



LEGISLATIVE BUDGET BOARD

Office of the Attorney General

Overview of the Texas Child Support Enforcement System 2.0

**PRESENTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2019

T2 Overview

The Office of the Attorney General (OAG) Texas Child Support Enforcement System 2.0 (T2) project seeks to enhance Texas' main computer system used for processing child support collections.

- Made up of multiple contracts – the largest contract is for software development with Accenture LLP
- 15 months behind original completion date of December 2017
- Original budget of \$223.6 million has increased to \$419.6 million
- Funded with 34 percent state dollars (\$142.7 million) and 66 percent federal (\$277.0 million)

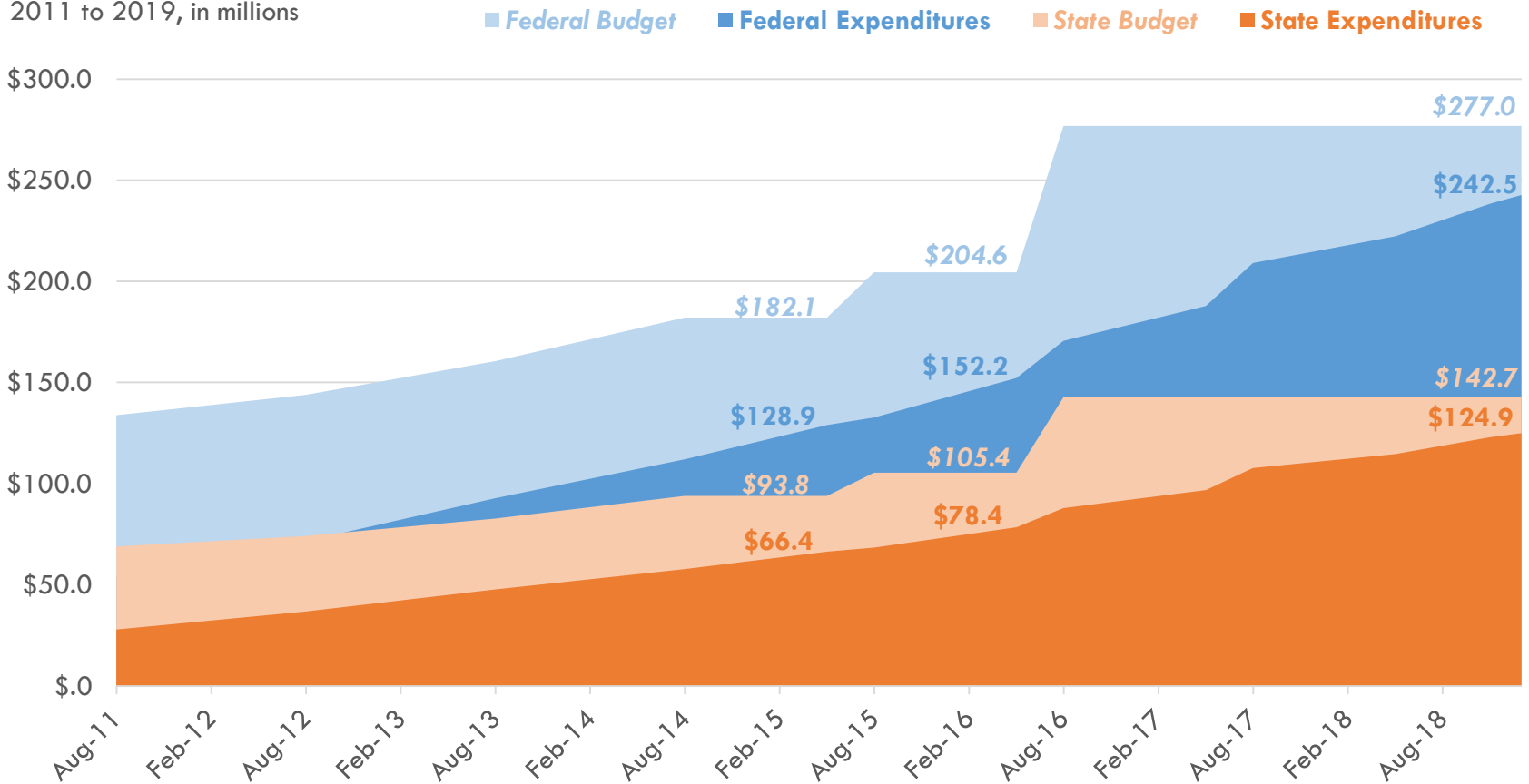
OAG staff indicate that, due to several factors described in this presentation, T2 will not be deployable by the revised deployment date of March 4, 2019.

T2 Expenditures

\$367.5 million (\$124.9 million state, \$242.5 million federal) has been expended on T2 through January 2019:

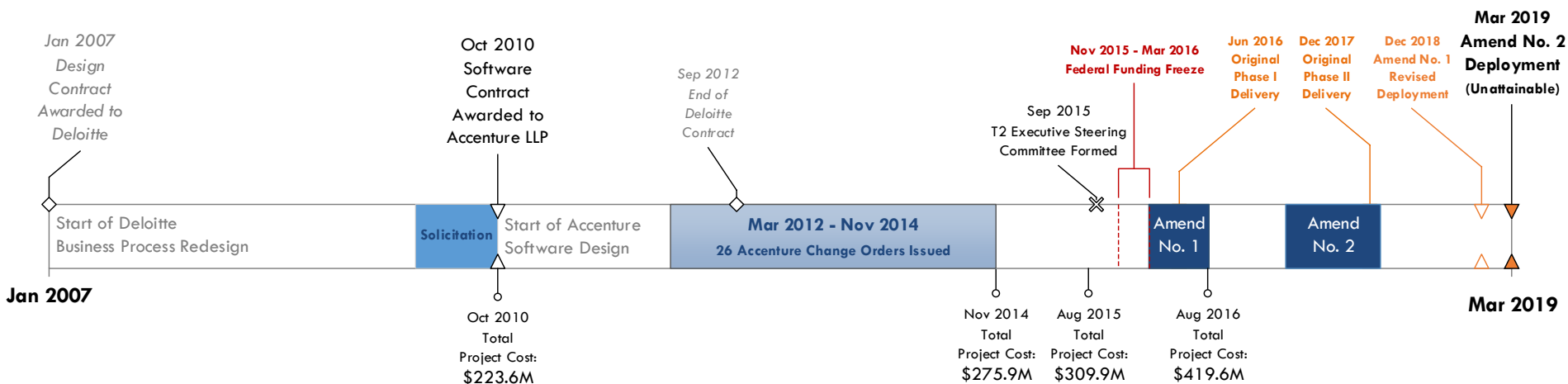
T2 Project Budget & Expenditures

2011 to 2019, in millions



Source: Quality Assurance Team, Office of the Attorney General

T2 Timeline



January 2007 – The initial project design phase begins with Deloitte, which produces a blueprint for T2’s eventual development.

October 2010 – Negotiations are finalized, and a contract for software design, development, and implementation is signed with Accenture valued at \$69.8 million.

March 2012 to November 2014 - 27 change orders increase the Accenture contract value to \$98.3 million.

September 2015 –The 84th Legislature establishes the T2 Executive Steering Committee.

November 2015 to March 2016 – The Federal Government freezes T2 funding due to several deficiencies, requiring a reset of the project’s governance.

August 2016 – Along with project governance, Amendment No. 1 resets the T2 delivery date to December 2018 and increases the Accenture contract to \$150.1 million in value. The Quality Assurance Team works with OAG and feds to improve protections.

January 2018 – Due to changing federal form requirements, Amendment No. 2 resets the T2 delivery date to March 2019 and increases the Accenture contract to \$156.9 million in value. The Quality Assurance Team reviews the amendment.

Oversight of T2

The T2 project has been subject to various oversight since it began in 2007:

Quality Assurance Team (QAT)

- An interagency workgroup (Members: DIR, LBB, CPA; SAO serves in an advisory role only) that provides oversight for major information resource projects valued at over \$1 million and that are 1 year or more in duration.
- A timeline of T2-related QAT activity is attached. It shows that QAT approved the initial project in 2009, ordered additional monitoring in 2012, and requested a new project framework in 2013 and 2014.
- QAT must review and approve amendments if they change a project-related contract's value by 10% or more. From June to August of 2016, QAT worked with OAG staff to address issues within Amendment No. 1 and the underlying contract.
- While not requiring formal approval, QAT also provided input into Amendment No. 2 in late 2017.

T2 Executive Steering Committee

- Formed by 84th Legislature in response to project cost growth, and tasked with providing high-level oversight.
- Attendees include OAG staff, third party quality assurance vendors, as well as representatives of the Department of Information Resources, the Legislative Budget Board, and the Comptroller of Public Accounts.

Federal Office of Child Support Enforcement (OSCE)

- OSCE representatives are in constant contact with OAG staff, and conduct quarterly site visits.

T2 Challenges

The overall T2 project is nearly 10% behind the updated schedule due to delays in the main contract and ongoing performance issues. **As a result, OAG staff indicate that T2 will not be ready for deployment by the revised go-live date of March 4, 2019.** Several challenges are causing the delay, which must be resolved before T2 can be deployed:

Performance Issues

- Inadequate T2 performance causes substandard processing speeds. Switching on key security software exacerbates the issue.
- While progress has been made, Accenture continues a troubleshooting process which began in March of 2018.

Ongoing Defects

- OAG staff ordered additional Joint System Testing (JST) in Summer 2018, which has revealed at least 1000 new defects in T2. These range from minor typos to severe security issues, and must be resolved before proceeding.
- The process to pull financial data from the original T1 system into T2 is experiencing defects.

Infrastructure Updates

- Because of delays, core security software has lost vendor support and must be upgraded before T2 can be deployed. This upgrade cannot begin until all system defects are addressed.

Moving Forward

Development Contract with Accenture

- Amendment No. 1 and No. 2 to the original T2 development contract added holdback amounts of approximately \$20 million
- \$15.0 million is for on-time delivery, and approximately \$5 million is held back until federal certification is obtained.
- \$340,000 is deducted (up to \$15.0 million) for every week the system is delayed past April 3, 2019.

Other Supporting Contracts

- There are multiple other contracts that support the development of T2. As the development contract with Accenture is delayed, these supporting contracts have to be extended.
- OAG staff indicate that this is likely to cause the overall project budget to increase beyond the current \$419.6 million.
- Any budget increase will require QAT review and approval, and formal notification to the T2 Executive Steering Committee.



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Contact the LBB

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