

Multiple Agency Fiscal Note Summary

Bill Number: 5025 SB	Title: DOC technology systems
-----------------------------	--------------------------------------

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.
---------------------------	------------------------------------------------------------------------

Prepared by: Cynthia Hollimon, OFM	Phone: (360) 810-1979	Date Published: Final
-------------------------------------------	---------------------------------	---------------------------------

Individual State Agency Fiscal Note

Bill Number: 5025 SB	Title: DOC technology systems	Agency: 107-Washington State Health Care Authority
-----------------------------	--------------------------------------	-----------------------------------------------------------

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelsey-anne Fung	Phone: 360-786-7479	Date: 01/09/2023
Agency Preparation: Samuel Schneider	Phone: 360-725-5710	Date: 01/11/2023
Agency Approval: Cliff Hicks	Phone: 360-725-0875	Date: 01/11/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/12/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

See attached narrative.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: SB 5025

HCA Request #: 23 - 013

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Senate Bill 5025 would require Department of Corrections (DOC) to replace the offender management network information system and replace it with a comprehensive Electronic Health Records (EHR) system that can interface with managed care organizations for care coordination activities.

II. B - Cash Receipts Impact

None

II. C – Expenditures

No fiscal impact.

The EHR system is still in the planning stage and DOC is a participant. It is expected that these requirements will have only a minimal impact on the system.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Require

None

Individual State Agency Fiscal Note

Bill Number: 5025 SB	Title: DOC technology systems	Agency: 163-Consolidated Technology Services
-----------------------------	--------------------------------------	-----------------------------------------------------

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelsey-anne Fung	Phone: 360-786-7479	Date: 01/09/2023
Agency Preparation: Christina Winans	Phone: 360-407-8908	Date: 01/12/2023
Agency Approval: Tim Gallivan	Phone: (360) 407-8215	Date: 01/12/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/13/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 5025 requires the Department of Corrections (DOC) to replace its offender management network information (OMNI) system using a competitive request for proposal (RFP) process and leverage existing resources, development plans, and funding. DOC is also directed to implement an electronic health records (EHR) system. The bill contains a funding null and void clause.

SB 5025 has no fiscal impact in Consolidated Technology Services (WaTech).

Section 1(1)(a) requires that OMNI be replaced.

Section 1(1)(b) requires a competitive RFP be conducted.

Section 1(1)(c) requires DOC to leverage existing development plans, resources, and funding.

Section 1(2)(a) directs DOC to implement a comprehensive EHR system.

Section 1(2)(b) requires that the EHR implemented by DOC must be able to communicate with information and data systems used by managed care organizations for purposes of care coordination activities.

No Fiscal Impact Statement

Based on the current bill, WaTech does not assume there will be a fiscal impact since there does not appear to be an implementation timeline for the project, we are not a named agency in the bill, nor a specific workload assumption that WaTech would be providing oversight on this project.

Assumptions

While the bill does not include specific timelines or implementation plans, based on previous experience with other large, complex projects such as the OMNI replacement and EHR implementation, WaTech makes the following oversight assumptions to ensure project success.

Previous department EHR and OMNI initiatives have been or are subject to oversight. Based on information collected from the WaTech portfolio management program, these systems are complex and crucial to DOC's mission.

For these reasons, and as part of WaTech's efforts to improve project success and strengthen the oversight process, while using lessons learned from previous large projects, it's assumed that the project would benefit from having the following built into the overarching agency project costs:

- a dedicated oversight consultant (fully burdened annual cost = \$192,000),
- an additional dedicated enterprise architect to support system design and integrations, depending on the department's specific plans for implementation (fully burdened annual cost = \$203,000). and
- an additional project management partner resource to provide master level project management, or supplemental program advisory services, to steward the project (estimated annual contracted cost = \$250,000)

Future needs will be assessed and determined based on DOC's specific strategy to replace the OMNI system and implement a new EHR system as described in the bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

NONE

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

NONE

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5025 SB	Title: DOC technology systems	Agency: 310-Department of Corrections
-----------------------------	--------------------------------------	----------------------------------------------

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelsey-anne Fung	Phone: 360-786-7479	Date: 01/09/2023
Agency Preparation: Jaysanna Wang	Phone: 360-725-8277	Date: 01/12/2023
Agency Approval: Ronell Witt	Phone: 3607258989	Date: 01/12/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/16/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

5025 SB adds a new section to chapter 72.09 RCW and requires Department of Corrections (DOC) to replace the Offender Management Network Information (OMNI) system and implement a comprehensive Electronic Health Records (EHR) system.

Section 1(1) states DOC shall replace OMNI with a more efficient and technologically advanced system. It also states that DOC shall use a competitive request for proposal process to replace OMNI and leverage existing resources, development plans, and funding.

Section 1(2) states DOC shall implement a comprehensive EHR system. It also states that the EHR system shall be able to communicate with information and data systems used by managed care organizations for purposes of care coordination activities.

Section 2 says if specific funding related to this act, is not provided by June 30, 2023, this act is null and void.

Effective date is assumed to be 90 days after adjournment of session in which this bill is passed.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000 per Fiscal Year (FY).

This bill requires the Department of Corrections (DOC) to:

1) Leverage existing resources to replace or modernize the Offender Management Network Information (OMNI) system, which includes the following:

- a) a feasibility study must be completed.
- b) the sequence of steps and schedule for the process must be identified.
- c) the business and technical requirements must be updated.
- d) a competitive request for proposal must be completed.

3) Conduct a feasibility study for replacing or modernizing the OMNI. DOC shall identify the sequence of steps and schedule for this process. DOC should update the business and technical requirements and use a competitive request for proposal to replace the OMNI system.

2) Implement a comprehensive Electronic Health Records (EHR) system that enables communication and can be utilized between managed care organizations, the Department of Health (DOH), and local jails for purposes of care coordination activities.

OMNI:

The DOC has been using existing resources, and legislatively provided resources, to assess, stabilize, and plan for the replacement of OMNI. In 2016, a comprehensive assessment was completed of the 53 functional areas of OMNI. Of the 53 areas, 23 were considered at critical risk. The work needed to rectify these 23 functional areas was divided into three phases:

- Phase 1: OMNI Stabilization where DOC would utilize outside resources to stabilize the functional areas of OMNI.
- Phase 2: Conduct a Feasibility Study detailing industry options for OMNI modernization or replacement.
- Phase 3: Modernize or replace, based on the Feasibility Study, with the best options.

Phases 1 and 2 have been completed, which we believe meets the requirement of Section 1(1)(b). Currently, the DOC is in Phase 3. The recommendation from the Feasibility Study was to replace OMNI using a modularized format, which allows for incremental replacement and improved integrity of subcomponents. The DOC leadership has determined a modularized replacement will provide the best outcome so that existing and future resources will be leveraged in a controlled manner and through quality assurance. Additionally, because the replacement system will be modularized, updates and failures will be isolated, and the integrity of the overarching system maintained.

The DOC submitted a fiscal year (FY) 2022 supplemental decision package (DP) to purchase a Sentencing Calculation Module. This module will allow DOC to no longer calculate sentence end dates for incarcerated individuals by hand. The software will also be adaptable to current and future state legislative and judicial sentencing requirements. For FY 2023, 11.9 FTEs and \$5,658,000 was requested and for FY 2024 and beyond, 4.9 FTEs and \$947,000 was requested. This DP was fully funded and is currently underway.

The DOC has also submitted a DP in the 23-25 Biennium for additional time and funding to complete the OMNI Sentencing Calculation Module. The result will be a system that can be audited and provide accurate earned release dates and sentence end dates. This project funds a commercial off-the-shelf software (COTS) solution for DOC's offender management sentencing calculation module and includes contractor and staffing costs associated with implementing the module. The request meets the recommendations and requirements of the Office of the Chief Information Officer (OCIO). This DP requested an additional 3.4 FTEs for FY24 and beyond; with a funding request of \$4,466,000 for FY 2024, \$1,317,000 for FY 2025, and \$1,025,000 each year forward for Maintenance & Operations.

The DOC does not have all remaining modules costed out, nor the staffing impacts or resources needed, therefore, the fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000.

EHR:

The DOC submitted a decision package during the 2019-21 budget to implement a comprehensive EHR system to track and help manage the medical, dental, mental health, and pharmacy services for incarcerated individuals. An EHR would mitigate the risk of chart errors, lack of timely information, and information security. This request was to prepare and purchase an EHR system over the course of four years. During the 2019-21 biennial session, DOC's request included reviewing and updating necessary business requirements, complete the request for proposal process, and request funding to acquire the EHR during the 2021-23 biennium, and the EHR system would be acquired and implemented during the 2021-23 biennium. This ask was not funded.

Since that request, DOC completed a legislative proviso to submit a report to the legislature for feasibility and need based on a request for information for an EHR. This report was submitted in FY 2021. In the 2021-23 biennial session, DOC was funded for preliminary EHR work in the IT Pool to include procuring a vendor to research and write the business requirements for DOC, as well as develop and write the Request for Proposal (RFP) to find an EHR vendor to potentially be procured in the 2023-25 biennium. This funding also included preliminary IT project management and analytical staffin

The DOC has submitted another budget request for 2022 Legislative Session for additional funding to support the initial steps in procuring an EHR. This request is above the current funding DOC has already been allocated for this project. These resources would be for project administration, healthcare informatics, and additional project support of the EHR

procurement process and potential implementation. The total request was for 1.4 FTE's and \$81,000 in FY 2022 and 4.6 FTE's and \$909,000 in FY 2023.

The DOC is currently working with contract vendors Moss Adams and their co-contractor, Ellit Groups, to assist with creation of business requirements for an EHR and the development of a request for proposal (RFP) for the selection of an EHR vendor that meets DOC's business and technical requirements. However, to maintain a consistent timeline and to ensure that DOC has sufficient funding to move forward with this process in FY 2024, DOC is requesting "seed" money that will be reconciled and "trued up" in the next and most likely subsequent budget cycles.

Ellit Groups has provided DOC with a cost estimate for potential initial costs that DOC may incur after selection of an EHR vendor and during the implementation process. This estimate is based off their knowledge and expertise in EHR implementation in other organizations.

As DOC has not submitted an RFP and is still in the preliminary steps of procuring an EHR, the full cost of purchasing and implementing an EHR system has not been determined. Therefore, the full fiscal impact of this bill as it relates to procurement of an EHR system is indeterminate, assumed to be greater than \$50,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.