



2019-21 Biennium Budget Decision Package

Agency: 303 - Department of Health
Decision Package Code-Title: 1M - Migrate State Data Center
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Health (DOH) requests funding to research options, analyze costs and benefits, and develop a successful plan to migrate Department of Health IT infrastructure and systems to the cloud or state data center. Per RCW 43.105.375, agencies must complete migration from their separate data centers by June 30, 2019 or receive an approved waiver from the Office of Chief Information Officer.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$242	\$239	\$239	\$239
Total Expenditures	\$242	\$239	\$239	\$239
Biennial Totals		\$481		\$478
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.3	1.3	1.3	1.3
Average Annual		1.3		1.3
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$112	\$112	\$112	\$112
Obj. B	\$39	\$39	\$39	\$39
Obj. C	\$75	\$75	\$75	\$75
Obj. E	\$5	\$5	\$5	\$5
Obj. J	\$3	\$0	\$0	\$0
Obj. T	\$8	\$8	\$8	\$8

Package Description

This proposal supports agency compliance with RCW 43.105.375 in two phases. Research, analysis and planning in phase one will inform a funding request for implementation in phase two. Benefits expected include reduced cost and complexity in maintenance of separate agency data centers and the opportunity to maximize the investment made in the state data center. The debt service on the state data center, currently burdening the state general fund, will be reduced as agencies with multiple fund sources migrate equipment to that facility. Cost benefit analysis may reveal that commercial cloud hosting better aligns with business needs and this effort will explore those options.

If this proposal is not funded, the Department of Health will be unable to comply with the direction set by the Washington State Legislature in RCW 43.105.375. Funding for current IT operations is either insufficient or not allowable to support the additional staffing, personal services and capital investment required for data center migration.

The Office of the Chief Information Officer, in consultation with the Office of Financial Management, is responsible for supporting the business plan and migration schedule for all state agencies. The OCIO may grant a waiver upon request, but if progress toward compliance is not clearly demonstrated, approval of future IT projects and agency delegated authority may be in jeopardy.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

The Department of Health has maintained an on premise data center since the agency's creation in 1989. The Tumwater data center includes high quality computing and storage infrastructure, a modern telephone system, and a secure statewide network that supports all agency locations and business needs. A report commissioned by the Office of the Chief Information Officer in 2012 stated that the Department's Tumwater data center was a quality asset built to sound technology standards and that equipment and infrastructure would require replacement when obsolete. Statutes and policies adopted more recently direct the migration from agency data centers and prohibit new investment in agency data centers without an approved OCIO waiver.

Migrating from the Tumwater data center to the state data center or the cloud will be a major project and will require thorough analysis, planning, and resources to be successful. Considerations and complexities include the computing environment, hardware components, network connectivity, service providers, applications, and databases which make up the Department's IT portfolio. A few of these 400+ systems are hosted at the state data center, many are hosted on premise, and a growing number are software/platform as a service hosted in the cloud. Some systems cannot tolerate any downtime, many

are required to meet critical business needs, and protecting the security of the data entrusted to the Department cannot be compromised.

Cost components, assumptions, and estimating process/calculations

Cost components include:

- Staffing resources (Project Manager)
- Professional Services (External QA consulting, Independent Verification and Validation consulting, expertise in data center migration analysis and planning)

It is assumed that data center migration will result in decreased costs to the state as a whole while the cost of services for individual agencies may increase. The Department should begin realizing cost avoidance benefits in approximately seven to ten years, when current data center equipment is projected to become obsolete. Cost reductions for staffing or operational costs are not expected.

Workforce Assumptions:

See attached FNCal

Strategic and Performance Outcomes

Strategic framework:

This request aligned with the Governor's Results Washington:

Goal 5: Efficient effective & accountable government.

This request falls into the DOH Agency Strategic Plan:

Goal 5: Ensure core business services are efficient, innovative and transparent.

Performance outcomes:

N/A

Other Collateral Connections

Intergovernmental:

N/A

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

Agency Questions

Did you include cost models and backup assumptions?

See attached FNCal

Reference Documents

- 1M-Migrate State Data Center-ITAddendum.docx
- 1M-Migrate State Data CenterDataCenterMigrationPhase1FNICAL.xlsm

IT Addendum

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

Yes