Child Support Enforcement System Modernization

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Agenda

Introductions

CT Child Support - Program Briefing

CT Child Support Enforcement System (CCSES) Modernization Drivers

- State Drivers – Current Child Support Enforcement (CSE) System Limitations
- Federal Drivers – CSE Modernization Guidelines (Funding)

CCSES Modernization - Goals

- Modernization Critical Success Factors
- Modernization Approach

CCSES Modernization - Feasibility Study

- Needs Assessment (Requirements)
- Alternative Analysis
- Cost Benefit Analysis (CBA)
- Selection – Hybrid Solution

CCSES Modernization - Hybrid Solution

CCSES Funding Request - Detail

Program Briefing – Child Support Snapshot SFY-16

Program Mission: Improve the well-being of children, promote self-sufficiency of families, and deliver quality child support services.

Customers: Children and families of Connecticut, other states and countries.

Services Provided

- Locate non-custodial parents
- Establish paternity of children
- Establish monetary and medical orders
- Enforce child support orders
- Modify child support orders
- Collect and distribute payments

Program Partners

- Office of Attorney General
- Support Enforcement Services (SES) of the Judicial Branch
- Family Support Magistrates
- Superior Court Operations

Total Program Staff: 418

Office of Child Support Services (OCSS)

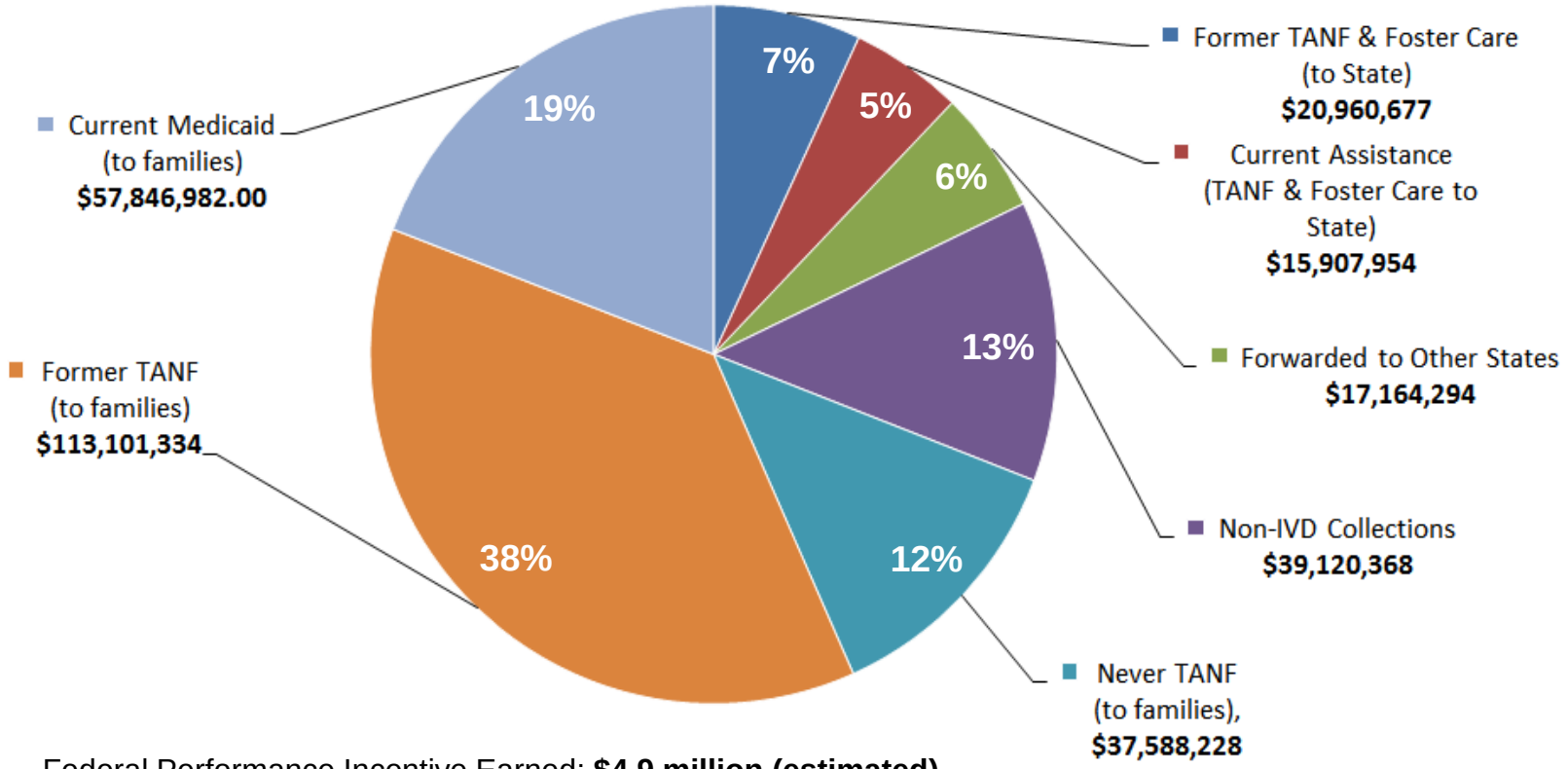
- Manage OCSS statewide program
- Lead IV-D agency responsible for administration of the CT Child Support Program (CGS Sec 17b-179)

Program Statistics

- ✓ Caseload: 166,495
- ✓ Children in IV-D Cases: 147,825
- ✓ Children Born Out-of-Wedlock: 115,427
- ✓ Children w/Paternity Established: 7,067
- ✓ Cases w/Orders Established: 5,945
- ✓ Payments Processed Daily: $1 million (+/-)

Program Briefing – Child Support Snapshot SFY-16

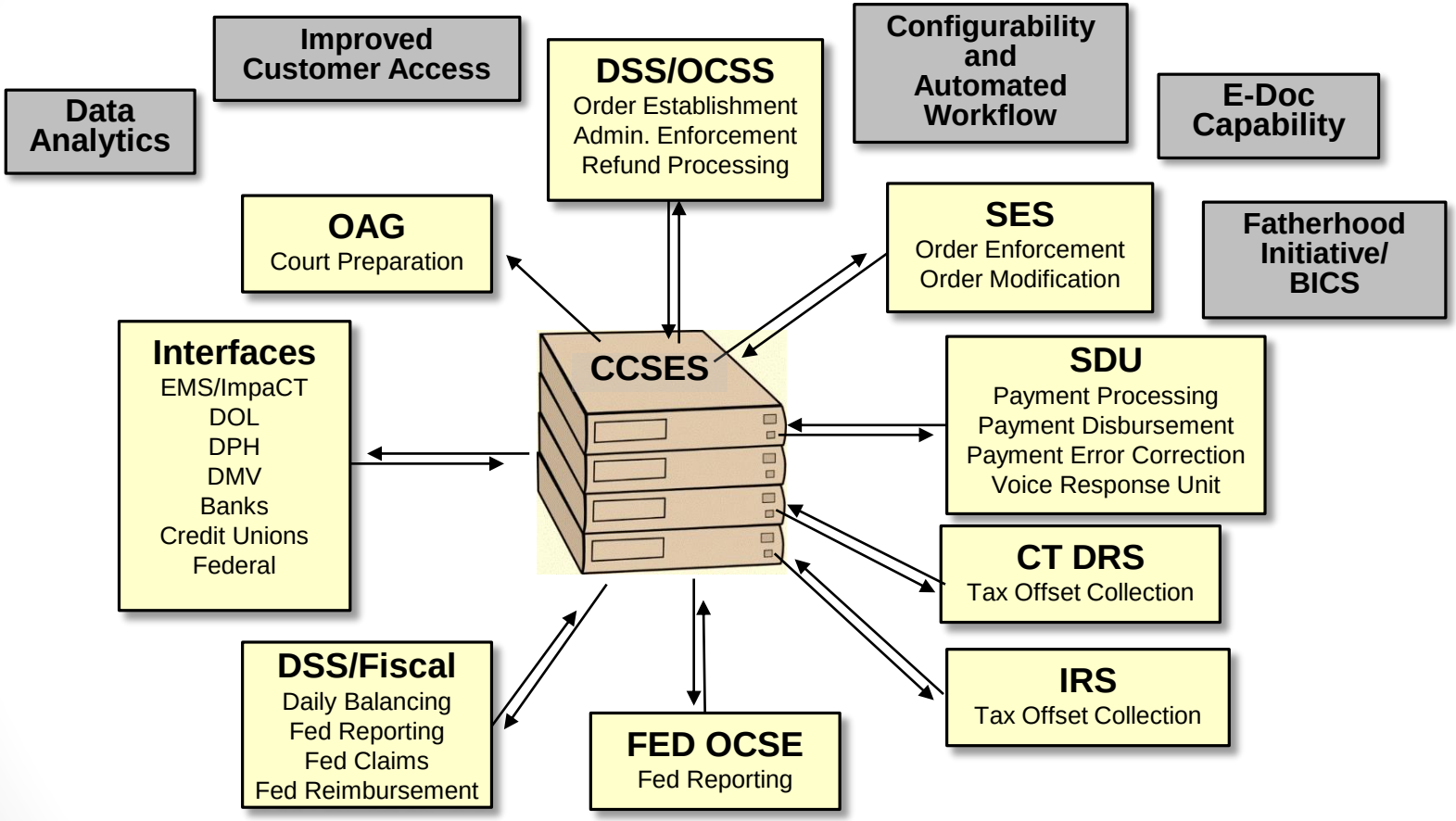
Total Collections: $301,689,837



Federal Performance Incentive Earned: **$4.9 million (estimated)**

** Financial incentives earned based on performance in (5) mandatory program areas compared to performance of other states. Incentives paid annually from a predetermined funding pool. Performance measures are: ***Paternity Establishment, Obligation Establishment, Collection of Current Support, Collection of Arrearages, and Program Cost-Effectiveness.***

Current CCSES Limitations



Yellow Boxes- Core functionality that exists within CCSES.
Gray Boxes- Current limitations

CT CCSES Modernization - State/Program Drivers

Current System Limitations

- **Application Support -** 30+ year old system with significantly limited *Universe* technical support
- **User Interface** (OCSS and SES staff) - Antiquated “green screen” technology
- **Database & Data Management** - Outdated database does not support current program or technical needs (Improving Core Operations, Analytics, Reporting, Information Security, etc.)
- **Interfaces** - Minimal point to point or real time exchange of data with other DSS or external agency systems
- **Enterprise Technologies** - Inability to leverage and reuse the State and DSS enterprise-level systems/applications and new technology
- **Workflow Automation** - Requires manual worker decision-making and action for case management and most routine functions
- **Limited Staffing** – Outdated application requires additional staff to offset technological limitations
- **Communication & System Access** - Limited system capabilities for program outreach, no customer self-service/portal

CCSES Modernization – Federal Drivers

ACF/OCSE Factors in Determining Federal System Approval/Funding

Automated Systems for Child Support Enforcement - A Guide for States (2017)

- Incorporates technological advances that support customer service and cost-effective management practices
- Improves child support collection rates and meets the minimum standards for operational cost effectiveness, and efficiency and integration
- Enhances communication and data sharing with strategic partners and agencies including other states, federal agencies, tribal, international and private sector
- Ensures that the system and processes meet all legislative time frame requirements from application to case closure
- Adheres to all security and privacy guidelines established by ACF/OCSE

OCSE Rule Guidance (2016)

- Meets federal system certification requirements
- Sets accurate child support obligations taking into consideration parents' ability to pay

Planning for a New Child Support System - OCSE Presentation (2011)

- Leverages best practices and lessons learned from other modernization initiatives

*** Federal reimbursement is 66% for all DDI and ongoing M&O**

CCSES Modernization Effort

Critical Success Factors of a Modernized Child Support System

- Increase overall federal performance rank
  - ***FFY-16 CT Program National Rank: 39th / CT Target Rank: Top 20***
- Increase federal incentive revenues
- Maximize program cost recovery and cost avoidance
- Improve paternity establishment and monetary order establishment
- Increase child support collections on new and pre-existing court orders
- Increase number of new applications for child support services
- Maintain efficient distribution and disbursement of child support
- Improve capability, accuracy, and timeliness of federal reporting
- Produce accurate, timely reports and dashboards by leveraging business intelligence and predictive analytics
- Implement technical support and long-term cost controls for maintenance and operations (Service Level Agreements)

CCSES Modernization Effort

Critical Success Factors of a Modernized Child Support System

- Improve customer service and accessibility
  - User-friendly web access via DSS Home Page
  - Mobile access via Smartphone
  - Facilitate web-based customer self-help wherever possible
  - Implement new IVR as single point of access for phone

CCSES Modernization Effort

Best Opportunities for System Modernization

- Leverage successful current practices
- Maximize reuse of existing DSS or State-owned Enterprise Technology
- Apply modern technologies for effective and efficient processes
- Incorporate best practices and lessons learned from other modernization initiatives
- Integrate CT Fatherhood Initiative with Child Support Services
- Apply Child Support Behavioral Intervention Strategies
- Meet State and Federal mandates
- Leverage enhancements to the Federal Child Support Portal

CCSES Modernization Effort

Conduct a Federally Required System Feasibility Study

Purpose

Determine if proposed project is technically, financially, and operationally viable and that it will meet the Federal OCSE requirements for funding approval and system certification. *(Contractor - First Data Government Solutions)*

Scope

- Assessment of Current Business and Technical Environment and Future Needs- Capturing all requirements in the Requirements Traceability Matrix (RTM)
- Alternatives Assessment - Evaluation of all state/tribal systems and using *First Data's* proprietary Alternative Analysis tool to identify and analyze the most viable options
- Cost Benefit Analysis (CBA) - Deep dive to all the costs and benefits associated with the viable options; evaluating the results on *First Data's* proprietary CBA tool
- Feasibility Study Report - Consolidates all Feasibility activities, provides support for OCSS to select the best alternative, defines the roadmap towards the future state and provides justification for the IAPD funding request

Feasibility Study Phase	Purpose
Needs Assessment	• Evaluate current business and technical processes • Document high-level "As-Is/To-Be" business processes and technical environments to confirm understanding • Document Requirements into Traceability Matrix (RTM) • Conduct and Document the Gap Analysis
Alternatives Analysis	• Evaluate the alternatives based on the Federal defined categories: 1. Transfer a "certified" system from another state 2. Implementation of an existing COTS 3. Enhance existing CCSES 4. Replace existing CCSES with new development 5. Hybrid combination of any of the above 6. Replace CCSES with the OCSE Model Tribal System • Evaluate viable alternatives against the system requirements and CT constraints
Cost Benefit Analysis (CBA)	• Conduct a CBA on the selected viable alternatives • In depth account of recurring and non-recurring costs for each alternative • Define the quantitative and qualitative benefit categories • Calculated costs and benefits for a twelve (12) year period to identify OCSS cash outlay (broken out by DDI and M&O) and to determine the ROI • Provide the results to CT OCSS and to the Federal OCSE to justify the investment
Feasibility Study Findings and Recommendations	• Create report using all documentation gathered during all processes • Includes in-depth findings and recommendations for the selected alternatives • Includes an Executive Summary of all findings and determinations and our recommendations for moving forward
IAPD Development	• Develop and submit to Federal Agency (OCSE) • Respond to Federal review questions • Obtain Federal approval and funding for system modernization

Needs Assessment: As-Is analysis, To-Be Requirements, and Gap Analysis

The Feasibility Team completed the following:

- Extensive work-shadowing and discussion sessions with ground level and management level resources from OCSS and SES to define and document the current **"As-Is"** Organizational, Operations and Technical components
- Strategic and tactical discussions with these same resources plus DSS/IT resources, to define the **"To Be"** Model for the future child support system
- A deep-dive analysis and comparison of the As-Is and the To-Be is used to create the **Gap Analysis**

Needs Assessment: Typical "To-Be" State

States looking to modernize their child support systems to leverage new technology are typically looking for:

- Increased automation of routine processes
- Maximized integration with other agency systems
- Enhanced support for operations and maintenance
- Improved security
- Expanded customer access to services
- Greater service accessibility for employers

In addition to boosting the "user friendliness" of the system for child support workers, an updated statewide system will add these benefits:

- Increased collections through improved processing
- Efficiency, system effectiveness, and productivity
- Increased management information and statistics
- Increased customer and worker satisfaction
- Improved system operations, maintenance, and updating
- Lower costs for system operations and maintenance

** These objectives are evaluated and defined in the Feasibility Study Report / Needs Assessment as Requirements and documented in the Requirements Traceability Matrix (RTM)*

Alternative Analysis: Approach

- Researched Child Support Systems in all 50 states plus territories and Tribal Systems
- Conducted targeted survey of state IV-D Directors with 11 responses
- Participated in conference calls to key states to better understand specific processes - California, Colorado, Delaware, Massachusetts, New Jersey, New York, Oklahoma, Oregon
- Identified the systems that best meet Connecticut's needs
- Completed Analysis of Needs, Benefit, Confidence Level, Implementation Approach, Risks and Estimated Costs using the *First Data proprietary tool*

Weighted Criteria	Weighting
Business Needs	8%
Business Benefits	8%
Technical Needs	8%
Technical Benefits	8%
Confidence Level	15%
Implementation Approach	15%
Risks*	20%
Estimated Costs **	18%
Total	100%

Analysis included 813 discreet high-level requirements that support 109 umbrella requirements. Of the umbrella requirements, 86 are business requirements and 23 are technical requirements. The same requirements were scored across all the alternatives to assure consistency and objectivity within the analysis.

Scoring was conducted by First Data to determine if the alternative did not meet, or minimally met the requirement, or partially met the requirement, or substantively or totally met the requirement

Scoring Legend

1 = 0 - 20%, 2 = 21 – 40%, 3 = 41 – 60%, 4 = 61 - 80%, 5 = 81 -100%

** A high risk score does not equal high risk, but rather low risk, i.e. Positive Risk*
*** Estimated costs are pre-CBA cost estimates*

Alternative Analysis: Results

- Transfer States not suited – Colorado, Delaware, Florida, New York, Oklahoma, Oregon. CA was dropped since CA is also planning to modernize existing system.
- Status Quo was a baseline – Although not an Option
- Relevant Options – NJ Transfer, New Build & Hybrid

Weighted Criteria	Status Quo	Enhance Existing System	CA Transfer	NJ Transfer	New Build	Hybrid
Business Needs	16	17	20	21	30	30
Business Benefits	1	2	2	2	3	3
Technical Needs	4	4	4	4	8	7
Technical Benefits	1	1	2	2	3	4
Confidence Level	2	3	3	4	5	5
Implementation Approach	0	0	2	2	2	3
Risks*	3	6	6	7	7	9
Estimated Costs**	5	4	3	3	2	2
Total	32	37	42	45	60	63
Rank	**6**	**5**	**4**	**3**	**2**	**1**

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*** Estimated costs are pre-CBA cost estimates*

Cost Benefit Analysis (CBA) Results

- The CBA estimates and compares the costs and benefits of the viable options described in the previous slide
- The CBA methodology used by First Data USA involved a number of steps including:
  - Understanding Federal guidelines and expectations for the CBA and IAPD;
  - Gathering and compiling relevant status quo modernization costs;
  - Gathering, reviewing, and projecting costs for each viable alternative;
  - Identifying and quantifying the potential business and technical benefits to be derived from each alternative;
  - Compiling the information for the detailed CBA and incorporate into the Feasibility Study Report.

Alternative estimates for non-recurring costs (DDI + PMO + QA + IV&V)

Rank	Alternative	Estimated DDI Costs
1	Alternative 5: Hybrid System- Best of Breed	$68,101,302
2	Alternative 3: Transfer Certified Existing State	$76,804,278
3	Alternative 4: New System- Build from Scratch	$82,439,702
N/A	Alternative 1: Status Quo	$0

Feasibility Study Proposed Solution - Hybrid

Key Advantages of the Hybrid Approach

- Addresses all OCSS modernization critical success factors (*referenced in slides 8-9*)
- Best meets all federal and state drivers/mandates (*referenced in slides 6-7*)
- Ranks #1 in the Alternatives Analysis and Cost Benefit Analysis
- Presents lowest Estimated DDI Costs
- Maximizes OCSS ability to leverage existing DSS enterprise systems and technologies
- Among three Alternatives has: *Lower Negative Risk, Lower Cost, Earlier ROI*
- Provides flexibility to utilize key components from other state systems whether federally certified or not
- Creates opportunities for earlier return on investment by utilizing iterative/agile methodology - Phased approach & implementation with “Early Wins”
- Streamlines workflow and data sharing with key stakeholders such as the Judicial Division
- Most efficient option for improvements to customer service and accessibility
- Managed with fewer State staff - new build anticipates a greater commitment of State staff

Hybrid – Draft Timeline

Task	Task Description	Start Date	End Date	2018	2019	2020	2021
	Planning - Phase 1						
1.1	Develop Overall Project Roadmap	1/2/2018	2/1/2018				
1.2	Initiate Procurement Activities	2/2/2018	9/28/2018				
1.2.1	Develop/Coordinate QA RFP	2/2/2018	9/28/2018				
1.2.2	Develop/Coordinate SI RFP	3/2/2018	9/28/2018				
1.2.3	Develop/Coordinate IV&V RFP	4/2/2018	9/28/2018				
	Pre-Core - Phase 2						
2.1	Convert Data/Database	2/1/2018	8/31/2018				
2.2	Integrate EMPI	3/1/2018	9/28/2018				
2.3	Enhance IVR	4/1/2018	11/23/2018				
2.4	Enhance /Streamline Call Center	4/1/2018	11/23/2018				
2.5	Create Client Portal	5/1/2018	3/1/2019				
2.6	Implement Doc Management (Lite)	6/10/2018	12/28/2018				
2.7	Implement Workflow Management (Lite)	6/10/2018	12/28/2018				
2.8	Initiate BPR	3/1/2018	10/26/2018				
2.9	Implement Central Print/Mailroom	6/1/2018	9/28/2018				
	Core - Phase 3						
3.1	Project Initiation	7/1/2018	9/28/2018				
3.2	Project Planning Phase	9/1/2018	2/26/2019				
3.3	Design Phase	11/1/2018	8/31/2019				
3.4	Development Phase	7/1/2019	11/30/2020				
3.5	Testing Phase	7/13/2020	5/31/2021				
3.6	Deployment/Warranty/M&O	10/1/2019	6/30/2026				

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Systems Replacement Capital Fund Request

- Total project costs are estimated at $68.1 million for the full duration of the project. Of that amount, $4.0 million is for staffing and related costs that cannot be bonded.
- All of the bondable and non-bondable shares of the project will be reimbursed at 66% by the federal government.
- The total federal reimbursement for bondable activities is estimated at $42.3 million, with an additional $2.6 million for non-bondable project costs.
- The remaining bondable State share of project costs for which we are seeking IT Capital Investment Fund support is estimated at $21.5 million.

Anticipated Financial and Service Benefits:

- Enhanced federal reimbursement on the project is estimated at $68.1 million with total federal reimbursement at 66%, or $44.9 million
- Estimated overall financial benefits are preliminary estimated to be in the range of $5.6 million
- Financial benefits are derived from several system-supported functionality and productivity enhancements and include the following:
  - Increased collections due to improved paternity establishment
  - Increased number of support orders established
  - Facilitation of work efforts due to improved system operability
  - Increased availability of staff support for establishment and collections related work due to process automation improvements
- Service benefits include the enhanced support of families and children and the addition of self-service capabilities benefits all case participants.

Anticipated Return on Investment:

- Current state system annual operating costs are approximately $3.8 million.
- Future state annual operating costs after full implementation of the new system are estimated to be $6.5 million.
- Increased operating expenses of $2.7 million are expected to be offset by the financial benefits estimated at $5.6 million.
- This project will generate positive returns on direct financial benefits in a very short time frame.
- This does not include additional service benefits to families served through the enhanced user-friendly system and self service functionality.
- Savings would be shared with the federal government at the cost sharing ratio of 66% federal / 34% State.

Federal Funding and APD Activity:

- Federal support for enhanced reimbursement for the project will be sought through an Advanced Planning Document (APD) request to the Administration for Children and Families (ACF) Office of Child Support Enforcement (OCSE).
- Federal approval will lock in the 66% reimbursement on all activities
- The APD is under development and is expected to be sent to ACF following IT Capital Fund review (April target).

Thank you

Questions?