

FY 2016-17 Supplemental Information Technology Request

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 (\$4,170,725 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 spending authority for \$2,500,000 Race to the Top federal funding and a transfer of \$1,670,725 in federal Child Care and Development Fund funds from its existing operating budget appropriation. DHS intends to use the additional federal funds to complete the CHATS Enhancement project.

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

N/A

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: HB 16-1405

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
FF	\$2,991,250	\$4,170,725	\$0	\$7,161,975
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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 due to the need for a full system replacement. Based on the results of the request for proposal (RFP) process, DHS, and the Governor's Office of Information Technology now recommend full system replacement as the most cost-effective option for the long-term needs of the program.

SUMMARY OF PROJECT

DHS is requesting federal funds spending authority to enhance and replace 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. \$2.1 million has been encumbered for the project to date.

Source of federal funds. The department is requesting to use additional Race to the Top and uncommitted Child Care Development Fund (CCDF) balance from the operating budget. The department says it receives annual grant

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awards from the federal Administration for Children and Families. The majority of the funding is allocated to counties and is used to fund and administer subsidized childcare assistance throughout the state. The remaining money is used for quality initiatives and administration by the state. Historically, the annual allocation is not fully spent, and the department rolls forward the unspent moneys to future fiscal years. This one-time transfer of funds will not affect any other DHS project.

QUESTIONS / OUTSTANDING ISSUES

1. The CHATS Modernization project is scheduled for completion by April 2017. Is the department on track for this? If not, please provide an updated project schedule.

No, the project is not on schedule to complete on the initial timeframe due to a significant change in the scope and magnitude of the project. The Department issued a Request for Proposals (RFP) in December of 2015 for the modernization of the Child Care Automated Tracking System (CHATS) and related services. All RFP responses recommended a different, more comprehensive solution, and required additional funding and time. As such, the Department revised the project plan accordingly, and anticipates full completion by July 2018. The Department awarded contracts to two vendors, Deloitte Consulting and Vertiba LLC.

The Deloitte Consulting contract for the modernized CHATS consists of four sequential Work Tracks:

- *Work Track 1 consisted of the project management plan and staff resources required. Completed in August, 2016.*
- *Work Track 2 produced the bulk of system design, including Future Business Environment Documentation, Gap Analysis and Prioritization, CHATS Modernization Roadmap, and CHATS Operating and Maintenance Roadmap. Completed in September, 2016.*
- *Work Track 3 is the final system development (system build, testing, and validation). Scheduled for completion in May, 2018.*
- *Work Track 4 provides county staff training and execution of modernized CHATS. Scheduled for completion in July, 2018.*

Deloitte has completed the first two Work Tracks, including user stories and wire frames for two critical modules, County Plan and Provider Management. Additional funding is needed to complete Work Tracks 3 and 4. The Vertiba LLC contract is for replacement of the current attendance tracking system and is scheduled for completion in July, 2017.

The Department has now submitted a request to the Joint Technology Committee (JTC) to transfer federal Race to the Top funds already appropriated to the Department in the CHATS line item, which is in the Information Technology Projects section of the Capital Construction Long Bill.