

Department of Justice

CAPITAL BUDGETING

In the 2013-15 and 2015-17 Legislatively Approved Budgets, the Oregon Child Support Program — representing the entire Oregon Department of Justice Division of Child Support and 25 partner District Attorney offices — received state legislative and federal approval to move forward with a multi-biennia project to design and implement a replacement child support system. Both federal and state funding contributions were made during state fiscal years 2013-15 and 2015-17, which enabled the completion of the planning phase, the procurement of necessary vendors, and the initiation of the system development phase. Due to the scope of the project, both the funding requirement and project work extend over several biennia. The new child support system will allow the Oregon Child Support Program to keep up with caseload demands in an economic climate where significantly increasing staff size is not a favorable or realistic alternative.

The legislature recognized that the current system cannot sustain even current performance levels, let alone meet future growth needs, nor enable the Department to successfully meet performance goals or compete for federal incentive dollars.

The System Project anticipates a 34-month design and development period, a 12-month transition period for regional rollouts of the system, and a 24-month maintenance transition period. The Project is expected to be complete in 2021.

Legislatively Adopted Budget

MAJOR CONSTRUCTION / ACQUISITION PROJECT NARRATIVE

Agency:	Department of Justice	Priority (Agency #):	1	Schedule	
Project Name:	Child Support System Project	Cost Estimate	Cost Est.Date	Start Date	Est. Completion
		\$ 127,575,677	12/05/2016	12/1/2013	6/30/2021
Address/Location:		GSF	# Stories	Land Use/Zoning Satisfied	
		N/A	N/A	N/A	N/A

Funding Source/s: Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Federal
	\$ 42,580,288		\$1,018,297	\$83,977,092

Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected
--

The Oregon Child Support Program’s current computerized case management and accounting system (a mainframe system based on COBOL programming), the second oldest in the nation, is utilized to provide federally-mandated child support services to Oregon’s most vulnerable families. Although still functioning, it is cumbersome and slowly becoming impossible to maintain or enhance due to its aging platform and architecture. Each passing year increases the risk of critical system failure and data requirement inadequacy. If left, the diminished performance and system limitations could easily lead to an inability to meet federal performance measures, resulting in a loss of funding or imposed financial penalties. The Child Support Program’s goals, as described in its strategic plan, focus on increasing the support to children, improving performance, providing consistently high-quality customer service, and developing and strengthening collaborative partnerships—all to support parents supporting children. The existing child support automated system will not sustain the Program’s present and future needs and certainly will not move the Program forward toward its goals. In a recent performance audit, the Secretary of State Audits Division recommended that the Program engage in efforts to improve the valuable services provided to Oregonians. Oregon must harness the power of automated means to deliver services wherever possible (1) to keep up with the demands of an increasing caseload and increasingly complex financial transactions, (2) to compete with other states for federal incentive dollars, (3) to take advantage of technological developments, and (4) to best utilize the State’s resources devoted to the Program – especially when support to families helps them avoid public assistance services and poverty. Recognizing the impending critical failure of the current system and the approximately two-thirds federal financial contribution, the Program and its federal oversight office began a multi-year effort to develop a new child support system. Working closely with the federal office, which prescribes the system development process and certifies the system as eligible for federal funding, the Program completed the first major milestone and federal requirement in 2012, a comprehensive feasibility study. This study provided the Division with the best solution to address the need and provided the foundation on which the Program built this multi-year project. The Program also completed a related milestone in 2013, the Business Process Reengineering project, which included a review of all business processes for potential redesign, to identify streamlined processes before building an automated solution. Project team members worked closely with DAS Procurement Services, the State’s Office of the Chief Information Officer, and federal partners to draft and release four separate procurements (Project Management, Quality Assurance, Independent Verification & Validation, and Implementation contractors) to hire the necessary expertise to ensure project objectives are successfully met and federal certification is achieved.

Legislatively Adopted Budget

Major Construction / Acquisition Project Narrative (cont.)

Project Scope and Alternatives Considered

The Feasibility Study documented the federally prescribed process that the Program undertook to define functional and technical requirements for the new system and to select the best system replacement alternative objectively. The needs assessment and gap analysis concluded that the Oregon Child Support Program must proactively prepare now to replace its system in order to mitigate the risks of the failure and to deliver services more efficiently, more effectively, and with higher quality. Using the results from the needs assessment and gap analysis, the Program defined a set of functional and technical requirements for a replacement system. In turn, these requirements became the foundation for the Program's objective evaluation to select the best solution from among four system replacement alternatives. The alternatives evaluated were:

1. Build from scratch
2. Modernize CSEAS (the current system)
3. Transfer alternative (adapt a system from another state)
4. Hybrid (combine best of breed features from multiple systems)

The evaluation process judged each alternative against criteria that considered system implementation risks, the total cost of the alternative, the total benefits generated from the alternative, and the length of time from project start until implementation.

Based on the results of an objective evaluation of four system replacement alternatives, the Oregon Child Support Program determined that the best solution to replace CSEAS was to develop a system that combines the best features from the newest child support systems in other states. This hybrid solution is based on transferring base system functional and technical components from three state systems (California, Michigan, and New Jersey).

Legislatively Adopted Budget

Major Construction/Acquisition 10-Year Plan, Lease Plans, Disposals

2017-19 Biennium

Agency Name: Department of Justice

Proposed New Construction or Acquisition - Complete for 5 Biennia

Biennium	Priority	Concept/Project Name	Description	GSF	Position Count	General Fund	Other Funds	Lottery Funds	Federal Funds	Estimated Cost/Total Funds
2017-19	1	Child Support Enforcement Automated System	The Child Support Program is in the process of replacing the Child Support Enforcement Automated System (CSEAS) in order to meet the current and future needs of the Program.		32		16,573,792		32,136,210	48,710,002
2019-21	1	Child Support Enforcement Automated System	The Child Support Program is in the process of replacing the Child Support Enforcement Automated System (CSEAS) in order to meet the current and future needs of the Program.		32		6,187,758		11,995,212	18,182,970
2021-23										0
2023-25										0
2025-27										0

Legislatively Adopted Budget

CAPITAL FINANCING SIX-YEAR FORECAST SUMMARY 2017-19

AGENCY: Department of Justice

Agency#: 13700

Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2017-19 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).

Bond Type

Use of Bond Proceeds	General Obligation Bonds	Revenue Bonds	Totals by Repayment Source	
Major Construction/ Acquisition Projects				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Major Construction	\$	\$	\$	
Equipment/Technology Projects over \$500,000				
Subtotal for General Fund Repayment:	\$	16,267,633 \$	\$	16,267,633 GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Equipment/Technology	\$	\$	\$	
Debt Issuance for Loans and Grants				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Loans and Grants:	\$	\$	\$	
Total All Debt Issuance	\$	\$	\$	
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
GRAND TOTAL 2017-19:	\$	16,267,633 \$	\$	16,267,633

Legislatively Adopted Budget

CAPITAL FINANCING SIX-YEAR FORECAST SUMMARY 2019-21

**AGENCY: Department of Justice
Agency #:13700**

Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2019-21 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).

Use of Bond Proceeds	Bond Type		Totals by Repayment Source	
	General Obligation Bonds	Revenue Bonds		
Major Construction/ Acquisition Projects				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Major Construction	\$	\$	\$	
Equipment/Technology Projects over \$500,000				
Subtotal for General Fund Repayment:	\$	4,914,867 \$	\$	4,914,867 GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Equipment/Technology	\$	\$	\$	
Debt Issuance for Loans and Grants				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
Total for Loans and Grants:	\$	\$	\$	
Total All Debt Issuance	\$	\$	\$	
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
GRAND TOTAL 2019-21	\$	4,914,867 \$	\$	4,914,867

Legislatively Adopted Budget

CAPITAL FINANCING SIX-YEAR FORECAST SUMMARY 2021-23

AGENCY: Department of Justice
Agency #:13700

Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2021-23 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).

Use of Bond Proceeds	Bond Type		Totals by Repayment Source
	General Obligation Bonds	Revenue Bonds	
Major Construction/Acquisition Projects			
Subtotal for General Fund Repayment:	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$ FF
Total for Major Construction	\$	\$	\$
Equipment/Technology Projects over \$500,000			
Subtotal for General Fund Repayment:	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$ FF
Total for Equipment/Technology	\$	\$	\$ FF
Debt Issuance for Loans and Grants			
Subtotal for General Fund Repayment:	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$ FF
Total for loans and grants:	\$	\$	\$
Total All Debt Issuance	\$	\$	\$
Subtotal for General Fund Repayment:	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$ FF
GRAND TOTAL 2021-23 :	\$ 0	\$	\$ 0

Legislatively Adopted Budget

Page intentionally left blank