

Agency: 357 Department of Early Learning
Decision Package Code/Title: FM New Case Management System
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Department of Early Learning (DEL) requests 10 FTE's and \$5.8 million to replace a fractured child care licensing and monitoring system with a single integrated, cloud-based, Software as a Service (SaaS) platform. This new case management system will replace four internal DEL systems and substantially reduce the agency's reliance on the Department of Social and Health Services' FamLink system for DEL's case management needs. An integrated data system is needed to manage child care and early learning program requirements and will ensure the alignment of all DEL program services and models to work efficiently in accomplishing the agency's mission.

The system is expected to produce customer-facing value within six months of the project start date by building on the prior success of the state of Colorado's early learning SaaS-based system. Through the use of progressive releases, DEL expects the system to be fully built-out within 18 months of signing the initial contract.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	1,869,906	3,909,558	5,779,464
Total Cost	1,869,906	3,909,558	5,779,464
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	2.5	10.0	6.3

Package Description:

To meet federal and state requirements of the recently reauthorized Child Care and Development Block Grant (CCDBG) and the recently passed Early Start Act (ESA), DEL requests funding for a new cloud-based, "Software-as-a-Service" (SaaS) case management system. It will blend and align all facets of the state's early learning programs and simplify and streamline DEL's internal and external requirements. This system will also enable the department to provide a single source of information to parents and caregivers regarding early achiever program ratings, licensing history and other indicators that will assist parents with making informed decisions on behalf of their children. Currently, each of the early learning programs utilize its own data system, many of which do not have workload management aspects, intuitive user functions and data gathering measures.

DEL currently spends \$260,000 per year for licensors to utilize the Department of Social and Health Services' (DSHS) FamLink system which is no longer meeting the needs of the agency's mission. The agency has relied on DSHS for its licensing system since DEL's creation in 2006. Since 2009, DEL staff have entered and maintained child care licensing data in the FamLink system, data that is relied upon extensively for the accountability of licensed providers, reporting of performance measures, and meeting state/federal reporting requirements. This data also feeds DEL's Child Care Check (CCC) system where parents are able to review Early Achiever

(EA) ratings, licensing history, and other pertinent data to assist them in choosing quality child care. With the additional requirements of ESA and CCDBG, the agency's business needs have outgrown the current FamLink system. Additionally, DSHS is currently planning to replace FamLink, and DEL has determined that it is more efficient and simpler to implement the agency's mission if DEL is running its administrative work through its own application.

FamLink is an integral part of many of DEL's core business processes, including processing child care license applications, performing background checks, maintaining provider information, documenting complaint and compliance information, among many others. In order to replace this critical system and comply with federal and state laws, DEL requests funding to configure and maintain a system that meets the agency's federal and state requirements. In keeping with the Office of the Chief Information Officer (OCIO) information technology and enterprise architecture strategy, the system will be able to adapt and evolve in response to new and changing requirements across multiple services, programs, and agencies.

The proposed solution aligns with the OCIO IT strategy by utilizing a cloud-based, SaaS solution based on an existing early learning implementation in the state of Colorado that can be used as a solution "accelerator". The use of the Department of Enterprise Services (DES) Master Contracts for Information Technology Services Management (ITSM) provides the means to begin the effort quickly after the Information Technology Investment is approved. DEL seeks to purchase SaaS subscriptions and configuration services with the requested funding. The project has been segmented into three phases of progressive releases with the first production use within six months of the executed contract. After the initial launch, additional features will be released at the end of each sprint which are anticipated to be 2-3 week durations until we are "feature complete" (the system is fully built out) - estimated to be 18 months from contract execution. The budget request assumes a January 2016 project initiation date with the initial production release no later than June 30, 2016 and final completion of the system ("feature complete") no later than June 30, 2017.

The phased timeline for transitioning and fully populating a new case management system is driven by the Early Start Act and CCDF requirements as well as their timelines. This is also dependent on the standards alignment requirement in Section 3 of the Early Start Act. A phased timeline will require partially enabling new interfaces while keeping the old systems working. Professional development and technical assistance should be established as an ongoing support. It is anticipated that the identification of a vendor to transition and implement a new case management system, the execution of a formal contract, and development of the transition and implementation plan will be complete by January 2016.

The transition, implementation and population of the system will span a period of 18 months:

- Phase 1 January -June, 2016: Child Care Licensing Management migration, historical data for all providers, rules library (WAC/RCW), mobile inspection/monitoring application, data migration, integration with external systems, change management, and training
- Phase 2 July - December, 2016: QRIS Program Portal, Online Search Tool, Public Referrals, Family, Friend and Neighbor (FFN) reviews
- Phase 3 January - July 2017: Differential Monitoring for licensed child care, Early Achievers and Early Childhood Education and Assistance Program (ECEAP)

Funding requested (detailed later in this proposal) includes SaaS system subscription fees, contracts for configuration professional services, external quality assurance, software licenses, and related staffing costs. There will be ongoing annual costs for SaaS subscription fees, software licenses and staff costs totaling \$2.4 million starting in Fiscal Year 2017.

The new case management system will require a total of 5.0 FTEs at the program support level: One Program Administrator and four regional training and staff readiness coordinators. This unit's role will be to provide organizational change management and staff readiness, a mixed delivery system of training through the Learning Management System (LMS), coaching, professional development, customer support, and development of a virtual training manual which will be updated on a regular basis to meet all programmatic and training needs. Using a "train-the-trainer" model, this unit will be fully trained in the new system and will be responsible for rolling out training to users and staff.

5.0 Information Technology FTE's will provide project and vendor management, business and system analysis, technical documentation, software configuration, data integration and software testing for the system. The project manager will employ Agile methodologies to lead the project from its inception to implementation and into maintenance. This includes managing the information technology investment planning and approval, people, resources and scope of the project and vendor procurements and contract management. The business analysts is responsible for analyzing, reviewing, and documenting the requirements of the project throughout the project life cycle. The data integrator will perform data conversion, interface development and other data needs including post production support. The software tester will create and execute test plans to evaluate system performance. The configuration specialist will configure and maintain the SaaS solution, assist with report development and custom-code where

configuration isn't possible.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

In addition to generally improving data integrity, worker efficiency and mobility, and customer service, replacing FamLink with a new integrated early learning program management system will also yield the following outcomes:

- Staff will spend less time performing duplicative monitoring processes (visiting an ECEAP site and then visiting the same site later for a health and safety visit), leading to fewer and more productive visits for providers and staff;
- Additionally, because staff will spend less time performing duplicative processes, they will be able to reinvest their time saved into quality activities monitoring providers and assisting them with questions;
- Staff will spend less time searching for data and spend more time assisting and monitoring providers;
- The department will increase the timeliness of monitoring visits, ensuring a higher percentage of providers are monitored within 12 months;
- Wait time for access to critical data or system modifications will be reduced or eliminated.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This decision package promotes system excellence, helps to provide high-quality early learning information for Washington kids, and supports high-quality early learning opportunities, and is essential to executing much of the agency strategic plan. Specifically:

- Early learning programs will be aligned under one quality framework, so that we use a common definition of quality across program settings and maximize system efficiency; (Objective 1.1)
- Healthy development of strong families is supported by ensuring that essential and accurate Early Achievers data is available to parents. (Objective 1.3)
- High standards in licensed child care are maintained by ensuring that the essential data that populates many of DEL's applications is correct and up to date, enabling DEL staff to effectively monitor child care facilities, address health and safety issues, and meet critical timelines. (Objective 1.5)
- Family demand for high-quality early learning programs is built by ensuring families have current, accurate and complete data available to them to inquire about high quality child care to make informed decisions. (Objective 3.1)
- LEAN practices will be maximized and strategic investments made in technology infrastructure and people to ensure that DEL will be able to successfully interface with other internal and external data systems allowing data to be shared from one system to another to reduce duplicative data entry and minimize lost information. (Objective 4.2)

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

By reducing the time spent on duplicative processes and streamlining work to make monitoring visits more efficient, this proposed system will increase the quality of care and supports Governor Inslee's Goal #1 to provide more children with a world-class education.

Additionally, by creating efficiencies and building a system that is versatile and adaptive to changing requirements and needs, this proposal also supports Governor Inslee's Goal #5 to make government more efficient, effective, and accountable by using Lean management principles.

What are the other important connections or impacts related to this proposal?

The system requirements address a comprehensive set of functions for data infrastructure and other data interaction aspects, intuitive

user interface, reporting engine and business intelligence solution, along with numerous querying aspects to allow the system to evolve over time. The requirements include:

Data Infrastructure: The data infrastructure will serve as the platform upon which the application functionality and the reporting engine/business intelligence tools will reside and will allow for the real-time exchange of data elements between current and future services, settings, and models, as well as other related systems. Data flows between the different services, models, and settings may be unidirectional or multidirectional, based upon the particular query and/or the specific ask of the interface itself. The data infrastructure will be flexible and developed to facilitate future interfaces with other systems not identified as being part of the initial development and implementation project.

Services Provider Interface: The provider interface will possess an intuitive web-based user interface and functionality that will cover various aspects of the provider life cycle and its characteristics. The technical architecture will facilitate the development of future modules, features, and functionality to support evolution over time as new requirements are identified.

Reporting Engine and Business Intelligence Tools: The new system will include a robust reporting engine and business intelligence solution that will allow for the easy development and generation of customized, ad hoc reports as well as standard reports. Querying and report development tools will be intuitive and easy to use, allowing non-IT personnel to be able to design, develop, and run reports.

Data security and data sharing permissions: Given the sensitivity of the data that will flow through and be collected within the new case management system, including personally identifiable information, it is expected that the new system will be built upon and conform to all of the latest data and systems security standards and best practices. It will also comply with all federal and state mandatory application security requirements and regulations. DEL will establish data sharing agreements with each partner that defines permissions on how specific data will be shared and used. The various users of the new system will need to be considered in the permissions. Agreements will address data collected and shared by and with organizations that do not receive public funding. Providers whose information is entered in this new system will have the ability to request their data through a data sharing protocol/consent.

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

DEL explored a broad slate of options ranging from the status quo (staying on FamLink) to custom development of a brand-new system. Ultimately, the agency felt that the best path forward was with a cloud-based, SaaS solution that has proven to work well in another state, built by a vendor that is already trusted by the state IT Master Contracting office, and has the flexibility to adapt to future needs and additional uses.

- Staying on the current FamLink system is not a viable long-term option. DSHS is currently planning to replace FamLink, and it has been determined by both agencies that it would be cheaper and simpler if DEL is not running its administrative work through the new application;
- Simply transferring and modifying a copy of the FamLink application to meet DEL business processes was also not feasible. This was determined too costly to host, staff, modify, and maintain - particularly given the current problems experienced by DSHS.
- Custom software development is too costly, too rigid, and doesn't align with OCIO's enterprise information technology strategy.
- DEL staff explored the possibility of transferring a system from the state of Georgia, however, while this system aligned with our needs, it was an in-house custom software development project for Georgia and would have required customization to meet the agency's business needs.

What are the consequences of adopting or not adopting this package?

If the package is not adopted, DEL will continue to be impacted by a number of inefficiencies that hamper the agency's work today:

- Workload and data inefficiencies will continue to extend monitoring visit periods beyond the federal 12-month requirement;
- DEL will not be able to align its licensing standards as required by Section 3 of the Early Start Act;
- DEL will eventually be left without a case management system, leading to monitoring visit delays and potentially jeopardizing the safety of children in child care facilities.
- Without a case management system, DEL will also be in violation of CCDBG grant requirements.

What is the relationship, if any, to the state's capital budget?

There is no relationship to the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

DSHS and DEL would need to work together to introduce legislation to allow sharing of the information between the agencies and then update the Service Level Agreement and Data Share Agreement to allow for the change where child care provider data is housed .

Expenditure and revenue calculations and assumptions

Total costs for Fiscal Year 2016 are \$1,869,906 assuming:

FTE, Salary and Benefits: 2.5 FTEs costing \$260,383

IT Specific Needs

- 0.5 Information Technology Specialist (ITS) 5 (Project Manager): This position will employ Agile methodologies to lead the project from its inception to implementation and into maintenance. This includes managing the people, resources and scope of the project and vendor procurements and contract management.
- 0.5 ITS 5 (Business Analyst): This position will be responsible for analyzing, reviewing, and documenting the requirements of the project throughout the project life cycle. This includes serving as the liaison for the project's technical, functional, and non functional teams.
- 0.5 ITS 5 (Data Integrator): This position will assist with data conversion, interface development and other data needs including post production support.
- 0.5 ITS 4 (Software Tester): This position will create and execute test plans to evaluate system performance .
- 0.5 ITS 4 (Configuration Specialist): This position will configure and maintain the SaaS solution, assist with report development and custom-code where configuration isn't possible and cross-train with the re-assigned ITS 4 to the project .

Professional service contracts: \$1,182,500

- \$600,000 for professional configuration services
- \$507,500 for Software as a Service annual subscription fees for platform (50% discount for first year)
- \$75,000 for External Quality Assurance - assuming the OCIO classifies it as a Level 2 project

Goods and Services: \$304,810

- \$6,000 for Product Owner Training for Product Owner and key SMEs (business staff training) (Based on \$1,200 x the 5 FTEs in the program support unit becoming trained in a "train-the-trainer" model)
- \$1,875 for standard FTE costs, including specialized IT training, PC leases, supplies and materials and communications
- \$48,050 for software for data integration and project management
- \$248,885 for contingency costs for unanticipated expenses are assumed to be 20 percent of combined personal service, goods and services (except for the contingency fee itself),contract amounts and travel.

DEL does not anticipate having to purchase new tablets for licensors, rather the agency will be working with the vendor to adapt its system to function on DEL's Windows-based tablets.

Travel: 2.5 FTEs, \$6,000 ($\$2,400 \times 2.5 \text{ FTE} = \$6,000$)

Capital Outlay of \$30,000, one-time standard cost for office furniture and equipment for 5 new individual employees

Intra-Agency Reimbursements: \$86,213 in Fiscal Year 2016 for indirect costs for agency administration and central services, calculated at 33.10 percent of direct salaries and benefits ($\$260,383 \times 33.10\% = \$86,213$). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and computer leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Enterprise Services.

Total costs for Fiscal Year 2017 are \$3,909,558 assuming:

FTE, Salary and Benefits: 10 FTEs costing \$962,069

IT Specific Needs

- 1.0 ITS 5 (Project Manager) (ongoing): This position will employ Agile methodologies to lead the project from its inception to

implementation and into maintenance. This includes managing the people, resources and scope of the project and vendor procurements and contract management.

- 1.0 ITS 5 (Business Analyst) (ongoing): This position will be responsible for analyzing, reviewing, and documenting the requirements of the project throughout the project lifecycle. This includes serving as the liaison for the project's technical, functional, and non functional teams.

- 1.0 ITS 5 (Data Integrator) (ongoing): This position will assist with data conversion, interface development and other data needs including post production support. 1.0 ITS 4 Software Tester (ongoing) - This position will create and execute test plans to evaluate system performance.

- 1.0 ITS 2 (Help Desk Technician) (ongoing): This position will serve as a help desk technician for work orders and inquires related to the new case management system, provide customer support, expand knowledge-base, document and resolve technical issues .

- 1.0 ITS 4 (Configuration Specialist) (ongoing): This position will configure and maintain the SaaS solution, assist with report development and custom-code where configuration isn't possible and cross-train with the re-assigned ITS 4 to the project .

Licensing Program Support

- 1.0 WMS 2 (Program Administrator): This position will oversee the new customer service unit that will perform functions listed below.

- 4.0 Program Specialist 4 (Regional Training Coordinators): These positions will provide organizational change management and staff readiness, a mixed delivery system of training through the Learning Management System (LMS), coaching, professional development, customer support, and develop a virtual training manual for users of the new system .

Professional service contracts: \$2,066,000

- \$900,000 for professional configuration services

- \$1,015,000 for Software as a Service annual subscription fees for platform

- \$125,000 for External Quality Assurance - assuming the OCIO classifies it as a Level 2 project

- \$26,000 for Limited FamLink access for Character and Suitability checks for background check clearance determination for Regional Administrators and the DEL Background Check Central Unit and data interfaces

Goods and Services: \$495,148

- \$19,420 for standard FTE costs, including specialized IT training, PC leases, supplies and materials and communications (\$19,420)

- \$42,570 for software for data integration and project management

\$433,158 for contingency costs for unanticipated expenses are assumed to be 20 percent of combined personal service, goods and services

(except for the contingency fee itself), contract amounts and travel.

Travel: 10 FTEs, \$37,800 ($(\$2,400 \times 10 \text{ FTE} = \$24,000) + \$13,800$ for additional travel costs):

Additional travel is assumed for regional training coordinators:

- \$5,520 for one day-long "regional training day" per region, four times per year (Seattle Per Diem Rate = \$276/person x 5 FTE x 4 training days = \$5,520)

- \$8,280 for training coordinator all-day meetings, once per month, assuming half are held as web conferences (Seattle Per Diem Rate = \$276/person x 5 FTE x 12 training days / 2 = \$8,280)

Capital Outlay of \$30,000, one-time standard cost for office furniture and equipment for 5 new individual employees

Intra-Agency Reimbursements: \$318,541 in Fiscal Year 2017 for indirect costs for agency administration and central services, calculated at 33.10 percent of direct salaries and benefits ($\$962,069 \times 33.10\% = \$318,541$). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and computer leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Enterprise Services.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

One-time costs include:

- Software-as-a-Service (SaaS) configuration

- Initial trainings on new system

- External quality assurance costs

Ongoing costs include:

- Staffing costs;

- SaaS annual subscription fees;

- Limited FamLink access for Background Check Unit staff and Regional Licensing Administrators

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	195,542	715,298	910,840
B Employee Benefits	64,841	246,771	311,612
C Professional Svc Contracts	1,182,500	2,066,000	3,248,500
E Goods\Other Services	304,810	495,148	799,958
G Travel	6,000	37,800	43,800
J Capital Outlays	30,000	30,000	60,000
T Intra-Agency Reimbursements	86,213	318,541	404,754
Total Objects	1,869,906	3,909,558	5,779,464