State of Washington
Decision Package

Agency: 490 Department of Natural Resources
Decision Package Code/Title: II Technology Inflationary Increases
Budget Period: 2009-11
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The use of information technology is an integral part of how the Department of Natural Resources (DNR) conducts its business and delivers services to the public. Equipment maintenance and software license fees are part of the cost of doing business and staying productive in the E-government environment. These costs have increased annually and are beyond the level of support available within our carryforward level budget. This decision package requests the necessary funds needed to cover the inflationary ongoing cost increases.

Fiscal Detail

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>001-1 General Fund - Basic Account-State</td>
<td>45,900</td>
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<td>91,800</td>
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<tr>
<td>014-1 Forest Development Account-State</td>
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<td>02A-1 Surveys and Maps Account-State</td>
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<td>02R-1 Aquatic Lands Enhancement Account-State</td>
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<td>041-1 Resource Management Cost Account-State</td>
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<td>04H-1 Surface Mining Reclamation Account-State</td>
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<td>139-1 Water Quality Account-State</td>
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<td>190-6 Forest Fire Protection Assessment-Non-Appropriate</td>
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<td>193-1 State Forest Nursery Revolving Acct-State</td>
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<td>198-6 Access Road Revolving Account-Non-Appropriated</td>
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<td>513-1 Derelict Vessel Removal Account-State</td>
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<td>830-1 Agricultural College Trust Manage-State</td>
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<tr>
<td>Total Cost</td>
<td>150,000</td>
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Package Description:

DNR staff rely heavily on a stable, reliable computing environment to conduct business and provide services to the public. As part of providing a reliable computing environment the department enters into ongoing contracts with our key technology vendors who provide critical expert support services for troubleshooting problems, software and hardware upgrades, and maintenance parts and service required to keep this complex environment performing properly.

The basic computing infrastructure that DNR has been building over the past few biennia has been in response to increasing technological, legislative and constituent demands. Since FY 2000, the Department has added a significant number of new or
enhanced applications with accompanying infrastructure capacity to support them. This resulted in a substantial increase in the volume of hardware and software we must place under contract. The agency is always researching and implementing ways to increase efficiencies and save costs in its software and hardware usage, but even after these savings the net increase in costs for the vendors of our commercial products for maintenance and support contracts are projected to increase by approximately 10% per year in the 09-11 biennium. DNR's budget for information technology is unable to keep pace with these increased costs.

Providing a stable, reliable and available computing environment is critical to the department and its ability to guide day-to-day operations, provide accurate, scientifically sound information used for making long-term decisions, and our ability to deliver our services to the public and operate in an E-government environment. Information technology is intertwined in every aspect of our business and is critical in our ability to provide timely and accurate information to our vast amount of stakeholders including; the general public, Boards and Committees that play a key decision making role, other state agencies, counties and the federal government. To continue to provide this environment we must enter into maintenance contracts with vendors in order to maintain and sustain all the technology systems and infrastructure the department relies on to conduct its business and provide our services.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**Performance Measure Detail**

Activity: A001 Administration

Incremental Changes

No measures submitted for package

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

This proposal supports the Department of Natural Resources' strategic plan as follows:

1) Goal: The public we serve widely and consistently holds DNR in high esteem.
   Strategy:
   -Provide accurate, useful, and timely information and assistance. The delivery of a reliable hardware and software infrastructure is key in assisting DNR with its ability to provide accurate data and information that it uses to accomplish its day-to-day operations.
   It is also an important element in providing accurate data and information to our stakeholders and the public in general.

2) Goal: DNR's workforce is skilled, knowledgeable, motivated and effective.
   Strategy:
   -Use information technology to maximize investments, continue progress toward digital government, and support integrated business solutions. In order to make progress toward digital government and support integrated business solutions, DNR needs to maintain a reliable network infrastructure and operating environment.

3) Goal: Trust assets are continually enhanced and managed to generate substantial financial support for current and future trust beneficiaries.
   Strategy:
   -Use information technology to maximize investments and assist in ensuring our natural resources decisions are based on accurate scientifically sound information. One of the tools used by the department to assist in analyzing this information is ESRI GIS software. Over the past several years, this software tool has become easier to use thus resulting in our ability to put the tool in the hands of our field staff. This enables staff to easily collect and input information into the corporate databases, which is used to make decisions regarding management of the trust assets. Due to the ease of use of this software the Department's use of

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this product has increased by 300% in the past 3 biennia resulting in a 100% increase in our license purchases and subsequent maintenance contracts with the vendor.

4) Goal: UPLAND RESOURCES provide substantial levels of trust revenue, conservation, and public benefits consistent with our fiduciary duty and legal commitments.

Strategy:
- Use information technology to assist the Department in staying in the business of land and natural resource management by providing a stable, reliable computing environment in which the Department can rely on to conduct its business. The Department relies heavily on the use of its information systems to gather, track and analyze information regarding these resources as well as management of trust revenues, fiduciary responsibilities, conservation strategies, legal commitments, and its ability to provide public access to the citizens of this state. Some examples are: SAP is used to manage our revenue systems; ESRI GIS assists in gathering, maintaining and analyzing data used in making management decisions; and Oracle provides the platform on which our financial information is stored. Because these applications are critical to conducting the business of the agency we enter into maintenance contracts with the vendors to ensure that we are able to provide a reliable computing platform on which the Department can use to make management decisions.

5) Goal: AQUATIC RESOURCES are managed to optimize the full range of public benefits:

Strategy:
- Information technology is used as a tool to assist the department in maintaining an inventory of aquatic resource assets by providing a computing platform on which the inventory databases can be stored, used and managed. Information technology tools make it possible for staff to gather, analyze and ultimately make scientifically sound decisions regarding these assets. With the advancement and development of easy to use tools and our ability to provide a stable infrastructure we are able to put these tools in the hands of the field staff that directly manage these resources. We can provide them with quick access to information so they can make decisions as well as provide timely information to our stakeholders. It also provides a platform on which we can work collaboratively with other public and private entities to ensure that we are making the best decisions possible on behalf of the public we serve.

6) Goal: Losses to life from fire are prevented and property loss minimized.

Strategy:
- Information technology is critical in assisting the department with its mission to lead the state in wildland fire prevention and protection as well as maintain a high level of readiness to fight major fires. Department staff and our partner agencies rely heavily on IT systems that allow them to gather, analyze and make quick decisions regarding prevention, detection and attack strategies. One example is the ESRI GIS software. Staff use this tool to gather, analyze and provide critical and timely information that is then used to produce maps. These maps are then used to assist the fire teams in making strategic decisions regarding fire attack strategies.

7) Goal: Forest systems enjoy equal or greater health and productivity.

Strategy:
- Information technology is used to assist the Department in its forest systems management responsibilities by providing a stable computing environment on which staff can collect, maintain and analyze critical information as it relates to these systems. With these tools staff is able to produce maps, perform complex analysis and use that information to make sound scientific decisions that assist the department in maintaining healthy and productive forest systems.

8) DNR is faithfully implementing its responsibilities as a regulator.

Strategy:
- Information technology is critical to the Department and its ability to meet and implement its responsibility as a regulator. Technology tools allow the department the ability to implement and provide key pieces of the process through the use of an E-government environment. Stakeholders are able to view, respond and complete Forest Practice Applications over the Internet, thus reducing the need to make a visit to headquarters or a region office. It also aids in reducing the time it takes staff to review and process the applications.

This proposal impacts all of DNR's activities.

Does this decision package provide essential support to one of the Governor's priorities?

This proposal supports the following Priorities of Government:

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- Improve the safety of people and property
- Improve the quality of Washington's natural resources
- Improve cultural and recreational opportunities throughout the state
- Improve the ability of state government to achieve results efficiently and effectively

Department staff rely heavily on our computing environment to conduct its business, which plays a key role in supporting the above mentioned Priorities of Government.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?**

This decision package contributes significantly towards the Department's ability to make key contributions towards many of the Priorities of Government by providing staff with a reliable, sustainable computing environment and the tools in which they can use to accomplish the mission, vision and strategic goals of the agency.

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

The impact to the Department and the constituents it serves will be significant if we are unable to maintain a reliable, effective and up-to-date computing infrastructure.

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

One option explored is not to purchase maintenance and deal with problems as they occur. This alternative increases risk and has been determined to be more costly in the long term.

Another option would be to reduce funding for other activities in DNR in order to meet this increased cost. This would result in a reduction of services in the activities impacted.

**What are the consequences of not funding this package?**

Without critical support from our vendors, any event causing hardware or software failure, or our inability to provide current technology within the infrastructure, could quickly cause major downtime, disruption and lost productivity. Agency staff rely heavily on the computing environment to carry out their day-to-day activities such as relaying critical fire control information, processing of Forest Practice Applications, conducting timber sales activities, processing vendor payments and payroll, and a host of other critical activities.

**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?**

None.

**Expenditure and revenue calculations and assumptions**

$300,000 in Object E for hardware/software maintenance services from a variety of vendors. DNR currently has maintenance contracts with 25 vendors, the largest being Microsoft, Sun Micro Systems, ESRI and Oracle.

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

All costs are ongoing. Annual costs are expected to continue to increase by approximately 10% in future biennia.

September 5, 2008
<table>
<thead>
<tr>
<th>Object Detail</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Goods And Services</td>
<td>150,000</td>
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</table>
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FYI...this is the DIS 903 consult for the technology inflationary DP.

If you have any questions just let me know.

Thanks,
Michelle

From: Hattori, Todd (DIS)
Sent: Wednesday, August 20, 2008 9:24 AM
To: BENTON, MICHELLE (DNR)
Cc: Eirod, Zayne (DIS)
Subject: Section 903 Decision Package Budgetary Request consultation for CRM 15323

Dear Michelle,

Thank you for submitting your Section 903 Decision Package Budgetary Request, CRM 15323.

In your request you indicated that the Department of Natural Resources, will be purchasing hardware and software maintenance with multiple vendors. You have indicated that DNR will use the appropriate DIS master contracts.

DIS is committed to working collaboratively with you to meet your business requirements. DIS encourages you to use the enterprise services that we offer. As you prepare to purchase or if you have questions regarding this purchase, you may contact your agency's customer consultant, Mike Dombrowsky, at 360-725-4220 or miked@dis.wa.gov.

You will also find attached the Budgetary Estimate for this request. The estimate reflects only Microsoft and Adobe pricing based on the vendor data that has been made available to DIS. Although we don't have vendor data for all of the hardware and software maintenance purchases that you may make from DIS master contracts, we encourage DNR to continue using the appropriate DIS master contracts.

This e-mail confirms that, for this investment and budgetary purposes only, you have consulted with DIS according to the requirements set forth in Section 903. This confirmation and the budgetary estimate must accompany your Decision Package documentation, which you will be submitting to the Office of Financial Management.

If you have additional questions, please let me know. My contact information is below.

Sincerely,

TODD T. HATTORI, ABC*
Manager, Technology Acquisition Services
Department of Information Services
2411 Chandler Court SW
PO Box 42445
Olympia, WA 98502-2445
360.725.4201 (direct office)
360.280.7519 (cell)
toddh@dis.wa.gov

*Accredited Business Communicator by the International Association of Business Communicators
Budget Estimate

Department of Information Services
1110 Jefferson St SE
Olympia, WA 98504-2445

Prepared for:
Agency/Org: Michelle Benton
Email / Fax: Natural Resources
michelle.benton@dnr.wa.gov

Business Requirement:
Will this Estimate be used in a budget request to OFM? Yes
Is this Estimate tied to a previous budget request? No

Prepared by:
CRM #: Mike Dombrowsky
Creation Date: 15323
8/6/2008

Annual Charges (see Requirements sheet)
Total
Adobe, FY 10 $500
Adobe, FY 11 $500
Microsoft Enterprise Agreement, FY 10 $250,000
Microsoft Enterprise Agreement, FY 11 $270,000
Microsoft Select Agreement, FY 10 $74,000
Microsoft Select Agreement, FY 11 $74,000

Budget estimates are for budgetary use only and are represented as an estimate of costs. Prior to purchase, a detailed quotation must be provided outlining all cost elements.
Visit the online TechMail for other leading services that will help your organization succeed.
http://techmail.dis.wa.gov/default.aspx
Requirements for Budget Estimate:

DNR currently has maintenance contracts with 25 vendors, the largest being Microsoft, Sun Micro Systems, ESRI and Oracle. The activities associated with these cost are ongoing and will require varying levels of funding in all future biennia. Our history indicates an average increase of about 10% per year or 20% per biennium.

Budget estimates are for budgetary use only and are represented as an estimate of costs. Prior to purchase, a detailed quotation must be provided outlining all cost elements. Visit the online TechMall for other leading services that will help your organization succeed.

http://techmall.dis.wa.gov/default.aspx