

**Department of Social Services**  
**Response to Budget Proviso 26.20**  
**August 31, 2010**

**Budget Proviso Language**

**26.20.** *(DSS: Child Support Enforcement System) From the funds appropriated in Part IA, Section 26(F), the Department of Social Services shall prepare a detailed report on the status of the Child Support Enforcement System. The report shall include, but not be limited to, actions currently being undertaken to become compliant with federal government requirements; the cost required to meet minimum federal guidelines; total funds spent so far on the system; the amount of fines assessed by the federal government associated with non-compliance; how much has been spent to satisfy actions taken by the state judicial system; and how much has been spent related to actions taken by any other entity which may have altered the amount required for meeting minimum federal guidelines. The report shall be submitted to the General Assembly by August 31st of the current fiscal year.*

In response to Proviso 13.27 in the FY 2007-2008 Appropriations Act, the Department of Social Services provided a detailed timeline of the events leading to the contract between the state and Saber Software Corporation to develop, implement and maintain the federally mandated statewide Child Support Enforcement System (CSES) and the Family Court Case Management System (FCCMS). Saber was then purchased by Electronic Data Systems (EDS), and is now a business unit of Hewlett-Packard's Technology Solutions Group, and will be referred to as HP in this and future updates.

In response to Proviso 26.25 in the FY 2008-2009 Appropriations Act, the Department of Social Services updated the detailed timeline with the significant events that occurred since the submission of the response to Proviso 13.27.

In response to Proviso 26.23 in the FY 2009-2010 Appropriations Act, the Department of Social Services updated the detailed timeline with the significant events that occurred since the submission of the response to Proviso 26.25.

The following represents an update to the three previous submissions and is filed in response to Proviso 26.20 of the FY 2010-2011 Appropriations Act, updating the detailed timeline with the significant events that occurred since the submission of the response to Proviso 26.23.

The Department's previous reports are attached for reference purposes.

**1. What actions are currently being undertaken to become compliant with federal government requirements?**

The Department of Social Services entered into a contract with HP on August 1, 2007 for the development of the statewide CSES and the FCCMS. Since August 1, 2007, HP and the State have been working toward development and delivery of a system that meets federal certification requirements and state business needs. During this past year, the State and HP have continued to make progress toward completing the General System Design and the Detailed System Design of CSES and FCCMS. Progress has also been made by HP in developing and in testing the application code for CSES and FCCMS. Despite this progress, the State is concerned that HP can develop, test and deliver for State user acceptance testing a quality CSES and FCCMS in time to support completion of statewide implementation by September 30, 2011 as specified in its 3<sup>rd</sup> Record of Negotiation. The effect of these concerns on the day-to-day project and on the contract between HP and the State are currently being discussed and negotiated.

Specific major accomplishments since September 2009 are outlined below.

<b><i>Timeframe</i></b>	<b><i>Activities and Accomplishments</i></b>
<b>September 2009</b>	<p>The Consolidated CSES General System Design (GSD) was delivered to the State for the beginning of the formal approval process. The FCCMS Documents and Exhibits, and the FCCMS Case Management Detailed System Designs (DSD) were also delivered to the State for initial review.</p> <p>HP has started the development of System Test scenarios, the planning for interface testing, and began System Test scripting.</p> <p>HP completed test execution for 14 CSES components and 4 FCCMS components in Prototypes N and FN.</p>
<b>October 2009</b>	<p>All Clerks of Court responded that they will accept the proposal to have CSES and FCCMS hosted at a central state processing site for the CFS Project, which will simplify deployment and operation of the systems.</p> <p>The CSES Locate DSD was approved by the State.</p> <p>HP completed functional test execution of Prototypes O and FO, and continued the development of Prototypes P and FP. The analysis for the scope of Prototype Q and FQ was also begun.</p>
<b>November 2009</b>	<p>In a letter dated November 23, 2009, OCSE approved IAPD update #4 for the federal funding period October 1, 2009 through September 30, 2010.</p> <p>The State and HP agreed to the CSES GSD Closure Plan.</p> <p>The State approved the FCCMS System Administration and Interfaces GSDs.</p> <p>HP performed a re-estimation of the potential size of CSES in accordance with the CSES GSD Closure Plan.</p> <p>HP added four previous unplanned prototypes to complete CSES screens and batch processes (Prototype T) and to complete CSES forms and reports (Prototypes U, V, and W).</p> <p>HP began development of Prototypes Q and FQ.</p>
<b>December 2009</b>	<p>The State approved the CSES DSDs for Enforcement, Reports, and System Administration.</p> <p>The State also approved the FCCMS DSDs for Scheduling, Reports, Interfaces, and System Administration, and started execution of the FCCMS GSD Closure Plan.</p>
<b>January 2010</b>	<p>The State approved the deliverable expectation document (DED) for Statewide Implementation Plan, the DEDs for System Test Environment, Data Communications Plan, and the Model Office Plan, revision 2.0.</p> <p>The State also approved the CSES GSD Closure Plan and the CSES DSD for Reporting.</p> <p>The State approved the FCCMS GSD Closure Plan.</p> <p>The State also approved the FCCMS GSD document, Revision 2.0, FCCMS GSD Common Sections, and the FCCMS DSD for Reporting and completed execution of the FCCMS GSD Closure Plan.</p> <p>HP performed a re-estimation of the potential size of FCCMS in accordance with the FCCMS GSD Closure Plan.</p>
<b>February 2010</b>	<p>The State approved the Training Plan, revision 2.0, Hardware and LAN Acquisition and Installation Plan, DED for Data Communications</p>

<b>Timeframe</b>	<b>Activities and Accomplishments</b>
	<p>Test Plan, and Configuration Item Control Process.</p> <p>The State also approved all CSES GSD updates associated with the final submission and the CSES GSD Closure Plan.</p>
<b>March 2010</b>	<p>The State approved the CSES GSD according to the CSES CSES GSD Closure Plan.</p> <p>The State approved the Project Management Plan, revision 10.0, and the DED for Hardware and LAN Test Plan.</p> <p>The State also approved the CSES DSD for Establishment, and the CSES DSD for Forms.</p>
<b>April 2010</b>	<p>The State approved the Field Test Plan, the DED for Federal Certification Plan, and the DSD Review and Finalization Process, revision 4.0.</p> <p>The State also approved the CSES DSD for System Administration.</p> <p>The State also approved the FCCMS DSD for Interfaces, and the FCCMS DSD for Forms. The review/audit of the full FCCMS GSD was completed and approved.</p>
<b>May 2010</b>	<p>The State approved the Statewide Implementation Plan, the Data Communication Test Plan, the Hardware and LAN Test Plan, and the Federal Certification Plan</p> <p>The State also approved the CSES DSD for System Administration.</p>
<b>June 2010</b>	<p>The State approved the GSD Review Process, revision 6.0, Data Conversion Oversight Procedures, revision 3.0, and the Sharepoint Policies and Procedures, revision 11.0.</p> <p>The State also approved CSES Locate, System Administration, and Financial GSD updates.</p> <p>The State also approved the FCCMS DSD for System Administration.</p>
<b>July 2010</b>	<p>The State approved the Data Mapping Default Value Determination, the DED for Data Communications Test, and the DED for Hardware and LAN Test and Test Report.</p> <p>The State also approved the CSES DSD for Customer Service, CSES DSD for System Administration, and CSES DSD for Locate, revision 2.0.</p>
<b>August 2010</b>	<p>The State approved the DED for the DSS CSES Central Contingency and Continuity of Operations Plan.</p> <p>The State also approved the CSES DSD for Finance and the CSES DSD for Case Management.</p>

**2. What is the cost required to meet minimum federal guidelines?**

Federal guidelines determine only whether the state produces a certifiable CSES, but do not include the individual state's business practices nor appropriate business model. The product of this contract will be designed to meet all state business requirements as well as requirements for certification.

Under the HP contract, the cost required to develop and deploy CSES is \$132,883,217 (\$52,981,938 in state funds), and the cost required to develop and deploy FCCMS is \$19,075,513. These costs cover procurement, project management, oversight, system development, and system implementation costs, which include all hardware and software. These amounts reflect costs needed to support the 52-month project schedule. The table listed below provides a breakdown of cost estimates.

<b>Cost Category</b>	<b>SFY</b>	<b>Amount</b>	<b>Federal</b>	<b>State</b>
CSES expenditures to date for current planning and procurement activities	2006-2007	\$6,866,335	\$4,531,781	\$2,334,554
CSES expenditures to date for current development activities*	2008-2010	\$41,706,709	\$27,526,428	\$14,180,281
CSES estimated future development and deployment cost**	2011-2012	\$84,310,173	\$47,843,070	\$36,467,103
<b>Total CSES</b>		<b>\$132,883,217</b>	<b>\$79,901,279</b>	<b>\$52,981,938</b>
FCCMS expenditures to date for current planning and procurement activities	2006-2007	\$576,015	\$0	\$576,015
FCCMS expenditures to date for current development activities*	2008-2010	\$5,025,106	\$0	\$5,025,106
FCCMS estimated future development and deployment cost**	2010-2012	\$13,474,391	\$0	\$13,474,391
<b>Total FCCMS</b>		<b>\$19,075,512</b>	<b>\$0</b>	<b>\$19,075,512</b>
<b>Total for CSES and FCCMS</b>		<b>\$151,958,729</b>	<b>\$79,901,279</b>	<b>\$72,057,450</b>
* Expenditures to date are estimated pending receipt of final SFY2010 financial reports.				
**Contractual payments to HP for federal certification and the 15% contractual holdback are projected to occur in SFY2012.				

**3. What are the total funds spent so far on the system?**

The total funds spent so far on the South Carolina automated systems project for CSES and FCCMS shown in the table below includes the previous development effort with Unisys Corporation. As a result of a 2001 settlement to litigation with Unisys, Unisys paid the state \$17,633,961.

<b>Cost Category</b>	<b>SFY</b>	<b>Amount</b>	<b>Federal</b>	<b>State</b>
Expenditures for prior Unisys development effort	1992-1999	\$34,696,802	\$28,917,718	\$5,779,084
Expenditures for current planning and procurement activities	2000-2007	\$17,137,387	\$10,956,587	\$6,180,800
Expenditures for current development activities*	2008-2010	\$46,731,815	\$27,526,428	\$19,205,387
<b>Total Expenditures through SFY2010</b>		<b>\$98,566,004</b>	<b>\$67,400,733</b>	<b>\$31,165,271</b>
* Expenditures to date are estimated pending receipt of final SFY2010 financial reports.				

**4. What is the amount of fines assessed by the federal government associated with non-compliance?**

For federal fiscal years 1998-2010, the amount of funding assessed in penalties is \$82,858,661 which has been incurred as follows.

FFY 1998	\$893,628
FFY 1999	\$1,714,073
FFY 2000	\$3,788,805
FFY 2001	\$5,317,626
FFY 2002	\$8,162,687
FFY 2003	\$7,880,498
FFY 2004	\$7,568,561
FFY 2005	\$6,911,858
FFY 2006	\$6,859,309
FFY 2007	\$6,756,475
FFY 2008	\$7,330,080
FFY 2009	\$9,180,717
FFY 2010	\$10,494,344
<b>Total</b>	<b>\$82,858,661</b>

These penalties are paid with 100% state dollars. Penalties will continue to be assessed until CSES is deployed and operational statewide. Penalties will increase as South Carolina moves toward completion of the project as penalties are assessed on both child support operations and system development cost.

**5. How much has been spent to satisfy actions taken by the state judicial system?**

The answer to this question remains the same as the 8/31/2008 response to Proviso 26.25.

**6. How much has been spent related to actions taken by any other entity which may have altered the amount required for meeting minimum federal guidelines?**

There are no costs beyond those listed in items 2 through 5.