

2017-19 Biennium Budget Decision Package

Agency: 163 - Consolidated Technology Services (WaTech)

Decision Package Code/Title: A4 - Remote Access Services Allocation

Budget Period: 2017-19

Budget Level: PL – Performance Level

Agency Recommendation Summary Text:

Consolidated Technology Services (WaTech) requests \$709,000 and 2.0 FTE in the 2017-19 Biennium to support the increasing number of users of Remote Access services, which includes Virtual Private Networks (VPN) and Citrix Edge Service. This request also proposes funding these services through the statewide Central Services Model instead of offering as a fee for service.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	294,000	415,000	409,000	409,000
Total Cost	294,000	415,000	409,000	409,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.0	2.0	2.0	2.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 458-6	294,000	415,000	409,000	409,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	85,000	170,000	170,000	170,000
Obj. B	28,000	56,000	56,000	56,000
Obj. E	175,000	182,000	182,000	182,000
Obj. G	0	1,000	1,000	1,000
Obj. J	6,000	6,000	0	0

Package Description

Remote Access services include Virtual Private Networks (VPN) as well as Citrix Edge Service. VPNs use the Internet to carry encrypted data between distant locations and an organization's main network. VPNs can provide mobile workers secure access to their agency's network from any location on any state-owned computer via the Internet. Citrix Edge is a less utilized service, but similarly gives agency staff and business partners secure remote access to agency and state network resources while providing IT administrators with a single point of control to manage user access and actions. These services are used by 66 state agency customers plus another 26 counties, cities, and tribes.

This request has two parts. The first is to charge user agencies through the Central Services Model instead of fee for service, and the second is a request for additional spending and revenue authority to cover the costs of supporting the increasing number of VPN users in 2017-19.

Allocation:

Central Service Model allocations have the advantage of ensuring predictable, stable revenue to cover central providers' operational costs. Allocations are advantageous to customer agencies because of the financial support provided through the state's budget process, and for predictability in billing. WaTech considers Remote Access services to be a good candidate as an allocated service as it meets key criteria for allocation: 1) the service is established and mature, 2) it is used by most state agencies, and 3) is foundational to enterprise level State business.

The allocation's distribution methodology must ensure that customer agencies' costs reflect their service utilization and are sufficiently funded for the services they require. This is especially crucial for small agencies and boards and commissions that may not have the flexibility in their budgets to absorb unfunded charges. A possible formula could be based on FY 2016 agency sales, which have been very consistent with the distribution across customer agencies' sales in 2015 and 2014 as well.

More state agencies are moving toward a mobile work environment, and part of this is reflected in an increasing use of VPN services. VPN provides mobile workers access to the agency's network from any location on any computer via the internet, but agency data is still secure because it's encrypted in transit. These services also support the goal of the Governor's Executive Order 16-07 to enable a mobile workforce.

Additional Funding:

To ensure adequate resources to support the increasing demand for these services, additional funding is needed for the 2017-19 Biennium. This reflects increases in the number of certifications for agency users and the cost of staff to support VPN users. With 66 agencies using the service, but over 100 potential state customers in the CSM, WaTech would need to be prepared for pent up demand. Since January 2015 customer demand for devices has increased at an average annual rate of over 30 percent, and this is expected to continue. Supporting this service is very staff intensive, and staff dedicated to VPN service has remained the same since at least 2013. VPN customer needs have drawn staff from other infrastructure security operations such as firewall support to keep up with the demand, which in turn causes a backlog in the implementation of firewalls for agencies.

Based on projected growth WaTech will need one ITS5 level staff in FY 2018, and one additional ITS5 in FY 2019. The cost for additional licenses and devices (software tokens and certifications) to support VPN growth will total \$338,077 in the 2017-19 Biennium. Details can be found in supporting documents.

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.

Remote Access/VPN is currently offered to agencies on a fee for service basis with annual sales of \$1.9 million (FY 2016) which based on sales trends and demand is expected to grow to approximately \$2.2 million in FY 2018 and \$2.3 million in FY 2019.

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

Please see attached backup.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The budget request supports WaTech's strategic roadmap for new and enhanced security capabilities. It is expected to provide 6,700 new users in 65-70 agencies in 2017-19.

Performance Measure detail:

The decision package supports the Results Washington goal #5: Efficient, Effective and Accountable Government.

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

As mentioned previously, these services support the goal of the Governor's Executive Order 16-07 to enable a mobile workforce. This is especially vital for the thousands of state employees whose responsibilities require them to perform critical tasks in the field, such as social workers, licensors, and community corrections officers, among many others.

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: 66 state agencies that use VPN services (potentially more, depending on agency interest).
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
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

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

Impacts to customer agencies should be minimal if distribution is based on FY 2016 sales, and managing within an allocation would actually ease their billing processes. Counties, cities, and tribes that use these services would remain as fee-for-service, so no impact to current practice.

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

The alternative would be to continue operating under a fee for service model; however WaTech would still need spending, revenue, and FTE authority to support increasing sales. Otherwise WaTech will only be able to meet customer demand as current resources allow, leaving a backlog or as many as 6,700 new users unable to be added to this service.

What are the consequences of not funding this request?

Not funding this request will entail limiting the numbers of VPN users, or serving agencies on a first-come first-served basis, with resulting backlogs or inability to add new customers per agencies' requests.

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

Similar to the previous question, WaTech would have to limit the addition of new VPN users and processing agencies' requests for support based on available resources.

Other supporting materials:

Please see attached backup.

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
Software and licensing	175,000	183,000	182,000	182,000
Staff	119,000	232,000	227,000	227,000
Total Cost	294,000	415,000	409,000	409,000

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.

Step A4 - Remote Access Services Allocation

Expenditures	FY 2018	FY 2019	Biennium 2017-19
FTE	1.0	2.0	1.5
Object A	\$ 84,816	\$ 169,632	\$ 254,448
Object B	\$ 27,975	\$ 55,950	\$ 83,925
Object E	\$ 175,308	\$ 181,578	\$ 356,887
Object G	\$ 360	\$ 720	\$ 1,080
Object J	\$ 6,000	\$ 6,000	\$ 12,000
Total	\$ 294,459	\$ 413,880	\$ 708,340

Revenue	FY 2018	FY 2019	Biennium 2017-19
Fund			
458 Data Processing Revolving Account	\$ 294,459	\$ 413,880	\$ 708,340

Projected Workload

Current staff dedicated to VPN FY 2016	4.0	
Estimated devices (users) per staff	4,284	
Additional staffing needed for FY 2018	1.0	0.79
Additional staffing needed for FY 2019	2.0	1.57
Average number of devices FY 2017	17,136	
Average number of devices FY 2018	20,508	3,372
Average number of devices FY 2019	23,880	6,744

Certifications/Software Token Costs

Number of Devices	
End of FY 2016	15,309
End of FY 2017	18,681
End of FY 2018	22,053
End of FY 2019	25,425

Additional Software Tokens	Number	Cost
FY 2018	3,372	\$ 79,107
FY 2019	3,372	\$ 79,107

Assumption that all additional costs will be for software tokens instead of hard key fobs
Average cost \$23.46 per token

User Licenses

Additional licenses for growth	Number	Cost
FY 2018	3,372	\$ 89,931
FY 2019	3,372	\$ 89,931

Average cost \$26.67 per user license

Cost assumed for each FTE

ITS5	FY 2018	FY 2019
A - Salary	\$ 84,816	\$ 84,816
B - Benefits	\$ 27,975	\$ 27,975
E- Goods and Services	\$ 6,270	\$ 6,270
G -Travel	\$ 360	\$ 360
J - Equipment	\$ 6,000	0
Total	\$ 125,421	\$ 119,421

