FY 2017-18 Supplemental Capital Construction Request

Human Services
Modernizing the Child Welfare Case Management System

Motion:	Approve the supplemental request from the Colorado Department of Human Services for federal funds spending authority for the Modernizing the Child Welfare Case Management System project ($2,472,849 FF).

GENERAL INFORMATION

1. Which supplemental criterion does the request meet? | New Data

The Colorado Department of Human Services (DHS) is requesting additional federal funds spending authority for the Modernizing the Child Welfare Case Management System (Trails) project. In November 2017, the department learned additional federal funds were available for the project.

2. Which projects will be restricted to fund the supplemental request?

No emergency restriction is required because this is a regular supplemental request.

3. Has the request been approved by OSPB and CCHE? | Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB 17-254

Fund Source	Prior Appropriations	Supplemental Request	Future Requests	Total Cost
CCF	$11,398,325	$0	$0	$11,398,325
FF	$8,925,476	$2,472,849	$0	$11,398,325
	$20,323,801	$2,472,849	$0	$22,796,650

REASON FOR SUPPLEMENTAL REQUEST

DHS seeks additional federal funds spending authority to complete the Trails project. Federal funds were appropriated for the project in FY 2015-16, FY 2016-17, and FY 2017-18. According to DHS, federal funds spending authority is needed for new background check software, county fiscal payment functionality, and to comply with new federal requirements.

SUMMARY OF PROJECT

The project enhances and modernizes the Trails case management system, which is the state's Statewide Automated Child Welfare Information System, and its associated infrastructure. According to the department, the project will modernize the exisiting system so that modifications are faster, giving the department the ability to accommodate changes to child welfare practices.

Source of federal funds. The federal funds for the project are a match from the Adminstration of Children and Families (ACF), and the project has received ACF approval to be eligible for federal maching funds.

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QUESTIONS / OUTSTANDING ISSUES

1. According to the DHS FY 2017-18 budget request for this project, the project's expected completion was June 2018. The supplement request indicates the final project completion date is now December 31, 2018. Is the department on track for the new completion date of December 2018? Are there any risks or issues that would cause further delays?

The project is on track to meet the new completion date of December 2018. Resource readiness (i.e., full time database administrator) and a global infrastructure upgrade are identifiable risks with the Trails Modernization project. However, these risks are being addressed and mitigated so as to lower the impact on the project. Currently the Department does not anticipate any issues causing further delays.

2. How much of Phase 1, 2, 3 funding has been encumbered at this point? Please provide the amounts spent or encumbered and a brief description of the expenditure.

Primary expenditures include hardware/software, development vendor, Independent Verification & Validation (IV&V), contract Project Manager (PM), database administrator (DBA), Hewlett-Packard (HP) Tool contractor and project administration.

$17,224,488 has been encumbered to this point. The Department is working on contract amendments to encumber Phase 3 appropriated funds. These contract amendments will increase the encumbered amount to $19,823,409 with $500,394 in reserve for contingency.

If the supplemental funding request is approved in February 2018, the project will be amended in March 2018. The new encumbrance amount will be for $21,903,952 (added scope), this leaves $892,696 in reserve to mitigate risk of unknown but necessary costs needed to finish the project on time and in budget.

3. How much of the project has been completed to date? Please include completed project milestones.

Trails Modernization is an agile development project. Agile development is a project development methodology in which an overall system design is broken down into small developments called "modules." Each module is competitively bid and can be issued to various vendors. Trails Modernization has four competitively bid modules being developed simultaneously. Each module is broken down into three week "sprints" or development periods. The work defined in the sprint must be completed with an approved demonstration and the coding must be delivered to the State by the vendor before payment is approved. Based on the design of the module, Sprints are combined and scheduled in as permanent changes to the system. These scheduled changes are called releases. How much of the project has been completed to date is tracked and disclosed below by module and is based on completion of milestones:

Intake & Resource Module
   Milestones – 96% complete
      1. 25 Sprints - Sprints 1 through 24 have been completed and approved.
      2. 3 Releases planned - First release was successfully deployed in Sept 2017; second and third releases scheduled for Feb 2018 and June 2018.

Assessment and Commitment Module
   Milestones – 55% complete
      1. 9 Sprints - Sprints 1 through 5 have been completed and approved (Sprints 6 through 9 are pending until the contract amendment for Phase 3 funding has been processed and approved).
      2. 3 Releases planned – First release was successfully deployed in November 2017; second and

third release scheduled for June 2018 and November 2018.
Case Module
      Milestones – 43% complete
          1. 23 Sprints - Sprints 1 through 10 have been completed and approved.
          2. 2 Releases planned – Releases scheduled for June 2018 and November 2018.

Fiscal Module
      Milestones - 31% complete
          1. 19 Sprints defined - Sprints 1 through 6 have been completed and approved.
          2. 2 Releases planned – Releases scheduled for June 2018 and November 2018

4. What is the status of the IV&V?

As discussed in question 3, Trails Modernization has four modules being built concurrently. These modules are (1) Intake & Resource, (2) Assessment & Commitment, (3) Case and (4) Fiscal. Each module requires IV&V. The verification and validation is being done by an independent third party organization not involved in the development of the system. Verification includes ensuring that the system is well-engineered, and validation is concerned with checking that the system meets the users' needs. Interviews with the project team and stakeholders are done by the IV&V vendor in order to give a comprehensive snapshot of a project status and make sure the project meets industry standards and users' needs. The completion and reporting of an interview and snapshot is called a "cycle."

The IV&V status for each module is below:

- *Intake & Resource Module:*
  3 Cycles planned and completed by the IV&V vendor, Public Consulting Group (PCG) – 100% complete

- *Assessment and Commitment Module:*
  2 Cycles planned and completed by PCG – 100% complete

- *Case Module:*
  3 Cycles planned: Cycle 1 - onsite visit is complete and PCG is producing the final report at this time, 2 Cycles are planned but not yet started – 33% complete

- *Fiscal Module:*
  2 Cycles planned but not yet started – 0% complete

Note: IV&V lessons learned are being applied across all projects providing expanded IV&V benefits.

5. Why were the enhancement or improvements (background check software, county fiscal management system, and the storage and transfer of documents) not known or could not have been identified in FY 2013-14? Why were those enhancements/improvements not identified in subsequent budget requests in FY 2015-16, FY 2016-17 or FY 2017-18? What does the department plan to do in the future to mitigate risk of unknown necessary improvements?

Subsequent to 2012 - the year the Department received an independent assessment of the Trails system - and subsequent to FY 2014-2015 when the General Assembly funded the Trails Modernization project, there were three unforeseeable events: (1) a request to pull payment processing from the County Fiscal Management System (CFMS) into Trails and bid out an accounting system; (2) the Office of Early Childhood's decision to move to a Salesforce platform; and (3) the manufacturer's decision to no longer support its background checking software program. These decisions and their ensuing impact became known after the Department submitted its final and third year funding request. All three impacts were evaluated separately and it was determined that the most timely and

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economical way to address the application needs would be to include them into the modernization project with a supplemental request.

The Department reached out and received federal approval to increase the federal match to help cover these costs which minimizes the financial impact to the State. If the supplemental request is not approved, the Department will need to request additional State General Fund at a higher cost to the State to keep the system functioning as currently designed. Developing it under the federal approved Trails Modernization Project gives Colorado a 50% federal match. Delay in addressing the issue will cost more. The system will need to be designed to function under the current conditions and then redesigned to function based on the required modernization system changes. The extra work will be more expensive to build and Colorado will only receive a 32% federal match if Colorado is successful in obtaining the new federal certification requirements.

CDHS is working with OIT to understand the 3-5 year plan for agency applications so that project alignment can be evaluated earlier in the process. CDHS and OIT are attempting to build interface communication requirements to related agencies where system interfaces exist so planning can include better identification of impact and cost to all systems.

Finally, learning from our experience, OIT is now including interface impacts in the Executive Governance Committee Gate 1 planning activities (project approval) so that impacting events can be determined as early as possible for planning purposes.

Human Services

Child Care Automated Tracking System Enhancement

Motion:	Approve the supplemental request from the Colorado Department of Human Services for federal funds spending authority for the Child Care Automated Tracking System (CHATS) project ($786,500 FF).

GENERAL INFORMATION

2016-039

1. Which supplemental criterion does the request meet? | Technical |

> The Colorado Department of Human Services (DHS) is requesting additional federal funds spending authority for the CHATS Enhancement project. DHS requests federal fund spending authority for $786,500 through a reduction in operating costs.

2. Which projects will be restricted to fund the supplemental request?

> No emergency restriction is required because this is a regular supplemental request.

3. Has the request been approved by OSPB and CCHE? | Yes |

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB 17-172

Fund Source	Prior Appropriations	Supplemental Request	Future Requests	Total Cost
FF	$7,161,975	$786,500	$0	$7,948,475
	$7,161,975	$786,500	$0	$7,948,475

REASON FOR SUPPLEMENTAL REQUEST

DHS seeks additional federal funds spending authority to complete the CHATS Enhancement project. Federal funds were appropriated for the project in FY 2015-16 and FY 2016-17. According to DHS, additional federal funds spending authority is needed to replace the five-year-old provider self-service portal.

SUMMARY OF PROJECT

The project enhances and replaces CHATS, initially deployed in 2010. The department says that the new system enhances functionality and performance while utilizing new technology, and makes needed updates to both hardware and software. This includes replacing the point-of-sale (POS) system for attendance tracking, providing easy-to-read and concise reports, and building a user-friendly environment for both providers and families.

Source of federal funds. The department is requesting to use existing funds from its FY 2017-18 operating budget. A corresponding operating budget supplemental request with a corresponding reduction in federal funds has been submitted to the Joint Budget Committee for consideration.

Human Services
Child Care Automated Tracking System Enhancement

Motion:	Approve the supplemental request from the Colorado Department of Human Services for federal funds spending authority for the Child Care Automated Tracking System (CHATS) project ($786,500 FF).

==QUESTIONS / OUTSTANDING ISSUES==

1. What affect will this supplemental request have on the Micro-Grants to Improve Access to Child Care program? How will this transfer affect current grant recipients? Will the grant program continue to exist?

Based on data and expenditures for FY 2016-17, the Department does not believe the micro grant program is effective and has stopped issuing grants. As a result, the program will not show any expenditures in FY 2017-18 and the transfer will not affect any grant recipients. The Department submitted a FY 2018-19 request (R-22) to eliminate the Micro Grants to Improve Access to Child Care program.

2. How old is the current provider self-service portal (PSSP)?

The Department received funding in FY 2011-12 for development of the Provider Self-Service Portal (PSS). The portal was completed in FY 2012-13.

3. Will Deloitte be responsible for the PSSP replacement as part of the CHATS replacement project contract or will another vendor be chosen for the PSSP portion of the project?

Deloitte will be selected as the vendor to complete the replacement of PSSP. Their initial bid took into consideration evaluation of PSSP with the option to add on enhancements or replacement at a later phase of the contract.