

Multiple Agency Fiscal Note Summary

Bill Number: 5025 S SB	Title: DOC technology systems
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Consolidated Technology Services	0	0	1,350,000	0	0	1,350,000	0	0	1,350,000
Total \$	0	0	1,350,000	0	0	1,350,000	0	0	1,350,000

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
Office of the Governor	1.0	330,000	330,000	330,000	.0	0	0	0	.0	0	0	0
Office of the Governor	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	2.0	0	0	1,350,000	2.0	0	0	1,350,000	2.0	0	0	1,350,000
Department of Social and Health 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 \$	3.0	330,000	330,000	1,680,000	2.0	0	0	1,350,000	2.0	0	0	1,350,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
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 Social and Health 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 Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
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 Social and Health 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.
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Prepared by: Cynthia Hollimon, OFM	Phone: (360) 810-1979	Date Published: Revised 3/15/2023
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Individual State Agency Fiscal Note

Bill Number: 5025 S SB	Title: DOC technology systems	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	0.0	0.0
Account					
General Fund-State 001-1	170,000	160,000	330,000	0	0
Total \$	170,000	160,000	330,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Sarian Scott	Phone: 360-786-7729	Date: 02/27/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 03/14/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 03/14/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/15/2023

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.

Substitute Senate Bill 5025 requires the replacement of the Offender Management Network Information System at the Department of Corrections with a more efficient and technologically advanced system. The department shall also implement a comprehensive electronic health records system.

Per section 3 of this act, the Department of Corrections shall work with the Office of Equity to implement these provisions. The Office of Equity would need to hire additional staff to support the implementation of this two-year project that ends on June 30, 2025. The exact scope of work is not yet able to be determined based on the language 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.

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 exact scope of work is not yet able to be determined based on the language in the bill. However, at a minimum, the Office of Equity assumes they would need to hire at least one additional staff to support the implementation of this two-year project:

Management Analyst 5 (MA5):

- To provide consultative services and support to all phases of the project from the inception of the competitive request for proposal process, through vendor selection, project development, project implementation, and delivery.
- The MA5 would provide technical expertise on ensuring an equity lens is applied to the technology selection process and would provide technical expertise and support in embedding a pro-equity anti-racist lens to the new information systems' business rules, subsequent business processes, and policies.
- The MA5 would provide support to ensure the project is accountable for framing its work and deliverables through an equity lens and eliminating bias and inequitable impact in the new system and business processes.

Additional staffing may be required from the Office of Equity to support work if the Office of Equity's Director or a Deputy Director serves on the project executive steering committee. Additionally, additional support from the Office of Equity may be provided by a Pro-Equity Consultant. At this time, it is not clear how much capacity this would require and is likely that the work could be absorbed within existing resources.

Object Detail Costs:

Salaries and benefits - The Office requests a Management Analyst 5 (Exempt) at \$122,000 per year and includes salaries and benefits.

Goods and services - Based on average employee costs, the Office requests ongoing funding for supplies and materials, communications and telecommunications services, lease space, training, software licensing and maintenance at \$4,000 per year, per FTE.

Travel - Based on average employee travel in FY 2019, the Office requests ongoing funding for travel associated with this position at \$4,000 per year, per FTE.

Capital Outlays - The Office requests one-time funding for adding a new workspace at \$10,000 per FTE. This includes a workstation, furniture, and computer.

Shared Service Costs -The Office of Financial Management provides administrative support for the Office of Financial

Management, Office of the Governor, and Office of Independent Investigations. These services include IT support, budget and accounting services, facilities support, and human resource assistance. To fund these shared services, each budgeted FTE is assessed an ongoing cost of \$30,000 and 0.22 of an FTE. Based on the average salary for those providing these services, we estimate the cost for a new FTE at \$140,000 per year including salary, benefits, equipment, and support costs.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	170,000	160,000	330,000	0	0
Total \$			170,000	160,000	330,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0		
A-Salaries and Wages	91,000	91,000	182,000		
B-Employee Benefits	31,000	31,000	62,000		
C-Professional Service Contracts					
E-Goods and Other Services	4,000	4,000	8,000		
G-Travel	4,000	4,000	8,000		
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	30,000	30,000	60,000		
9-					
Total \$	170,000	160,000	330,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Management Analyst 5	91,000	1.0	1.0	1.0		
Total FTEs		1.0	1.0	1.0		0.0

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 S SB	Title: DOC technology systems	Agency: 107-Washington State Health Care Authority
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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: Sarian Scott	Phone: 360-786-7729	Date: 02/27/2023
Agency Preparation: Samuel Schneider	Phone: 360-725-5710	Date: 03/03/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 03/03/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/03/2023

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

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: SSB 5025

HCA Request #: 23-179

Part II: Narrative Explanation

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

SSB 5025 amends the original bill in section 1 by adding more requirements to the system update while keeping the same overall goal. These requirements include a mandate to complete the sentencing calculation module before any other, adding new goals for the new system, and requiring Department of Corrections (DOC) to work with the Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) to make a collaborative system. The substitute also adds a 2nd section which states that if specific funding for this bill is not given by June 30, 2023, in the omnibus appropriations act, this act is null and void.

Senate Bill 5025 would require the 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 HCA's shared role in standing up and utilizing the EHR system.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Revised

Bill Number: 5025 S SB	Title: DOC technology systems	Agency: 163-Consolidated Technology Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	675,000	675,000	1,350,000	1,350,000	1,350,000
Total \$	675,000	675,000	1,350,000	1,350,000	1,350,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
Consolidated Technology Services Revolving Account-Private/Local 458-7	675,000	675,000	1,350,000	1,350,000	1,350,000
Total \$	675,000	675,000	1,350,000	1,350,000	1,350,000

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: Sarian Scott	Phone: 360-786-7729	Date: 02/27/2023
Agency Preparation: Christina Winans	Phone: 360-407-8908	Date: 03/06/2023
Agency Approval: Tim Gallivan	Phone: (360) 407-8215	Date: 03/06/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/07/2023

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.

SSB 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.

Modifications in SSB 5025 from SB 5025

Section 1(1) now has a deadline for DOC to replace the sentencing calculation module of OMNI by June 30, 2025, using a competitive RFP with full and open vendor competition and including 4 agile development requirements, namely:

- (i) Be capable of being continually updated as necessary;
- (ii) Use an agile, not waterfall, development model with software demonstration delivery at the end of two-week sprints based on iterative user experience research;
- (iii) Deploy usable functionality into production for users within 180 days from the date of funding provided; and
- (iv) Use quantifiable deliverables that must include live, accessible demonstrations of software in development to program staff and end users at each sprint or at least monthly.

Section 2 requires DOC to implement an EHR platform, collaborating with at least Consolidated Technology Services (WaTech), Department of Social and Health Services (DSHS), and Health Care Authority (HCA). The agile requirements described above for OMNI also apply to deploying the EHR.

SB 5025 Section Summary

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.

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.

WaTech is funded by expenditure authority from the Consolidated Technology Services Revolving Account (458). WaTech assumes that there will be an interagency agreement between DOC and WaTech to allow WaTech to bill DOC for the actual costs incurred.

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.

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. WaTech assumes that these replacement projects will also be subject to oversight.

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 at EMS3 level (annual costs of \$203,318, \$175,474 salaries and benefits, \$6,060 goods and services and travel, and \$21,784 for agency overhead and shared services),
- an additional dedicated enterprise architect at EMS 2 level to support system design and integrations, depending on the department's specific plans for implementation (annual costs of \$191,905, \$165,284 salaries and benefits, \$6,060 goods and services and travel, and \$20,561 for agency overhead and shared services), 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; additionally, overhead and shared services at the rate of 12% of direct costs will be added).

WaTech assumes that there will be an interagency agreement between DOC and WaTech to allow WaTech to bill DOC for the actual costs incurred. 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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
458-7	Consolidated Technology Services Revolving Account	Private/Local	675,000	675,000	1,350,000	1,350,000	1,350,000
Total \$			675,000	675,000	1,350,000	1,350,000	1,350,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	258,000	258,000	516,000	516,000	516,000
B-Employee Benefits	83,000	83,000	166,000	166,000	166,000
C-Professional Service Contracts	250,000	250,000	500,000	500,000	500,000
E-Goods and Other Services	11,000	11,000	22,000	22,000	22,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	72,000	72,000	144,000	144,000	144,000
9-					
Total \$	675,000	675,000	1,350,000	1,350,000	1,350,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EMS2	124,644	1.0	1.0	1.0	1.0	1.0
EMS3	133,044	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	2.0	2.0

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 S SB	Title: DOC technology systems	Agency: 300-Department of Social and Health Services
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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:

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- 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: Sarian Scott	Phone: 360-786-7729	Date: 02/27/2023
Agency Preparation: Sara Corbin	Phone: 360-902-8194	Date: 03/14/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/14/2023
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 03/14/2023

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.

No fiscal impact to the Department of Social and Health Services (DSHS) as the department assumes funding will be requested as part of the statewide electronic health records plan proposed in the Governor's 2023-25 budget.

Section 150(16)(a) of HB 1140 - Governor's 2023-25 Budget proposal - provides \$5,000,000 of the general fund—state appropriation for fiscal year 2024 solely for the office to develop a statewide electronic health records plan, in coordination with the department of social and health services, department of corrections, and health care authority. Each agency must provide staff support for developing the statewide electronic health records plan and staff support may be paid for with these funds. The purpose of the plan is to implement a common technology solution to leverage shared business processes and data across the state in support of client services.

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.

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.

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 S SB	Title: DOC technology systems	Agency: 310-Department of Corrections
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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:

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- 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: Sarian Scott	Phone: 360-786-7729	Date: 02/27/2023
Agency Preparation: Jaysanna Wang	Phone: (360) 725-8428	Date: 03/03/2023
Agency Approval: Ronell Witt	Phone: (360) 725-8428	Date: 03/03/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 03/06/2023

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.

The Substitute 5025 Senate Bill 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. The DOC is required to ensure a full and open competition for and complete a best value analysis for the technology system that best fits the needs of DOC. It requires the replacement system to:

- be capable of being continually updated,
- be agile, with software demonstration delivery at the end of two-week sprints,
- be able to deploy usable functionality within 180 days of funding provided, and
- use quantifiable deliverables that include live, accessible demonstrations at the end of each sprint or monthly.

Section 1(2) states DOC shall implement a comprehensive EHR system. It also states that the DOC must ensure the EHR system must:

- be able to communicate with information and data systems used by managed care organizations for purposes of care coordination activities,
- comply with the statewide EHR plan,
- coordinate with the Department of Social and Health Services (DSHS) and Health Care Authority (HCA),
- be able to communicate with information and data systems managed by care organizations
- be capable of being continually updated,
- be agile, with software demonstration delivery at the end of two-week sprints,
- be able to deploy usable functionality within 180 days of funding provided, and
- use quantifiable deliverables that include live, accessible demonstrations at the end of each sprint or monthly.

Section 1(3) states that DOC must work with the Office of Equity to implement the provisions of this act.

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

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 Feasibility Study completed in 2020, which detailed a cost benefit analysis of OMNI modernization (custom build), a commercial off the shelf (COTS) solution, and a COTS+ solution (combination). At that time, the 10-year costs for each of those assumptions were as follows:

- OMNI Modernization: \$118.6M-\$157.7M
- COTS: \$107.8M-\$117.6M
- COTS+: \$112.3M-\$122.7M

The DOC would assume an approximate additional 15% needed to account for inflation.

This project would also require dedicated WaTech staff to be billed to DOC. This would include:

- 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).
- 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).

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.

Functional Area -	Cost Estimate
Software -	\$4,000,000
Project Planning and Management -	\$1,453,000
Application Build/Configuration -	\$2,367,000
Testing -	\$165,000
Training -	\$2,070,000
Data Conversion -	\$6,184,000
Technical Infrastructure -	\$2,268,000
Technical Dress Rehearsal -	\$87,000
Go Live Support -	\$589,000
Post Go Live Stabilization and Maintenance -	-\$784,000
Total -	\$19,967,000

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.