for Cloud Services

Aug 16, 2016

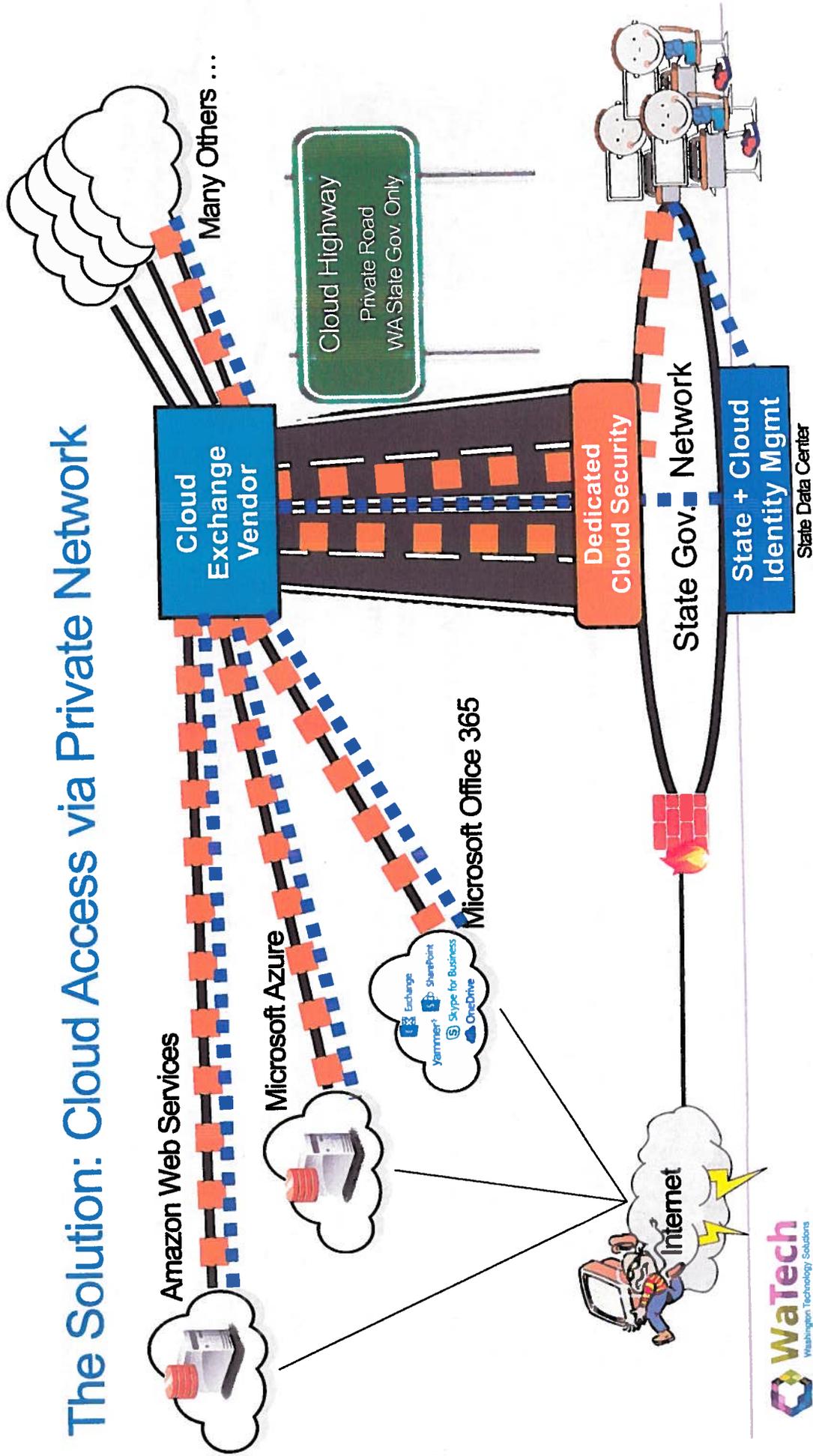
# The Problem: Cloud Access via Public Internet

- State data moving to external cloud vendors at an accelerating pace
  - Unpredictable performance, high latency
  - Inconsistent identity and access management
  - High security threats
  - Limited capacity in network and security platforms
  - Cloud requires unique security solutions
- Multi-million \$\$\$ upgrades to Internet security infrastructure does not solve all problems

**If we don't act soon – State will devolve into this very high cost option**

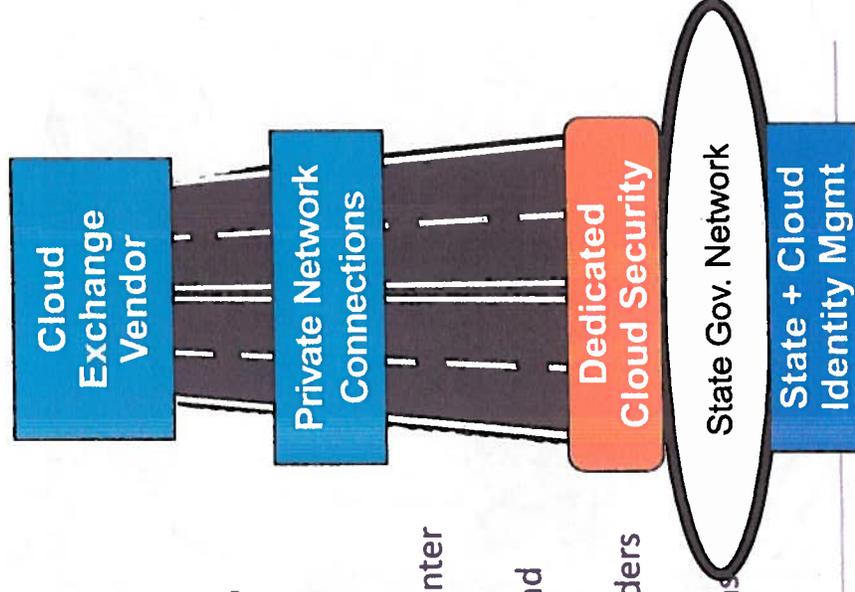


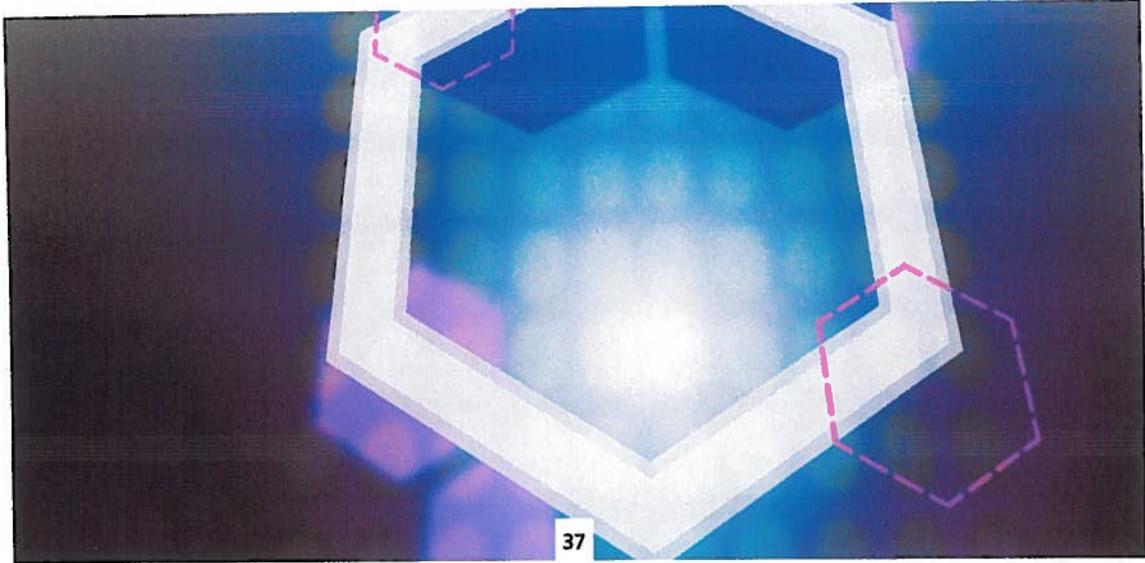
# The Solution: Cloud Access via Private Network



# Private, Dedicated Infrastructure – The Clear Choice

- “Highway to the Cloud”
  - Extends State’s internal network routing and security, end-to-end control and visibility; managed and monitored by WaTech
  - Extends and integrates State’s critical identity and access management controls to cloud solutions; managed and monitored by WaTech
  - Secure and compliant, meets state standards – relieves agencies of the burden to design a compliant cloud deployment
  - Resilient - all components and network connections redundant via Quincy data center
  - Best performance and predictability – vast majority of State’s heaviest data and integration traffic traverses dedicated, high-speed private network while public and external state users still retain access via Internet
  - Strategically positions State - potential to integrate hundreds of other cloud providers via Cloud Exchange vendor
  - Cost effective and solves the identified problems – only alternative is to invest tens of millions to upgrade Internet security capacity, without solving performance and identity management issues





# Infrastructure for Cloud Services

# Thank You



## Winkley, Dan (WaTech)

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**From:** Fitzgerald, Judy (WaTech)  
**Sent:** Tuesday, August 30, 2016 6:22 PM  
**To:** Winkley, Dan (WaTech)  
**Subject:** FW: WaTech DP Consult for SR1608\_04337 - WaTech - ML AB Infrastructure for Cloud Services

[Here's another one.](#)

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**From:** Lee, Larry (WaTech)  
**Sent:** Tuesday, August 30, 2016 9:49 AM  
**To:** Fitzgerald, Judy (WaTech)  
**Subject:** WaTech DP Consult for SR1608\_04337 - WaTech - ML AB Infrastructure for Cloud Services

Good morning Judy,

This email is to summarize your Decision Package (DP) Consultation with WaTech. Your Service Request ticket number is **SR1608\_04337 - WaTech - ML AB Infrastructure for Cloud Services**. Based on information included in your DP and gathered during the consultation, your identified requirements include the addition of software and licensing, equipment, network transport and new FTEs to support the package. WaTech does not currently provide a service that aligns with software, licenses, equipment purchases and FTEs. Wherever possible, you have indicated you will be using existing WaTech services in delivering this new service, for example you will be using the WaTech Private Cloud, Zerto Replication Tool, the Symantec Vault, procuring circuits through TSD and scaling up existing Fortinet Firewall services. New staff will also be using the same WaTech administrative/office products and services being used by existing staff.

If your requirements change, please send a new request to the WaTech Service Desk at [servicedesk@watech.wa.gov](mailto:servicedesk@watech.wa.gov) and include the subject line **Consultation Request for 2017-19 Biennial Budget Submittal for WaTech - ML AB Infrastructure for Cloud Services**.

Let me know if I can be of assistance.

Larry

Larry E. Lee  
Customer Account Manager  
Customer Relations Team  
Washington Technology Solutions (WaTech) / Consolidated Technology Services (CTS)  
360-407-8936 Office  
360-480-4310 Mobile  
[WaTech.wa.gov](http://WaTech.wa.gov)



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A0 - IT Master Contracts and Procurement

**Budget Period:** 2017-19

**Budget Level:** PI.

### Agency Recommendation Summary Text:

Consolidated Technology Services (WaTech) is requesting \$5.9 million in revenue and expenditure authority and 19 FTE to assume responsibility for IT master contracts and procurement.

### Fiscal Summary:

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	2,994,000	2,910,000	3,047,004	3,196,000
<b>Total Cost</b>	<b>2,994,000</b>	<b>2,910,000</b>	<b>3,047,004</b>	<b>3,196,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	19	19	19	19
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	2,994,000	2,910,000	3,047,004	3,196,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	1,407,000	1,432,000	1,547,000	1,671,000
Obj. B	490,000	495,000	517,000	542,000
Obj. G	3,000	3,000	3,000	3,000
Obj. J	114,000	0	0	0
Obj. T	980,000	980,000	980,000	980,000

### Package Description

The goal of this proposal is to align the structure of information technology governance by consolidating information technology (“IT”) procurement and master contracts within WaTech. This structure will align strategy with execution and enable more effective management of information technology by harmonizing IT governance, finance, and operations to support a long term brokering model. IT Solutions require strategic planning, project and risk management, oversight, enterprise architecture, security, privacy, partner management, and procurement. The OCIO has authority for all of the pieces today, minus IT procurement.

IT Governance is addressed by vesting the ability to set and delegate IT procurement authority in the Office of the Chief Information Officer (OCIO). The OCIO, along with the Technology

Services Board (TSB) only has partial authority and responsibility to set the state's policy regarding IT procurements and standards that govern the acquisition and disposition of equipment, proprietary software, and purchased services. Restoring full authority over IT will give the OCIO a more granular, fine-tuned tool for IT Project oversight by enabling levels of delegation for IT procurement authority. Today, the OCIO only has the hammer of project termination. With IT procurement authority, it is afforded more options instead of project termination.

Financially, relocating IT Master Contracts enables WaTech to collect the administrative fee. The fee can be scaled as appropriate, depending on the complexity and services offered. Moreover, the fees collected can be used to benefit the IT community.

Operationally, WaTech's business model includes evolving brokering solutions for our customers. The ability to enter into IT Master contracts enables WaTech to increase transparency into partner management and spend, provide more technical solutions consistent with OCIO standards, and to offer compliance as a service by building in privacy and security protections to the contracts. Contracts for even moderately complex applications often require expertise in procurement as well as in any affected applications, networks, IT security, legal requirements, and business processes. Because WaTech has enterprise responsibility for this spectrum of IT services, adding master contracts increases the efficiency and effectiveness of the contract process.

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

Please see the attached Excel file.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

WaTech's proposal includes the following staff and workload assumptions:

Partner and Legal Affairs 16 FTEs to:

- Monitor partner performance
- Analyze aggregation opportunities
- Coordinate cooperative purchasing engagements
- Coordinate customer outreach teams
- Develop, monitor, and amend licenses enterprise-wide
- Manage enterprise licenses for new opportunities with vendors such as Microsoft, Adobe, Oracle, Citrix

OCIO 1 FTE to:

- Monitor procurements associated with ongoing IT projects under OCIO oversight
- Enforce procurement consistency with enterprise architecture and strategic direction

Communications and Finance 2 FTEs to:

- Manage a master contracts website, business plan and, OWMBE events
- Establish pricing/rates for master contracts; develop and maintain service offerings

Funding for this staffing level would come from contract management fees assessed on vendors that engage in IT master contracts. The level of agency involvement and performance would depend on the amount of funding available through the fee structure. The higher the fee, the more WaTech can do to effectively manage vendors and master contracts. For example:

- Tier 1 at a fee of 0.74% would reduce IT costs due to efficiencies gained through centralized procurement and enterprise-wide economies of scale.

- Tier 2 at a fee of 3.0% would support a statewide technology procurement office and center of excellence that would create model contracts and documents; develop alternative procurement methods; manage procurement for high-risk agencies; provide broad training in strategic sourcing and; engage more thoroughly with stakeholders.

## **Decision Package Justification and Impacts**

### **What specific performance outcomes does the agency expect?**

Resting procurement authority within the OCIO will resolve the split between policy development and implementation enforcement. This will support consistent application of IT policy and allow for economies of scale in IT procurements across the enterprise level.

Master Contracts residing in the State's centralized IT agency will simplify and streamline IT procurement for state agencies in many ways:

- WaTech is able to screen and aggregate vendors that are best suited for an enterprise solution-based IT portfolio
- IT contracting expertise is concentrated in one agency that assures the competitive process and contract terms are performed at the highest level of diligence and legal requirement
- WaTech can broker services, ensuring the data architecture is correct; the products and services work in the state environment and; customers are provided support with deployment and troubleshooting.
- WaTech's existing governance structures ensure that master contracts are established in a manner consistent with the state's IT Vision, road map, and stakeholder needs
- A reduction in time, effort, and cost associated with customers' acquisition processes
- Providing Compliance as a Service with the respective competitive, security, privacy, and regulatory requirements for the customers
- Increased customer ability to respond to urgent needs without violating or avoiding competitive requirements
- Increased visibility of vendor performance through enterprise-wide information sharing
- Elimination of redundant work across multiple customers and elimination of the associated vendor impact

Under the current arrangement, master contracts are established for services that are in direct competition or are duplicative of services provided by WaTech. Some master contracts are even for services that agencies pay for under the Central Services Model. This situation allows for redundant effort and expense and can obviate opportunities for significant economies of scale in the enterprise acquisition of almost any IT service or equipment.

Specific areas where Master Contracts could supplement or support WaTech's value add proposition include:

- Network
- Desktop services
- O365 license enterprise-wide management
- Brokering
- Equipment
- Procurement consulting and subject matter expert professional services.

**Performance Measure detail:** The decision package supports the Results Washington goal # 5: *Efficient, Effective & Accountable Government.*

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

State populations served by any state or local agency that is a WaTech customer will realize benefits from this proposal through more efficient spending of tax payer money.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: This proposal would move current IT procurement and master contract authority out of the Department of Enterprise Services. DES revenue and expense would decline accordingly.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	Yes	Identify: Several sections of RCW would have to be amended. The agency is submitting a legislative proposal.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions

**Identify other important connections**

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

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

WaTech's request for delegated authority from the Department of Enterprise Services was denied. WaTech chose this option because it offers strategic and efficient alignment with policy, oversight and, implementation of IT spending.

**What are the consequences of not funding this request?**

If this proposal is not funded and the accompanying agency request legislation is not enacted, IT purchases will continue without strategic alignment with OCIO standards. Procurement authority will continue to be split between two agencies. Redundant efforts between multiple state agencies grappling with the same or similar issues will continue. The state will continue to lose economies of scale due to the fractured approach to IT procurement.

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

WaTech cannot support this request within its current funded level.

**Other supporting materials:** None

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
ITS5 (License Management)-5 staff	840,000	819,000	860,000	903,000
Sr IT Policy & Management (OCIO)-2 staff	379,000	372,000	391,000	413,000
<b>Total Cost</b>	<b>1,219,000</b>	<b>1,191,000</b>	<b>1,251,000</b>	<b>1,316,000</b>

## Part 2: Identifying IT Projects

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

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

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

# WaTech Staffing and Fiscal Note Model

## Activity A402 Administrative Activity

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object N	Object P	Object T	Object TZ	Total
Total Fiscal Year 1	19.0	1,407,000	490,000		0	0	3,000	114,000		0	980,000	0	2,994,000
Total Fiscal Year 2	19.0	1,432,000	495,000		0	0	3,000	0		0	980,000	0	2,910,000
Total Fiscal Year 3	19.0	1,547,000	517,000		0	0	3,000	0		0	980,000	0	3,047,000
Total Fiscal Year 4	19.0	1,671,000	542,000		0	0	3,000	0		0	980,000	0	3,196,000
<b>Biennial Total</b>	<b>19.0</b>	<b>6,057,000</b>	<b>2,044,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,000</b>	<b>114,000</b>	<b>0</b>	<b>0</b>	<b>3,920,000</b>	<b>0</b>	<b>12,147,000</b>

Source of Funds		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Fund	Account	% of Total			
458-1	Appropriated	0.00%			
458-6	Non-Appropriated	0.00%	2,910,000	3,047,000	3,196,000
472	Non-Appropriated	0.00%	0	0	0
461	Non-Appropriated	0.00%	0	0	0
<b>Total each Fiscal Year</b>			<b>2,910,000</b>	<b>3,047,000</b>	<b>3,196,000</b>
<b>Biennial Total</b>			<b>5,904,000</b>	<b>6,243,000</b>	



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A2 - Washington Business One Stop -BizHub

**Budget Period:** 2017-2019

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$1,779,000 million and 3.0 FTE in the 2017-19 biennium to continue development of an interactive online portal that allows small business owners to license, register, and permit their businesses with Labor and Industries, Department of Revenue, Office of the Secretary of State, Employment Security Department, and Department of Commerce.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 461-6	834,000	945,000		
<b>Total Cost</b>	<b>834,000</b>	<b>945,000</b>		
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	3.0	3.0		
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 461-6	834,000	945,000		
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	276,000	281,000		
Obj. B	88,000	89,000		
Obj. C	43,000	43,000		
Obj. E	426,000	531,000		
Obj. G	1,000	1,000		

**Package Description**

This funding is to continue the Washington Business One Stop (aka BizHub) project for two more years in order to create an online closed loop state license and registration process that is simple and easy for customers to use. In the 2017-19 biennium, a data entry portal will be created that collects from small business owners all the information necessary to comply with the requirements of the Department of Revenue (DOR), Labor and Industries (LNI), Commerce, Employment Security Department, and the Secretary of State’s Office (aka UBI agencies). Customers will have one point of entry to apply with all the UBI agencies and meet the various agencies’ requirements for registering and licensing a business. The design is intended to allow for data to be entered one time

and populate the various applications within the UBI agencies. Another important feature is a personalized dashboard that will allow customers to see where they are in registration process.

The BizHub project has been underway for three fiscal years. In year one the OCIO led a needs assessment for small businesses and hundreds of business owners across Washington who told them about their challenges working with the state. In response, the team delivered a natural language search engine of all UBI agency content from a single interface. Business.wa.gov moved to a single website and benchmarks and performance metrics were developed.

In the second year, testing of the natural language search revealed that too much information was returned to the business owner making the process seem more complex. The team regrouped and developed a highly searchable version of the Small Business Guide working with ORIA. The Business.wa.gov site's speed in answering important customer questions significantly improved as did customer satisfaction. The UBI agency governance was implemented to enable critical cross-agency customer transactions.

Fiscal year 2017 is the third year of this project. During this year, architecture and design for the unified registration will be completed. A proof of concept for unified business registration will be completed. Compliance benchmarks will be defined.

The phase funded by this decision package will improve the customer experience at the earliest, and perhaps riskiest, point in the business lifecycle.

Once these steps are completed, we assume that the maintenance of the portal will move to one of the UBI agencies.

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

BizHub is currently supported by an allocation of \$830,000 annually.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

See Attachment

### **Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

Funding this request will allow WaTech to make substantive progress towards the legislative mandate of Senate Bill 5718, passed in 2013, to build a one-stop for small business owners that reduces their time to do business; increases their customer compliance; and increases their customer satisfaction with the business.wa.gov product, while making Washington State a more welcoming place to own and operate a business.

**Performance Measure detail:**

The performance measures for this product are prescribed by legislation SB5718. The business one stop portal must:

- Increase customer satisfaction
- Reduce time to do business
- Increase customer compliance

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

The one stop portal will supply small business owners a clear, guided workflow that leaves owners compliant and informed at a glance of status with a personalized dashboard for registration activities. This project takes a cost-effective approach to removing the time-consuming challenge of figuring out what the state requires from them to allow entrepreneurs to focus on building their businesses, creating jobs, and contributing to a better economic climate for Washington.

This proposal supports Results Washington’s Goal 2: Prosperous Economy and supports the objectives set by the Governor for business vitality. Small business owners have said they spend an unacceptably high amount of resources trying to figure out how they can be compliant with our state’s regulatory agencies, especially new businesses when they register. By helping reduce the resources businesses spend on regulatory compliance, we can liberate those resources to directly contribute to economic growth activities and improve business longevity by reducing risk to start-ups.

The investment also complies with Results Washington’s Goal 5: Efficient, Effective, and Accountable Government, specifically the goals of improved Customer Satisfaction and Employee Engagement. Business Hub collects ongoing customer satisfaction metrics and has established these benchmarks during product development through testing and customer feedback. Additional benchmarks measuring “compliance” will be established through Executive Steering and governance as required by SB5718.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov’t impacts?	No	Identify:
Tribal gov’t impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: First cross-functional project of its kind, it impacts multiple UBI systems, including: DOR, LNI, OSOS, ESD and the Department of Commerce and ORIA. All agencies are contributing to development of processes and governance for the work.
Responds to specific task force, report, mandate, or exec order?	Yes	Identify: SB5718
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining	No	Identify:

agreement?

Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		See Attachment

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

Funding this Decision Package will have several positive impacts to UBI agency programs:

- Supports an incremental approach to a solution for gathering common data elements from customers
- Allows agencies to continue to work across agency boundaries to align and simplify business processes and implement these improvements
- Requires participation in a cooperative, supportive system governance structure that will ensure that impacts to agencies are mitigated where possible

The solution advances modern architectural choices that save money and make it easier to deliver new services in the future. In effect, this will be the State's first effort to implement a cross-functional, enterprise architecture that reduces future cost of change for systems development where shared data and services are needed to better serve the customer.

It also:

- Reduces risk by enabling smart, incremental ways to implement one stop portal solutions
- Supplies the most cost-effective way of managing the forward work
- Will be an outstanding example of innovative enterprise architecture for other states

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

This package rejected these alternatives:

- Implementation of process change management or consolidated reporting features for this biennium. While these are desired one stop portal features, these features will not improve the business customer experience as much as a unified registration/licensing process.
- Consistent look and feel across all agency websites which deal with businesses. Cost of this change is too high and does not leverage existing technology assets.
- The option chosen, a unified registration process with a read-only dashboard was selected because it addresses the primary needs of the target demographic of businesses. Business customer demand for an improved registration process was expressed through open-ended

interviews and multiple touch points throughout 2014-2016. State employees were also interviewed during initiation of the project in the summer of 2014. The majority of them (87%) said most of their work was caused by mistakes during business formation, and they spontaneously expressed a need for a better licensing and registration process.

**What are the consequences of not funding this request?**

There are costly consequences for new business owners and state agencies.

*For business owners:*

It will remain confusing to comply with our regulatory requirements, as the overall experience for most businesses will not be simpler or less time intensive. Without a closed-loop registration/licensing process, there will still be some risk that businesses may take one regulatory action without taking other needed steps.

*For state agencies:*

DOR, OSOS, LNI and ESD are creating more open systems with better internal communications capabilities. They have collaborated on this proposal to work towards a common system architectural alignment and set of services. This is an important opportunity for eventual cost reductions as systems integration without these interfaces means there will still be the recreation of costly custom point-to-point data connections between agency systems. The state will miss out on the opportunity to realize potential multiple millions in IT cost savings from failing to move to enterprise architectural standards, and will not realize the additional benefits in streamlining processes that will come with more readily available connections between agencies through APIs.

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

Without project funding, WaTech and the UBI agencies, all mutually responsible for the outcome of the project per SB5718, cannot address business customer needs adequately. The UBI agencies have worked together administratively for years to improve services for businesses and to coordinate without significant funding. The Small Business Liaison team and the UBI board meet frequently to discuss mutual operational and policy impacts, but disparate agency business and technical architecture still needs to be bridged to create a seamless and less-confusing experience for business customers, the costs of which are heavy for both businesses and the state.

**Other supporting materials:**

Please see attachment

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Project/Program Management	133,000	135,000		
Technical Salaries/Benefits	231,000	235,000		
Quality Assurance - Independent	43,000	43,000		
Professional Services	350,000	350,000		
Software and Infrastructure	35,000	140,000		
Goods and Services -Other	41,000	41,000		
Travel	1,000	1,000		
<b>Total Cost</b>	<b>834,000</b>	<b>945,000</b>		

## Part 2: Identifying IT Projects

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

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

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

# WaTech Staffing and Fiscal Note Model

## Activity Administrative Activity

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object N	Object P	Object T	Object TZ	Total
Total Fiscal Year 1	3.0	276,000	88,000		0	0	1,000	18,000		0	155,000	0	538,000
Total Fiscal Year 2	3.0	281,000	89,000		0	0	1,000	0		0	155,000	0	526,000
Total Fiscal Year 3	0	0	0		0	0	0	0		0	0	0	0
Total Fiscal Year 4	0	0	0		0	0	0	0		0	0	0	0
<b>Biennial Total</b>	<b>3.0</b>	<b>557,000</b>	<b>177,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>18,000</b>	<b>0</b>	<b>0</b>	<b>310,000</b>	<b>0</b>	<b>1,064,000</b>

Source of Funds		% of Total		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Fund	Account						
458-1	Appropriated	0.00%		0	0	0	0
458-6	Non-Appropriated	0.00%		0	0	0	0
472	Non-Appropriated	0.00%		0	0	0	0
461	Non-Appropriated	0.00%		538,000	526,000	0	0
<b>Total each Fiscal Year</b>				<b>538,000</b>	<b>526,000</b>	<b>0</b>	<b>0</b>
<b>Biennial Total</b>				<b>1,064,000</b>	<b>1,064,000</b>	<b>0</b>	<b>0</b>



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A3 - Mainframe Allocation

**Budget Period:** 2017-19

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:** Consolidated Technology Services (WaTech) requests that a portion of mainframe operation costs be included in the Enterprise Systems Fee allocation. Funding this request will allow WaTech to continue to support the enterprise applications operating on mainframe platform.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	0	0	0	0
Fund 472-6	0	0	0	0
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	0.0	0.0	0.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	0	0	0	0
Fund 472-6	380,000	380,000	380,000	380,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	0	0	0	0

### Package Description

Some of Washington State enterprise systems operate on the mainframe platform. These systems include Agency Financial Reporting System (AFRS), part of Human Resource Management System (HRMS), and part of Capital Asset Management System (CAMS). All state agencies are required to use these systems. In June 2016, WaTech billed 77 State agencies and 30 community colleges for mainframe services. The biggest customers are Department of Social and Health Services (DSHS), Department of Labor and Industries (L&I), Employment Security Department (ESD), and Department of Retirement Systems (DRS). Aside from the enterprise systems mentioned (AFRS, HRMS, CAMS) each of these customers has its own major applications that are supported by the WaTech mainframe. For example DSHS uses the mainframe to support its Social Service Payment System (SSPS) and JOBS Automated System, L&I for its pensions and loss control programs, ESD for benefits payments, and DRS for its own internal information systems and state actuary production.

Through the years, major agencies have moved off the mainframe, sometimes under legislative direction, which has resulted in a loss of revenue for this service. In the 2013-15 biennial budget, the Legislature funded, from the Data Processing Revolving Fund, the replacement of Department of Revenue core tax collection systems that were supported by the mainframe. The same budget also funded moving the Department of Corrections' Offender Management Network Information (OMNI) system off the mainframe into a virtual server environment. Through FY 2016 WaTech operated mainframe services on two platforms: IBM and Unisys. At the end of FY 2016 WaTech sunset the Unisys mainframe services at the request of DSHS which was the sole customer of the Unisys mainframe services.

WaTech also anticipates losing customers due to state agencies migrating their agency systems from the mainframe platform to web-based or server-based platforms. WaTech was notified that L&I is scheduled to migrate half of Linux workload off the mainframe platform by July 2016. Although the customer pool is shrinking, the costs of maintaining the mainframe will not be reduced substantially. Software licenses and hardware maintenance agreements still need to be maintained for the remaining systems and debt service for the IBM box still has to be paid.

Due to the reasons listed above, WaTech anticipates the operating loss for mainframe services will increase in future biennia. A complete shutdown of the mainframe is not feasible because of the state enterprise systems operating on the platform. WaTech requests an increase to the Enterprise System allocation to fund that portion of mainframe operating costs not covered by customer sales.

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

This proposal is not an expansion or alteration of a current service. The proposal requests to fund a portion of the mainframe services from a different fund source, and only for the difference between revenues and expenditures.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

WaTech assumes the operating loss for the IBM platform will remain the same as FY 2016 at approximately \$379,572 annually.

**Decision Package Justification and Impacts. What specific performance outcomes does the agency expect?**

WaTech expects to continue providing excellent mainframe services to the state agencies that need them. The budget request supports WaTech's strategic roadmap to right-size the IBM mainframes.

**Performance Measure detail:**

The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government.

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

This request does not directly impact state residents. It will enable WaTech to continue the support for state agencies that use mainframe platform including state wide systems: AFRS, CAMS, and HRMS.

The decision package supports the Results Washington goal #5: Efficient, Effective & Accountable Government.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: This proposal will increase the Enterprise Systems Fee paid by state agencies.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections	None	

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

The only impact identified is the increase of the Enterprise Systems Fee allocation related to the support of enterprise systems such as AFRS, HRMS, and CAMS. The current tailored agreements with customers would be held harmless.

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

The only other option would be to transition all the customers' systems including all AFRS, HRMS, and CAMS off WaTech mainframe services. The costs associated with this option will be very high; thus, this option is not feasible.

**What are the consequences of not funding this request?**

WaTech will continue to operate the mainframe service at a loss until all applications, including AFRS, are removed and the service can be retired.

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

WaTech does not have funding to address this issue within the current revenue level. The mainframe service has no operating reserve.

**Other supporting materials:**

None

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

No 

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

## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A4 - Remote Access Services Allocation

**Budget Period:** 2017-19

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$709,000 and 2.0 FTE in the 2017-19 Biennium to support the increasing number of users of Remote Access services, which includes Virtual Private Networks (VPN) and Citrix Edge Service. This request also proposes funding these services through the statewide Central Services Model instead of offering as a fee for service.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	294,000	415,000	409,000	409,000
<b>Total Cost</b>	<b>294,000</b>	<b>415,000</b>	<b>409,000</b>	<b>409,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	1.0	2.0	2.0	2.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	294,000	415,000	409,000	409,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	85,000	170,000	170,000	170,000
Obj. B	28,000	56,000	56,000	56,000
Obj. E	175,000	182,000	182,000	182,000
Obj. G	0	1,000	1,000	1,000
Obj. J	6,000	6,000	0	0

**Package Description**

Remote Access services include Virtual Private Networks (VPN) as well as Citrix Edge Service. VPNs use the Internet to carry encrypted data between distant locations and an organization's main network. VPNs can provide mobile workers secure access to their agency's network from any location on any state-owned computer via the Internet. Citrix Edge is a less utilized service, but similarly gives agency staff and business partners secure remote access to agency and state network resources while providing IT administrators with a single point of control to manage user access and actions. These services are used by 66 state agency customers plus another 26 counties, cities, and tribes.

This request has two parts. The first is to charge user agencies through the Central Services Model instead of fee for service, and the second is a request for additional spending and revenue authority to cover the costs of supporting the increasing number of VPN users in 2017-19.

**Allocation:**

Central Service Model allocations have the advantage of ensuring predictable, stable revenue to cover central providers' operational costs. Allocations are advantageous to customer agencies because of the financial support provided through the state's budget process, and for predictability in billing. WaTech considers Remote Access services to be a good candidate as an allocated service as it meets key criteria for allocation: 1) the service is established and mature, 2) it is used by most state agencies, and 3) is foundational to enterprise level State business.

The allocation's distribution methodology must ensure that customer agencies' costs reflect their service utilization and are sufficiently funded for the services they require. This is especially crucial for small agencies and boards and commissions that may not have the flexibility in their budgets to absorb unfunded charges. A possible formula could be based on FY 2016 agency sales, which have been very consistent with the distribution across customer agencies' sales in 2015 and 2014 as well.

More state agencies are moving toward a mobile work environment, and part of this is reflected in an increasing use of VPN services. VPN provides mobile workers access to the agency's network from any location on any computer via the internet, but agency data is still secure because it's encrypted in transit. These services also support the goal of the Governor's Executive Order 16-07 to enable a mobile workforce.

**Additional Funding:**

To ensure adequate resources to support the increasing demand for these services, additional funding is needed for the 2017-19 Biennium. This reflects increases in the number of certifications for agency users and the cost of staff to support VPN users. With 66 agencies using the service, but over 100 potential state customers in the CSM, WaTech would need to be prepared for pent up demand. Since January 2015 customer demand for devices has increased at an average annual rate of over 30 percent, and this is expected to continue. Supporting this service is very staff intensive, and staff dedicated to VPN service has remained the same since at least 2013. VPN customer needs have drawn staff from other infrastructure security operations such as firewall support to keep up with the demand, which in turn causes a backlog in the implementation of firewalls for agencies.

Based on projected growth WaTech will need one ITS5 level staff in FY 2018, and one additional ITS5 in FY 2019. The cost for additional licenses and devices (software tokens and certifications) to support VPN growth will total \$338,077 in the 2017-19 Biennium. Details can be found in supporting documents.

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

Remote Access/VPN is currently offered to agencies on a fee for service basis with annual sales of \$1.9 million (FY 2016) which based on sales trends and demand is expected to grow to approximately \$2.2 million in FY 2018 and \$2.3 million in FY 2019.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

Please see attached backup.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

The budget request supports WaTech's strategic roadmap for new and enhanced security capabilities. It is expected to provide 6,700 new users in 65-70 agencies in 2017-19.

**Performance Measure detail:**

The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government.

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

As mentioned previously, these services support the goal of the Governor's Executive Order 16-07 to enable a mobile workforce. This is especially vital for the thousands of state employees whose responsibilities require them to perform critical tasks in the field, such as social workers, licensors, and community corrections officers, among many others.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: 66 state agencies that use VPN services (potentially more, depending on agency interest).
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:

Is the request related to or a result of litigation? No

Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery? No

If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections

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

Impacts to customer agencies should be minimal if distribution is based on FY 2016 sales, and managing within an allocation would actually ease their billing processes. Counties, cities, and tribes that use these services would remain as fee-for-service, so no impact to current practice.

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

The alternative would be to continue operating under a fee for service model; however WaTech would still need spending, revenue, and FTE authority to support increasing sales. Otherwise WaTech will only be able to meet customer demand as current resources allow, leaving a backlog or as many as 6,700 new users unable to be added to this service.

**What are the consequences of not funding this request?**

Not funding this request will entail limiting the numbers of VPN users, or serving agencies on a first-come first-served basis, with resulting backlogs or inability to add new customers per agencies' requests.

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

Similar to the previous question, WaTech would have to limit the addition of new VPN users and processing agencies' requests for support based on available resources.

**Other supporting materials:**

Please see attached backup.

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Software and licensing	175,000	183,000	182,000	182,000
Staff	119,000	232,000	227,000	227,000
<b>Total Cost</b>	<b>294,000</b>	<b>415,000</b>	<b>409,000</b>	<b>409,000</b>

## Part 2: Identifying IT Projects

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

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

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



**Step A4 - Remote Access Services Allocation**

<b>Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium 2017-19</b>
FTE	1.0	2.0	1.5
Object A	\$ 84,816	\$ 169,632	\$ 254,448
Object B	\$ 27,975	\$ 55,950	\$ 83,925
Object E	\$ 175,308	\$ 181,578	\$ 356,887
Object G	\$ 360	\$ 720	\$ 1,080
Object J	\$ 6,000	\$ 6,000	\$ 12,000
<b>Total</b>	<b>\$ 294,459</b>	<b>\$ 413,880</b>	<b>\$ 708,340</b>

<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium 2017-19</b>
<b>Fund</b>			
<b>458 Data Processing Revolving Account</b>	<b>\$ 294,459</b>	<b>\$ 413,880</b>	<b>\$ 708,340</b>

**Projected Workload**

Current staff dedicated to VPN FY 2016	4.0	
Estimated devices (users) per staff	4,284	
Additional staffing needed for FY 2018	1.0	0.79
Additional staffing needed for FY 2019	2.0	1.57

Average number of devices FY 2017	17,136	
Average number of devices FY 2018	20,508	3,372
Average number of devices FY 2019	23,880	6,744

**Certifications/Software Token Costs**

<b>Number of Devices</b>		
End of FY 2016	15,309	
End of FY 2017	18,681	
End of FY 2018	22,053	
End of FY 2019	25,425	

<b>Additional Software Tokens</b>	<b>Number</b>	<b>Cost</b>
FY 2018	3,372	\$ 79,107
FY 2019	3,372	\$ 79,107

Assumption that all additional costs will be for software tokens instead of hard key fobs  
Average cost \$23.46 per token

**User Licenses**

<b>Additional licenses for growth</b>	<b>Number</b>	<b>Cost</b>
FY 2018	3,372	\$ 89,931
FY 2019	3,372	\$ 89,931

Average cost \$26.67 per user license

**Cost assumed for each FTE**

<b>ITSS</b>	<b>FY 2018</b>	<b>FY 2019</b>
A - Salary	\$ 84,816	\$ 84,816
B - Benefits	\$ 27,975	\$ 27,975
E- Goods and Services	\$ 6,270	\$ 6,270
G -Travel	\$ 360	\$ 360
J - Equipment	\$ 6,000	0
<b>Total</b>	<b>\$ 125,421</b>	<b>\$ 119,421</b>



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** A9 - Enterprise Security

**Budget Period:** 2017-19

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$5,882,000 in the 2017-19 Biennium to support the creation of the new Office of Cyber Security (OCS) while still maintaining crucial infrastructure security services delivered by WaTech to protect agencies' critical data. This package proposes adjustments to the Enterprise Security Infrastructure allocation while creating a new statewide Cybersecurity allocation to support that line of services.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	2,941,000	2,941,000	2,941,000	2,941,000
<b>Total Cost</b>	<b>2,941,000</b>	<b>2,941,000</b>	<b>2,941,000</b>	<b>2,941,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	0	0	0	0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	2,941,000	2,941,000	2,941,000	2,941,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	809,000	809,000	809,000	809,000
Obj. B	252,000	252,000	252,000	252,000
Obj. E	1,141,000	1,141,000	1,141,000	1,141,000
Obj. G	20,000	20,000	20,000	20,000
Obj. J	284,000	284,000	284,000	284,000
Obj. T	435,000	435,000	435,000	435,000

**Package Description**

Information security applies to the protection of information across the state's networks and the access to applications, software and, data that reside in agency data centers, the State Data Center, and the Quincy Data Center. This requires dedicated equipment and software for monitoring traffic and inspecting data. WaTech is also required to set standards and policy direction for state government. There are many state and federal regulations related to information security that apply to the data kept and maintained by state government.

These statewide security services are funded through the Enterprise Security Infrastructure allocation, which totaled \$16,525,000 in 2015-17. However, of this amount \$3,240,000 was designated for disaster recovery, leaving \$13,285,000 – or approximately \$6.6 million each year for ongoing security activities.

OCS shares the Enterprise Security Infrastructure allocation with the WaTech Information Security Office's section that manages infrastructure security, known as Security Infrastructure Services (SIS). This unit maintains the managed firewalls and other key services such as vulnerability assessment, logging and monitoring, and domain naming.

#### *Office of Cyber Security (OCS)*

The OCS is responsible for establishing and leading the strategic direction of cyber security for Washington State by providing policy and technology leadership for state government. It is organized into teams that divide the responsibilities of protecting the state's infrastructure from cyber threats.

- Cybersecurity Communications Integration Center (WA-CCIC) is the center for information sharing and monitoring of enterprise security. It monitors and manages all aspects of enterprise security in near real-time from a single, centralized location. It discovers and prioritizes events gathered from multiple systems and devices, and uses this information to proactively mitigate security incidents before they happen, or minimize damage before business operations become compromised.
- Computer Emergency Readiness Team (WA-CERT) performs and facilitates incident-handling when responding to an agency or statewide cybersecurity events.
- Information Sharing and Analysis Center (WA-ISAC) promotes the development, understanding, and awareness of actionable intelligence and analysis. Their core mission is similar is to improve the overall cybersecurity posture of the state through collaboration and information-sharing among public and private sector partners.
- State Information Security Program (WA-SISP) provides expertise in the deployment of industry-leading best practices and technologies statewide to agencies, boards, and commissions, enabling the secure delivery of government services to citizens and businesses
- Security Policy and Compliance (WA-SPC) helps agencies reduce risk in architecture, network design, and application integrity by ensuring agencies follow the state-approved security architecture and security policies.

#### *Security Infrastructure Services (SIS)*

WaTech Security Infrastructure Services (SIS) maintains the enterprise infrastructure that protects the Washington State computer network from cyber threats such as hackers and viruses. All agencies on the State Government Network (SGN) and the Intergovernmental Network (IGN) can rely on a safe network environment. The core services are:

- Managed firewalls are designed to protect the state network from unauthorized access and malicious attacks.
- Vulnerability assessment, which is a proactive process agencies use to protect network assets by identifying and tracking system and application vulnerabilities, and being able to take preventative actions before an exploit occurs.
- Logging and monitoring service provides monitoring of all system logs generated by network infrastructure and security equipment to centralize the visibility and report/alert on abnormal traffic detection in near real time allowing agencies to take preventative actions.

Security infrastructure has to grow to accommodate increases in network capacity and utilization, and the demands on this unit have grown significantly over the years, attributed to adding new

agencies to the managed firewall service and supporting disaster recovery with remote firewalls in Philadelphia and Boulder Colorado. There were 75 managed firewalls in FY 2014, increasing to 99 in FY 2015, and 103 in FY 2016. The number of agencies receiving vulnerability assessment services similarly grew, with 12 agencies in FY 2014, 16 in FY 2015, and 22 in FY 2016. All this was accomplished without increasing the staff dedicated to these services.

The cost of maintaining these critical services totals \$19,167,236 for the biennium (\$11,407,965 for OCS and \$7,759,271 for SIS), which exceeds the Enterprise Security Infrastructure allocation by \$5,882,236. Therefore WaTech is requesting \$5,882,000 additional revenue and spending authority. Also, WaTech proposes the creation of a new Cybersecurity allocation to cover the activities of the OCS, and a reduction of the Enterprise Security Infrastructure allocation from \$13,285,000 to \$7,759,000 to cover the costs of enterprise security services managed by SIS.

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

There is not a fund source specific to the OCS. OCS shares the statewide Enterprise Security Infrastructure allocation with the SIS that manages infrastructure security – primarily firewalls, but also other core services such as domain naming, logging and monitoring, and vulnerability assessment. The expansion of OCS occurred in the second half of FY 2016. Expenditures in that year totaled \$1.9 million, but for the first six months of the year only four staff were designated as Cybersecurity, and it was only after January 2016 that it grew to the 20 staff assigned to the new office.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**  
Please see attached backup.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

The budget request supports the WaTech strategic roadmap for new and enhanced security capabilities.

**Performance Measure detail:**

The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government. Threat prevention technology and standards support the goal of being accountable with the state’s data resources.

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

State government maintains vast amounts of sensitive data on millions of Washington State citizens that need to be protected. If accessed by unauthorized users, not only can agency operations be disrupted, but the personal information of citizens using those services will be at risk.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:

Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: State agencies within these allocations and the state's citizens whose private data must be protected.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions

**Identify other important connections**

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

Agencies maintain data that if accessed by unauthorized users can disrupt state operations, and risk the private personal information of the citizens using those services. Social and health agencies (e.g. DSHS, Department of Health) retain highly sensitive private health information, while agencies such as Employment Security or L&I have employment data or Social Security Numbers that could be exploited if accessed.

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

WaTech can maintain its present level of security monitoring and response, and has been effective at doing so, but as new threats emerge the state may not have the capacity to respond promptly and appropriately.

**What are the consequences of not funding this request?**

Not funding this request will entail delivering enterprise services to agencies on a first-come first-served basis, with resulting backlogs or inability to respond to agencies' requests for new services or support of existing services. It exposes the state to the risk of future cybersecurity breaches that it will not be able to respond to.

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

Similar to a previous question, WaTech can maintain its present level of security monitoring and response, but may not have the capacity to respond to new threats as necessary.

**Other supporting materials:**

Please see attached backup.

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Software and licensing	1,141,000	1,141,000	1,141,000	1,141,000
Equipment	284,000	284,000	284,000	284,000
Staff	1,081,000	1,081,000	1,081,000	1,081,000
Internal agency costs	435,000	435,000	435,000	435,000
<b>Total Cost</b>	<b>2,941,000</b>	<b>2,941,000</b>	<b>2,941,000</b>	<b>2,941,000</b>

## Part 2: Identifying IT Projects

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

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

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

Step A7 - Enterprise Security

Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	-	-	-
Object A	\$ 808,658	\$ 808,658	\$ 1,617,316
Object B	\$ 251,756	\$ 251,756	\$ 503,512
Object E	\$ 1,141,031	\$ 1,141,031	\$ 2,282,062
Object G	\$ 20,293	\$ 20,293	\$ 40,587
Object J	\$ 283,902	\$ 283,902	\$ 567,804
Object T	\$ 435,477	\$ 435,477	\$ 870,954
<b>Total</b>	<b>\$ 2,941,118</b>	<b>\$ 2,941,118</b>	<b>\$ 5,882,236</b>

Revenue	FY 2018	FY 2019	Biennium 2017-19
Fund 458	\$ 2,941,118	\$ 2,941,118	\$ 5,882,236

	FY 2018	FY 2019	Biennium 2017-19
Revenue	\$ 6,642,500	\$ 6,642,500	\$ 13,285,000
Expenditures	\$ 9,583,618	\$ 9,583,618	\$ 19,167,236
Difference (shortfall)	\$ (2,941,118)	\$ (2,941,118)	\$ (5,882,236)

**Revenue**

Security Infrastructure 2015-17

Biennial Total	\$ 16,525,000
Disaster Recovery (-)	\$ (3,240,000)
	\$ 13,285,000
Annual Revenue	\$ 6,642,500

**Expenditures**

Security Infrastructure Services (SIS)			
Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	6.8	6.8	6.8
A - Salaries	\$ 496,477	\$ 496,477	\$ 992,955
B - Benefits	\$ 163,454	\$ 163,454	\$ 326,908
E - Goods and Services	\$ 1,508,067	\$ 1,508,067	\$ 3,016,135
E - Internal Purchases	\$ 454,449	\$ 454,449	\$ 908,898
G - Travel	\$ 2,126	\$ 2,126	\$ 4,251
J - Capital	\$ 925,093	\$ 925,093	\$ 1,850,186
P - Debt	\$ 97,769	\$ 97,769	\$ 195,538
T - Transfers	\$ 232,200	\$ 232,200	\$ 464,400
<b>Total</b>	<b>\$ 3,879,636</b>	<b>\$ 3,879,636</b>	<b>\$ 7,759,271</b>

Note: Based on FY 2016

Includes service desk (3409) chargeback

Office of Cyber Security (OCS)			
Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	23.0	23.0	23.0
A - Salaries	\$ 2,138,531	\$ 2,138,531	\$ 4,277,063
B - Benefits	\$ 656,892	\$ 656,892	\$ 1,313,785
E - Goods and Services	\$ 1,606,000	\$ 1,606,000	\$ 3,211,999
E - Internal Purchases	\$ 51,759	\$ 51,759	\$ 103,518
G - Travel	\$ 64,000	\$ 64,000	\$ 128,000
J - Capital	\$ -	\$ -	\$ -
P - Debt	\$ -	\$ -	\$ -
T - Transfers	\$ 1,186,800	\$ 1,186,800	\$ 2,373,600
<b>Total</b>	<b>\$ 5,703,982</b>	<b>\$ 5,703,982</b>	<b>\$ 11,407,965</b>



## Ramos, Deborah (WaTech)

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**From:** Lee, Larry (WaTech)  
**Sent:** Monday, August 29, 2016 8:15 AM  
**To:** Fitzgerald, Judy (WaTech); Kirk, Agnes (OCS)  
**Subject:** WaTech DP Consult for SR1608\_04324 - WaTech - PL A9 Enterprise Security

Good morning Judy and Agnes,

This email is to summarize your Decision Package (DP) Consultation with WaTech. Your Service Request ticket number is **SR1608\_04324 – WaTech – PL A9 Enterprise Security**. Based on information included in your DP and gathered during the consultation, you are seeking the creation of a new Cybersecurity Allocation and adjustments to the Enterprise Security Infrastructure Allocation to appropriately fund software, licensing, new equipment, staffing and internal agency costs. WaTech does not currently provide a service that aligns with Allocation creation or adjustments, software, licensing, the purchase of equipment, the allocation of overhead or FTEs. The Office of Cyber Security currently utilizes WaTech products and services and the additional staff being proposed will continue to use these services.

If your requirements change, please send a new request to the WaTech Service Desk at [servicedesk@watech.wa.gov](mailto:servicedesk@watech.wa.gov) and include the subject line **Consultation Request for 2017-19 Biennial Budget Submittal for WaTech - PL AC Enterprise Security**.

Let me know if I can be of assistance.

Larry

Larry E. Lee  
Customer Account Manager  
Customer Relations Team  
Washington Technology Solutions (WaTech) / Consolidated Technology Services (CTS)  
360-407-8936 Office  
360-480-4310 Mobile  
[WaTech.wa.gov](http://WaTech.wa.gov)



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** AC - Increased Cyber Defense

**Budget Period:** 2017-19

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$2,033,000 and 5.0 FTE in the 2017-19 Biennium to increase the organizational capability of the Office of Cyber Security to detect, assess, and remediate vulnerabilities across state agencies against cyber threats. This includes staff who will help agencies properly apply and configure IT security controls to withstand real-world threats, assistance for agencies to deploy effective controls that address identified vulnerabilities, and the creation of a self-service portal for agencies to more effectively monitor their own mitigation efforts and take appropriate enforcement actions.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	1,189,000	844,000	844,000	844,000
<b>Total Cost</b>	<b>1,189,000</b>	<b>844,000</b>	<b>844,000</b>	<b>844,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	5.0	5.0	5.0	5.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	1,189,000	844,000	844,000	844,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	470,000	470,000	470,000	470,000
Obj. B	141,000	141,000	141,000	141,000
Obj. E	540,000	225,000	225,000	225,000
Obj. G	8,000	8,000	8,000	8,000
Obj. J	30,000	0	0	0

**Package Description**

The State of Washington network is under constant attack from cyber threat actors who are looking to take advantage of any single vulnerability to meet varied harmful objectives. Effective cyber defense requires that organizations continually document and adjust their security controls and processes and manage and mitigate known vulnerabilities. It is equally important that they conduct exercises against their own defenses that mimic tactics used by adversarial parties, and provide a means of threat information sharing, both inside and outside their organization.

This decision package addresses the most critical aspects of the increasingly sophisticated and persistent attack methods and tactics that put the state at risk of compromise from the hacking community, and moves Washington closer to formally adopting practices that have proven successful in the Federal government and private sector.

The cyber threat landscape continues to change and evolve as technology advances, requiring constant evaluation of defensive capabilities. While the state has effectively focused on infrastructure, the state has increasing risk in effectively protecting the data in the approximately 1300 public-facing applications as well as computer systems.

This decision package expands the state's cyber defense capabilities to allow similar focus on application and system security that we currently apply to state network and infrastructure security. The cost of not funding this extension will be to leave the state vulnerable to the fastest growing target areas for cyber-attack.

While application threat detection and assessment currently happen at a basic level, the need to identify and mitigate vulnerabilities has become even more critical. Application attacks increased 51 percent in the last year alone, the fastest growing attack vector of all incidents. Recent reports on IT security found there is a 90 percent chance of a vulnerability being exploited by an attacker if not fixed within 40 to 60 days of discovery. The reports also found that companies often leave these vulnerabilities un-mitigated for more than 120 days. This is the current situation currently at the state, and one that cannot persist without the security of state-maintained data being put at an unacceptable level of risk.

Proposed solution:

Threat actors are not going to share information about found weaknesses in our defenses with the State of Washington. Therefore it is necessary to increase organizational capability to detect, assess and remediate vulnerabilities across state agencies as well as increasing capability across the enterprise. This proposal will fund 5.0 FTE, plus hardware and software supports, in the Office of Cyber Security (OCS) at a total cost of \$2,033,000 in 2017-19.

1. It creates a cyber security "Red Team" to actively test the security of the state's networks, computer systems and online applications and services to help identify and mitigate vulnerabilities before an attack can exploit them and disrupt the delivery of government services (2.0 FTE). Any single exploit by the varied threat actors consistently probing the state network can result in significant expense and reputational harm to the state of Washington.
2. It addresses the need to provide sustainable application security patches and implementation of secure coding best practices for the approximately 1300 public-facing applications and more than 300 legacy applications that hold and/or process personally identifiable data while providing critical services to citizens and businesses.
3. Creates a real-time self-service portal for agencies to access security related information regarding an agency's security posture including vulnerability alerts, security assessment results, security design reviews and compliance data that will allow agencies to make better informed security decisions based on hard data (1.0 FTE plus development costs). It also provides the state Chief Information Officer (CIO) and Chief Information Security Officer (CISO) with an overview of the state's security posture.

4. It increases the Washington Information Sharing and Analysis Center (WA-ISAC) by 2.0 FTE. ISAC provides a vehicle for the state to collect, analyze, and disseminate actionable threat information to public organizations and with our federal partners to protect infrastructure and systems critical to the delivery of government services.

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

The Washington Information Sharing and Analysis Center (WA-ISAC) currently has only 1.0 FTE, which would be increased by an additional 2.0 FTE from this request. The remaining requests in this decision package are new capacity.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

Please see attached backup.

### **Decision Package Justification and Impacts**

#### **What specific performance outcomes does the agency expect?**

This decision package will begin to address the state's capabilities to respond and defend against rapidly evolving cyber threats for protecting sensitive data held by state agencies and securing the delivery of online services to citizens and businesses. It will make the state safer by closing the gap between acknowledged best practices and capabilities in the private sector and the federal government, and current capabilities and practices of Washington state agencies.

Establishing the capacity to emulate hostile threat activity through the creation of the Red Team will allow the state to evaluate how well IT security controls put in place at all levels of the enterprise actually stand up to real-world hacking tactics. The ability to identify and mitigate vulnerabilities before they are actually exploited or otherwise create a significant disruption will make state data more secure. The results of Red Team testing will allow agencies to better understand how best to properly apply and configure IT security controls to withstand real-world threats.

Most importantly, however, the Red Team will also "teach us how to fish," by assisting state agencies in adopting the latest tactics in vulnerability detection, mitigation, and thinking like a modern cyber attacker.

The application patching and secure coding program will ensure that scanning, testing, remediation of found vulnerabilities and implementation of secure coding best practices are implemented for the legacy and other public-facing online applications. Mitigation assistance provided by OCS will allow agencies to rapidly deploy effective controls to address identified vulnerabilities, and help make agencies aware of existing shared IT security tools and services available.

To ensure that the benefits of the state's IT security policies and standards are realized, it is imperative that effective compliance monitoring, mitigation follow-up and enforcement take place. Better aggregation and analysis of vulnerability and compliance data through the use of a real-time portal will allow agencies to more effectively monitor mitigation efforts employed by agencies, provide the basis for appropriate enforcement actions, create comprehensive security profiles for each agency for consumption by agency heads, and provide accurate decision support for the creation of new IT security policies and services.

The budget request supports the WaTech strategic roadmap for new and enhanced security capabilities.

**Performance Measure detail:** The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government.

This decision package supports the Results Washington goal of providing efficient, effective and accountable government by proactively detecting, assessing and remediating vulnerabilities across state agencies before a potential breach could impact or disrupt the delivery of state services or expose citizen data.

**Fully describe and quantify expected impacts on state residents and specific populations served.**  
 The data being protected in the public-facing applications and computer systems includes personal and private information belonging to millions of Washington citizens.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: State agencies have expressed a desire for the OCS to provide red team testing, application secure code training, and a centralized portal to support decision making for agency security programs.
Responds to specific task force, report, mandate, or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:

Is the request related to or a result of litigation? No

Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery? No

If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections

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

As mentioned in a previous section, agencies will benefit as a result of:

- Red Team testing that will help agencies properly apply and configure IT security controls to withstand real-world threats.
- Mitigation assistance to help agencies deploy effective controls to address identified vulnerabilities and to be aware of existing shared IT security tools and services available.
- Availability of the portal for better analysis of vulnerability and compliance data that will help agencies more effectively monitor mitigation efforts, implement appropriate enforcement actions, and provide accurate decision support for the creation of new IT security polices and services.

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

Today we are security monitors. The market warrants, and the real-life scenarios demand, that the long-term strategy be a shift to the role of security police - in other words a more active approach to handling cyber threats as is done in the private and federal sectors. As a best practice this is accomplished by centralizing all statewide security functions now handled by separate agencies. The cost of centralizing could be significant, likely \$20 million plus. Recognizing state budget realities, this is an incremental step in moving toward the long-term strategy, but at the same time improving our cyber defense capabilities.

**What are the consequences of not funding this request?**

The state will not be able to adequately keep pace with the increased sophistication of IT security threats posed by adversarial groups constantly attacking the state network, looking to exploit vulnerabilities and internet-facing applications. Failure to do so will increase the risk of unauthorized access to critical state data assets and IT resources and expose the state to significant financial and reputational damage.

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

There is no current capacity or funding to address this statewide risk. Absent the availability of required staff, training and tools, there are no effective means to combat the new and increasing threats the state is now encountering.

**Other supporting materials:** Please see attached backup.

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

No 

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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Software and licensing	325,000	175,000	175,000	175,000
Staff	864,000	669,000	669,000	669,000
<b>Total Cost</b>	<b>1,189,000</b>	<b>844,000</b>	<b>844,000</b>	<b>844,000</b>

## Part 2: Identifying IT Projects

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

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

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

### Decision Package Cost Breakdown

#### Red Team

	# FTEs	Salary per FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
FTEs	2	\$ 95,000	\$ 28,500	\$ 247,000	\$ 247,000	\$ 247,000	\$ 494,000
Travel					\$ 360	\$ 360	\$ 720
New workstations					\$ 12,000	\$ -	\$ 12,000
Tools					\$ 100,000	\$ 25,000	\$ 125,000
<b>Total</b>					<b>\$ 359,360</b>	<b>\$ 272,360</b>	<b>\$ 631,720</b>

#### Legacy Security Patches

	# FTEs	Salary per FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
Tools					\$ 325,000	\$ 175,000	\$ 500,000
Training					\$ 25,000	\$ 25,000	\$ 50,000
<b>Total</b>					<b>\$ 350,000</b>	<b>\$ 200,000</b>	<b>\$ 550,000</b>

#### Security Profile Site

	# FTEs	Salary per FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
FTEs	1	\$ 90,000	\$ 27,000	\$ 117,000	\$ 117,000	\$ 117,000	\$ 234,000
Travel					\$ 180	\$ 180	\$ 360
New workstations					\$ 6,000	\$ -	\$ 6,000
Development (contracted)					\$ 90,000	\$ -	\$ 90,000
<b>Total</b>					<b>\$ 213,180</b>	<b>\$ 117,180</b>	<b>\$ 330,360</b>

#### ISAC

	# FTEs	Salary per FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
FTEs	2	\$ 95,000	\$ 28,500	\$ 247,000	\$ 247,000	\$ 247,000	\$ 494,000
Travel					\$ 7,200	\$ 7,200	\$ 14,400
New workstations					\$ 12,000	\$ -	\$ 12,000
<b>Total</b>					<b>\$ 266,200</b>	<b>\$ 254,200</b>	<b>\$ 520,400</b>
					<b>\$ 1,188,740</b>	<b>\$ 843,740</b>	<b>\$ 2,032,480</b>

Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	5.0	5.0	5.0
Object A	\$ 470,000	\$ 470,000	\$ 940,000
Object B	\$ 141,000	\$ 141,000	\$ 282,000
Object E	\$ 540,000	\$ 225,000	\$ 765,000
Object G	\$ 7,740	\$ 7,740	\$ 15,480
Object J	\$ 30,000	\$ -	\$ 30,000
<b>Total</b>	<b>\$ 1,188,740</b>	<b>\$ 843,740</b>	<b>\$ 2,032,480</b>

Revenue	FY 2018	FY 2019	Biennium 2017-19
<b>Fund 458</b>	<b>\$ 1,188,740</b>	<b>\$ 843,740</b>	<b>\$ 2,032,480</b>



## Ramos, Deborah (WaTech)

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**From:** Lee, Larry (WaTech)  
**Sent:** Friday, August 26, 2016 5:55 PM  
**To:** Fitzgerald, Judy (WaTech); Kirk, Agnes (OCS)  
**Subject:** WaTech DP Consult for SR1608\_04291 - WaTech - PL AC Increased Cyber Defense

Good afternoon Judy and Agnes,

This email is to summarize your Decision Package (DP) Consultation with WaTech. Your Service Request ticket number is **SR1608\_04291 – WaTech – PL AC Increased Cyber Defense**. Based on information included in your DP and gathered during the consultation, your identified requirements include the addition of software and licensing, and new FTEs to support the package. WaTech does not currently provide a service that aligns with software, licenses and FTEs. The Office of Cyber Security currently utilizes WaTech products and services and the additional staff being proposed will continue to use these services.

If your requirements change, please send a new request to the WaTech Service Desk at [servicedesk@watech.wa.gov](mailto:servicedesk@watech.wa.gov) and include the subject line **Consultation Request for 2017-19 Biennial Budget Submittal for WaTech - PL AC Increased Cyber Defense**.

Let me know if I can be of assistance.

Larry

Larry E. Lee  
Customer Account Manager  
Customer Relations Team  
Washington Technology Solutions (WaTech) / Consolidated Technology Services (CTS)  
360-407-8936 Office  
360-480-4310 Mobile  
[WaTech.wa.gov](http://WaTech.wa.gov)



PLACEHOLDER

## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** AD – SDC - Customer Migration

**Budget Period:** 2017-19

**Budget Level:** PL - Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) is requesting this placeholder decision package to support the migration of state agencies into the State Data Center (SDC) and/or the Quincy Data Center (QDC). This request will support compliance with RCW 43.105.375 and the Office of the Chief Information Officer (OCIO) Policy 184. WaTech must enable the State's data center consolidation plan and optimize the SDC value.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	TBD	TBD	TBD	TBD
<b>Total Cost</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	4.0	4.0	4.0	4.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	TBD	TBD	TBD	TBD
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. E	TBD	TBD	TBD	TBD
Obj. J	TBD	TBD	TBD	TBD

**Package Description**

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the State Data Center (SDC) located in Olympia. All physical servers and related equipment must be housed in the SDC and agencies will not use a co-location provider other than the SDC for hosting physical servers and related equipment. Agencies are prohibited from operating or investing in an agency data center as defined by the Office of the Chief Information Officer (OCIO) Policy 184. The OCIO, in consultation with the Office of Financial Management, is responsible for implementing the business plan and migration schedule for moving all state

**PLACEHOLDER**

agencies into the SDC. WaTech will require the appropriate Expenditure Authority as it earns revenue in order to accommodate this migration.

Agency Contact Information: Sue Langen (360) 407-8686/Gordon Ice (360) 407-8904

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

This proposal will increase the number of customers utilizing the State Data Center services.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

WaTech will require the appropriate Expenditure Authority and Revenue in order to accommodate this migration. Revenue will be earned on a fee-for-service basis.

WaTech estimates that a minimum of 4 FTE (project management staff) will be required in order to support the large volume of customers moving to the SDC/QDC.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

WaTech staff will assist state agencies with planning and architecture associated with colocation in the SDC/QDC. SDC customers can manage their own equipment in the SDC or take advantage of WaTech’s hosting services in the SDC and/or QDC.

**Performance Measure detail:** The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government.

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

WaTech offers competitive colocation rates and services. By increasing the number of state agencies collocating into the SDC and/or the QDC site, WaTech will maximize the State’s investment in its data centers. The result will fulfill the requirements of RCW 43.105.375 and support the Results Washington Goal #5 of ensuring an ‘Efficient, Effective & Accountable Government’ by using state resources responsibly. Washington State citizens will know how their money is being spent.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov’t impacts?	No	Identify:
Tribal gov’t impacts?	No	Identify:

**PLACEHOLDER**

Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	Yes	Identify: RCW 43.105.375
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
<b>Identify other important connections</b>		

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

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the State Data Center (SDC) located in Olympia.

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

No alternatives were considered.

**What are the consequences of not funding this request?**

Agencies will not be in compliance with state law and the SDC will not be cost recoverable. The full value to the citizens of the State of Washington will not be achieved.

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

WaTech cannot address the issue within its current funded level.

**PLACEHOLDER**

**Other supporting materials:** OCIO Policy 184 (Attached)

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

No 

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

## Policy 184 - Data Center Investments

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### PURPOSE

This policy establishes clear expectations for agencies to locate all existing and new servers in the [state data center](#) as described in [RCW 43.105.375](#).

### POLICY STATEMENT

1. All agency servers and related components must be housed in the State Data Center.
2. Agency may not use a managed service provider other than the state data center for CoLocation.
3. Agencies are prohibited from operating or investing in [agency specific data centers](#). This includes investments in a facility or equipment to be placed in a facility.
4. For the limited set of agencies receiving approved waiver for operation of an agency specific data center, these agencies are prohibited from:
  - a. Making additional investments in or placing additional equipment in that facility.
  - b. Putting additional applications or services on equipment in that facility.
  - c. Operating a managed service or CoLocation service for other agencies.
5. Agencies that have not yet migrated to the state data center must plan to complete migration by no later than June 30, 2019.
6. [Other facilities](#) space used to house IT equipment in support of local office building operations, print rooms, call centers, and telecommunication closets are exempt from this policy.

### CONTACT INFORMATION

Contact [OCIO Policy & Waiver Mailbox](#) for additional information or to [request a waiver](#).

### SUNSET REVIEW DATE

July 31, 2019.

*Attachment A*

**RCW 43.105.375**

***Use of state data center—Business plan and migration schedule for state agencies—  
Exceptions.***

- (1) Except as provided by subsection (2) of this section, state agencies shall locate all existing and new servers in the state data center.
- (2) State agencies with a service requirement that requires servers to be located outside the state data center must receive a waiver from the office. Waivers must be based upon written justification from the requesting state agency citing specific service or performance requirements for locating servers outside the state's common platform.
- (3) The office, in consultation with the office of financial management, shall continue to develop the business plan and migration schedule for moving all state agencies into the state data center.
- (4) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, may enter into an interagency agreement with the office to migrate its servers into the state data center.
- (5) This section does not apply to institutions of higher education.

[2015 3rd sp.s. c 1 § 219; 2011 1st sp.s. c 43 § 735. Formerly RCW [43.41A.150](#).]

**NOTES:**

**Effective date—2015 3rd sp.s. c 1 §§ 101-109, 201-224, 406-408, 410, 501-507, 601, and 602:**  
See note following RCW [43.105.007](#).

**Effective date—Purpose—2011 1st sp.s. c 43:** See notes following RCW [43.19.003](#).

## *Attachment B*

### **Definition of Terms Used in OCIO Policies and Reports**

#### **Data Center:**

NOTE: these are the definitions used in the TBM program and also reside in [Standard 113.30: TBM Taxonomy](#).

Data Centers are facilities that house and protect critical IT equipment supporting delivery of government services including the space, power, environment controls, racks, cabling and external labor.

- We distinguish between Agency Data Centers and the State Data Centers because by statute we are directed to migrate TO the State Data Center and away from Agency Data Centers.
- **State Data Centers** include:
  - The Olympia-based State Data Center (SDC) operated by Consolidated Technology Services (CTS)
  - The Quincy-based Disaster Recovery Services Data Center leased by CTS.

Other Facilities such as Computer rooms and MDF/IDF/telco closets that house IT equipment primarily supporting local building operations in corporate headquarters, call centers or other general purpose office buildings.

*Attachment C*

**Standard 113.30: TBM Taxonomy**

**Data Center**

- **Agency Data Center:** Agency data center facilities that house and protect critical IT equipment supporting delivery of government services including the space, power, environment controls, racks, cabling and external labor.
- **Data Center:** State Data Center facilities that house and protect critical IT equipment supporting delivery of government services including the space, power, environment controls, racks, cabling and external labor.
- **Other Facilities:** Computer rooms and MDF/IDF/telco closets that house IT equipment primarily supporting local building operations in corporate headquarters, call centers or other general purpose office buildings.

**Attachment D**

**FACILITIES DEFINITION AND CHARACTERISTICS**

<b>DATA CENTER CHARACTERISTICS</b>		
<p><b>Electrical System</b></p> <ul style="list-style-type: none"> <li>•Medium Voltage Distribution</li> <li>•Uninterruptable Power Supply (UPS)</li> <li>•Batteries</li> <li>•Power Distribution Unit (PDU)</li> <li>•Rack Mount Power Distribution Unit (RMPDU)</li> <li>•Switchgear</li> <li>•Generator</li> <li>•Fuel Tanks</li> </ul>	<p><b>Mechanical System</b></p> <ul style="list-style-type: none"> <li>•Computer Room Air Handler (CRAH)</li> <li>•Chiller</li> <li>•Colling Tower</li> <li>•Distribution (Pumps and Piping)</li> <li>•Make up water</li> </ul>	<p><b>Facility</b></p> <ul style="list-style-type: none"> <li>•Facility built to Essential Facility Standards</li> <li>•Dual Diverse Path Entrance Facilities</li> <li>•Diverse conduit routes from Entrance Facility to the Provider Space</li> <li>•Very Early Smoke Detection Apparatus (VESDA)</li> <li>•On site operations staff 24X7X365</li> <li>•On site Physical Security Staff 24X7X365</li> <li>•Operations Staff adhere to Industry Standards</li> </ul>

<b>OTHER FACILITIES CHARACTERISTICS</b>	
<p><b>Telco Closet (also known as Wiring Closet)</b></p> <ul style="list-style-type: none"> <li>• Small room housing telecommunications network systems and devices</li> <li>• Larger office building may require multiple telco closet interconnectivity by floor</li> <li>• Close proximity to served area center for reduced horizontal cable length (maximum: 90 meters)</li> <li>• Central junction point for all wiring equipment and wiring for devices connected in the local area network</li> <li>• Fireproofing of all terminated backbone pathways</li> </ul>	<p><b>Equipment Room</b></p> <ul style="list-style-type: none"> <li>• Single non-redundant distribution path serving the IT equipment</li> <li>• Non-redundant capacity components</li> <li>• Basic site infrastructure to support local building operations                             <ul style="list-style-type: none"> <li>• <i>Corporate Headquarters</i></li> <li>• <i>Call Centers</i></li> <li>• <i>Other general purpose buildings</i></li> </ul> </li> </ul>



## 2017-19 Biennium Budget Decision Package

**Agency:** 163 - Consolidated Technology Services (WaTech)

**Decision Package Code/Title:** AE - Cybersecurity Caseload Management

**Budget Period:** 2017-19

**Budget Level:** PL – Performance Level

**Agency Recommendation Summary Text:**

Consolidated Technology Services (WaTech) requests \$1,671,000 and 4.0 FTE in the 2017-19 Biennium to address the security design review and agency assessment backlogs. The additional staff and resources will help ensure the state can provide timely assessment of agencies' security postures and accelerate the release of new, security-compliant services and applications.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	989,000	682,000	682,000	682,000
<b>Total Cost</b>	<b>989,000</b>	<b>682,000</b>	<b>682,000</b>	<b>682,000</b>
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	4.0	4.0	4.0	4.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 458-6	989,000	682,000	682,000	682,000
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. A	370,000	370,000	370,000	370,000
Obj. B	111,000	111,000	111,000	111,000
Obj. E	475,000	200,000	200,000	200,000
Obj. G	1,000	1,000	1,000	1,000
Obj. J	32,000	0	0	0

**Package Description**

The purpose of this decision package is to provide additional staffing and technical capacity to ensure Washington state government can continue to maintain the level of security and accountability its citizens and businesses expect.

In order to ensure citizen data is protected appropriately, it is imperative that online services, and the agencies that provide these services, are regularly assessed to ensure that potential vulnerabilities are identified and properly mitigated. It is also critical that data transmitted to and from the Internet is inspected, and that malicious payloads are neutralized to prevent customer client workstations and state government servers from becoming infected.

The State Office of Cyber Security (OCS) already provides effective resources that proactively identify online service and agency vulnerabilities, block malicious traffic before it reaches its destination, and expertise in security incident handling. It is imperative that these functions be able to continue to scale as an increasing number of new services are developed and the volume and sophistication of malicious threats continues to rise.

OCS provides three vital functions that support Results Washington's goal of providing efficient, effective and accountable government:

1. The Security Design Review (SDR) team is responsible for ensuring newly developed or significantly modified services and applications comply with the state's IT security standards before deployment. This critical service helps agencies make sure they get IT security "right the first time". This team conducts a detailed analysis of often very complex security architectures, and provides recommendations on how discovered vulnerabilities can be properly mitigated.
2. The Computer Emergency Readiness Team (CERT) acts in a firefighter role for the enterprise. During a cyber security incident, the team immediately mobilizes to perform incident response. The team is comprised of incident handlers, digital forensics experts and security analysts who constantly train to respond to varied cyber emergencies. When not in a firefighting role, the team performs comprehensive security assessments to assist agencies in identifying risks and making informed decisions regarding their security posture and resources.
3. To ensure malicious payloads contained in traffic between the Internet and the state network are detected and blocked, OCS uses state-of-the-art threat detection software and hardware appliances. This technology inspects traffic for code anomalies or suspected threats, and places suspicious code in a safe, offline environment where it can be executed and analyzed before reaching its destination. Code that is shown to be malicious is quarantined and crased before it can do damage to endpoint services.

Customer agencies have repeatedly expressed appreciation for the value the SDR team and CERT provide, and have come to lean on them to ensure new online services and agency IT environments are secure. They have also found that the threat detection service actually saves them time and money by eliminating the agency's need to expend IT resources on response and recovery efforts from infected devices.

The growth in the newly developed applications and the increasing need for agency assessments has created staffing capacity issues within the SDR team and the CERT. Similarly, the exponential growth of electronic traffic is close to exceeding the capabilities of the threat detection hardware and software.

The increased demand for the SDR team and the CERT has exceeded their capacity to respond in a timely and thorough manner, and created a backlog condition and delay of 2-6 months, depending on the service. Delays impact the agency's ability to meet their business needs to deliver their mission critical services in a timely manner. The backlog means that critical state agency projects are taking longer to review and analyze for IT security compliance before going live. Additionally, comprehensive IT security assessments and vulnerability remediation of individual agencies are similarly being delayed, which lowers the overall state security posture. Performing appropriate due diligence to identify and mitigate existing and newly emerging threats and vulnerabilities is still largely a staff-driven exercise, requiring numerous follow-on discussions and meetings to ensure the appropriate processes and controls are in place.

Should the capacity of the state's threat detection service be exceeded, the technology is designed to not impair business by failing open, allowing potential malicious traffic to enter the network.

**Proposed solution:**

This Decision Package will fund 4.0 FTE, and needed hardware and software licenses, in the Office of Cyber Security, at a cost of \$1,671,000 in 2017-19.

To address the security design review and agency assessment backlogs, OCS proposes that 2.0 FTE each be added to the SRD team and the CERT. This additional staff will help ensure the state can provide timely assessment of agencies' security postures and accelerate the release of new, security-compliant services and applications. Specifically, additional staff will allow multiple, concurrent, project assessment threads to be established to accelerate design reviews and agency IT security assessments.

OCS also proposes purchasing additional hardware and software licensing to extend the capacity of the threat detection platform. This will ensure consistently thorough inspection and blocking of malicious Internet code as state data traffic increases.

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

The SDR team consists of three dedicated staff and one at 50 percent (or total 3.5 FTE). CERT has four full-time staff.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**  
Please see attached backup.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

The budget request supports the WaTech strategic roadmap for new and enhanced security capabilities.

This proposal will expand protection of the state network through increased ability to identify, block and eliminate malicious "in-flight" code that can do harm to state and customer systems and create reputational damage to the state. It will also expand the state's existing investment in cyber defense resources and infrastructure that will protect confidential personal information and IT assets for Washington State, county and local governments.

**Performance Measure detail:**

The decision package supports the Results Washington goal #5: *Efficient, Effective and Accountable Government*. While the purpose of the SDR team and the CERT is to help ensure the state enterprise is accountable for the protection of electronic data and IT assets entrusted to it, the ability to improve processing time will work toward the goal of making Washington state government more effective. Threat prevention technology will support the goal of being accountable with the state's data resources.

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

The work performed by OCS ensures the state's enterprise appropriately protects citizen data from unauthorized disclosure and protects the IT assets entrusted to it. The secure interaction of citizens

with their government is critical in delivering these vital services. However, in order to meet both the citizen's and agency's business requirements, the security assessments and reviews must be done in a timely and thorough manner. Increased staffing by 50 percent in the SDR team and CERT is expected to reduce backlog times from up to six months to less than three months without compromising the level of due diligence conducted, leading to both accountable and effective government.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Impact to agencies will be positive. It will reduce the time required to review and process new IT services and conduct IT security assessments. This will help ensure that appropriate agency security controls are in place, online services are secure, and electronic protection remains sufficient to protect citizen's personally identifiable information.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery?

No

If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections

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

This decision package will help ensure that security reviews and assessment activities conducted by OCS are delivered on a consistent, timely, and reliable basis. Agencies will be able to more accurately estimate security assessment lead time into their projects, thereby allowing them to make more realistic reliable project completion estimates. Threat detection and prevention will ensure that data maintained by the state is reliable.

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

The SDR team and CERT use specialized software whenever practicable, and these teams have made modifications to their internal and externally-facing processes with the goal of reducing time and redundancy. These efforts have had some effect, but because risk assessment and mitigation analysis requires such a high degree of human analysis, there is a limit to the degree automation and process re-design can be effective in light of increasing demand.

WaTech has conducted thorough analysis of state online traffic to determine whether certain types of online transactions could be eliminated to ensure that existing threat detection capabilities can function optimally. The result of this analysis shows that increasing levels of transactions are legitimate, and that traffic volumes will only continue to grow. In order to prevent this technology from "failing open" when traffic volume thresholds are exceeded, it is necessary to increase the capacity of the current threat detection platform.

**What are the consequences of not funding this request?**

The backlogs for comprehensive agency IT security assessment performed by the CERT and processing times for security design review of critical state IT systems will continue to impact the state's ability to deliver critical services securely and in a timely fashion, and increase the risk of exposure due to unidentified and unmitigated vulnerabilities, and will likely continue to grow.

WaTech will not be able to adequately keep pace with the expansion of IT security threats posed by adversarial parties looking to exploit vulnerabilities. Failure to do so will increase the risk of unauthorized access to critical state data assets and IT resources.

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

As mentioned previously, the SDR and CERT teams have made modifications to their internal and externally-facing processes with the goal of reducing time and redundancy. These efforts have had good effect and reduced the backlog from 3-8 months to 2-6 months. However, given the complexity of these reviews, there is a limit to what automation and process re-design can do without the need for additional staff.

**Other supporting materials:**

Please see attached backup.

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

No



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

# 2017-19 IT Addendum

## Part 1: Itemized IT Costs

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

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Software and licensing	475,000	200,000	200,000	200,000
Staff	514,000	482,000	482,000	482,000
<b>Total Cost</b>	<b>989,000</b>	<b>682,000</b>	<b>682,000</b>	<b>682,000</b>

## Part 2: Identifying IT Projects

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

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

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



**Step PL AE - Cybersecurity Caseload Management**

**Decision Package Cost Breakdown**

**Security Design Review and CERT Backlog**

	# FTEs	Salary per FTE	FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
FTEs (CERT)	2	\$ 95,000	\$ 28,500	\$ 247,000	\$ 247,000	\$ 247,000	\$ 247,000	\$ 494,000
FTEs (Design Review)	2	\$ 90,000	\$ 27,000	\$ 234,000	\$ 234,000	\$ 234,000	\$ 234,000	\$ 468,000
Travel					\$ 720	\$ 720	\$ 720	\$ 1,440
New workstations					\$ 24,000	\$ -	\$ -	\$ 24,000
CERT Workstation upgrades (2@\$2K)					\$ 4,000	\$ -	\$ -	\$ 4,000
Licenses (2 @ \$2K)					\$ 4,000	\$ -	\$ -	\$ 4,000
<b>Total</b>					<b>\$ 513,720</b>	<b>\$ 481,720</b>	<b>\$ 995,440</b>	

**Threat Monitoring Capacity**

	# FTEs	Salary per FTE	FTE	Benefits per FTE	Annual Salary and Benefits	FY 18	FY 19	Biennial Total
Appliance Purchase					\$ 475,000	\$ -	\$ -	\$ 475,000
Licensing and maintenance					\$ -	\$ 200,000	\$ 200,000	\$ 400,000
<b>Total</b>					<b>\$ 475,000</b>	<b>\$ 200,000</b>	<b>\$ 675,000</b>	
					<b>\$ 988,720</b>	<b>\$ 681,720</b>	<b>\$ 1,670,440</b>	

Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	4.0	4.0	4.0
Object A	\$ 370,000	\$ 370,000	\$ 740,000
Object B	\$ 111,000	\$ 111,000	\$ 222,000
Object E	\$ 475,000	\$ 200,000	\$ 675,000
Object G	\$ 720	\$ 720	\$ 1,440
Object J	\$ 32,000	\$ -	\$ 32,000
<b>Total</b>	<b>\$ 988,720</b>	<b>\$ 681,720</b>	<b>\$ 1,670,440</b>

Revenue	FY 2018	FY 2019	Biennium 2017-19
Fund 458	\$ 988,720	\$ 681,720	\$ 1,670,440



## Ramos, Deborah (WaTech)

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**From:** Lee, Larry (WaTech)  
**Sent:** Friday, August 26, 2016 5:51 PM  
**To:** Fitzgerald, Judy (WaTech); Kirk, Agnes (OCS)  
**Subject:** WaTech DP Consult for SR1608\_04257 - WaTech - PL AE Cybersecurity Caseload Management

Good afternoon Judy and Agnes,

This email is to summarize your Decision Package (DP) Consultation with WaTech. Your Service Request ticket number is **SR1608\_04257 – WaTech – PL AE Cybersecurity Caseload Management**. Based on information included in your DP and gathered during the consultation, your identified requirements include the addition of software and licensing, and new FTEs to support the package. WaTech does not currently provide a service that aligns with software, licenses and FTEs. The Office of Cyber Security currently utilizes WaTech products and services and the additional staff being proposed will continue to use these services.

If your requirements change, please send a new request to the WaTech Service Desk at [servicedesk@watech.wa.gov](mailto:servicedesk@watech.wa.gov) and include the subject line **Consultation Request for 2017-19 Biennial Budget Submittal for WaTech - PL AE Cybersecurity Caseload Management**.

Let me know if I can be of assistance.

Larry

Larry E. Lee  
Customer Account Manager  
Customer Relations Team  
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