

Fiscal Year 2021-22 Information Technology Request

Governor's Office
Department of Early Childhood Data Systems

SHORT PROJECT DESCRIPTION

The Governor's Office, on behalf of the new Department of Early Childhood, is requesting \$3.5 million in one-time state funding for FY 2021-22 to expand current system functionalities to support the launch of the new Universal Preschool Program.

PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$3,500,000	\$0	\$0	\$3,500,000
Total	\$0	\$3,500,000	\$0	\$0	\$3,500,000

PROJECT STATUS

This is a new, never-before-requested project.

PROJECT DESCRIPTION

The Governor's Office, on behalf of the new Department of Early Childhood, is requesting \$3.5 million in state funding to expand current system functionalities to support the launch of the new Universal Preschool Program. The new Universal Preschool Program is scheduled to start for the 2023-24 school year. The project is anticipated to consist of the following five components discussed below.

Provider Hub changes. The Colorado Department of Human Services Office of Early Childhood Provider Hub allows early childhood providers to access a variety of systems, including the Quality Rating and Improvement System (QRIS), also known as Colorado Shines; the Attendance Tracking System (ATS); and the Grants Management and Operating Status modules. Funds from this project will be used to update the Provider Hub to include system functionality that will allow Universal Preschool Program providers to meet program requirements, such as updating current capacity in real time and completing license application and renewal forms.

Attendance Tracking System changes. The Office of Early Childhood ATS is currently used by providers and parents to check children in and out of daycare facilities and view child care enrollments. Funds from this project will be used to update the ATS to support the Universal Preschool Program, including enabling the ATS to send information to the Child Care Automated Tracking System (CHATS), which is the system used by the state and counties to manage and monitor the Colorado Child Care Assistance Program (CCCAP). The CCCAP provides child care assistance to families who are working, searching for employment, or are in training, and families who are enrolled in the Colorado Works program and need child care services. Additionally, a variety of other changes to the check-in and check-out capabilities are planned.

Licensing system changes. The Division of Early Care and Learning (DECL) licensing system is currently used to license over 5,000 child care facilities in Colorado. Funds from this project will be used to update the licensing system to add a new license type for Universal Preschool Program providers, allow new profiles for state users to be created to review and approve preschool provider licensing applications, and enable preschool provider information to be sent to CHATS to enable authorizations and payments.

CHATS enhancements. CHATS is currently used to process applications, create authorizations, associate providers, and pay providers based on attendance for the CCCAP. Funds from this project will be used to leverage existing CHATS capabilities to expand the system functionalities to accommodate a variety of Universal Preschool Program requirements.

PEAK enhancements. The Colorado Program Eligibility and Application Kit (PEAK) website currently allows Coloradans to apply to a variety of public assistance programs, such as Health First Colorado (Colorado's Medicaid program), the Colorado Supplemental Nutrition Assistance Program (SNAP), the Colorado Low-income Energy Assistance Program (LEAP), the Colorado Supplemental Nutrition Program for Women, Infants, and Children (WIC), and others, through one self-service, online application. Funds from this project will be used to add an eligibility module and application for the Universal Preschool Program to PEAK.

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PROJECT JUSTIFICATION

House Bill 21-1304 creates the new Department of Early Childhood beginning July 1, 2022. The bill also created a transition working group and advisory group to adopt a transition plan for the new department and recommendations for a statewide, voluntary preschool program beginning in the 2023-2024 school year. The final transition plan was released to the General Assembly on November 15, 2021, and can be found here: <http://www.earlychildhoodcolorado.org/transition>. According to the Governor's Office, the various system changes that will be funded by this request will allow for a successful launch of the Universal Preschool Program, which will provide 10 hours of free preschool a week to all 4 year olds in Colorado beginning in July 2023.

Supplemental justification. According to the Governor's Office, the Governor's Office of Information Technology (OIT) has been tasked with having the Universal Preschool Program online and setup to receive applications, payments, and data sharing by Spring 2023 in order to allow for enrollment in advance of the 2023-24 school year. To meet this timeline, OIT will need to initiate their planning and analysis efforts by March of 2022.

COST-BENEFIT ANALYSIS

The Governor's Office did not provide a cost-benefit analysis for this request.

PROJECT COST INFORMATION

The project consists of the following components:

- Provider Hub changes: \$300,000
- Attendance Tracking System changes: \$228,000
- Licensing System changes: \$300,000
- CHATS enhancements: \$792,000
- PEAK enhancements: \$800,000
- Software licensing & storage: Salesforce, Heroku, and AWS: \$50,000
- API: \$355,000
- Independent Verification & Validation (IV&V): \$500,000
- 5% contingency: \$175,000

Ongoing operational expenses. Based on the current expectation that up to 70,000 Universal Preschool Program applications may be processed annually within PEAK, OIT is estimating PEAK operations and maintenance costs will increase by \$140,000 annually. Additional operations and maintenance resources will be required to maintain and enhance other Universal Preschool Program changes. For example, the office estimates that an additional \$60,000 per month will be added to the current Deloitte O&M cost by the close of the project once all of the enhancements have been launched.

CASH FUNDS

N/A

PROJECT RESEARCH

High level estimates for this request were provided based on early requirements, current usage, and the understanding that different licenses will need to be added to different systems based on the forecasted volume for the Universal Preschool Program.

ADDITIONAL PROJECT INFORMATION

All of the systems that will be modified with this funding are on the Salesforce platform.

An interagency team of representatives from the Governor's Early Childhood Transition Office, the Governor's Office of State Planning and Budgeting, OIT, the Colorado Department of Human Services, the Office of Early Childhood, and the Colorado Department of Education are responsible for managing the transition to the new Department of Early Childhood and the launch of the Universal Preschool Program, including the management of this project.

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PROJECT SCHEDULE

	Start Date	Completion Date
Planning	March 2022	June 2022
Implementation	June 2022	September 2022
Testing	July 2022	November 2022
Closing	October 2022	December 2022

QUESTIONS

1. The following questions relate to the DEC4 operating budget request submitted by the Governor for the Department of Early Childhood Administration and the related discussions at the Joint Budget Committee.

a. How does this supplemental IT Capital budget request compare to the operating budget request that was submitted?

The IT Capital budget request is specific to the cost and resources needed to develop the functionality needed for Universal Preschool in the impacted systems and is a one time fund request. The operating budget is specific to operations needs such as ongoing support for the Salesforce platform and other ongoing systems needs.

b. The DEC4 operating budget request includes six FTE for data and information technology. Should work on these system enhancements be delayed until these FTE are hired? Will these FTE be working on the system enhancements outlined in the supplemental budget request? What other projects will these FTE be working on prior to the launch of the department and Universal Preschool Program?

The Governor's Office will be submitting an amendment to DEC4 requesting the Data and Systems Operations Director position be filled prior to the launch of the Department of Early Childhood. Hiring this position will help establish the leadership foundation needed for IT and data systems work in the new department. While it would be ideal for the requested FTE to be in place prior to intensive work beginning, the timeline established in HB 21-1304 does not allow for delays in data systems work while vacancies are filled and both need to occur simultaneously. We are confident that the hiring of the DAS Director early in the process will provide the leadership and guidance needed for the project.

Additionally, some of the requested FTE will also perform work on the existing systems such as maintenance for bug fixes, feature requests, updates, and other standard work for system enhancements and operability.

c. The DEC4 operating budget request, as outlined in the November 19, 2021, JBC Briefing Document, includes \$1.65 million General Fund for "Migration of existing systems;" \$1.93 million General Fund for "New Functions;" and \$371,284 General fund for "Application Support." Please explain any overlap between these items and the initiatives outlined in the IT Capital supplemental budget request.

There is no overlap between these items and initiatives and the Universal Preschool Program IT Capital request. Several systems that are migrating to the new DEC are also expected to receive upgrades for the Universal Preschool Program and/or to support new employees or access from external departments which may be funded from the different sources identified above. The system work required to add Universal Preschool Program modules to meet minimum viable product and update the contract agreements to cover enhancements is covered by this IT Capital request.

d. The CDHS JBC Hearing response document from December 14 outlines the Governor's Office planned use of "discretionary ARPA child care funds to conduct an in-depth analysis of all early childhood systems." Should this supplemental funding for the Universal Preschool Program system enhancements be delayed until after this analysis is completed? Are there other ARPA funds that may be able to be used for the initiatives outlined in the supplemental IT Capital budget request?

The Governor's Office, Department of Human Services, and OIT believe the projects need to run concurrently. Delaying the work for Universal Preschool presents a timing challenge and a significant risk of the data systems and technology not being

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ready in time for the July 2023 launch. The use of ARPA child care funds to conduct an in-depth analysis of the systems will assist in identifying additional systems needs for all of early childhood and not just universal preschool. Finally, we are experience long lead times to hire new FTE, particularly in the IT field and need as much time as possible to post, interview, and hire the positions and have individuals in place when the funds are made available to begin the work immediately. The Governor's Office, Office of Early Childhood, and OIT intend to use the ARPA funds to support recommendations coming out of the comprehensive analysis which are focused on holistic needs and enhancements for all early childhood systems and not just universal preschool.

2. Please summarize any high-level risks and mitigations in leveraging CHATS and PEAK for the Universal Preschool Program requirements.

Benefits of CHATS:

- Automated system used by the state and its county partners to provide childcare support. Approximately 550 providers – many are county users using CHATS to process applications, qualify, and calculate benefits.
- CHATS is integrated with the Colorado Child Care Licensing and Quality Rating Systems.
- CHATS serves around 20,000 children receiving the benefit and processes approximately \$120 million annually for benefit payments.
- CHATS is the automated system used by the STATE and its county partners to manage and monitor the Colorado Child Care Assistance Program (CCCAP).
- The following are an extension of other CHATS functions and tracking capabilities that will benefit a build-in Universal Preschool Program module: counties use CHATS to determine eligibility for CCCAP; childcare providers use CHATS to get reimbursed by counties and use ATS for tracking attendance for the kids attending their facility; families participating in CCCAP use ATS to record attendance; provider and fiscal agreement between provider and county management; case management for low income, child welfare, and TANF cases; provider payments and adjustment (claim and recovery) management; wait list and enrollment freeze monitoring based on participating counties as per county plan; system generated and manual correspondences as per CCCAP policy requirement; customized system or user generated reports to satisfy user needs in system data; and authorization API to CFMS that pays the benefits, ATS needs to be part of the new agency.

Benefits of using PEAK:

- Value – By adding a Universal Preschool Program module to an existing system, we are able to maximize the value of the existing PEAK system to both reduce costs and provide families with a single point of entry to access multiple services.
- Compressed time frame – Universal Preschool Program registration needs to be available to support registration for the 2023-2024 school year. The PEAK portal is online and proven and is our fastest option to meet this deadline. Thoughtfully adding Universal Preschool to an existing system reduces time constraints and reduces cost. However, design and implementation work need to begin as soon as possible.
- Current volume of users – PEAK is branded and has been heavily publicized in the past making it a known front-end portal to many Colorado families. It has a great label, and is already tied to numerous programs, such as Medicaid, LEAP, SNAP, etc. By using this existing structure to our advantage, Universal Preschool can easily be layered along with other programs to reach high-level requirements and provide effectiveness for Colorado families without having to go to RFP to create a net new system.
- Vendor expertise – If a net new system is used in place of PEAK, then OIT would need to send out an RFP. This process would make the proposed launch date of Universal Preschool unattainable and would likely not see work starting until 2023, past the proposed launch date. However, by employing PEAK, we have the ability to leverage our current contracts with Deloitte to complete the necessary work, while keeping to the compact timeline. Deloitte carries high expertise and experience within our existing systems, data integrations, and processes. The existing contract language will ensure accountability to the OIT quality metrics on all system enhancements related to Universal Preschool and work can begin in as little as three weeks after an OIT task order has been submitted.

Risks of using PEAK:

- Reputation – After an OIT review, one of the major high-level risks that were identified was that PEAK does not hold an impressive reputation with end users. However, PEAK has recently undergone a complete overhaul that was completed in September 2021 that addressed many of the previous concerns brought to OIT's attention. Additionally, as part of the planning stage that is needed to begin as early as February, a study into the high-level requirements and user/provider POV will be performed. This will assure that the end product will improve the experience for the end user while applying for Universal Preschool, as well as displaying family eligibility for other state programs.
- Existing system – As an operational system for many programs, PEAK has added complexity and stakeholders that would not need to be considered for a net new system. This complexity adds risk to project completion. The existing system will also

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include some design and implementation limitations that would not be present in a net new system. As an example, PEAK processed 50,000 new applications and 100,000 eligibility requirements in July. However, Universal Preschool is a highly visible project with strong support and these risks, while present, are less than the timing risks associated with a net new system.

- Technical debt – PEAK is an active system with minimal technical debt that serves other active programs for families in a single portal. Lock in associated with launching Universal Preschool within PEAK is minimal. Much of the initial backend system implementation investment for standing up the Universal Preschool Program system within PEAK could later be migrated to a standalone portal later if desired.