STATE OF WASHINGTON

September 10, 2025

TO: Select Agency Directors

FROM: K.D. Chapman-See, Director
                 Office of Financial Management

                 William S. Kehoe, Director & State Chief Information Officer
                 Washington Technology Solutions

SUBJECT: **2025-27 INFORMATION TECHNOLOGY (IT) GATED FUNDING OVERSIGHT**

The enacted 2025-27 operating and transportation budgets place one or more of your agency's information technology (IT) projects under gated funding oversight by Washington Technology Solutions (WaTech) and the Office of Financial Management (OFM). Section 701 of the 2025-27 operating budget (Chapter 424, Laws of 2025) and Section 701 of the 2025-27 transportation budget (Chapter 416, Laws of 2025) prescribe the conditions, limitations, and review requirements of this oversight, as well as funding access for these projects.

The gated funding oversight process has the following goals:

- Enhancing visibility into total project costs.
- Mitigating risk to improve project outcomes.
- Increasing accountability and collaboration.
- Strengthening fiscal and technological oversight using best practices, including a gated funding methodology.
- Fulfilling legislative requirements in the enacted 2025-27 budgets.

We are eager to collaborate with you as soon as possible to ensure your projects meet these goals and the agency requirements. Agencies initiate the oversight process by completing an IT Investment Intake form. WaTech will then schedule a gated funding kickoff meeting. Your assigned oversight consultant will guide you through the process.

To ensure timely gate requests and fund release, please ask your staff to coordinate with your assigned OFM budget advisor and WaTech oversight consultant prior to the start of each gate. Resources, including a user guide with glossary and FAQs, are available on the WaTech IT Project Oversight website.

Gated Funding Expectations for New IT Projects

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

   a. Received approval of your technology budget from both OFM and WaTech using the new technology budget template found on the WaTech IT Project Oversight website.
   b. Placed project funds received in the agency's budget in unallotted status when submitting the initial allotment packet to OFM for gated non-IT Pool projects.
   c. Requested gate certification and funding release by submitting the gate certification form online via Salesforce to WaTech.
   d. Received your gate start approval certification memo from WaTech.
   e. Received allotment instructions from OFM via email once the 10-day legislative review is complete.
   f. Submitted the allotment amendment package to OFM and received approval from your assigned budget advisor.

2. **Investment Approval Prior to First Gate Closure**: Agencies must receive WaTech's investment approval before closing the project's first gate. To be approved, the project must have an approved charter, technology budget, and an independent quality assurance readiness assessment. The project must provide the agency's response to any project risks identified in the assessment, along with any other planning deliverables required by the project's assessed tier.

3. **Pre-Procurement Requirements:** Agencies must have investment approval prior to procuring any software or equipment or signing any contract for implementation services.

4. **Financial Planning and Alignment**: Each project must identify total planned spending from initiation through closeout; five years of estimated maintenance and operations costs; discrete financial coding, fund sources; and anticipated deliverables for each gate. Allotments and spending should align with the technology budget.

Gated Funding Expectations for Existing IT Projects

Technology Budget Amendments: Existing projects must have an approved amended technology budget using the new technology budget template found on the WaTech IT Project Oversight website before applying for the next gate certification.

Project Charter Updates and Amended Investment Approval: If the existing project charter no longer accurately reflects the project going forward, the agency must update the project charter and request investment amendment approval from WaTech. This may be necessary if biennial funding introduces changes such as additional phases, scope adjustments, timeline shifts, or budget modifications. **Consult with your assigned oversight consultant to confirm whether an amended investment approval is required**.

Following the completion of each gate, project funds may not be expended until the following conditions are met:

1. WaTech investment approval for the project.
2. A technology budget (updated as needed) that is approved by both OFM and WaTech using the new technology budget template found on the WaTech IT Project Oversight website.
3. Gate start approval in a certification memo from WaTech.
4. The agency has received allotment instructions from OFM via email once the 10-day legislative review is complete; submitted the allotment amendment package to OFM; and received approval from your assigned budget advisor.

If you have any questions, please contact your OFM budget advisor or WaTech oversight consultant via the WaTech Oversight Consultants mailbox.

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