

2017-19 Biennium Budget Decision Package

Agency: 163 - Consolidated Technology Services (WaTech)

Decision Package Code/Title: A2 - Washington Business One Stop -BizHub

Budget Period: 2017-2019

Budget Level: PL – Performance Level

Agency Recommendation Summary Text:

Consolidated Technology Services (WaTech) requests \$1,779,000 million and 3.0 FTE in the 2017-19 biennium to continue development of an interactive online portal that allows small business owners to license, register, and permit their businesses with Labor and Industries, Department of Revenue, Office of the Secretary of State, Employment Security Department, and Department of Commerce.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 461-6	834,000	945,000		
Total Cost	834,000	945,000		
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	3.0	3.0		
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 461-6	834,000	945,000		
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	276,000	281,000		
Obj. B	88,000	89,000		
Obj. C	43,000	43,000		
Obj. E	426,000	531,000		
Obj. G	1,000	1,000		

Package Description

This funding is to continue the Washington Business One Stop (aka BizHub) project for two more years in order to create an online closed loop state license and registration process that is simple and easy for customers to use. In the 2017-19 biennium, a data entry portal will be created that collects from small business owners all the information necessary to comply with the requirements of the Department of Revenue (DOR), Labor and Industries (LNI), Commerce, Employment Security Department, and the Secretary of State's Office (aka UBI agencies). Customers will have one point of entry to apply with all the UBI agencies and meet the various agencies' requirements for registering and licensing a business. The design is intended to allow for data to be entered one time

and populate the various applications within the UBI agencies. Another important feature is a personalized dashboard that will allow customers to see where they are in registration process.

The BizHub project has been underway for three fiscal years. In year one the OCIO led a needs assessment for small businesses and hundreds of business owners across Washington who told them about their challenges working with the state. In response, the team delivered a natural language search engine of all UBI agency content from a single interface. Business.wa.gov moved to a single website and benchmarks and performance metrics were developed.

In the second year, testing of the natural language search revealed that too much information was returned to the business owner making the process seem more complex. The team regrouped and developed a highly searchable version of the Small Business Guide working with ORIA. The Business.wa.gov site's speed in answering important customer questions significantly improved as did customer satisfaction. The UBI agency governance was implemented to enable critical cross-agency customer transactions.

Fiscal year 2017 is the third year of this project. During this year, architecture and design for the unified registration will be completed. A proof of concept for unified business registration will be completed. Compliance benchmarks will be defined.

The phase funded by this decision package will improve the customer experience at the earliest, and perhaps riskiest, point in the business lifecycle.

Once these steps are completed, we assume that the maintenance of the portal will move to one of the UBI agencies.

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.

BizHub is currently supported by an allocation of \$830,000 annually.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

See Attachment

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Funding this request will allow WaTech to make substantive progress towards the legislative mandate of Senate Bill 5718, passed in 2013, to build a one-stop for small business owners that reduces their time to do business; increases their customer compliance; and increases their customer satisfaction with the business.wa.gov product, while making Washington State a more welcoming place to own and operate a business.

Performance Measure detail:

The performance measures for this product are prescribed by legislation SB5718. The business one stop portal must:

- Increase customer satisfaction
- Reduce time to do business
- Increase customer compliance

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

The one stop portal will supply small business owners a clear, guided workflow that leaves owners compliant and informed at a glance of status with a personalized dashboard for registration activities. This project takes a cost-effective approach to removing the time-consuming challenge of figuring out what the state requires from them to allow entrepreneurs to focus on building their businesses, creating jobs, and contributing to a better economic climate for Washington.

This proposal supports Results Washington’s Goal 2: Prosperous Economy and supports the objectives set by the Governor for business vitality. Small business owners have said they spend an unacceptably high amount of resources trying to figure out how they can be compliant with our state’s regulatory agencies, especially new businesses when they register. By helping reduce the resources businesses spend on regulatory compliance, we can liberate those resources to directly contribute to economic growth activities and improve business longevity by reducing risk to start-ups.

The investment also complies with Results Washington’s Goal 5: Efficient, Effective, and Accountable Government, specifically the goals of improved Customer Satisfaction and Employee Engagement. Business Hub collects ongoing customer satisfaction metrics and has established these benchmarks during product development through testing and customer feedback. Additional benchmarks measuring “compliance” will be established through Executive Steering and governance as required by SB5718.

What are other important connections or impacts related to this proposal?

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?	Yes	Identify: First cross-functional project of its kind, it impacts multiple UBI systems, including: DOR, LNI, OSOS, ESD and the Department of Commerce and ORIA. All agencies are contributing to development of processes and governance for the work.
Responds to specific task force, report, mandate, or exec order?	Yes	Identify: SB5718
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining	No	Identify:

agreement?

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):

Is the request related to Puget Sound recovery?

No

If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections

See Attachment

Please provide a detailed discussion of connections/impacts identified above.

Funding this Decision Package will have several positive impacts to UBI agency programs:

- Supports an incremental approach to a solution for gathering common data elements from customers
- Allows agencies to continue to work across agency boundaries to align and simplify business processes and implement these improvements
- Requires participation in a cooperative, supportive system governance structure that will ensure that impacts to agencies are mitigated where possible

The solution advances modern architectural choices that save money and make it easier to deliver new services in the future. In effect, this will be the State's first effort to implement a cross-functional, enterprise architecture that reduces future cost of change for systems development where shared data and services are needed to better serve the customer.

It also:

- Reduces risk by enabling smart, incremental ways to implement one stop portal solutions
- Supplies the most cost-effective way of managing the forward work
- Will be an outstanding example of innovative enterprise architecture for other states

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

This package rejected these alternatives:

- Implementation of process change management or consolidated reporting features for this biennium. While these are desired one stop portal features, these features will not improve the business customer experience as much as a unified registration/licensing process.
- Consistent look and feel across all agency websites which deal with businesses. Cost of this change is too high and does not leverage existing technology assets.
- The option chosen, a unified registration process with a read-only dashboard was selected because it addresses the primary needs of the target demographic of businesses. Business customer demand for an improved registration process was expressed through open-ended

interviews and multiple touch points throughout 2014-2016. State employees were also interviewed during initiation of the project in the summer of 2014. The majority of them (87%) said most of their work was caused by mistakes during business formation, and they spontaneously expressed a need for a better licensing and registration process.

What are the consequences of not funding this request?

There are costly consequences for new business owners and state agencies.

For business owners:

It will remain confusing to comply with our regulatory requirements, as the overall experience for most businesses will not be simpler or less time intensive. Without a closed-loop registration/licensing process, there will still be some risk that businesses may take one regulatory action without taking other needed steps.

For state agencies:

DOR, OSOS, LNI and ESD are creating more open systems with better internal communications capabilities. They have collaborated on this proposal to work towards a common system architectural alignment and set of services. This is an important opportunity for eventual cost reductions as systems integration without these interfaces means there will still be the recreation of costly custom point-to-point data connections between agency systems. The state will miss out on the opportunity to realize potential multiple millions in IT cost savings from failing to move to enterprise architectural standards, and will not realize the additional benefits in streamlining processes that will come with more readily available connections between agencies through APIs.

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

Without project funding, WaTech and the UBI agencies, all mutually responsible for the outcome of the project per SB5718, cannot address business customer needs adequately. The UBI agencies have worked together administratively for years to improve services for businesses and to coordinate without significant funding. The Small Business Liaison team and the UBI board meet frequently to discuss mutual operational and policy impacts, but disparate agency business and technical architecture still needs to be bridged to create a seamless and less-confusing experience for business customers, the costs of which are heavy for both businesses and the state.

Other supporting materials:

Please see attachment

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

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
Project/Program Management	133,000	135,000		
Technical Salaries/Benefits	231,000	235,000		
Quality Assurance - Independent	43,000	43,000		
Professional Services	350,000	350,000		
Software and Infrastructure	35,000	140,000		
Goods and Services -Other	41,000	41,000		
Travel	1,000	1,000		
Total Cost	834,000	945,000		

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.

WaTech Staffing and Fiscal Note Model

Activity Administrative Activity

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object N	Object P	Object T	Object TZ	Total
Total Fiscal Year 1	3.0	276,000	88,000		0	0	1,000	18,000		0	155,000	0	538,000
Total Fiscal Year 2	3.0	281,000	89,000		0	0	1,000	0		0	155,000	0	526,000
Total Fiscal Year 3		0	0		0	0	0	0		0	0	0	0
Total Fiscal Year 4		0	0		0	0	0	0		0	0	0	0
Biennial Total	3.0	557,000	177,000	0	0	0	2,000	18,000	0	0	310,000	0	1,064,000

Source of Funds		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Fund	Account	% of Total			
458-1	Appropriated	0.00%	0	0	0
458-6	Non-Appropriated	0.00%	0	0	0
472	Non-Appropriated	0.00%	538,000	526,000	0
461	Non-Appropriated	0.00%	538,000	526,000	0
Total each Fiscal Year			538,000	526,000	0
Biennial Total			1,064,000	1,064,000	0

