

Economic Services Administration

060 - PL - FR - UPGRADE AGING CHILD SUPPORT SYSTEM

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

SUMMARY

The Support Enforcement Management System (SEMS) is the state’s primary system for establishing, collecting and distributing child support. SEMS is an aging system and has become increasingly difficult to maintain. Children and families throughout Washington State rely on the Economic Services Administration’s Division of Child Support (DCS) to ensure that SEMS is operating properly and meeting business needs to guarantee that child support is collected and distributed accurately. ESA requests \$9,355,000 (\$3,181,000 GF-State) in the 2017-19 biennium to modernize SEMS in order to meet business and technical needs.

PROBLEM STATEMENT

SEMS is the mission critical system that supports the state’s child support program. However, it is an aging system and has become increasingly difficult to maintain, meet business needs, and customer expectations. In Fiscal Year 2016 (FY16), DSHS collected approximately \$684 million through the system on about 341,000 open cases. Not funding this package would risk the state’s ability to collect and distribute child support to children and families who rely on timely receipt of child support. If the system were to go down for a day, approximately \$2.6 million would not be distributed to families.

The system is a custom-developed solution that has been modified extensively over the last three decades. The enhancements include updated screens for more rapid response to the SEMS application and the extension of the application to the web portal. Some users can access SEMS information through a basic web portal written in Active Server Pages (ASP) and ASP.NET. While the 4,200 workers that use SEMS no longer see legacy “green screens”, the backbone of the system is on a Unisys mainframe written in Common Business Oriented Language (COBOL), which is not only expensive to maintain, but overly rigid when adding enhancements or changes. It is also becoming more difficult to find technical resources to support the SEMS system.

SEMS is increasingly difficult to adapt to changing business needs and new processes that could help expand beyond current collection levels. For example, the system does not currently support predictive analytics—a tool that has been used very successfully in other states to allow for focused and proven methods for collecting on cases that meet certain criteria. Nor does it allow electronic form delivery for the 130,000 letters that DCS produces on a monthly basis. Additionally, the system does not support current Generally Accepted Accounting Principles (GAAP) for the allocation of support on a case or across multiple cases—resulting in a separate calculation outside of SEMS to estimate collections that are retained by state and federal governments. Changing the system to address the GAAP issue alone would require a fundamental re-write of SEMS.



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

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PROPOSED SOLUTION

ESA requests \$9,355,000 (\$3,181,000 GF-State) in the 2017-19 Biennium to modernize SEMS in order to meet business and technical needs.

ESA DCS proposes completing a feasibility study to conduct an “as-is” and “to-be” analysis. The study would also provide clarity for a modernization roadmap. There are multiple vendors that provide software and cloud services that can meet many of DCS’s business needs while modernizing its technology portfolio.

ESA DCS would focus on an incremental approach that reduces reliance on a single vendor to support systems over the long term—using existing state resources to take over system maintenance after implementation wherever possible. This approach will allow us to provide short-term business value rather than the traditional multi-year “big bang” approach. ESA anticipates the initial phases will include the implementation of a business rules engine to reduce the reliance on COBOL programming, a focus on electronic communications to and from clients, and a communications layer to allow for easier implementation of subsequent modules.

Existing state resources would be utilized as much as possible. Additional state and contracted staff needed to support this project:

TOTAL COST BY PHASES	DURATION	TOTAL
PHASE 1: FEASIBILITY STUDY & PLANNING	Jul 2017 - Dec 2017	\$608,000
PHASE 2: IMPLEMENTATION	Jan 2018 - Jun 2019	\$8,747,000
TOTAL		\$9,355,000

TOTAL COST BY FUND	SFY 2018	SFY 2019	2017-19 BIENNIUM
GF-STATE	\$1,085,000	\$2,096,000	\$3,181,000
GF-FEDERAL	\$2,105,000	\$4,069,000	\$6,174,000
TOTAL	\$3,190,000	\$6,165,000	\$9,355,000

EXPECTED RESULTS

The incremental modernization of SEMS will increase DCS’s ability to collect child support. This will be accomplished by utilizing industry-standard tools like predictive analytics focused on increasing collections and outreach, electronic bi-directional communications, and mobile technologies. The system will be easier to maintain and resources for the more modern architecture will be more readily available. Customers will have more ready access to information about their cases online through a secure portal.

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The work will be conducted in collaboration with the Office of the Chief Information Officer and other partners within the state and DSHS to ensure enterprise architecture is considered.

STAKEHOLDER IMPACT

There is no known opposition to this proposal. DCS is a national leader in the collection of child support. DCS's highly skilled workforce is willing to innovate and work with parents who want to meet their obligation but face significant barriers. This comprehensive approach to non-custodial parents and families increased collections of child support in State FY15 to its highest level in five years.

Agency Contact: Wendy Polzin, (360) 902-8067

Program Contact: Joe LaChance, (360) 725-4514

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

2. The decision package meets the following DSHS' strategic objectives:

2.1: The percentage of child support collected by ESA will increase.

3.1: The percentage of people who leave Temporary Assistance for Needy Families (TANF) due to self-sufficiency or at their request will increase.

3. Identify other important connections or impacts below. (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? Yes. See response to #4.

b) Other local government impacts? Yes. See response to #4.

c) Tribal government impacts? Yes. See response to #4.

d) Other state agency impacts? Yes. See response to #4.

e) Responds to specific task force, report, mandate or executive order? No.

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No.

g) Facility/workplace needs or impacts? No.

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- h) Capital budget impacts? No.
- i) Is change required to existing statutes, rules or contracts? No.
- j) Is the request related to litigation? No.
- k) Is the request related to Puget Sound recovery? No.
- l) Other important connections? Yes. See response to #4.

4. Please provide a detailed discussion of connections/impacts identified above.

DCS works with many businesses, counties, tribes, other agencies, other states, etc. to collect child support payments, child care subsidy payments, and other payments. DCS and child support agencies across the nation touch the lives of one in every four families in the United States and provide the largest single source of income for many low-income custodial parents.

Alternatives/Consequences/Other

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

The feasibility study is needed to determine the best first step forward. There may be other alternatives that surface as a result of that study. The other alternative is to maintain the status quo. However, not funding the upgrade of this aging system would risk system failure or a compromise of critical data due to security vulnerabilities, as well as lack of application system controls. Through the use of SEMS, DCS collected about \$678 million dollars, or approximately \$2.6 million per business day in FY16. If SEMS were to go down for any period of time, it would seriously impact families who rely upon timely receipt of child support.

6. How has or can the agency address the issue or need within its current appropriation level?

ESA DCS's current budget does not have funding sufficient to do a feasibility study nor upgrade this aging system. This would require a reduction of spending in other areas which would significantly reduce the effectiveness of the child support program.

7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?

- No
- Yes (Include an IT Addendum)

Fiscal Detail**060 - PL - FR - Upgrade Aging Child Support System**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	1,085,000	2,096,000	2,096,000	2,096,000
001-A General Fund-DSHS Fam	2,105,000	4,069,000	4,069,000	4,069,000
Total Cost	3,190,000	6,165,000	6,165,000	6,165,000
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:	Incremental Changes			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 060				
F010 Child Support Enforcement	0	0	0	0
No measures submitted for package				

Object Detail

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
E Goods and Other Services	3,190,000	6,165,000	6,165,000	6,165,000
Total Objects	3,190,000	6,165,000	6,165,000	6,165,000

DSHS Source Detail**Overall Funding**

Operating Expenditures		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Fund 001-1, General Fund-State					
<u>Sources Title</u>					
0011	General Fund State	1,085,000	2,096,000	2,096,000	2,096,000
Total for Fund 001-1		1,085,000	2,096,000	2,096,000	2,096,000
Fund 001-A, General Fund-DSHS Fam					
<u>Sources Title</u>					
563I	Title IV-D Child Support Enforcement (A) (66%)	2,105,000	4,069,000	4,069,000	4,069,000
Total for Fund 001-A		2,105,000	4,069,000	4,069,000	4,069,000
Total Overall Funding		3,190,000	6,165,000	6,165,000	6,165,000

Information Technology Addendum

Recsum Code and Title **060-PL-FR-Upgrade Aging Child Support System**

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation) or IT staff. Be as specific as you can. (See Chapter 12.1 of the OFM Operating Budget Instructions for guidance on what counts as “IT-related costs.”)

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Contracted Services Feasibility Study	608,000	-	-	-
Contracted Implementation	2,582,000	6,165,000	6,165,000	6,165,000
Total Cost	3,190,000	6,165,000	6,165,000	6,165,000

Part 2: Identify IT Projects

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? (Answer Yes or No) Yes
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) (Answer Yes or No) No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) (Answer Yes or No) Yes

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to Chapter 12.2 of the Operating Budget Instructions for more information.