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 Introduced

☐Significant Local Gov Impact ☒Needs to be included in HB 2 ☒Technical Concerns

☐Included in the Executive Budget ☐Significant Long-Term Impacts ☐Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2024 Difference	FY 2025 Difference	FY 2026 Difference	FY 2027 Difference
Expenditures:				
General Fund	$226,600	$99,129	$2,241,983	$2,245,093
State Special Revenue	$0	$0	$0	$0
Federal Special Revenue	$16,527,775	$16,392,777	$960,850	$962,183
Revenue:				
General Fund	$0	$0	$0	$0
State Special Revenue	$0	$0	$0	$0
Federal Special Revenue	$16,527,775	$16,392,777	$960,850	$962,183
Net Impact-General Fund Balance:	($226,600)	($99,129)	($2,241,983)	($2,245,093)

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, 2025 and allocate the resources necessary to complete the system by that date.

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

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the project. Project managers would work with the RFP contractor, 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. Discovery and RFP support engagement costs are estimated to be $250,000, based on previous project experience.
3. 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.
4. SB 186 directs the department to fully implement a CCWIS system on what can be considered an accelerated timeline for complex information technology system implementation. A project of this magnitude would generally take three to five years for completion based on prior experience. To meet the deadline prescribed in the bill, the department anticipates significant increase in contractor and staffing costs associated with this project. The department estimates an increase of costs over original estimate of 25%.
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 x 10% = $3,000,000 each year beginning FY 2026).
6. The department estimates requiring 3.00 temporary modified FTE Project Management Specialists to oversee coordination of the various aspects, processes, and steps necessary to successfully complete the project in the 2025 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 $257,666 in FY 2024 and $258,511 in FY 2025. A one-time only office set up cost is estimated at $8,400 in FY 2024 and operating costs associated with the FTE are estimated at 3% of personal services.
7. The department also estimates requiring 2.00 additional FTE Business Analysts to ensure expedited and on-time delivery of these systems. Salary and benefits for these positions are estimated at $191,844 in FY 2024 and $192,484 in FY2025 with costs increasing at 1.5% per annum, thereafter. 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.
8. 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.

	FY 2024 Difference	FY 2025 Difference	FY 2026 Difference	FY 2027 Difference
Fiscal Impact:				
FTE	5.00	5.00	2.00	2.00
Expenditures:				
Personal Services	$449,509	$450,995	$196,840	$201,239
Operating Expenses	$16,304,866	$16,040,911	$3,005,994	$3,006,037
TOTAL Expenditures	$16,754,375	$16,491,906	$3,202,834	$3,207,276
Funding of Expenditures:				
General Fund (01)	$226,600	$99,129	$2,241,983	$2,245,093
State Special Revenue (02)	$0	$0	$0	$0
Federal Special Revenue (03)	$16,527,775	$16,392,777	$960,850	$962,183
TOTAL Funding of Exp.	$16,754,375	$16,491,906	$3,202,833	$3,207,276
Revenues:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$0	$0	$0	$0
Federal Special Revenue (03)	$16,527,775	$16,392,777	$960,850	$962,183
TOTAL Revenues	$16,527,775	$16,392,777	$960,850	$962,183
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($226,600)	($99,129)	($2,241,983)	($2,245,093)
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 (HB2 vs. HB10) will be required.
2. Directing a date-certain implementation of a large-scale, complex project when success is dependent on factor outside the departments 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.

Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*
			1-25-23