



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0186 - Establish requirements for upgrading the computer system for CPS cases (Lenz, Dennis R)

Status: As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
Net Impact-General Fund Balance:	<u>(\$3,138,494)</u>	<u>(\$3,135,912)</u>	<u>(\$3,136,910)</u>	<u>(\$3,137,923)</u>

Description of fiscal impact: SB 186 directs the Department of Public Health and Human Services to complete its planned development of a comprehensive child welfare information system (CCWIS) no later than June 20, 2027 and allocate the resources necessary to complete the system by that date. The previous version of SB 186 included a project completion date of June 20, 2025. Amendments extending the completion date result in reduced costs.

FISCAL ANALYSIS

Assumptions:

1. The development and completion of the CCWIS to meet the implementation requirements of SB 186 would consist of the following components:
 - a. Project Planning: The Department of Public Health and Human Services (DPHHS/the department) would need to contract services to assist with a request for proposal (RFP) for the project. This process includes requirements analysis of what would be needed in a system for the implementation of a commercial off the shelf (COTS) solution.

- b. Project Management: It is standard industry practice that there be project management to oversee the coordination of the various aspects, processes, and steps necessary to successfully complete the project. Project managers would work with the development contractor and agency staff to coordinate the project, lead requirements meetings, review and assist with the writing of the RFP, and the development contract; manage the progress of the project, including the project schedule and deliverables; and assist with ensuring that the project is on schedule and within budget.
 - c. Design, Development and Implementation (DDI): The DDI contractor completes the requirements identified in the RFP and the statement of work for the system, including any necessary interfaces with existing systems to gather and coordinate information gathering and verifications. This also includes any organizational change management, data conversion, and training associated with implementing a new system.
- 2. The department anticipates purchasing a COTS solution for this effort. The solution and associated implementation costs are estimated to be approximately \$30,000,000. The department has existing long-range information technology appropriation of \$5,445,238 to support this effort.
 - 3. The department will require 1.50 temporary modified FTE Project Management Specialists to oversee coordination of the various aspects, processes, and steps necessary to successfully complete the project in the 2027 biennium. Project managers would work with the RFP contractor and agency staff to coordinate, lead requirements meetings, manage progress and deliverables; and assist with ensuring that the project is on schedule and within budget. Salary and benefits for these positions are estimated at \$128,833 in FY 2024, \$129,255 in FY 2025, \$131,194 in FY 2026, and \$133,162 in FY 2027. A one-time only office set up cost is estimated at \$5,600 in FY 2024 and operating costs associated with the FTE are estimated at 3% of personal services.
 - 4. The federal participation rate for CCWIS design, development and implementation is 50% federal funds and 50% state funds. The ongoing maintenance and operations costs for CCWIS systems is based on a blended rate, which is currently 30% federal funds and 70% General Funds.
 - 5. Ongoing maintenance and operations support of information technology systems is generally calculated at 10% of system design, development and implementation costs ($\$30,000,000 \times 10\% = \$3,000,000$ each year beginning FY 2028).

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.50	1.50	1.50	1.50
<u>Expenditures:</u>				
Personal Services	\$128,833	\$129,255	\$131,194	\$133,162
Operating Expenses	\$6,148,155	\$6,142,568	\$6,142,626	\$6,142,685
TOTAL Expenditures	\$6,276,988	\$6,271,823	\$6,273,820	\$6,275,847
<u>Funding of Expenditures:</u>				
General Fund (01)	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
TOTAL Funding of Exp.	\$6,276,988	\$6,271,823	\$6,273,820	\$6,275,847
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
TOTAL Revenues	\$3,138,494	\$3,135,912	\$3,136,910	\$3,137,923
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$3,138,494)	(\$3,135,912)	(\$3,136,910)	(\$3,137,923)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The development and implementation of a CCWIS is included in the long-range information technology HB10 request. If this bill and the HB10 request passes, clarification of appropriation (HB 2 vs. HB 10) will be required.
2. If this bill passes and the HB 10 request is denied, appropriation equal to the fiscal note for this bill will need to be established as a continuing appropriation and available through June 30, 2027, to support the entire design, development, and implementation life cycle.
3. Directing a date-certain implementation of a large-scale, complex project when success is dependent on factors outside the department's control (such as vendor availability and performance) may put the department in a position where it is in violation of SB 186 through no fault of its own.

NO SPONSOR SIGNATURE

Sponsor's Initials_____
Date

2/15/23

Budget Director's Initials_____
Date

2-10-23