

Agency: 163 Consolidated Tech Serv
Decision Package Code/Title: CB Revenue Only Enacted Expend

Budget Period: 2015-17

Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Consolidated Technology Services (WaTech) is proposing rate changes in the 2015-17 biennium that reflect the enacted expenditure authority of the 2015-17 biennial budget (ESSB 6052).

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
996-Z -Estimated All Other Funds-Other	0	0	0

Staffing

FTEs

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
458 Tech Serv Rev Acct	0420 Charges for Services	(43,000)	598,000	555,000

Package Description:

WaTech is a proprietary agency. As such, the revenue it needs to cover mandated and other operational costs must come from customer agencies through rates charged for services. In the 2015-17 biennium, WaTech received expenditure authority for a net increase of \$555,000 due to increases in wages and other services and reductions in employee benefit rates and other contracts. This net increase in expenditure authority must have revenue to support it. WaTech has no other source of funding to support these net increases in cost.

WaTech is proposing to increase rates generally across all lines of business and all three funds from which it operates. The impact by customer and by service is provided under separate cover.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

WaTech expects that this rate increase will provide enough revenue just to cover the net increase in costs associated with the 2015-17 biennial budget. This proposal is specific to those budget steps and does not address the continuing issue of cost-recovering rates for WaTech services in general.

Performance Measure Detail

Activity A402 Administrative Activity Incremental Changes

No measures submitted for package

Activity A403 Data Network Services Incremental Changes

No measures submitted for package

Activity A407 Enterprise Server Technology Incremental Changes

No measures submitted for package

Activity A408 Enterprise Security Services Incremental Changes

No measures submitted for package

Activity A409 Office of the Chief Information Officer (OCIO) Incremental Changes

No measures submitted for package

Activity A411 Enterprise Mainframe Computing Incremental Changes

No measures submitted for package

Activity A413 Voice Telephony Services Incremental Changes

No measures submitted for package

Activity B010 Enterprise Systems Support Incremental Changes

No measures submitted for package

Activity B011 Website Support Services for State Agencies

Incremental Changes

No measures submitted for package

Activity B013 Network And Desktop Support Services to State Agencies

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Not Applicable

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

e. Efficient, Effective and Accountable Government - Washingtonians expect their tax dollars to be put to the best possible use . That means investing in state services that are the most important to them, providing those services with excellence and then making results easily available to the public. We've developed preliminary outcome measures that demonstrate our commitment to using Lean management principles to deliver customer satisfaction, employee engagement and innovation, and transparency and accountability .

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

Most WaTech customers will be affected by small increases in rates . The amount depends on how much of each service is consumed by the particular customer.

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

The only alternative is to not increase rates for these enacted cost increases. This will add to the negative position WaTech is in currently.

What are the consequences of adopting or not adopting this package?

If this proposal is not funded, WaTech's fiscal condition will be that much more in deficit.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Not Applicable

Expenditure and revenue calculations and assumptions

See Attached - CB Revenue Only Enacted Expend.xls.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This revenue adjustment is ongoing and will carry forward into future biennia.

Object Detail

Total

Total Objects