

## 2017-19 Biennium Budget Decision Package

**FINAL**

**Agency:** 303 Department of Health

**Decision Package Code/Title:** C5 Move to State Data Center

**Budget Period:** 2017-19

**Budget Level:** M2- Inflation and Other Rate Changes Level

**Agency Recommendation Summary Text:**

The Department of Health is requesting funding to support the migration of 425 servers to the State Data Center (SDC) managed by Washington Technology Solutions (WaTech) beginning January 1, 2019. This request will bring the agency into compliance with RCW 43.105.375 and maximize the use of the SDC.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	3,142,000	1,707,000	661,000	656,000
<b>Total Cost</b>	<b>3,142,000</b>	<b>1,707,000</b>	<b>661,000</b>	<b>656,000</b>
Staffing	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	5.0	5.0	0.0	0.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund	0.0	0.0	0.0	0.0
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
A - Salaries and Wages	390,000	389,000	0	0
B - Employee Benefits	136,000	136,000	0	0
C - Personal Service Contracts	0	0	0	0
E - Goods and Services	146,000	1,174,000	661,000	656,000
G - Travel	0	0	0	0
J - Capital Outlays	2,462,000	0	0	0
N - Grants, Benefits & Client Svc	0	0	0	0
T- Intra-Agency Reimbursements	8,000	8,000	0	0

## 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. The Office of the Chief Information Officer (OCIO), in consultation with the Office of Financial Management (OFM), is responsible for implementing the business plan and migration schedule for moving all state agencies in the SDC. OCIO Policy 184 requires agencies to migrate datacenters or receive a waiver by June 2019. If funded, DOH would move 425 servers during the period of January 2019 through June 2020.

This request would bring the agency into compliance with RCW 43.105.375 and OCIO Policy 184 which are intended to maximize the use of the SDC.

Although the [OCIO Technology Strategy Report](#) states that DOH's Tumwater data center is a quality asset built to sound technology standards, its equipment and infrastructure will eventually need to be replaced. By shifting to the SDC, DOH will begin realizing cost avoidance benefits in approximately seven to ten years, when current data center equipment is projected to become obsolete. DOH does not anticipate any cost reductions for staffing or operational costs from this proposal, however.

## Contact Information:

Financial Operations – Jennifer McNamara, (360) 236-3323  
Subject Matter Expert – Ryan Black (360) 236-4530

**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 include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

- Not Applicable

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:** Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- See attached worksheet and IT Addendum

## Decision Package Justification and Impacts

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

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

- The Department of Health (DOH) assumes that this change will optimize the use of the SDC and help agencies avoid the cost and complexity of maintaining their own server rooms and data centers. The SDC provides the necessary space, power, cooling, connectivity, and security (physical and network) for the server, storage, and networking equipment of agencies that use it. The SDC is said to operate more efficiently and provide better physical and virtual security and resiliency than any other state agency space.
- DOH assumes that moving its servers to the SDC will result in overall decreased costs to the state as it is said to use power more efficiently than individual, smaller, and older facilities.

**Performance Measure detail:**

**Is this DP essential to implement a strategy identified in the agency’s strategic plan?**

Goal 3: Ensure health equity and improve population health

Objective 1: Collect, analyze, use and publicly share data to appropriately address population health issues with a focus on health disparities.

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

**What are other important connections or impacts related to this proposal?** Please complete the following table and provide detailed explanations or information below:

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?	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):

<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>
<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. The Office of the Chief Information Officer (OCIO), in consultation with the Office of Financial Management (OFM), is responsible for implementing the business plan and migration schedule for moving all state agencies in the SDC.

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

DOH's Tumwater data center is considered a suitable data center and a quality asset that is built to sound technology standards. One alternative, from a strategic standpoint, is to migrate other agencies that do not have a viable facility first.

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


The Department would not be in compliance with state law and OCIO Policy.

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

The Department of Health (DOH) does not have sufficient existing appropriation to address this issue. Without sufficient funding, DOH would need to secure a waiver from the Office of Chief Information Officer (OCIO) per RCW 43.105.375 to allow the continued use of the existing DOH data center.

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**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 <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
DOH Migration Cost (FTE/Equipment/Maint.)	3,142,000	1,240,000	661,000	656,000
Facility Alterations (Decommission Costs)	0	467,000	0	0
<b>Total Cost</b>	<b>3,142,000</b>	<b>1,707,000</b>	<b>661,000</b>	<b>656,000</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.