STATE OF WASHINGTON

August 15, 2023

TO: Select Agency Directors

FROM: David Schumacher, Director
Office of Financial Management

William S. Kehoe, Director and State CIO
Washington Technology Solutions

SUBJECT: **2023-25 INFORMATION TECHNOLOGY (IT) GATED FUNDING OVERSIGHT**

The enacted 2023-25 operating and transportation budgets place one or more of your agency's information technology (IT) projects under gated funding oversight by Washington Technology Solutions' Office of the Chief Information Officer (OCIO) and Office of Financial Management (OFM). Section 701 of the operating budget (Chapter 475, Laws of 2023) and Section 701 of the transportation budget (Chapter 472, Laws 2023) prescribe the conditions, limitations and review requirements of this oversight, as well as access to project funds.

The gated funding oversight process has the following goals:

- Providing greater insight into total project costs
- Mitigating risk to help improve project success and outcomes
- Increasing accountability and collaboration
- Enhancing fiscal and technological oversight through best practices, including a gated funding methodology
- Meeting legislative requirements in the 2023-25 operating and transportation budgets.

We want to engage with you as soon as possible to discuss gated funding requirements and support the success of your projects. Agencies initiate the oversight process by completing an IT Project Assessment (ITPA) online. WaTech will then schedule a gated funding kickoff meeting. Your assigned oversight consultant will guide you through the gated funding process.

To ensure the timely processing of gate requests and release of funds, agencies must work with their assigned budget advisor and oversight consultant prior to the start of each gate in the project. Gated funding resources, including a user guide with a glossary and FAQs, are available on the OCIO website.

Gated Funding Expectations for New Projects

1. An agency may not expend new funds provided by the Legislature until the project has:

    a. Received approval on the technology budget by both OFM and OCIO using the new gated funding technology budget template found on the OCIO gated funding website.
    b. Placed project funds received in the agency's budget in unallotted status when submitting the initial allotment packet to OFM for the gated non-IT Pool projects.
    c. Requested certification and release of gate dollars by notifying your oversight consultant and emailing the OCIO Consultants Pool.
    d. Received approval to begin the gate from the OCIO in a gate certification memo.
    e. Completed the 10-day review period by the legislative fiscal committees.
    f. Received approval to allot funds in a memo sent by the OFM director.
    g. Submitted the allotment amendment package to OFM and received approval from the budget advisor.

2. WaTech must approve the project investment plan before the close of the project's first **gate**. To be approved, the project must have an approved technology budget and an independent quality assurance readiness assessment. It also must include the agency's response to any project risks identified in the assessment, along with any other project planning deliverables required by the project's assessed tier.

3. Investment plan approval is also required before procuring any software or equipment or signing a contract for implementation of vendor services.

4. Each project must identify the total project planned spend from initiation through closeout as well as five years of estimated maintenance and operations costs. Discrete financial coding, fund source and anticipated deliverables through each gate of the project should be included. Allotments and spending should align with the technology budget.

Gated Funding Expectations for Existing Projects

Existing projects must have an approved amended technology budget using the new gated funding technology budget template found on the OCIO gated funding website before applying for the next gate certification.

If your existing approved investment plan does not accurately or completely reflect the project going forward, you must submit an amended investment plan to the OCIO for review and approval. Based on funding received in the biennial budget, your project may require a change (e.g., adding a new phase to the project or adjusting the scope, schedule or budget). An amendment to the investment plan in these instances is required for approval of the next gate of the technology budget. **Consult with your assigned oversight consultant to confirm if your existing project requires an amended investment plan.**

Following completion of the first gate and any subsequent gate, agencies are not authorized to expend dollars on projects until the agency has:

1. OCIO investment plan approval for the project.
2. A technology budget, updated as needed, and approved by both OFM and OCIO using the new gated funding technology budget template.
3. Received approval to begin the gate from the OCIO in a gate certification memo.
4. Completed the 10-day review by the legislative fiscal committees.
5. Received approval to allot funds in a memo sent by the OFM director.
6. Submitted the allotment amendment package to OFM and received approval from the budget advisor.

If you have any questions, please contact your OFM budget advisor or the OCIO at OCIO Consultants Pool.

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