CHAPTER 10
INFORMATION TECHNOLOGY

Information technology planning and budget requests – a statewide enterprise approach

Information technology (IT) is a common part of most initiatives or investments, and the state recognizes that there is a fundamental difference between standard IT expenditures and IT projects. The Legislature has clearly indicated a desire for transparency in all IT expenditures, yet the degree to which these expenditures are separately scrutinized will depend on the type and purpose of the investment.

Per RCW 43.105.020:

> "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, radio technologies, and all related interactions between people and machines.

> "Telecommunications" includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines.

For the purposes of IT budgeting, IT expenditures include the following:
- IT hardware (computers, laptops, telephones, servers, networking equipment, etc.)
- Software (licenses, development of custom software)
- IT services (software-as-a-service, infrastructure-as-a-service, platform-as-a-service)
- IT contracts, including project management, quality assurance, independent verification and validation, and other professional and consultative services
- IT staff or staff who will be performing IT functions

All decision packages (DPs) with IT costs must include a completed IT addendum.
The IT addendum has three parts:
- **Part 1** is the itemized breakdown of costs.
- **Part 2** is three questions to help the agency, OFM and the Office of the Chief Information Officer (OCIO) determine whether each DP constitutes an IT project:
  1. Does this DP fund the development or acquisition of a new or enhanced software or hardware system or service?
  2. Does this DP fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)

3. Does this DP fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO [Policy 121](#))

If the answer to any of these three questions is "yes," OCIO will evaluate and prioritize the DP as an IT project/system/investment as required by RCW [43.88.092](#).

> **Note:** OCIO will review all DPs containing any IT costs. Through this process, other DPs may be identified to be included in review or additional criteria to remove items from the prioritization process. In cases where a DP is determined to be an IT project but no IT addendum was submitted, OCIO will contact the agency to request the IT addendum.

- **Part 3** contains the questions relating to the criteria used to evaluation and prioritize IT DPs. If an agency has answered yes to any of the three questions in **Part 2** above, then the additional questions listed in **Part 3** must be answered to provide details and context about how the DP addresses the evaluation criteria.

DPs submitted in the Agency Budget System (ABS) with an IT addendum will be retrieved by OCIO to complete the evaluation and prioritization process. Agencies will not have to perform additional work to intersect with OCIO DP evaluation process.

IT projects/systems/investments requiring consultation with Consolidated Technology Services (WaTech)

Agencies must screen all DPs with IT costs using the three criteria above. If the DP meets any of those three criteria, it tentatively meets the threshold for requiring review and prioritization by OCIO.

Coordination with OCIO prior to final submission of DP. Agencies are strongly encouraged to meet with OCIO prior to developing their DP in order to ensure that it aligns with state IT strategy and best practice. Meeting with OCIO for guidance will help to ensure the highest quality DPs are proposed, and that the state is set up in the best possible way for long-term success.

OCIO will facilitate training sessions related to the Enterprise Technology Strategic Plan that agencies can attend. These training opportunities will provide transparency on OCIO's DP evaluation process and allows agencies to ask specific questions regarding their DP and the state's IT strategic plan.

Agencies can find a posted copy of the criteria used to evaluate DP on OCIO's [website](#).

Enterprise technology impact review before final submission of DP. Additionally, if the proposed DP contains technology components as outlined in the three questions above, the agency must submit the draft DP or plan to Consolidated Technology Services (WaTech) to obtain estimates and other impacts. The outcome of this review will provide documentation summarizing the understanding of the project and the impacts considered, which may include budgetary estimates for WaTech services.

IT investments must comply with IT statutes and policies

All IT investments — projects and non-project expenditures — are expected to comply with IT statutes and policies. OCIO can provide a more comprehensive list, but some of the most frequently used requirements are listed here for convenience.

Use of the State Data Center (SDC). State Technology Policy 184 - Data Center Investments outline the requirements for agencies to locate physical servers and related equipment in the SDC. The policy describes the limited nature of equipment that may be housed at agency locations. These requirements do not apply to cloud based services. Any agency proposing to locate servers not allowed by policy outside the SDC must request and receive approval for a waiver from the OCIO as specified in Policy 103. An agency proposing to use cloud services does not need a waiver from OCIO, but must still provide a comparable cost estimate from WaTech. (OCIO Policy 184 and RCW 43.105.375).

Radio, radio over internet protocol and public safety communications investments. Agencies must receive written approval from the State Interoperability Executive Committee (SIEC) before beginning any significant investment in radio, Radio over Internet Protocol or public safety communication systems development, enhancement or acquisition. For the purpose of these instructions, significant investments shall be defined as greater than or equal to $250,000. Approval is required regardless of the funding source, any previous approval, or funding. OCIO can provide more information about this requirement upon request. Contact SIEC (RCW 43.105.331).

Administrative and financial system approval. The Statewide Administrative and Accounting Manual (SAAM), Section 80.30.88 requires the approval of OCIO and OFM before an agency invests in a new or existing administrative/financial system. As part of the review process, agencies will be ask to demonstrate due diligence in investigating similar solutions in use in state government for reuse. Requests will also be evaluated for their relationship to the One Washington program.

This approval must be obtained prior to submission of a DP and an approval letter attached to the DP. To initiate a request, agencies may submit an IT project assessment and include a note in the description that this is related to a proposed DP or send an email request to the OCIO Policy and Waiver mailbox. The table on the following page contains administrative and financial system categories and functions, and is available on OCIO's website under administrative and financial systems definitions.

Administrative/Financial Category	Function
Finance	Government accounting, general ledger, capital asset management/fixed asset management, accounts payable, accounts receivable, cash flows, general ledger reconciliation
Management accounting	Cost estimate, cost management and control, cost accounting/activity based costing (ABC)
Budgeting	Budgetary control, performance budgeting
Human resources	Appointment change, benefits management, diversity management grievance, hiring, job application, job classification, payroll, recruitment, HR reporting, business intelligence, and HR visual analytics, retirement, separation/termination, strategic workforce planning, succession planning, telework/flexible work, time and attendance, training/development, travel management, wellness and safety information, scheduling
Enterprise risk management	Enterprise risk management
Grant management	Grant management
Procurement	Purchasing, contracting, vendor management, planning, inventory management, inventory control
Performance audit	Performance audit

Statewide IT plan and technology budget

OCIO and the budget division will work together to develop the Governor's 2019–21 IT plan and technology budget, as required by RCW 43.88.092. This document will be an appendix to the Governor's budget proposal that will include the following information:

- Agency detail of the previous biennium's IT expenditures will be obtained using existing data from the state's Technology Business Management Program.
- IT projects included in the Governor's 2019–21 budget using information contained in the associated DPs for each project.
- Budget information for existing IT projects under OCIO oversight, as reported by agencies to OCIO.

Agency chief financial officers and chief information officers should ensure that IT accounting and other data are accurate, as it will be published in the Governor's 2019–21 IT plan and technology budget.