



Minnesota Department of **Human Services**

Minnesota Department of Human Services Child Support Enforcement Division (CSED) Policy BPR Project

Final Report — (Deliverable #4)

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Executive Summary

Introduction and Project Background

- 1 The State of Minnesota, Department of Human Services (DHS), Child Support Enforcement Division (CSED) is responsible for managing one of the top performing child support enforcement programs in the United States. The success of the program is evidenced by its strong performance in a number of the federal performance measures and, more importantly, by the outcomes it has created for Minnesota's families and citizens.
- 2 Despite its track record of success, CSED decided to undertake a comprehensive Business Process Redesign (BPR) effort with the intent of identifying opportunities to streamline its child support operations and improve its program. This BPR project also assessed the portfolio of technology that currently supports the business and identified opportunities to further increase automation and to better meet the business needs of the program.
- 3 The business environment surrounding child support enforcement has changed significantly over recent years. Increasing customer service demands from constituents, rising case loads and increased competition for incentive funding between states are causing states like Minnesota to re-evaluate whether business processes can be more effectively administered and more efficiently supported through appropriate technologies. In short, the BPR project is a first step toward developing a long-term plan for evolving the Minnesota child support operating model to meet the changing demands of the future.
- 4 This document represents the completion of the final phase of the Policy BPR project, and the fourth and final deliverable. This **Deliverable #4: Final Report and Roadmap** is significant because it is the culmination of all of the Policy BPR efforts. It provides an implementation plan, which includes our suggested timing / sequence of implementation, and the dependencies each project has on other projects in the Implementation Roadmap.

Our Approach to the Policy BPR Project

- 5 Deloitte Consulting completed an assessment of the Minnesota Child Support Enforcement Division's (CSED) existing program policies, processes, and procedures as part of the CSED Policy BPR Project. The ultimate purpose of the assessment was to provide a basis for making recommendations that CSED can implement to reduce complexity and/or improve efficiency of the IV-D program. Deloitte and CSED worked together to conduct interactive process sessions and interviews to validate the current process environment and share ideas for future improvement. These sessions involved participants from all facets of the Minnesota child support program. (See Appendix C for more details on the county and State participants involved in the Process Sessions.) The recommendations presented in the *Assessment of Program Policies Processes and Procedures* deliverable (Deliverable #2) was a culmination of the analysis and findings from a documentation review, process sessions, the benchmark study, and Deloitte's experience in working in the child support enforcement area.

- 6 Deloitte Consulting also completed an assessment of CSED’s existing manual and automated processes, applications, and technology as part of the CSED Policy BPR project. This assessment was conducted concurrently with the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2). We conducted our review of CSED’s automated processes using our child support enforcement IndustryPrint™, targeted interviews with CSED technology staff, and through personal demonstrations and reviews of PRISM functionality. Using the pain points gathered from the process sessions, technical sessions, our review of the documentation, individual interviews and experience in working with statewide child support systems, we completed a detailed assessment of Minnesota’s automated processes. The result was a detailed list of recommendations for the core applications and process automation in general.
- 7 This document represents the completion of the final phase of the Policy BPR project, and the fourth and final deliverable. As depicted in Figure 1, this **Deliverable #4: Final Report and Roadmap** encompasses the recommendations resulting from the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2) and *Assessment of Automated Processes* (Deliverable #3) of the Policy BPR project.

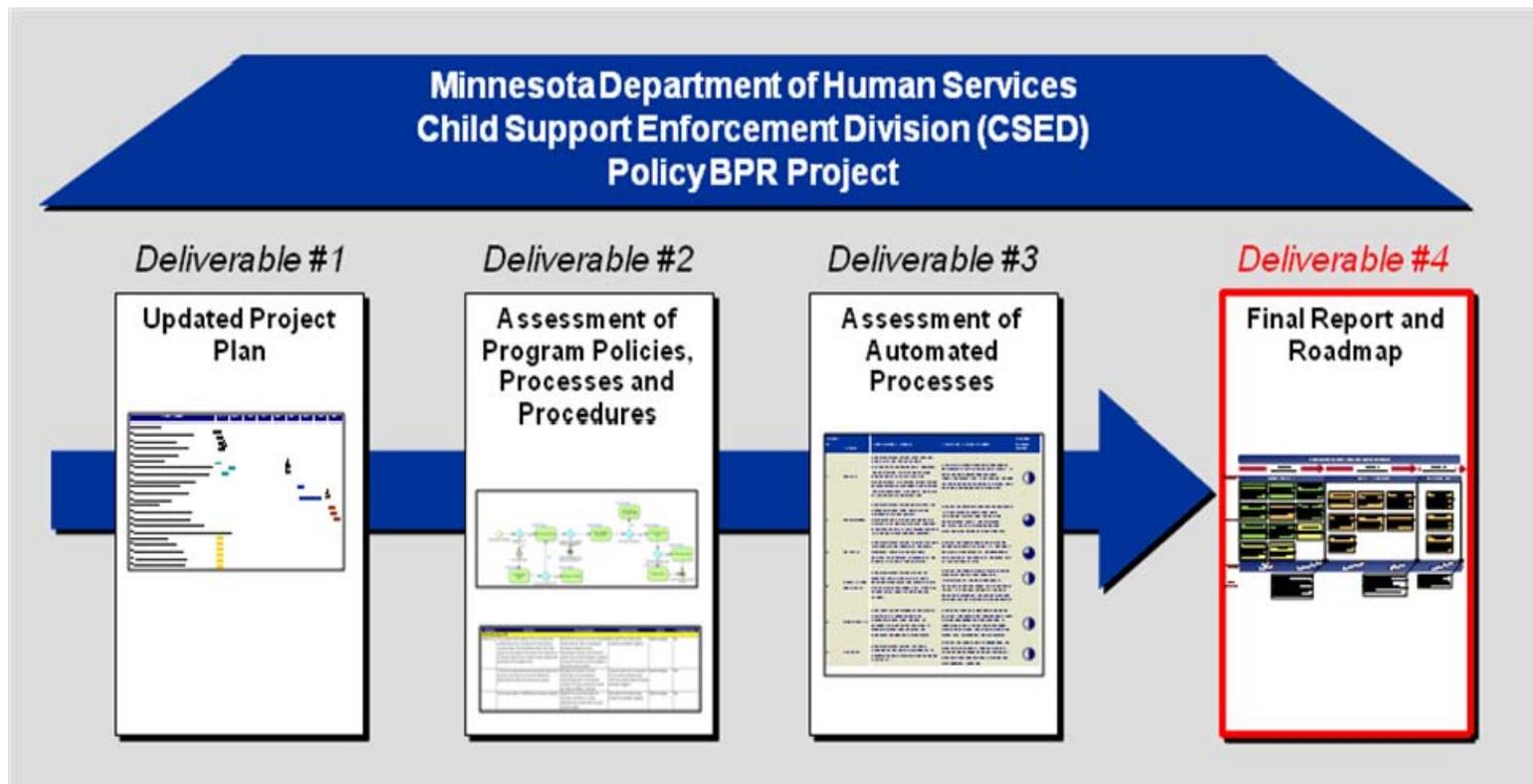


Figure 1: Policy BPR Project Deliverables

- 8 In addition to summarizing the policy, procedure, and technology recommendations made during the assessment phases of the project, this Final Report and Roadmap also provides a high-level plan on how to implement these changes within the CSED defined time of six years. It provides a graphical implementation plan (also called a Roadmap), which includes the suggested timing / sequence of the projects. The sequence of the projects was based on the dependence of that project on other projects in the Roadmap, the cost benefit analysis (CBA) and return on investment (ROI) calculations, risk factors for each project, as well as the strategic goals and long term vision of the program. The Roadmap provides a big picture view of CSED's system replacement strategy so that CSED will be able to clearly describe this plan to its stakeholders.
- 9 CSED and the Deloitte Team used a collaborative approach in developing the Roadmap that was both realistic and strategically aligned with current and planned CSED initiatives. Multiple work sessions with CSED helped to validate the projects and their priorities, create a timeline to execute the strategy, and ensure appropriate factors for sequencing projects were considered. This joint approach yielded a recommended Implementation Roadmap that is aligned with the MN Child Support Program's goals and will serve as a guide when considering future projects to pursue.

Assumptions

- 10 Many assumptions were made while developing the Implementation Roadmap, particularly related to the Project Profiles and the cost benefit analysis (CBA) and return on investment (ROI) calculations. The following bullets outline some of these assumptions.

The cost estimates provided in the CBAs are based upon our understanding of current market information and our experience in similar projects. At this time, CSED has not been in a position to define its To-be technical architecture, document its To-be process vision, nor has it been able to provide details related to the system requirements for any of the renewal projects. Due to these factors, there could be variances in cost estimates as high as +/- 25%.

The project profiles are not intended to serve as the work plan for implementation, but instead are an input to the definition of scope, requirements, and detailed implementation work plan creation once the project is initiated. Profiles were created for all projects placed on the Implementation Roadmap.

The "Costs" component of the project profiles and CBAs is based on an estimate of hours for each project multiplied by the blended rate of both vendor and MN Child Support Program resources. The CSED blended rates were provided by CSED for State IT and non-IT staff and management. Since CSED has not yet made the decision regarding how much of the estimated hours will be worked by state and county staff versus vendor staff, we have attempted to allocate the hours based on our experience in other system replacement projects.

The hardware and software costs provided are for guidance in making decisions and do not assume re-use of existing CSED hardware / software resources and capacity. CSED will need to perform detailed capacity assessments of existing servers and software licenses. This should be followed by capacity / sizing studies for future environment and vendor negotiations to arrive at these costs.

The "Benefits" component of the project profiles and CBAs consists of both qualitative and quantitative benefits. The quantitative benefits are based on data received from CSED and the counties, as well as data from sources outside of Minnesota including work done in other states. The extents to which the quantitative benefits are complete depend on the availability and quality of data received.

Federal approval for the technology projects will be a key success factor for CSED. It will be important for CSED to engage the appropriate OSCE staff early and often during the planning process to ensure that the federal agency is supportive of CSED’s future vision of system replacement.

CSED will be faced with critical decisions regarding the type of software, hardware, or services that will need to be procured to make this future vision a reality. These decisions will impact the cost and potentially the duration of the projects.

The cost benefit analysis for all projects were done in isolation from one another so all estimated benefits and costs stand alone for each project and do not take the others into consideration. In addition, costs for projects are estimated at the project level and are therefore not totaled for all Roadmap projects. The total cost of implementing the entire system renewal depends on whether all Roadmap projects are done or not.

The cost benefit analyses are based upon data that is known at the time of this assessment. The savings and benefits that have been estimated are done so according to the circumstances that exist at the time the estimates were made and are correlated with specific strategic courses of action. Changes to the DHS budget, priorities or a myriad of other unknown factors could obviously impact costs and benefits associated with the projects in this roadmap.

Summary of Projects

- 11 Many of the proposed projects stem from the recommendations detailed in the *Assessment of Program Policies, Processes and Procedures* (BPR Deliverable #2) and *Assessment of Automated Processes* (BPR Deliverable #3). These recommendations were grouped into categories and then further grouped into implementable projects. The list of 21 recommended projects (three of which are Quick Wins) was then presented to CSED for validation. Each project was identified as one of three project types:

A **Foundation** project enables the implementation of subsequent system renewal projects.

A **System Renewal** project supports the future technology changes that will help achieve the vision of the program.

A **Quick Win** project is a short-term project and can be done independent of system renewal. Quick Wins are intended to yield results quickly with low risk and cost.

- 12 Table 1 lists the Roadmap projects by project type. The table also lists the related recommendations, if any, from the previous BPR assessment deliverables that are aligned with the project.

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|----------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Conduct a To-Be Process Analysis | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for all system renewal projects. This project is vital as it makes sure that future technology investments are based on an effective and efficient business model. |

¹ Codes following the recommendations map each recommendation back to the ID used in Deliverable #2 and/or Deliverable #3.

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|----------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | Develop a Procurement Strategy for System Renewal | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for the system renewal projects. This project ensures that MN has the buy-in of OCSE in the planning of the new system. |
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | Foundation | <ul style="list-style-type: none"> Accept NPA Applications via the Internet (CI-1) Waive NPA Application Fee (CI-2) Enable Interstate Email Communications (Review MN Data Privacy Act) (CI-5) Screen COMA Case Referrals before Accepting Cases on PRISM (CI-6) Implement an Internet Locate Policy and Reference Guide (LO-1) Establish a Clear Definition of “Affordable” Health Insurance Coverage (ES-6) Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage (EN-13) Discontinue Interest Accrual (FI-2) Discontinue Billing Statements to NCPs Paying through Income Withholding (FI-4) Require Electronic Remittance for All Employers (FI-5) Accept Credit Card Payments (FI-6) Simplified DRA Distribution Rules (FI-7) Replace the 1% Cost Recovery Fee With a Flat, Annual Cost Recovery Fee (FI-8) Improve Security Management (CA-08) Enhanced, Comprehensive, Employer Web Portal (EN-4 / CM-8) Issue IWO Notices with Case Specific Arrears Payment Terms (EN-9) Allow Minnesota Child Support Online (MCSO) Users to Update Information (CM-6) |
| 4 | Establish Technical Infrastructure | Foundation | <ul style="list-style-type: none"> Review Data Architecture Strategy (MCSO-06) Enhance Technical Documentation (CA-10) |
| 5 | Improve Data Quality | Foundation | <ul style="list-style-type: none"> Develop Data Integrity and Data Quality Strategy (PRISM-13) Implement Data Management (DATAWHS-08) Improve Master Data Management (CA-05) |
| 6 | Conduct Implementation Readiness Assessments (IRAs) | Foundation | <ul style="list-style-type: none"> N/A - This is a foundation project for all system renewal projects. An IRA helps further define the scope of each project and will help CSED understand, at a very detailed level, what the true efforts, costs and benefits are for each project. |
| 7 | Establish Performance Management Framework | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for the Improve Reporting Capabilities and Analytics project. This project will help CSED ensure that any enhancements to the reporting capabilities are aligned with the performance management framework. |
| 8 | Establish Governance Structure | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for all system renewal projects. This project allows CSED to establish the organization, methods and controls to manage the execution of each project. |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|--------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 | Implement Enterprise Content Management (ECM) | System Renewal | <ul style="list-style-type: none"> • Implement an Enterprise Content Management (ECM) System (CM-3) • Implement Spell Check (PRISM-08) • Implement Document Management (CA-04) • Enhance Forms Management (CA-11) |
| 10 | Improve Reporting Capabilities and Analytics | System Renewal | <ul style="list-style-type: none"> • Consolidate the Location of All Reports (CM-9 / MA-26) • Implement Performance Reporting (IVR-02) • Re-evaluate Business Intelligence Tools (DATAWHS-01) • Consolidate Federal Reporting in Data Warehouse (DATAWHS-02) • Implement Extract Transform Load Tools (DATAWHS-03) • Re-organize Your Data Model (DATAWHS-04) • Implement an Operational Data Store (DATAWHS-05) • Review Report Inventory (DATAWHS-06) • Develop Knowledge Repository (DATAWHS-07) • Revisit Load Requirements (DATAWHS-09) • Improve Reporting and Analysis (CA-06) |
| 11 | Enhance Self Service | System Renewal | <ul style="list-style-type: none"> • Provide Financial Statements Online or via Email (ES-5 / MA-2) • Enhanced, Comprehensive, Employer Web Portal (EN-4 / CM-8) • Implement Unemployment “Seek Work” Tools (EN-6) • Accept Credit Card Payment and Other Online Forms of Payment (FI-6 / MA-4) • Allow MCSO Users to Update Information (CM-6 / MA-5) • Conduct a MCSO Usability Assessment (MCSO-01) • Extend to Portal Technology (MCSO-03) • Implement Self Service (IVR-01) • Operationalize Service Level Agreement (IVR-03) |
| 12 | Implement Customer Relationship Management (CRM) | System Renewal | <ul style="list-style-type: none"> • Implement a Customer Relationship Management (CRM) Solution (CM-2 / CA-07) • Implement Integrated Communication Channels (MCSO-02) • Implement Outbound Calling (IVR-04) |
| 13 | Assess and Plan for Security Management | System Renewal | <ul style="list-style-type: none"> • Improve Security Management (CA-08) • Conduct a Security / Vulnerability Assessment (MCSO-05) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|---------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14 | Incremental Renewal – Case Initiation | System Renewal | <ul style="list-style-type: none"> • Accept NPA Applications via the Internet (CI-1 / MA-1) • Enhance Case and Person Matching (CI-3 / MA-6 / PRISM-11) • Enhance MAXIS Interface Screening (CI-4 / MA-17) • Enable Interstate Email Communications (CI-5) • Screen COMA Case Referrals before Accepting Cases on PRISM (CI-6) • Implement a Rule-based Case Assessment and Case Closure Capability (CM-1 / MA-14) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Improve Efficiency of Worklists (CM-5 / MA-24 / PRISM-09) • Allow Users Multiple Entry Options (PRISM-01) • Implement Next Appropriate Action (PRISM-02) • Provide Dynamic Filtering and Viewing (PRISM-03) • Develop Summary Screens (PRISM-04) • Implement Workflow / Orchestration (PRISM-05) • Eliminate Acronyms and Codes (PRISM-06) • Implement Flexible Search (PRISM-07) • Implement Spell Check (PRISM-08) • Implement Intelligent Case Assignment (PRISM-10) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |
| 15 | Incremental Renewal – Locate | System Renewal | <ul style="list-style-type: none"> • Implement an Internet Locate Policy and Reference Guide (LO-1) • Implement a Rule-based Locate Automation Capability (LO-2 / MA-7) • Automate Validation Activities (LO-3 / MA-8) • Create New and Expand Existing Locate Interfaces (LO-5 / MA-20) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|-------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 | Incremental Renewal – Establishment | System Renewal | <ul style="list-style-type: none"> • Standardize the Paternity Establishment Processes and Practices (Emphasizing Voluntary Acknowledgements of Paternity) (ES-1) • Utilize a Statewide Genetic Testing Contract (ES-2) • Enhance Minnesota Department of Health Interface (ES-3 / MA-18) • Emphasize Stipulated or Agreed Orders (ES-4) • Establish a Clear Definition of “Affordable” Health Insurance Coverage (ES-6) • Create an Automated Review Selection Capability (ES-7 / MA-9) • Develop and Make Available User-friendly Pro Se Packets for Reviewing CSE Obligations (ES-8) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Integrate Automated Scheduling into the Child Support Application (CM-7 / MA-25 / CA-09) • Provide Standardization and Flexibility to PRISM Documents and Forms in the Paternity Establishment Processes (MA-21) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |
| 17 | Incremental Renewal – Enforcement | System Renewal | <ul style="list-style-type: none"> • Implement Automated Early Intervention Techniques (EN-1 / MA-10) • Utilize Automated Enforcement Remedies (EN-2 / MA-11) • Implement Electronic Income Withholding Orders (eIWOs) (EN-3 / MA-3) • Establish a Central Lien Registry (EN-5 / MA-22) • Standardize the Contempt Process (EN-7) • Enforce Only Unreimbursed Medical Expenses that have been Reduced to Judgment by the Parties (EN-8) • Implement Automated IWO Arrears Calculation (EN-9) • Automate FIDM (EN-11 / MA-12) • Automate the License Suspension Process (EN-12 / MA-13) • Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage (EN-13) • Standardize Payment Agreements (EN-14) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automate (CA-03) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ¹ |
|----|--------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18 | Incremental Renewal – Financials | System Renewal | <ul style="list-style-type: none"> Automate Court Order Entry Process (FI-1 / MA-19) Discontinue Interest Accrual (FI-2) Revised Billing Statement (FI-3) Discontinue Billing Statements to Targeted NCPs (FI-4) Require Electronic Remittance for Large Employers (FI-5) Simplify DRA Distribution Rules (FI-7) Replace the 1% Cost Recovery Fee with a Flat, Annual Cost Recovery Fee (FI-8 / MA-15) Merge All Adjustment Functions into One Application (FI-9 / MA-16) Waive NPA Application Fee (CI-2) Implement Data Archiving / Purging (PRISM-14) Implement Automated Activity Logging and Tracking (CM-4 / MA-23) Implement Next Appropriate Action (PRISM-02) Implement Workflow / Orchestration (PRISM-05) Automate Manual Interfaces (PRISM-12) Allow for Interface Integration (CA-01) Implement Workflow Automation (CA-02) Implement Rule-Based Automation (CA-03) |
| 19 | Rationalize Reports | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |
| 20 | Enhance IWO Processes | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |
| 21 | Improve Federal Performance Measures | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |

Table 1: Projects and Recommendations Mapping

- 13 Table 2 provides a summary of each project’s profile and cost benefit analysis results. Note that the “Recurring Costs Increasing Over Time” column indicates the estimated recurring costs for the first year after the project is implemented. The recurring costs increase for each subsequent year. Similarly, the “Non-Revenue Benefits Diminishing Over Time” and “Revenue Benefits Diminishing Over Time” columns indicate the estimated benefits for the first year after the project is implemented. The benefits diminish each subsequent year.
- 14 In addition, quantitative benefits were not calculated for some projects as the projects do not directly result in quantifiable benefits but, instead, support the success of future projects. The benefits and breakeven columns are left blank for these projects.
- 15 The cost benefit analyses indicate that the system maintenance costs if all the projects were implemented would total \$4,493,722 annually.² CSED indicated that SFY 2008 actual salary costs for PRISM maintenance totals \$9,750,441 (116 FTE), resulting in a \$5,256,719 savings.

² Note that this \$4,493,722 estimate does not include estimates for non-salary recurring costs or the costs of ongoing monitoring and governance activities by CSED and county staff or management.

Assuming an average PRISM staff rate per hour of \$40.41 and 2080 hours per year, this translates to 63 FTEs that could be reduced by the new system.

- 16 To complete every project in the Roadmap is expected to cost \$113,070,287 in one-time costs. This number could be lower depending on whether CSED decides to undertake every project. If CSED only decides to implement the Incremental Renewal Projects and the related required Foundation projects and forego other systems enhancements such as Electronic Case Management and Customer Relationship Management, the one-time costs could be as low as \$91,137,819 (this estimate includes only projects # 1,2,4,6,8 and 14 - 18). However, the benefits expected of the Incremental Renewal projects would be lower as the new functionality implemented in the Incremental Renewal projects would not be maximized without the other supporting projects.

| # | Project Name | Project Type | Project Priority | Estimated Duration | Risk | One-time Costs ³ | Recurring Costs Increasing Over Time | Non-Revenue Benefits Diminishing Over Time (Collections) | Revenue Benefits Diminishing Over Time (Incentives, Reduced Costs) | Break-even Year (of the Roadmap) ⁴ |
|---|----------------------------------------------------------------------------------|--------------|------------------|--------------------|--------|-----------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|
| 1 | Conduct a To-Be Process Analysis | Foundation | High | 4 – 6 months | Low | \$847,795 | \$0 | - | - | - |
| 2 | Develop a Procurement Strategy for System Renewal | Foundation | High | 4 – 6 months | Low | \$245,703 | \$0 | - | - | - |
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | Foundation | High | 9 – 15 months | Low | \$162,320 | \$0 | - | - | - |
| 4 | Establish Technical Infrastructure | Foundation | High | 6 – 9 months | Medium | \$1,385,817 | \$0 | - | - | - |
| 5 | Improve Data Quality | Foundation | High | 10 – 12 months | Medium | \$1,135,389 | \$47,625 | \$7,159,429 | \$770,691 | Year 3 |

³ Costs for projects are estimated at the project level and are therefore not totaled for all Roadmap projects. The total cost of implementing the entire system renewal depends on whether all Roadmap projects are done or not. Total costs will need to be estimated in the context of the choices made by the state. The projects are organized to build upon each other and skipping one may potentially increase the cost of another.

⁴ The projects do not all start in Year 1 of the Roadmap.

| # | Project Name | Project Type | Project Priority | Estimated Duration | Risk | One-time Costs ³ | Recurring Costs Increasing Over Time | Non-Revenue Benefits Diminishing Over Time (Collections) | Revenue Benefits Diminishing Over Time (Incentives, Reduced Costs) | Break-even Year (of the Roadmap) ⁴ |
|----|-----------------------------------------------------|----------------|------------------|--------------------|--------|-----------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|
| 6 | Conduct Implementation Readiness Assessments (IRAs) | Foundation | High | 10 – 12 months | Low | \$1,287,330 | \$0 | - | - | - |
| 7 | Establish Performance Management Framework | Foundation | Medium | 10 – 12 months | Medium | \$932,572 | \$101,800 | - | - | - |
| 8 | Establish Governance Structure | Foundation | High | 3 – 4 months | Low | \$377,057 | \$21,210 | - | - | - |
| 9 | Implement Enterprise Content Management (ECM) | System Renewal | Medium | 9 – 12 months | Medium | \$10,869,612 | \$363,375 | \$26,978,449 | \$3,663,301 | Year 8 |
| 10 | Improve Reporting Capabilities and Analytics | System Renewal | High | 9 – 12 months | Medium | \$1,983,628 | \$235,800 | \$5,095,924 | \$861,987 | Beyond Year 8 |
| 11 | Enhance Self Service | System Renewal | High | 9 – 12 months | Medium | \$1,472,869 | \$406,980 | \$11,629,116 | \$1,867,271 | Year 5 |
| 12 | Implement Customer Relationship Management (CRM) | System Renewal | Medium | 15 – 18 months | Medium | \$4,167,602 | \$617,328 | \$25,516,953 | \$2,438,217 | Year 6 |
| 13 | Assess and Plan for Security Management | System Renewal | High | 4 – 6 months | Medium | \$847,735 | \$0 | - | - | - |
| 14 | Incremental Renewal – Case Initiation | System Renewal | High | 16 – 18 months | High | \$15,614,608 | \$1,091,880 | \$31,553,696 | \$4,285,370 | Beyond Year 8 |
| 15 | Incremental Renewal – Locate | System Renewal | High | 16 – 18 months | High | \$8,663,650 | \$604,656 | \$22,042,963 | \$4,216,370 | Year 6 |
| 16 | Incremental Renewal – Establishment | System Renewal | High | 18 – 24 months | High | \$20,443,470 | \$604,656 | \$10,722,011 | \$6,905,462 | Year 10 |

| # | Project Name | Project Type | Project Priority | Estimated Duration | Risk | One-time Costs ³ | Recurring Costs Increasing Over Time | Non-Revenue Benefits Diminishing Over Time (Collections) | Revenue Benefits Diminishing Over Time (Incentives, Reduced Costs) | Break-even Year (of the Roadmap) ⁴ |
|----|--------------------------------------|----------------|------------------|--------------------|------|-----------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|
| 17 | Incremental Renewal – Enforcement | System Renewal | High | 18 – 24 months | High | \$16,599,527 | \$604,656 | \$33,998,580 | \$6,204,741 | Year 9 |
| 18 | Incremental Renewal – Financials | System Renewal | High | 18 – 24 months | High | \$25,672,865 | \$806,208 | \$21,305,428 | \$8,846,070 | Year 10 |
| 19 | Rationalize Reports | Quick Win | Medium | 4 – 6 months | Low | \$131,154 | \$12,113 | \$0 | \$535,133 | Year 2 |
| 20 | Enhance IWO Processes | Quick Win | High | 3 – 6 months | Low | \$39,960 | \$19,380 | \$16,921,528 | \$700,481 | Year 2 |
| 21 | Improve Federal Performance Measures | Quick Win | Medium | 5 – 6 months | Low | \$189,630 | \$47,465 | \$0 | \$679,571 | Year 2 |

Table 2: Project Profile and CBA Summary

- 17 For each of the projects placed on the Implementation Roadmap, a profile was created that includes information such as project description, duration, costs, benefits, risks, and assumptions. The project profiles are not intended to serve as the work plan for implementation, but instead as an input to the definition of scope, requirements, and detailed implementation work plan creation once the project is initiated.
- 18 Table 3: Project Profile Template shows the template used for the project profiles. A completed profile for each project is included later in this document.

| | |
|------------------|-----------------------------------------------------------------------------------------|
| Project ID | ## |
| Project Name | <Short Name of Project> |
| Duration | <Duration of project> |
| Project Type | <Indicates whether the project is of the type Foundation, System Renewal, or Quick Win> |
| Business Process | <Indicates the business process the change affects> |
| Project Sponsor | <CSED sponsor of the project> |
| Project Priority | <Indicates the priority of the project as either High, Medium, or Low> |
| Strategic Goal | <Strategic goal(s) this project addresses> |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Project Description | <Brief description of the project> |
| Estimated Costs | <Child Support Program resources, vendor resources, software/hardware costs > |
| Expected Benefits | <Overview of all qualitative benefits> |
| Project Risk | <Low, Medium, High> |
| Assumptions and Notes | |
| <Assumptions relating to specific project and associated notes that would be helpful for project implementation, such as project dependencies> | |

Table 3: Project Profile Template

19 The “**Duration**” section of the project profile details the length of time estimated to complete the project. This duration depends greatly on the timely procurement of MN Child Support Program and vendor resources, software and hardware purchases, consistent project funding, and the implementation of the dependent projects. Due to this, the duration is merely an estimate at this point.

20 The “**Project Type**” section of the project profile indicates whether the project is of type Foundation, System Renewal, or Quick Win.

21 The “**Business Process**” section of the project profile details the business process affected by the project.

22 The “**Project Priority**” section of the project profile indicates if the project has been assigned a High, Medium or Low priority. Deloitte worked with CSED to determine each project’s priority per the following definitions:

High – A project with high priority is critical for the system renewal.

Medium – A project with medium priority is important, but not technically necessary for the system renewal. These projects support system renewal processes and provide for new levels of automation and simplicity.

Low – A project with low priority does not need to be implemented as part of the system renewal. These projects meet the goals and vision of CSED. For the purposes of our Implementation Roadmap, no project was identified as having a low priority.

23 The “**Strategic Goals**” section of the project profile aligns the project with one or more of the following three (3) strategic goals of the Child Support Program per the Minnesota Child Support Program’s 2008-2012 Strategic Plan:

Be Efficient, Consistent and Responsive

Maximize Performance and Outcomes

CSED’s Strategic Goals:

- Be efficient, consistent, and responsive in our operations
- Be effective, maximize overall performance and outcomes
- Be responsive, provide consistent high quality customer service

Be Responsive / Provide Consistent Customer Service

- 24 The “**Project Description**” section of the project profile details the components of each project such as the scope, approach, and deliverables. A brief background of the project is also provided to provide context to the challenges the project addresses.
- 25 The “**Estimated Cost**” section of the project profile refers the reader to the Cost Benefit Analysis for detail regarding estimated hours of MN Child Support Program and vendor resources, estimated costs based on individual blended rates of each entity, and high-level estimates of software and hardware purchase costs.
- 26 The “**Expected Benefits**” section of the project profile details the qualitative benefits resulting from the implementation of the projects. The qualitative benefits were derived from Deloitte’s industry experience in implementing similar projects for similar clients. The quantitative benefits are located in the Cost Benefit Analyses. The amount of quantitative data depended solely on the amount of data obtained from CSED.
- 27 The “**Risk**” section of the project profile details the level of risk the project contains. This is derived from Deloitte’s industry experience in implementing similar projects for similar clients. Risks have been classified as High, Medium, and Low.
- High – A project with high risk is complex, has a technology component to it, impacts many stakeholders, and has many project dependencies.
- Medium – A project with medium risk supports technology projects and has few project dependencies.
- Low – A project with low risk is short in duration, is not typically associated with technology, and has little project dependency.
- 28 The “**Assumptions and Notes**” section of the project profile provides additional information important to the project, including project dependencies or related projects and project assumptions.

Key Questions and Answers Relating to Assessment of Program Policies, Processes and Procedures (Deliverable #2)

- 29 In the Request for Proposals for this project, CSED listed a number of questions that it sought answers to regarding the policies and procedures that drive the business of child support enforcement in the state. Below you will find each of the questions and a brief summary of our answer. Deliverable #2 provides the analysis that supports these responses.
- 30 ***Are Minnesota's policies and procedures more complex than necessary?*** Yes, we found that there are policies and procedures that are more complex than necessary to meet federal requirements and deliver required IV-D services. In our assessment, we identified 94 "pain points" that can lead to inefficiency and complexity. Of these, 27 are directly related to policy, 39 related to procedures and the remaining 28 are associated with the technology that supports the implementation of the policies and procedures.
- 31 ***Is CSED more complex than other States with similar characteristics?*** Yes, when compared to the three other benchmark states that are county based and that have primarily judicial processes (New Jersey, Pennsylvania and Wisconsin), we found that there are some areas that Minnesota is more complex. As one example, New Jersey and Pennsylvania do not accrue interest on arrears.
- 32 ***Are Minnesota's policies implemented in the most streamlined and efficient manner?*** No, not all policies are implemented in the most streamlined and efficient manner. As indicated, the assessment contains 39 pain points that are associated with policies and processes. Many of these pain points relate to how counties have interpreted State policy or in some instances have developed work-arounds to avoid State policy decisions. Furthermore, the assessment has a number of examples of how the technology that enables and supports the policies has created an unnecessary burden on caseworkers.
- 33 ***Are there best practices from other states that CSED should adopt?*** Yes, we have referenced 70 leading practices from other states in the assessment. Many of these leading practices helped inform the specific recommendations.
- 34 ***Are there recommended changes to state statute to simplify policies while still remaining compliant with the federal authority?*** Yes, we have made 6 recommendations that may require CSED to pursue statutory changes which will still keep Minnesota compliant with federal requirements. There may be other recommendations that, depending on how CSED chooses to implement them, could require statutory changes.
- 35 ***How will recommended changes impact the IV-D program, families with child support cases, and the automated computer system, PRISM?*** In Deliverable #2, we summarized all the recommendations and also provided a summary of the potential benefits of each. In each of the recommendations, we also provided insight into why each recommendation should be implemented. Many recommendations are further detailed within the context of the project profiles in this deliverable.

CSED's Questions for Deliverable #2

- *Are Minnesota's policies and procedures more complex than necessary?*
- *Is CSED more complex than other States with similar characteristics?*
- *Are Minnesota's policies implemented in the most streamlined and efficient manner?*
- *Are there best practices that CSED should adopt?*
- *Are there recommended changes to state statute to simplify policies while still remaining compliant with the federal authority?*
- *How will recommended changes impact the IV-D program, families with child support case and the automated computer system, PRISM?*
- *What policy or procedural practices should CSED adopt to streamline its program?*

- 36 **What policy or procedural practices should CSED adopt to streamline its program?** The assessment contains a total of 70 recommendations that we feel CSED should adopt to streamline its program. Of these, 20 are recommendations that we have designated “quick-wins”. A quick win is defined as a recommendation that we have estimated should be able to be implemented in less than six months and at a cost of less than \$350,000. The remaining 50 recommendations will be aligned into recommended projects as part of this *Deliverable #4: Final Report and Roadmap*.

Key Questions and Answers Relating to Assessment of Automated Processes (Deliverable #3)

- 38 In the Request for Proposals for this project, CSED listed a number of questions that it sought answers to regarding the automated processes that support the business of child support enforcement in the State. Below you will find each of the questions and a brief summary of our answer. Deliverable #3 provides the analysis that supports these responses.
- 39 **Describe the complexity of the overall PRISM system in relation to existing policies (i.e., is the complexity of PRISM a result of the complexity of policy?)**
- 40 As with all child support enforcement programs, Minnesota has enacted a wide range of policies necessary to implement the Title IV-D program in compliance with federal requirements and state law. Given the range of IV-D services and the requirements of federal regulations, the policy framework is by necessity fairly complex. However, the manner in which these policies are implemented and supported by PRISM adds additional levels of complexity to the Minnesota child support program.
- 41 In many instances, particularly in the financial system, the PRISM design has added complexity to the overall program which has increased level of expertise necessary to perform standard functions. In other instances, specific Minnesota policies, such as charging interest on arrears and the 1% cost recovery fee, have introduced levels of complexity not required by federal law.
- 42 However, although PRISM is designed to implement CSED policy, the complexity of PRISM is more accurately defined as a product of its design rather than a result of the underlying policies.
- 43 **Have existing policies and procedures placed an unnecessary burden on PRISM?**
- 44 Yes. There are a number of policies and procedures noted in Deliverable #2 that have placed an additional burden on PRISM - examples include charging of interest and assessing a 1% cost recovery fee. These policies create additional process and technical complexities within PRISM's financial subsystems than other State child support enforcement systems.

CSED's Questions for Deliverable #3

- Describe the complexity of the overall PRISM system in relation to existing policies
- Have existing policies and procedures placed an unnecessary burden on PRISM?
- Are existing policies implemented in PRISM in the most streamlined manner?
- Is PRISM missing functionality necessary to automate a manual process?
- Describe the degree to which PRISM has begun to make meaningful use of Internet/Intranet technologies to distribute internal information to staff, provide public access to program and case information, and support interactions with employers
- What other PRISM functionality would be beneficial to our clients?
- What is the degree of PRISM integration with other systems?
- Are new PRISM subsystems warranted?
- Have other States recently replaced (or enhanced) their automated child support enforcement systems realized greater efficiency or performance?
- Is a new automated child support system warranted?

- 45 In addition to these formal policies, Minnesota has made many informal policy decisions that have resulted in a significant systematic burden on PRISM. Most notably, Minnesota's policy choices relating to the way it has implemented its distribution rules is one of the more complex in the nation. Minnesota's distribution hierarchy has 32 current distribution categories, and 193 arrears distribution categories. The impact of this decision has resulted in many downstream complexities. The batch processes associated with distribution have become extremely complex as a result of having to address the numerous current and arrears obligation types. Adjustments associated with these numerous distribution categories are all the more complex because of the need to manually compute and change the balances across numerous obligation types. Most significantly, the complexity associated with distribution makes it extremely difficult to modify or enhance the financials subsystem without introducing significant risk to downstream operations.
- 46 ***Are existing policies implemented in PRISM in the most streamlined manner?***
- 47 No, in many instances, the existing policies are implemented in PRISM in a manner which requires multiple manual and automated activities to accomplish routine tasks. The current case closure and income withholding processes are examples of instances where the existing policies are not implemented in a streamlined manner.
- 48 Additionally, in many circumstances policy decisions have been "over-engineered" in PRISM. In the distribution example noted above, there may be numerous policy reasons for why so many distribution categories may have been created. However, the overall operational benefits of these policy decisions needs to be weighed against the pain points and costs they have created. Looking at the current decisions that have been made around distribution, we believe they have not been implemented in the most cost-effective or streamlined manner.
- 49 ***Is PRISM missing functionality necessary to automate a manual process?***
- 50 Yes, in many instances there is missing functionality that could automate manual processes. In Deliverable #3, we have identified 47 key manual functions that lend themselves to automation. In addition, there are many discrete tasks or activities that are currently performed manually that could be automated. As an example, there are multiple forms that are used across numerous child support enforcement processes that could be automated in a way that would allow customers to enter data into the website, which could subsequently be loaded directly into PRISM.
- 51 ***Describe the degree to which PRISM has begun to make meaningful use of Internet/Intranet technologies to distribute internal information to staff, provide public access to program and case information, and support interactions with employers.***
- 52 PRISM has made initial strides at serving constituents through the Minnesota Child Support Online (MCSO) application, which includes some self service functions for custodial and non-custodial parents. MCSO also offers services to employers including the ability for employers to remit income withholding payments via the site. MCSO, along with the DHS website, also do provide general program information and do allow case participants a number of options that allow them to see what activities are occurring on their cases.
- 53 However, Minnesota has not yet made enough use of MCSO to support enhanced business processes that would result in pushing back office manual effort to self service through MCSO. For example, there is currently no capability for a NPA applicant to apply for services online nor can either a CP or NCP update demographic information such as address and telephone number. There is considerable opportunity for CSED to offer additional services to the employer community as well such as online income withholding orders and employment verification requests.
- 54 ***What other PRISM functionality would be beneficial to our clients?***

55 Our assessment identified 47 existing processes that are currently not automated in PRISM (discussed above and described in our analysis) Examples of key functionality that currently does not exist within PRISM, including the following:

Enterprise Content Management (ECM)

Customer Relationship Management (CRM)

Forms Management

Rule-Based Automation

Integrated workflow

Advanced participant matching capabilities

Advanced data warehousing, data mining, and performance management capabilities

Integrated scheduling

56 *What is the degree of PRISM integration with other systems?*

57 As with any child support system, PRISM relies heavily on the exchange of data with other systems in order to have the data to support the child support processes. PRISM has in place the requisite interfaces with the key governmental and private organizations that typically supply this data. In Deliverable #3, we list the 20 primary interfaces that are in place, for example, the Office of Federal Child Support Enforcement, Minnesota Department of Revenue, the State Directory of New Hires, and financial institutions.

58 There is, however an opportunity to improve the breadth and quality of some existing interfaces. For example, caseworkers report that the interface with the MAXIS system has data problems including in some instances providing outdated demographic information to PRISM, such as old addresses or telephone numbers or previously excluded alleged fathers.

59 CSED could also attempt to create new interfaces with agencies that they partner with and currently exchange data with manually. For example, an interface with the Department of Natural Resources could bring recreational license to PRISM that could be used in the Recreational License Suspension Process. Non IV-E foster care currently via paper and must be manually entered into the system.

60 *Have other States recently replaced (or enhanced) their automated child support enforcement systems realized greater efficiency or performance?*

61 There are number of states that have recently replaced or enhanced their systems. States have done so in efforts to improve performance, realize cost savings, replace outdated technology and improve the overall efficiency of the processes. Example of some of these states along with a brief summary of some of the benefits gained include:

Florida – The first phase of Florida’s system replacement (CAMS) included locate, enforcement and a number of case management functions including a comprehensive CRM solution. Florida has been able to automate a significant portion of the key functions that previously were performed by caseworkers. In addition, the new, web-based solution has made it easier for caseworkers to use the system and reduced the time required to train new workers.

Texas – Texas has implemented a one-stop portal to employers. This portal allows employers to report new hires, verify employment of NCPs and CPs, receive wage withholding requests, submit payments and provide health insurance coverage information. This centralized, one-stop portal has improved the efficiency of how Texas interacts with one of its most important stakeholders. This website is considered a key factor in Texas’ recent improvement in collections.

62 *Is a new automated child support system warranted?*

63 Throughout Deliverable #3, we documented 117 pain points associated with the current systems that support Minnesota’s child support program. We subsequently made 70 recommendations that we feel can be implemented to improve the manner in which CSED uses technology to support its business. Many of these recommendations are large in scale and will not be able to be implemented within the construct of CSED’s current application architecture. Other recommendations could be implemented, but will require a significant investment in modifying the current system.

64 Therefore, we believe that Minnesota should proceed with the planning steps required to build their case for a system replacement. This *Deliverable #4: Final Report and Roadmap* provides the information needed to begin this planning process.

65 The decision to replace a child support system requires an adherence to a defined process as outlined by the Office of Child Support Enforcement. There are different approaches that CSED should evaluate to seek and obtain state and federal buy-in and necessary approval for the system renewal. The process for system replacement requires careful planning and educating state and federal stakeholders and decision makers regarding the plan defined in the Roadmap. CSED should be in close contact with the Office of Child Support Enforcement (OCSE) to develop a mutually agreeable strategy for replacing PRISM

An Incremental Approach to System Renewal

66 The projects contained in the roadmap represent an effort by Minnesota to renew the technology that supports the child support program. We discussed two core approaches with CSED for consideration regarding how the system renewal could occur, incrementally or at once (also known as “Big-Bang”). There are advantages and disadvantages associated with both approaches. Table 4 and Table 5 below show some of these advantages and disadvantages.

| Advantages of Incremental Renewal | Disadvantages of Incremental Renewal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Expenses can be spread over time with a smaller initial investment. | Since the renewal is done incrementally, both the legacy system and the new system will need to be supported until the entire system is renewed. |
| Less burden on county and State staff as the work is not all done at the same time. This will allow staff to continue to focus on daily operations while at the same time supporting the incremental renewal effort. | The total time to renew the system is longer due to the multiple stages involved in the renewal. |

| Advantages of Incremental Renewal | Disadvantages of Incremental Renewal |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Functional modules rather than whole systems are replaced, mitigating technology and large scale project risks. | Interim interfaces between renewed system and legacy system will be obsolete at the end of renewal. |
| Existing portions of the system can continue to be used while other portions are being renewed. | County and State users must use both the legacy system and the new system at the same time in order to do casework. |
| Allows for introduction of new products and technology innovations during the renewal. | |
| Allows state staff to learn new technologies and tools over time and subsequently assume more responsibility of technical aspects throughout the renewal effort. | |
| Allows county and State users to learn the functionality of the new system slowly, one module at a time. | |

Table 4: Advantages and Disadvantages of Incremental Renewal

| Advantages of Big-Bang Renewal | Disadvantages of Big-Bang Renewal |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The total time required to renew the system is less than an incremental approach. | The approach is very resource intensive for both state, county, and contractor staff as more work is being done during the same period of time. |
| Total system replacement cost is typically lower than a longer, incremental approach. | Reduced ability to take advantage of technology innovations and new tools as they are introduced. A commitment is made to a particular technology and toolset and there is little opportunity to modify those choices over time. |
| No need to have an interim interface between the legacy system and the new system as all functionality will go live at the same time. | Greater risk due to the complexities associated with going live with all functionality at the same time. |
| | IT staff that will be maintaining the renewed system will be exposed sooner to technologies that they may not be familiar with. |
| | County and State users must learn how to use an entirely new system at once in order to remain productive. |

Table 5: Advantages and Disadvantages of Big-Bang Renewal

67 After careful consideration of the advantages and disadvantages to both approaches, Deloitte met with CSED to discuss both options. CSED, after weighing these inputs and taking into account other internal factors made the decision to have the roadmap implemented in an incremental manner.

Conclusion

- 68 A critical consideration in deciding whether to implement the Roadmap projects is recognizing the risks CSED could face by not changing its current business processes and continuing to conduct its program under the existing processes and procedures. The risks and implications that the MN Child Support Program would face, for not moving forward, are summarized below.
- 69 **Costs of the program will continue to rise.** The cost of supporting the MN Child Support Program has continued to rise over the past five years. These rising costs coupled with the reality that Minnesota child support collections are relatively stagnant means that the cost of collecting each dollar of child support is rising. Also, the resources to maintain the child support system (PRISM) and the inefficiency of many of the activities that caseworkers perform on the system add to the program's costs. These trends will continue unless something is done.
- 70 Fortunately, child support programs could be viewed as a good investment because they result in the state receiving additional federal aid. In other words, in contrast to some programs in which the state either bears 100% of the cost or provides a match to a sum-certain annual amount of federal aid, the amount of federal aid for child support programs increases if the state increases its commitment to the program.
- 71 **Minnesota's performance compared to its peers will continue to decline.** In FFY2007, Minnesota's cost-effectiveness ratio was 4.01 compared to 4.22 in FFY2005 and 4.05 in FFY2006. During these same three years, Minnesota's performance on the other federal measures, while above national average, has remained flat. Over the last three years, Minnesota has spent more money on the program while not improving overall performance.
- 73 Since federal incentive allocations are based on how well Minnesota does compared to other states, if Minnesota drops below the cost-effectiveness threshold of 4.00, it will fall to a level of receiving only 70% of the total incentive allocation. (Note that Minnesota's preliminary cost-effectiveness ratio for FFY2008 is 3.91). In real incentive dollars, assuming national performance is consistent with FFY2007, we estimate that Minnesota could lose approximately \$231,000 in incentive allocation if it falls below 4.00. In short, if Minnesota does not stem the tide of its falling cost effectiveness ratio, it will be in jeopardy of losing incentive funding. (Note: our detailed assessment is found in the Minnesota CSED Performance Review Section in Deliverable #2).
- 74 **The program's future needs cannot be supported by PRISM.** PRISM does not align well with the program's business needs. PRISM was a system transferred from another state and was not designed specifically for the Minnesota child support work environment and business needs. The processes that are embedded in the legacy PRISM framework can be hard to expose and hard to modify or enhance.
- 75 **The state will bear greater risk as PRISM becomes more obsolete.** The current complexity of the design and development of PRISM creates great challenges for CSED. The system design documentation is generally inadequate or non-existent for PRISM functionality. Furthermore, the complex functionality of the system makes it difficult to respond to changes and updates that are requested or mandated. For example, the manner in which policies are implemented and supported by PRISM adds additional levels of complexity to the Minnesota child support program. In many instances, particularly in the financials system, the PRISM design has added complexity to the overall program which has increased the level of expertise necessary to perform standard

Risks of Not Moving Forward

- Costs of the program will continue to rise.
- Minnesota's performance compared to its peers will continue to decline.
- The program's future needs cannot be supported by PRISM.
- The state will bear greater risk as PRISM becomes more obsolete.
- Child support case work will continue to be highly manual, time-consuming, and costly to perform.
- CSED would not realize the program's strategic goals.

functions. In other instances, specific Minnesota policies, such as charging interest on arrears and the 1% cost recovery fee, have introduced levels of complexity not required by federal law.

- 76 **Child support case work will continue to be highly manual, time-consuming and costly to perform.** Our assessment has shown that there are many discrete and routine tasks or activities currently performed manually that could be automated. As an example, there are multiple forms that are used across numerous child support enforcement processes that could be automated in a way that would allow customers to enter data into the website, which could subsequently be loaded directly into PRISM. In total, we have identified 47 key manual functions that lend themselves to automation.
- 77 **CSED would not realize the program's strategic goals.** The projects proposed in this deliverable have a large impact on the strategic goals and vision of the Minnesota Child Support Program. It is in Minnesota's best interest to implement the projects that align with the program's three strategic goals:
- Be efficient, consistent, and responsive in our operations
 - Be effective, maximize overall performance and outcomes
 - Be responsive, provide consistent high quality customer service
- 78 The strategic goals focus on the customer and the child support program's success is largely dependent upon them. If the technical environment is kept as-is, or moves forward with little modification, it would impede customer service. The current lack of timely processing, optimal customer service availability, and the capacity for self service is limiting and does not align well with the strategic goals of the MN Child Support Program.

Overview

Purpose of Deliverable

- 79 This document represents the completion of the final phase of the Policy BPR project, and the fourth and final deliverable. As depicted in Figure 2, this **Deliverable #4: Final Report and Roadmap** encompasses the recommendations resulting from the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2) and *Assessment of Automated Processes* (Deliverable #3) of the Policy BPR project.

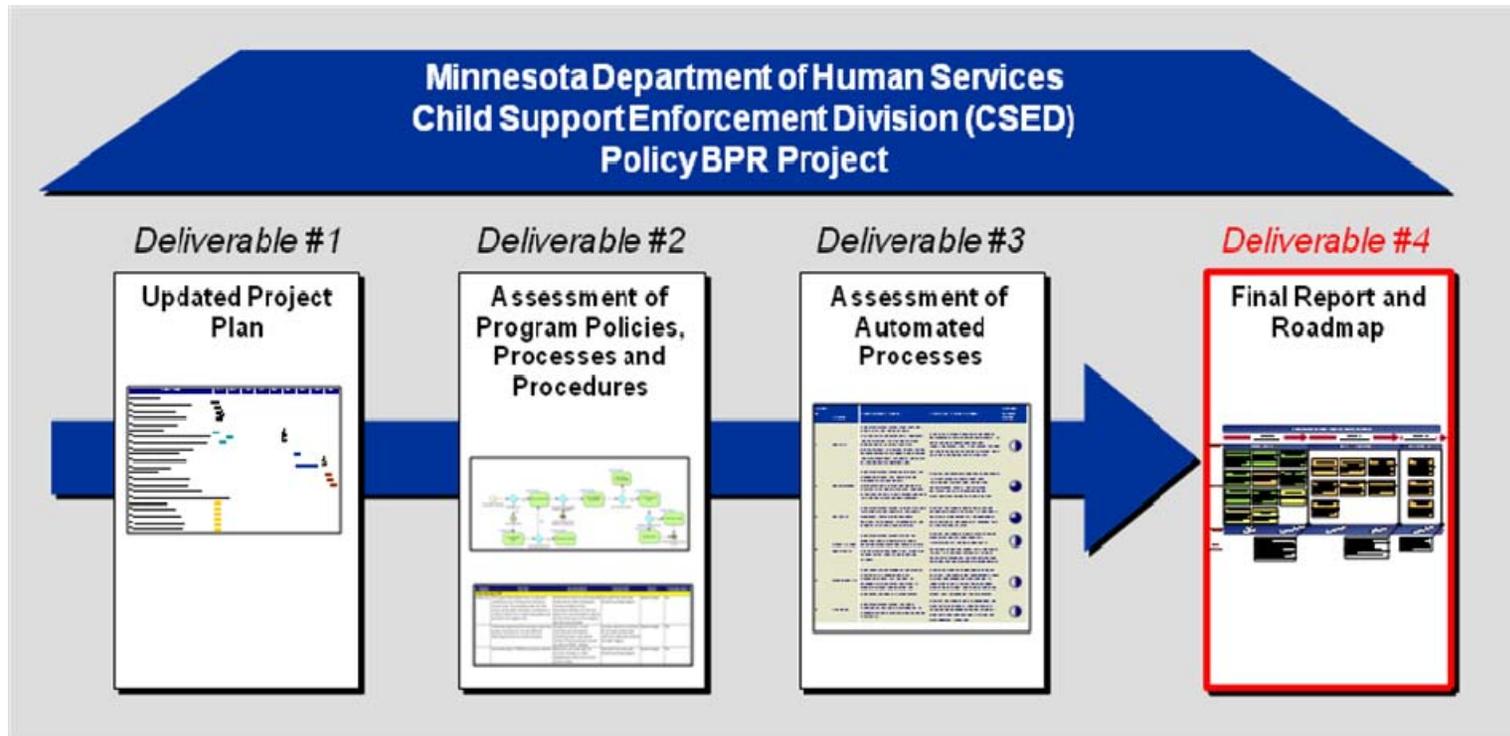


Figure 2: Policy BPR Project Deliverables

80 In addition to summarizing the policy, procedure, and technology recommendations made during the assessment phases of the project, this Final Report and Roadmap also provides a high-level plan on how to implement these changes within the CSED defined time of six years. It provides a graphical implementation plan (also called a Roadmap), which includes the suggested timing / sequence of the projects. The sequence of the projects was based on the dependence of that project on other projects in the Roadmap, the cost benefit analysis (CBA) and return on investment (ROI) calculations, risk factors for each project, as well as the strategic goals and long term vision of the program. The Roadmap provides a big picture view of CSED's system replacement strategy so that CSED will be able to clearly describe this plan to its stakeholders.

Document Overview

81 The Final Report and Roadmap (Deliverable #4) is presented in the following sections:

Executive Summary – Provides a high-level overview of the document which allows the reader to obtain the purpose and significant themes of the deliverable which are further detailed in the body of the document.

Overview – Provides an overview of the methodology used and assumptions made to develop the Roadmap.

Assessment of Program Policies, Processes and Procedures – Summarizes the findings from the *Assessment of Program Policies, Processes and Procedures*, as documented in Deliverable #2.

Assessment of Automated Processes – Summarizes the findings from the *Assessment of Automated Processes*, as documented in Deliverable #3.

Recommended Projects – Describes how the recommendations from the *Assessment of Program Policies, Processes and Procedures* and the *Assessment of Automated Processes* were categorized into projects. It provides a table that summarizes the recommended projects for implementation and describes the project profile template used to describe each project in Appendix A. It also provides a summary of the methodology used for our CBA and ROI calculations provided in Appendix B.

Implementation Roadmap – Discusses the implementation strategy developed to stage the projects along a multi-year timeline and establish critical milestones at each stage and the relevant sequencing factors that were used to develop the Implementation Roadmap. A high-level view of the Roadmap is also provided in this section. The detailed Roadmap is provided in Appendix C.

Appendix A: Implementation Roadmap – Provides a high-level graphical representation of the Roadmap, including project timing and high-level milestones.

Appendix B: Cost and Benefit Calculations – Provides the models used to estimate each project's costs, benefits, and ROI.

Appendix C: County and State Participation – Provides an overview of the county and State participants involved in the Process Sessions used to gather information on the pain points in the child support processes and technologies.

Methodology Overview

82 CSED and the Deloitte Team used a collaborative approach in developing a Roadmap that was both realistic and strategically aligned with current and planned CSED initiatives. The Roadmap encompasses the strategic recommendations resulting from the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2) and *Assessment of Automated Processes* (Deliverable #3) of the Policy BPR project. Multiple work sessions with CSED helped to validate the projects and their priorities, establish an implementation strategy, create a timeline to execute the strategy, and ensure appropriate factors for sequencing projects were considered. This joint approach yielded a recommended Implementation Roadmap that is aligned with the program’s goals and will serve as a guide when considering future projects to pursue.

83 Figure 3 highlights the approach taken to develop the Implementation Roadmap.

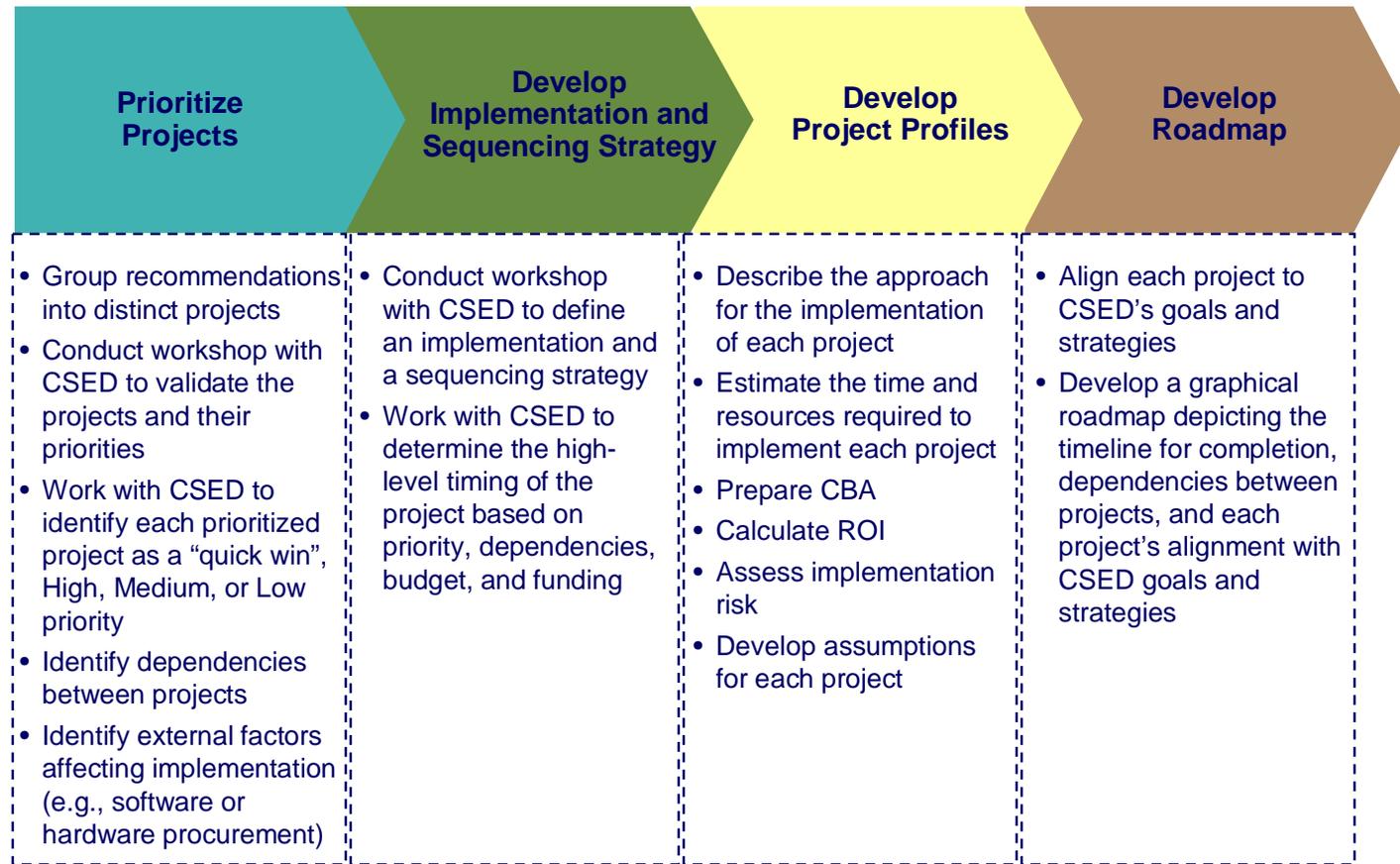


Figure 3: Implementation Roadmap Approach

84 The following are the key steps in our approach:

Prioritize Projects – Recommendations resulting from the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2) and *Assessment of Automated Processes* (Deliverable #3) were categorized by the Deloitte team. (A summary of these assessments is provided in the next sections.) A list of projects was created, and then reviewed with CSED to validate the full list of projects and to gain their input on the project priorities. Project dependencies and external factors affecting implementation were also gathered for each project during the work sessions.

Develop Implementation and Sequencing Strategy – An implementation strategy was formulated to stage the recommended projects along a multi-year timeline. Factors such as the program’s vision, project priority, alignment with the program’s strategic goals, as well as the realization of critical milestones in order to reach the end-state vision were considered in developing an effective implementation strategy. A list of factors for sequencing was presented to CSED for validation to develop the recommended Roadmap.

Develop Project Profiles – For each of the projects recommended for implementation on the Roadmap, a high-level profile was created that includes information such as project description, duration, costs, benefits, risks, and assumptions.

Develop Roadmap – A Roadmap was developed using the established implementation strategy and various sequencing factors discussed during work sessions with CSED.

Assumptions

85 Many assumptions were made while developing the Implementation Roadmap.

The cost estimates provided in the CBAs are based upon our understanding of current market information and our experience in similar projects. At this time, CSED has not been in a position to define its To-be technical architecture, documented its To-be process vision, nor has it been able to provide details related to the system requirements for any of the renewal projects. Due to these factors, there could be variances in cost estimates as high as +/- 25%.

The project profiles are not intended to serve as the work plan for implementation, but instead are an input to the definition of scope, requirements, and detailed implementation work plan creation once the project is initiated. Profiles were created for all projects placed on the Implementation Roadmap.

The “Costs” component of the project profiles is based on an estimate of hours for each project multiplied by the blended rate of both the vendor and MN Child Support Program resources. The CSED blended rates were provided by CSED for State IT and non-IT staff and management. Since CSED has not yet made the decision regarding how much of the estimated hours will be worked by state and county staff versus vendor staff, we have attempted to allocate the hours based on our experience in other system replacement projects.

The hardware and software costs provided are for guidance in making decisions and do not assume re-use of existing CSED hardware / software resources and capacity. CSED will need to perform detailed capacity assessments of existing servers and software licenses. This should be followed by capacity / sizing studies for future environment and vendor negotiations to arrive at these costs.

The “Benefits” component of the project profiles consists of both qualitative and quantitative benefits. The quantitative benefits are based on data received from CSED. The extents to which the quantitative benefits are complete depend on the availability and quality of data received from CSED.

Federal approval for the technology projects will be a key success factor for CSED. It will be important for CSED to engage the appropriate OSCE staff early and often during the planning process to ensure that the federal agency is supportive of CSED's future vision of system replacement.

CSED will be faced with critical decisions regarding the type of software, hardware, or services that will need to be procured to make this future vision a reality. These decisions will impact the cost and potentially the duration of the projects.

Assessment of Program Policies, Processes and Procedures

- 86 Deloitte Consulting completed an assessment of the Minnesota Child Support Enforcement Division's (CSED) existing program policies, processes, and procedures as part of the CSED Policy BPR Project. From July 2008 to November 2008, Deloitte and CSED worked together to conduct 61 interactive process sessions and interviews to validate the current process environment and share ideas for future improvement. These sessions involved participants from all facets of the Minnesota Child Support Program.
- 87 In order to determine how CSED's policies, procedures and enabling technologies compare with other states, Deloitte completed a six state benchmarking study. This study was undertaken concurrently with the process sessions. Deloitte also performed an assessment of Minnesota's performance as it relates to the federal performance incentive measures, and compared it to the performance of the six states included in the state benchmark study.

Summary of Recommendations

- 88 Using the pain points gathered from the process sessions, information from the benchmark study, the results of the performance assessment, and Deloitte's national child support enforcement experience, we completed a detailed assessment of Minnesota's child support enforcement policies, program, processes and procedures. Detailed descriptions of our analysis are provided in *Deliverable #2: Assessment of Program Policies, Processes and Procedures*.
- 89 We have provided summaries of our recommendations in Table 6 through Table 11. Each table provides a reference to the recommendation number, the subprocess that the recommendation impacts, an abbreviated explanation of the recommendation and a brief summary of the benefits that the recommendation provides to CSED.

Case Initiation

90 Table 6 provides a summary of the six strategic recommendations that we made as a result of our review of CSED’s Case Initiation policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|-----------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CI-1 | Application Request | <i>Accept NPA Applications via the Internet</i> | <ul style="list-style-type: none"> • No federal policy that prevents on-line applications • Streamlines Case Initiation process • Reduction of service delivery costs • Better customer service |
| CI-2 | Application Request | <i>Waive NPA Application Fee</i> | <ul style="list-style-type: none"> • Encourages higher participation from NPA populations • Increases mix of NPA cases, resulting in higher cost benefit ratio • Increase in efficiency of processing NPA applications |
| CI-3 | Automated Case/Person Match | <i>Enhance Case and Person Matching</i> | <ul style="list-style-type: none"> • Reduction in matching errors, resulting in quality improvements • Reduction in manual research, resulting in improvement in caseworker efficiency • Reduction in time required to close erroneously created cases, resulting in increases in cost efficiency, quality, and caseworker efficiency |
| CI-4 | Automated Interface Referral Processing | <i>Enhance MAXIS Interface Screening</i> | <ul style="list-style-type: none"> • Improvements in referral data quality, resulting in increases in cost efficiency, quality, and caseworker efficiency • Reduction in referral processing delays, resulting in improvements in stronger performance measures |
| CI-5 | Automated Interface Referral Processing | <i>Enable Interstate Email Communications</i> | <ul style="list-style-type: none"> • Improvements in communications around interstate cases • Improvements in federal performance measures |
| CI-6 | Manual Entity Referrals | <i>Screen COMA Case Referrals Before Accepting Cases on PRISM</i> | <ul style="list-style-type: none"> • Reduction in caseworker time associated with creating COMA cases • Re-allocation of caseworker time to higher return on investment (ROI) activities |

Table 6: Summary of Case Initiation Recommendations

Locate

91 Table 7 provides a summary of the five strategic recommendations that we have advanced as a result of our review of CSED's Locate policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LO-1 | Manual Locate Outside of PRISM | <i>Implement an Internet Locate Policy and Reference Guide</i> | <ul style="list-style-type: none"> • More effective locate efforts, resulting in improvements in all federal performance incentive measures • Better cost to outcomes ratios, contributing to improving cost effectiveness |
| LO-2 | Identify Cases for Locate Services | <i>Implement a Rule-Based Locate Automation Capabilities</i> | <ul style="list-style-type: none"> • Reduction in caseworker time associated with manual locate efforts • Improved quality of locate outcomes • Improved performance in all key federal performance incentive measures |
| LO-3 | Processing Locate Responses | <i>Automate Validation Activities</i> | <ul style="list-style-type: none"> • Better quality of locate data from all data sources • Improved case processing efficiency as a result of automation of manual processes • Improved customer services • Reduced cost of operations |
| LO-4 | Processing Locate Responses | <i>Centralize or Specialize Locate Activities</i> | <ul style="list-style-type: none"> • Improved customer service outcomes • Lower cost of service delivery • Higher levels of consistency across locate cases |
| LO-5 | Processing Locate Responses | <i>Create New and Expand Existing Locate Interfaces</i> | <ul style="list-style-type: none"> • Broader access to locate information • Improved customer service outcomes • Potential for increases in all federal performance incentive measures |

Table 7: Summary of Locate Recommendations

Establishment

92 Table 8 provides a summary of the nine strategic recommendations that we have advanced as a result of our review of CSED’s Establishment policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ES-1 | Paternity Establishment | <i>Standardize Paternity Establishment Processes, (Emphasizing Voluntary Acknowledgement of Paternity)</i> | <ul style="list-style-type: none"> • Reduction in casework • Reduction in transfer of cases from county offices to county attorneys • Reduced overall cost of paternity establishment • Increased consistency and cost efficiency in Paternity Establishment |
| ES-2 | Paternity Establishment | <i>Utilize a Statewide Genetic Testing Contract</i> | <ul style="list-style-type: none"> • Lower statewide cost of genetic testing • Improved coordination across counties • Streamlining of the paternity establishment process |
| ES-3 | Paternity Establishment | <i>Enhance Department of Health Interface</i> | <ul style="list-style-type: none"> • Timely access to recognition of paternity (ROP) records, improving paternity establishment incentive performance |
| ES-4 | Obligation Establishment | <i>Emphasize Stipulated or Agreed Orders</i> | <ul style="list-style-type: none"> • Reduced time of scheduling, notices, and attorney costs, reducing program costs and improving cost effectiveness of paternity establishment • Improved timeliness in establishing paternity, improving courtroom throughput |
| ES-5 | Obligation Establishment | <i>Provide Financial Statements Online or via Email</i> | <ul style="list-style-type: none"> • Improved efficiency in establishing orders, resulting in the possibility for expedited collections • Reduced cost of collecting financial information, resulting in higher levels of cost effectiveness • Improved quality of customer service |
| ES-6 | Medical Establishment | <i>Establish a Clear Definition of “Affordable” Health Insurance Coverage</i> | <ul style="list-style-type: none"> • Expedited establishment of medical support orders • Improved caseworker efficiency in establishing medical support orders • Consistency in the way customers are treated |
| ES-7 | Medical Establishment | <i>Establish a Database of Employer Sponsored Health Insurance Plans</i> | <ul style="list-style-type: none"> • Expedited establishment of medical support orders • Improved caseworker efficiency in establishing medical support orders • Improved customer service in identifying health insurance plans and coverage information • Improved medical support enforcement through quicker identification of available health insurance plans |
| ES-8 | COLA and Review and Adjustment (non-COLA) | <i>Create an Automated Review Selection Capability</i> | <ul style="list-style-type: none"> • Improved approach to targeting cases for review and adjustment, resulting in more efficient use of caseworker time • More realistic orders, resulting in improvements in collections on current support |

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|--------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| ES-9 | Obligation Establishment | <i>Develop and Make Available User-Friendly Pro Se Packets for Review CSE Obligations</i> | <ul style="list-style-type: none"> • More realistic orders, resulting in improvements in collections on current support |

Table 8: Summary of Establishment Recommendations

Enforcement

93 Table 9 provides a summary of the fourteen strategic recommendations that we have advanced as a result of our review of CSED's Enforcement policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|----------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EN-1 | Determining Compliance and Initiating Enforcement Action | <i>Implement Early Intervention Techniques</i> | <ul style="list-style-type: none"> • Improved relationship with NCP resulting in increased long-term potential for order compliance • Limitation of arrears growth • Improvements in the federal performance incentive measures |
| EN-2 | Determining Compliance and Initiating Enforcement Action | <i>Utilize Automated Enforcement Remedies</i> | <ul style="list-style-type: none"> • Reduced caseworker effort associated with enforcing orders • Consistency in the application of enforcement remedies • Improved performance in collections on current support and arrearages • Improved cost effectiveness and efficiency |
| EN-3 | Income Withholding | <i>Implement Electronic Income Withholding Orders (e-IWO)</i> | <ul style="list-style-type: none"> • Reduced cost of producing and mailing income withholding orders (IWOs) • Improved efficiency in employer interactions and relationship • Increased collections on current support and arrears • Improved cost effectiveness |
| EN-4 | Income Withholding | <i>Enhanced, Comprehensive, Employer Web Portal</i> | <ul style="list-style-type: none"> • Improved employer relationship management • Improved public relations with employer community • More efficient administration of IWOs, NMSN, and New Hire Reporting • Improved cost effectiveness |
| EN-5 | Judgment by Operation of Law (Liens) | <i>Establish a Central Lien Registry</i> | <ul style="list-style-type: none"> • Improved efficiency in title searching activities • Improved ability to leverage asset seizure as an enforcement remedy • Improved collections and cost effectiveness of service delivery |

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EN-6 | Judicial Enforcement (Contempt) | <i>Unemployment “Seek Work” Tools</i> | <ul style="list-style-type: none"> • Improved relationship with NCP resulting in increased long-term potential for order compliance • Limitation of arrears growth • Improvements in the federal performance incentive measures |
| EN-7 | Judicial Enforcement (Contempt) | <i>Standardize Contempt Process</i> | <ul style="list-style-type: none"> • Improved caseworker consistency in administering the contempt process • Improved caseworker efficiencies as a result of streamlining and standardizing the contempt process • More consistent outcomes for families • Improved order compliance, resulting in downstream performance improvements |
| EN-8 | Medical Support Enforcement | <i>Enforce Only Unreimbursed Medical Expenses that Have Been Reduced to Judgment by the Parties</i> | <ul style="list-style-type: none"> • Reallocation of caseworker time to higher return on investment (ROI) activities • Improved program cost effectiveness |
| EN-9 | Income Withholding | <i>IWO Arrears - Implement the capability within the system to issue IWO notices with case specific arrears payment terms</i> | <ul style="list-style-type: none"> • Improved use of caseworker time, as a result of no longer manually reviewing IWOs • Improved timeliness of IWO production • Reduced likelihood of IWOs not being mailed • Improved collections on arrears • Improved program cost effectiveness |
| EN-10 | Passport Denial | <i>Centralize the Passport Sanction Function</i> | <ul style="list-style-type: none"> • Improved consistency in the way the enforcement remedy is administered • Improved cost effectiveness in the way the enforcement remedy is administered • Improved order compliance, resulting in increases in collections and cost efficiency |
| EN-11 | Financial Institution Data Match (FIDM) | <i>Automate FIDM</i> | <ul style="list-style-type: none"> • Improved consistency in the application of the enforcement remedy • Improved collections on arrears • Reduced manual effort associated with using the enforcement remedy • Improved program cost effectiveness |

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EN-12 | DLS – Drivers License Suspension; OLS – Occupational License Suspension; RLS – Recreational License Suspension | <i>Automate the License Suspension Process</i> | <ul style="list-style-type: none"> • Improved consistency in the application of the enforcement remedy • Reduced manual effort associated with using the enforcement remedy • Improved program cost effectiveness |
| EN-13 | Revenue Recapture | <i>Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage</i> | <ul style="list-style-type: none"> • Reduced caseworker time associated with manual reviews and calculations • Consistency in the application of the policy • Improved cost effectiveness in the administration of the policy |
| EN-14 | Payment Plan | <i>Standardize Payment Agreements</i> | <ul style="list-style-type: none"> • Improved efficiency and consistency in the enforcement of support orders • Improved compliance with orders • Improved collections on current support and arrears • Improved cost effectiveness and outcomes |

Table 9: Summary of Enforcement Recommendations

Financials

94 Table 10 provides a summary of the nine strategic recommendations that we have advanced as a result of our review of CSED's financial policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|--------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FI-1 | Order Entry | <i>Automated Court Order Entry Process</i> | <ul style="list-style-type: none"> • Cost savings • Expedited processing of cases into the workflow • Improved efficiency in the court order entry process |
| FI-2 | Interest Accrual | <i>Discontinue Interest Accrual</i> | <ul style="list-style-type: none"> • Improved arrears management • Reduced complexity in the financial system |
| FI-3 | Billing Statements | <i>Revised Billing Statements</i> | <ul style="list-style-type: none"> • Improved customer service outcomes • Reduced complaints and customer inquiries |

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|----------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FI-4 | Billing Statements | <i>Discontinue Billing Statements to Targeted NCPs</i> | <ul style="list-style-type: none"> • Cost savings • Reduced complaints and customer inquiries • Improved customer service outcomes • Reduce burden on child support computer system |
| FI-5 | Collections | <i>Require Electronic Remittance for All Employers</i> | <ul style="list-style-type: none"> • Expedited process of inbound collections • Reduction in data entry errors • Savings of staff time |
| FI-6 | Collections | <i>Accept Credit Card Payments</i> | <ul style="list-style-type: none"> • Increased collections • Improved customer service outcomes |
| FI-7 | Distribution | <i>Simplified DRA Distribution Rules</i> | <ul style="list-style-type: none"> • Improved customer service outcomes • Improved efficiency in distribution subprocess • Greater caseworker confidence • Easier to train caseworkers in process |
| FI-8 | Cost/ Fee Assessment | <i>Replace the 1% Cost Recovery Fee With a Flat, Annual Cost Recovery Fee</i> | <ul style="list-style-type: none"> • Improved customer service outcomes • Improved efficiency of financial management system • Greater caseworker confidence • Easier to train caseworkers in process |
| FI-9 | Adjustments | <i>Merge All Adjustment Functions into One Application</i> | <ul style="list-style-type: none"> • Cost savings • Fewer systems to maintain • Easier to train caseworkers in process • Improved efficiency in completing adjustments • Improved audit trail / history |

Table 10: Summary of Financials Recommendations

Case Management

95 Table 11 provides a summary of the nine strategic recommendations that we have advanced as a result of our review of CSED's Case Management policies and processes.

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|---------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CM-1 | Case Assessment | Implement a Rule-Based Case Assessment and Case Closure Capability | <ul style="list-style-type: none"> Improved caseworker efficiency Consistent application of rules to cases Improved cost effectiveness Helps keep cases from falling through cracks |
| CM-2 | Customer Contact: Web, Email, Outreach | Implement a Customer Relationship Management (CRM) Solution | <ul style="list-style-type: none"> Improved customer service outcomes Creates culture of partnership with case participants Cost savings |
| CM-3 | Customer Contact: Mail, Telephone, Walk-ins | Implement an Enterprise Content Management (ECM) System | <ul style="list-style-type: none"> Cost savings Elimination of cumbersome paper files Improved caseworker efficiency Improved customer service outcomes |
| CM-4 | Worklists and Case Monitoring | Implement Automated Activity Logging and Tracking | <ul style="list-style-type: none"> Standardizes activity history Improved audit trail / history Improved caseworker efficiency |
| CM-5 | Worklists and Case Monitoring | Improve Efficiency of Worklists | <ul style="list-style-type: none"> Improved caseworker efficiency Helps keep cases from falling through cracks |
| CM-6 | Customer Contact: Web, Email, Outreach | Allow Minnesota Child Support Online (MCSO) Users to Update Information | <ul style="list-style-type: none"> Improved locate data Creates culture of collaboration with case participants Increased collections Improved cost effectiveness Improved customer service outcomes |
| CM-7 | Appointment Scheduling | Integrate Automated Scheduling into the Child Support Application | <ul style="list-style-type: none"> Increased caseworker efficiency Improved audit/history trail Improved relationship with other partners Improved customer service outcomes |

| Rec. # | Subprocess | Recommendation to Address Pain Points | Benefits to CSED |
|--------|----------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CM-8 | Employer Maintenance | <i>Employer Web Portal</i> | <ul style="list-style-type: none"> • Increased collections • Improved locate information • Improved medical support outcomes • Increased customer service outcomes • Creates culture of collaboration with employers • Reduces phone calls |
| CM-9 | Reporting | <i>Consolidate the Location of All Reports</i> | <ul style="list-style-type: none"> • Improved caseworker efficiency • Cost Savings |

Table 11: Summary of Case Management Recommendations

Key Questions and Answers Relating to Assessment of Program Policies, Processes and Procedures (Deliverable #2)

- 96 In the Request for Proposals for this project, CSED listed a number of questions that it sought answers to regarding the policies and procedures that drive the business of child support enforcement in the state. Below you will find each of the questions and a brief summary of our answer. Deliverable #2 provides the analysis that supports these responses.
- 97 ***Are Minnesota’s policies and procedures more complex than necessary?*** Yes, we found that there are policies and procedures that are more complex than necessary to meet federal requirements and deliver required IV-D services. In our assessment, we identified 94 “pain points” that can lead to inefficiency and complexity. Of these, 27 are directly related to policy, 39 related to procedures and the remaining 28 are associated with the technology that supports the implementation of the policies and procedures.
- 98 ***Is CSED more complex than other States with similar characteristics?*** Yes, when compared to the three other benchmark states that are county based and that have primarily judicial processes (New Jersey, Pennsylvania and Wisconsin), we found that there are some areas that Minnesota is more complex. As one example, New Jersey and Pennsylvania do not accrue interest on arrears.
- 99 ***Are Minnesota’s policies implemented in the most streamlined and efficient manner?*** No, not all policies are implemented in the most streamlined and efficient manner. As indicated, the assessment contains 39 pain points that are associated with policies and processes. Many of these pain points relate to how counties have interpreted State policy or in some instances have developed work-arounds

CSED’s Questions for Deliverable #2

- *Are Minnesota’s policies and procedures more complex than necessary?*
- *Is CSED more complex than other States with similar characteristics?*
- *Are Minnesota’s policies implemented in the most streamlined and efficient manner?*
- *Are there best practices that CSED should adopt?*
- *Are there recommended changes to state statute to simplify policies while still remaining compliant with the federal authority?*
- *How will recommended changes impact the IV-D program, families with child support case and the automated computer system, PRISM?*
- *What policy or procedural practices should CSED adopt to streamline its program?*

to avoid State policy decisions. Furthermore, the assessment has a number of examples of how the technology that enables and supports the policies has created an unnecessary burden on caseworkers.

- 100 **Are there best practices from other states that CSED should adopt?** Yes, we have referenced 70 leading practices from other states in the assessment. Many of these leading practices helped inform the specific recommendations.
- 101 **Are there recommended changes to state statute to simplify policies while still remaining compliant with the federal authority?** Yes, we have made 6 recommendations that may require CSED to pursue statutory changes which will still keep Minnesota compliant with federal requirements. There may be other recommendations that, depending on how CSED chooses to implement them, could require statutory changes.
- 102 **How will recommended changes impact the IV-D program, families with child support cases, and the automated computer system, PRISM?** In Deliverable #2, we summarized all the recommendations and also provided a summary of the potential benefits of each. In each of the recommendations, we also provided insight into why each recommendation should be implemented. Many recommendations are further detailed within the context of the project profiles in this deliverable.
- 103 **What policy or procedural practices should CSED adopt to streamline its program?** The assessment contains a total of 70 recommendations that we feel CSED should adopt to streamline its program. Of these, 20 are recommendations that we have designated “quick-wins”. A quick win is defined as a recommendation that we have estimated should be able to be implemented in less than six months and at a cost of less than \$350,000. The remaining 50 recommendations will be aligned into recommended projects as part of this *Deliverable #4: Final Report and Roadmap*.

Assessment of Automated Processes

- 104 Deloitte Consulting completed an assessment of the Minnesota Child Support Enforcement Division's (CSED) existing automated processes, applications, and technology as part of the CSED Policy BPR project. This assessment was conducted concurrently with the *Assessment of Program Policies, Processes and Procedures* (Deliverable #2). We conducted our review of CSED's automated processes using our child support enforcement IndustryPrint™, targeted interviews with CSED technology staff, and through personal demos and reviews of PRISM functionality.
- 105 Our approach to assessing CSED's applications and technology focused on each of the four core applications that play a part in automating Minnesota's child support enforcement processes as shown in **Figure 4**, including:
- PRISM** – Providing Resources to Improve Support in Minnesota (PRISM) is Minnesota's child support case management system.
 - MCSO** - The Minnesota Child Support Online (MCSO) system is a web-based application which provides 24/7 child support information to parents and employers.
 - IVR** - Minnesota Child Support uses an Interactive Voice Response (IVR) to provide case related information to the customers.
 - Data Warehouse** – CSED's data warehouse stores historical child support data for standard and ad-hoc operational reporting.

Figure 4: NOTE: Figure 4 contains nonpublic security information that cannot be disclosed to the public per Minnesota Statutes §13.37, subds 1(A) and 2, therefore the information has been removed from this document. The information is available to authorized individuals by request.

For each of the four core applications, we assessed their supporting application architectures and identified pain points associated with their respective systems' presentation layers, application layers, and data layers. Using the pain points, combined with third party research and personal observations of these systems, we rated each of these applications using the following evaluation criteria:

Usability - The ease by which users can perform their functions within the system. This includes screen design and navigation as well as system workflow.

Performance - The ability of the system to execute transaction in a timely and efficient way.

Reliability - The ability of the system to perform its work without unexpected system failures.

Flexibility and Adaptability - The ease by which the system can be modified to include additional functionality.

Maintainability - The ability to sustain the system via ongoing operations.

Life Span – The period of time the tool or platform has been in the market and its adoption and use.

106 We also evaluated how CSED’s core business processes (Case Initiation, Establishment, Locate, Enforcement, Financials, and Case Management) are automated within PRISM. Our approach to making this assessment heavily leveraged the business process models that were developed as part of Deliverable #2, to identify pain points within PRISM as well as opportunities for further automation across the full spectrum of child support business processes.

Summary of Recommendations

107 Using the pain points gathered from the process sessions, technical sessions, our review of the documentation, individual interviews and experience in working with statewide child support systems, we completed a detailed assessment of Minnesota’s automated processes.

108 Detailed descriptions of our analysis are provided in *Deliverable #3: Assessment of Automated Processes*. We have provided summaries of our recommendations in Table 12 through Table 21. There are two types of recommendations. The first type is recommendations that can be associated with one or more of the core applications. The second type is recommendations that focus on process automation which can be enhanced to reduce complexity and improve efficiency. For each recommendation, the tables provide the recommendation ID, an abbreviated explanation of the recommendation, and indication of alignment with the three MN Child Support Program’s Strategic Goals as defined in the Minnesota Child Support Program’s 2008-2012 Strategic Plan.

Application and Technology Recommendations

Provide Resources to Improve Support in Minnesota (PRISM) Recommendations

109 Table 12 provides a summary of the 14 recommendations that fall under the PRISM application.

| ID | Recommendation | CSED Strategic Goal | | |
|----------|---------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| PRISM-01 | Allow Users Multiple Entry Options | ✓ | | ✓ |
| PRISM-02 | Implement Next Appropriate Action | ✓ | ✓ | ✓ |
| PRISM-03 | Provide Dynamic Filtering and Viewing | ✓ | | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|----------|--------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| PRISM-04 | Develop Summary Screens | ✓ | | ✓ |
| PRISM-05 | Implement Workflow / Orchestration | ✓ | ✓ | ✓ |
| PRISM-06 | Eliminate Acronyms and Codes | ✓ | | ✓ |
| PRISM-07 | Implement Flexible Search | ✓ | | |
| PRISM-08 | Implement Spell Check | ✓ | | ✓ |
| PRISM-09 | Redesign Worklists | ✓ | ✓ | ✓ |
| PRISM-10 | Implement Intelligent Case Assignment | ✓ | ✓ | ✓ |
| PRISM-11 | Improve Person Matching | ✓ | | |
| PRISM-12 | Automate Manual Interfaces | ✓ | ✓ | ✓ |
| PRISM-13 | Develop Data Integrity and Data Quality Strategy | | ✓ | ✓ |
| PRISM-14 | Implement Data Archiving / Purging | ✓ | | |

Table 12: Summary of PRISM Recommendations

Minnesota Child Support Online (MCSO) Recommendations

110 Table 13 provides a summary of the six recommendations that fall under the MCSO application.

| ID | Recommendation | CSED Strategic Goal | | |
|---------|-----------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MCSO-01 | Conduct a Usability Assessment | ✓ | | ✓ |
| MCSO-02 | Implement Integrated Communication Channels | ✓ | | ✓ |
| MCSO-03 | Extend to Portal Technology | ✓ | ✓ | ✓ |
| MCSO-04 | Extend Architectural Services | ✓ | | |
| MCSO-05 | Conduct a Security / Vulnerability Assessment | | | ✓ |
| MCSO-06 | Review Data Architecture Strategy | ✓ | ✓ | |

Table 13: Summary of MCSO Recommendations

Interactive Voice Response (IVR) Recommendations

111 Table 14 provides a summary of the four recommendations that fall under the IVR application.

| ID | Recommendation | CSED Strategic Goal | | |
|--------|---------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| IVR-01 | Implement Self Service | ✓ | | ✓ |
| IVR-02 | Implement Performance Reporting | ✓ | | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|--------|----------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| IVR-03 | Operationalize Service Level Agreement | ✓ | | |
| IVR-04 | Implement Outbound Calling | ✓ | ✓ | ✓ |

Table 14: Summary of IVR Recommendations

Data Warehouse Recommendations

112 Table 15 provides a summary of the nine recommendations that fall under the Data Warehouse application.

| ID | Recommendation | CSED Strategic Goal | | |
|------------|-------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| DATAWHS-01 | Re-evaluate Business Intelligence Tools | | ✓ | |
| DATAWHS-02 | Consolidate Federal Reporting in Data Warehouse | ✓ | ✓ | |
| DATAWHS-03 | Implement Extract Transform Load Tools | ✓ | | |
| DATAWHS-04 | Re-organize Your Data Model | ✓ | ✓ | |
| DATAWHS-05 | Implement an Operational Data Store | ✓ | | |
| DATAWHS-06 | Review Report Inventory | ✓ | ✓ | |
| DATAWHS-07 | Develop Knowledge Repository | ✓ | | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|------------|---------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| DATAWHS-08 | Implement Data Management | ✓ | ✓ | |
| DATAWHS-09 | Revisit Load Requirements | ✓ | | |

Table 15: Summary of Data Warehouse Recommendations

Cross-application Recommendations

113 Table 16 provides a summary of the eleven recommendations that fall under the category of cross-application.

| ID | Recommendation | CSED Strategic Goal | | |
|-------|--------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| CA-01 | Allow for Interface Integration | ✓ | ✓ | |
| CA-02 | Implement Workflow Automation | ✓ | ✓ | ✓ |
| CA-03 | Implement Rule-Based Automation | ✓ | ✓ | ✓ |
| CA-04 | Implement Document Management | ✓ | | ✓ |
| CA-05 | Implement Master Data Management | ✓ | | |
| CA-06 | Improve Reporting and Analysis | ✓ | ✓ | |
| CA-07 | Implement Customer Relationship Management | ✓ | ✓ | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|-------|---------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| CA-08 | Improve Security Management | ✓ | | ✓ |
| CA-09 | Implement Scheduling Software | ✓ | ✓ | ✓ |
| CA-10 | Enhance Technical Documentation | ✓ | | |
| CA-11 | Enhance Forms Management | ✓ | | ✓ |

Table 16: Summary of Cross-application Recommendations

Manual and Automated Process Recommendations

Improve Self Service and Customer Service

114 Table 17 provides a summary of the five recommendations that fall under the Improve Self Service and Customer Service category.

| ID | Recommendation | CSED Strategic Goal | | |
|------|-------------------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-1 | Accept NPA Applications via the Internet | ✓ | ✓ | ✓ |
| MA-2 | Provide and Accept Financial Statements Online or via Email | ✓ | | ✓ |
| MA-3 | Implement Electronic Income Withholding Orders (eIWOs) | ✓ | ✓ | ✓ |
| MA-4 | Accept Credit Card and other Online Forms of Payment | ✓ | ✓ | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|------|----------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-5 | Allow MCSO Users to Update information | ✓ | ✓ | ✓ |

Table 17: Summary of Improve Self Service and Customer Service Recommendations

Implement Rule-based Automation

115 Table 18 provides a summary of the nine recommendations that fall under the Implement Rule-based Automation category.

| ID | Recommendation | CSED Strategic Goal | | |
|-------|-----------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-6 | Enhance Case and Person Matching | ✓ | ✓ | |
| MA-7 | Implement a Rule-Based Locate Automation Capability | ✓ | ✓ | |
| MA-8 | Automate Locate Validation Activities | ✓ | ✓ | |
| MA-9 | Create an Automated Review Selection Capability | ✓ | | ✓ |
| MA-10 | Implement Automated Early Intervention Techniques | ✓ | ✓ | ✓ |
| MA-11 | Automate Routine Enforcement Activities | ✓ | ✓ | ✓ |
| MA-12 | Automate FIDM | ✓ | ✓ | ✓ |
| MA-13 | Automate the License Suspension Process | ✓ | ✓ | ✓ |

| ID | Recommendation | CSED Strategic Goal | | |
|-------|--------------------------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-14 | Implement a Rule-Based Case Assessment and Case Closure Capability | ✓ | ✓ | |

Table 18: Summary of Implement Rule-based Automation Recommendations

Simplify Financial Management

116 Table 19 provides a summary of the two recommendations that fall under the Simplify Financial Management category.

| ID | Recommendation | CSED Strategic Goal | | |
|-------|------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-15 | Replace the 1% Cost Recovery Fee with a Flat, Annual Cost Recovery Fee | ✓ | | ✓ |
| MA-16 | Merge All Adjustment Functions into One Application | ✓ | | ✓ |

Table 19: Summary of Simplify Financial Management Recommendations

Improve Data Quality and Integrity

117 Table 20 provides a summary of the four recommendations that fall under the Improve Data Quality and Integrity category.

| ID | Recommendation | CSED Strategic Goal | | |
|-------|--------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-17 | Enhance MAXIS Interface Screening | ✓ | ✓ | |
| MA-18 | Enhance Minnesota Department of Health Interface | ✓ | ✓ | |

| ID | Recommendation | CSED Strategic Goal | | |
|-------|--------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-19 | Automate Court Order Entry Process | ✓ | ✓ | ✓ |
| MA-20 | Create New and Expand Existing Locate Interfaces | ✓ | ✓ | |

Table 20: Summary of Data Quality and Integrity

Improve Operating Efficiency

118 Table 21 provides a summary of the six recommendations that fall under the Improve Operating Efficiency category.

| ID | Recommendation | CSED Strategic Goal | | |
|-------|-----------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------|
| | | Be Efficient, Consistent and Responsive | Maximize Performance and Outcomes | Be Responsive / Provide Consistent Customer Service |
| MA-21 | Provide Standardization to PRISM Documents and Forms in the Paternity Establishment Processes | ✓ | | |
| MA-22 | Establish a Central Lien Registry | ✓ | | ✓ |
| MA-23 | Implement Automated Activity Logging and Tracking | ✓ | | |
| MA-24 | Improve Efficiency of Worklists | ✓ | ✓ | |
| MA-25 | Integrate Automated Scheduling into the Child Support Application | ✓ | ✓ | ✓ |
| MA-26 | Consolidate the Location of All Reports | ✓ | ✓ | |

Table 21: Summary of Improve Operating Efficiency

Key Questions and Answers Relating to Assessment of Automated Processes (Deliverable #3)

119 In the Request for Proposals for this project, CSED listed a number of questions that it sought answers to regarding the automated processes that support the business of child support enforcement in the State. Below you will find each of the questions and a brief summary of our answer. Deliverable #3 provides the analysis that supports these responses.

120 *Describe the complexity of the overall PRISM system in relation to existing policies (i.e., is the complexity of PRISM a result of the complexity of policy?)*

121 As with all child support enforcement programs, Minnesota has enacted a wide range of policies necessary to implement the Title IV-D program in compliance with federal requirements and state law. Given the range of IV-D services and the requirements of federal regulations, the policy framework is by necessity fairly complex. However, the manner in which these policies are implemented and supported by PRISM adds additional levels of complexity to the Minnesota child support program.

122 In many instances, particularly in the financial system, the PRISM design has added complexity to the overall program which has increased level of expertise necessary to perform standard functions. In other instances, specific Minnesota policies, such as charging interest on arrears and the 1% cost recovery fee, have introduced levels of complexity not required by federal law.

123 However, although PRISM is designed to implement CSED policy, the complexity of PRISM is more accurately defined as a product of its design rather than a result of the underlying policies.

124 *Have existing policies and procedures placed an unnecessary burden on PRISM?*

125 Yes. There are a number of policies and procedures noted in Deliverable #2 that have placed an additional burden on PRISM - examples include charging of interest and assessing a 1% cost recovery fee. These policies create additional process and technical complexities within PRISM's financial subsystems than other State child support enforcement systems.

126 In addition to these formal policies, Minnesota has made many informal policy decisions that have resulted in a significant systematic burden on PRISM. Most notably, Minnesota's policy choices relating to the way it has implemented its distribution rules is one of the more complex in the nation. Minnesota's distribution hierarchy has 32 current distribution categories, and 193 arrears distribution categories. The impact of this decision has resulted in many downstream complexities. The batch processes associated with distribution have become extremely complex as a result of having to address the numerous current and arrears obligation types. Adjustments associated with these numerous distribution categories are all the more complex because of the need to manually compute and change the balances across numerous obligation types. Most

CSED's Questions for Deliverable #3

- Describe the complexity of the overall PRISM system in relation to existing policies
- Have existing policies and procedures placed an unnecessary burden on PRISM?
- Are existing policies implemented in PRISM in the most streamlined manner?
- Is PRISM missing functionality necessary to automate a manual process?
- Describe the degree to which PRISM has begun to make meaningful use of Internet/Intranet technologies to distribute internal information to staff, provide public access to program and case information, and support interactions with employers
- What other PRISM functionality would be beneficial to our clients?
- What is the degree of PRISM integration with other systems?
- Are new PRISM subsystems warranted?
- Have other States recently replaced (or enhanced) their automated child support enforcement systems realized greater efficiency or performance?
- Is a new automated child support system warranted?

significantly, the complexity associated with distribution makes it extremely difficult to modify or enhance the financials subsystem without introducing significant risk to downstream operations.

127 *Are existing policies implemented in PRISM in the most streamlined manner?*

128 No, in many instances, the existing policies are implemented in PRISM in a manner which requires multiple manual and automated activities to accomplish routine tasks. The current case closure and income withholding processes are examples of instances where the existing policies are not implemented in a streamlined manner.

129 Additionally, in many circumstances policy decisions have been “over-engineered” in PRISM. In the distribution example noted above, there may be numerous policy reasons for why so many distribution categories may have been created. However, the overall operational benefits of these policy decisions needs to be weighed against the pain points and costs they have created. Looking at the current decisions that have been made around distribution, we believe they have not been implemented in the most cost-effective or streamlined manner.

130 *Is PRISM missing functionality necessary to automate a manual process?*

131 Yes, in many instances there is missing functionality that could automate manual processes. In Deliverable #3, we have identified 47 key manual functions that lend themselves to automation. In addition, there are many discrete tasks or activities that are currently performed manually that could be automated. As an example, there are multiple forms that are used across numerous child support enforcement processes that could be automated in a way that would allow customers to enter data into the website, which could subsequently be loaded directly into PRISM.

132 *Describe the degree to which PRISM has begun to make meaningful use of Internet/Intranet technologies to distribute internal information to staff, provide public access to program and case information, and support interactions with employers.*

133 PRISM has made initial strides at serving constituents through the Minnesota Child Support Online (MCSO) application, which includes some self service functions for custodial and non-custodial parents. MCSO also offers services to employers including the ability for employers to remit income withholding payments via the site. MCSO, along with the DHS website, also do provide general program information and do allow case participants a number of options that allow them to see what activities are occurring on their cases.

134 However, Minnesota has not yet made enough use of MCSO to support enhanced business processes that would result in pushing back office manual effort to self service through MCSO. For example, there is currently no capability for a NPA applicant to apply for services online nor can either a CP or NCP update demographic information such as address and telephone number. There is considerable opportunity for CSED to offer additional services to the employer community as well such as online income withholding orders and employment verification requests.

135 *What other PRISM functionality would be beneficial to our clients?*

136 Our assessment identified 47 existing processes that are currently not automated in PRISM (discussed above and described in our analysis) Examples of key functionality that currently does not exist within PRISM, including the following:

Enterprise Content Management (ECM)

Customer Relationship Management (CRM)

Forms Management

Rule-Based Automation

Integrated workflow

Advanced participant matching capabilities

Advanced data warehousing, data mining, and performance management capabilities

Integrated scheduling

137 *What is the degree of PRISM integration with other systems?*

138 As with any child support system, PRISM relies heavily on the exchange of data with other systems in order to have the data to support the child support processes. PRISM has in place the requisite interfaces with the key governmental and private organizations that typically supply this data. In Deliverable #3, we list the 20 primary interfaces that are in place, for example, the Office of Federal Child Support Enforcement, Minnesota Department of Revenue, the State Directory of New Hires, and financial institutions.

139 There is, however an opportunity to improve the breadth and quality of some existing interfaces. For example, caseworkers report that the interface with the MAXIS system has data problems including in some instances providing outdated demographic information to PRISM, such as old addresses or telephone numbers or previously excluded alleged fathers.

140 CSED could also attempt to create new interfaces with agencies that they partner with and currently exchange data with manually. For example, an interface with the Department of Natural Resources could bring recreational license data to PRISM that could be used in the Recreational License Suspension Process.

141 *Have other States recently replaced (or enhanced) their automated child support enforcement systems realized greater efficiency or performance?*

142 There are a number of states that have recently replaced or enhanced their systems. States have done so in efforts to improve performance, realize cost savings, replace outdated technology and improve the overall efficiency of the processes. Example of some of these states along with a brief summary of some of the benefits gained include:

Florida – The first phase of Florida’s system replacement (CAMS) included locate, enforcement and a number of case management functions including a comprehensive CRM solution. Florida has been able to automate a significant portion of the key functions that previously were performed by caseworkers. In addition, the new, web-based solution has made it easier for caseworkers to use the system and reduced the time required to train new workers.

Texas – Texas has implemented a one-stop portal to employers. This portal allows employers to report new hires, verify employment of NCPs and CPs, receive wage withholding requests, submit payments and provide health insurance coverage information. This centralized, one-stop portal has improved the efficiency of how Texas interacts with one of its most important stakeholders. This website is considered a key factor in Texas' recent improvement in collections.

143 *Is a new automated child support system warranted?*

- 144** Throughout Deliverable #3, we documented 117 pain points associated with the current systems that support Minnesota's child support program. We subsequently made 70 recommendations that we feel can be implemented to improve the manner in which CSED uses technology to support its business. Many of these recommendations are large in scale and will not be able to be implemented within the construct of CSED's current application architecture. Other recommendations could be implemented, but will require a significant investment in modifying the current system.
- 145 Therefore, we believe that Minnesota should proceed with the planning steps required to build their case for a system replacement. This *Deliverable #4: Final Report and Roadmap* provides the information needed to begin this planning process.
- 146 The decision to replace a child support system requires an adherence to a defined process as outlined by the Office of Child Support Enforcement. There are different approaches that CSED should evaluate to seek and obtain state and federal buy-in and necessary approval for the system renewal. These options include potentially conducting a feasibility study, planning updates to the CSED APD, and educating state and federal stakeholders and decision makers regarding the plan defined in the Roadmap.
- 147 CSED should contact the Federal OCSE to determine how to proceed.

Approach and Methodology for Final Report

Project Identification

- 148 Many recommendations resulted from the *Assessment of Program Policies, Processes and Procedures* (BPR Deliverable #2) and the *Assessment of Automated Processes* (BPR Deliverable #3). Deloitte categorized these recommendations into broad themes, such as “Improve Self Service and Customer Service” and “Implement Rule-based Automation,” and reviewed each recommendation theme category to determine whether the included recommendations should be logically combined or if they should be broken down further into multiple projects.
- 149 The list of recommended projects was then presented to CSED for validation. Each project was identified as one of three project types:
- A **Foundation** project enables the implementation of subsequent projects.
- A **System Renewal** project supports the future technology changes that will help achieve the vision of the program.
- A **Quick Win** project is a short-term project and can be done independent of system renewal. Quick Wins are intended to yield results quickly with low risk and cost.
- 150 Table 22 lists the recommended Roadmap projects aligned with the recommendations resulting from the assessments, as well as the project type. Note that the Project ID / numbering is for identification purposes only and is not meant to imply the order in which the projects are to be completed.

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|---------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Conduct a To-Be Process Analysis | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for all system renewal projects. This project is key to make sure that future technology investments are based on an effective and efficient business model. |
| 2 | Develop a Procurement Strategy for System Renewal | Foundation | <ul style="list-style-type: none"> N/A – This is a foundation project for the system renewal projects. This project ensures that MN has the buy-in of OCSE in the planning of the new system. |

⁵ Codes following the recommendations map each recommendation back to the ID used in Deliverable #2 and/or Deliverable #3.

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|----------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | Foundation | <ul style="list-style-type: none"> • Accept NPA Applications via the Internet (CI-1) • Waive NPA Application Fee (CI-2) • Enable Interstate Email Communications (Review MN Data Privacy Act) (CI-5) • Screen COMA Case Referrals before Accepting Cases on PRISM (CI-6) • Implement an Internet Locate Policy and Reference Guide (LO-1) • Establish a Clear Definition of “Affordable” Health Insurance Coverage (ES-6) • Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage (EN-13) • Discontinue Interest Accrual (FI-2) • Discontinue Billing Statements to NCPs Paying through Income Withholding (FI-4) • Require Electronic Remittance for All Employers (FI-5) • Accept Credit Card Payments (FI-6) • Simplified DRA Distribution Rules (FI-7) • Replace the 1% Cost Recovery Fee With a Flat, Annual Cost Recovery Fee (FI-8) • Improve Security Management (CA-08) • Enhanced, Comprehensive, Employer Web Portal (EN-4 / CM-8) • Issue IWO Notices with Case Specific Arrears Payment Terms (EN-9) • Allow Minnesota Child Support Online (MCSO) Users to Update Information (CM-6) |
| 4 | Establish Technical Infrastructure | Foundation | <ul style="list-style-type: none"> • Review Data Architecture Strategy (MCSO-06) • Enhance Technical Documentation (CA-10) |
| 5 | Improve Data Quality | Foundation | <ul style="list-style-type: none"> • Develop Data Integrity and Data Quality Strategy (PRISM-13) • Implement Data Management (DATAWHS-08) • Improve Master Data Management (CA-05) |
| 6 | Conduct Implementation Readiness Assessments (IRAs) | Foundation | <ul style="list-style-type: none"> • N/A - This is a foundation project for all system renewal projects. An IRA helps further define the scope of each project and will help CSED understand, at a very detailed level, what the true efforts, costs and benefits are for each project. |
| 7 | Establish Performance Management Framework | Foundation | <ul style="list-style-type: none"> • N/A – This is a foundation project for the Improve Reporting Capabilities and Analytics project. This project will help CSED ensure that any enhancements to the reporting capabilities are aligned with the performance management framework. |
| 8 | Establish Governance Structure | Foundation | <ul style="list-style-type: none"> • N/A – This is a foundation project for all system renewal projects. This project allows CSED to establish the organization, methods and controls to manage the execution of each project. |
| 9 | Implement Enterprise Content Management (ECM) | System Renewal | <ul style="list-style-type: none"> • Implement an Enterprise Content Management (ECM) System (CM-3) • Implement Spell Check (PRISM-08) • Implement Document Management (CA-04) • Enhance Forms Management (CA-11) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|--------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | Improve Reporting Capabilities and Analytics | System Renewal | <ul style="list-style-type: none"> • Consolidate the Location of All Reports (CM-9 / MA-26) • Implement Performance Reporting (IVR-02) • Re-evaluate Business Intelligence Tools (DATAWHS-01) • Consolidate Federal Reporting in Data Warehouse (DATAWHS-02) • Implement Extract Transform Load Tools (DATAWHS-03) • Re-organize Your Data Model (DATAWHS-04) • Implement an Operational Data Store (DATAWHS-05) • Review Report Inventory (DATAWHS-06) • Develop Knowledge Repository (DATAWHS-07) • Revisit Load Requirements (DATAWHS-09) • Improve Reporting and Analysis (CA-06) |
| 11 | Enhance Self Service | System Renewal | <ul style="list-style-type: none"> • Provide Financial Statements Online or via Email (ES-5 / MA-2) • Enhanced, Comprehensive, Employer Web Portal (EN-4 / CM-8) • Accept Credit Card Payment and Other Online Forms of Payment (FI-6 / MA-4) • Allow MCSO Users to Update Information (CM-6 / MA-5) • Conduct a MCSO Usability Assessment (MCSO-01) • Extend to Portal Technology (MCSO-03) • Implement Self Service (IVR-01) • Operationalize Service Level Agreement (IVR-03) |
| 12 | Implement Customer Relationship Management (CRM) | System Renewal | <ul style="list-style-type: none"> • Implement a Customer Relationship Management (CRM) Solution (CM-2 / CA-07) • Implement Integrated Communication Channels (MCSO-02) • Implement Outbound Calling (IVR-04) |
| 13 | Assess and Plan for Security Management | System Renewal | <ul style="list-style-type: none"> • Improve Security Management (CA-08) • Conduct a Security / Vulnerability Assessment (MCSO-05) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|---------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14 | Incremental Renewal – Case Initiation | System Renewal | <ul style="list-style-type: none"> • Accept NPA Applications via the Internet (CI-1 / MA-1) • Enhance Case and Person Matching (CI-3 / MA-6 / PRISM-11) • Enhance Maxis Interface Screening (CI-4 / MA-17) • Enable Interstate Email Communications (CI-5) • Screen COMA Case Referrals before Accepting Cases on PRISM (CI-6) • Implement a Rule-based Case Assessment and Case Closure Capability (CM-1 / MA-14) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Improve Efficiency of Worklists (CM-5 / MA-24 / PRISM-09) • Allow Users Multiple Entry Options (PRISM-01) • Implement Next Appropriate Action (PRISM-02) • Provide Dynamic Filtering and Viewing (PRISM-03) • Develop Summary Screens (PRISM-04) • Implement Workflow / Orchestration (PRISM-05) • Eliminate Acronyms and Codes (PRISM-06) • Implement Flexible Search (PRISM-07) • Implement Spell Check (PRISM-08) • Implement Intelligent Case Assignment (PRISM-10) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |
| 15 | Incremental Renewal – Locate | System Renewal | <ul style="list-style-type: none"> • Implement an Internet Locate Policy and Reference Guide (LO-1) • Implement a Rule-based Locate Automation Capability (LO-2 / MA-7) • Automate Validation Activities (LO-3 / MA-8) • Create New and Expand Existing Locate Interfaces (LO-5 / MA-20) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|-------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 | Incremental Renewal – Establishment | System Renewal | <ul style="list-style-type: none"> • Standardize the Paternity Establishment Processes and Practices (Emphasizing Voluntary Acknowledgements of Paternity) (ES-1) • Utilize a Statewide Genetic Testing Contract (ES-2) • Enhance Minnesota Department of Health Interface (ES-3 / MA-18) • Emphasize Stipulated or Agreed Orders (ES-4) • Establish a Clear Definition of “Affordable” Health Insurance Coverage (ES-6) • Create an Automated Review Selection Capability (ES-7 / MA-9) • Develop and Make Available User-friendly Pro Se Packets for Reviewing CSE Obligations (ES-8) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Integrate Automated Scheduling into the Child Support Application (CM-7 / MA-25 / CA-09) • Provide Standardization and Flexibility to PRISM Documents and Forms in the Paternity Establishment Processes (MA-21) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automation (CA-03) |
| 17 | Incremental Renewal – Enforcement | System Renewal | <ul style="list-style-type: none"> • Implement Automated Early Intervention Techniques (EN-1 / MA-10) • Utilize Automated Enforcement Remedies (EN-2 / MA-11) • Implement Electronic Income Withholding Orders (eIWOs) (EN-3 / MA-3) • Establish a Central Lien Registry (EN-5 / MA-22) • Standardize the Contempt Process (EN-7) • Enforce Only Unreimbursed Medical Expenses that have been Reduced to Judgment by the Parties (EN-8) • Implement Automated IWO Arrears Calculation (EN-9) • Automate FIDM (EN-11 / MA-12) • Automate the License Suspension Process (EN-12 / MA-13) • Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage (EN-13) • Standardize Payment Agreements (EN-14) • Implement Automated Activity Logging and Tracking (CM-4 / MA-23) • Implement Next Appropriate Action (PRISM-02) • Implement Workflow / Orchestration (PRISM-05) • Automate Manual Interfaces (PRISM-12) • Allow for Interface Integration (CA-01) • Implement Workflow Automation (CA-02) • Implement Rule-Based Automate (CA-03) |

| ID | Project Name | Project Type | Recommendations (from BPR Deliverables #2 and #3) ⁵ |
|----|--------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18 | Incremental Renewal – Financials | System Renewal | <ul style="list-style-type: none"> Automate Court Order Entry Process (FI-1 / MA-19) Discontinue Interest Accrual (FI-2) Revised Billing Statement (FI-3) Discontinue Billing Statements to Targeted NCPs (FI-4) Require Electronic Remittance for Large Employers (FI-5) Simplify DRA Distribution Rules (FI-7) Replace the 1% Cost Recovery Fee with a Flat, Annual Cost Recovery Fee (FI-8 / MA-15) Merge All Adjustment Functions into One Application (FI-9 / MA-16) Waive NPA Application Fee (CI-2) Implement Data Archiving / Purging (PRISM-14) Implement Automated Activity Logging and Tracking (CM-4 / MA-23) Implement Next Appropriate Action (PRISM-02) Implement Workflow / Orchestration (PRISM-05) Automate Manual Interfaces (PRISM-12) Allow for Interface Integration (CA-01) Implement Workflow Automation (CA-02) Implement Rule-Based Automation (CA-03) |
| 19 | Rationalize Reports | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |
| 20 | Enhance IWO Processes | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |
| 21 | Improve Federal Performance Measures | Quick Win | <ul style="list-style-type: none"> This is a newly identified quick win project. |

Table 22: Project Recommendation Mapping

Project Profile Template

- 151 For each of the projects placed on the Implementation Roadmap, a profile was created that includes information such as project description, duration, costs, benefits, risks, and assumptions. The project profiles are not intended to serve as the work plan for implementation, but instead as an input to the definition of scope, requirements, and detailed implementation work plan creation once the project is initiated.
- 152 Table 23 shows the template used for the project profiles. A completed profile for each project is included later in this document.

| Project ID | ## |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Project Name | <Short Name of Project> |
| Duration | <Duration of project> |
| Project Type | <Indicates whether the project is of the type Foundation, System Renewal, or Quick Win> |
| Business Process | <Indicates the business process the change affects> |
| Project Sponsor | <CSED sponsor of the project> |
| Project Priority | <Indicates the priority of the project as either High, Medium, or Low> |
| Strategic Goal | <Strategic goal(s) this project addresses> |
| Project Description | <Brief description of the project> |
| Estimated Costs | <Child Support Program resources, vendor resources, software/hardware costs > |
| Expected Benefits | <Overview of all qualitative benefits> |
| Project Risk | <Low, Medium, High> |
| Assumptions and Notes | |
| <Assumptions relating to specific project and associated notes that would be helpful for project implementation, such as project dependencies> | |

Table 23: Project Profile Template

- 153 The “**Duration**” section of the project profile details the length of time estimated to complete the project. This duration depends greatly on the timely procurement of MN Child Support Program and vendor resources, software and hardware purchases, consistent project funding, and the implementation of the dependent projects. Due to this, the duration is merely an estimate at this point.
- 154 The “**Project Type**” section of the project profile indicates whether the project is of type Foundation, System Renewal, or Quick Win.
- 155 The “**Business Process**” section of the project profile details the business process affected by the project.
- 156 The “**Project Priority**” section of the project profile indicates if the project has been assigned a High, Medium or Low priority. Deloitte worked with CSED to determine each project’s priority per the following definitions:
- High – A project with high priority is critical for the system renewal.
- Medium – A project with medium priority is important, but not technically necessary for the system renewal. These projects support system renewal processes and provide for new levels of automation and simplicity.
- Low – A project with low priority does not need to be implemented as part of the system renewal. These projects meet the goals and vision of CSED. For the purposes of our Implementation Roadmap, no project was identified as having a low priority.
- 157 The “**Strategic Goals**” section of the project profile aligns the project with one or more of the following three (3) strategic goals of the Child Support Program per the Minnesota Child Support Program’s 2008-2012 Strategic Plan:
- Be Efficient, Consistent and Responsive
- Maximize Performance and Outcomes
- Be Responsive / Provide Consistent Customer Service
- 158 The “**Project Description**” section of the project profile details the components of each project such as the scope, approach, and deliverables. A brief background of the project is also provided to provide context to the challenges the project addresses.
- 159 The “**Estimated Cost**” section of the project profile refers the reader to the Cost Benefit Analysis for detail regarding estimated hours of MN Child Support Program and vendor resources, estimated costs based on individual blended rates of each entity, and high-level estimates of software and hardware purchase costs.
- 160 The “**Expected Benefits**” section of the project profile details the qualitative benefits resulting from the implementation of the projects. The qualitative benefits were derived from Deloitte’s industry experience in implementing similar projects for similar clients. The quantitative benefits are located in the Cost Benefit Analyses. The amount of quantitative data depended solely on the amount of data obtained from CSED.

CSED’s Strategic Goals:

- Be efficient, consistent, and responsive in our operations
- Be effective, maximize overall performance and outcomes
- Be responsive, provide consistent high quality customer service

161 The “**Risk**” section of the project profile details the level of risk the project contains. This is derived from Deloitte’s industry experience in implementing similar projects for similar clients. Risks have been classified as High, Medium, and Low.

High – A project with high risk is complex, has a technology component to it, impacts many stakeholders, and has many project dependencies.

Medium – A project with medium risk supports technology projects and has few project dependencies.

Low – A project with low risk is short in duration, is not typically associated with technology, and has little project dependency.

162 The “**Assumptions and Notes**” section of the project profile provides additional information important to the project, including project dependencies or related projects and project assumptions.

163 Table 24 provides a summary of all the projects recommended in the Roadmap.

| # | Project Name | Project Type | Project Priority | Business Processes | Estimated Duration | Risk |
|----|----------------------------------------------------------------------------------|----------------|------------------|--------------------|--------------------|--------|
| 1 | Conduct a To-Be Process Analysis | Foundation | High | Cross-Functional | 4 – 6 months | Low |
| 2 | Develop a Procurement Strategy for System Renewal | Foundation | High | Cross-Functional | 4 – 6 months | Low |
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | Foundation | High | Cross-Functional | 9 – 15 months | Low |
| 4 | Establish Technical Infrastructure | Foundation | High | Cross-Functional | 6 – 9 months | Medium |
| 5 | Improve Data Quality | Foundation | High | Cross-Functional | 10 – 12 months | Medium |
| 6 | Conduct Implementation Readiness Assessments (IRAs) | Foundation | High | Cross-Functional | 10 – 12 months | Low |
| 7 | Establish Performance Management Framework | Foundation | Medium | Cross-Functional | 10 – 12 months | Medium |
| 8 | Establish Governance Structure | Foundation | High | Cross-Functional | 3 – 4 months | Low |
| 9 | Implement Enterprise Content Management (ECM) | System Renewal | Medium | Cross-Functional | 9 – 12 months | Medium |
| 10 | Improve Reporting Capabilities and Analytics | System Renewal | High | Cross-Functional | 9 – 12 months | Medium |
| 11 | Enhance Self Service | System Renewal | High | Cross-Functional | 9 – 12 months | Medium |
| 12 | Implement Customer Relationship Management (CRM) | System Renewal | Medium | Cross-Functional | 15 – 18 months | Medium |
| 13 | Assess and Plan for Security Management | System Renewal | High | Cross-Functional | 4 – 6 months | Medium |
| 14 | Incremental Renewal – Case Initiation | System Renewal | High | Case Initiation | 16 – 18 months | High |

| # | Project Name | Project Type | Project Priority | Business Processes | Estimated Duration | Risk |
|----|--------------------------------------|----------------|------------------|--------------------|--------------------|------|
| 15 | Incremental Renewal – Locate | System Renewal | High | Locate | 16 – 18 months | High |
| 16 | Incremental Renewal – Establishment | System Renewal | High | Establishment | 18 – 24 months | High |
| 17 | Incremental Renewal – Enforcement | System Renewal | High | Enforcement | 18 – 24 months | High |
| 18 | Incremental Renewal – Financials | System Renewal | High | Financials | 18 – 24 months | High |
| 19 | Rationalize Reports | Quick Win | Medium | Cross-Functional | 4 – 6 months | Low |
| 20 | Enhance IWO Processes | Quick Win | High | Enforcement | 3 – 6 months | Low |
| 21 | Improve Federal Performance Measures | Quick Win | Medium | Cross-Functional | 5 – 6 months | Low |

Table 24: Project Profile Summary

Cost and Benefit Analysis Methodology

- 164 For each of the project profiles, we completed a cost benefit analysis (CBA) and an accompanying return on investment (ROI) calculation. Our approach involved defining the high-level scope of each project, identifying the cost and benefit factors, gathering data, and performing the CBA and ROI analysis based on the previously stated assumptions.
- 165 The cost benefit analysis for all projects were done in isolation from one another so all estimated benefits and costs stand alone for each project and do not take the others into consideration. In addition, costs for projects are estimated at the project level and are therefore not totaled for all Roadmap projects. The total cost of implementing the entire system renewal depends on whether all Roadmap projects are done or not. Total costs will need to be estimated in the context of the choices made by the state. For example, costs currently included in Project X may need to be captured by another project even if Project X is not implemented. The projects are designed to build on each other and skipping one may increase the cost of another.

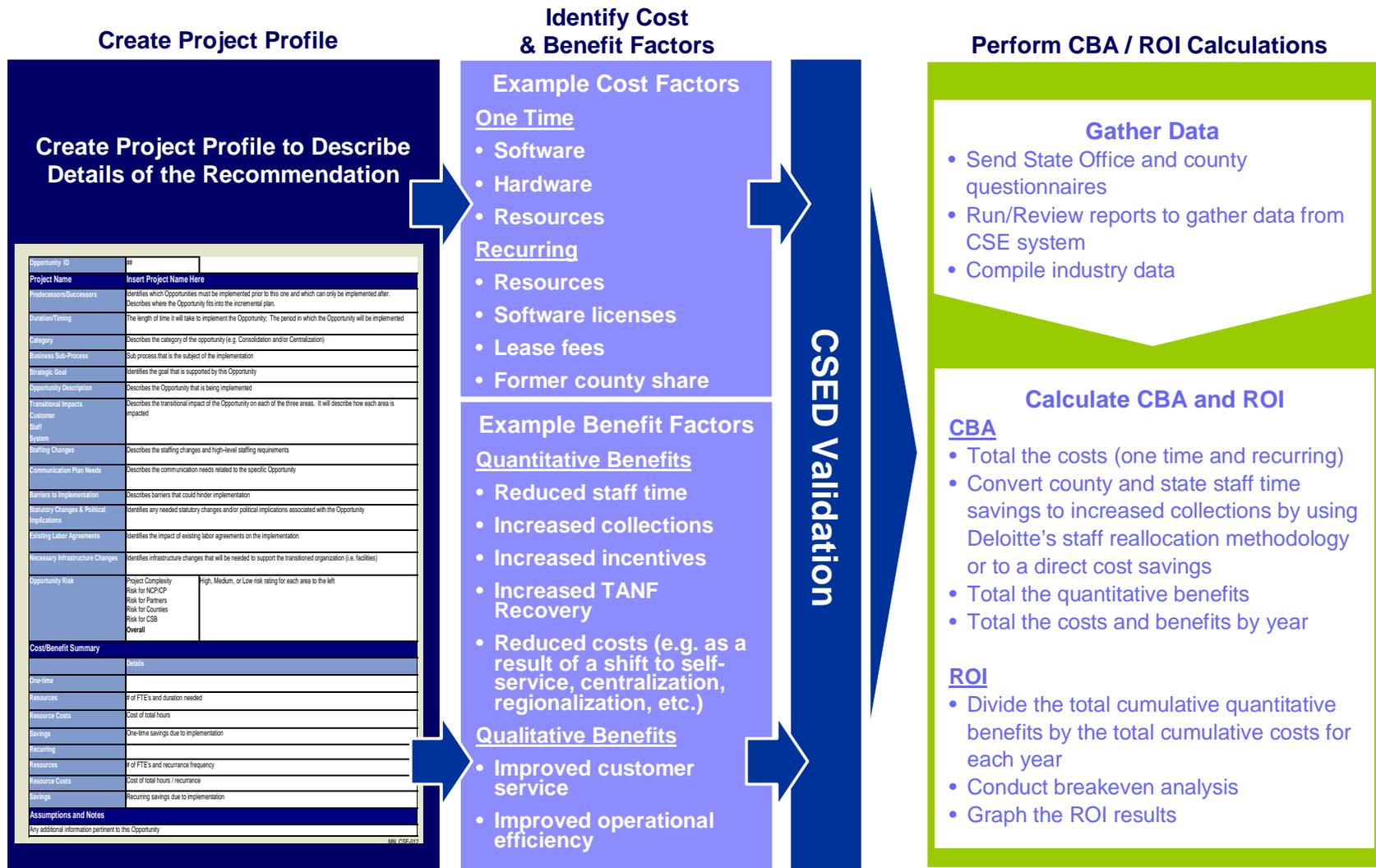


Figure 5: Cost and Benefit Calculation Methodology

166 While we brought an established and demonstrated methodology, we believe that it was important to confirm the formulas, relevant cost and benefit data, and resulting calculations. We used a five step approach to assess the components of our CBA.

- 167 **Step 1: Validate Project Details** – Deloitte assessed each of the project profiles to determine: (1) project scope definition, (2) high-level benefits and costs, (3) alignment of the project with CSED’s strategy, and (4) alignment of benefits with stakeholders.
- 168 **Step 2: Define Benefits** - For each of the identified projects, Deloitte defined the key drivers for the anticipated benefit. As part of this exercise, Deloitte quantified the estimated anticipated benefits and projected the scope, magnitude, and timing of when the benefits may be realized. The size, scope, and time frame of when the benefits may be realized provided the data needed to perform the ROI calculations.
- 169 **Step 3: Define Total Costs** - For each of the identified projects, Deloitte assessed the estimated costs of implementing the recommendations. The determination of the estimated costs necessitated CSED to provide expense information and/or assess certain cost related assumptions. The unavailability of data resulted in the need for assumptions to be identified to complete the CBA analysis. Each of these assumptions is clearly documented in Appendix B. The costs and assumptions were validated with CSED. Since most of the projects are related to the renewal of the technology that supports the child support program, estimates had to be made related to software, hardware, and staffing required to perform the work for each project. At the time of this report, it is unknown what the future technology platform will be. Furthermore, system requirements have yet to be defined. Therefore, the costs estimates are based on our experience in implementing child support technology solutions in other states. The actual costs of the work could vary as high as 25%.
- 170 **Step 4: Calculate the Anticipated CBA and ROI** - After quantifying total costs and projecting anticipated benefits, Deloitte used an industry standard method of computing potential return on investment (ROI) for the identified projects. Deloitte worked with CSED to obtain buy-in to the ROI methodology and confirm our assumptions.
- 171 **Step 5: Track Costs and Benefits** - Part of our approach to performing cost benefit analysis includes tracking of actual costs and benefits compared to the original business case. While not important for this phase of the project, we believe that it is a critical component for CSED to keep in mind as it considers implementing recommendations.

Cost Benefit Analysis Model

- 172 The Cost Benefit Analysis (CBA) Model is a Microsoft Excel workbook to be completed for each project. The CBA Model consists of several worksheets:

CBA Summary Graphics Sheet – includes a chart showing the potential increase in collections by year and a chart showing the cumulative benefits and cost over time.

CBA Summary and ROI Sheet – provides a summary of a project’s expected benefits and costs over time and calculates the expected Return on Investment of the project.

Benefit Sheets – calculates the quantitative benefits of a project. One project may have multiple Benefits Sheets. The structure of the Benefit Sheet depends on the specific quantitative benefit being calculated (e.g., staff savings, reduced costs, increased collections, etc.).

Detailed Costs Sheet – details the expected one-time and recurring costs of a project. Note that if a project does not have any expected quantifiable benefits, it has a ‘cost only’ CBA Model and only includes the Detailed Costs Sheet.

173 Each worksheet is explained in detail below.

CBA Summary Graphics Sheet

174 The CBA Summary Graphic Sheet provides a graphical summary of benefits and costs over time detailed on the CBA Summary and ROI Sheet. Specifically, the sheet charts: 1) Potential Increase in Collections by Year and 2) ROI and Breakeven Analysis.

175 The Potential Increase in Collections by Year chart graphs the Non-Revenue Benefits (Collections) from the CBA Summary and ROI Sheet by year (see Figure 6 for an example). The chart shows the potential increase in collections that could be collected by the Minnesota child support program because of this project. (Note that the CBAs were completed for each project individually. We have not summarized the expected increase in collections across the projects to verify that the state could, for example, exceed 100% collections.)

176 The ROI and Breakeven chart graphs the Cumulative Benefits (Revenue / Reduced Costs) from the CBA Summary and ROI Sheet by year on the blue line and the Cumulative Costs from the CBA Summary and ROI Sheet on the red line (see Figure 6 for an example). The chart shows the point at which the project has a positive ROI, or the Breakeven Year, as the year in which the two lines cross. Note that in some projects, the project does not break even in the time analyzed in the CBA Model.

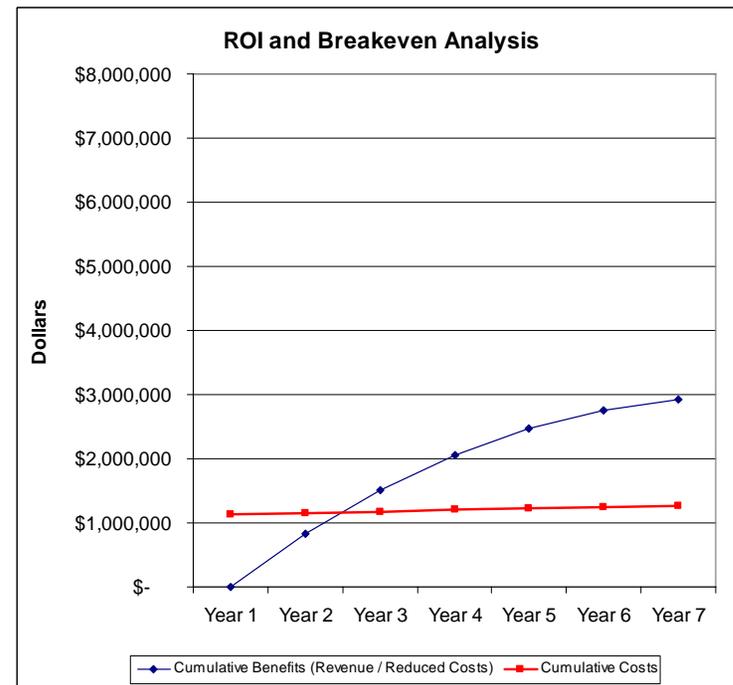
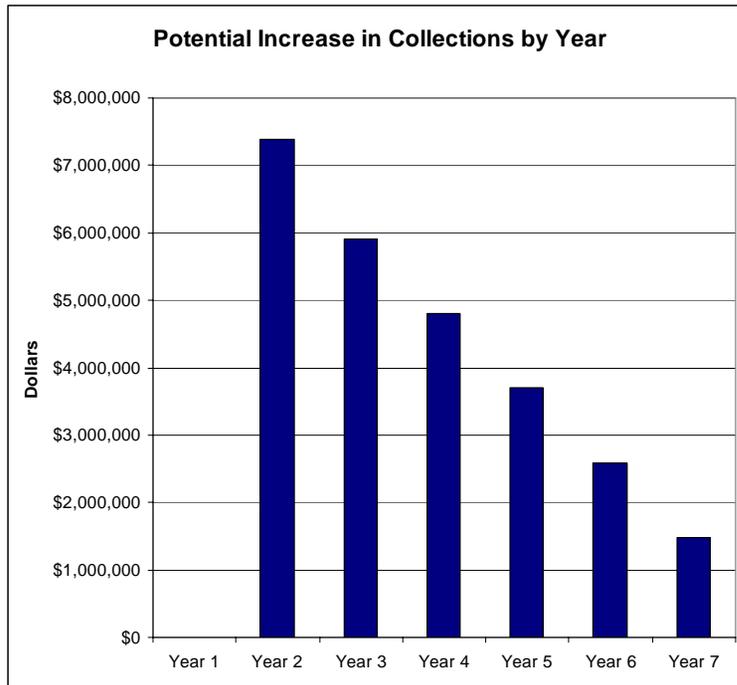


Figure 6: Sample Charts

CBA Summary and ROI Sheet

- 177 The CBA Summary and ROI Sheet provides a summary of a project’s expected benefits and costs over time. It also calculates the expected ROI of the project.
- 178 Table 25: CBA Summary and ROI Sheet Colors Legend explains what the various shading / colors in the sheet indicate.

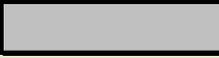
| Color / Shade | Example | Definition |
|------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tan |  | Tan shading indicates the summation of collections (non-revenue) benefits calculated in the Benefits Sheets. |
| Green |  | Green shading indicates a revenue benefit, meaning a real dollar benefit to the program. These include costs savings calculated in the Benefits Sheets, as well as increased Federal collections and TANF recovery funds as a result of the increased collections (indicated by the light gray shading). |
| Yellow |  | Yellow shading highlights summary rows in the spreadsheet. |
| Dark Red / Brown |  | The dark red / brown lines are simply headers to indicate sub-sections of the sheet. |
| Light Gray |  | Light gray shading is used to group rows on the page (i.e., Benefit Factors, Cost Factors, Cost Benefit Summary, etc.) |
| White |  | White cells indicate data that is calculated within the sheet or pulled from another sheet of the CBA Model which does not meet the criteria for one of the other colors above. |

Table 25: CBA Summary and ROI Sheet Colors Legend

- 179 Table 26: CBA Summary and ROI Sheet Definitions and Assumptions provides definitions for each of the terms used in the sheet, organized in the order in which they appear.

| Term | Definition |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project ID | Unique project identifier assigned to the project. The Project ID corresponds to the Project ID in the corresponding Project Profile. |
| Project Name | The short name of the project. The Project Name corresponds to the Project Name in the Project Profile and on the Roadmap. |
| Benefit Factors | Lists the categories of quantitative benefits calculated for the project, such as Reduction in County Staff, Increase in Collections due to Staff Time Savings, Reduced Mailing Costs, etc. Note that this list does not include qualitative benefits which are detailed out in the Project Profiles. |

| Term | Definition |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overall Benefit Calculation | <p>This section lists each quantitative benefit category and the total calculated benefit associated with that category. The list varies by project, but may include:</p> <ul style="list-style-type: none"> • Annual Increase in Collections due to Reallocation of Staff, etc. – This is a summary of the annual increases in collections calculated for the project. For most projects, this number is mainly the increased collections calculated on the Benefit – Staff Savings Sheet resulting from reallocating hours of county staff to more Establishment and Enforcement activities. The methodology for calculating this increase in collections is provided in detail in the Benefits Sheets section below. • Annual Savings due to Reduction in Staff - This is the annual amount of salaries and benefits expected to be saved due to reducing the number of county staff needed. The methodology for calculating this reduction in staff costs is provided in detail in the Benefits Sheets section below. • Annual Savings due to Reduced Mailing, etc. Costs – This is a summary of all the other non-staff cost reductions calculated for the project. • Annual Increase in State Incentive Funding – This is the expected increase in Federal incentives awarded to Minnesota based on the expected increase in collections. This is calculated using Deloitte’s State Performance Incentive Calculator, which is explained in detail in the next section. • Annual Increase in TANF Recovery – This is the expected increase in TANF Recovery for Minnesota based on the expected increase in collections. This is calculated using Deloitte’s State Performance Incentive Calculator, which is explained in detail in the next section. |
| Yearly Benefits Diminishing Over Time (Non Revenue) | Sums the total expected increase in collections to Minnesota as a result of the project. The benefit is “Non Revenue” because it does not directly result in additional money to the Minnesota child support program since the collections are disbursed to the families. It does, however, lead to Revenue benefits via the resulting increase in State Incentive Funding and TANF Recovery. These Revenue benefits are included in the Yearly Benefits Diminishing Over Time (Revenue / Reduced Costs) line of the CBA. |
| Yearly Benefits Diminishing Over Time (Revenue / Reduced Costs) | Sums the total expected increase in funds available to the Minnesota child support program due to the project, including increases in State Incentive Funding and TANF Recovery as a result of increased collection and reduced costs. These benefits provide real dollars that can be used to cover the costs of the project. |
| Cost Factors | Lists the categories of costs expected to be required to implement the project, including both one-time and recurring costs. |
| One-time Costs | Details the summary of one-time costs as calculated on the Detailed Costs Sheet. Depending on the project, the one-time costs include resource costs, technology costs such as hardware, software, or processing, as well as other costs such as mailing costs, etc. |
| Total One-time Costs | Sums the one-time costs detailed above. |
| Recurring Costs | Details the summary of recurring costs as calculated on the Detailed Costs Sheet. Depending on the project, the recurring costs include resource costs and/or technology costs such as hardware, software, or processing. |
| Total Recurring Costs | Sums the recurring costs detailed above. |
| Cost / Benefit Summary | The remaining rows summarize the cost and benefits detailed above over a seven year period. |
| Year X | The year indicates the year of the Implementation Roadmap. Therefore, Stage 1 projects begin in year 1. But, Stage 2 projects begin in year 2 and Stage 3 projects in year 4. |

| Term | Definition |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Revenue Benefits (Collections) | Pulls the Yearly Benefits Diminishing Over Time (Non Revenue) from above to the first year after implementation of the project. (For Stage 1 projects, that is year 2. Year 4 for Stage 2 projects; and year 6 for Stage 3 projects.) The benefit is then reduced over the remaining years in the model depending on the project per the following schedule: Year 2 (or the first year after implementation) = 100% of estimated benefit, Year 3 = 85% of estimated benefit, Year 4 = 70% of estimated benefit, Year 5 = 55% of estimated benefit, Year 6 = 40% of estimated benefit, Year 7 = 25% of estimated benefit. |
| Cumulative Non-Revenue Benefit | Sums the Non-Revenue Benefits (Collections) for each year and the proceeding years. For example, year 4 Cumulative Non-Revenue Benefit would be the sum of years 1 through 4. |
| Benefits (Revenue / Reduced Costs) | Pulls the Yearly Benefits Diminishing Over Time (Revenue / Reduced Costs) from above to the first year after implementation of the project. (For Stage 1 projects, that is year 2. Year 4 for Stage 2 projects; and year 6 for Stage 3 projects.) The benefit is then reduced over the remaining years in the model depending on the project per the following schedule: Year 2 (or the first year after implementation) = 100% of estimated benefit, Year 3 = 85% of estimated benefit, Year 4 = 70% of estimated benefit, Year 5 = 55% of estimated benefit, Year 6 = 40% of estimated benefit, Year 7 = 25% of estimated benefit. |
| One-time Costs | Pulls the Total One-time Costs from above to the year(s) of project implementation. For Stage 1 projects, all one-time costs are in year 1. For Stage 2 and 3 projects, one-time costs are split evening between the two years. |
| Recurring Costs | Pulls the Total Recurring Costs from above to the first year after implementation of the project. (For Stage 1 projects, that is year 2. Year 4 for Stage 2 projects; and year 6 for Stage 3 projects.) The recurring costs is then increased over the remaining years in the model by 3% each year (except in a few exceptions which are noted at the bottom of the CBA Summary and ROI Sheet for that project under Assumptions). |
| Net Benefit (Cost) | Subtracts the one-time and recurring costs from the revenue / reduced costs benefits by year. If the amount is negative, the costs exceed the benefits for that year. If the amount is positive, the benefits exceed the costs for that year. |
| Return on One-time Investment | Divides the net benefits for each year by the total one-time costs. It indicates the percentage of the one-time costs that are recovered by year. |
| Cumulative Benefits (Revenue / Reduced Costs) | Sums the Benefits (Revenue / Reduced Costs) for each year and the proceeding years. For example, year 4 Cumulative Benefits (Revenue / Reduced Costs) would be the sum of years 1 through 4. |
| Cumulative Costs | Sums the One-time Costs and Recurring Costs for each year and the proceeding years. For example, year 4 Cumulative Costs would be the sum of years 1 through 4. |
| Cumulative Net Benefit (Cost) | Subtracts Cumulative Costs from Cumulative Benefits (Revenue / Reduced Costs). If the amount is negative, the cumulative costs of the project exceed the cumulative benefits. If the amount is positive, the cumulative benefits exceed the cumulative costs. The year at which the Cumulative Net Benefit turns positive is the Breakeven Year. |
| Cumulative Return on Investment | Divides the Cumulative Benefits (Revenue / Reduced Costs) by Cumulative Costs for each year. It indicates the percentage of the total costs that are recovered over time. The year at which the Cumulative Return on Investment is 100% or greater is the Breakeven Year. |
| Assumptions | Lists assumptions made on the project at a summary level. Additional assumptions are also listed on the other sheets of the model as needed. |

| Term | Definition |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notes | Includes key definitions and notes about the methodology of the cost benefit analysis at a high level which are critical to share with anyone reviewing the sheet. |

Table 26: CBA Summary and ROI Sheet Definitions and Assumptions

Benefit Sheet

180 The Benefit Sheets calculate the quantitative benefits of a project. One project may have multiple Benefits Sheets. The structure of the Benefit Sheet depends on the specific quantitative benefit being calculated (e.g., staff savings, reduced costs, increased collections, etc.).

181 Table 27: Benefit Sheet Colors Legend explains what the various shading / colors in the sheet indicate.

| Color / Shade | Example | Definition |
|------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tan |  | Tan shading is an input field. Meaning, the user types in the number. |
| White |  | White cells are calculated fields. Meaning, the model automatically fills the cell based on the formula and the data in the related gray input fields |
| Dark Red / Brown |  | The dark red / brown lines are simply headers to indicate sub-sections of the sheet. |

Table 27: Benefit Sheet Colors Legend

182 The actual structure of the Benefit Sheets differs by project and even by type of benefit being calculated within a project. Each Benefit sheet has four columns to display the information, as detailed in Table 28: Benefit Sheet Columns.

| Column | Examples | Description |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Data ID | A, B, C, D, etc. | Each data point has a unique identifier. This identifier is used in other Data Name cells to show how the data point is calculated from other data points. |
| Data Name | Total hours staff spend annually on reconciling data (manually researching and performing person matches, verifying case/person data, etc.) Staff hours saved (A * B) | A short description of the data point, including a formula showing how the data point is calculated from other data points. |

| Column | Examples | Description |
|------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Data Value | 362,703, 20%, etc. | The actual value either manually typed in or automatically calculated. Data Values manually entered are shaded in light gray. Data values automatically calculated by the CBA Model are white. The white Data Values have Data Names with formulas included to show the calculation. |
| Source | Data obtained from county data requests. Estimated based on Deloitte experience with other projects. | A brief description of where the Data Value came from, including any assumptions made. |

Table 28: Benefit Sheet Columns

- 183 Most projects do have a Benefit Sheet for staff savings (labeled Benefit – Staff Savings). The premise behind the staff savings calculation is that the project will result in a reduction of staff time spent doing some activities. The amount of hours currently spent on these activities was estimated based on responses to a county data request completed by 17 counties. The counties’ response were averaged based on county size. These averages were then extrapolated to the entire state using a weighted average methodology (i.e., the average response for small counties was multiplied by the total number of small counties in the state, the average response for large counties was multiplied by the total number of large counties in the state, etc.). A reduction in the total hours across the state per year spent on the activities was then reduced by an expected percent reduction estimate based on Deloitte’s experience with similar projects. This resulted in a total expected number of staff hours saved annually from this project.
- 184 The CBA Model assumes that 20% of the savings will be reallocated to Establishment activities and 60% to Enforcement Activities. The remaining 20% of the staff hours saved will be a direct reduction in county staff. The percentages were determined by Deloitte making estimates on which allocation would have the highest Return on Investment. The percentages were then presented to CSED for review and approval for the CBA Model. We believe that this split of hours between Establishment, Enforcement, and staff reduction is a conservative approach as a bigger benefit is expected from additional Enforcement activities versus Establishment activities. If the percentage of staff hours saved allocated to staff reduction was increased there would be a greater benefit to the project and the ROI, but only a conservative reduction in staff was assumed. It is our estimate based on running these initial calculations where to begin reallocating hours saved but as projects are implemented and real data is obtained, the program will need to make decisions on how to best use hours that are reduced due to efficiencies gained.
- 185 The 20% of staff hours saved allocated to staff reduction results in direct salaries and benefits cost reduction, calculated by multiplying the total county staff hours eliminated by staff reduction by an estimated county staff rate per hour. The county staff rate per hour was calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)
- 186 The 20% of staff hours saved reallocated to Establishment activities results in an increased number of orders established each year, and therefore collections. First, the number of hours required to establish an order is calculated by dividing the annual number of work hours for county Establishment caseworkers by the number of orders established in 2008. The annual number of work hours for county Establishment

caseworkers was calculated by multiplying the number of county Establishment caseworkers (obtained from the county data requests) by 2080 hours per year, and assuming that only 80% of those hours are actually available for Establishment activities as 20% would be spent on training, leave time, breaks, etc. Once the number of hours required to establish an order was calculated, the total additional hours allocated to Establishment activities is divided by the hours required to establish an order to calculate the number of new orders as a result of the staff reallocation. The number of new orders is then multiplied by the average yearly collection per case with an active current child support obligation to obtain the annual increase in collections as a result of the hours reallocated to Establishment activities.

- 187 Similarly, the 60% of staff hours saved reallocated to Enforcement activities results in increased collections due to more enforcement actions. First, the average amount of collections per hour as a result of Enforcement action was determined by dividing the annual amount of collections for "Regular" Receipt Type in FY2008 (Annual amount of "regular" receipt types + FIDM collections + 10% of all collections received via Income Withholding) by the annual number of work hours for county Enforcement caseworkers. The annual number of work hours for county Enforcement caseworkers was calculated by multiplying the number of county Enforcement caseworkers (obtained from the county data requests) by 2080 hours per year, and assuming that only 80% of those hours are actually available for Enforcement activities as 20% would be spent on training, leave time, breaks, etc. Once the average collections per hour of Enforcement work was calculated, this number was multiplied by the additional hours allocated to Enforcement activities to obtain the annual increase in collections due to the reallocation of staff to Enforcement activities.

Detailed Costs Sheet

188 The Detailed Costs Sheets details the expected one-time and recurring costs of a project.

189 Table 29: Detailed Costs Sheet Colors Legend explains what the various shading / colors in the sheet indicate.

| Color / Shade | Example | Definition |
|------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Light Gray |  | Light gray shading is used to indicate column labels for the project phases, "Unit Cost", "Total Cost", etc. |
| Tan |  | Tan shading is an input field. Meaning, the user types in the number. |
| White |  | White cells are calculated fields. Meaning, the model automatically fills the cell based on the formula and the data in the related gray input fields |
| Dark Red / Brown |  | The dark red / brown lines are simply headers to indicate sub-sections of the sheet. |

Table 29: Detailed Costs Sheet Colors Legend

190 Table 30: Detailed Costs Sheet Definitions and Assumptions provides definitions for each of the terms used in the sheet, organized in the order in which they appear.

| Term | Definition |
|--------|--------------------------------------------------------------------------------------|
| Source | A column common to all rows in the sheet that details where the estimate originated. |

| Term | Definition |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resource Costs – One-time | <p>Section that provides the estimated hours by resource type for each phase of the project. The section also details the total estimated hours by resource type, the rate of each resource type, and the total cost for each resource type. The columns in this section include:</p> <ul style="list-style-type: none"> List of Resource Types – Every project’s CBA Model has the same six resource types listed (even if that particular model does not allocate any hours to one or more of the resource types at this time). The resource types are: CSED Non-IT Staff, CSED Non-IT Management, CSED IT Staff, CSED IT Management, County Staff, and Vendor. Project Phases – One column is provided for each phase of the project so that hours can be allocated to each phase by the type of resource. The phases differ by project, but a typical system renewal project includes the following phases: Project Planning & Management, Requirements, Design, Testing, and Implementation. Note that the hours detailed in this section only include hours to be expended during project implementation. Ongoing or recurring hours post-implementation are captured under the Recurring Costs section of the sheet. <p>For technology projects, we use a process called “function point analysis” to estimate the development hours for a particular project. Once the development hours are estimated, then the other aspects of the system development lifecycle can be calculated. Our experience indicates that typically, development hours represent approximately 35% of all project hours. Other stages have corresponding percentages that can then be estimated once the development baseline estimate is made. Since at this time we do not have any specifics regarding the functional or technical requirements of any of the projects included in the Roadmap projects, we used function point analysis that we previously completed in Texas and Pennsylvania to estimate the development hours in the CBAs.</p> <p>While function point analysis works well for projects that follow the traditional development lifecycle, for other projects we had to rely on information received from other Deloitte staff in our practice that have done similar project estimates. The Implementation Readiness Assessment project will serve as a means to further define the scope for the major projects and provide an opportunity to update the cost estimates based on a better understanding of the detailed scope of the projects.</p> Total Estimated Hours – Sums the hours allocated across the phases for each resource type. Rate / Hour – Provides the estimated rate per hour for each resource type. The source for each rate is provided at the bottom of each Detailed Costs Sheet and are also provided below: <ul style="list-style-type: none"> CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009. CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits. CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009. CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits. CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.). Vendor rate / hour is based on Deloitte’s experience with similar projects. For some projects, the blended vendor rate will be higher because it will require resources that have higher billing rates. The pure technology projects have the \$150 rate and the others have the higher rate of \$175. Total Cost – Multiplies the Total Estimated Hours by the Rate / Hour columns to calculate the estimated total cost for each type of resource. |

| Term | Definition |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total One-time Resource Costs | Sums the Total Cost column for the one-time resource costs to calculate the total estimated costs to be expended on resources during project implementation. |
| Hardware / Software / Processing Costs - One-Time | <p>Section that provides the estimated costs of other (non-resource) expenses to be expended during project implementation, including technology costs such as hardware, software, or processing, as well as other costs such as mailing costs, etc. The columns in this section include:</p> <ul style="list-style-type: none"> • List of Cost Categories – Lists of the categories of one-time costs which are not resource-related. The list differs by project. And, some projects do not have any non-resource one-time costs. Example categories include: Hardware - Additional Servers, Software License - Additional Licenses and Hardware - Increased Disk Space / CPU Usage. • Quantity – Number of units required of each cost category. The units differ by cost category, but include number of servers, number of licenses, GB of disk space, etc. • Unit Cost – The cost per unit for each cost category. • Total Cost – Multiplies the Quantity by the Unit Cost columns to calculate the estimated total cost for each cost category. |
| Total One-time Hardware / Software / Processing Costs | Sums the Total Cost column for the non-resource costs to calculate the total estimated costs for items such as hardware and software to be expended during project implementation. |
| Total One-time Costs | Sums the Total One-time Resource Costs and Total One-time Hardware / Software / Processing Costs to calculate the total estimated costs to be expended during project implementation. |
| Recurring Costs | <p>Section that provides the estimated costs of ongoing / recurring expenses to be expended annually after project implementation. The columns in this section include:</p> <ul style="list-style-type: none"> • List of Cost Categories – Lists of the categories of one-time costs. The list differs by project. And, some projects do not have any recurring costs. Example categories include: Hardware, Software, and System Support / Maintenance (CSED IT Staff Hours). System Support / Maintenance includes the hours required of CSED IT Staff who will be required to provide ongoing production support for the system. • Quantity – Number of units required of each cost category. The units differ by cost category, but include number of servers, number of licenses, GB of disk space, etc. (For non-resource cost categories only.) • Unit Cost – The cost per unit for each cost category. (For non-resource cost categories only.) • Estimated Hours – Details the expected hours for each resource type. (For resource cost categories only.)* • Rate / Hour – Provides the estimated rate per hour for each resource type. (For resource cost categories only.) • Total Cost – Multiplies the Quantity by the Unit Cost columns (or the Estimated Hours by Rate / Hour for resource cost categories) to calculate the estimated total cost for each cost category. <p>* The Estimated Hours is also translated to FTEs assuming 2080 hours / year. The FTE estimate is provided in the row under each recurring resource hour estimate.</p> |
| Total Recurring Costs | Sums the Total Cost column for the recurring costs to calculate the annual recurring costs to be expended after project implementation. |

Table 30: Detailed Costs Sheet Definitions and Assumptions

Deloitte's State Performance Incentive Calculator

- 191 Deloitte's child support incentive modeling tool (i.e., Incentive Calculator) uses the same logic that the Federal Office of Child Support Enforcement (OCSE) uses to calculate each state's annual performance incentives. The tool uses published state performance information to provide us with the ability to run "what-if" scenarios to determine potential impacts on incentives should certain data points for a state change. This allows us to use the tool to help estimate the potential return on investment (via incentives) of undertaking a particular business, organization, or technology initiative.
- 192 The Calculator uses the five Federal performance measures to calculate a cumulative incentive score out of possible 4.5 (one each for paternity, support order, and current support and 0.75 each for arrears collection and cost effectiveness). It then multiplies the incentive score to collection base to create a state collection base. Collection base is calculated by adding the collections on current, former, Medicaid, and never assistance cases. It gives a double weight to collections on current, former, and Medicaid cases and single weight to collection on never assistance cases.
- 193 The Incentive Calculator computes the new incentive score based on the increase in performance and also recalculates the collection base for increase in collections to compute the increase in incentives and TANF recovery.
- 194 In the Minnesota Policy BPR Project, Deloitte used the Incentive Calculator to determine expected increases in incentive and TANF recovery funds to be used in the cost benefit analyses (CBA) and return on investment (ROI) calculations for the Roadmap projects. Specifically, once a benefit of increased child support collections was estimated (through the reallocation of staff hours saved by a project or other direct improvement in collections receipts as modeled in the CBAs), the Incentive Calculator was used to determine what that increase in collections would mean in terms of increased Federal incentives, as well as TANF recovery, awarded to Minnesota.
- 195 To use the calculator, first the expected increase in child support collections was translated to the expected increase in Collections on Current Support measure for Minnesota (in other words, the expected Collections on Current Support measure minus the 2008 Collections on Current Support measure).⁶ This increase in the measure was the input to the Incentive Calculator in the "Current Support Increase" field (as seen in Figure 2). Given this input, the Incentive Calculator determined the increased share of incentives which Minnesota would be awarded assuming that all other states have the same collections and performance as achieved in 2008. The Calculator uses the same formulas the Federal OCSE uses to allocate the incentive funds. The Calculator also uses the input to determine the expected increase in collections to IV-A case types. Then, based on Minnesota's Federal Medical Assistance Percentage (FMAP) rate of 50%, estimates the increase in TANF Recovery to be 50% of the increase in IV-A case collections.
- 196 The resulting increase in incentives and TANF recovery funds as calculated by the Incentive Calculator was then added to the project's CBA as a benefit of the project.

⁶ In Minnesota, current support collections accounted for 76% of the total collections in 2008 (\$477,534,039 of a total \$629,194,324). Therefore, the increase in the collections on current measures was calculated by multiplying the increase in collections by 76% (to get the current support only) and dividing by the total collections (\$629,194,323).

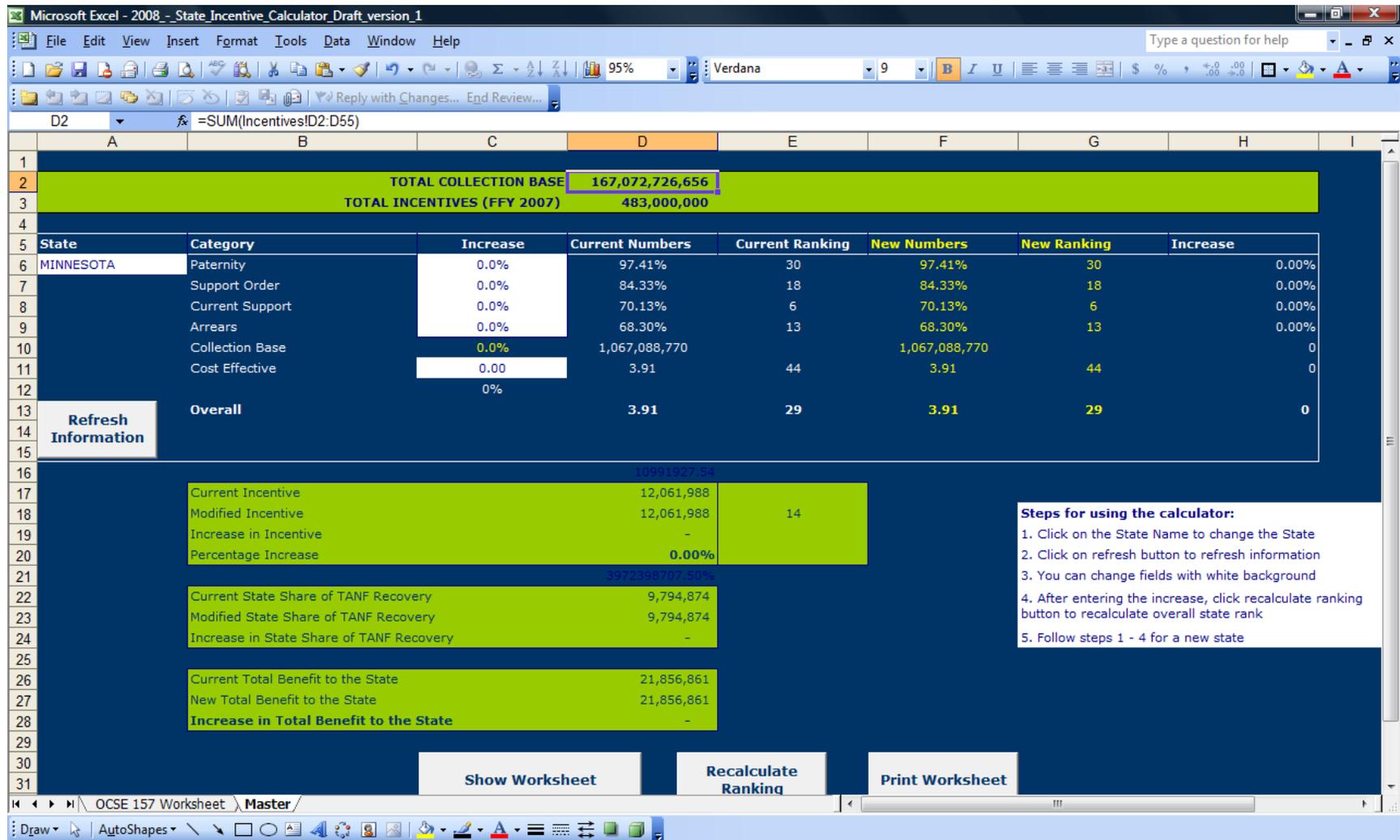


Figure 7: Deloitte's State Performance Incentive Calculator

Implementation Roadmap Development

197 Figure 8 depicts the inputs used to place the projects on the recommended Implementation Roadmap. The implementation strategy, sequencing strategy, estimated CBA and ROI calculations, and strategic goals were all considered in developing the Roadmap.

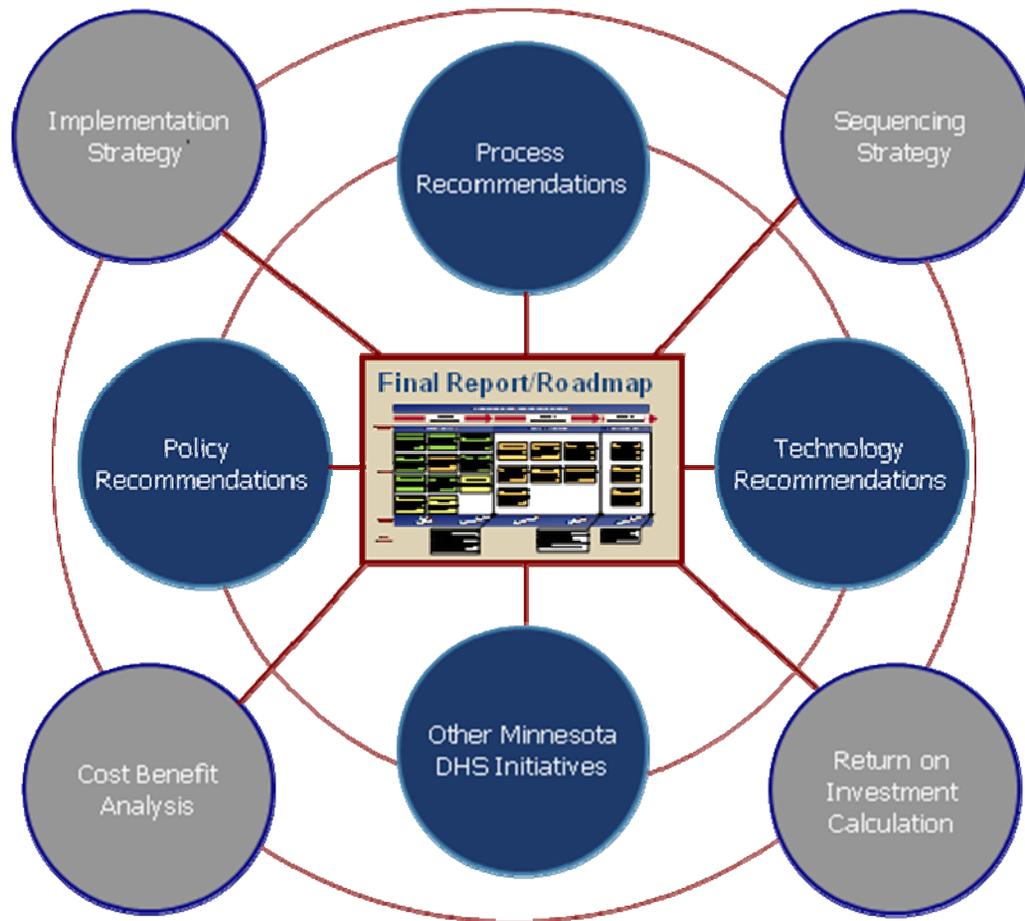


Figure 8: Key Inputs to Create Projects for Implementation Roadmap

Implementation and Sequencing Strategy

198 Once the projects were established, an implementation strategy was developed to stage the projects along a six year timeline. Critical milestones were identified at each stage of the timeline. In order to reach these milestones set for CSED, projects that help to achieve these goals were

placed strategically along the Roadmap. Factors such as project priority, project dependency, and project duration were also considered in developing an effective implementation strategy.

199 The following stages were created to help place the appropriate projects strategically along the six year Roadmap:

Stage 1 – Foundation Projects: In Stage 1, we envision the accomplishment of quick wins (projects where some value can be obtained within a reduced scope of a larger project whose implementation is in a later stage) to build momentum, the implementation of foundation projects required for future change, and projects that will prepare the organization and infrastructure for system renewal.

Stage 2 – Start of System Renewal: In Stage 2, we envision the implementation of projects to accelerate the momentum gained in Stage 1. This momentum will include the first of the functional incremental renewal projects as well as other cross-functional projects that are required to support them.

Stage 3 – System Renewal Completed: In Stage 3, we envision the implementation of the remaining functional incremental renewal projects to realize the end-state vision. This will encompass enterprise-wide transformation of all business processes.

200 Once the implementation strategy was outlined, the sequencing of the projects had to be determined. The sequencing of the recommended Roadmap was based on feedback from CSED regarding some key factors under consideration. The following list of factors for sequencing was considered:

CSED vision – meeting the program’s strategic goals and visions

CSED desire for earlier ROI – implementing quick win projects

CSED and county resources – identifying the availability of resources, considering time and appropriate skill set

Project implementation durations – considering the estimated duration of a project

Project inter-dependencies – understanding the project dependencies along the implementation timeline

External factors outside of CSED – considering the influence and impacts to and from external entities

Roadmap

201 A Roadmap was developed using the established implementation strategy and the relevant sequencing factors discussed during work sessions with CSED. The overall strategy was formed as a product of the Policy BPR project, and has culminated in this recommended long-term plan. This Roadmap is aligned with the CSED Strategic Plan and will serve as a guide when considering future projects to pursue. Figure 9 provides a view of the Roadmap, which is also provided in Appendix A in both wall-sized and legal paper-sized versions.

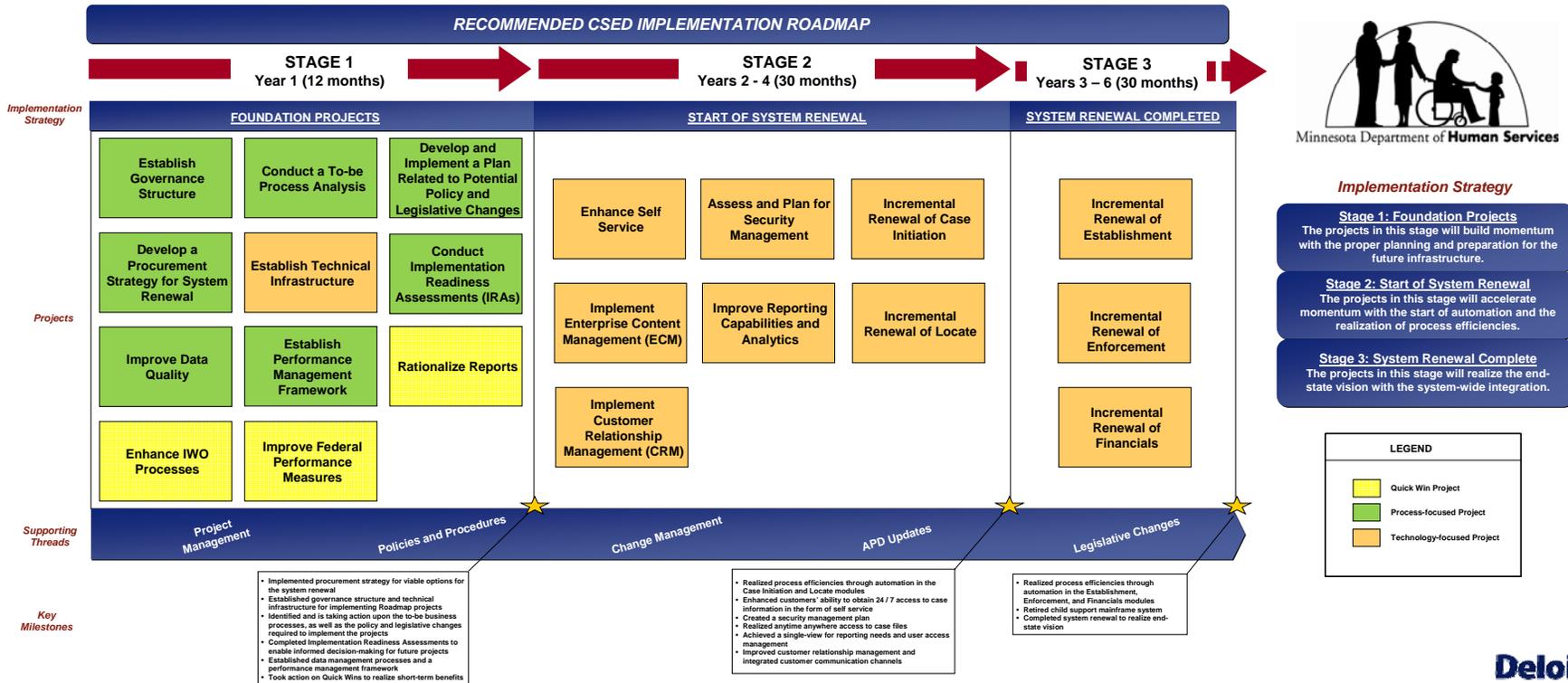


Figure 9: Implementation Roadmap

Project Dependencies

202 The Stage 1 projects in the Roadmap are critical to the success of the Stage 2 and Stage 3 projects. Table 31 shows the Stage 2 and Stage 3 projects which are dependent on specific Stage 1 projects. A checkmark in this table indicates the Stage 1 project is **recommended** to be completed prior to the Stage 2 or Stage 3 project. A checkmark inside a box () in this table indicates the Stage 1 project **must** be completed prior to the Stage 2 or Stage 3 project.

| | | Stage 2 and 3 Projects | | | | | | | | | |
|---|----------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------|-------------------------------------------------|-----------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| # | Stage 1 Projects | Implement Enterprise Content Management /ECM | Improve Reporting Capabilities and Analytics | Enhance Self Service | Implement Customer Relationship Management /CRM | Assess and Plan for Security Management | Incremental Renewal – Case Initiation | Incremental Renewal – Locate | Incremental Renewal – Establishment | Incremental Renewal – Enforcement | Incremental Renewal – Financials |
| 1 | Conduct a To-Be Process Analysis | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2 | Develop a Procurement Strategy for System Renewal | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | ✓ | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Establish Technical Infrastructure | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | ✓ | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 | Improve Data Quality | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Conduct Implementation Readiness Assessments (IRAs) | <input checked="" type="checkbox"/> | ✓ | ✓ | <input checked="" type="checkbox"/> | ✓ | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7 | Establish Performance Management Framework | | <input checked="" type="checkbox"/> | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8 | Establish Governance Structure | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | ✓ | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | Stage 2 and 3 Projects | | | | | | | | | |
|----|--------------------------------------|----------------------------------------------|----------------------------------------------|----------------------|-------------------------------------------------|-----------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | # 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| # | Stage 1 Projects | Implement Enterprise Content Management /ECM | Improve Reporting Capabilities and Analytics | Enhance Self Service | Implement Customer Relationship Management /CRM | Assess and Plan for Security Management | Incremental Renewal – Case Initiation | Incremental Renewal – Locate | Incremental Renewal – Establishment | Incremental Renewal – Enforcement | Incremental Renewal – Financials |
| 19 | Rationalize Reports | | <input checked="" type="checkbox"/> | | | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 20 | Enhance IWO Processes | | | | | | | | | | |
| 21 | Improve Federal Performance Measures | | | | | | | | | | |

Table 31: Stage 1 Project Dependencies for Stage 2 and 3 Projects

Quick Wins

203 Quick wins were discussed with CSED for possible inclusion in the Roadmap. It was determined that three quick win projects would be included on the Roadmap. The three quick wins (below) were selected to show short-term ROI to be gained in the first stage:

Project #19 - Rationalize Reports

Project #20 - Enhance IWO Processes

Project #21 - Improve Federal Performance Measures

204 Table 32 lists other quick win projects which were identified in the BPR assessments. Although, only a selected few are placed on the Implementation Roadmap, their importance to the overall efforts of BPR was great and requires acknowledgement.

| Quick Win Project Name | Key Activities |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mask IP Addresses so Caseworkers can use the Internet | <ul style="list-style-type: none"> Implement steps that will mask the server IP addresses that are being used when performing internet searches for case activities (i.e. locate). Masking can be done via an Internet Security and Acceleration Server (ISA) or via a router/switch which controls traffic between the user and the internet. |

| Quick Win Project Name | Key Activities |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conduct a Special Project to Contact CPs with Recoupment Debt | <ul style="list-style-type: none"> • Conduct a special project to contact CPs with recoupment debts to arrange payment plans to attempt to secure a lump sum payment or get CP approval for the offset of the 20% of all ongoing collections |
| Conduct a Special Project to Recover NSF Checks | <ul style="list-style-type: none"> • Conduct a special project to contact parties that have written NSF checks that have not yet been recovered. Attempt to secure a lump sum payment or arrange for a payment plan to recover the funds |
| Develop Plan to Improve Employer Communication and Compliance | <ul style="list-style-type: none"> • Create a plan for employer outreach and education such that it allows for open communication leading to increased IWO collections • Identify critical employer partners (large employers with significant NCPs on IWO) |

Table 32: Quick Win Projects

Implementation Roadmap – Foundation Projects

- 205 A **Foundation** project enables the implementation of subsequent projects. This section includes a project profile for each of the Foundation projects recommended for implementation on the Roadmap. These high-level profiles include information such as duration, project description, costs, benefits, risks, and assumptions.
- 206 The cost and benefit calculations for the Foundation projects are also provided in this section. The calculations include all assumptions as well as the ROI calculation. These are also provided in separate Microsoft Excel files to allow for future changes.
- 207 Note that the Project ID / numbering is for identification purposes only and is not meant to imply the order in which the projects are to be completed.

| ID | Project Name | Table |
|----|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 1 | Conduct a To-Be Process Analysis | Table 34: Project #1 – Conduct a To-Be Process Analysis |
| 2 | Develop a Procurement Strategy for System Renewal | Table 35: Project #2 – Develop a Procurement Strategy for System Renewal |
| 3 | Develop and Implement a Plan Related to Potential Policy and Legislative Changes | Table 36: Project #3 – Develop and Implement a Plan Related to Potential Policy and Legislative Changes |
| 4 | Establish Technical Infrastructure | Table 37: Project #4 – Establish Technical Infrastructure |
| 5 | Improve Data Quality | Table 38: Project #5 – Improve Data Quality |
| 6 | Conduct Implementation Readiness Assessments (IRAs) | Table 39: Project #6 – Conduct Implementation Readiness Assessments |
| 7 | Establish Performance Management Framework | Table 40: Project #7 – Establish Performance Management Framework |
| 8 | Establish Governance Structure | Table 41: Project #8 – Establish Governance Structure |

Table 33: Foundation Project List

Project #1: Conduct a To-Be Process Analysis

Project Summary

- 208 The objective of the Conduct a To-Be Process Analysis project is to define the future (“to-be”) business processes required to support CSED’s vision of a renewed child support system. This project is estimated to require a total of \$847,795 in one-time resource costs to be expended in Year 1 of the Roadmap. No recurring costs are expected with this project.
- 209 Quantitative benefits are not attributed to this project, but the project’s qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Conduct a To-Be Process Analysis project are listed below:

Aligns stakeholders to a clear vision of future child support enforcement processes

Provides the basis for system and business requirements

Project Profile

| | |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 1 |
| Project Name | Conduct a To-Be Process Analysis |
| Duration | 4 – 6 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>The business environment surrounding child support enforcement has changed significantly over recent years. Increasing customer service demands from constituents, rising case loads, increased competition for incentive funding, and reduction in federal matching funds, are causing states like Minnesota to re-evaluate whether business processes can be more effectively administered and supported through newer technologies. In short, the Policy BPR project was a first step toward developing a long-term plan for evolving the Minnesota child support operating model to meet the changing demands for the future.</p> <p>During the Policy BPR project, Deloitte and CSED completed a review of six primary process areas, which included: Case Initiation, Establishment, Enforcement, Financials, Locate, and Case Management. Within each of these primary process areas 61 subprocesses were reviewed. The current (“as-is”) process for each of the 61 subprocesses was documented, along with identification of pain points associated with the processes and recommendations to address the pain points.</p> <p>The Conduct a To-Be Process Analysis project will define the future (“to-be”) business processes that are required to support CSED’s vision for the future and its strategic objectives. The criticality and priority of this project is profound as it will define the requirements necessary to implement the</p> |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>proposed projects.</p> <p>This project will be similar in nature to the as-is assessment conducted as a part of the Policy BPR project and will leverage the as-is process documentation completed during that project. This project will include the following key activities:</p> <ul style="list-style-type: none"> • Start with Baseline “As-Is” Flows – The as-is process flows documented in Deliverable #2 (<i>Assessment of Program Policies, Processes and Procedures</i>) during the Policy BPR project will be reviewed and validated to ensure any recent changes in policy or procedure are captured. • Augment Process Flows based on BPR Recommendations – The recommendations made in the Policy BPR project to address pain points and incorporate best practices in the current process environment will be reviewed. The as-is process flows will be modified to represent the future processes required to incorporate the recommendations. • Validate and Finalize “To-Be” Process Flows – The draft to-be process flows will be redefined and refined based on stakeholder feedback. This feedback will be collected during work sessions with both state and county staff. |
| Estimated Costs | <p>The costs of the Conduct a To-Be Process Analysis project include MN Child Support Program and/or vendor resource costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Conduct a To-Be Process Analysis project are listed below:</p> <ul style="list-style-type: none"> • Aligns stakeholders to a clear vision of future child support enforcement processes • Provides the basis for system and business requirements <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Low |
| Assumptions and Notes | |
| <p>The system renewal projects are dependent on the Conduct a To-Be Process Analysis project. The to-be process flows documented in this project will be the basis for the functional requirements of the system renewal projects. Therefore, this project must be completed prior to the following projects:</p> <ul style="list-style-type: none"> • <i>Implement Enterprise Content Management (ECM)</i> • <i>Enhance Self Service</i> • <i>Implement Customer Relationship Management (CRM)</i> • All five <i>Incremental Renewal</i> projects | |

Table 34: Project #1 – Conduct a To-Be Process Analysis

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source |
|--------------------------------------------------------------|------------------|-------------------|------------------|---------------------------------------------|--------------------------------------------------------------------|------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | |
| | As-is Validation | To-be Development | To-be Validation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 300 | 1,500 | 500 | 2,300 | \$35.35 | \$81,305 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 150 | 300 | 150 | 600 | \$49.10 | \$29,460 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 100 | 200 | 100 | 400 | \$48.45 | \$19,380 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 25 | 100 | 50 | 175 | \$59.33 | \$10,383 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 300 | 1,500 | 500 | 2,300 | \$29.79 | \$68,517 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 450 | 2,500 | 700 | 3,650 | \$175.00 | \$638,750 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | \$847,795 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | |
| N/A | | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$0 | | | |
| TOTAL ONE-TIME COSTS | | | | | | \$847,795 | |
| Recurring Costs (Starting in Year 2) | | | | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | | | | |
| N/A | 0 | \$0.00 | \$0 | No recurring costs associated with project. | | | |
| TOTAL RECURRING COSTS | | | \$0 | | | | |

Estimate for "As-is Validation" assumes that the process flows developed in the Policy BPR project (Deliverable #2) will be used as the initial baseline of the To-be processes.
 Estimate for "To-be Development" assumes that the as-is flows will be augmented based on the Policy BPR recommendations.
 Work sessions to obtain stakeholder feedback will be held primarily to validate the draft to-be process flows. Those hours are included in "To-be Validation".

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
 CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.
 CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
 CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #2: Develop a Procurement Strategy for System Renewal

Project Summary

- 210 The objective of the Develop a Procurement Strategy for System Renewal project is to determine the most efficient and effective manner to move forward with the procurements required to renew the system within the constructs set forth by federal and state funding processes. This project is estimated to require a total of \$245,703 in one-time resource costs to be expended in Year 1 of the Roadmap. No recurring costs are expected with this project.
- 211 Quantitative benefits are not attributed to this project, but the project’s qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Develop a Procurement Strategy for System Renewal project are listed below:

Provides stakeholders and the federal authorities an up-front view of the project business case including the project objectives, constraints, and cost estimates

Provides CSED with a plan of how the funding that will be required for the implementation of the projects will be obtained.

Project Profile

| | |
|------------------|---------------------------------------------------|
| Project ID | 2 |
| Project Name | Develop a Procurement Strategy for System Renewal |
| Duration | 4 – 6 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>The purpose of this project is for CSED to develop and set in motion the plan that will allow it to obtain the necessary approval (state and federal) for the procurement effort that will be required to renew the child support system (PRISM). The projects included in the Implementation Roadmap will have a number of costs associated with them, including the costs of purchasing the software and hardware that will be used to develop the new system and the costs associated with the person effort required to design, build, test and implement the various system renewal projects.</p> <p>There are different approaches that CSED should evaluate to seek and obtain state and federal buy-in and necessary approval for the system renewal. These options include potentially conducting a feasibility study, planning updates to the CSED APD, and educating state and federal stakeholders and decision makers regarding the plan defined in the Roadmap.</p> <p>Ultimately, this project is about determining what is the most efficient and effective manner to move forward with the procurements required to renew the system within the constructs set forth by federal and state funding processes. One of the early activities in this project will be to provide OCSE regional representatives a presentation of the CSED system replacement needs and to solicit OCSE feedback into the system renewal effort. In addition to working closely with OCSE, CSED will need to implement a plan to reach out to the appropriate departmental and legislative stakeholders who will be the decision makers in the process of securing the state portion of the funding that will be required.</p> |
| Estimated Costs | The costs of the Develop a Procurement Strategy for System Renewal include MN Child Support Program and/or vendor resource costs. Refer to the Cost and Benefit Calculations for more details. |
| Expected Benefits | <p>The expected qualitative benefits of the Develop a Procurement Strategy for System Renewal project are listed below:</p> <ul style="list-style-type: none"> • Provides stakeholders and the federal authorities an up-front view of the project business case including the project objectives, constraints, and cost estimates <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Low |
| Assumptions and Notes | |
| <p>The system renewal projects are dependent on the Develop a Procurement Strategy for System Renewal project. The options resulting from this project will guide the implementation of the system renewal projects. Therefore, this project must be completed prior to the following projects:</p> <ul style="list-style-type: none"> • <i>Implement Enterprise Content Management (ECM)</i> • <i>Improve Reporting Capabilities and Analytics</i> • <i>Implement Customer Relationship Management (CRM)</i> • <i>Assess and Plan for Security Management</i> • All five <i>Incremental Renewal</i> projects <p>In addition, we suggest that this project also be complete prior to the <i>Enhance Self Service</i> project.</p> | |

Table 35: Project #2 – Develop a Procurement Strategy for System Renewal

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | Source |
|-------------------------------------------------------|-----------------------|--------------|------------|--------------------------------------------------------------------|
| Estimated Hours | | | | |
| | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 3,000 | \$35.35 | \$106,050 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 1,500 | \$49.10 | \$73,650 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 750 | \$48.45 | \$36,338 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 500 | \$59.33 | \$29,665 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 0 | \$150.00 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | \$245,703 | |
| Hardware / Software / Processing Costs - One-Time | | | | |
| | Quantity | Unit Cost | Total Cost | |
| N/A | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. |
| Total One-Time Hardware / Software / Processing Costs | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | \$245,703 | |
| Recurring Costs (Starting in Year 2) | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | |
| N/A | 0 | \$0.00 | \$0 | No recurring costs associated with project. |
| TOTAL RECURRING COSTS | | | \$0 | |

The costs assume that all activities for this project will be done by the State. If it is determined to hire a vendor to assist, costs will go up accordingly to the amount of assistance that is required.

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #3: Develop and Implement a Plan Related to Potential Policy and Legislative Changes

Project Summary

212 The objective of the Develop and Implement a Plan Related to Potential Policy and Legislative Changes project is to identify the potential policy and legislative changes needed for system renewal and create an action plan to move forward with these changes to meet the appropriate project implementation dates. This project is estimated to require a total of \$162,320 in one-time resource costs to be expended in Year 1 of the Roadmap. No recurring costs are expected with this project.

213 Quantitative benefits are not attributed to this project, but the project's qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Develop and Implement a Plan Related to Potential Policy and Legislative Changes project are listed below:

Minimize the delay of the system renewal projects that could be incurred while waiting for the approval of policy and legislative changes

Sets the stage for the system renewal projects to be implemented in a manner that will allow for a more efficient and less complicated way of delivering child support services.

Project Profile

| | |
|--------------|----------------------------------------------------------------------------------|
| Project ID | 3 |
| Project Name | Develop and Implement a Plan Related to Potential Policy and Legislative Changes |
| Duration | 9 – 15 months |
| Project Type | Foundation |

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| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>During the Policy BPR project, a number of recommendations were identified that would require policy and / or legislative changes. The following list includes recommendations that may require policy or legislative changes (recommendation IDs from Deliverable #2 and #3 are provided in parenthesis). This list contains what we consider to be the key recommendations, however, a comprehensive review of the BPR recommendations will need to be done as part of this project to make sure that all policy and legislative issues are identified.</p> <ul style="list-style-type: none"> • Accept NPA Applications via the Internet (CI-1) • Waive NPA Application Fee (CI-2) • Enable Interstate Email Communications (Review MN Data Privacy Act) (CI-5) • Screen COMA Case Referrals before Accepting Cases on PRISM (CI-6) • Implement an Internet Locate Policy and Reference Guide (LO-1) • Establish a Clear Definition of "Affordable" Health Insurance Coverage (ES-6) • Resolve Revenue Recapture Injured Spouse Claims by Following the Federal Return Percentage (EN-13) • Discontinue Interest Accrual (FI-2) • Discontinue Billing Statements to NCPs Paying through Income Withholding (FI-4) • Require Electronic Remittance for All Employers (FI-5) • Accept Credit Card Payments (FI-6) • Simplified DRA Distribution Rules (FI-7) • Replace the 1% Cost Recovery Fee With a Flat, Annual Cost Recovery Fee (FI-8) • Improve Security Management (CA-08) • Enhanced, Comprehensive, Employer Web Portal (EN-4 / CM-8) • Issue IWO Notices with Case Specific Arrears Payment Terms (EN-9) • Allow Minnesota Child Support Online (MCSO) Users to Update Information (CM-6) <p>These changes would need to receive the appropriate approvals in both the internal state protocol and, for statutory changes, from the Legislature, which may be a time consuming process. Therefore, the Develop and Implement a Plan Related to Potential Policy and Legislative Changes project will identify those required changes early in the implementation and develop and execute a plan to obtain the appropriate approvals so that system renewals are completed and aligned with the modified policies and legislative changes.</p> <p>This project will include the following key activities:</p> <ul style="list-style-type: none"> • Identify Policy and Legislative Changes – Identify potential policy and legislative changes required for system renewal. These changes will be found primarily in the Policy BPR project Deliverables #2 (<i>Assessment of Program Policies, Processes and Procedures</i>) and #3 (<i>Assessment of Automated Processes</i>). • Validate Policy and Legislative Changes – Refine and validate the list of policy and legislative changes with key stakeholders. • Develop Plan – Develop the action plan to move forward with these changes to meet the appropriate project implementation dates. This will |

| | |
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| | <p>include assigning owners to the specific changes that need to be made, as well as having an escalation process and a core team in place to deal with any barriers that may arise.</p> <ul style="list-style-type: none"> • Execute Plan – Implement the action plan and communicate changes with the necessary stakeholders. |
| Estimated Costs | <p>The costs of the Develop and Implement a Plan Related to Potential Policy and Legislative Changes project include MN Child Support Program and/or vendor resource costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Develop and Implement a Plan Related to Potential Policy and Legislative Changes project are listed below:</p> <ul style="list-style-type: none"> • Minimize the delay of the system renewal projects that could be incurred while waiting for the approval of policy and legislative changes • A more simplified program <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Low |
| Assumptions and Notes | |
| <p>The policy and legislative changes that are made as a result of this project will be inputs into the requirement definition and functional design of the applicable system renewal projects. Therefore, we suggest that this project be complete prior to the following projects:</p> <ul style="list-style-type: none"> • <i>Enhance Self Service</i> • All five <i>Incremental Renewal</i> projects | |

Table 36: Project #3 – Develop and Implement a Plan Related to Potential Policy and Legislative Changes

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source |
|--------------------------------------------------------------|-----------------------------------------|------------------|----------------|-----------------------|--------------------------------------------------------------------|------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | |
| | Policy & Legislative Changes Validation | Plan Development | Plan Execution | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 300 | 1,000 | 1,000 | 2,300 | \$35.35 | \$81,305 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 150 | 750 | 750 | 1,650 | \$49.10 | \$81,015 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 0 | 0 | 0 | 0 | \$48.45 | \$0 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 0 | 0 | 0 | 0 | \$59.33 | \$0 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 0 | 0 | 0 | 0 | \$150.00 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | \$162,320 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | |
| | N/A | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$0 | | | |
| TOTAL ONE-TIME COSTS | | | | | | \$162,320 | |
| Recurring Costs (Starting in Year 2) | | | | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | | | | |
| | N/A | 0 | \$0.00 | \$0 | No recurring costs associated with project. | | |
| TOTAL RECURRING COSTS | | | | \$0 | | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #4: Establish Technical Infrastructure

Project Summary

- 214 The objective of the Establish Technical Infrastructure project is to establish an IT governance framework and define the technical architecture and tools that will be used for the future system, as well as establish the technical standards required for system renewal. This project is estimated to require a total of \$1,385,817 in one-time resource costs to be expended in Year 1 of the Roadmap. For this project, we estimated 6,000 state hours and 6,250 vendor hours, nearly an equal amount. Vendor hours were estimated based upon the complexity of the project that requires resources with experience with leading hardware and software options that are currently in the market and experience in the development of a system development lifecycle and tools that meet the need of CSED and aligns with the selected technical platform. This project will also require significant coordination and facilitation of staff as many options will need to be analyzed and input from various stakeholders considered. It is our recommendation that these types of facilitation and coordination efforts will be best done by an outside vendor that has experience doing this type of work.
- 215 No recurring costs are expected with this project.
- 216 Quantitative benefits are not attributed to this project, but the project's qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Establish Technical Infrastructure project are listed below:

A future technical architecture that has the capability and flexibility to support the to-be business model of the Child Support Program

A framework that will help facilitate the complex activities involved in the development of a new system (A comprehensive SDLC structure will give staff more confidence as it moves forward with the difficult work required to roll out the new system).

IT governance structure and standards to realize the architectural foundation needed to realize the new system

Project Profile

| | |
|------------------|----------------------------------------------------------------------------|
| Project ID | 4 |
| Project Name | Establish Technical Infrastructure |
| Duration | 6 – 9 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes |

| | |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Description | <p>The Establish Technical Infrastructure project will establish an IT governance framework, define the technical architecture and tools that will be used for the future system, and establish the technical standards required for system renewal. This includes three key activities as defined below.</p> <p>Future Technical Architecture</p> <p>Prior to beginning the effort of renewing the child support system, CSED will need to go through the process of identifying the technical architecture that will be used going forward. Having a clear understanding of the platform that will be used will be a critical input into understanding project costs, staffing requirements, and to what extent the to-be business vision can be supported via the automated system. CSED will need to work closely with DHS IT leadership to make sure that the future technical architecture is aligned with the DHS Enterprise Architecture requirements that are currently being designed.</p> <p>Deliverables will include:</p> <ul style="list-style-type: none"> • List of software, hardware and other tools that will be needed to support the system renewal projects • Procurement strategy for obtaining the required software, hardware and other tools <p>SDLC Standards, Processes and Tools</p> <p>The SDLC (Software/System Development Life Cycle) that will be used as the vehicle for the build of the new system will be defined. Aspects of the SDLC include requirements definition, functional and technical design, programming, testing, user and technical training and system maintenance. Examples of the types of SDLC methodologies include linear (waterfall), rapid application development (RAD), joint application development (JAD), prototyping model, fountain model, and the spiral model. This project will help CSED select the SDLC methods that best align with the selected technical architecture, CSED staff experience, and budget considerations.</p> <p>Deliverables will include:</p> <ul style="list-style-type: none"> • Finalized SDLC templates and processes based on the selected tools • Development and technical design • Training sessions identified, developed, and delivered for: <ul style="list-style-type: none"> ○ SDLC templates, processes, and standards ○ Development and modeling tools that support the Requirements and Design phases ○ Understanding how the tools are customized and their administration requirements <p>Technical Governance Framework</p> <p>The technical governance structure and corresponding processes, policies, standards, and guidelines for the projects will be developed. The governance board will address issues related to the new system's architecture and technology, as well as providing a conduit to help manage the interaction of the Program with project teams, deliverables, and/or products. The governance board will be aligned with, and in many cases dependent upon, the roll-out of the organizational structure and the implementation of the IT infrastructure for the Roadmap Stage 2 projects.</p> <p>Deliverables will include:</p> <ul style="list-style-type: none"> • Role descriptions • Project on-boarding and role-specific training plans and materials • Technical governance process training • Technical governance tools training |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> Operational processes and guidelines for executing the governance framework Definition and maintenance processes for technical and operational standards, policies, guidelines, and metrics Coding guidelines and patterns |
| Estimated Costs | The costs of the Establish Technical Infrastructure project include MN Child Support Program and/or vendor resources and technology costs. Refer to the Cost and Benefit Calculations for more details. |
| Expected Benefits | <p>The expected qualitative benefits of the Establish Technical Infrastructure project are listed below:</p> <ul style="list-style-type: none"> A future technical architecture that has the capability and flexibility to support the to-be business model of the Child Support Program A framework that will help facilitate the complex activities involved in the development of a new system (A comprehensive SDLC structure will give staff more confidence as it moves forward with the difficult work required to roll out the new system). IT governance structure and standards to realize the architectural foundation needed to realize the new system <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Medium |
| Assumptions and Notes | |
| <p>CSED will work closely with DHS IT leadership to incorporate the DHS Enterprise vision into the selection of the future technical architecture and the SDLC and governance structure that will be used to support it.</p> <p>The system renewal projects are dependent on the Establish Technical Infrastructure project. The standards, processes and tools defined and implemented in this project will be required for the system renewal projects. Therefore, this project must be completed prior to the following projects:</p> <ul style="list-style-type: none"> <i>Implement Enterprise Content Management (ECM)</i> <i>Improve Reporting Capabilities and Analytics</i> <i>Implement Customer Relationship Management (CRM)</i> <i>Assess and Plan for Security Management</i> All five <i>Incremental Renewal</i> projects <p>In addition, we suggest that this project also be complete prior to the <i>Enhance Self Service</i> project.</p> | |

Table 37: Project #4 – Establish Technical Infrastructure

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source | |
|--------------------------------------------------------------|-------------------------------|------------------------------------|--------------------------------|-----------------------|--------------|--------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | |
| | Future Technical Architecture | SDLC Standards, Processes, & Tools | Technical Governance Framework | Total Estimated Hours | Rate / Hour* | Total Cost | | |
| CSED Non-IT Staff | 200 | 500 | 100 | 800 | \$35.35 | \$28,280 | Estimate based on Deloitte experience with similar projects. | |
| CSED Non-IT Management | 150 | 250 | 250 | 650 | \$49.10 | \$31,915 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Staff | 1,500 | 1,750 | 250 | 3,500 | \$48.45 | \$169,575 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Management | 300 | 500 | 250 | 1,050 | \$59.33 | \$62,297 | Estimate based on Deloitte experience with similar projects. | |
| County Staff | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Vendor | 2,500 | 3,250 | 500 | 6,250 | \$175.00 | \$1,093,750 | Estimate based on Deloitte experience with similar projects. | |
| Total One-Time Resource Costs | | | | | | \$1,385,817 | | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | |
| | | | | Quantity | Unit Cost | Total Cost | | |
| | | | | N/A | 0 | \$0.00 | \$0 | There are no costs associated with this item for this project. The costs associated with the hardware / software and processing times would be associated with the system renewal projects. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | \$0 | | |
| TOTAL ONE-TIME COSTS | | | | | | \$1,385,817 | | |
| Recurring Costs (Starting in Year 2) | | | | | | | | |
| | | | | Estimated Hours | Rate / Hour* | Total Cost | | |
| | | | | N/A | 0 | \$0.00 | \$0 | No recurring costs associated with project. |
| TOTAL RECURRING COSTS | | | | | | \$0 | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #5: Improve Data Quality

Project Summary

- 217 The objective of the Improve Data Quality project is to set up a governance framework, assess data quality, develop and prioritize data clean-up lists, coordinate case and member data clean-up, and monitor results. This project is estimated to require a total of \$1,135,389 in one-time costs to be expended in Year 1 of the Roadmap, including resource costs and hardware / CPU usage costs. In addition, starting in Year 2 of the Roadmap, an estimated \$7,625 in recurring resource costs for governance and monitoring activities is expected annually.
- 218 As a result of this project, 72,541 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$432,197 reduction in annual county resource costs (approximately 7 county FTEs eliminated).
- 219 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$7,159,429 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,526 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 220 The increase in collections results in an expected \$108,983 in additional Federal incentive funds to Minnesota as well as an additional \$90,787 in TANF recovery annually. In addition, the project is expected to result in the reduction of outgoing mailing costs by \$138,725 annually.
- 221 The cumulative benefits of the increased Federal incentive funds, TANF recovery, reduced outgoing mailing costs, and reduced staff costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 3. The increase in annual increase in collections and breakeven analysis are depicted in Figure 10: Project #5: Improve Data Quality Project Summary Charts.

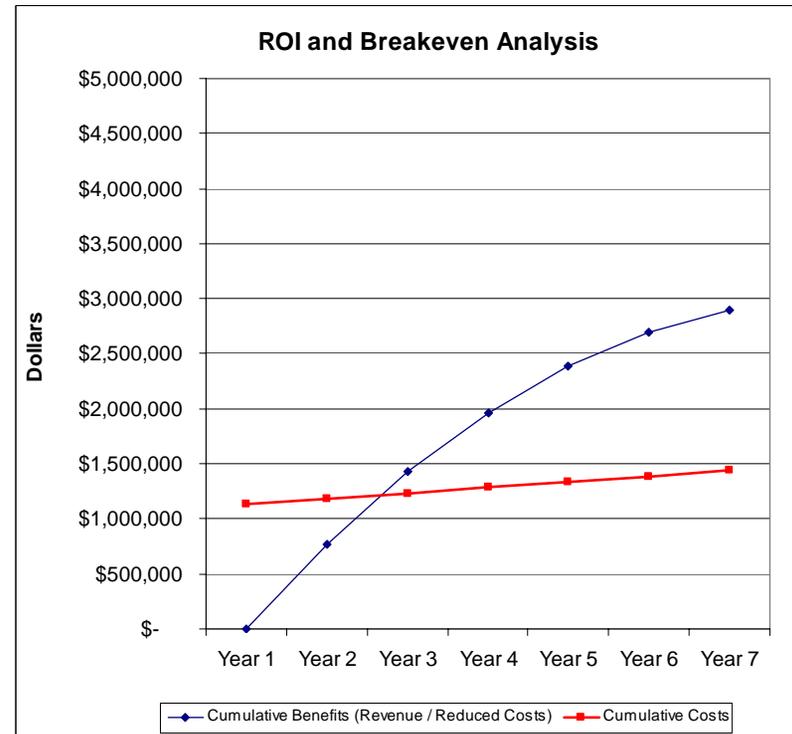
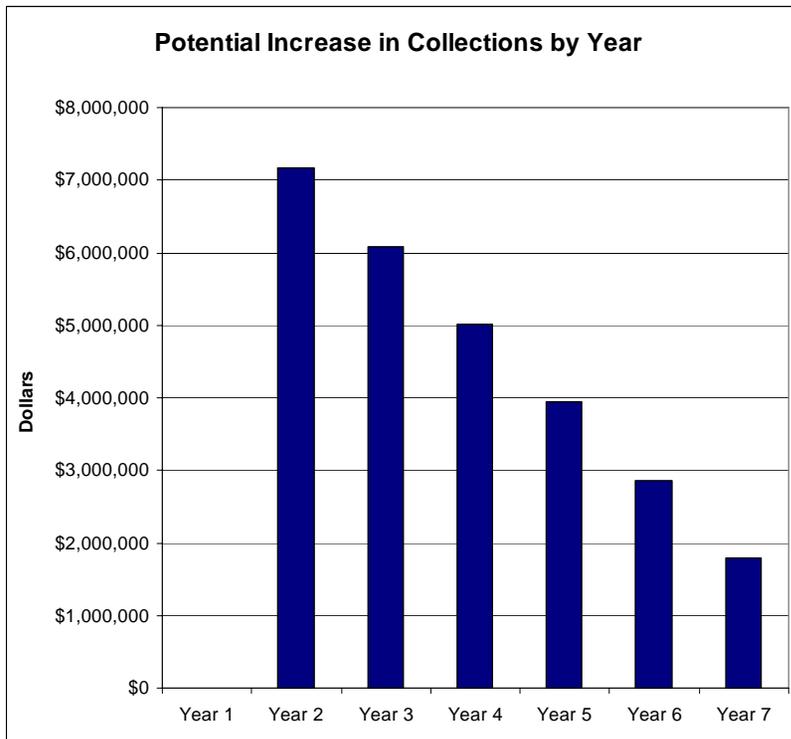


Figure 10: Project #5: Improve Data Quality Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 5 |
| Project Name | Improve Data Quality |
| Duration | 10 – 12 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

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| Project Description | <p>NOTE: The first two paragraphs of this project description contain nonpublic security information that cannot be disclosed to the public per Minnesota Statutes §13.37, subds 1(A) and 2, therefore the information has been removed from this document. The information is available to authorized individuals by request.</p> <p>The Improve Data Quality project involves three key objectives:</p> <ul style="list-style-type: none"> • Implementing data management • Improving master data management • Creating a strategy for data management <p>Implementing Data Management</p> <p>Because many of the projects on the Roadmap depend on clean and reliable data, implementing data management is a singularly important activity. An example of data that may require additional management and clean-up includes employer-related information. In many child support systems, creating a master data record of clean employers, addresses, and employees which are employed by an employer is very challenging. The most complicated quality efforts within child support systems include employers, participant addresses, medical providers/insurance, and participant data such as date of birth, social security numbers, and names.</p> <p>Improving Master Data Management</p> <p>Master data management (MDM) is a process that spans all business processes and application systems enabling the ability to create, store, maintain, exchange, and synchronize a consistent, accurate, and timely “system of record” for core business entities such as members, employers, insurance companies, attorneys, etc. Developing a strategy for managing master data will help alleviate some of the data quality and integrity related pain points. MDM will provide consistent and comprehensive core information across the system landscape. MDM will also lay the foundation for providing better performance and process improvement, and assisting with regulatory requirements.</p> <p>Creating a Strategy for Data Management</p> <p>Effective data quality management requires creating an integrated strategy covering the following four areas:</p> <ol style="list-style-type: none"> 1. Governance Process – This addresses the following common issues: <ul style="list-style-type: none"> • Data management tends to be fragmented or undefined across business processes • Organizations lack a defined data governance model that adequately addresses the following aspects of data governance – ownership (who owns the data?), measurement (who measures the data?), and accountability (who is accountable for the data?) |
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| | <p>2. Standardization Process – This addresses the following common issues:</p> <ul style="list-style-type: none"> • Lack of defined data quality requirements • Definitions of data and the approaches to data modeling and database development are not well defined • Data repositories within the applications are in silos • No defined, centralized, and deployable data quality standards, processes, or auditing <p>3. Clean-up Process – This addresses the following common issues:</p> <ul style="list-style-type: none"> • Duplicate person and case information in the system • Unreliable employer data, medical providers/insurance data, and person data such as date of birth, social security numbers, and names <p>4. Monitoring Process – This addresses the following common issues:</p> <ul style="list-style-type: none"> • Poorly defined roles and responsibilities for ensuring ongoing data quality management and monitoring • Inadequate management processes in place across the enterprise to monitor the quality of data consistently and continuously across business processes and over time • Lack of well-defined approaches to apply data quality analysis and metrics to monitor results |
| <p>Estimated Costs</p> | <p>The costs of the Improve Data Quality project include MN Child Support Program resource costs and any IT related costs associated with supporting the data cleanup effort.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected qualitative benefits of the Improve Data Quality project are listed below:</p> <ul style="list-style-type: none"> • Prioritizes data clean-up efforts • Provides for governance and monitoring, which reduces the need to repeat large-scale data clean-up efforts in the future • Improves customer service • Improves data quality • Improves staff morale and confidence in the data in the system • Improves MN Child Support Program's reputation • Improves audit results • Helps deliver the expected ROI on critical systems implementations • Improves business intelligence capability • Increases visibility of potential risks stemming from data problems. • Establishes data custody, stewardship and accountability <p>The expected quantitative benefits include reduced staff time and reduced costs due to a reduction in returned mail. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Project Risk</p> | <p>Medium</p> |

Assumptions and Notes

- Clean data will be critical during the data conversion efforts of the five *Incremental Renewal* projects. Therefore, we suggest that this project be complete prior to the Incremental Renewals.
- This project should be completed in Stage 1 because, regardless of the future architecture, clean data is critical to the data conversion efforts in any systems work.
- This project should be continuous throughout the life of the system. Once data has been cleansed, tools and processes need to be in place to maintain the integrity of the data.
- Data cleanup will be required before deployment of system renewal projects into the future technical architectural framework. The cost and effort estimates for the clean-up activities specific to deployment of these *Incremental Renewal* projects are included within the specific Incremental Renewal project.
- In order to prepare for data conversion before the first incremental renewal, the governance framework must be in place and the data quality analysis must be complete in order to effectively perform data clean-up. There will be a data clean-up effort associated with each incremental renewal as part of its scope. As a result this project is related to all *Incremental Renewal* projects.

Table 38: Project #5 – Improve Data Quality

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Project ID | 5 | | | | | | |
| Project Name | Improve Data Quality | | | | | | |
| Benefit Factors | Reduction in County Staff Increase in Collections due to Staff Time Savings Reduced Outgoing Mail | | | | | | |
| Overall Benefit Calculation | | | | | | | |
| | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff | | | | | | \$ 7,159,429 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 432,197 |
| | Annual Savings due to Reduced Outgoing Mail Costs | | | | | | \$ 138,725 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 108,983 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 90,787 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | | \$ 7,159,429 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ 770,691 |
| Cost Factors | Resources Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 1,089,139 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ 46,250 |
| | TOTAL ONE-TIME COSTS | | | | | | \$ 1,135,389 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ 47,625 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ 47,625 |
| Cost / Benefit Summary | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Non-Revenue Benefits (Collections) | \$ - | \$ 7,159,429 | \$ 6,085,515 | \$ 5,011,601 | \$ 3,937,686 | \$ 2,863,772 | \$ 1,789,857 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ 7,159,429 | \$ 13,244,945 | \$ 18,256,545 | \$ 22,194,231 | \$ 25,058,003 | \$ 26,847,860 |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Benefits (Revenue / Reduced Costs) | | \$ 770,691 | \$ 655,088 | \$ 539,484 | \$ 423,880 | \$ 308,277 | \$ 192,673 |
| One-time Costs | \$ 1,135,389 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ 47,625 | \$ 49,054 | \$ 50,525 | \$ 52,041 | \$ 53,602 | \$ 55,210 |
| NET BENEFIT (COST) | \$ (1,135,389) | \$ 723,066 | \$ 606,034 | \$ 488,959 | \$ 371,839 | \$ 254,674 | \$ 137,462 |
| Return on One-time Investment | 0% | 64% | 53% | 43% | 33% | 22% | 12% |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ 770,691 | \$ 1,425,779 | \$ 1,965,263 | \$ 2,389,143 | \$ 2,697,420 | \$ 2,890,093 |
| Cumulative Costs | \$ 1,135,389 | \$ 1,183,014 | \$ 1,232,067 | \$ 1,282,593 | \$ 1,334,634 | \$ 1,388,236 | \$ 1,443,447 |
| CUMULATIVE NET BENEFIT (COST) | \$ (1,135,389) | \$ (412,322) | \$ 193,712 | \$ 682,671 | \$ 1,054,510 | \$ 1,309,184 | \$ 1,446,646 |
| Cumulative Return on Investment | 0% | 65% | 116% | 153% | 179% | 194% | 200% |

Assumptions

1. The staff hours saved will be allocated to Establishment tasks at 20% and to Enforcement tasks at 60%, and the remaining 20% to staff reduction.
2. The increased number of enforcement actions taken due to the staff re-allocation will be no more difficult to enforce than the current cases where enforcement action is taken.
3. Benefits will be realized in Year 2 and will diminish each recurring year per the following schedule: Year 2 = 100% of estimated benefit, Year 3 = 85% of estimated benefit, Year 4 = 70% of estimated benefit, Year 5 = 55% of estimated benefit, Year 6 = 40% of estimated benefit, Year 7 = 25% of estimated benefit.
4. Recurring costs are assumed to increase 3% per year.
5. All one-time costs will be expended in Year 1, and all recurring costs will start in Year 2.
6. This project does not result in an increase in ongoing system maintenance costs.
7. Rate per hour for Non-IT CSED Staff \$35.35 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
8. Rate per hour for Non-IT CSED Management \$49.10 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.
9. Rate per hour for CSED IT Staff \$48.45 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
10. Rate per hour for CSED IT Management \$59.33 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support

11. Rate per hour for County Staff \$29.79 officers, child support aides, clerical, administrators, managers, supervisors, etc.)
12. Vendor blended rate \$175.00
13. Estimates are based 2080 hours per year.

Notes

*This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data.
 Yearly Benefits (Non-revenue) include increase in collections, which does NOT equate to actual dollars returned to the State.
 Yearly Benefits (Revenue/Reduced Costs) include cost savings, additional incentive funding, and TANF recovery, which DOES equate to actual dollars returned to the State.
 ^ Total Recurring Costs represent Year 2 recurring costs since recurring costs are assumed to increase 3% per year.

Benefit – Staff Savings

| Common Calculations | | | Source | | |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------|
| A | Total hours staff spend annually on reconciling data (manually researching and performing person matches, verifying case/person data, etc.) | 362,703 | Data obtained from county data requests. | | |
| B | Percent of staff hours saved due to improved data quality | 20% | Estimated based on Deloitte experience with similar projects. | | |
| C | Staff hours saved (A * B) | 72,541 | | | |
| D | Percent of staff hours saved to be re-allocated to Establishment | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| E | Percent of staff hours saved to be re-allocated to Enforcement | 60% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| F | Percent of staff hours eliminated by staff reduction | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| G | Staff hours eliminated by staff reduction (C * F) | 14,508 | | | |
| H | Total FTEs eliminated (G / 2080) | 7 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. | | |
| I | County Staff rate per hour | \$29.79 | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) | | |
| J | Staff reduction cost savings (G * I) | \$432,197 | | | |
| Annual Savings Due to Reduction in Staff | | \$432,197 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | Collections Increase Due to Additional Hours for Enforcement | | |
| K | Additional hours for Establishment activities (C * D) | 14,508 | S | Additional hours for Enforcement activities (C * E) | 43,524 |
| L | Number of Establishment caseworkers in all counties | 380 | T | Number of Enforcement caseworkers in all counties | 631 |
| M | Annual number of work hours for Establishment caseworkers ((L * 2080 hrs/year) * 80%) | 632,320 | U | Annual number of work hours for Enforcement caseworkers ((T * 2080 hrs/year) * 80%) | 1,049,984 |
| N | Number of orders established in SFY 2008 | 25,451 | V | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| O | Number of hours to establish an order (M / N) | 25 | W | Calculated amount of collections per hour as a result of Enforcement actions (V / U) | \$124 |
| P | Number of established orders due to reallocation of staff (K / O) | 584 | X | Annual increase in collections due to reallocation of staff to Enforcement (S * W) | \$5,387,711 |
| Q | Average yearly collection per case with an active current child support obligation | \$3,034 | | | |
| R | Annual increase in collections due to reallocation of staff to Establishment (P * Q) | \$1,771,718 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (R + X) | | \$7,159,429 | | | |

Benefit – Reduced Costs

| Reduced Outgoing Mail Costs | | | Source |
|---------------------------------------------------|------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Volume of returned mail | 233,543 | Data obtained from county data requests. Includes only mail returned to county offices (mail returned to State office is minimal since most is returned to the counties). |
| B | Volume of duplicate mail sent and not returned | 46,709 | Estimate based on assumption that the number of mail items sent unnecessarily and not returned equals 20% of the volume of returned mail items. |
| C | Total unnecessary outgoing mail (A + B) | 280,252 | |
| D | Percent reduction expected in outgoing mail | 50% | Estimated based on Deloitte experience with similar projects. |
| E | Amount of outgoing mail reduced (C * D) | 140,126 | |
| F | Cost per piece of outgoing mail | \$0.99 | Data obtained from county data requests. |
| G | Outgoing mail costs saved (E * F) | \$138,725 | |
| Annual Savings Due to Reduced Outgoing Mail Costs | | \$138,725 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | Source |
|--------------------------------------------------------------|-----------------|-----------------|------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | | |
| | Governance | Standardization | Clean-up | Monitoring | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 300 | 300 | 1,000 | 300 | 1,900 | \$35.35 | \$67,165 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 100 | 100 | 100 | 100 | 400 | \$49.10 | \$19,640 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 300 | 200 | 1,000 | 300 | 1,800 | \$48.45 | \$87,210 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 100 | 150 | 100 | 100 | 450 | \$59.33 | \$26,699 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 7,500 | 0 | 7,500 | \$29.79 | \$223,425 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 300 | 500 | 500 | 2,500 | 3,800 | \$175.00 | \$665,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | \$1,089,139 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | |
| Hardware - Increased Disk Space / CPU Usage | | 25,000 | \$1.85 | \$46,250 | Estimated additional disk space needed and cost per GB of disk space is based on Deloitte experience. | | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$46,250 | | | | |
| TOTAL ONE-TIME COSTS | | | | | | | \$1,135,389 | |
| Recurring Costs (Starting in Year 2) | | | | | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | | | | | |
| Governance and Monitoring (CSED Non-IT Staff Hours) | 1,000 | \$35.35 | \$35,350 | Estimate based on Deloitte experience with similar projects. | | | | |
| Governance and Monitoring (CSED Non-IT Staff FTEs) | 0.5 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | | | |
| Governance and Monitoring (CSED Non-IT Management Hours) | 250 | \$49.10 | \$12,275 | Estimate based on Deloitte experience with similar projects. | | | | |
| Governance and Monitoring (CSED Non-IT Management FTEs) | 0.1 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | | | |
| TOTAL RECURRING COSTS | | | | | | | \$47,625 | |

Estimate for "Standardization" does not include the cost of system changes in PRISM. This was based on the assumption that all system changes will be completed as part of the incremental renewal projects, and therefore would not be included in the cost of this project.

Estimate for "Clean-up" includes both manual and automated clean-up efforts for the top data quality issues.

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #6: Conduct Implementation Readiness Assessments (IRAs)

Project Summary

- 222 The objective of the Conduct Implementation Readiness Assessments (IRAs) project is to define project scope, conceptual design, feasibility evaluation, cost / benefit analysis, and project plan for “System Renewal” projects in order to help CSED make informed decisions on which projects to pursue in the future. This project is estimated to require a total of \$1,287,330 in one-time resource costs to be expended in Year 1 of the Roadmap. No recurring costs are expected with this project.
- 223 Quantitative benefits are not attributed to this project, but the project’s qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Conduct Implementation Readiness Assessments project are listed below:

Data to allow CSED to make well-informed decisions regarding which projects to pursue

Conceptual designs and project plans to jump-start the projects which CSED decides to pursue

Project Profile

| | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 6 |
| Project Name | Conduct Implementation Readiness Assessments |
| Duration | 10 – 12 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>A subset of the projects in the Implementation Roadmap were identified as requiring additional information in order to help CSED make informed decisions on which projects to pursue in the future. These projects are the subject of the Implementation Readiness Assessment.</p> <p>The findings are documented in the Implementation Readiness Assessment deliverables. These deliverables will serve as reference documents for CSED during the decision-making process on which Implementation Roadmap projects to pursue. The Implementation Readiness Assessment deliverables will include:</p> <ul style="list-style-type: none"> • Scope Definitions: The project scope from the project profiles will be further defined during the assessment. For each project, the exact activities that will be completed as part of the project will be clearly defined. In addition, activities that are out of scope of the project will be highlighted. • High-level Conceptual Designs: The conceptual design is a graphical representation (i.e., process flow or other visual) of the project that |

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| | <p>will provide CSED with a high-level understanding of the project scope and the responsibilities of the various CSED groups within the process. The conceptual designs will be based on general business requirements as opposed to more detailed business requirements gathered during the actual projects (i.e., Joint Application Design (JAD) sessions).</p> <ul style="list-style-type: none"> • Feasibility Evaluations: A feasibility evaluation is a preliminary study undertaken to determine and document a project's viability within an organization. During the feasibility evaluation, the team will identify the constraints, risks, resources, timing, and project dependencies related to each project. • Cost/Benefit Analysis: The initial cost benefit analysis (CBA) and accompanying return on investment (ROI) calculation prepared for each project will be further refined and validated based on the scope definition and high-level conceptual design. • Project Plans: A detailed project plan including resources requirements, duration, etc. will be developed for each project based on the scope definitions and high-level conceptual designs. <p>This project will also coordinate with the Establish Governance Structure project to provide a framework that CSED can use to select which projects to pursue.</p> <p>The following nine projects will be the subject of the Conduct Implementation Readiness Assessments:</p> <ul style="list-style-type: none"> • Implement Enterprise Content Management (ECM) • Improve Reporting Capabilities and Analytics • Enhance Self Service • Assess and Plan Security Management • Implement Customer Relationship Management (CRM) • Incremental Renewal – Case Initiation • Incremental Renewal – Locate • Incremental Renewal – Establishment • Incremental Renewal – Enforcement • Incremental Renewal – Financials |
| <p>Estimated Costs</p> | <p>The costs of the Conduct Implementation Readiness Assessments project include MN Child Support Program and/or vendor resource costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The qualitative benefits of the Conduct Implementation Readiness Assessments project are listed below:</p> <ul style="list-style-type: none"> • Data to allow CSED to make well-informed decisions regarding which projects to pursue • Conceptual designs and project plans to jump-start the projects which CSED decides to pursue <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| <p>Project Risk</p> | <p>Low</p> |

Assumptions and Notes

The system renewal projects are dependent on the Conduct Implementation Readiness Assessments (IRAs) project. The system renewal projects are dependent on the information collected and presented during this project. Therefore, this project must be completed prior to the following projects:

- *Implement Enterprise Content Management (ECM)*
- *Implement Customer Relationship Management (CRM)*
- All five *Incremental Renewal* projects

In addition, we suggest that this project also be complete prior to the *Improve Reporting Capabilities and Analytics, Assess and Plan for Security Management, and Enhance Self Service* projects.

Table 39: Project #6 – Conduct Implementation Readiness Assessments

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | Source | |
|--------------------------------------------------------------|-------------------|--------------------|-------------------------|-------------------------|---------------|-----------------------|--------------|-------------|--------------------------------------------------------------|--------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Scope Definitions | Conceptual Designs | Feasibility Evaluations | Cost / Benefit Analyses | Project Plans | Total Estimated Hours | Rate / Hour* | Total Cost | | |
| CSED Non-IT Staff | 300 | 300 | 300 | 400 | 400 | 1,700 | \$35.35 | \$60,095 | Estimate based on Deloitte experience with similar projects. | |
| CSED Non-IT Management | 200 | 200 | 250 | 250 | 300 | 1,200 | \$49.10 | \$58,920 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Staff | 250 | 250 | 400 | 250 | 300 | 1,450 | \$48.45 | \$70,253 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Management | 300 | 300 | 250 | 250 | 300 | 1,400 | \$59.33 | \$83,062 | Estimate based on Deloitte experience with similar projects. | |
| County Staff | 0 | 0 | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Vendor | 1,000 | 1,200 | 1,000 | 1,200 | 1,400 | 5,800 | \$175.00 | \$1,015,000 | Estimate based on Deloitte experience with similar projects. | |
| Total One-Time Resource Costs | | | | | | | | \$1,287,330 | | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | Quantity | Unit Cost | Total Cost | | |
| | | | | | | N/A | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | \$0 | | |
| TOTAL ONE-TIME COSTS | | | | | | | | \$1,287,330 | | |
| Recurring Costs (Starting in Year 2) | | | | | | | | | | |
| | | | | | | Estimated Hours | Rate / Hour* | Total Cost | | |
| | | | | | | N/A | 0 | \$0.00 | \$0 | No recurring costs associated with project. |
| TOTAL RECURRING COSTS | | | | | | | | \$0 | | |

Estimates assume that the following ten projects will be the subject of the Implementation Readiness Assessments:

- Implement Enterprise Content Management (ECM)
- Improve Reporting Capabilities and Analytics
- Enhance Self Service
- Implement Customer Relationship Management (CRM)
- Assess and Plan for Security Management
- Incremental Renewal – Case Initiation
- Incremental Renewal – Locate
- Incremental Renewal – Establishment
- Incremental Renewal – Enforcement
- Incremental Renewal – Financials

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #7: Establish Performance Management Framework

Project Summary

- 224 The objective of the Establish Performance Management Framework project is to establish performance metrics, develop goals for each metric, integrate metrics into existing performance plans, and establish a governance structure for ongoing monitoring. This project is estimated to require a total of \$932,572 in one-time resource costs to be expended in Year 1 of the Roadmap. We estimated 4,500 vendor hours for this project. This estimate is based upon the expertise required in the establishment of meaningful performance metrics and the complexity of the creation of a plan that can be implemented that will allow CSED to achieve the performance goals that are established. The establishment of meaningful performance metrics is a time consuming process and will require significant coordination of state staff. The project will benefit from having a vendor in the coordination role that has previous experience doing this type of work.
- 225 In addition, starting in Year 2 of the Roadmap, an estimated \$101,800 in recurring resource costs for ongoing performance monitoring activities is expected annually.
- 226 Quantitative benefits are not attributed to this project, but the project's qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Establish Performance Management Framework project are listed below:
- Provides more accurate information on current Child Support Program and process performance
 - Creates a formal structure for the oversight of organizational performance as it relates to established metrics
 - Aligns the Child Support Program to metrics that are realistic and meaningful
 - Measures performance against goals and allows leadership to take corrective action when necessary

Allows for the consistent communication to all stakeholders regarding the progress on performance and corrective actions taken

Project Profile

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| Project ID | 7 |
| Project Name | Establish Performance Management Framework |
| Duration | 10 – 12 months |
| Project Type | Foundation |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | Medium |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes |
| Project Description | <p>This project is the organization-wide implementation of a performance management framework. The components of the framework include developing performance metrics for all levels of the MN Child Support program, establishing a goal for each metric, integrating the framework into the appropriate organizational levels and existing performance plans, and creating a governance structure for ongoing maintenance of the framework.</p> <p>The framework will allow management to begin aligning the entire organization with the strategic plan and objectives of the Child Support Program. This is accomplished by implementing a set of performance metrics and performance goals that tie directly with the Child Support Program's priorities and vision. The performance data provided by the framework will allow management to better assess, reward, and make decisions based on the Program's current and past performance.</p> <p>There are several functional activities that must take place in order to implement the performance management framework.</p> <ul style="list-style-type: none"> • Develop an Implementation Plan: Develop an implementation plan that includes setting performance goals for the established metrics, integrating the framework into existing performance plans, and establishing a governance structure for ongoing maintenance of the framework. • Establish Performance Metric Goals: Establishing effective performance metric goals is perhaps the most challenging component of a performance management framework implementation. MN Child Support Program's customers represent diverse geographic and demographic backgrounds. These variables have an impact on the approach taken and success achieved by the program in serving its customers. These variables will have to be considered in establishing performance metrics to ensure that the established goals are reasonable and achievable. • Integrate with Existing Performance Plans: The performance management framework will need to be integrated with any existing performance plans and approaches to performance management. This may require coordination with the human resources departments, strategic planning staff, and CSED and county executive management. • Establish a Governance Structure for Ongoing Maintenance of the Performance Management Framework: Successful maintenance and governance will require accountability at all levels of the organization. This will necessitate ownership for the entire performance management framework by the Child Support Program's administration, as well as accountability at the management and staff levels. |

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| | <p>Providing management and staff with regular communication about the organization's performance goals and progress towards those goals will help all participants in the process become more informed and invested. Once the metrics have been defined, goals assessed, and it is decided how county offices will be compared with one another, CSED should work with its stakeholders to design a balanced scorecard. This scorecard will help depict progress towards goals, comparison between county office performances, and will allow management to have an at-a-glance view of its operations on a monthly basis.</p> |
| Estimated Costs | <p>The costs of the Establish Performance Management Framework project include MN Child Support Program resource costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Establish Performance Management Framework project are listed below:</p> <ul style="list-style-type: none"> • Provides more accurate information on current Child Support Program and process performance • Creates a formal structure for the oversight of organizational performance as it relates to established metrics • Aligns the Child Support Program to metrics that are realistic and meaningful • Measures performance against goals and allows leadership to take corrective action when necessary • Allows for the consistent communication to all stakeholders regarding the progress on performance and corrective actions taken <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • This Performance Management Framework will be built for the existing Child Support Program metrics. As additional metrics are defined and implemented they will be added to the governance framework. • The <i>Incremental Renewal</i> projects will enable additional metrics that cannot be measured in the current system to be added to the performance management framework. • The <i>Improve Reporting Capabilities and Analytics</i> project will enable improved reporting of the metrics defined in the Establish Performance Management Framework project. Therefore, the Establish Performance Management Framework project must be completed prior to the <i>Improve Reporting Capabilities and Analytics</i> project. • In addition, we suggest that this project also be complete prior to the <i>Implement Customer Relationship Management (CRM)</i> and the five <i>Incremental Renewal</i> projects. | |

Table 40: Project #7 – Establish Performance Management Framework

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | | Source | |
|---------------------------------------------------------------|---------------------|--------------------------|------------------------------|----------------------|-----------------------|--------------|------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | |
| | Implementation Plan | Performance Metric Goals | Performance Plan Integration | Governance Structure | Total Estimated Hours | Rate / Hour* | Total Cost | | |
| CSED Non-IT Staff | 500 | 500 | 400 | 300 | 1,700 | \$35.35 | \$60,095 | Estimate based on Deloitte experience with similar projects. | |
| CSED Non-IT Management | 250 | 300 | 300 | 200 | 1,050 | \$49.10 | \$51,555 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Staff | 0 | 200 | 0 | 0 | 200 | \$48.45 | \$9,690 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Management | 100 | 100 | 100 | 100 | 400 | \$59.33 | \$23,732 | Estimate based on Deloitte experience with similar projects. | |
| County Staff | 0 | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Vendor | 500 | 2,000 | 1,000 | 1,000 | 4,500 | \$175.00 | \$787,500 | Estimate based on Deloitte experience with similar projects. | |
| Total One-Time Resource Costs | | | | | | | \$932,572 | | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | |
| | | | | | Quantity | Unit Cost | Total Cost | | |
| | | | | | N/A | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | \$0 | | |
| TOTAL ONE-TIME COSTS | | | | | | | \$932,572 | | |
| Recurring Costs (Starting in Year 2) | | | | | | | | | |
| | | | | | Estimated Hours | Rate / Hour* | Total Cost | | |
| Ongoing Performance Monitoring (CSED Non-IT Management Hours) | | | | | 500 | \$49.10 | \$24,550 | Estimate based on Deloitte experience with similar projects. | |
| Ongoing Performance Monitoring (CSED Non-IT Management FTEs) | | | | | 0.2 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | |
| Ongoing Performance Monitoring (CSED Non-IT Staff Hours) | | | | | 1,500 | \$35.35 | \$53,025 | Estimate based on Deloitte experience with similar projects. | |
| Ongoing Performance Monitoring (CSED Non-IT Staff FTEs) | | | | | 0.7 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | |
| Ongoing Performance Monitoring (CSED IT Staff Hours) | | | | | 500 | \$48.45 | \$24,225 | Estimate based on Deloitte experience with similar projects. | |
| Ongoing Performance Monitoring (CSED IT Staff FTEs) | | | | | 0.2 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | |
| TOTAL RECURRING COSTS | | | | | | | \$101,800 | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #8: Establish Governance Structure

Project Summary

227 The objective of the Establish Governance Structure project is to establish a governance structure within CSED to help prioritize and coordinate the implementation of projects, including developing a governance structure, process standards and templates, and a communications plan. This project is estimated to require a total of \$377,057 in one-time resource costs to be expended in Year 1 of the Roadmap. In addition, starting in Year 2 of the Roadmap, an estimated \$21,210 in recurring resource costs for activities related to maintaining standards and modifying the governance structure per lessons learned is expected annually.

228 Quantitative benefits are not attributed to this project, but the project's qualitative benefits will enable other Roadmap projects. The expected qualitative benefits of the Establish Governance Structure project are listed below:

Well-defined decision-making bodies to direct the projects

A formalized structure for coordination across all projects

Aligns management and stakeholders to the Strategic Plan and the overall Roadmap goals

Aligns staff resources across projects

Ability to understand ongoing status of projects so that management can take corrective action when necessary

Effective communication of the progress and direction of projects to MN Child Support Program stakeholders

Project Profile

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|--------------|--------------------------------|
| Project ID | 8 |
| Project Name | Establish Governance Structure |
| Duration | 3 – 4 months |
| Project Type | Foundation |

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| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>The objective of the Establish Governance Structure project is to establish a governance structure and framework to implement the Roadmap projects. This project establishes a governance board within CSED to help prioritize and coordinate the implementation of the projects that make up the Roadmap. A governance framework requires the utilization of tools, development of processes, and the creation of templates to facilitate integration across multiple projects and will provide an initiative-wide view of ongoing resource consumption and overall progress toward the vision. The governance board will address various project management activities within and across internal CSED areas, including resource management, reporting, governance, acceptance standards, and the implementation of communication protocols and procedures.</p> <p>There are three key activities that must take place in order to implement the governance structure within CSED.</p> <ul style="list-style-type: none"> • Define the governance structure to prioritize, coordinate, and oversee the implementation of projects • Develop a Process Guide outlining the roles and responsibilities from initiation to implementation of projects as well as the standards and procedures for how projects are structured • Develop a Communications Plan informing stakeholders of the projects, milestones, and progress to date <p>These components, when utilized in concert, will create a model approach for initiating, managing, completing and, on occasion, discontinuing projects. Each is described in more detail below.</p> <p>Governance Structure</p> <p>The governance board is responsible for coordination and integration of projects to help promote the achievement of the Child Support Program's strategic objectives. To achieve the coordination and integration of projects, the board and its organizational framework must be placed sufficiently within the organization so that the individuals responsible for establishing the projects are clear about their roles and responsibilities. First, the overall responsibility of the governance board within the CSED organization will be clearly defined. Next, a Governance Structure Organization Chart will be defined to address the placement of each project within the broader program vision, and to identify and document the leadership of the board. This will define the roles and responsibilities of the positions through an organizational diagram. The governance structure will include detailed status reporting in order to maintain open communication channels among key stakeholders. As part of this effort, a governance committee(s), as well as a manager of the day-to-day operations, will be identified and established.</p> <p>Process Guide</p> <p>Governance under the board requires the creation of processes to guide the sponsors or potential sponsors of projects in their responsibilities and activities. The Process Guide will document processes and criteria for project identification, review and approval, initiation, reporting, risk and issue tracking, quality assurance, change management, communications, and project closure.</p> <p>In order to support the governance processes and to help promote consistency in the communication of information, established tools will be identified and accepted as the standard for purposes of documenting project scope and tasks. In addition, several templates will be developed as part of the Process Guide. The templates that will be created include (1) project briefing document, (2) project charter, (3) project approval form, (4) project plan, (5) risk and issue tracking template, (6) reporting template, (7) quality assurance template, (8) change management template, and</p> |

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| | <p>(9) closure document.</p> <p>Existing CSED project management processes and templates will be reviewed to determine if part or all should be used to assess and manage the Roadmap projects.</p> <p>Communications Plan</p> <p>The Communications Plan will provide the approach, content, timing, and the logistical needs to deploy project communications. The communications materials will be designed to educate and inform internal and external stakeholder groups about the Roadmap projects, milestone, and progress. The plan will explain how the materials will communicate the goals of the various projects, what is expected to accomplish the goals, what deliverables can be expected, how they connect with the program's overall goals, and the impact to staff during the process.</p> |
| Estimated Costs | <p>The costs of the Establish Governance Structure project include MN Child Support Program and/or vendor resource costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Establish Governance Structure project are listed below:</p> <ul style="list-style-type: none"> • Well-defined decision-making bodies to direct the projects • A formalized structure for coordination across all projects • Aligns management and stakeholders to the Strategic Plan and the overall Roadmap goals • Aligns staff resources across projects • Ability to understand ongoing status of projects so that management can take corrective action when necessary • Effective communication of the progress and direction of projects to MN Child Support Program stakeholders <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Low |
| Assumptions and Notes | |
| <p>The system renewal projects are dependent on the Establish Governance Structure project. Successful governance and coordination across all projects is enabled by the this project. Therefore, this project must be completed prior to the following projects:</p> <ul style="list-style-type: none"> • <i>Implement Enterprise Content Management (ECM)</i> • <i>Improve Reporting Capabilities and Analytics</i> • <i>Implement Customer Relationship Management (CRM)</i> • <i>Assess and Plan for Security Management</i> • All five <i>Incremental Renewal</i> projects <p>In addition, we suggest that this project also be complete prior to the <i>Enhance Self Service</i> project.</p> | |

Table 41: Project #8 – Establish Governance Structure

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source | |
|---------------------------------------------------------------------------------------------|----------------------|---------------|---------------------|-----------------------|--------------|------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Estimated Hours | | | | | | | | |
| | Governance Structure | Process Guide | Communications Plan | Total Estimated Hours | Rate / Hour* | Total Cost | | |
| CSED Non-IT Staff | 250 | 250 | 250 | 750 | \$35.35 | \$26,513 | Estimate based on Deloitte experience with similar projects. | |
| CSED Non-IT Management | 200 | 200 | 200 | 600 | \$49.10 | \$29,460 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Staff | 100 | 100 | 100 | 300 | \$48.45 | \$14,535 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Management | 100 | 100 | 100 | 300 | \$59.33 | \$17,799 | Estimate based on Deloitte experience with similar projects. | |
| County Staff | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Vendor | 600 | 750 | 300 | 1,650 | \$175.00 | \$288,750 | Estimate based on Deloitte experience with similar projects. | |
| Total One-Time Resource Costs | | | | | | \$377,057 | | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | |
| | | | | Quantity | Unit Cost | Total Cost | | |
| | | | | N/A | 0 | \$0.00 | \$0 | No hardware / software / processing costs associated with project. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | \$0 | | |
| TOTAL ONE-TIME COSTS | | | | | | \$377,057 | | |
| Recurring Costs (Starting in Year 2) | | | | | | | | |
| | | | | Estimated Hours | Rate / Hour* | Total Cost | | |
| Maintaining Standards and Modifying Structure per Lessons Learned (CSED Non-IT Staff Hours) | | | | 600 | \$35.35 | \$21,210 | These hours will be performed by CSED Non-IT staff. | |
| Maintaining Standards and Modifying Structure per Lessons Learned (CSED Non-IT Staff FTEs) | | | | 0.3 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | |
| TOTAL RECURRING COSTS | | | | | | \$21,210 | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Implementation Roadmap – System Renewal Projects

- 229 A **System Renewal** project supports the future technology changes that will help achieve the vision of the program. This section includes a project profile for each of the System Renewal projects recommended for implementation on the Roadmap. These high-level profiles include information such as duration, project description, costs, benefits, risks, and assumptions.
- 230 The cost and benefit calculations for the System Renewal projects are also provided in this section. The calculations include all assumptions as well as the ROI calculation. These are also provided in separate Microsoft Excel files to allow for future changes.
- 231 Note that the Project ID / numbering is for identification purposes only and is not meant to imply the order in which the projects are to be completed.

| ID | Project Name | Table |
|----|--------------------------------------------------|--------------------------------------------------------------------------|
| 9 | Implement Enterprise Content Management (ECM) | Table 43: Project #9 – Implement Enterprise Content Management |
| 10 | Improve Reporting Capabilities and Analytics | Table 44: Project #10 – Improve Reporting Capabilities and Analytics |
| 11 | Enhance Self Service | Table 45: Project #11 – Enhance Self Service |
| 12 | Implement Customer Relationship Management (CRM) | Table 46: Project #12 – Implement Customer Relationship Management (CRM) |
| 13 | Assess and Plan for Security Management | Table 47: Project #13 – Assess and Plan for Security Management |
| 14 | Incremental Renewal – Case Initiation | Table 48: Project #14 – Incremental Renewal – Case Initiation |
| 15 | Incremental Renewal – Locate | Table 49: Project #15 – Incremental Renewal – Locate |
| 16 | Incremental Renewal – Establishment | Table 50: Project #16 – Incremental Renewal – Establishment |
| 17 | Incremental Renewal – Enforcement | Table 51: Project #17 – Incremental Renewal – Enforcement |
| 18 | Incremental Renewal – Financials | Table 52: Project #18 – Incremental Renewal – Financials |

Table 42: System Renewal Project List

Project #9: Implement Enterprise Content Management (ECM)

Project Summary

- 232 The objective of the Implement Enterprise Content Management (ECM) project is to implement a software solution that enables document imaging, electronic case file, inbound and outbound document management, and enhanced forms management. This project is estimated to require a total of \$10,869,612 in one-time costs to be expended in Years 2 and 3 of the Roadmap, including resource costs, hardware / software costs, and the costs of case file conversion to scanned images. In addition, starting in Year 4 of the Roadmap, an estimated \$363,375 in recurring resource costs for system support / maintenance activities is expected annually.
- 233 As a result of this project, 273,350 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$1,628,622 reduction in annual county resource costs (approximately 26 county FTEs eliminated).
- 234 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$26,978,449 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,605 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 235 The increase in collections results in an expected \$596,787 in additional Federal incentive funds to Minnesota as well as an additional \$342,106 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$27,043 in CSED non-IT staff costs (approximately 0.4 CSED FTEs), as well as \$1,068,743 in reduced photocopying / printing costs and reduced storage costs annually.
- 236 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 8. The increase in annual increase in collections and breakeven analysis are depicted in Figure 11: Project #9: Implement Enterprise Content Management (ECM) Project Summary Charts.

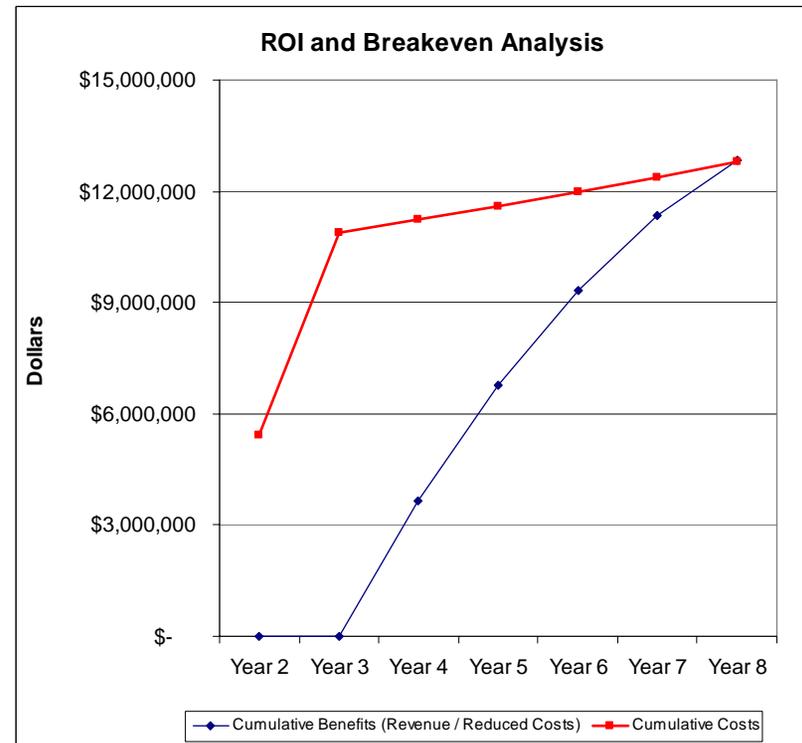
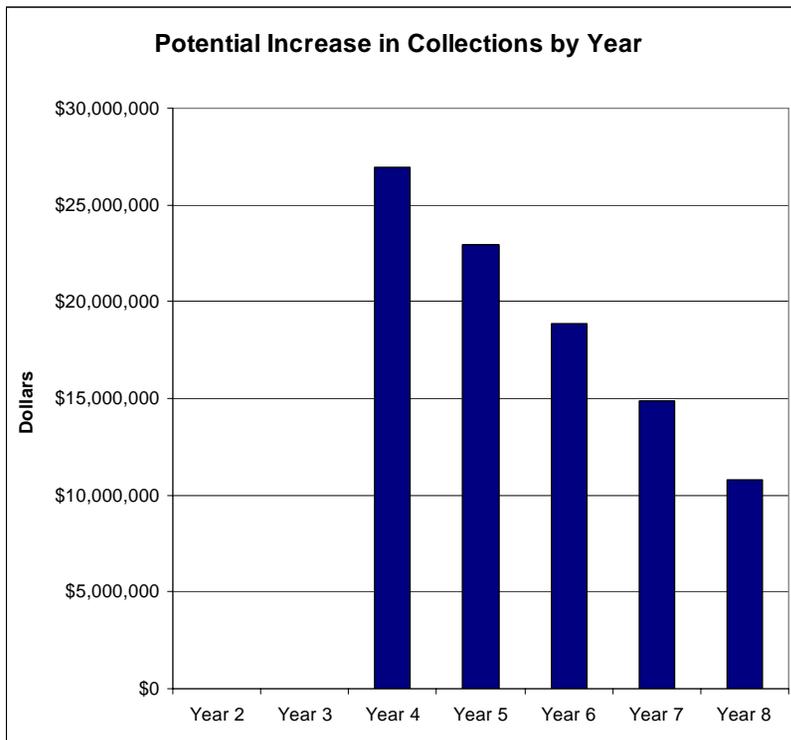


Figure 11: Project #9: Implement Enterprise Content Management (ECM) Project Summary Charts

Project Profile

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|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 9 |
| Project Name | Implement Enterprise Content Management (ECM) |
| Duration | 9 – 12 months |
| Project Type | System Renewal |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | Medium |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

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| Project Description | <p>NOTE: The first paragraph of this project description contains nonpublic security information that cannot be disclosed to the public per Minnesota Statutes §13.37, subds 1(A) and 2, therefore the information has been removed from this document. The information is available to authorized individuals by request.</p> <p>The current management of paper-based case files leads to inefficiencies in operations of daily child support activities. With the exception of one county, all inbound documents are manually processed and stored in traditional paper files. In short, there is no efficient way to view the documentation that is related to a child support case.</p> <p>With the large volume of paper documents generated from PRISM and the overwhelming amount of inbound correspondence received daily, improvements in these areas will greatly reduce the staff time currently expended in the reliance on a paper-based system.</p> <p>The Implement Enterprise Content Management (ECM) project includes the implementation of an ECM system that includes document imaging, electronic case file, an inbound and outbound document management process, and enhanced forms management. Listed below are details of the elements included in the ECM project.</p> <p>Implementing Document Management</p> <p>Document management captures, tracks, and stores electronic documents and electronic images of paper documents. Images of paper documents are captured using scanners or multifunction printer/copiers. Optical character recognition (OCR) software can be used to convert these digital images into machine-readable text. Many document management systems can integrate document management directly into other applications, so that users may retrieve existing documents directly from the document management system repository, make changes, and save the changed document back to the repository as a new version, all without leaving the original application. For example, implementing a document management system should provide the capability to take data from the electronic documents or forms and load that data directly into PRISM. Storage and management of electronic documents includes considerations of where documents are stored, for how long, migration of documents from one storage media to another and eventual document destruction.</p> <p>Moving to Electronic Case Files</p> <p>Prior to implementing a document management system, it is important to initiate a statewide clean-up effort of all paper file content for all active child support cases. This effort should occur in all county offices. It is important to remove outdated and non-essential documents from the case files prior to conversion. There is an assumption that all county offices will adhere to the defined standards and procedures and complete this clean-up in a timely manner. It is essential that the clean-up occurs prior to the conversion of the documents to electronic format. However, with the daily influx of high volumes of inbound correspondence, the completion of this effort may vary across county offices given available resources and the number of active child support cases within each office.</p> <p>The outcome of this initiative will be the conversion of all paper documents contained in the paper case files to electronic format. The electronic case folder will be implemented on all new cases. There needs to be a strategy developed for converting existing cases into electronic format. There is also an assumption that some essential documents will remain in the physical case files such as certified documents with original signatures and/or raised seals/stamps. The risk associated with this effort is staff resistance since staff members are currently dependent on paper documents and files.</p> <p>All paper information received during the Case Initiation process should be converted to electronic form so that the information is available 'anywhere, anytime'. This effort will convert paper case file documents into an electronic format to be stored in the system. These documents will be imaged, processed, and indexed, which will allow for enhanced search and retrieval. With electronic case file, the management of documents will provide version control along with essential tracking of records in accordance with retention schedules.</p> |
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| | <p>Enhancing Forms Management</p> <p>Forms management (use of e-Forms) increases staff productivity and improves customer service by minimizing the amount of time users spend completing, accessing and filling out standard business forms. A typical e-Forms solution includes a designer to create e-Forms (replicating paper forms, if necessary) and a capability to deploy e-Forms directly into business processes.</p> <p>Web-based e-Forms can serve as the front-end of many business processes and provide built-in intelligence to ensure the e-Form is filled out correctly the first time, even when it is filled in by customers or other stakeholders outside the organization.</p> <p>E-Form templates and filled-in e-Forms can be stored directly into document management and workflow management systems, which then route e-Forms throughout the workflow lifecycle. The e-Form can become the user interface for many human workflow steps. Blank forms can also be completed offline while staff is disconnected from the network; when the form is brought back online, it automatically launches the correct business process.</p> <p>E-Forms applications often come with features such as database lookups for pre-filling of fields, spell-check, mathematical calculations and automatic storage. A version of an e-Form can be stored automatically after each step of a business process to support auditing and regulatory process requirements. Security and identity controls can also be built-in. Many of the customer self-service elements covered in the CRM project could be facilitated by the provision of e-Forms as the template for self-service data entry.</p> <p>The electronic forms technology can allow for intuitive forms generation based on individual circumstances and county requirements as specified by business rules. If implemented, bar-coding on forms can allow for automation possibilities for inbound forms such as rules-based update of confirmation codes, and the inactivation of an old address and activation of a new and more current address.</p> |
| <p>Estimated Costs</p> | <p>The costs of the Implement ECM project include MN Child Support Program and/or vendor resource costs and hardware and software costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected benefits of the Enterprise Content Management project are listed below:</p> <ul style="list-style-type: none"> • Reduces the dependencies on paper-based documents and on physical storage space requirements • Increases productivity by providing faster access to information and by eliminating the need to manually search for paper case file documents • Improves decision making by providing real-time access and retrieval of case file information • Improves accuracy of information • Reduces lost documents • Improves disaster recovery and business continuity • Improves ability of staff to respond quickly to customer and stakeholder inquires, thus promoting a high level of customer service satisfaction - "anytime, anywhere" access • Provides a central repository for all inbound and outbound documents • Improves security measures by providing an efficient way to track and audit documents and control user access <p>The expected quantitative benefits include reduced staff time and reduced costs due to a reduction in paper printing, photocopying, and physical storage use. Refer to the Cost and Benefit Calculations for more details.</p> |

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| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • This project will essentially set up the infrastructure for ECM that will include the following – document management (inbound and outbound), electronic case files, and the integration framework for attaching document images in the application solution. The effort required for actually converting the forms/notices for each of the business processes (Case Initiation, Locate, Establishment, Enforcement, and Financials) and integrating them with the ECM infrastructure will occur during the <i>Incremental Renewal</i> of each of the business processes. • The <i>Establish Technical Infrastructure</i> project will include the selection of the appropriate ECM solution that will be integrated into the to-be technical architecture. • The electronic case file will be implemented initially for all new cases created in the system. There needs to be a separate implementation plan developed to address the conversion of the existing backlog of paper files to an electronic format over a period of time. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. As a result there is a close relationship between ECM implementation and the <i>Incremental Renewal</i> projects. • The <i>Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure</i> projects must be completed prior to this project. | |

Table 43: Project #9 – Implement Enterprise Content Management

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|----|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total hours staff spend annually on manually searching for paper case file documents | 81,051 | | | Data obtained from county data requests. |
| B | Total hours staff spend annually on manually opening and filing incoming mail or other incoming documents (faxes, etc.) | 244,128 | | | Data obtained from county data requests. |
| C | Total hours staff spend annually on manually photocopying or duplicating and then filing outgoing mail or other documents (faxes, etc.) | 130,405 | | | Data obtained from county data requests. |
| D | Total annual number of staff hours spent on above tasks (sum of A thru C) | 455,584 | | | |
| E | Percent of staff hours saved due to enterprise content management | 60% | | | Estimated based on Deloitte experience with similar projects. |
| F | Staff hours saved (D * E) | 273,350 | | | |
| G | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| H | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| I | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| J | Staff hours eliminated by staff reduction (F * I) | 54,670 | | | |
| K | Total FTEs eliminated (J / 2080) | 26 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| L | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| M | Staff reduction cost savings (J * L) | \$1,628,622 | | | |
| Annual Savings Due to Reduction in Staff | | \$1,628,622 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| Collections Increase Due to Additional Hours for Enforcement | | | | | |
| N | Additional hours for Establishment activities (F * G) | 54,670 | V | Additional hours for Enforcement activities (F * H) | 164,010 |
| O | Number of Establishment caseworkers in all counties | 380 | W | Number of Enforcement caseworkers in all counties | 631 |
| P | Annual number of work hours for Establishment caseworkers ((O * 2080 hrs/year) * 80%) | 632,320 | X | Annual number of work hours for Enforcement caseworkers ((W * 2080 hrs/year) * 80%) | 1,049,984 |
| Q | Number of orders established in SFY 2008 | 25,451 | Y | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| R | Number of hours to establish an order (P / Q) | 25 | Z | Calculated amount of collections per hour as a result of Enforcement actions (Y / X) | \$124 |
| S | Number of established orders due to reallocation of staff (N / R) | 2,200 | AA | Annual increase in collections due to reallocation of staff to Enforcement (V * Z) | \$20,302,190 |
| T | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (T) Data obtained from CSED. |
| U | Annual increase in collections due to reallocation of staff to Establishment (S * T) | \$6,676,260 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (U + AA) | | \$26,978,449 | | | |

Benefit – State Staff Savings

| Reduced CSED Staff Costs | | Source | |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------|
| A | Annual number of CSED staff hours spent requesting copies of case file information from the county offices | 1,020 | Data obtained from state data request. Help Desk = 15 hrs/month; CSPC = 70 hrs/month. |
| B | Percent reduction expected in time requesting copies of case file information from the county offices | 75% | Estimated based on Deloitte experience with similar projects. |
| C | Annual number of CSED staff hours saved due electronic case management (A * B) | 765 | |
| D | Total CSED non-IT FTEs eliminated (C / 2080) | 0.4 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| E | Cost per hour for CSD Non-IT Staff | \$35.35 | Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009. |
| F | Total CSED non-IT staff cost savings due to electronic case management (C * E) | \$27,043 | |
| Annual Reduction in CSED Non-IT Staff Costs | | \$27,043 | |

Benefit – Reduced Photocopying / Printing Costs and Reduced Storage Costs

| Reduced Photocopying Costs | | | Source |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------|
| A | Volume of pages photocopied annually for the purpose of creating a duplicate copy for filing | 4,370,069 | Data obtained from county data requests. |
| D | Percent reduction expected in photocopying for the purpose for creating a duplicate copy for filing | 100% | Estimated based on Deloitte experience with similar projects. |
| C | Amount of photocopied pages reduced (A * B) | 4,370,069 | |
| D | Cost per photocopied page | \$0.05 | Data obtained from county data requests. |
| E | Photocopying costs saved (C * D) | \$218,503 | |
| Reduced Printing Costs | | | Source |
| F | Volume of paper printed annually for the purposes of storage (creating file copies or other duplicate copies) | 7,394,903 | Data obtained from county data requests. |
| G | Percent reduction expected in paper printed for the purpose of storage | 100% | Estimated based on Deloitte experience with similar projects. |
| H | Amount of printed pages reduced (F * G) | 7,394,903 | |
| I | Cost per printed page | \$0.04 | Data obtained from county data requests. |
| J | Printing costs saved (H * I) | \$295,796 | |
| Reduced Storage Costs | | | Source |
| K | Total square footage of space used for physical paper storage (case files or other records) | 19,126 | Data obtained from county data requests. |
| L | Percent reduction expected in physical paper storage | 90% | Estimated based on Deloitte experience with similar projects. |
| M | Total square footage reduced (K * L) | 17,213 | |
| N | Average annual cost of rent and utilities per square foot | \$32.21 | Data obtained from county data requests. |
| O | Rent and utilities saved (M * N) | \$554,444 | Data obtained from county data requests. |
| Annual Savings Due to Reduced Photocopying / Printing Costs and Reduced Storage Costs (E + J + O) | | \$1,068,743 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|----------------------------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 250 | 400 | 400 | 0 | 200 | 500 | 1,750 | \$35.35 | \$61,863 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 50 | 100 | 100 | 0 | 50 | 100 | 400 | \$49.10 | \$19,640 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 300 | 300 | 600 | 2,500 | 500 | 400 | 4,600 | \$48.45 | \$222,870 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 100 | 100 | 100 | 400 | 100 | 100 | 900 | \$59.33 | \$53,397 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 250 | 0 | 500 | 0 | 750 | \$29.79 | \$22,343 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 3,500 | 750 | 1,250 | 4,500 | 2,500 | 2,000 | 14,500 | \$150.00 | \$2,175,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$2,555,112 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Scan Stations | | | | | | | 85 | \$1,500 | \$127,500 | Consists of a PC attached to scanners and monitors. |
| Hardware - Scanner - High Capacity | | | | | | | 1 | \$17,000 | \$17,000 | Centrally located high-capacity scanner |
| Hardware - Scanners (lower volume) | | | | | | | 170 | \$1,000 | \$170,000 | Two per office |
| Software - Enterprise Content Management Application (OCR, repository, workflow) | | | | | | | 1 | \$2,000,000 | \$2,000,000 | |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$2,314,500 | |
| Case File Conversion Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Manual Scanning of Individual Case Files | | | | | | | 1 | \$6,000,000 | \$6,000,000 | Estimate based on 250,000 case files * an average of 110 pages per file to be scanned * \$.22 industry standard scanning cost per page |
| Total One-Time Case Conversion Costs | | | | | | | | | \$6,000,000 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$10,869,612 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | | |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 7,500 | \$48.45 | \$363,375 | |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 3.6 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$363,375 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #10: Improve Reporting Capabilities and Analytics

Project Summary

- 237 The objective of the Improve Reporting Capabilities and Analytics project is to create an integrated solution for all reporting needs that provides easier information retrieval and enhanced analytics for user level, management, and state / federal mandated reports. This project is estimated to require a total of \$1,983,628 in one-time costs to be expended in Years 2 and 3 of the Roadmap, including resource costs and hardware / software costs. In addition, starting in Year 4 of the Roadmap, an estimated \$193,800 in recurring resource costs for system support / maintenance activities is expected annually, as well as \$42,000 in annual license fees.
- 238 As a result of this project, 51,633 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$307,628 reduction in annual county resource costs (approximately 5 county FTEs eliminated).
- 239 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$5,095,924 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,518 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 240 The increase in collections results in an expected \$77,577 in additional Federal incentive funds to Minnesota as well as an additional \$64,620 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$412,162 annually in CSED IT and non-IT staff costs for maintaining the reporting repositories and running / monitoring the reports (approximately 5 CSED FTEs).
- 241 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) beyond Year 8. The increase in annual increase in collections and breakeven analysis are depicted in Figure 12: Project #10: Improve Reporting Capabilities and Analytics Project Summary Charts.

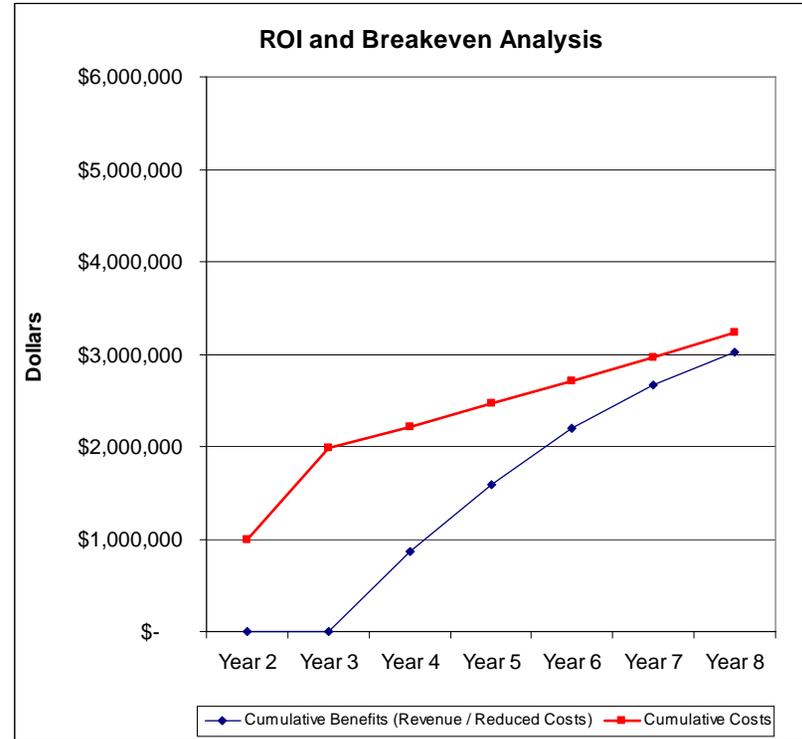
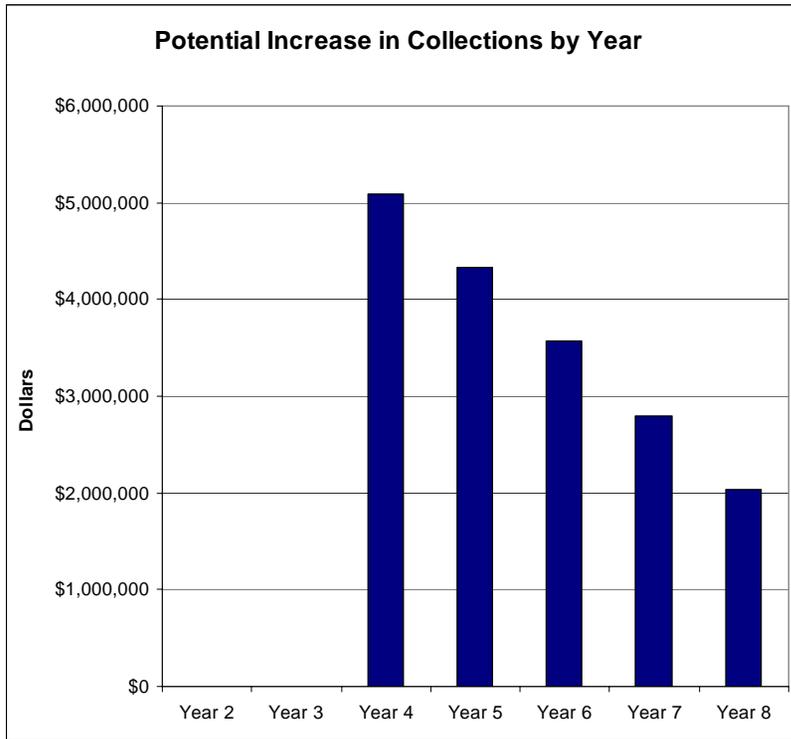


Figure 12: Project #10: Improve Reporting Capabilities and Analytics Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 10 |
| Project Name | Improve Reporting Capabilities and Analytics |
| Duration | 9 – 12 months |
| Project Type | System Renewal |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Description</p> | <p>The current reporting and analysis tools need to be integrated to align with the new Performance Management Framework that will be established as part of the Roadmap initiative. There is an opportunity to improve the data warehouse to provide tools to the county supervisors and managers to allow for analysis of their respective county performance. Such enhancements would improve CSED's ability to produce standard and ad-hoc reports for external entities.</p> <p>Evaluating the Current Reporting Environment</p> <p>NOTE: Information contained in this section "Evaluating the Current Reporting Environment" contains nonpublic security information that cannot be disclosed to the public per Minnesota Statutes §13.37, subds 1(A) and 2, therefore the information has been removed from this document. The information is available to authorized individuals by request.</p> <p>One of the first actions that should occur is a rigorous evaluation of the existing reports and a determination of which reports can be eliminated from production. This will be accomplished as part of the Rationalize Reports Quick Win project (project ID #19) and will be an important input into this project.</p> <p>CSED needs to critically examine the data model that supports the future reporting needs to make sure it will support the type of innovative analytical and predictive reporting that will be critical to accomplishing the future vision of the Child Support Program.</p> <p>Consolidating Federal Reporting</p> <p>This project can include the development of a comprehensive performance management solution to generate federal reports in an off-line environment. The solution would provide the ability to produce both federal and management reports which will be used by CSED executive staff to monitor the federal performance measures and related criteria in order to take the necessary proactive measures to improve program performance. This performance management solution would help CSED executive staff in establishing accountability for the results that may be used to link incentive sharing with local counties' performance. This enhancement would provide a very valuable tool to CSED executives as they monitor the progress on federal performance measures and develop strategies to improve the state's performance. CSED would essentially have an early warning system for the challenges facing the state, including potential penalties and reduction in incentive funding from OCSE.</p> <p>Improving Management Reporting</p> <p>A goal for many of the components in this project is to improve capabilities for management reporting and provide management with more robust data analysis tools. Reports required for performance monitoring will be designed, developed, tested, and implemented. Reports can be in a multi-dimensional structure for storing statistical information that can be viewed either in summary (rolled up) or detail (drilled down) form. Data stored in this manner can be used for benchmarking, comparison, and trend analysis purposes. An enhanced reporting structure can help</p> |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>caseworkers focus on the work that really matters. For example, reports can:</p> <ul style="list-style-type: none"> • Determine which cases should be worked first (have the biggest bang for the buck) • Provide caseload, compliance and collection information • Present reports that are organized by case/participant variables including: <ul style="list-style-type: none"> ○Obligation ○Payment ○Location ○Demographics <p>A new reporting structure can offer users flexibility in how data is viewed and give them the ability to “slice and dice” the data in a user-friendly format. This simplified method of manipulating data in order to view performance is critical for supporting CSED during the implementation of its new performance metrics as part of the Establish Performance Management project.</p> <p>Developing and Delivering Training</p> <p>User training is required to implement the proper use of reports. A training plan will be developed, which incorporates the development of training materials and a training delivery schedule in order to train staff on the different dimensions of viewing data to provide CSED with the necessary reports.</p> |
| <p>Estimated Costs</p> | <p>The costs of the Improve Reporting Capabilities and Analytics project include MN Child Support Program and/or vendor resource costs and technology costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected qualitative benefits of the Improve Reporting Capabilities and Analytics project are listed below:</p> <ul style="list-style-type: none"> • Provides an integrated solution for easier information retrieval and analysis • Provides accurate, timely, and complete information delivery • Enhances visibility on performance for proactive corrective actions • Provides ability to manage use trend analysis and future projections • Provides drill-down details of state and federal performance measures at the state, regional, county office, and / or worker level • Provides single version of data allowing less confusion • Recognizes good performance for promoting best practices • Provides for an easier way to recruit resources (one system) • Improves customer service • Potential to provide focused (for example, county-specific) dashboards with custom views of Key Performance Indicators (KPIs) • Ability to create ad hoc reports and ‘what-if’ scenarios • Ability to perform usage analysis |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | The expected quantitative benefits include reduced staff time and reduced maintenance costs due to a reduction in resources, license and hardware costs. Refer to the Cost and Benefit Calculations for more details. |
| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • New reporting requirements will be incorporated into the design phase of each of the <i>Incremental Renewals</i> projects. • The Improve Reporting Capabilities and Analytics project will enable improved reporting for the metrics established as part of the <i>Establish Performance Management Framework</i> project. • An initial assessment of current reports will be completed as part of the <i>Rationalize Reports</i> project. • The <i>Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Establish Performance Management Framework, Establish Governance Structure, and Rationalize Reports</i> projects must be completed prior to this project. • In addition, we suggest the Conduct Implementation Readiness Assessments (IRAs) project be completed prior to this project. | |

Table 44: Project #10 – Improve Reporting Capabilities and Analytics

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | | |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------|----------------|--------------|---------------|---------------|---------------|-----------|
| Project ID | 10 | | | | | | | |
| Project Name | Improve Reporting Capabilities and Analytics | | | | | | | |
| Benefit Factors | Reduction in County Staff | | | | | | | |
| | Increase in Collections due to Staff Time Savings | | | | | | | |
| | Reduced Costs of Staff Maintaining Reporting Repositories and Running / Monitoring Reports | | | | | | | |
| Overall Benefit Calculation | | | | | | | | |
| | Description | | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff | | | | | | \$ | 5,095,924 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ | 307,628 |
| | Annual Savings due to Reduced Staff Costs for Staff Maintaining Reporting Repositories and Running / Monitoring Reports | | | | | | \$ | 412,162 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ | 77,577 |
| | Annual Increase in TANF Recovery* | | | | | | \$ | 64,620 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | | \$ | 5,095,924 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ | 861,987 |
| Cost Factors | Resources | | | | | | | |
| | Hardware/Software/Processing | | | | | | | |
| One-time Costs | | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ | 1,683,628 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ | 300,000 |
| | TOTAL ONE-TIME COSTS | | | | | | \$ | 1,983,628 |
| Recurring Costs | | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ | 235,800 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ | 235,800 |
| Cost / Benefit Summary | | | | | | | | |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 5,095,924 | \$ 4,331,535 | \$ 3,567,147 | \$ 2,802,758 | \$ 2,038,370 | |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 5,095,924 | \$ 9,427,460 | \$ 12,994,606 | \$ 15,797,365 | \$ 17,835,734 | |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 861,987 | \$ 732,689 | \$ 603,391 | \$ 474,093 | \$ 344,795 | |
| One-time Costs | \$ 991,814 | \$ 991,814 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Recurring Costs | \$ - | \$ - | \$ 235,800 | \$ 242,874 | \$ 250,160 | \$ 257,665 | \$ 265,395 | |
| NET BENEFIT (COST) | \$ (991,814) | \$ (991,814) | \$ 626,187 | \$ 489,815 | \$ 353,231 | \$ 216,428 | \$ 79,400 | |
| Return on One-time Investment | 0% | 0% | 32% | 25% | 18% | 11% | 4% | |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 861,987 | \$ 1,594,677 | \$ 2,198,068 | \$ 2,672,161 | \$ 3,016,956 | |
| Cumulative Costs | \$ 991,814 | \$ 1,983,628 | \$ 2,219,428 | \$ 2,462,302 | \$ 2,712,462 | \$ 2,970,127 | \$ 3,235,522 | |
| CUMULATIVE NET BENEFIT (COST) | \$ (991,814) | \$ (1,983,628) | \$ (1,357,440) | \$ (867,625) | \$ (514,394) | \$ (297,966) | \$ (218,566) | |
| Cumulative Return on Investment | 0% | 0% | 39% | 65% | 81% | 90% | 93% | |

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------|---|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total hours staff spend annually manually requesting, tracking, logging, and/or researching reports | 64,541 | | | Data obtained from county data requests. |
| B | Percent of staff hours saved due to improved reporting and analytics | 80% | | | Estimated based on Deloitte experience with similar projects. |
| C | Staff hours saved (A * B) | 51,633 | | | |
| D | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| E | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| F | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| G | Staff hours eliminated by staff reduction (C * F) | 10,327 | | | |
| H | Total FTEs eliminated (G / 2080) | 5 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| I | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| J | Staff reduction cost savings (G * H) | \$307,628 | | | |
| Annual Savings Due to Reduction in Staff | | \$307,628 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| Collections Increase Due to Additional Hours for Enforcement | | | | | |
| K | Additional hours for Establishment activities (C * D) | 10,327 | S | Additional hours for Enforcement activities (C * E) | 30,980 |
| L | Number of Establishment caseworkers in all counties | 380 | T | Number of Enforcement caseworkers in all counties | 631 |
| M | Annual number of work hours for Establishment caseworkers ((L * 2080 hrs/year) * 80%) | 632,320 | U | Annual number of work hours for Enforcement caseworkers ((T * 2080 hrs/year) * 80%) | 1,049,984 |
| N | Number of orders established in SFY 2008 | 25,451 | V | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| O | Number of hours to establish an order (M / N) | 25 | W | Calculated amount of collections per hour as a result of Enforcement actions (V / U) | \$124 |
| P | Number of established orders due to reallocation of staff (K / O) | 416 | X | Annual increase in collections due to reallocation of staff to Enforcement (S * W) | \$3,834,854 |
| Q | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (O) Data obtained from CSED. |
| R | Annual increase in collections due to reallocation of staff to Establishment (P * Q) | \$1,261,070 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (R + X) | | \$5,095,924 | | | |

Benefit – State Staff Savings

| Reduced Maintenance Staff Costs | | | Source |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------|
| A | Total annual CSED IT staff hours spent to maintain multiple data repositories | 6,240 | Data obtained from state data requests. ADABAS = 2 FTEs; TerraData = 1 FTE. |
| B | Percent reduction expected in CSED IT staff hours to maintain multiple data repositories | 40% | Estimated based on Deloitte experience with similar projects. |
| C | CSED IT staff hours reduced (A * B) | 2,496 | |
| D | Total CSED IT FTEs eliminated (C / 2080) | 1 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| E | CSED IT staff rate per hour | \$48.45 | Estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009 |
| F | CSED IT staff costs saved due to staff reduction of staff maintaining multiple data repositories (C * E) | \$120,931 | |
| G | Total annual CSED non-IT staff hours spent to run / monitor reports | 16,477 | Data obtained from CSED data request for FFY 2008 |
| H | Percent reduction expected in CSED non-IT staff hours to run / monitor reports | 50% | Estimated based on Deloitte experience with similar projects. |
| I | CSED non-IT staff hours reduced (G * H) | 8,239 | |
| J | Total CSED non-IT FTEs eliminated (I / 2080) | 4 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| K | CSED non-IT staff rate per hour | \$35.35 | Average estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009 |
| L | CSED non-IT staff costs saved due to staff reduction of staff running and monitoring reports (I * K) | \$291,231 | |
| CSED IT and non-IT staff costs saved due to staff reduction (F + L) | | \$412,162 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|-----------------|--------------|------------------|--------------------------------------------------------------------------------------------------------------------|----------------|-----------------------|--------------|--------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 300 | 200 | 200 | 0 | 300 | 400 | 1,400 | \$35.35 | \$49,490 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 100 | 50 | 50 | 0 | 0 | 50 | 250 | \$49.10 | \$12,275 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 0 | 400 | 500 | 3,500 | 400 | 200 | 5,000 | \$48.45 | \$242,250 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 100 | 50 | 50 | 250 | 0 | 50 | 500 | \$59.33 | \$29,665 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 0 | 0 | 250 | 0 | 250 | \$29.79 | \$7,448 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 2,500 | 1,200 | 2,500 | 1,250 | 1,000 | 500 | 8,950 | \$150.00 | \$1,342,500 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$1,683,628 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | | | |
| Hardware - Additional Servers | | 0 | \$0 | \$0 | The existing hardware in use will likely be adequate for the needs of this project. | | | | | |
| Software License - Additional Licenses | | 1 | \$300,000 | \$300,000 | This software cost is associated with the purchase of improved ETL software. | | | | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$300,000 | | | | | | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$1,983,628 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | | | |
| Hardware Costs | | 0 | \$0 | \$0 | N/A | | | | | |
| Software Costs | | 1 | \$42,000 | \$42,000 | Estimated at 14% of one-time costs based on Deloitte experience. | | | | | |
| | | Estimated Hours | Rate / Hour* | Total Cost | | | | | | |
| System Support / Maintenance (CSED IT Staff Hours) | | 4,000 | \$48.45 | \$193,800 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. | | | | | |
| System Support / Maintenance (CSED IT Staff FTEs) | | 1.9 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | | | | |
| TOTAL RECURRING COSTS | | | | \$235,800 | | | | | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #11: Enhance Self Service

Project Summary

- 242 The objective of the Enhance Self Service project is to increase the self service opportunities available to the MN Child Support Program's customers and stakeholders through enhancement of Minnesota Child Support Online (MCSO). MCSO already allows for case participants to obtain a variety of case related information via the site such as payment information, financial balances and a summary of the actions that have occurred on the case. This project will widen the scope of the services to include a self-service capability that will endeavor to engage case participants as true partners in their case. This project is estimated to require a total of \$1,472,869 in one-time resource costs to be expended in Years 2 and 3 of the Roadmap. In addition, starting in Year 4 of the Roadmap, an estimated \$406,980 in recurring resource costs for system support / maintenance activities is expected annually.
- 243 As a result of this project, 117,828 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$702,021 reduction in annual county resource costs (approximately 11 county FTEs eliminated).
- 244 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$11,629,116 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,544 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 245 The increase in collections results in an expected \$238,005 in additional Federal incentive funds to Minnesota as well as an additional \$147,465 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$779,780 in printing and mailing costs annually.
- 246 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) at the end of Year 4 / beginning of Year 5. The increase in annual increase in collections and breakeven analysis are depicted in Figure 13: Project #11: Enhance Self Service Project Summary Charts.

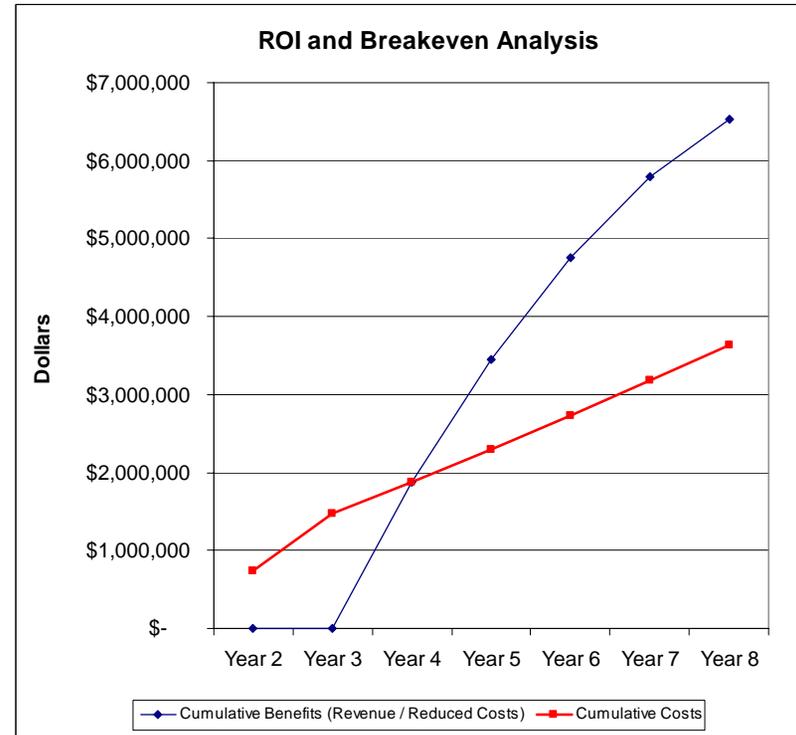
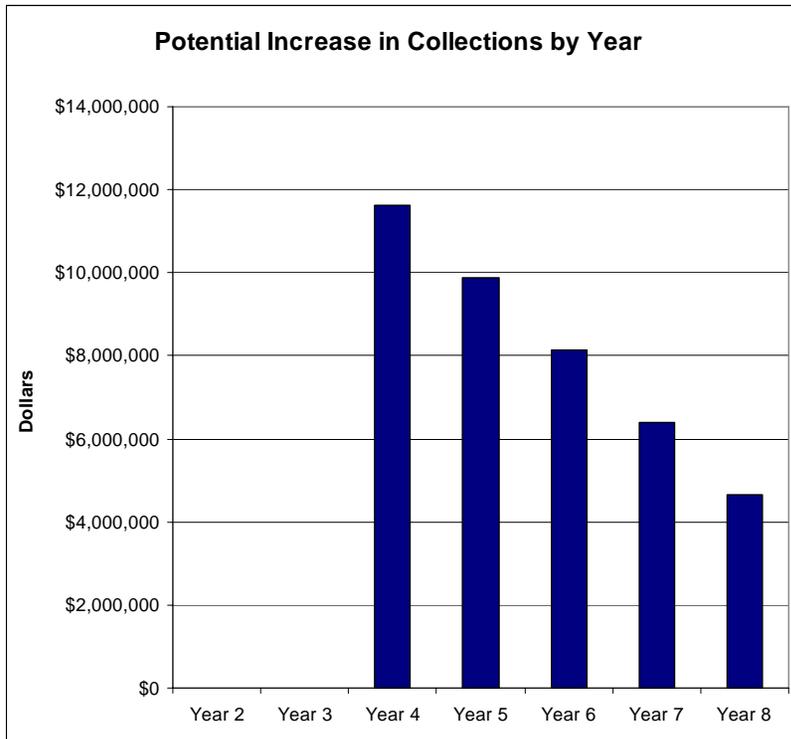


Figure 13: Project #11: Enhance Self Service Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 11 |
| Project Name | Enhance Self Service |
| Duration | 9 – 12 months |
| Project Type | System Renewal |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Description</p> | <p>Stakeholders' expectations for self service have increased dramatically in recent years. A wide variety of organizations, such as banks, retailers, insurance companies, and government agencies provide a tremendous amount of service to customers via the web and other self service channels. Customers now consider a high-level of self service a basic component to customer service.</p> <p>There is currently data available to CPs, NCPs, employers, and other stakeholders via MCSO. However, there are a large number of received information requests, form requests, and other inquiries that are not resolved via MCSO. MN Child Support Program staff provides a significant amount of customer service that can be shifted to self service if the features on the web (MCSO) were enhanced.</p> <p>The objective of the Enhance Self Service project is to improve the program's self service options available through MCSO to its customers. Enhancing MCSO is a critical project because of the variety of stakeholders it will affect and the integration points that will exist between an enhanced web presence and the incremental renewals of the core child support business processes. The core enhancements implemented in this project include:</p> <ul style="list-style-type: none"> • Provide and accept financial statements via MCSO. Customers could be directed to the site to complete and submit the financial statement online. Similarly, financial statements could be emailed to customers who elect to receive email communications and could be returned via email. Once the electronic financial statements are received, the income and other data should be auto-populated into PRISM. The guidelines calculator would then use this data to arrive at a recommended order. With appropriate business rules in place, these steps can be accomplished with limited caseworker intervention. • Allow CPs to provide location information on MCSO about themselves, as well as location tips regarding the NCP. Examples include address, employer, phone number, date of birth and email addresses. • Allow NCPs to update information about them including employment, address and telephone information. • Allow CPs, NCPs, employers, and other stakeholders to download and print frequently requested case information, forms, NMSNs, etc. • Improve the organization of MCSO web content and the layout of web pages so that advocacy groups, individual customers, and the general public has easier access to general child support program information. • Enhance MCSO to portal technology. One common user interface for centralized information allows for improved flexibility, maintainability, and an improved user experience for CPs, NCPs, employers, other states, and other customers and stakeholders. • Accept credit card payments via the web. Policy should permit the acceptance of credit card payments, including online payments and payments by telephone. The NCP should be informed of any processing charges that may need to be added and be aware that he/she will be responsible for the remittance (these are often referred to as convenience charges). There are vendors that CSED could partner with to provide this service and the cost of the service paid primarily by fees charged by the vendor to the NCP. • Provide additional self service features to the employer (specifically) such as the following: <ul style="list-style-type: none"> ○ Allow employers to upload and download more information via the self service channel as a way to interact with the program. ○ Provide a consolidated view of employer information and answers to frequently asked questions. ○ Allow employers to update basic data elements such as employer demographic information, employee status, etc. • Provide proper employer outreach in order to educate and provide a consistent message to its stakeholders. |
| <p>Estimated Costs</p> | <p>The costs of the Enhance Self Service project include MN Child Support Program and/or vendor resource costs and technology costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected benefits of the Enhance Self Service project are listed below:</p> |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Improves customer service and customer satisfaction • Empowers case participants to be active in case activity • Improves customer access to information • Decreases dependency on staff so that caseworkers may focus on more productive tasks • Increases cost savings due to fewer staff resources required to provide customer service • Improves data integrity • Increases processing of inquiries and information updates <p>The expected quantitative benefits include reduced staff time and reduced costs due to a reduction in paper printing and mailing. Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The <i>Conduct a To Be Process Analysis</i> project must be completed prior to this project. • In addition, we suggest the <i>Develop a Procurement Strategy for System Renewal, Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure</i> projects be completed prior to this project. | |

Table 45: Project #11 – Enhance Self Service

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Project ID | 11 | | | | | | |
| Project Name | Enhance Self Service | | | | | | |
| Benefit Factors | Reduction in County Staff Increase in Collections due to Staff Time Savings Reduced Printing and Mailing Costs | | | | | | |
| Overall Benefit Calculation | | | | | | | |
| | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff | | | | | | \$ 11,629,116 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 702,021 |
| | Annual Savings due to Reduced Printing and Mailing Costs | | | | | | \$ 779,780 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 238,005 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 147,465 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | | \$ 11,629,116 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ 1,867,271 |
| Cost Factors | Resources Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 1,472,869 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ - |
| | TOTAL ONE-TIME COSTS | | | | | | \$ 1,472,869 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Resource Costs | | | | | | \$ 406,980 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ 406,980 |
| Cost / Benefit Summary | | | | | | | |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 11,629,116 | \$ 9,884,748 | \$ 8,140,381 | \$ 6,396,014 | \$ 4,651,646 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 11,629,116 | \$ 21,513,864 | \$ 29,654,245 | \$ 36,050,258 | \$ 40,701,905 |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 1,867,271 | \$ 1,587,180 | \$ 1,307,089 | \$ 1,026,999 | \$ 746,908 |
| One-time Costs | \$ 736,434 | \$ 736,434 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ - | \$ 406,980 | \$ 419,189 | \$ 431,765 | \$ 444,718 | \$ 458,060 |
| NET BENEFIT (COST) | \$ (736,434) | \$ (736,434) | \$ 1,460,291 | \$ 1,167,991 | \$ 875,324 | \$ 582,281 | \$ 288,849 |
| Return on One-time Investment | 0% | 0% | 99% | 79% | 59% | 40% | 20% |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 1,867,271 | \$ 3,454,451 | \$ 4,761,540 | \$ 5,788,539 | \$ 6,535,447 |
| Cumulative Costs | \$ 736,434 | \$ 1,472,869 | \$ 1,879,849 | \$ 2,299,038 | \$ 2,730,803 | \$ 3,175,521 | \$ 3,633,581 |
| CUMULATIVE NET BENEFIT (COST) | \$ (736,434) | \$ (1,472,869) | \$ (12,578) | \$ 1,155,413 | \$ 2,030,737 | \$ 2,613,018 | \$ 2,901,866 |
| Cumulative Return on Investment | 0% | 0% | 99% | 150% | 174% | 182% | 180% |

Assumptions

1. The staff hours saved will be allocated to Establishment tasks at 20% and to Enforcement tasks at 60%, and the remaining 20% to staff reduction.
 2. The increased number of enforcement actions taken due to the staff re-allocation will be no more difficult to enforce than the current cases where enforcement action is taken.
 3. Benefits will be realized in Year 4 and will diminish each recurring year per the following schedule: Year 4 = 100% of estimated benefit, Year 5 = 85% of estimated benefit, Year 6 = 70% of estimated benefit, Year 7 = 55% of estimated benefit, Year 8 = 40% of estimated benefit.
 4. Recurring costs are assumed to increase 3% per year.
 5. All one-time costs will be expended evenly between Years 2 and 3, and all recurring costs will start in Year 4.
 6. Rate per hour for Non-IT CSED Staff \$35.35 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
 7. Rate per hour for Non-IT CSED Management \$49.10 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.
 8. Rate per hour for CSED IT Staff \$48.45 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
 9. Rate per hour for CSED IT Management \$59.33 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.
- CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)
10. Rate per hour for County Staff \$29.79
 11. Vendor blended rate \$150.00
 12. Estimates are based on 2080 hours per year.

Notes

*This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data.
 Yearly Benefits (Non-revenue) include increase in collections, which does NOT equate to actual dollars returned to the State.
 Yearly Benefits (Revenue/Reduced Costs) include cost savings, additional incentive funding, and TANF recovery, which DOES equate to actual dollars returned to the State.
 ^ Total Recurring Costs represent Year 4 recurring costs since recurring costs are assumed to increase 3% per year.

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------|----|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total hours staff spend annually on manually answering routine case inquiries | 247,434 | | | Data obtained from county data requests. |
| B | Total hours staff spend annually on manually entering interstate case information provided by another state | 115,481 | | | Data obtained from county data requests. |
| C | Total hours staff spend annually on manually entering genetic testing results | 5,315 | | | Data obtained from county data requests. |
| D | Total hours staff spend annually on manually entering service of process information updates and status | 34,037 | | | Data obtained from county data requests. |
| E | Total hours staff spend annually on manually entering financial information provided by case parties | 69,046 | | | Data obtained from county data requests. |
| F | Total annual number of staff hours spent on above tasks (sum of A thru E) | 471,313 | | | |
| G | Percent of staff hours saved due to self service | 25% | | | Estimated based on Deloitte experience with similar projects. |
| H | Staff hours saved (F * G) | 117,828 | | | |
| I | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| J | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| K | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| L | Staff hours eliminated by staff reduction (H * K) | 23,566 | | | |
| M | Total FTEs eliminated (L / 2080) | 11 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| N | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| O | Staff reduction cost savings (L * M) | \$702,021 | | | |
| Annual Savings Due to Reduction in Staff | | \$702,021 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| P | Additional hours for Establishment activities (H * I) | 23,566 | X | Additional hours for Enforcement activities (H * J) | 70,697 |
| Q | Number of Establishment caseworkers in all counties | 380 | Y | Number of Enforcement caseworkers in all counties | 631 |
| R | Annual number of work hours for Establishment caseworkers ((Q * 2080 hrs/year) * 80%) | 632,320 | Z | Annual number of work hours for Enforcement caseworkers ((Y * 2080 hrs/year) * 80%) | 1,049,984 |
| S | Number of orders established in SFY 2008 | 25,451 | AA | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| T | Number of hours to establish an order (R / S) | 25 | BB | Calculated amount of collections per hour as a result of Enforcement actions (AA / Z) | \$124 |
| U | Number of established orders due to reallocation of staff (P / T) | 949 | CC | Annual increase in collections due to reallocation of staff to Enforcement (X * BB) | \$8,751,300 |
| V | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (V) Data obtained from CSED. |
| W | Annual increase in collections due to reallocation of staff to Establishment (U * V) | \$2,877,815 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (W + CC) | | \$11,629,116 | | | |

Benefit – Reduced Costs

| Reduced Printing and Mailing Costs - Financial Records | | | Source |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------|---------------------------------------------------------------|
| A | Volume of pages of case financial records printed annually for customers | 140,009 | Data obtained from county data requests. |
| B | Percent reduction expected in printing and mailing case financial records | 50% | Estimated based on Deloitte experience with similar projects. |
| C | Amount of printed financial records pages reduced (A * B) | 70,004 | |
| D | Cost per piece of outgoing mail | \$0.99 | Data obtained from county data requests. |
| E | Financial records printing and mailing costs saved (C * D) | \$69,304 | |
| Reduced Printing and Mailing Costs - Income Withholding Orders | | | |
| F | Volume of income withholding orders mailed annually to employers (from counties) | 222,258 | Data obtained from county data requests. |
| G | Percent reduction expected in printing mailings for employers | 40% | Estimated based on Deloitte experience with similar projects. |
| H | Amount of mailings to employers reduced (F * G) | 88,903 | |
| I | Cost per piece of outgoing mail | \$0.99 | Data obtained from county data requests. |
| J | Employer income withholding orders printing and mailings costs saved (H * I) | \$88,014 | |
| Reduced Printing and Mailing Costs - Employer Verification Letters | | | |
| K | Volume of employer verification letters mailed to employers annually | 259,192 | Data obtained from county data requests. |
| L | Percent reduction expected in printing mailings for employers | 40% | Estimated based on Deloitte experience with similar projects. |
| M | Amount of mailings to employers reduced (K * L) | 103,677 | |
| N | Cost per piece of outgoing mail | \$0.51 | Data obtained from county data requests. |
| O | Employer verification letters printing and mailing costs saved (M * N) | \$52,875 | |
| Reduced Printing and Mailing Costs - Billing Statements | | | |
| P | Volume of outgoing mail annually to employers (from counties) | 1,489,114 | Data obtained from county data requests. |
| Q | Percent reduction expected in printing mailings for employers | 75% | Estimated based on Deloitte experience with similar projects. |
| R | Amount of mailings to employers reduced (P * Q) | 1,116,836 | |
| S | Cost per piece of outgoing mail | \$0.51 | Data obtained from county data requests. |
| T | Billing statements costs saved (R * S) | \$569,586 | |
| Annual Savings Due to Reduced Printing and Mailing Costs (E + J + O + T) | | \$779,780 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 200 | 300 | 0 | 500 | 300 | 1,300 | \$35.35 | \$45,955 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 300 | 50 | 75 | 0 | 0 | 50 | 475 | \$49.10 | \$23,323 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 600 | 250 | 400 | 4,500 | 500 | 200 | 6,450 | \$48.45 | \$312,503 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 300 | 50 | 100 | 500 | 0 | 50 | 1,000 | \$59.33 | \$59,330 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 250 | 400 | 0 | 500 | 0 | 1,150 | \$29.79 | \$34,259 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 1,500 | 700 | 1,300 | 2,000 | 750 | 400 | 6,650 | \$150.00 | \$997,500 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$1,472,869 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Additional Servers | | | | | | | 0 | \$0.00 | \$0 | |
| Software License - Additional Licenses | | | | | | | 0 | \$0.00 | \$0 | Unless a decision is made to modify the technical architecture of MN Child Support Online (MCSO), it is assumed that the existing hardware/software that supports MCSO will be adequate for this project. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$1,472,869 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware Costs | | | | | | | 0 | \$0 | \$0 | No recurring costs associated with project. |
| Software Costs | | | | | | | 0 | \$0 | \$0 | No recurring costs associated with project. |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 8,400 | \$48.45 | \$406,980 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 4.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$406,980 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #12: Implement Customer Relationship Management (CRM)

Project Summary

- 247 The objective of the Implement Customer Relationship Management (CRM) project is to implement an integrated software solution that will integrate telephone, email, fax and other child support system interactions so that timely, accurate, and consistent information can be provided to the customer across all communication channels and tracked.. This project is estimated to require a total of \$4,167,602 in one-time costs to be expended in Years 2 and 3 of the Roadmap, including resource costs and hardware / software costs (\$2,000,000 in software licenses alone). In addition, starting in Year 4 of the Roadmap, an estimated \$302,328 in recurring resource costs for system support / maintenance activities is expected annually, as well as \$315,000 in annual hardware / software costs.
- 248 As a result of this project, 258,542 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$1,540,395 reduction in annual county resource costs (approximately 25 county FTEs eliminated).
- 249 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$25,516,953 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,599 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 250 The increase in collections results in an expected \$574,249 in additional Federal incentive funds to Minnesota as well as an additional \$323,573 in TANF recovery annually.
- 251 The cumulative benefits of the increased Federal incentive funds and TANF recovery is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 6. The increase in annual increase in collections and breakeven analysis are depicted in Figure 14: Project #12: Implement Customer Relationship Management (CRM) Project Summary Charts.

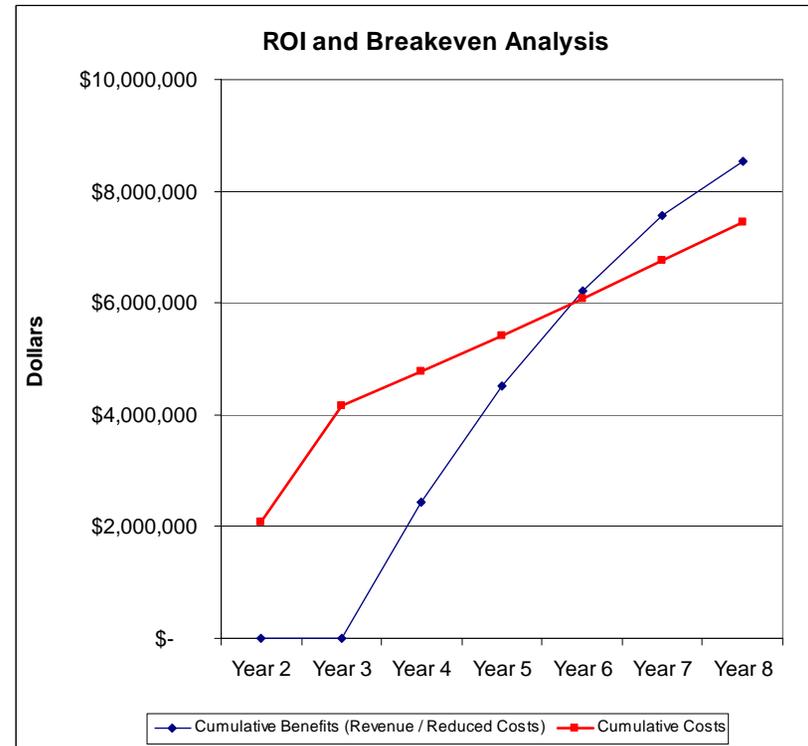
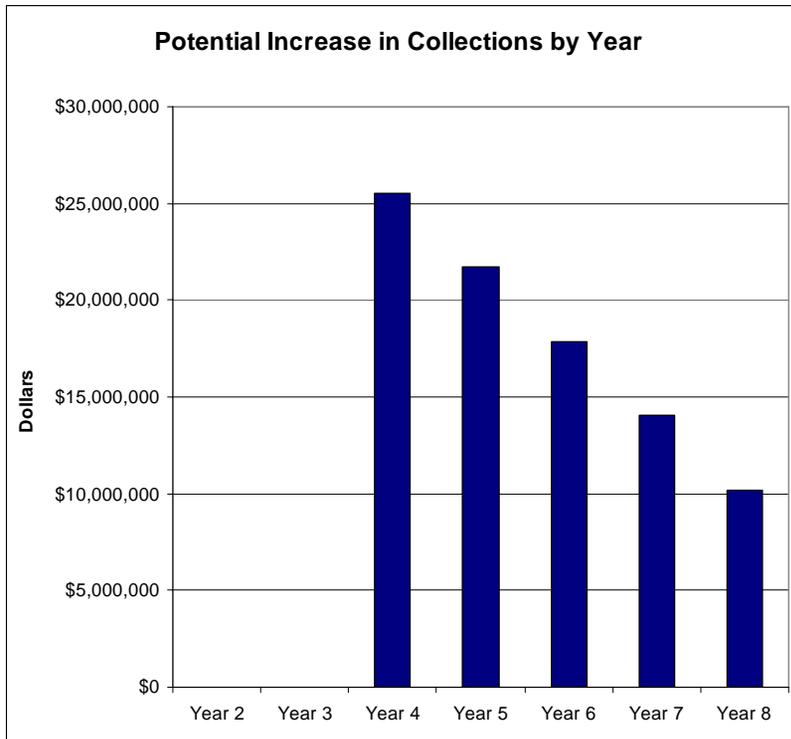


Figure 14: Project #12: Implement Customer Relationship Management (CRM) Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 12 |
| Project Name | Implement Customer Relationship Management (CRM) |
| Duration | 15 – 18 months |
| Project Type | System Renewal |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | Medium |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Description</p> | <p>Implementing a Customer Relationship Management (CRM) solution will be integrating various channel interactions via the phone system (IVR), email, fax and walk-in interactions with clients. There will also be a need to integrate the CRM solution with the Minnesota Child Support Online (MCSO), and the core child support system so that accurate, consistent and complete information is provided to the customer across all channels. At the time that the technical architecture is established, the software and hardware that will be used to support this project will be selected. This project will also be impacted by the “to-be” customer services subprocesses that will be defined as a foundation project.</p> <p>What is CRM?</p> <p>CRM is a broad term that covers concepts used by organizations to manage their relationships with customers, including the capture, storage and analysis of customer information. CRM is not just a technology, but rather an overall approach to an organization's philosophy in dealing with its customers and other external stakeholders. This includes policies and processes, front-end customer service, employee training, outreach efforts, systems and information management.</p> <p>Operationally, a CRM system provides support to “front-office” business processes involving contact, communications and other interaction with customers. Each interaction with a customer adds that customer's contact history, and staff can retrieve information on these individuals from the database as necessary. One of the main benefits of such a contact history is that, over time, customers can interact with the organization through many different people (CSED state and county staff) and via many different contact “channels” (phone, mail, Web or in person) without having to repeat the history of their prior interactions each time. Many CRM applications also provide the capability to develop “scripts” for incoming calls to guide workers through common business processes consistently.</p> <p>CSED already has a web presence in MCSO. We are not recommending that MCSO be replaced. Rather, another project in this roadmap, Enhanced Self-Service will be charged with updating MCSO so that it meets the business needs of the new model. Since CSED has already invested significantly in MCSO and in the training of the staff that maintain it, we feel it important to not replace MCSO with a new site via the CRM application. Rather, the CRM package that is selected should be flexible enough to be able to integrate with MCSO so that customer web interactions are captured into the CRM solution to give a complete view of customer interactions.</p> <p>Benefits Beyond CRM</p> <p>CRM also covers the integration and streamlining of the “channels” through which an organization interacts directly with customers. For the MN Child Support Program, this could include the web self service (MCSO), email, fax, phone calls received by counties or the state help desk and the automated phone system (IVR), etc.</p> <p>In conjunction with an overall approach to improve data quality and with appropriate analytical and reporting tools, a CRM system enables the analysis of customer/stakeholder data for a variety of purposes, including:</p> <ul style="list-style-type: none"> • Design and execution of specific customer / stakeholder communication and education campaigns • Analysis of customer / stakeholder behavior to aid service decision making • Provision of information to support financial forecasting and program performance analysis |
| <p>Estimated Costs</p> | <p>The costs of the Implement CRM project include MN Child Support Program and/or vendor resource costs and technology costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected qualitative benefits of the Implement Customer Relationship Management project are listed below:</p> <ul style="list-style-type: none"> • Improves customer experience via accurate, timely, consistent, and complete information delivery across channels |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Increases awareness about the customer for better quality responses • Improves customer analytics to become aware of customer behavior • Decreases time spent on manual documentation • Provides the history of customer interactions • Ability to better serve individual customers instead of deducing high-level conclusions from aggregated statistics • Improves IVR / incoming call performance monitoring <p>The expected quantitative benefits include reduced staff time (benefits of outbound calling is included as part of the incremental renewals). Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • CRM software tool selection is completed prior to starting the project. • As part of the <i>Incremental Renewals</i>, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the Implement Customer Relationship Management (CRM) project. • The <i>Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure</i> projects must be completed prior to this project. • In addition, we suggest the <i>Establish Performance Management Framework</i> project be completed prior to this project. | |

Table 46: Project #12 – Implement Customer Relationship Management (CRM)

Assumptions

1. The staff hours saved will be allocated to Establishment tasks at 20% and to Enforcement tasks at 60%, and the remaining 20% to staff reduction.
2. The increased number of enforcement actions taken due to the staff re-allocation will be no more difficult to enforce than the current cases where enforcement action is taken.
3. Benefits will be realized in Year 4 and will diminish each recurring year per the following schedule: Year 4 = 100% of estimated benefit, Year 5 = 85% of estimated benefit, Year 6 = 70% of estimated benefit, Year 7 = 55% of estimated benefit, Year 8 = 40% of estimated benefit.
4. Recurring costs are assumed to increase 3% per year.
5. All one-time costs will be expended evenly between Years 2 and 3, and all recurring costs will start in Year 4.
6. Rate per hour for Non-IT CSED Staff \$35.35 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
7. Rate per hour for Non-IT CSED Management \$49.10 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.
8. Rate per hour for CSED IT Staff \$48.45 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.
9. Rate per hour for CSED IT Management \$59.33 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support

10. Rate per hour for County Staff \$29.79 officers, child support aides, clerical, administrators, managers, supervisors, etc.)
11. Vendor blended rate \$150.00
12. Estimates are based on 2080 hours per year.

Notes

*This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data.
 Yearly Benefits (Non-revenue) include increase in collections, which does NOT equate to actual dollars returned to the State.
 Yearly Benefits (Revenue/Reduced Costs) include cost savings, additional incentive funding, and TANF recovery, which DOES equate to actual dollars returned to the State.
 ^ Total Recurring Costs represent Year 4 recurring costs since recurring costs are assumed to increase 3% per year.

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|---|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total hours staff spend annually on manually documenting customer interactions in CAAD notes (or another form of documentation) | 517,085 | | | Data obtained from county data requests. |
| B | Percent of staff hours saved due to customer relationship management | 50% | | | Estimated based on Deloitte experience with similar projects. Implementing a robust CRM solution that includes automatic tracking of interactions with clients has been shown to significantly reduce the amount of time required in documenting interactions with customers. |
| C | Staff hours saved (A * B) | 258,542 | | | |
| D | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| E | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| F | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| G | Staff hours eliminated by staff reduction (C * F) | 51,708 | | | |
| H | Total FTEs eliminated (G / 2080) | 25 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| I | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| J | Staff reduction cost savings (G * H) | \$1,540,395 | | | |
| Annual Savings Due to Reduction in Staff | | \$1,540,395 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | Collections Increase Due to Additional Hours for Enforcement | |
| K | Additional hours for Establishment activities (C * D) | 51,708 | S | Additional hours for Enforcement activities (C * E) | 155,125 |
| L | Number of Establishment caseworkers in all counties | 380 | T | Number of Enforcement caseworkers in all counties | 631 |
| M | Annual number of work hours for Establishment caseworkers ((L * 2080 hrs/year) * 80%) | 632,320 | U | Annual number of work hours for Enforcement caseworkers ((T * 2080 hrs/year) * 80%) | 1,049,984 |
| N | Number of orders established in SFY 2008 | 25,451 | V | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| O | Number of hours to establish an order (M / N) | 25 | W | Calculated amount of collections per hour as a result of Enforcement actions (V / U) | \$124 |
| P | Number of established orders due to reallocation of staff (K / O) | 2,081 | X | Annual increase in collections due to reallocation of staff to Enforcement (S * W) | \$19,202,365 |
| Q | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (C) Data obtained from CSED. |
| R | Annual increase in collections due to reallocation of staff to Establishment (P * Q) | \$6,314,588 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (R + X) | | \$25,516,953 | | | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|-----------------|-----------------------|--------------------|--------------------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | | |
| | Project Planning & Management | Customization | Integration / Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 500 | 200 | 200 | 1,000 | 1,900 | \$35.35 | \$67,165 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 200 | 50 | 100 | 100 | 450 | \$49.10 | \$22,095 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 200 | 750 | 1,500 | 250 | 2,700 | \$48.45 | \$130,815 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 300 | 50 | 100 | 100 | 550 | \$59.33 | \$32,632 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 500 | 0 | 500 | \$29.79 | \$14,895 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 2,500 | 3,000 | 3,500 | 2,000 | 11,000 | \$150.00 | \$1,650,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | \$1,917,602 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | |
| Hardware - Additional Servers | | 1 | \$250,000 | \$250,000 | | | | |
| Software License - Additional Licenses | | 1 | \$2,000,000 | \$2,000,000 | | | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$2,250,000 | | | | |
| TOTAL ONE-TIME COSTS | | | | | | | \$4,167,602 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | |
| Hardware Costs | | 1 | \$35,000 | \$35,000 | | | | |
| Software Costs | | 1 | \$280,000 | \$280,000 | | | | |
| | | Estimated Hours | Rate / Hour* | Total Cost | | | | |
| System Support / Maintenance (CSED IT Staff Hours) | | 6,240 | \$48.45 | \$302,328 | | | | |
| System Support / Maintenance (CSED IT Staff FTEs) | | 3.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | | |
| TOTAL RECURRING COSTS | | | | \$617,328 | | | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #13: Assess and Plan for Security Management

Project Summary

- 252 The objective of the Assess and Plan for Security Management project is develop a plan for security management that will help CSED define how security standards will be implemented and maintained. This project is estimated to require a total of \$847,735 in one-time resource costs to be expended in Year 2 of the Roadmap. No recurring costs are expected with this project.
- 253 Quantitative benefits are not attributed to this project, but the project's qualitative benefits will enable other Roadmap project. The expected qualitative benefits of the Assess and Plan for Security Management project are listed below:
- Reduces security risk
 - Increases security governance and compliance
 - Provides for better accountability for asset protection
 - Increases "security-IQ" throughout the organization
 - Improves audit trail and efficient audit preparation
 - Improves ability to adapt to changes in the regulatory or business environment
 - Aligns resources where they are most needed - to protect the most critical information assets
 - Enhances visibility into current threats and vulnerabilities
 - Minimizes disruption to the program's operations caused by unexpected events or disasters

Project Profile

| | |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 13 |
| Project Name | Assess and Plan for Security Management |
| Duration | 4 – 6 months |
| Project Type | System Renewal |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Be Responsive / Provide Consistent Customer Service |
| Project Description | <p>NOTE: Information contained in the second paragraph of this section contains nonpublic security information that cannot be disclosed to the public per Minnesota Statutes §13.37, subds 1(A) and 2, therefore the information has been removed from this document. The information is available to authorized individuals by request.</p> <p>Every technology-related strategic initiative has significant security management considerations, and a strong security management framework is a key element of any technical solution. The development of such a plan and then the implementation of the components of the plan as part of each system integration project will help CSED ensure the child support data will not be accessed by those who do not have the proper authorization. Having a plan for security management will also help CSED define how security standards will be implemented and maintained.</p> <p>A core component of security management is identity management. As such, an Identity and Access Management (IAM) solution fits within a security management plan. The benefit of implementing IAM is that it provides users with timely and secure access to applications while reducing risk through accurate reporting of user privileges and accesses.</p> <p>Because IAM efforts vary greatly in complexity and duration, an initial IAM assessment is recommended in order to appropriately define the scope of work, resource requirements, and schedule for the overall work that will be required to support the various projects. Then for each new technology solution that moves forward, further assessment would need to occur to include:</p> <ul style="list-style-type: none"> • Project alignment with CSED standards and policies for identity and access management • Definition of high level functional requirements for the various user types (program staff, employers, customers, etc.) of the IAM solution • Specific review of internal and external user access control and self service requirements • Definition of specific systems and applications to be integrated within the scope of the IAM solution • Recommendation for segmenting the project into multiple technological implementation phases as needed • Risk analysis and risk remediation recommendations |
| Estimated Costs | The costs of the Assess and Plan for Security Management project include MN Child Support Program and/or vendor resource costs. Refer to the Cost and Benefit Calculations for more details. |
| Expected Benefits | <p>The expected qualitative benefits of the Assess and Plan for Security Management project are listed below:</p> <ul style="list-style-type: none"> • Reduces security risk • Increases security governance and compliance |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Provides for better accountability for asset protection • Enhances end-user awareness • Increases “security-IQ” throughout the organization • Improves audit trail and efficient audit preparation • Improves ability to adapt to changes in the regulatory or business environment • Aligns resources where they are most needed - to protect the most critical information assets • Enhances visibility into current threats and vulnerabilities • Minimizes disruption to the program’s operations caused by unexpected events or disasters <p>No quantitative benefits are attributed to this project. The benefits will enable other projects.</p> |
| Project Risk | Medium |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The <i>Incremental Renewals</i>, <i>Enhance Self Service</i>, <i>Implement Enterprise Content Management</i>, and <i>Improve Reporting Capabilities and Analytics</i> projects’ user access management requirements will all have unique security requirements that will be defined at the time that each of the projects is being conducted. Each project’s requirements will need to be aligned with the security plan that surfaces from this project. • The <i>Develop a Procurement Strategy for System Renewal</i>, <i>Establish Technical Infrastructure</i>, and <i>Establish Governance Structure</i> projects must be completed prior to this project. • In addition, we suggest the <i>Conduct Implementation Readiness Assessments (IRAs)</i> project be completed prior to this project. | |

Table 47: Project #13 – Assess and Plan for Security Management

Cost Benefit Analysis

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | Source |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------|--------------------------------|-----------------------------------------|---------------------------------------|-----------------------|--------------|------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | | | |
| | Alignment /Understanding DHS Security Standards | High Level Security Requirements | Risk Assessment and Governance | Business Continuity Management Strategy | Identity Access Management Evaluation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 150 | 150 | 0 | 400 | 700 | \$35.35 | \$24,745 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 0 | 50 | 0 | 0 | 0 | 50 | \$49.10 | \$2,455 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 250 | 500 | 300 | 400 | 300 | 1,750 | \$48.45 | \$84,788 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 100 | 100 | 150 | 200 | 200 | 750 | \$59.33 | \$44,498 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 300 | 650 | 750 | 1,500 | 750 | 3,950 | \$175.00 | \$691,250 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | \$847,735 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | |
| | | | | | | Quantity | Unit Cost | Total Cost | |
| No cost associated with this during this period. All hardware/software and processing costs will be included in the appropriate renewal projects. | | | | | | 0 | \$0 | \$0 | |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | | | | | | \$847,735 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | |
| | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| N/A | | | | | | 0 | \$0 | \$0 | |
| TOTAL RECURRING COSTS | | | | | | | | \$0 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #14: Incremental Renewal – Case Initiation

Project Summary

254 The objective of the Incremental Renewal – Case Initiation project is to address the current challenges of the Case Initiation module by implementing the related future business process recommendations, and transition these functions from the PRISM mainframe system into the

new architecture. This project is estimated to require a total of \$15,614,608 in one-time costs to be expended in Years 2 and 3 of the Roadmap, including resource costs and hardware / software costs (\$4,200,000 in hardware and software costs). In addition, starting in Year 4 of the Roadmap, an estimated \$503,880 in recurring resource costs for system support / maintenance activities is expected annually, as well as \$588,000 in annual hardware / software costs.

- 255 As a result of this project, 44,771 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$266,747 reduction in annual county resource costs (approximately 4 county FTEs eliminated).
- 256 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$4,418,726 in annual child support collections. In addition, \$27,134,970 in annual collections is expected due to an increase in new never assistance cases added each year due to this project. Minnesota's collections per case ratio would increase to \$2,623 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged.
- 257 The total increase in collections results in an expected \$667,328 in additional Federal incentive funds to Minnesota as well as an additional \$400,123 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$2,951,171 annually in PRISM system salary and non-salary maintenance costs, including approximately 17 CSED staff eliminated.
- 258 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) beyond Year 8. The increase in annual increase in collections and breakeven analysis are depicted in Figure 15: Project #14: Incremental Renewal – Case Initiation Project Summary Charts.

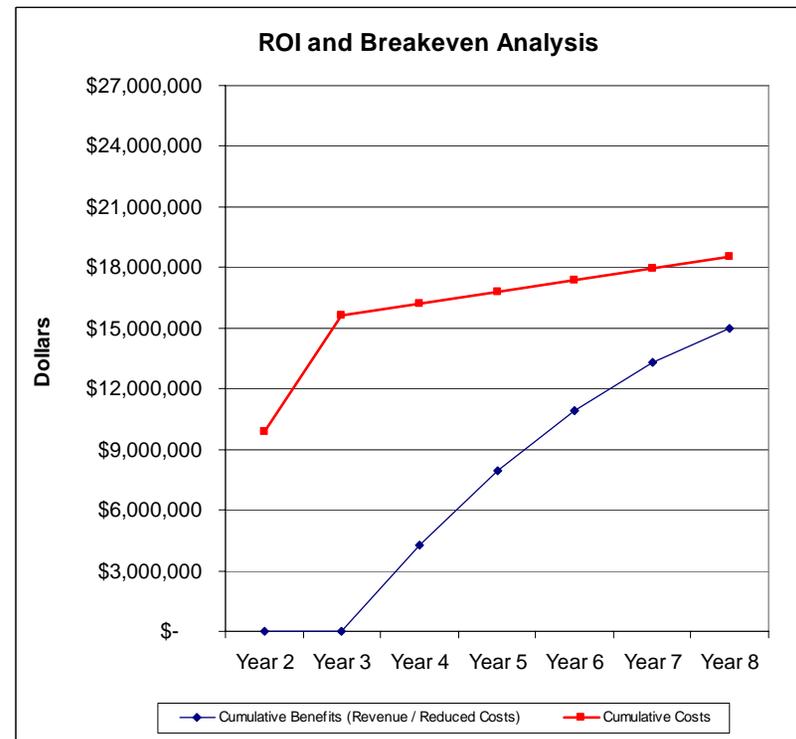
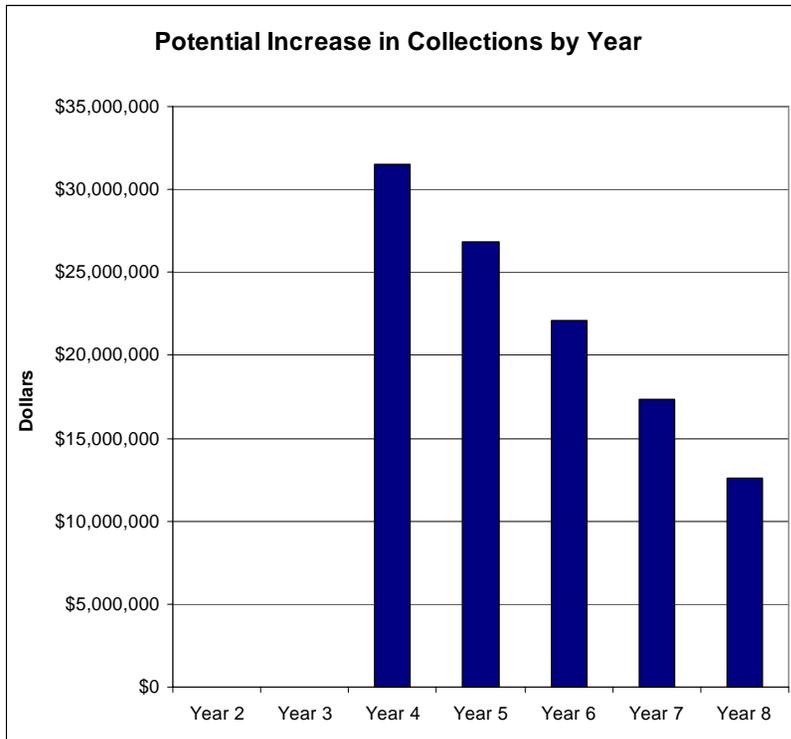


Figure 15: Project #14: Incremental Renewal – Case Initiation Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 14 |
| Project Name | Incremental Renewal – Case Initiation |
| Duration | 16 – 18 months |
| Project Type | System Renewal |
| Business Process | Case Initiation |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

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| Project Description | <p>Case Initiation refers to the subprocesses and activities which lead to the creation of a child support case in PRISM. The activities performed in Case Initiation consists of receiving or gathering the necessary data and information to create a new child support case, reviewing that data and building a case on PRISM. Case Initiation includes 26 key business functions that exist across the six Case Initiation subprocesses. Of the 26 business functions within Case Initiation, 21 are currently performed manually (80%). Of the 21 functions, ten manual functions lend themselves to automation. If these functions were automated, it would generate time savings and efficiencies for caseworkers that are currently responsible for Case Initiation.</p> <p>The Case Initiation process has varying degrees of automation support for the three primary sources of new cases: NPA applications, referrals from other agencies and incoming interstate cases. Other than referrals received from the MAXIS interface, Case Initiation is presently characterized by manual caseworker activity to receive, review and build new cases on PRISM. Additionally, in the area of NPA applications, existing technology is not fully leveraged to permit and support electronic applications, whether online or through email.</p> <p>The primary objective of the Case Initiation Incremental Renewal project is to assist the MN Child Support Program with automating the Case Initiation processes where appropriate and addressing key pain points that exist with the current process. This includes the following key activities:</p> <ul style="list-style-type: none"> • Implement the capability to accept NPA applications via the internet • Enhance case and person matching • Enhance MAXIS interface screening • Implement intelligent case assignment • Enable interstate email communications • Implement a rule-base case assessment and case closure capability • Implement automated activity logging and tracking • Improve the efficiency of worklists • Improve the user experience with multiple entry options, summary screens, dynamic filtering and viewing, elimination of acronyms and codes, spell check, and flexible search • Implement next appropriate action and rule-based automation • Implement workflow / orchestration • Automate manual interfaces and allow for interface integration <p>The project will be implemented using CSED's newly defined System Development Lifecycle (SDLC) processes and procedures. The SDLC will have similar phases to those listed below with the following scope:</p> <p><u>Requirements:</u></p> <ul style="list-style-type: none"> • Customize and configure tools (tools for requirements management, business process modeling, etc.) • Gather functional, technical, and PRISM integration requirements via Joint Application design (JAD) sessions • Develop use cases • Develop Software Requirements Specification Document • Develop Requirements Traceability Matrix |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Design:

- Develop logical data model (data dictionary)
- Develop functional and technical design specifications
- Develop user interface design
- Develop data synchronization design
- Develop conversion design
- Develop Software Design Document
- Develop Software Architecture Document
- Update Requirements Traceability Matrix

Development:

- Develop services and components
- Unit test services and components
- Develop conversion scripts
- Unit test conversion scripts
- Develop data synchronization routines with PRISM
- Unit test data synchronization routines with PRISM

Testing:

- Develop System Test plan
- Develop System Test scenarios
- Update Requirements Traceability Matrix based on system testing
- Conduct System Test
- Plan and execute regression test
- Develop Acceptance Test plan
- Develop Acceptance Test scenarios
- Update Requirements Traceability Matrix based on acceptance testing
- Conduct Acceptance Test

Implementation:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Develop Implementation Plan • Develop Communication Plan • Implement Communication Plan • Develop Change Management and Training Plan • Conduct user training • Execute mock conversions • Identify services and components for initial release • Deploy services and components |
| Estimated Costs | <p>The costs of the Case Initiation Incremental Renewal project include MN Child Support Program and/or vendor resource costs and software and hardware costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Case Initiation Incremental Renewal project are listed below:</p> <ul style="list-style-type: none"> • Improves performance goals • Improves customer service • Timely communication to customers • Less client confusion on the applications • Improves staff morale • Increases focus on required duties • Reduces unnecessary handling of cases <p>The expected quantitative benefits include reduced staff time, reduced PRISM maintenance costs and increased collections. Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | High |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The requirements for the Case Initiation Incremental Renewal project will be developed using the future processes that will be defined in the <i>Conduct a To-Be Process Analysis</i> project. • The policy and legislative changes required for this project will be implemented in the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes</i> project. • A detailed project scope definition, project approach / conceptual design and project plan will be defined during the <i>Conduct Implementation Readiness Assessment</i> project. • As part of the <i>Improve Data Quality</i> project, data quality will be assessed, data issues prioritized, and a structure for monitoring will be established to govern the process for data clean-up. This must be completed such that an organized approach to assessing data quality and performing clean-up may be developed prior to data conversion. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. This will be implemented in the <i>Implement Enterprise</i> | |

Content Management project.

- New reporting requirements will be incorporated into the design phase of each of the incremental renewals.
- The *Assess and Plan for Security Management* project should be in place to establish a formalized program and structure for controlling user identity and access management.
- The technical architecture must be evaluated in the *Establish Technical Infrastructure* project in order to establish a technology strategy to incrementally renew the child support system.
- As part of the incremental renewals, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the *Implement Customer Relationship Management (CRM)* project.
- The *Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs)*, and *Establish Governance Structure* projects must be completed prior to this project.
- In addition, we suggest the *Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Improve Data Quality, Establish Performance Management Framework*, and *Rationalize Reports* projects be completed prior to this project.

Table 48: Project #14 – Incremental Renewal – Case Initiation

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Project ID | 14 | | | | | | |
| Project Name | Incremental Renewal - Case Initiation | | | | | | |
| Benefit Factors | Reduction in County Staff Increase in Collections due to Staff Time Savings Increased Collections due to Implementing Online NPA Applications Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | |
| Overall Benefit Calculation | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff and Online NPA Applications | | | | | | \$ 31,553,696 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 266,747 |
| | Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | \$ 2,951,171 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 667,328 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 400,123 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | \$ 31,553,696 | |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | \$ 4,285,370 | |
| Cost Factors | Resources Hardware/Software/Processing | | | | | | |
| One-time Costs | Estimated One-Time Resource Costs \$ 11,414,608 Estimated One-Time Hardware/Software/Processing Costs \$ 4,200,000 TOTAL ONE-TIME COSTS \$ 15,614,608 | | | | | | |
| Recurring Costs | Estimated Recurring Software/Resource Costs \$ 1,091,880 TOTAL RECURRING COSTS^ \$ 1,091,880 | | | | | | |
| Cost / Benefit Summary | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 31,553,696 | \$ 26,820,642 | \$ 22,087,587 | \$ 17,354,533 | \$ 12,621,479 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 31,553,696 | \$ 58,374,338 | \$ 80,461,926 | \$ 97,816,459 | \$ 110,437,937 |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 4,285,370 | \$ 3,642,564 | \$ 2,999,759 | \$ 2,356,953 | \$ 1,714,148 |
| One-time Costs | \$ 9,907,304 | \$ 5,707,304 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ - | \$ 588,000 | \$ 588,000 | \$ 588,000 | \$ 588,000 | \$ 588,000 |
| NET BENEFIT (COST) | \$ (9,907,304) | \$ (5,707,304) | \$ 3,697,370 | \$ 3,054,564 | \$ 2,411,759 | \$ 1,768,953 | \$ 1,126,148 |
| Return on One-time Investment | 0% | 0% | 24% | 20% | 15% | 11% | 7% |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 4,285,370 | \$ 7,927,934 | \$ 10,927,693 | \$ 13,284,646 | \$ 14,998,794 |
| Cumulative Costs | \$ 9,907,304 | \$ 15,614,608 | \$ 16,202,608 | \$ 16,790,608 | \$ 17,378,608 | \$ 17,966,608 | \$ 18,554,608 |
| CUMULATIVE NET BENEFIT (COST) | \$ (9,907,304) | \$ (15,614,608) | \$ (11,917,238) | \$ (8,862,673) | \$ (6,450,915) | \$ (4,681,961) | \$ (3,555,813) |
| Cumulative Return on Investment | 0% | 0% | 26% | 47% | 63% | 74% | 81% |

Benefit – Staff Savings

| Common Calculations | | | Source | | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------|
| A | Total number of staff hours spent on Case Initiation activities | 257,306 | Data obtained from county data requests. Assumes a caseworker works 2080 hours per year. | | |
| B | Percent of Case Initiation staff hours spent on manual activities that can be improved via the Incremental Renewal | 29% | Estimate based on analysis completed in another state. See list of activities included in this estimate in the note below. | | |
| C | Staff hours spent on manual Case Initiation activities that can be improved via the Incremental Renewal (A * B) | 74,619 | | | |
| D | Percent of staff hours saved due to improved Case Initiation processing | 60% | Estimated based on Deloitte experience with similar projects. | | |
| E | Annual staff hours saved (C * D) | 44,771 | | | |
| F | Percent of staff hours saved to be re-allocated to Establishment | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| G | Percent of staff hours saved to be re-allocated to Enforcement | 60% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| H | Percent of staff hours eliminated by staff reduction | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| I | Staff hours eliminated by staff reduction (E * H) | 8,954 | | | |
| J | Total FTEs eliminated (I / 2080) | 4 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. | | |
| K | County Staff rate per hour | \$29.79 | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) | | |
| L | Staff reduction cost savings (I * K) | \$266,747 | | | |
| Annual Savings Due to Reduction in Staff | | \$266,747 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| M | Additional hours for Establishment activities (E * F) | 8,954 | U | Additional hours for Enforcement activities (E * G) | 26,863 |
| N | Number of Establishment caseworkers in all counties | 380 | V | Number of Enforcement caseworkers in all counties | 631 |
| O | Annual number of work hours for Establishment caseworkers ((N * 2080 hrs/year) * 80%) | 632,320 | W | Annual number of work hours for Enforcement caseworkers ((V * 2080 hrs/year) * 80%) | 1,049,984 |
| P | Number of orders established in SFY 2008 | 25,451 | X | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| Q | Number of hours to establish an order (O / P) | 25 | Y | Calculated amount of collections per hour as a result of Enforcement actions (X / W) | \$124 |
| R | Number of established orders due to reallocation of staff (M / Q) | 360 | Z | Annual increase in collections due to reallocation of staff to Enforcement (U * Y) | \$3,325,240 |
| S | Average yearly collection per case with an active current child support obligation | \$3,034 | | | |
| T | Annual increase in collections due to reallocation of staff to Establishment (R * S) | \$1,093,486 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (T + Z) | | \$4,418,726 | | | |

^ Activities include:

Resolving person and case match errors

Resolving duplicate person and case issues

Manually mailing notices / letters and making phone calls (regarding a submitted request for NPA application or a submitted NPA application)

Answering phone calls regarding pending NPA applications

Manually entering data from the submitted NPA application into the system, mailing NPA applications, or performing follow-up for paper NPA applications

Following up on NPA applications and referrals with insufficient data

Researching and correcting IV-A case information from the MAXIS referrals

Benefit – Increased Never Assistance Collections

| Increased Collections due to an Increase in Never Assistance Cases | | | Source |
|--------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Number never assistance cases | 82,619 | Data obtained from the 2008 Minnesota Child Support Performance Report. |
| B | Amount of never assistance collections | \$295,760,433 | Data obtained from the 2008 Minnesota Child Support Performance Report. |
| C | Average collections per never assistance case (B / A) | \$3,580 | |
| D | Number of new potential never assistance cases to be added to MN caseload | 37,900 | Calculated based on the assumption that MN will have the same percent of NPA cases in it's overall caseload, as compared to the six states included in the Benchmark Study. The national average of never assistance cases in a statewide caseload is 40.77%. In FFY |
| E | Collections from an additional 37,900 NPA cases (C * D) | \$135,674,850 | |
| F | Percent of the potential new never assistance cases that are added each year | 20% | We estimate that it would take five years for MN to increase the never assistance caseload to the national average. Therefore, the 20% amount reflects one year increase of never assistance caseload growth. |
| G | Expected increase in NPA collections (E * F) | \$27,134,970 | |
| Annual Increase in Collections | | \$27,134,970 | |

Benefit – Reduced Maintenance Costs

| Reduced PRISM System Maintenance Costs | | | Source |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total annual maintenance costs for PRISM | \$19,674,475 | The total PRISM operating costs include direct costs related to ongoing hardware, software, CPU, and general operations. It also includes the total costs of PRISM staff directly involved in PRISM operations and the non-salary staff support costs that support PRISM. |
| B | Percent of PRISM maintenance costs dedicated to Case Initiation | 15% | Estimate based on Deloitte experience with similar projects and it's understanding of the MN Child Support Program and the PRISM system that supports it. |
| C | Total annual maintenance costs for PRISM Case Initiation processing (A * B) | \$2,951,171 | |
| D | Total annual CSED salary costs eliminated as part of the total annual maintenance cost savings (C * 49.6%) | 1,463,781 | CSED reported that \$9,750,440 of the \$19,674,475 total annual PRISM maintenance costs are salary costs for staff directly involved in PRISM operations, or 49.6%. |
| E | Total CSED non-IT FTEs eliminated (D / 2080 / \$40.01) | 17 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. Blended rate per hour of \$40.41 calculated by dividing the total PRISM maintenance and operations salary costs by the number of staff to arrive at an average annual salary per staff (\$9,750,441 divided by 116 = \$84,056). The average annual salary per staff is then divided by 2080 hours per year to arrive at a rate per hour (\$84,056 divided by 2080 = \$40.41). |
| Annual Cost Savings due to a Reduced Cost Maintenance of PRISM Case Initiation | | \$2,951,171 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|---------------------|--------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 1,250 | 750 | 0 | 1,000 | 3,000 | 6,000 | \$35.35 | \$212,100 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 250 | 200 | 0 | 0 | 0 | 250 | 700 | \$49.10 | \$34,370 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 500 | 1,500 | 5,000 | 20,000 | 4,000 | 500 | 31,500 | \$48.45 | \$1,526,175 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 500 | 250 | 500 | 1,750 | 500 | 250 | 3,750 | \$59.33 | \$222,488 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 1,500 | 0 | 0 | 1,000 | 0 | 2,500 | \$29.79 | \$74,475 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 17,000 | 9,000 | 16,000 | 9,300 | 6,000 | 5,000 | 62,300 | \$150.00 | \$9,345,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$11,414,608 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Additional Servers | | | | | | | 1 | \$2,000,000 | \$2,000,000 | Estimate based on Deloitte experience with similar projects. |
| Software License - Additional Licenses | | | | | | | 1 | \$2,200,000 | \$2,200,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$4,200,000 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$15,614,608 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware Costs | | | | | | | 1 | \$280,000 | \$280,000 | Estimated at 14% of one-time costs based on Deloitte experience. |
| Software Costs | | | | | | | 1 | \$308,000 | \$308,000 | Estimated at 14% of one-time costs based on Deloitte experience. |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 10,400 | \$48.45 | \$503,880 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 5.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$1,091,880 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #15: Incremental Renewal – Locate

Project Summary

- 259 The objective of the Incremental Renewal – Locate project is to address the current challenges of the Locate module by implementing the related future business process recommendations, and transition these functions from the PRISM mainframe system into the new architecture. This project is estimated to require a total of \$8,663,650 in one-time resource costs to be expended in Years 2 and 3 of the Roadmap. (Note that all hardware costs for this phase of system renewal have been incorporated in the Incremental Renewal - Case Initiation project CBA.) In addition, starting in Year 4 of the Roadmap, an estimated \$604,656 in recurring resource costs for system support / maintenance activities is expected annually.
- 260 As a result of this project, 88,412 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$526,757 reduction in annual county resource costs (approximately 9 county FTEs eliminated).
- 261 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$8,725,837 in annual child support collections. In addition, \$13,317,126 in annual collections is expected due to improved employment data via the FCR reconciliation.⁷ Minnesota's collections per case ratio would increase to \$2,585 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged.
- 262 The total increase in collections results in an expected \$458,922 in additional Federal incentive funds to Minnesota as well as an additional \$279,520 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$2,951,171 annually in PRISM system salary and non-salary maintenance costs, including approximately 17 CSED staff eliminated.
- 263 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 6. The increase in annual increase in collections and breakeven analysis are depicted in Figure 16: Project #15: Incremental Renewal – Locate Project Summary Charts.

⁷ FCR reconciliation is the process in which MN uploads its cases in the Federal Case Registry so that matching can occur. This allows MN to interface with National Federal New Hire as well as National and Federal Quarterly Wages.

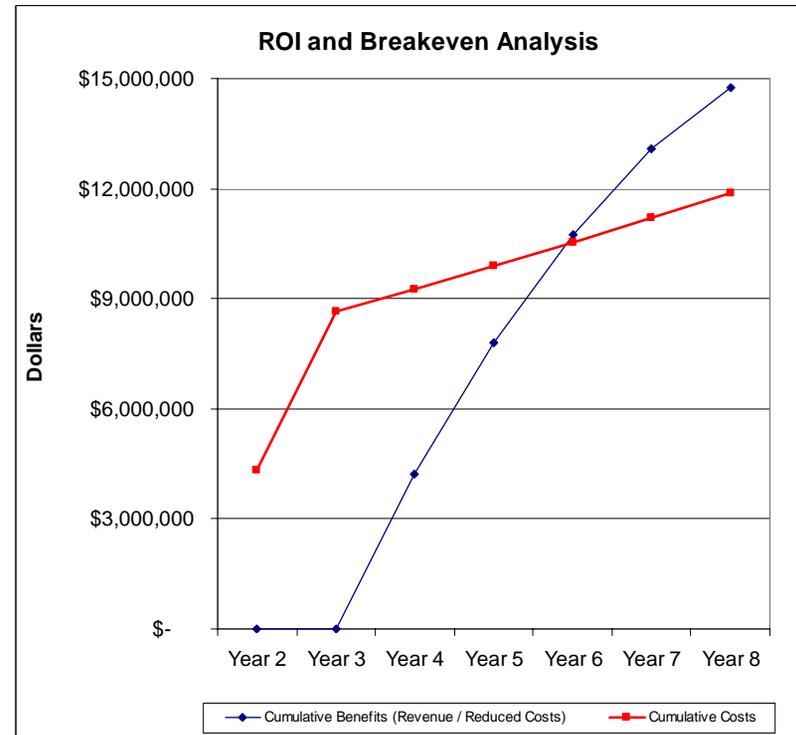
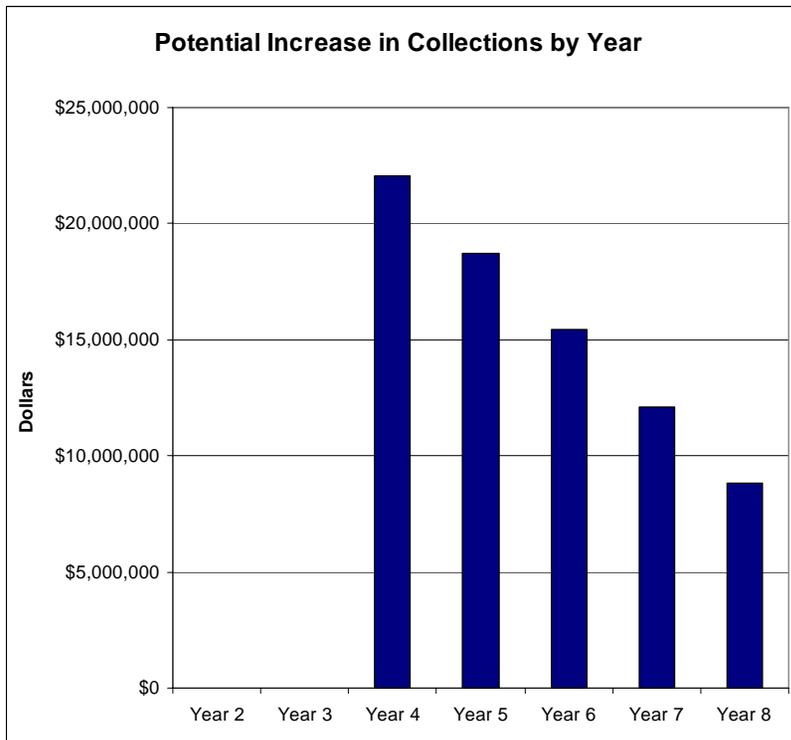


Figure 16: Project #15: Incremental Renewal – Locate Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 15 |
| Project Name | Incremental Renewal – Locate |
| Duration | 16 – 18 months |
| Project Type | System Renewal |
| Business Process | Locate |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Description | <p>The Locate process consists of finding critical data elements concerning the parties to a case. Locate begins when a case is opened, and continues throughout the life of the case when at least one of the four critical data elements is missing, and/or when a case cannot proceed to the next appropriate action due to lack of verified information regarding the address, employment, assets or income source of the NCP. Locate includes 11 key business functions that exist across the four Locate subprocesses. Of the 11 business functions within Locate, seven are currently performed manually (64%). Of the seven functions, three manual functions lend themselves to automation. If these functions were automated, it would generate time savings and efficiencies for caseworkers that are currently responsible for Locate.</p> <p>Locate, in the present environment, is primarily reactive, with the exception of employment information from New Hire Reporting and the DEED interface. Locate also has limited ability to store and retrieve potentially valid information gathered in the past. The sharing of locate information among the counties on cases involving the same parties is limited and inhibited by the use of worklists which are removed when worked by one county. Also, CP locate activities are not undertaken which results in the loss of valuable information, should the case roles switch. The presentation and validation of locate information is not user friendly and does not support the caseworkers in assessing the validation of locate information.</p> <p>The primary objective of the Locate Incremental Renewal project is to assist the MN Child Support Program with automating the Locate processes where appropriate and addressing key pain points that exist with the current process. This includes the following key activities:</p> <ul style="list-style-type: none"> • Implement an Internet Locate Policy and Reference Guide • Create new and expand existing locate interfaces • Implement a rule-based locate automation capability • Automate validation activities • Implement automated activity logging and tracking • Improve the efficiency of worklists • Implement next appropriate action and rule-based automation • Implement workflow / orchestration • Automate manual interfaces and allow for interface integration <p>The project will be implemented using CSED's newly defined System Development Lifecycle (SDLC) processes and procedures. The SDLC will have similar phases to those listed below with the following scope:</p> <p><u>Requirements:</u></p> <ul style="list-style-type: none"> • Customize and configure tools (tools for requirements management, business process modeling, etc.) • Gather functional, technical, and PRISM integration requirements via Joint Application design (JAD) sessions • Develop use cases • Develop Software Requirements Specification Document • Develop Requirements Traceability Matrix <p><u>Design:</u></p> |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Develop logical data model (data dictionary)
- Develop functional and technical design specifications
- Develop user interface design
- Develop data synchronization design
- Develop conversion design
- Develop Software Design Document
- Develop Software Architecture Document
- Update Requirements Traceability Matrix

Development:

- Develop services and components
- Unit test services and components
- Develop conversion scripts
- Unit test conversion scripts
- Develop data synchronization routines with PRISM
- Unit test data synchronization routines with PRISM

Testing:

- Develop System Test plan
- Develop System Test scenarios
- Update Requirements Traceability Matrix based on system testing
- Conduct System Test
- Plan and execute regression test
- Develop Acceptance Test plan
- Develop Acceptance Test scenarios
- Update Requirements Traceability Matrix based on acceptance testing
- Conduct Acceptance Test

Implementation:

- Develop Implementation Plan
- Develop Communication Plan
- Implement Communication Plan

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Develop Change Management and Training Plan • Conduct user training • Execute mock conversions • Identify services and components for initial release • Deploy services and components |
| Estimated Costs | <p>The costs of the Locate Incremental Renewal project include MN Child Support Program and/or vendor resource costs and software and hardware costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Locate Incremental Renewal project are listed below:</p> <ul style="list-style-type: none"> • Improves customer service • Reduces unnecessary handling of cases • Improves efficiency through enhanced automation • Increases focus on required duties • Improves data integrity • Decreases duplicate and outdated locate data • Increases confidence level of data <p>The expected quantitative benefits include reduced staff time, reduced PRISM maintenance costs and increased collections. Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | High |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The requirements for the Locate Incremental Renewal project will be developed using the future processes that will be defined in the <i>Conduct a To-Be Process Analysis</i> project. • The policy and legislative changes required for this project will be implemented in the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes</i> project. • A detailed project scope definition, project approach / conceptual design and project plan will be defined during the <i>Implementation Readiness Assessment</i> project. • As part of the <i>Improve Data Quality</i> project, data quality will be assessed, data issues prioritized, and a structure for monitoring will be established to govern the process for data clean-up. This must be completed such that an organized approach to assessing data quality and performing clean-up may be developed prior to data conversion. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. This will be implemented in the <i>Implement Enterprise Content Management</i> project. • New reporting requirements will be incorporated into the design phase of each of the incremental renewals. • The <i>Assess and Plan for Security Management</i> project should be in place to establish a formalized program and structure for controlling user identity and access | |

management.

- The technical architecture must be evaluated in the *Establish Technical Infrastructure* project in order to establish a technology strategy to incrementally renew the child support system.
- As part of the incremental renewals, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the *Implement Customer Relationship Management (CRM)* project.
- The *Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs)*, and *Establish Governance Structure* projects must be completed prior to this project.
- In addition, we suggest the *Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Improve Data Quality, Establish Performance Management Framework*, and *Rationalize Reports* projects be completed prior to this project.

Table 49: Project #15 – Incremental Renewal – Locate

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| Project ID | 15 | | | | | | |
| Project Name | Incremental Renewal - Locate | | | | | | |
| Benefit Factors | Reduction in County Staff | | | | | | |
| | Increase in Collections due to Staff Time Savings | | | | | | |
| | Increase in Collection due to Improved Employment Data | | | | | | |
| | Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | |
| Overall Benefit Calculation | | | | | | | |
| | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff and Improved Employment Data | | | | | | \$ 22,042,963 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 526,757 |
| | Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | \$ 2,951,171 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 458,922 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 279,520 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | | \$ 22,042,963 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ 4,216,370 |
| Cost Factors | | | | | | | |
| | Resources | | | | | | |
| | Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 8,663,650 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ - |
| | TOTAL ONE-TIME COSTS | | | | | | \$ 8,663,650 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ 604,656 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ 604,656 |
| Cost / Benefit Summary | | | | | | | |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 22,042,963 | \$ 18,736,519 | \$ 15,430,074 | \$ 12,123,630 | \$ 8,817,185 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 22,042,963 | \$ 40,779,482 | \$ 56,209,557 | \$ 68,333,187 | \$ 77,150,372 |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 4,216,370 | \$ 3,583,915 | \$ 2,951,459 | \$ 2,319,004 | \$ 1,686,548 |
| One-time Costs | \$ 4,331,825 | \$ 4,331,825 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ - | \$ 604,656 | \$ 622,796 | \$ 641,480 | \$ 660,724 | \$ 680,546 |
| NET BENEFIT (COST) | \$ (4,331,825) | \$ (4,331,825) | \$ 3,611,714 | \$ 2,961,119 | \$ 2,309,980 | \$ 1,658,280 | \$ 1,006,002 |
| Return on One-time Investment | 0% | 0% | 42% | 34% | 27% | 19% | 12% |
| | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 4,216,370 | \$ 7,800,285 | \$ 10,751,744 | \$ 13,070,748 | \$ 14,757,296 |
| Cumulative Costs | \$ 4,331,825 | \$ 8,663,650 | \$ 9,268,306 | \$ 9,891,102 | \$ 10,532,581 | \$ 11,193,305 | \$ 11,873,851 |
| CUMULATIVE NET BENEFIT (COST) | \$ (4,331,825) | \$ (8,663,650) | \$ (5,051,936) | \$ (2,090,817) | \$ 219,163 | \$ 1,877,443 | \$ 2,883,445 |
| Cumulative Return on Investment | 0% | 0% | 45% | 79% | 102% | 117% | 124% |

Benefit – Staff Savings

| Common Calculations | | | Source | | |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------|
| A | Total number of staff hours spent on Locate activities | 491,176 | Data obtained from county data requests. Assumes a caseworker works 2080 hours per year. | | |
| B | Percent of Locate staff hours spent on manual activities that can be improved via the Incremental Renewal [^] | 30% | Estimate based on analysis completed in another state. See list of activities included in this estimate in the note below. | | |
| C | Staff hours spent on manual Locate activities that can be improved via the Incremental Renewal (A * B) | 147,353 | | | |
| D | Percent of staff hours saved due to improved Locate processing | 60% | Estimated based on Deloitte experience with similar projects. | | |
| E | Annual staff hours saved (C * D) | 88,412 | | | |
| F | Percent of staff hours saved to be re-allocated to Establishment | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| G | Percent of staff hours saved to be re-allocated to Enforcement | 60% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| H | Percent of staff hours eliminated by staff reduction | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| I | Staff hours eliminated by staff reduction (E * H) | 17,682 | | | |
| J | Total FTEs eliminated (I / 2080) | 9 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. | | |
| K | County Staff rate per hour | \$29.79 | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) | | |
| L | Staff reduction cost savings (I * J) | \$526,757 | | | |
| Annual Savings Due to Reduction in Staff | | \$526,757 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| M | Additional hours for Establishment activities (E * F) | 17,682 | U | Additional hours for Enforcement activities (E * G) | 53,047 |
| N | Number of Establishment caseworkers in all counties | 380 | V | Number of Enforcement caseworkers in all counties | 631 |
| O | Annual number of work hours for Establishment caseworkers ((N * 2080 hrs/year) * 80%) | 632,320 | W | Annual number of work hours for Enforcement caseworkers ((V * 2080 hrs/year) * 80%) | 1,049,984 |
| P | Number of orders established in SFY 2008 | 25,451 | X | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| Q | Number of hours to establish an order (O / P) | 25 | Y | Calculated amount of collections per hour as a result of Enforcement actions (X / W) | \$124 |
| R | Number of established orders due to reallocation of staff (M / Q) | 712 | Z | Annual increase in collections due to reallocation of staff to Enforcement (U * Y) | \$6,566,486 |
| S | Average yearly collection per case with an active current child support obligation | \$3,034 | | | |
| T | Annual increase in collections due to reallocation of staff to Establishment (R * S) | \$2,159,352 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (T + Z) | | \$8,725,837 | | | |

[^] Activities include:

Using manual desktop locate sources

Making phone calls and preparing mailings to re-confirm locate data

Sending subpoena letters requesting additional locate data

Hours spent (wasted) when cases are continued in court due to lack of service

Benefit – Increased Collections

| Increased Collections due to Improved Employer Data via FCR Reconciliation | | | Source |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------|---------------|------------------------------------------------------------------|
| A | Annual Amount of IW Collections | \$443,904,205 | Data obtained from the 2008 MN Child Support Performance Report. |
| B | Percent of Increased Collections due to Improved FCR Reconciliation* | 3% | Estimate based on Deloitte experience. |
| Annual Increase in Collections due to Improved Employment Data with FCR Reconciliation | | \$13,317,126 | |

*FCR reconciliation is the process in which MN uploads its cases in the Federal Case Registry so that matches can occur. This allows MN to interface with National and Federal New Hires as well as National and Federal Quarterly Wage.

Benefit – Reduced Maintenance Costs

| Reduced PRISM System Maintenance Costs | | | Source |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total Annual Maintenance Costs for PRISM | \$19,674,475 | The total PRISM operating costs include direct costs related to ongoing hardware, software, CPU, and general operations. It also includes the total costs of PRISM staff directly involved in PRISM operations and the non-salary staff support costs that support PRISM. |
| B | Percent of PRISM Maintenance Costs Dedicated to Locate | 15% | Estimate based on Deloitte experience with similar projects and it's understanding of the MN Child Support Program and the PRISM system that supports it. |
| C | Total Annual Maintenance Costs for PRISM Locate Processing (A * B) | \$2,951,171 | |
| D | Total annual CSED salary costs eliminated as part of the total annual maintenance cost savings (C * 49.6%) | 1,463,781 | CSED reported that \$9,750,440 of the \$19,674,475 total annual PRISM maintenance costs are salary costs for staff directly involved in PRISM operations, or 49.6%. |
| E | Total CSED non-IT FTEs eliminated (D / 2080 / \$40.01) | 17 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. Blended rate per hour of \$40.41 calculated by dividing the total PRISM maintenance and operations salary costs by the number of staff to arrive at an average annual salary per staff (\$9,750,441 divided by 116 = \$84,056). The average annual salary per staff is then divided by 2080 hours per year to arrive at a rate per hour (\$84,056 divided by 2080 = \$40.41). |
| Annual Cost Savings due to a Reduced Cost Maintenance of PRISM Locate | | \$2,951,171 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|-------------|--------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 750 | 600 | 0 | 1,000 | 2,500 | 4,850 | \$35.35 | \$171,448 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 250 | 200 | 0 | 0 | 0 | 250 | 700 | \$49.10 | \$34,370 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 500 | 1,250 | 4,000 | 15,000 | 6,000 | 500 | 27,250 | \$48.45 | \$1,320,263 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 500 | 250 | 500 | 1,250 | 250 | 250 | 3,000 | \$59.33 | \$177,990 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 1,000 | 0 | 0 | 1,000 | 0 | 2,000 | \$29.79 | \$59,580 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 12,500 | 6,000 | 9,500 | 6,500 | 7,500 | 4,000 | 46,000 | \$150.00 | \$6,900,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$8,663,650 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Additional Servers | | | | | | | 0 | \$0 | \$0 | All hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Software License - Additional Licenses | | | | | | | 0 | \$0 | \$0 | All software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$8,663,650 | |
| Recurring Costs (Starting in Year 4) | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware Costs | | | | | | | 0 | \$0 | \$0 | All recurring hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Software Costs | | | | | | | 0 | \$0 | \$0 | All recurring software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 12,480 | \$48.45 | \$604,656 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 6.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$604,656 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #16: Incremental Renewal – Establishment

Project Summary

- 264 The objective of the Incremental Renewal – Establishment project is to address the current challenges of the Establishment module by implementing the related future business process recommendations, and transition these functions from the PRISM mainframe system into the new architecture. This project is estimated to require a total of \$20,443,470 in one-time costs to be expended in Years 4 and 5 of the Roadmap, including resource costs and hardware / software costs. (Note the one-time costs include \$2,100,000 in hardware / software costs based on a 50% additional investment required in hardware / software costs in addition to the initial purchase in the Incremental Renewal - Case Initiation project. This cost is the only additional hardware / software costs that will be included in all of Stage 3 incremental renewal projects.) In addition, starting in Year 6 of the Roadmap, an estimated \$604,656 in recurring resource costs for system support / maintenance activities is expected annually.
- 265 As a result of this project, 108,637 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$647,261 reduction in annual county resource costs (approximately 10 county FTEs eliminated).
- 266 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$10,722,011 in annual child support collections. Minnesota's collections per case ratio would increase to \$2,540 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged.
- 267 This increase in collections results in an expected \$224,137 in additional Federal incentive funds to Minnesota as well as an additional \$135,963 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$2,951,171 annually in PRISM system salary and non-salary maintenance costs, including approximately 17 CSED staff eliminated. The project is also expected to result in the reduction of \$2,946,929 in hearing costs due to fewer legal proceedings.
- 268 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 10. The increase in annual increase in collections and breakeven analysis are depicted in Figure 17: Project #16: Incremental Renewal – Establishment Project Summary Charts.

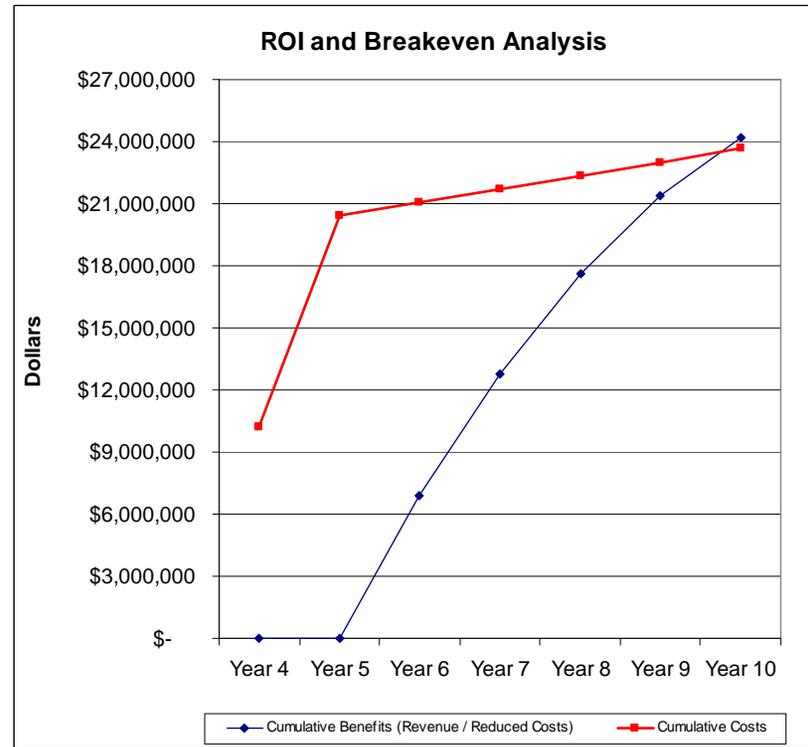
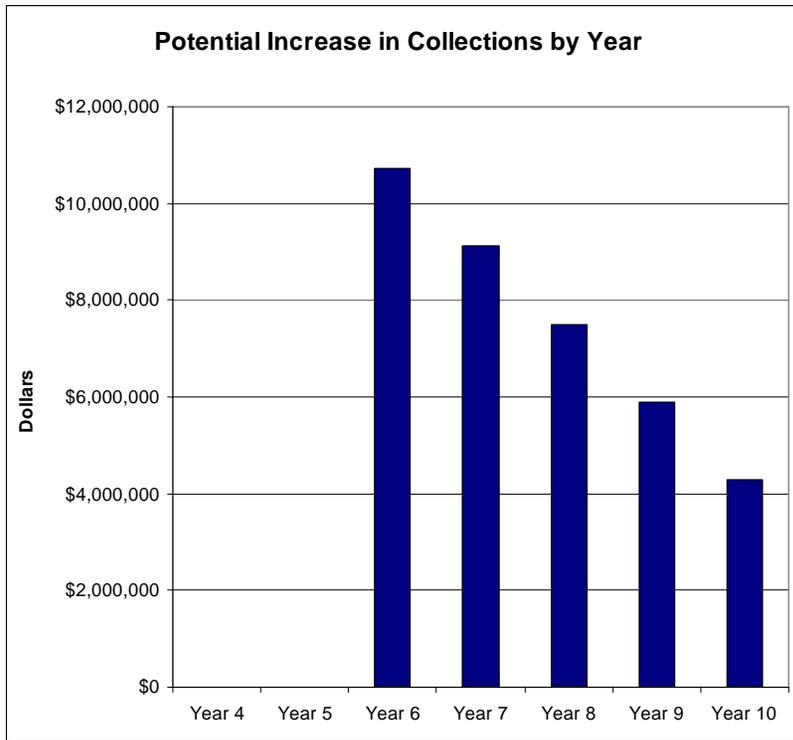


Figure 17: Project #16: Incremental Renewal – Establishment Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 16 |
| Project Name | Incremental Renewal – Establishment |
| Duration | 18 – 24 months |
| Project Type | System Renewal |
| Business Process | Establishment |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Description | <p>Establishment refers to the activities performed to determine the legal paternity of a child. It also refers to the activities performed to establish a support order, which determines the amount of a child support obligation. Support orders may also include provisions for medical insurance coverage, medical support amounts and child care obligations. As such, the term establishment includes a wide range of services and activities. Establishment includes 39 key business functions that exist across the ten Establishment subprocesses. Of the 39 business functions within Establishment, 31 are currently performed manually (79%). Of the 31 functions, five manual functions lend themselves to automation. If these functions were automated, it would generate time savings and efficiencies for caseworkers that are currently responsible for Establishment.</p> <p>Establishment, in the present environment, is characterized by numerous manual tasks and activities which contribute to the wide variety of inconsistent practices among the county offices. There is little automation of routine tasks such a notice generation, scheduling, accessing and sharing of genetic test results, and legal form and document generation. While PRISM has limited document generation capabilities to support the Establishment process, the functionality is cumbersome and inflexible. Furthermore, common word processing tools, such as text wrap and spelling / grammar check are absent.</p> <p>The primary objective of the Establishment Incremental Renewal project is to assist the MN Child Support Program with automating the Establishment processes where appropriate and addressing key pain points that exist with the current process. This includes the following key activities:</p> <ul style="list-style-type: none"> • Create an establishment system that focuses on setting appropriate and fair obligations and order terms • Use automated business rules and workflow, to the extent possible, to drive the establishment process • Integrate automated scheduling into the child support application • Support the Expedited Process and District Court process with an emphasis on ROPs and stipulations • Utilize a statewide genetic testing contract • Enhance the Minnesota Department of Health Interface • Create an automated review selection capability • Develop and make available user-friendly pro se packets for reviewing child support obligations • Establish a clear definition of "affordable" health insurance coverage • Provide standardization and flexibility to PRISM documents and forms in the Paternity and Order Establishment process • Implement automated activity logging and tracking • Improve the efficiency of worklists • Automate manual interfaces and allow for interface integration <p>The project will be implemented using CSED's newly defined System Development Lifecycle (SDLC) processes and procedures. The SDLC will have similar phases to those listed below with the following scope:</p> <p><u>Requirements:</u></p> <ul style="list-style-type: none"> • Customize and configure tools (tools for requirements management, business process modeling, etc.) • Gather functional, technical, and PRISM integration requirements via Joint Application design (JAD) sessions • Develop use cases |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Develop Software Requirements Specification Document
- Develop Requirements Traceability Matrix

Design:

- Develop logical data model (data dictionary)
- Develop functional and technical design specifications
- Develop user interface design
- Develop data synchronization design
- Develop conversion design
- Develop Software Design Document
- Develop Software Architecture Document
- Update Requirements Traceability Matrix

Development:

- Develop services and components
- Unit test services and components
- Develop conversion scripts
- Unit test conversion scripts
- Develop data synchronization routines with PRISM
- Unit test data synchronization routines with PRISM

Testing:

- Develop System Test plan
- Develop System Test scenarios
- Update Requirements Traceability Matrix based on system testing
- Conduct System Test
- Plan and execute regression test
- Develop Acceptance Test plan
- Develop Acceptance Test scenarios
- Update Requirements Traceability Matrix based on acceptance testing
- Conduct Acceptance Test

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p><u>Implementation:</u></p> <ul style="list-style-type: none"> • Develop Implementation Plan • Develop Communication Plan • Implement Communication Plan • Develop Change Management and Training Plan • Conduct user training • Execute mock conversions • Identify services and components for initial release • Deploy services and components |
| <p>Estimated Costs</p> | <p>The costs of the Establishment Incremental Renewal project include MN Child Support Program and/or vendor resource costs and software and hardware costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected qualitative benefits of the Establishment Incremental Renewal project are listed below:</p> <ul style="list-style-type: none"> • Improves customer service • Increases focus on required duties • Improves staff morale • Reduces unnecessary handling of cases <p>The expected quantitative benefits include reduced staff time, reduced hearing costs, reduced PRISM maintenance costs, and increased collections. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Project Risk</p> | <p>High</p> |
| <p>Assumptions and Notes</p> | |
| <ul style="list-style-type: none"> • The requirements for the Establishment Incremental Renewal project will be developed using the future processes that will be defined in the <i>Conduct a To-Be Process Analysis</i> project. • The policy and legislative changes required for this project will be implemented in the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes</i> project. • A detailed project scope definition, project approach / conceptual design and project plan will be defined during the <i>Implementation Readiness Assessment</i> project. • As part of the <i>Improve Data Quality</i> project, data quality will be assessed, data issues prioritized, and a structure for monitoring will be established to govern the process for data clean-up. This must be completed such that an organized approach to assessing data quality and performing clean-up may be developed prior to data conversion. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. This will be implemented in the <i>Implement Enterprise Content Management</i> project. | |

- New reporting requirements will be incorporated into the design phase of each of the incremental renewals.
- The *Assess and Plan for Security Management* project should be in place to establish a formalized program and structure for controlling user identity and access management.
- The technical architecture must be evaluated in the *Establish Technical Infrastructure* project in order to establish a technology strategy to incrementally renew the child support system.
- As part of the incremental renewals, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the *Implement Customer Relationship Management (CRM)* project.
- The *Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure* projects must be completed prior to this project.
- In addition, we suggest the *Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Improve Data Quality, Establish Performance Management Framework, and Rationalize Reports* projects be completed prior to this project.

Table 50: Project #16 – Incremental Renewal – Establishment

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Project ID | 16 | | | | | | |
| Project Name | Incremental Renewal - Establishment | | | | | | |
| Benefit Factors | Reduction in County Staff Increase in Collections due to Staff Time Savings Reduced Hearing Costs Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | |
| Overall Benefit Calculation | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff | | | | | | \$ 10,722,011 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 647,261 |
| | Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | \$ 2,951,171 |
| | Annual Savings due to Reduced Hearing Costs | | | | | | \$ 2,946,929 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 224,137 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 135,963 |
| | | | | | | | |
| | | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | \$ 10,722,011 |
| | | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | \$ 6,905,462 |
| Cost Factors | Resources Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 18,343,470 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ 2,100,000 |
| | | | | | | | |
| | | TOTAL ONE-TIME COSTS | | | | | \$ 20,443,470 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ 604,656 |
| | | | | | | | |
| | | TOTAL RECURRING COSTS^ | | | | | \$ 604,656 |
| Cost / Benefit Summary | | | | | | | |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 10,722,011 | \$ 9,113,709 | \$ 7,505,408 | \$ 5,897,106 | \$ 4,288,804 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 10,722,011 | \$ 19,835,720 | \$ 27,341,128 | \$ 33,238,234 | \$ 37,527,038 |
| | | | | | | | |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 6,905,462 | \$ 5,869,642 | \$ 4,833,823 | \$ 3,798,004 | \$ 2,762,185 |
| One-time Costs | \$ 10,221,735 | \$ 10,221,735 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ - | \$ 604,656 | \$ 622,796 | \$ 641,480 | \$ 660,724 | \$ 680,546 |
| NET BENEFIT (COST) | \$ (10,221,735) | \$ (10,221,735) | \$ 6,300,806 | \$ 5,246,847 | \$ 4,192,344 | \$ 3,137,280 | \$ 2,081,639 |
| Return on One-time Investment | 0% | 0% | 31% | 26% | 21% | 15% | 10% |
| | | | | | | | |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 6,905,462 | \$ 12,775,104 | \$ 17,608,927 | \$ 21,406,931 | \$ 24,169,115 |
| Cumulative Costs | \$ 10,221,735 | \$ 20,443,470 | \$ 21,048,126 | \$ 21,670,922 | \$ 22,312,401 | \$ 22,973,125 | \$ 23,653,671 |
| CUMULATIVE NET BENEFIT (COST) | \$ (10,221,735) | \$ (20,443,470) | \$ (14,142,664) | \$ (8,895,818) | \$ (4,703,474) | \$ (1,566,194) | \$ 515,445 |
| Cumulative Return on Investment | 0% | 0% | 33% | 59% | 79% | 93% | 102% |

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------|---|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total number of staff hours spent on Establishment activities | 787,227 | | | Data obtained from county data requests. Assumes a caseworker works 2080 hours per year. |
| B | Percent of Establishment staff hours spent on manual activities that can be improved via the Incremental Renewal ¹ | 23% | | | Estimate based on analysis completed in another state. See list of activities included in this estimate in the note below. |
| C | Staff hours spent on manual Establishment activities that can be improved via the Incremental Renewal (A * B) | 181,062 | | | |
| D | Percent of staff hours saved due to improved Establishment processing | 60% | | | Estimated based on Deloitte experience with similar projects. |
| E | Annual staff hours saved (C * D) | 108,637 | | | |
| F | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| G | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| H | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| I | Staff hours eliminated by staff reduction (E * H) | 21,727 | | | |
| J | Total FTEs eliminated (I / 2080) | 10 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| K | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| L | Staff reduction cost savings (I * J) | \$647,261 | | | |
| Annual Savings Due to Reduction in Staff | | \$647,261 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| M | Additional hours for Establishment activities (E * F) | 21,727 | U | Additional hours for Enforcement activities (E * G) | 65,182 |
| N | Number of Establishment caseworkers in all counties | 380 | V | Number of Enforcement caseworkers in all counties | 631 |
| O | Annual number of work hours for Establishment caseworkers ((N * 2080 hrs/year) * 80%) | 632,320 | W | Annual number of work hours for Enforcement caseworkers ((V * 2080 hrs/year) * 80%) | 1,049,984 |
| P | Number of orders established in SFY 2008 | 25,451 | X | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| Q | Number of hours to establish an order (O / P) | 25 | Y | Calculated amount of collections per hour as a result of Enforcement actions (X / W) | \$124 |
| R | Number of established orders due to reallocation of staff (M / Q) | 875 | Z | Annual increase in collections due to reallocation of staff to Enforcement (U * Y) | \$8,068,674 |
| S | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (S) Data obtained from CSED. |
| T | Annual increase in collections due to reallocation of staff to Establishment (R * S) | \$2,653,337 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (T + Z) | | \$10,722,011 | | | |

^ Activities include:

- Manually exchanging Establishment information with service of process providers, courts, and genetic test vendors
- Manually scheduling appointments and hearings
- Manually requesting case status / payment updates from other states
- Manually mailing notices and letters and making phone calls in regards to client appointments / hearings
- Hours wasted when appointments / hearings must be rescheduled
- Manual activities required to perform case assessment for Establishment
- Manually reviewing medical support data and calculating financial capability to provide support
- Reviewing case information in PRISM notes

Benefit – Reduced Maintenance Costs

| Reduced PRISM System Maintenance Costs | | Source | |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total Annual Maintenance Costs for PRISM | \$19,674,475 | The total PRISM operating costs include direct costs related to ongoing hardware, software, CPU, and general operations. It also includes the total costs of PRISM staff directly involved in PRISM operations and the non-salary staff support costs that support PRISM. |
| B | Percent of PRISM Maintenance Costs Dedicated to Establishment | 15% | Estimate based on Deloitte experience with similar projects and it's understanding of the MN Child Support Program and the PRISM system that supports it. |
| C | Total Annual Maintenance Costs for PRISM Establishment Processing (A * B) | \$2,951,171 | |
| D | Total annual CSED salary costs eliminated as part of the total annual maintenance cost savings (C * 49.6%) | 1,463,781 | CSED reported that \$9,750,440 of the \$19,674,475 total annual PRISM maintenance costs are salary costs for staff directly involved in PRISM operations, or 49.6%. |
| E | Total CSED non-IT FTEs eliminated (D / 2080 / \$40.01) | 17 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. Blended rate per hour of \$40.41 calculated by dividing the total PRISM maintenance and operations salary costs by the number of staff to arrive at an average annual salary per staff (\$9,750,441 divided by 116 = \$84,056). The average annual salary per staff is then divided by 2080 hours per year to arrive at a rate per hour (\$84,056 divided by 2080 = \$40.41). |
| Annual Cost Savings due to a Reduced Cost Maintenance of PRISM Establishment | | \$2,951,171 | |

Benefit – Reduced Hearing Costs

| Reduced Hearing Costs | | Source | |
|---------------------------------------------|--------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------|
| A | Total annual costs for Legal Cooperative Agreements | \$11,787,717 | Data Obtained from Net County Administrative Costs & Reinvestment Summary for 12 Months Ended September 30, 2008. |
| B | Percent reduction expected in costs due to fewer legal proceedings | 25% | Estimated based on Deloitte experience with similar projects. |
| C | Reduced hearing costs (A * B) | \$2,946,929 | |
| Annual Savings Due to Reduced Hearing Costs | | \$2,946,929 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 2,500 | 1,500 | 0 | 1,500 | 4,500 | 10,000 | \$35.35 | \$353,500 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 500 | 400 | 0 | 0 | 0 | 500 | 1,400 | \$49.10 | \$68,740 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 1,000 | 2,500 | 8,000 | 36,000 | 6,000 | 1,000 | 54,500 | \$48.45 | \$2,640,525 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 1,000 | 500 | 1,000 | 1,500 | 500 | 500 | 5,000 | \$59.33 | \$296,650 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 2,500 | 0 | 0 | 2,000 | 0 | 4,500 | \$29.79 | \$134,055 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 25,000 | 14,500 | 25,000 | 15,000 | 12,000 | 7,500 | 99,000 | \$150.00 | \$14,850,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$18,343,470 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Additional Servers | | | | | | | 1 | \$1,000,000 | \$1,000,000 | |
| Software License - Additional Licenses | | | | | | | 1 | \$1,100,000 | \$1,100,000 | Estimate based on a 50% additional investment required in hardware/software costs in addition to the initial purchase in the Case Initiation incremental renewal project. This cost is the only additional hardware/software costs that will be included in all of Stage 3 incremental renewal projects. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$2,100,000 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$20,443,470 | |
| Recurring Costs (Starting in Year 6) | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware Costs | | | | | | | 0 | \$0 | \$0 | All recurring hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Software Costs | | | | | | | 0 | \$0 | \$0 | All recurring software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 12,480 | \$48.45 | \$604,656 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 6.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$604,656 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #17: Incremental Renewal – Enforcement

Project Summary

- 269 The objective of the Incremental Renewal – Enforcement project is to address the current challenges of the Enforcement module by implementing the related future business process recommendations, and transition these functions from the PRISM mainframe system into the new architecture. This project is estimated to require a total of \$16,599,527 in one-time resource costs to be expended in Years 4 and 5 of the Roadmap. (Note that all hardware costs for this phase of system renewal have been incorporated in the Incremental Renewal - Case Initiation project CBA.) In addition, starting in Year 6 of the Roadmap, an estimated \$604,656 in recurring resource costs for system support / maintenance activities is expected annually.
- 270 As a result of this project, 179,775 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$1,071,097 reduction in annual county resource costs (approximately 17 county FTEs eliminated).
- 271 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$17,742,933 in annual child support collections. In addition, \$16,255,647 in annual collections is expected due to enhanced automation for administrative remedies. Minnesota's collections per case ratio would increase to \$2,633 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged.
- 272 The total increase in collections results in an expected \$767,623 in additional Federal incentive funds to Minnesota as well as an additional \$431,126 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$3,934,895 annually in PRISM system salary and non-salary maintenance costs, including approximately 23 CSED staff eliminated.
- 273 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 9. The increase in annual increase in collections and breakeven analysis are depicted in Figure 18: Project #17: Incremental Renewal – Enforcement Project Summary Charts.

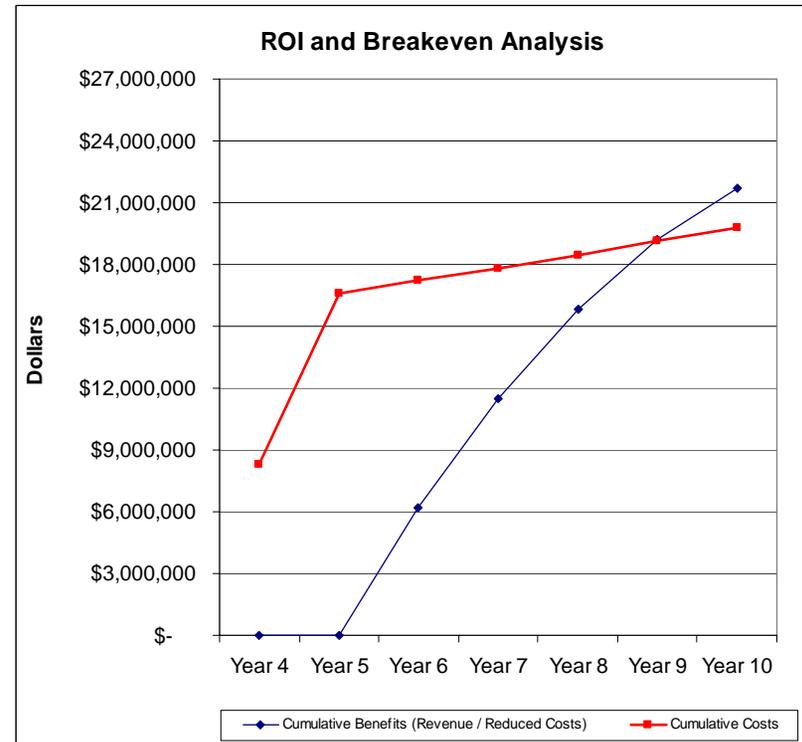
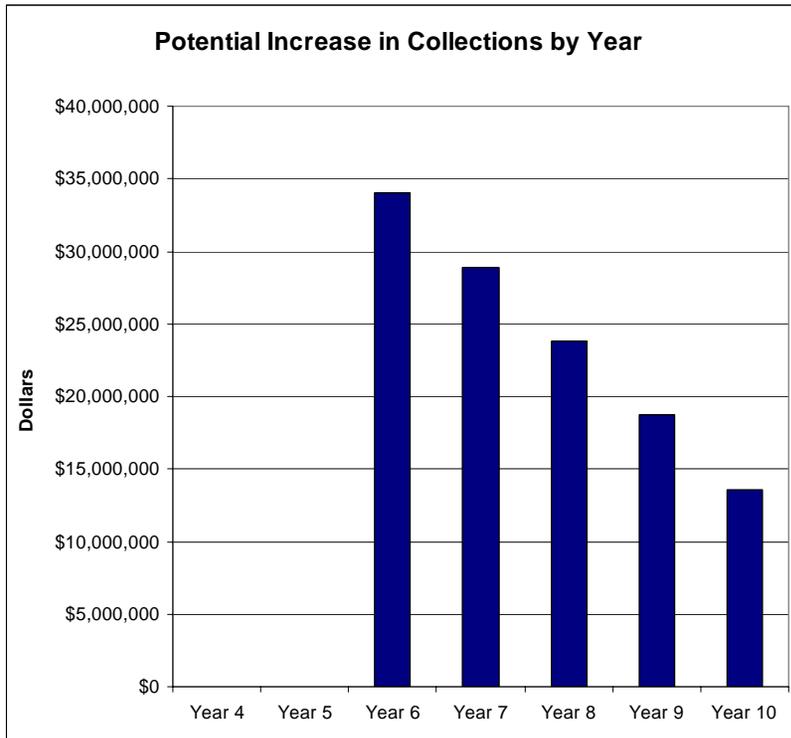


Figure 18: Project #17: Incremental Renewal – Enforcement Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 17 |
| Project Name | Incremental Renewal – Enforcement |
| Duration | 18 – 24 months |
| Project Type | System Renewal |
| Business Process | Enforcement |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Description | <p>The Enforcement process describes the various remedies used to enforce compliance with support orders. The 17 Enforcement subprocesses are not applied in a linear, sequential fashion but can be initiated at any time in the life of a case with a support order depending upon the circumstances of the specific case. Different Enforcement subprocesses can be implemented individually or simultaneously. Also, the different subprocesses can be initiated either manually by a caseworker or on an automated basis or, in some instances, by either method. Enforcement includes 66 key business functions that exist across the 17 Enforcement subprocesses. Of the 66 business functions within Enforcement, 39 are currently performed manually (59%). Of the 39 functions, 12 manual functions lend themselves to automation. If these functions were automated, it would generate time savings and efficiencies for caseworkers that are currently responsible for Enforcement.</p> <p>Enforcement, in the present environment, is characterized by a varying level of automation, efficiency and complexity. Some subprocesses are almost fully automated and function very efficiently, notably Project Intercept, Reemployment Insurance Intercept, Student Grant Holds, Revenue Recapture and Credit Bureau Reporting. Other enforcement remedies are heavily dependent upon caseworker activity to initiate and complete the enforcement activity, notably all the license suspension enforcement remedies, as well as FIDM, Contempt and Payment Plans. There is little automated support to help direct caseworkers to identify which enforcement remedy may have the best potential for success, and many routine tasks are not automated.</p> <p>Income withholding, the single most effective enforcement remedy, is currently being implemented with some degree of inefficiency. The automated support that exists in PRISM, the generation of income withholding orders when a new employer record is added, is diminished by the practice of manually reviewing all income withholding notices to identify those which the caseworkers wants to modify or replace. This is the result of a policy debate over how arrears payment orders should be enforced. This practice of manual review weakens the effectiveness of income withholding as an enforcement remedy, and the lack of centralized printing of income withholding orders weakens the efficiency of the remedy and increases printing and mailing costs.</p> <p>The choice of enforcement remedies is primarily an ad hoc, caseworker decision. Although worklists may identify cases for specific remedies, such as upon a FIDM match, the decision whether to proceed to implement the enforcement remedy is left to caseworker discretion. This results in lost collections and inconsistent application of certain enforcement remedies. The primary objective of the Enforcement Incremental Renewal project is to assist the MN Child Support Program with automating the Enforcement processes where appropriate and addressing key pain points that exist with the current process. This includes the following key activities:</p> <ul style="list-style-type: none"> • Use business rules to determine the appropriate enforcement action • Automate, to the extent possible, the execution of enforcement actions • Develop an enforcement system that aligns with Arrears Management Principles • Standardize payment agreements • Implement automated early intervention techniques • Establish a central lien registry • Standardize the contempt process • Enforce only unreimbursed medical expenses obligations that have been reduced to judgment by the parties • Implement eIWO (notices) • Automate FIDM • Further Automate the License Suspension process • Resolve revenue recapture injured spouse claims by following the federal injured spouse return percentage |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Implement automated activity logging and tracking
- Improve the efficiency of worklists
- Implement workflow / orchestration
- Automate manual interfaces and allow for interface integration

The project will be implemented using CSED's newly defined System Development Lifecycle (SDLC) processes and procedures. The SDLC will have similar phases to those listed below with the following scope:

Requirements:

- Customize and configure tools (tools for requirements management, business process modeling, etc.)
- Gather functional, technical, and PRISM integration requirements via Joint Application design (JAD) sessions
- Develop use cases
- Develop Software Requirements Specification Document
- Develop Requirements Traceability Matrix

Design:

- Develop logical data model (data dictionary)
- Develop functional and technical design specifications
- Develop user interface design
- Develop data synchronization design
- Develop conversion design
- Develop Software Design Document
- Develop Software Architecture Document
- Update Requirements Traceability Matrix

Development:

- Develop services and components
- Unit test services and components
- Develop conversion scripts
- Unit test conversion scripts
- Develop data synchronization routines with PRISM
- Unit test data synchronization routines with PRISM

| | |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p><u>Testing:</u></p> <ul style="list-style-type: none"> • Develop System Test plan • Develop System Test scenarios • Update Requirements Traceability Matrix based on system testing • Conduct System Test • Plan and execute regression test • Develop Acceptance Test plan • Develop Acceptance Test scenarios • Update Requirements Traceability Matrix based on acceptance testing • Conduct Acceptance Test <p><u>Implementation:</u></p> <ul style="list-style-type: none"> • Develop Implementation Plan • Develop Communication Plan • Implement Communication Plan • Develop Change Management and Training Plan • Conduct user training • Execute mock conversions • Identify services and components for initial release • Deploy services and components |
| <p>Estimated Costs</p> | <p>The costs of the Enforcement Incremental Renewal project include MN Child Support Program and/or vendor resource costs and software and hardware costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The expected qualitative benefits of the Enforcement Incremental Renewal project are listed below:</p> <ul style="list-style-type: none"> • Improves customer service • Increases focus on required duties • Reduced unnecessary handling of cases • Decreases processing time to reach disposition of enforcement action • Decreases wait time to receive first payment • Improves relationship with attorneys <p>The expected quantitative benefits include reduced staff time, reduced PRISM maintenance costs and increased collections. Refer to the Cost and</p> |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| | Benefit Calculations for more details. |
| Project Risk | High |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The requirements for the Enforcement Incremental Renewal project will be developed using the future processes that will be defined in the <i>Conduct a To-Be Process Analysis</i> project. • The policy and legislative changes required for this project will be implemented in the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes</i> project. • A detailed project scope definition, project approach / conceptual design and project plan will be defined during the <i>Implementation Readiness Assessment</i> project. • As part of the <i>Improve Data Quality</i> project, data quality will be assessed, data issues prioritized, and a structure for monitoring will be established to govern the process for data clean-up. This must be completed such that an organized approach to assessing data quality and performing clean-up may be developed prior to data conversion. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. This will be implemented in the <i>Implement Enterprise Content Management</i> project. • New reporting requirements will be incorporated into the design phase of each of the incremental renewals. • The <i>Assess and Plan for Security Management</i> project should be in place to establish a formalized program and structure for controlling user identity and access management. • The technical architecture must be evaluated in the <i>Establish Technical Infrastructure</i> project in order to establish a technology strategy to incrementally renew the child support system. • As part of the incremental renewals, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the <i>Implement Customer Relationship Management (CRM)</i> project. • The <i>Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure</i> projects must be completed prior to this project. • In addition, we suggest the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Improve Data Quality, Establish Performance Management Framework, and Rationalize Reports</i> projects be completed prior to this project. | |

Table 51: Project #17 – Incremental Renewal – Enforcement

Benefit – Staff Savings

| Common Calculations | | | | Source | |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------|---|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total number of staff hours spent on Enforcement activities | 1,248,434 | | | Data obtained from county data requests. Assumes a caseworker works 2080 hours per year. |
| B | Percent of Enforcement staff hours spent on manual activities that can be improved via the Incremental Renewal | 24% | | | Estimate based on analysis completed in another state. See list of activities included in this estimate in the note below. |
| C | Staff hours spent on manual Enforcement activities that can be improved via the Incremental Renewal (A * B) | 299,624 | | | |
| D | Percent of staff hours saved due to improved Enforcement processing | 60% | | | Estimated based on Deloitte experience with similar projects. |
| E | Annual staff hours saved (C * D) | 179,775 | | | |
| F | Percent of staff hours saved to be re-allocated to Establishment | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| G | Percent of staff hours saved to be re-allocated to Enforcement | 60% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| H | Percent of staff hours eliminated by staff reduction | 20% | | | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. |
| I | Staff hours eliminated by staff reduction (E * H) | 35,955 | | | |
| J | Total FTEs eliminated (I / 2080) | 17 | | | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. |
| K | County Staff rate per hour | \$29.79 | | | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) |
| L | Staff reduction cost savings (I * J) | \$1,071,097 | | | |
| Annual Savings Due to Reduction in Staff | | \$1,071,097 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| Collections Increase Due to Additional Hours for Enforcement | | | | | |
| M | Additional hours for Establishment activities (E * F) | 35,955 | U | Additional hours for Enforcement activities (E * G) | 107,865 |
| N | Number of Establishment caseworkers in all counties | 380 | V | Number of Enforcement caseworkers in all counties | 631 |
| O | Annual number of work hours for Establishment caseworkers ((N * 2080 hrs/year) * 80%) | 632,320 | W | Annual number of work hours for Enforcement caseworkers ((V * 2080 hrs/year) * 80%) | 1,049,984 |
| P | Number of orders established in SFY 2008 | 25,451 | X | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| Q | Number of hours to establish an order (O / P) | 25 | Y | Calculated amount of collections per hour as a result of Enforcement actions (X / W) | \$124 |
| R | Number of established orders due to reallocation of staff (M / Q) | 1,447 | Z | Annual increase in collections due to reallocation of staff to Enforcement (U * Y) | \$13,352,154 |
| S | Average yearly collection per case with an active current child support obligation | \$3,034 | | | (S) Data obtained from CSED. |
| T | Annual increase in collections due to reallocation of staff to Establishment (R * S) | \$4,390,780 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (T + Z) | | \$17,742,933 | | | |

^ Activities include:

Manually exchanging Enforcement information with service of process providers and courts

Manually scheduling appointments and hearings

Manually mailing notices and letters and making phone calls in regard to client appointments / hearings

Hours wasted when appointments/hearings must be rescheduled

Manually reviewing medical support data and calculating financial capability to provide support

Reviewing case information in PRISM notes

Manually initiating or re-initiating non-judicial enforcement actions and initiating judicial enforcement actions, preparing paperwork for court filings

Manually releasing non-judicial enforcement actions and preparing paperwork for court to file for releases

Benefit – Reduced Maintenance Costs

| Reduced PRISM System Maintenance Costs | | | Source |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total Annual Maintenance Costs for PRISM | \$19,674,475 | The total PRISM operating costs include direct costs related to ongoing hardware, software, CPU, and general operations. It also includes the total costs of PRISM staff directly involved in PRISM operations and the non-salary staff support costs that support PRISM. |
| B | Percent of PRISM Maintenance Costs Dedicated to Enforcement | 20% | Estimate based on Deloitte experience with similar projects and it's understanding of the MN Child Support Program and the PRISM system that supports it. |
| C | Total Annual Maintenance Costs for PRISM Enforcement Processing (A * B) | \$3,934,895 | |
| D | Total annual CSED salary costs eliminated as part of the total annual maintenance cost savings (C * 49.6%) | 1,951,708 | CSED reported that \$9,750,440 of the \$19,674,475 total annual PRISM maintenance costs are salary costs for staff directly involved in PRISM operations, or 49.6%. |
| E | Total CSED non-IT FTEs eliminated (D / 2080 / \$40.01) | 23 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. Blended rate per hour of \$40.41 calculated by dividing the total PRISM maintenance and operations salary costs by the number of staff to arrive at an average annual salary per staff (\$9,750,441 divided by 116 = \$84,056). The average annual salary per staff is then divided by 2080 hours per year to arrive at a rate per hour (\$84,056 divided by 2080 = \$40.41). |
| Annual Cost Savings due to a Reduced Cost Maintenance of PRISM Enforcement | | \$3,934,895 | |

Benefit – Increased Collections Due to Enhanced Automation of Administrative Remedies

| Increased Collections due to Enhanced Automation | | | Source |
|--------------------------------------------------|----------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Annual amount of collections that are categorized as "Other" sources | \$81,278,235 | Data obtained from the 2008 MN Child Support Performance Report indicates that 13% of all collections received are from "Other" sources. These "other" sources are typically administrative remedies that will benefit from improved processes and automation. |
| B | Percent increase in collections due to enhanced automation | 20% | Estimated based on Deloitte experience with similar projects. |
| Annual Increase in Collections | | \$16,255,647 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|--------------|--------|-------------|---------|----------------|-----------------------|--------------|--------------|--------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 1,500 | 750 | 0 | 750 | 3,500 | 6,500 | \$35.35 | \$229,775 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 500 | 500 | 0 | 0 | 0 | 250 | 1,250 | \$49.10 | \$61,375 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 1,000 | 2,000 | 4,500 | 29,500 | 4,000 | 750 | 41,750 | \$48.45 | \$2,022,788 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 1,000 | 500 | 500 | 1,250 | 400 | 500 | 4,150 | \$59.33 | \$246,220 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 2,000 | 0 | 0 | 1,000 | 0 | 3,000 | \$29.79 | \$89,370 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 24,500 | 13,000 | 24,500 | 11,500 | 12,000 | 7,500 | 93,000 | \$150.00 | \$13,950,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$16,599,527 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware - Additional Servers | | | | | | | 0 | \$0 | \$0 | All hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Software License - Additional Licenses | | | | | | | 0 | \$0 | \$0 | All software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Total One-Time Hardware / Software / Processing Costs | | | | | | | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$16,599,527 | |
| Recurring Costs (Starting in Year 6) | | | | | | | | | | |
| | | | | | | | Quantity | Unit Cost | Total Cost | |
| Hardware Costs | | | | | | | 0 | \$0 | \$0 | All recurring hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| Software Costs | | | | | | | 0 | \$0 | \$0 | All recurring software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. |
| | | | | | | | Estimated Hours | Rate / Hour* | Total Cost | |
| System Support / Maintenance (CSED IT Staff Hours) | | | | | | | 12,480 | \$48.45 | \$604,656 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. |
| System Support / Maintenance (CSED IT Staff FTEs) | | | | | | | 6.0 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | | | | \$604,656 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #18: Incremental Renewal – Financials

Project Summary

- 274 The objective of the Incremental Renewal – Financials project is to address the current challenges of the Financials module by implementing the related future business process recommendations, and transition these functions from the PRISM mainframe system into the new architecture. This project is estimated to require a total of \$25,672,865 in one-time resource costs to be expended in Years 4 and 5 of the Roadmap. (Note that all hardware costs for this phase of system renewal have been incorporated in the Incremental Renewal - Case Initiation project CBA.) In addition, starting in Year 6 of the Roadmap, an estimated \$806,208 in recurring resource costs for system support / maintenance activities is expected annually.
- 275 As a result of this project, 208,499 hours of county staff time can be saved annually. Twenty percent of these hours will be eliminated via staff reduction; 20% of the hours will be reallocated to Establishment activities; and 60% will be reallocated to Enforcement activities. This results in a \$1,242,235 reduction in annual county resource costs (approximately 20 county FTEs eliminated).
- 276 The reallocation of staff to Establishment and Enforcement activities is expected to produce an additional \$20,577,880 in annual child support collections. In addition, \$727,548 in annual collections is expected due to requiring electronic remittance for all employers. Minnesota's collections per case ratio would increase to \$2,582 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged.
- 277 The total increase in collections results in an expected \$447,600 in additional Federal incentive funds to Minnesota as well as an additional \$270,168 in TANF recovery annually. In addition, the project is expected to result in the reduction of \$6,886,066 annually in PRISM system salary and non-salary maintenance costs, including approximately 41 CSED staff eliminated.
- 278 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 10. The increase in annual increase in collections and breakeven analysis are depicted in Figure 19: Project #18: Incremental Renewal – Financials Project Summary Charts.

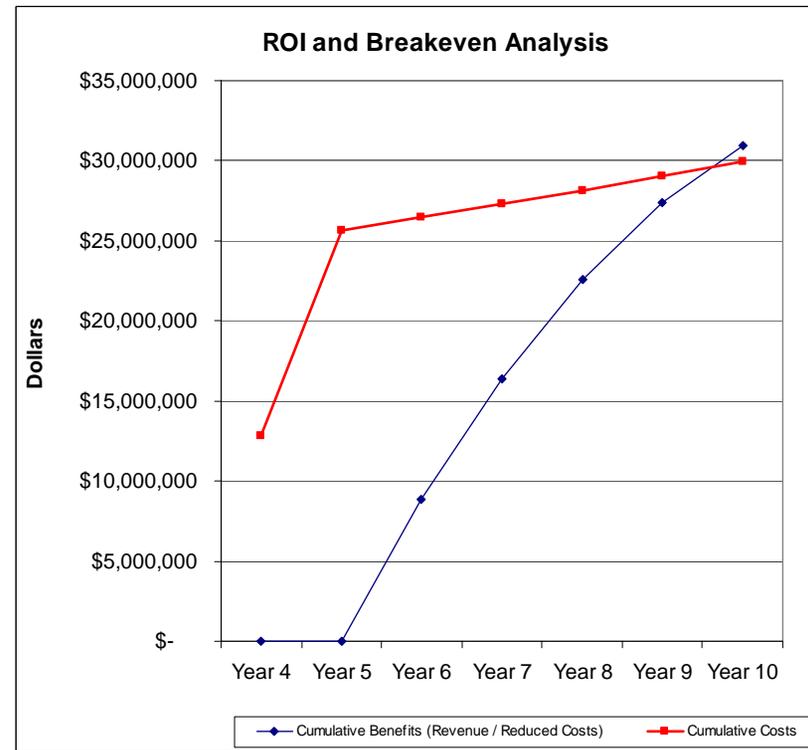
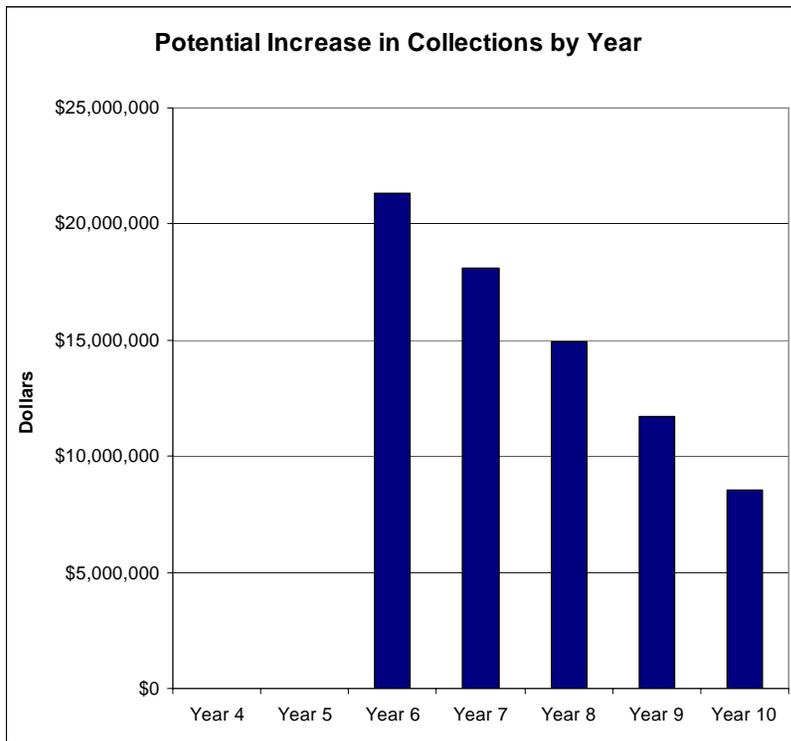


Figure 19: Project #18: Incremental Renewal – Financials Project Summary Charts

Project Profile

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 18 |
| Project Name | Incremental Renewal – Financials |
| Duration | 18 – 24 months |
| Project Type | System Renewal |
| Business Process | Financials |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |

| | |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Description | <p>The Financials process refers to those subprocesses which support the financial activities associated with a child support case. The subprocesses within the Financials process occur on an ongoing basis and are mechanisms by which the vital, fundamental function of the Child Support program, providing financial support for children, is delivered. Financials includes 115 key business functions that exist across the 18 Financials subprocesses. Of the 115 business functions within Financials, 74 are currently performed manually (64%). Of the 74 functions, eight manual functions lend themselves to automation. If these functions were automated, it would generate time savings and efficiencies for caseworkers that are currently responsible for Financials.</p> <p>The Financials Process is particularly complex with numerous pain points ranging from narrowly focused issues associated with a particular screen or subprocess to broad, system-wide issues. While many of these pain points may be resolved with discrete fixes within PRISM, the overall complexity of the Financials system within PRISM has delayed many of these fixes.</p> <p>However, the cumulative conclusion of these pain points is inescapable; the current Financials system within PRISM does not adequately support CSED's business and is a major contributor to the complexity of the system, adding to the level of user expertise needed for optimum functioning. Simply put, the fundamental pain point is that the PRISM Financial system is not designed properly to meet CSED's current business needs.</p> <p>The primary objective of the Financials Incremental Renewal project is to assist the MN Child Support Program with automating the Financials processes where appropriate and addressing key pain points that exist with the current process. This includes the following key activities:</p> <ul style="list-style-type: none"> • Develop a financial management system with a focus on simplified distribution rules • Discontinue interest accrual and eliminate complicated fees • Merge adjustment functions • Focus on relating the caseworker's understanding of the financial system to answering customer questions • Automate the court order entry process • Revise the billing statement and discontinue billing statements to targeted NCPs • Require electronic remittance for large employers • Implement data archiving / purging • Implement automated activity logging and tracking • Implement next appropriate action and rule-based automation • Implement workflow / orchestration • Automate manual interfaces and allow for interface integration <p>The project will be implemented using CSED's newly defined System Development Lifecycle (SDLC) processes and procedures. The SDLC will have similar phases to those listed below with the following scope:</p> <p><u>Requirements:</u></p> <ul style="list-style-type: none"> • Customize and configure tools (tools for requirements management, business process modeling, etc.) • Gather functional, technical, and PRISM integration requirements via Joint Application design (JAD) sessions • Develop use cases • Develop Software Requirements Specification Document |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Develop Requirements Traceability Matrix

Design:

- Develop logical data model (data dictionary)
- Develop functional and technical design specifications
- Develop user interface design
- Develop data synchronization design
- Develop conversion design
- Develop Software Design Document
- Develop Software Architecture Document
- Update Requirements Traceability Matrix

Development:

- Develop services and components
- Unit test services and components
- Develop conversion scripts
- Unit test conversion scripts
- Develop data synchronization routines with PRISM
- Unit test data synchronization routines with PRISM

Testing:

- Develop System Test plan
- Develop System Test scenarios
- Update Requirements Traceability Matrix based on system testing
- Conduct System Test
- Plan and execute regression test
- Develop Acceptance Test plan
- Develop Acceptance Test scenarios
- Update Requirements Traceability Matrix based on acceptance testing
- Conduct Acceptance Test

Implementation:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Develop Implementation Plan • Develop Communication Plan • Implement Communication Plan • Develop Change Management and Training Plan • Conduct user training • Execute mock conversions • Identify services and components for initial release • Deploy services and components |
| Estimated Costs | <p>The costs of the Financials Incremental Renewal project include MN Child Support Program and/or vendor resource costs and software and hardware costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The expected qualitative benefits of the Financials Incremental Renewal project are listed below:</p> <ul style="list-style-type: none"> • Standardizes financial processes across county offices • Improves customer service due to the timeliness and accuracy of financial processing • Increases accuracy of payment distribution and disbursement • Improves data quality • Improves financial reporting accuracy • Decreased training time and expenses <p>The expected quantitative benefits include reduced staff time, reduced PRISM maintenance costs and increased collections. Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | High |
| Assumptions and Notes | |
| <ul style="list-style-type: none"> • The requirements for the Financials Incremental Renewal project will be developed using the future processes that will be defined in the <i>Conduct a To-Be Process Analysis</i> project. • The policy and legislative changes required for this project will be implemented in the <i>Develop and Implement a Plan Related to Potential Policy and Legislative Changes</i> project. • A detailed project scope definition, project approach / conceptual design and project plan will be defined during the <i>Conduct Implementation Readiness Assessment</i> project. • As part of the <i>Improve Data Quality</i> project, data quality will be assessed, data issues prioritized, and a structure for monitoring will be established to govern the process for data clean-up. This must be completed such that an organized approach to assessing data quality and performing clean-up may be developed prior to data conversion. • To fully implement the vision for the new business processes, access to electronic images of case files is necessary. This will be implemented in the <i>Implement Enterprise</i> | |

Content Management project.

- New reporting requirements will be incorporated into the design phase of each of the incremental renewals.
- The *Assess and Plan for Security Management* project should be in place to establish a formalized program and structure for controlling user identity and access management.
- The technical architecture must be evaluated in the *Establish Technical Infrastructure* project in order to establish a technology strategy to incrementally renew the child support system.
- As part of the incremental renewals, the implementation of automated outbound messaging (i.e. via email, phone, text, etc.) may occur. These upgrades of communication methods will be included in the *Implement Customer Relationship Management (CRM)* project.
- The *Conduct a To Be Process Analysis, Develop a Procurement Strategy for System Renewal, Establish Technical Infrastructure, Conduct Implementation Readiness Assessments (IRAs), and Establish Governance Structure* projects must be completed prior to this project.
- In addition, we suggest the *Develop and Implement a Plan Related to Potential Policy and Legislative Changes, Improve Data Quality, Establish Performance Management Framework, and Rationalize Reports* projects be completed prior to this project.

Table 52: Project #18 – Incremental Renewal – Financials

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------|----------------|---------------|
| Project ID | 18 | | | | | | |
| Project Name | Incremental Renewal - Financial | | | | | | |
| Benefit Factors | Reduction in County Staff Increase in Collections due to Staff Time Savings Increased Collections due to Requiring Electronic Remittance for All Employers Increased Collection of Fees Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | |
| Overall Benefit Calculation | Description | | | | | | |
| | Annual Increase in Collections due to Reallocation of Staff and Electronic Remittance | | | | | | \$ 21,305,428 |
| | Annual Savings due to Reduction in Staff | | | | | | \$ 1,242,235 |
| | Annual Increase in Fee Collections | | | | | | \$ - |
| | Annual Savings due to Reduced PRISM Maintenance Costs | | | | | | \$ 6,886,066 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ 447,600 |
| | Annual Increase in TANF Recovery* | | | | | | \$ 270,168 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | \$ 21,305,428 | |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | \$ 8,846,070 | |
| Cost Factors | Resources | | | | | | |
| | Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 25,672,865 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ - |
| | TOTAL ONE-TIME COSTS | | | | | \$ 25,672,865 | |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ 806,208 |
| | TOTAL RECURRING COSTS^ | | | | | \$ 806,208 | |
| Cost / Benefit Summary | | | | | | | |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ 21,305,428 | \$ 18,109,613 | \$ 14,913,799 | \$ 11,717,985 | \$ 8,522,171 |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ 21,305,428 | \$ 39,415,041 | \$ 54,328,840 | \$ 66,046,825 | \$ 74,568,996 |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 8,846,070 | \$ 7,519,159 | \$ 6,192,249 | \$ 4,865,338 | \$ 3,538,428 |
| One-time Costs | \$ 12,836,433 | \$ 12,836,433 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ - | \$ 806,208 | \$ 830,394 | \$ 855,306 | \$ 880,965 | \$ 907,394 |
| NET BENEFIT (COST) | \$ (12,836,433) | \$ (12,836,433) | \$ 8,039,862 | \$ 6,688,765 | \$ 5,336,943 | \$ 3,984,373 | \$ 2,631,034 |
| Return on One-time Investment | 0% | 0% | 31% | 26% | 21% | 16% | 10% |
| | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ - | \$ 8,846,070 | \$ 16,365,229 | \$ 22,557,477 | \$ 27,422,816 | \$ 30,961,243 |
| Cumulative Costs | \$ 12,836,433 | \$ 25,672,865 | \$ 26,479,073 | \$ 27,309,467 | \$ 28,164,773 | \$ 29,045,739 | \$ 29,953,133 |
| CUMULATIVE NET BENEFIT (COST) | \$ (12,836,433) | \$ (25,672,865) | \$ (17,633,003) | \$ (10,944,239) | \$ (5,607,296) | \$ (1,622,923) | \$ 1,008,111 |
| Cumulative Return on Investment | 0% | 0% | 33% | 60% | 80% | 94% | 103% |

Benefit – Staff Savings

| Common Calculations | | | Source | | |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------|
| A | Total number of staff hours spent on Financial activities | 914,468 | Data obtained from county data requests. Assumes a caseworker works 2080 hours per year. | | |
| B | Percent of Financial staff hours spent on manual activities that can be improved via the Incremental Renewal [^] | 38% | Estimate based on analysis completed in another state. See list of activities included in this estimate in the note below. | | |
| C | Staff hours spent on manual Financial activities that can be improved via the Incremental Renewal (A * B) | 347,498 | | | |
| D | Percent of staff hours saved due to improved Financial processing | 60% | Estimated based on Deloitte experience with similar projects. | | |
| E | Annual staff hours saved (C * D) | 208,499 | | | |
| F | Percent of staff hours saved to be re-allocated to Establishment | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| G | Percent of staff hours saved to be re-allocated to Enforcement | 60% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| H | Percent of staff hours eliminated by staff reduction | 20% | Percentage determined by Deloitte making estimates on which allocation would have the highest Return on Investment. Percentage was then presented to CSED for review and approval for CBA. | | |
| I | Staff hours eliminated by staff reduction (E * H) | 41,700 | | | |
| J | Total FTEs eliminated (I / 2080) | 20 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. | | |
| K | County Staff rate per hour | \$29.79 | Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.) | | |
| L | Staff reduction cost savings (I * K) | \$1,242,235 | | | |
| Annual Savings Due to Reduction in Staff | | \$1,242,235 | | | |
| Collections Increase Due to Additional Hours for Establishment | | | | | |
| M | Additional hours for Establishment activities (E * F) | 41,700 | U | Additional hours for Enforcement activities (E * G) | 125,099 |
| N | Number of Establishment caseworkers in all counties | 380 | V | Number of Enforcement caseworkers in all counties | 631 |
| O | Annual number of work hours for Establishment caseworkers ((N * 2080 hrs/year) * 80%) | 632,320 | W | Annual number of work hours for Enforcement caseworkers ((V * 2080 hrs/year) * 80%) | 1,049,984 |
| P | Number of orders established in SFY 2008 | 25,451 | X | Annual amount of collections for "Regular" Receipt Type - FY2008 | \$129,973,436 |
| Q | Number of hours to establish an order (O / P) | 25 | Y | Calculated amount of collections per hour as a result of Enforcement actions (X / W) | \$124 |
| R | Number of established orders due to reallocation of staff (M / Q) | 1,678 | Z | Annual increase in collections due to reallocation of staff to Enforcement (U * Y) | \$15,485,546 |
| S | Average yearly collection per case with an active current child support obligation | \$3,034 | | | |
| T | Annual increase in collections due to reallocation of staff to Establishment (R * S) | \$5,092,334 | | | |
| Annual Increase in Collections Due to Reallocation of Staff (T + Z) | | \$20,577,880 | | | |

[^] Activities include:

- Manually reconciling interstate case arrears balances
- Viewing financial data on multiple screens and/or printing reports
- Manually deleting and re-entering orders to correct order information, adjust receipts, and adjust Case Types
- Manually updating IV-A data to adjust Case Type
- Manually adjusting payments, disbursements, distribution, and balances

Benefit – Increased Collections due to Electronic Remittance

| Increased Collections due to Requiring Electronic Remittance for All Employers | | | Source |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Annual amount of collections made through electronic remittance | \$7,275,475 | Data obtained from CSED data request. As of 01/08, employers who remit electronically through ACH-6082 is \$592,525.44. Employers who remit through WEB-2159 is \$6,682,949.71. |
| B | Percent increase in collections due to enhanced automation | 10% | Estimated based on Deloitte experience with similar projects. |
| Annual Increase in Collections | | \$727,548 | |

Benefit – 1% Fee to Flat Fee

| Replacement of 1% cost recovery Collection of Fees | | | Source |
|----------------------------------------------------|------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------|
| A | Annual amount collected for the 1% fee (SFY 2007) | \$3,255,000 | Data obtained from CSED. |
| B | Number of cases eligible for flat fee collection | 79,767 | Data obtained from CSED. In FFY 2007 there were 79,767 cases that paid toward the 1% Cost Recovery Fee. |
| C | New flat fee amount (A / B) | \$40.81 | |
| D | Expected amount collected for the flat fee (B * C) | \$3,255,000 | |
| E | Additional fee collections from flat fee versus 1% fee (A - D) | \$0 | |
| Annual Increase in Fee Collections | | \$0 | |

Benefit – Reduced PRISM Maintenance Costs

| Reduced PRISM System Maintenance Costs | | | Source |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Total Annual Maintenance Costs for PRISM | \$19,674,475 | The total PRISM operating costs include direct costs related to ongoing hardware, software, CPU, and general operations. It also includes the total costs of PRISM staff directly involved in PRISM operations and the non-salary staff support costs that support PRISM. |
| B | Percent of PRISM Maintenance Costs Dedicated to Financials | 35% | Estimate based on Deloitte experience with similar projects and it's understanding of the MN Child Support Program and the PRISM system that supports it. |
| C | Total Annual Maintenance Costs for PRISM Financials Processing (A * B) | \$6,886,066 | |
| D | Total annual CSED salary costs eliminated as part of the total annual maintenance cost savings (C * 49.6%) | 3,415,489 | CSED reported that \$9,750,440 of the \$19,674,475 total annual PRISM maintenance costs are salary costs for staff directly involved in PRISM operations, or 49.6%. |
| E | Total CSED non-IT FTEs eliminated (D / 2080 / \$40.01) | 41 | CSED estimated 2080 hours per year as the total number of estimated hours a caseworker works in a year. Blended rate per hour of \$40.41 calculated by dividing the total PRISM maintenance and operations salary costs by the number of staff to arrive at an average annual salary per staff (\$9,750,441 divided by 116 = \$84,056). The average annual salary per staff is then divided by 2080 hours per year to arrive at a rate per hour (\$84,056 divided by 2080 = \$40.41). |
| Annual Cost Savings due to a Reduced Cost Maintenance of PRISM Financials | | \$6,886,066 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | | | | Source |
|--------------------------------------------------------------|-------------------------------|-----------------|--------------|------------------|---------------------------------------------------------------------------------------------------------------------|----------------|-----------------------|--------------|---------------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | | | | |
| | Project Planning & Management | Requirements | Design | Development | Testing | Implementation | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 0 | 1,500 | 1,000 | 0 | 2,000 | 8,000 | 12,500 | \$35.35 | \$441,875 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 500 | 500 | 0 | 0 | 0 | 500 | 1,500 | \$49.10 | \$73,650 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 1,000 | 4,000 | 8,000 | 50,000 | 12,000 | 1,000 | 76,000 | \$48.45 | \$3,682,200 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 1,000 | 500 | 1,000 | 2,000 | 1,000 | 500 | 6,000 | \$59.33 | \$355,980 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 2,000 | 0 | 0 | 2,000 | 0 | 4,000 | \$29.79 | \$119,160 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 35,000 | 21,000 | 40,000 | 18,000 | 15,000 | 11,000 | 140,000 | \$150.00 | \$21,000,000 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | | | | \$25,672,865 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | | | |
| Hardware - Additional Servers | | 0 | \$0 | \$0 | All hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. | | | | | |
| Software License - Additional Licenses | | 0 | \$0 | \$0 | All software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. | | | | | |
| Total One-Time Hardware / Software / Processing Costs | | | | \$0 | | | | | | |
| TOTAL ONE-TIME COSTS | | | | | | | | | \$25,672,865 | |
| Recurring Costs (Starting in Year 6) | | | | | | | | | | |
| | | Quantity | Unit Cost | Total Cost | | | | | | |
| Hardware Costs | | 0 | \$0 | \$0 | All recurring hardware costs for this phase of system renewal have been incorporated in the Case Initiation CBA. | | | | | |
| Software Costs | | 0 | \$0 | \$0 | All recurring software costs for this phase of system renewal have been incorporated in the Case Initiation CBA. | | | | | |
| | | Estimated Hours | Rate / Hour* | Total Cost | | | | | | |
| System Support / Maintenance (CSED IT Staff Hours) | | 16,640 | \$48.45 | \$806,208 | Assumes a CSED team to provide system support / maintenance, including project management and software fixes. | | | | | |
| System Support / Maintenance (CSED IT Staff FTEs) | | 8.0 | | | Assumes 2080 hours / year . Cost included in the line above. This simply shows the hours translated to actual FTEs. | | | | | |
| TOTAL RECURRING COSTS | | | | \$806,208 | | | | | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Implementation Roadmap – Quick Win Projects

- 279 A **Quick Win** project is a short-term project and can be done independent of system renewal. Quick Wins are intended to yield results quickly with low risk and cost. This section includes a project profile for each of the Quick Win projects recommended for implementation on the Roadmap. These high-level profiles include information such as duration, project description, costs, benefits, risks, and assumptions.
- 280 The cost and benefit calculations for the Quick Win projects are also provided in this section. The calculations include all assumptions as well as the ROI calculation. These are also provided in separate Microsoft Excel files to allow for future changes.
- 281 Note that the Project ID / numbering is for identification purposes only and is not meant to imply the order in which the projects are to be completed.

| ID | Project Name | Table |
|----|--------------------------------------|--------------------------------------------------------------|
| 19 | Rationalize Reports | Table 54: Project #19 – Rationalize Reports |
| 20 | Enhance IWO Processes | Table 55: Project #20 – Enhance IWO Processes |
| 21 | Improve Federal Performance Measures | Table 56: Project #21 – Improve Federal Performance Measures |

Table 53: Quick Win Project List

Project #19: Rationalize Reports

Project Summary

- 282 The objective of the Rationalize Reports project is to analyze and assess reports to determine the purpose, delivery mechanism, and validity of each report. This project is estimated to require a total of \$131,154 in one-time resource costs to be expended in Year 1 of the Roadmap. In addition, starting in Year 2 of the Roadmap, an estimated \$12,113 in recurring resource costs for monitoring report usage is expected annually.
- 283 As a result of this project, a \$521,400 reduction in batch processing costs is expected, as well as a \$13,733 reduction in InfoPac report storage costs.
- 284 The cumulative benefit of the reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 2. The increase in annual increase in collections and breakeven analysis are depicted in Figure 20: Project #19: Rationalize Reports Project Summary Charts.

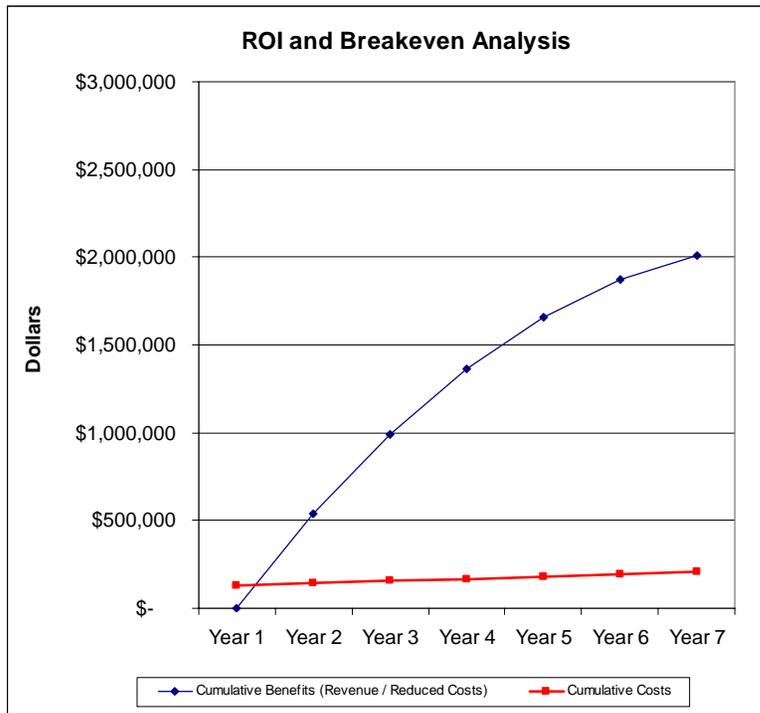


Figure 20: Project #19: Rationalize Reports Project Summary Charts

Project Profile

| | |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Project ID | 19 |
| Project Name | Rationalize Reports |
| Duration | 4 – 6 months |
| Project Type | Quick Win |
| Business Process | Cross-functional |
| Project Sponsor | TBD |
| Project Priority | Medium |
| Strategic Goal | Be Efficient, Consistent and Responsive; Maximize Performance and Outcomes; Be Responsive / Provide Consistent Customer Service |
| Project Description | The Rationalize Reports project is a comprehensive effort to assess the current use and practical value of each system generated report. The |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>project would require a focused work group to review the purpose and delivery mechanism for each report that is being produced in the current environment (whether that is via the Data Warehouse, PRISM or another means).</p> <p>The main purpose of this project is to determine if there is a legitimate business need for each of the reports. This is important for several reasons:</p> <ul style="list-style-type: none"> • There is a real financial cost to maintaining reports. Each time a report is run, processing time and storage space must be allocated to support it. • CSED will want to know the true volume of legitimate reports prior to starting the Improve Reporting Capabilities and Analytics project. It will be important to focus renewal energies only on reports that are needed. |
| Estimated Costs | <p>The costs of the Rationalize Reports project include MN Child Support Program resource costs.</p> <p>Refer to the Cost and Benefit Calculations for more details.</p> |
| Expected Benefits | <p>The qualitative benefits of the Rationalize Reports project are listed below:</p> <ul style="list-style-type: none"> • Prioritizes reports through a comprehensive clean-up effort • Allows future projects to focus on the reports that are needed for business operations. <p>The expected quantitative benefits include report processing, maintenance, and storage savings. Refer to the Cost and Benefit Calculations for more details.</p> |
| Project Risk | Low |
| Assumptions and Notes | |
| <p>The outcome of this project would feed into the <i>Improve Reporting Capabilities and Analytics</i> project. Therefore, the Rationalize Reports project must be completed prior to the <i>Improve Reporting Capabilities and Analytics</i> project.</p> <p>In addition, we suggest that this project also be complete prior to the five <i>Incremental Renewal</i> projects.</p> | |

Table 54: Project #19 – Rationalize Reports

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|----------------------------------------------------------------------|------------|------------|--------------|--------------|--------------|--------------|
| Project ID | 19 | | | | | | |
| Project Name | Rationalize Reports | | | | | | |
| Benefit Factors | Reduced Batch Processing Costs | | | | | | |
| | Reduced Storage Costs | | | | | | |
| Overall Benefit Calculation | | | | | | | |
| | Description | | | | | | |
| | Annual Savings due to Reduced Batch Processing and Storage Costs | | | | | | \$ 535,133 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ 535,133 |
| Cost Factors | Resources | | | | | | |
| | Hardware/Software/Processing | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 131,154 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ - |
| | TOTAL ONE-TIME COSTS | | | | | | \$ 131,154 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Software/Resource Costs | | | | | | \$ 12,113 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ 12,113 |
| Cost / Benefit Summary | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ 535,133 | \$ 454,863 | \$ 374,593 | \$ 294,323 | \$ 214,053 | \$ 133,783 |
| One-time Costs | \$ 131,154 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ 12,113 | \$ 12,476 | \$ 12,850 | \$ 13,236 | \$ 13,633 | \$ 14,042 |
| NET BENEFIT (COST) | \$ (131,154) | \$ 523,021 | \$ 442,387 | \$ 361,743 | \$ 281,088 | \$ 200,421 | \$ 119,742 |
| Return on One-time Investment | 0% | 399% | 337% | 276% | 214% | 153% | 91% |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ 535,133 | \$ 989,997 | \$ 1,364,590 | \$ 1,658,913 | \$ 1,872,966 | \$ 2,006,750 |
| Cumulative Costs | \$ 131,154 | \$ 143,266 | \$ 155,742 | \$ 168,592 | \$ 181,828 | \$ 195,460 | \$ 209,502 |
| CUMULATIVE NET BENEFIT (COST) | \$ (131,154) | \$ 391,867 | \$ 834,255 | \$ 1,195,998 | \$ 1,477,085 | \$ 1,677,506 | \$ 1,797,248 |
| Cumulative Return on Investment | 0% | 374% | 636% | 809% | 912% | 958% | 958% |

Assumptions

1. Benefits will be realized in Year 2 and will diminish each recurring year per the following schedule: Year 2 = 100% of estimated benefit, Year 3 = 85% of estimated benefit, Year 4 = 70% of estimated benefit, Year 5 = 55% of estimated benefit, Year 6 = 40% of estimated benefit, Year 7 = 25% of estimated benefit.

2. Recurring costs are assumed to increase 3% per year.

3. All one-time costs will be expended in Year 1, and all recurring costs will start in Year 2.

4. Rate per hour for Non-IT CSED Staff \$35.35 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

5. Rate per hour for Non-IT CSED Management \$49.10 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

6. Rate per hour for CSED IT Staff \$48.45 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

7. Rate per hour for CSED IT Management \$59.33 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

8. Rate per hour for County Staff \$29.79

9. Vendor blended rate \$150.00

10. Estimates are based on 2080 hours per year.

Notes

^ Total Recurring Costs represent Year 2 recurring costs since recurring costs are assumed to increase 3% per year.

Benefit – Reduced Costs

| Reduced Batch Processing Costs | | | Source |
|-----------------------------------------------|-----------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------|
| A | Total annual cost to run batch jobs for data warehouse reports | \$125,000 | Provided by CSED. |
| B | Total annual cost to run other batch jobs (including county, error and control reports) | \$3,351,000 | Provided by CSED. |
| C | Percent reduction expected in processing costs | 15% | Estimated based on Deloitte experience with similar projects. |
| D | Reduction in batch processing costs ((A + B) * C) | \$521,400 | |
| Reduced Report Storage Costs | | | Source |
| E | Total annual cost to store InfoPac reports | \$28,200 | Provided by CSED. |
| F | Total number of InfoPac reports | 1,115 | Provided by CSED. 440 non-technical reports and 675 are technical reports. |
| G | Total number of InfoPac reports not viewed in six month period | 543 | Provided by CSED. 174 non-technical and 369 technical reports. |
| H | Expected reduction in total InfoPac reports by eliminating reports not viewed (F / G) | 49% | |
| I | Reduction in InfoPac report storage costs (E * H) | \$13,733 | |
| Annual Savings Due to Fewer Reports (D + I) | | \$535,133 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source |
|--------------------------------------------------------------------------|------------------------|-------------------------------|----------------------|-----------------------|--------------|------------|--------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | |
| | Assess Current Reports | Eliminate Unnecessary Reports | Monitor Report Usage | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 300 | 200 | 200 | 700 | \$35.35 | \$24,745 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 50 | 0 | 50 | 100 | \$49.10 | \$4,910 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 250 | 1,500 | 100 | 1,850 | \$48.45 | \$89,633 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 50 | 100 | 50 | 200 | \$59.33 | \$11,866 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 0 | 0 | 0 | 0 | \$150.00 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | \$131,154 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | |
| | Quantity | Unit Cost | Total Cost | | | | |
| N/A | 0 | \$0.00 | \$0 | | | | N/A |
| Total One-Time Hardware / Software / Processing Costs | | | \$0 | | | | |
| TOTAL ONE-TIME COSTS | | | | | | \$131,154 | |
| Recurring Costs (Starting in Year 2) | | | | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | | | | |
| Monitoring report usage, when applicable each year (CSED IT Staff Hours) | 250 | \$48.45 | \$12,113 | | | | |
| Monitoring report usage, when applicable each year (CSED IT Staff FTEs) | 0.1 | | | | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | | \$12,113 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #20: Enhance IWO Processes

Project Summary

- 285 The objective of the Enhance IWO Processes project is to resend Income Withholding Orders (IWOs) on cases that have an active employment record, income withholding record, and that collections are not being received and centralize IWO printing (assuming that the related policy is modified). This project is estimated to require a total of \$39,960 in one-time costs to be expended in Year 1 of the Roadmap, including resource costs and IWO printing and mailing costs. In addition, starting in Year 2 of the Roadmap, an estimated \$19,380 in recurring resource costs for monitoring and re-sending IWOs is expected annually.
- 286 As a result of this project, annual collections are expected to increase by \$16,921,528. Minnesota's collections per case ratio would increase to \$2,565 versus the \$2,497 achieved in SFY2008 assuming that the total number of open cases remain unchanged
- 287 The increase in collections results in an expected \$380,287 in additional Federal incentive funds to Minnesota as well as an additional \$214,577 in TANF recovery annually. In addition, the project is expected to result in \$105,617 in reduced costs annually due to centralized IWO printing.
- 288 The cumulative benefits of the increased Federal incentive funds, TANF recovery, and reduced costs is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 2. The increase in annual increase in collections and breakeven analysis are depicted in Figure 21: Project #20: Enhance IWO Processes Project Summary Charts.

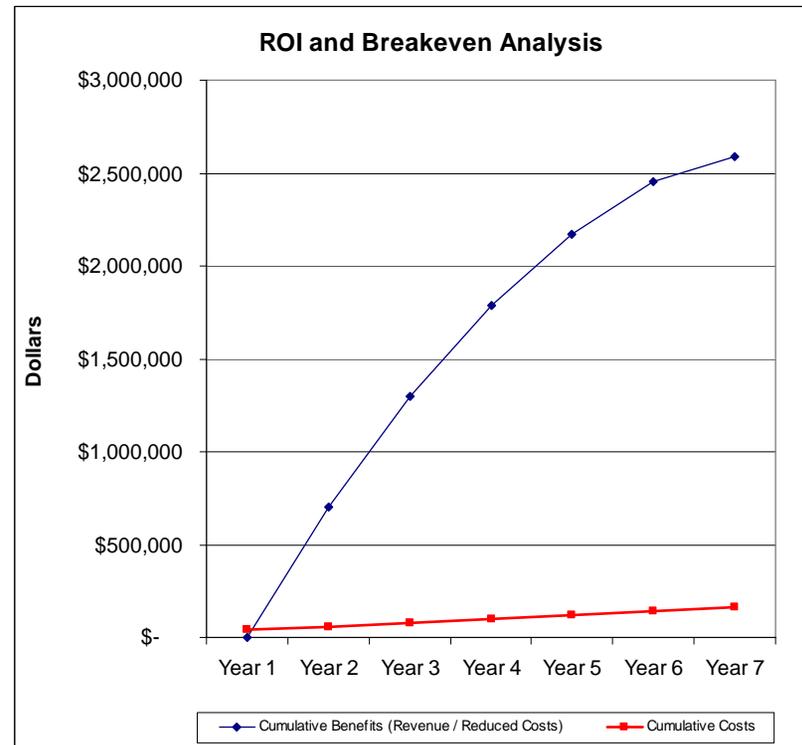
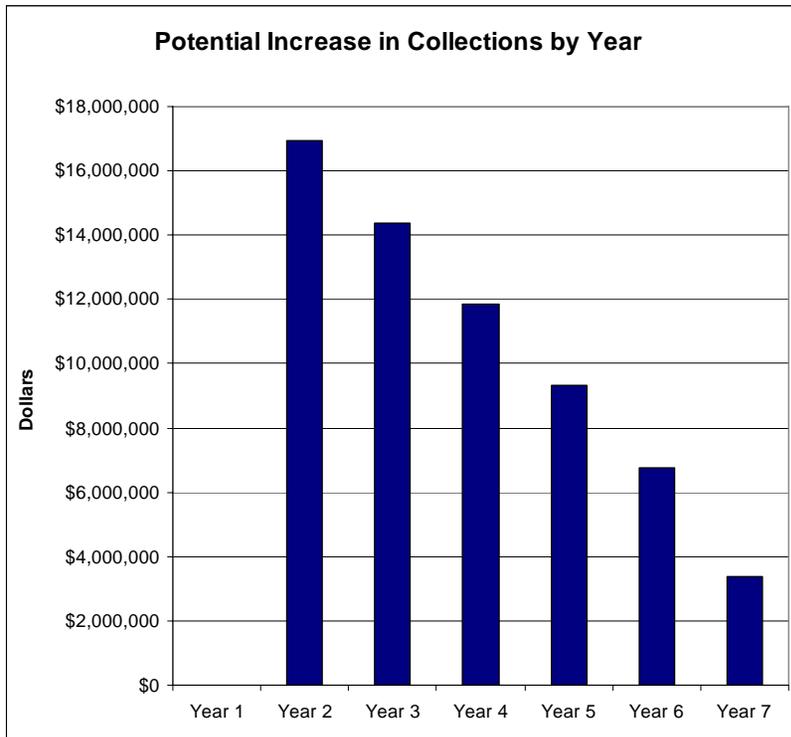


Figure 21: Project #20: Enhance IWO Processes Project Summary Charts

Project Profile

| | |
|------------------|-----------------------------------|
| Project ID | 20 |
| Project Name | Enhance IWO Processes |
| Duration | 3 – 6 months |
| Project Type | Quick Win |
| Business Process | Enforcement |
| Project Sponsor | TBD |
| Project Priority | High |
| Strategic Goal | Maximize Performance and Outcomes |

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Description</p> | <p>Income Withholding is the enforcement method that withholds a portion of the NCP's wages to satisfy the child support obligation. Income Withholding Orders (IWOs) instruct the employer to withhold and forward to the program a specific amount of the NCP wage to satisfy the support obligation. The Enhance IWO Processes project includes:</p> <ul style="list-style-type: none"> • Resend IWOs • Centralize IWO Printing <p>Resend IWOs</p> <p>As of February 2009, 12,394 cases have an active income withholding order record, an active employer record, and no record of a collection from an employer source for the past six months. Given an active employer and an IWO, this population of cases should be actively providing regular payments on support orders, but are not. We understand that there might be some legitimate reasons for payments not coming in, but based on experience in other states, it is estimated that a fair number of these IWOs were not mailed or the NCP is no longer employed, and thus the employment record is inaccurate or, potentially, some employers may be not complying with the IWO. Regardless of the reason, this represents a loss of potential collections for the Child Support Program and families, also impacting the overall cost effectiveness of the Child Support Program. To increase collections on these cases, the Enhance IWO Processes project involves regenerating and resending IWOs on cases that have an active employment record, income withholding record, and that collections are not being received. It further includes the monitoring of these cases to determine if payments are received and subsequent follow-up to employers when appropriate to determine why payments are not being made.</p> <p>Centralize IWO Printing</p> <p>Currently, income withholding notices are generated locally at the county offices and manually reviewed before sending the notices to the employer. This manual review often delays the mailing of the income withholding notice. Often the income withholding notices are manually modified or replaced with edited notices, usually to accommodate the terms of the court order that vary from the system generated income withholding notices. As a result, the record of the incoming withholding notices in PRISM may not reflect these manual modifications. Additionally, when new IWOs are issued as a result of a COLA adjustment, the withholding amounts in the notice will not reflect the manual modifications which lead to customer service issues with the employer and the NCP. To address these pain points and manual work arounds, this project will centralize the printing of income withholding notices at the State office.</p> |
| <p>Estimated Costs</p> | <p>The costs of the Enhance IWO Processing project include MN Child Support Program and/or vendor resource costs and printing / mailing costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The qualitative benefits of the Enhance IWO Processes project are listed below:</p> <ul style="list-style-type: none"> • Increases employer compliance • Improves customer service for employers <p>The expected quantitative benefits include increased collections. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Project Risk</p> | <p>Low</p> |

Assumptions and Notes

A policy change would be required to centralize the IWO printing as part of this project. All policy changes will be planned for and implemented as part of the *Develop and Implement a Plan Related to Potential Policy and Legislative Changes* project.

Table 55: Project #20 – Enhance IWO Processes

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | | |
|----------------------------------------------------------------------|------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| Project ID | 20 | | | | | | | |
| Project Name | Enhance IWO Processes | | | | | | | |
| Benefit Factors | Increased Collections | | | | | | | |
| | Reduced Costs | | | | | | | |
| Overall Benefit Calculation | | | | | | | | |
| | Description | | | | | | | |
| | Annual Increase in Collections | | | | | | \$ | 16,921,528 |
| | Reduced Costs due to Centralized IWO Printing | | | | | | \$ | 105,617 |
| | Annual Increase in State Incentive Funding* | | | | | | \$ | 380,287 |
| | Annual Increase in TANF Recovery* | | | | | | \$ | 214,577 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (NON REVENUE) | | | | | | \$ | 16,921,528 |
| YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ | 700,481 | |
| Cost Factors | | | | | | | | |
| | Resources | | | | | | | |
| | Printing / Mailing Costs | | | | | | | |
| One-time Costs | | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ | 33,639 |
| | Estimated One-Time Printing / Mailing Costs | | | | | | \$ | 6,321 |
| | TOTAL ONE-TIME COSTS | | | | | | \$ | 39,960 |
| Recurring Costs | | | | | | | | |
| | Estimated Recurring Resource Costs | | | | | | \$ | 19,380 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ | 19,380 |
| Cost / Benefit Summary | | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | |
| Non-Revenue Benefits (Collections) | \$ - | \$ 16,921,528 | \$ 14,383,299 | \$ 11,845,070 | \$ 9,306,841 | \$ 6,768,611 | \$ 3,384,306 | |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ 16,921,528 | \$ 31,304,827 | \$ 43,149,897 | \$ 52,456,737 | \$ 59,225,349 | \$ 62,609,654 | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | |
| Benefits (Revenue / Reduced Costs) | | \$ 700,481 | \$ 595,409 | \$ 490,337 | \$ 385,265 | \$ 280,192 | \$ 140,096 | |
| One-time Costs | \$ 39,960 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Recurring Costs | \$ - | \$ 19,380 | \$ 19,961 | \$ 20,560 | \$ 21,177 | \$ 21,812 | \$ 22,467 | |
| NET BENEFIT (COST) | \$ (39,960) | \$ 681,101 | \$ 575,447 | \$ 469,776 | \$ 364,088 | \$ 258,380 | \$ 117,629 | |
| Return on One-time Investment | 0% | 1704% | 1440% | 1176% | 911% | 647% | 294% | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ 700,481 | \$ 1,295,890 | \$ 1,786,227 | \$ 2,171,491 | \$ 2,451,684 | \$ 2,591,780 | |
| Cumulative Costs | \$ 39,960 | \$ 59,340 | \$ 79,301 | \$ 99,862 | \$ 121,039 | \$ 142,851 | \$ 165,318 | |
| CUMULATIVE NET BENEFIT (COST) | \$ (39,960) | \$ 641,141 | \$ 1,216,589 | \$ 1,686,365 | \$ 2,050,452 | \$ 2,308,833 | \$ 2,426,462 | |
| Cumulative Return on Investment | 0% | 1180% | 1634% | 1789% | 1794% | 1716% | 1568% | |

Assumptions

1. Benefits will be realized in Year 2 and will diminish each recurring year per the following schedule: Year 2 = 100% of estimated benefit, Year 3 = 85% of estimated benefit, Year 4 = 70% of estimated benefit, Year 5 = 55% of estimated benefit, Year 6 = 40% of estimated benefit, Year 7 = 25% of estimated benefit.

2. Recurring costs are assumed to increase 3% per year.

3. All one-time costs will be expended in Year 1, and all recurring costs will start in Year 2.

4. Rate per hour for Non-IT CSED Staff \$35.35 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

5. Rate per hour for Non-IT CSED Management \$49.10 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

6. Rate per hour for CSED IT Staff \$48.45 Provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

7. Rate per hour for CSED IT Management \$59.33 Provided by CSED and is based on full year projection for SFY 2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

8. Rate per hour for County Staff \$29.79

9. Vendor blended rate \$150.00

10. Estimates are based on 2080 hours per year.

Notes

*This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data.

Yearly Benefits (Non-revenue) include increase in collections, which does NOT equate to actual dollars returned to the State.

Yearly Benefits (Revenue/Reduced Costs) include cost savings, additional incentive funding, and TANF recovery, which DOES equate to actual dollars returned to the State.

^ Total Recurring Costs represent Year 2 recurring costs since recurring costs are assumed to increase 3% per year.

Benefit – Increased Collections

| Increased Collections | | | Source |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------|
| A | Number of cases that have an active income withholding order record, an active employer record, and no record of a collection from an employer source for the past six months | 12,394 | Data obtained from CSED data request. Based on data from SFY2008. |
| B | Expected percent of cases that will becoming paying by resending an IWO | 45% | Estimated based on Deloitte experience with similar projects. |
| C | Number of new paying cases (A * B) | 5,577 | |
| D | Average yearly collection per case with an active current child support obligation | \$3,034 | Estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009. |
| E | Annual increase in collections due to resending IWOs (C * D) | \$16,921,528 | |
| Annual Increase in Collections | | \$16,921,528 | |

Benefit – Reduced Costs

| Centralize IWO Printing | | | Source |
|-----------------------------------------------|----------------------------------------------------------------------------------|-----------|---------------------------------------------------------------|
| A | Volume of income withholding orders mailed annually to employers (from counties) | 222,258 | Data obtained from CSED data requests. |
| B | County cost per piece of outgoing mail | \$0.99 | Estimated based on Deloitte experience with similar projects. |
| C | Total cost of mailing income withholding orders to employers (A * B) | \$220,035 | |
| D | State cost per outgoing mail | \$0.51 | Data obtained from CSED data requests. |
| E | Reduced Costs due to Centralized IWO Printing | \$105,617 | |
| Reduced Costs due to Centralized IWO Printing | | \$105,617 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | Source | |
|--------------------------------------------------------------|------------|-------------------------|-------------------------------------------------------------------------------------|--------------|-----------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Estimated Hours | | | | | | | |
| | Resend IWO | Centralize IWO Printing | Total Estimated Hours | Rate / Hour* | Total Cost | | |
| CSED Non-IT Staff | 150 | 100 | 250 | \$35.35 | \$8,838 | Estimate based on Deloitte experience with similar projects. | |
| CSED Non-IT Management | 25 | 25 | 50 | \$49.10 | \$2,455 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Staff | 200 | 200 | 400 | \$48.45 | \$19,380 | Estimate based on Deloitte experience with similar projects. | |
| CSED IT Management | 25 | 25 | 50 | \$59.33 | \$2,967 | Estimate based on Deloitte experience with similar projects. | |
| County Staff | 0 | 0 | 0 | \$29.79 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Vendor | 0 | 0 | 0 | \$150.00 | \$0 | Estimate based on Deloitte experience with similar projects. | |
| Total One-Time Resource Costs | | | | | \$33,639 | | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | |
| | | | Quantity | Unit Cost | Total Cost | | |
| | | | Printing / Mailing Costs | 12,394 | \$0.51 | \$6,321 | |
| Total One-Time Hardware / Software / Processing Costs | | | | | \$6,321 | | |
| TOTAL ONE-TIME COSTS | | | | | \$39,960 | | |
| Recurring Costs (Starting in Year 2) | | | | | | | |
| | | | Estimated Hours | Rate / Hour* | Total Cost | | |
| | | | Monitoring and re-sending the IWOs, when applicable each year (CSED IT Staff Hours) | 400 | \$48.45 | \$19,380 | |
| | | | Monitoring and re-sending the IWOs, when applicable each year (CSED IT Staff FTEs) | 0.2 | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. |
| TOTAL RECURRING COSTS | | | | | \$19,380 | | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Project #21: Improve Federal Performance Measures

Project Summary

- 289 The objective of the Improve Federal Performance Measures project is to identify, run, and work on targeted queries that improve Federal performance measures. This project is estimated to require a total of \$189,630 in one-time resource costs to be expended in Year 1 of the Roadmap. In addition, starting in Year 2 of the Roadmap, an estimated \$47,465 in recurring resource costs annually for monitoring and working the targeted queries.
- 290 As a result of this project, Collections on Current Support percentage is expected to increase 1.7 percentage points, resulting in an additional \$453,851 in Federal incentive and TANF recovery funds to Minnesota annually. In addition, Arrears Collections percentage is expected to increase 2.3 percentage points, resulting in an additional \$225,720 in Federal incentive and TANF recovery funds to Minnesota annually.
- 291 The cumulative benefit of the increased Federal incentive funds and TANF recovery is expected to surpass the cumulative costs of the project (including both one-time costs and recurring costs) in Year 2. The increase in annual increase in collections and breakeven analysis are depicted in Figure 22: Project #21: Improve Federal Performance Measures Project Summary Chart.

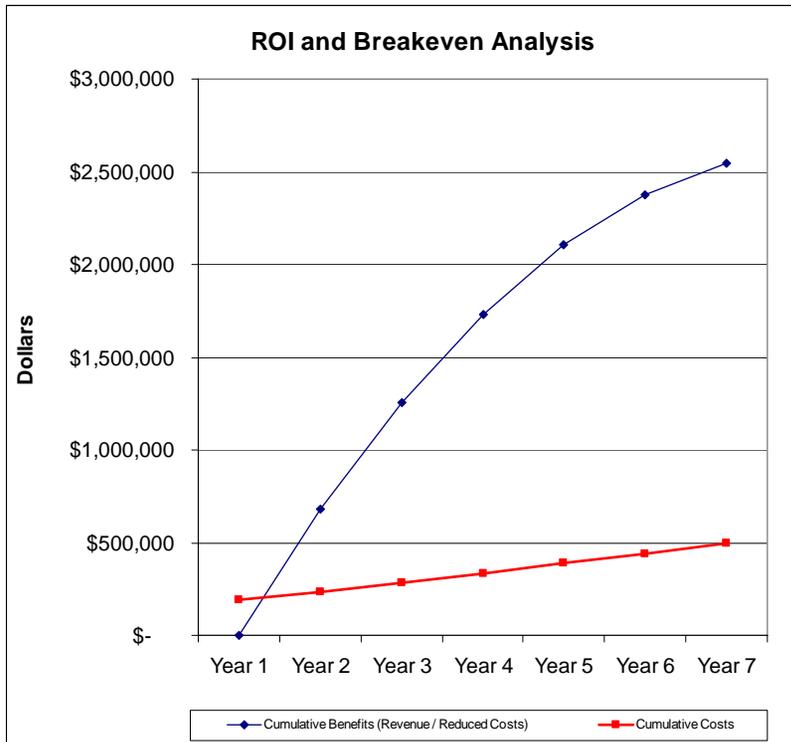


Figure 22: Project #21: Improve Federal Performance Measures Project Summary Chart

Project Profile

| | |
|------------------|--------------------------------------|
| Project ID | 21 |
| Project Name | Improve Federal Performance Measures |
| Duration | 5 – 6 months |
| Project Type | Quick Win |
| Business Process | Cross-Functional |
| Project Sponsor | TBD |
| Project Priority | Medium |
| Strategic Goal | Maximize Performance and Outcomes |

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Description</p> | <p>In 1998, Congress passed the Child Support Performance Incentives Act (CSPIA), which established five primary measures to drive the performance of each state's child support program. Under CSPIA, Congress created significant incentives for state child support programs to attain high success rates under the measures by allocating federal incentive awards for strong outcomes. The Federal Office of Child Support Enforcement (OCSE) monitors state performance, ensures reliable data, and oversees the distribution of federal incentive dollars based on how well a state ranks compared to the collective performances of all other states. There is a set dollar pool of federal incentives for each fiscal year, and every state competes for its share. This means the incentive amount a state receives is dependent on the state's performance improvement relative to the overall performance of the other states.</p> <p>The five federal performance measures are:</p> <ul style="list-style-type: none"> • Paternity Establishment - Percentage of children born out-of-wedlock for whom paternity is established. (States may use a statewide standard of all children born out-of-wedlock or a IV-D caseload standard of all children within the state agency's caseload who need paternity established.) • Support Order Establishment - Percentage of cases with a child support order established. • Collections on Current Support - Percentage of current support owed that is collected when due. • Collections on Arrears - Percentage of arrears cases with arrears collections. • Cost Effectiveness – Total collections compared to total program cost. <p>Minnesota's performance growth has remained relatively flat across most of the metrics over the past three federal fiscal years. From FFY2005 to FFY2007, Minnesota has not seen noteworthy growth in any measure, with the exception of a 1% gain in Paying Arrears Cases. The one measure that has seen a downturn is cost effectiveness. This data indicates that Minnesota has performed at nearly the same level in recent years with establishing paternities, establishing support orders and collecting on current and past due child support but spending more money to do so. This flat performance is critical to Minnesota because federal incentive allocations are based on how well Minnesota does relative to other States. Therefore, it is likely that Minnesota will receive fewer federal incentive dollars in the future if it does not improve its performance beyond the status quo.</p> <p>The Improve Federal Performance Measures project's objective is to quickly target activities that will improve Minnesota's Federal performance measures. These activities include identifying and running targeted queries to identify cases where focused actions could improve Federal performance measures and then taking action on those identified cases to improve the outcomes related to the Federal performance measures. Examples of these queries include:</p> <ul style="list-style-type: none"> • Cases with payments on current support but no recent payment on arrears – target those cases where full current support is paid each month without payment on existing arrears • Cases eligible for case closure |
| <p>Estimated Costs</p> | <p>The costs of the Improve Federal Performance Measures project include MN Child Support Program and/or vendor resource costs. Refer to the Cost and Benefit Calculations for more details.</p> |
| <p>Expected Benefits</p> | <p>The qualitative benefits of the Improve Federal Performance Measures project are listed below:</p> <ul style="list-style-type: none"> • Improves Federal performance measures • Improves staff morale |

| | |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | The expected quantitative benefits include increased collections and increased incentive funding due to improvement in the federal performance measures. Refer to the Cost and Benefit Calculations for more details. |
| Project Risk | Low |
| Assumptions and Notes | |
| CSED will use the existing data warehouse to run queries as required for this project. | |

Table 56: Project #21 – Improve Federal Performance Measures

Cost Benefit Analysis

CBA Summary and ROI

| | | | | | | | |
|-----------------------------------------------|---------------------------------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Project ID | 21 | | | | | | |
| Project Name | Improve Federal Performance Measures | | | | | | |
| Benefit Factors | Increased Incentives due to Improved Current Support and Arrears Collections Measures | | | | | | |
| Overall Benefit Calculation | | | | | | | |
| | Description | | | | | | |
| | Annual Increase in Incentives due to Improved Measures | | | | | | \$ 679,571 |
| | YEARLY BENEFITS DIMINISHING OVER TIME (REVENUE/REDUCED COSTS) | | | | | | \$ 679,571 |
| Cost Factors | Resources | | | | | | |
| One-time Costs | | | | | | | |
| | Estimated One-Time Resource Costs | | | | | | \$ 189,630 |
| | Estimated One-Time Hardware/Software/Processing Costs | | | | | | \$ - |
| | TOTAL ONE-TIME COSTS | | | | | | \$ 189,630 |
| Recurring Costs | | | | | | | |
| | Estimated Recurring Costs | | | | | | \$ 47,465 |
| | TOTAL RECURRING COSTS^ | | | | | | \$ 47,465 |
| Cost / Benefit Summary | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Non-Revenue Benefits (Collections) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CUMULATIVE NON-REVENUE BENEFIT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Benefits (Revenue / Reduced Costs) | \$ - | \$ 679,571 | \$ 577,635 | \$ 475,700 | \$ 373,764 | \$ 271,828 | \$ 169,893 |
| One-time Costs | \$ 189,630 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recurring Costs | \$ - | \$ 47,465 | \$ 48,889 | \$ 50,356 | \$ 51,866 | \$ 53,422 | \$ 55,025 |
| NET BENEFIT (COST) | \$ (189,630) | \$ 632,106 | \$ 528,746 | \$ 425,344 | \$ 321,898 | \$ 218,406 | \$ 114,868 |
| Return on One-time Investment | 0% | 333% | 279% | 224% | 170% | 115% | 61% |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| Cumulative Benefits (Revenue / Reduced Costs) | \$ - | \$ 679,571 | \$ 1,257,206 | \$ 1,732,906 | \$ 2,106,670 | \$ 2,378,499 | \$ 2,548,391 |
| Cumulative Costs | \$ 189,630 | \$ 237,095 | \$ 285,983 | \$ 336,339 | \$ 388,205 | \$ 441,628 | \$ 496,653 |
| CUMULATIVE NET BENEFIT (COST) | \$ (189,630) | \$ 442,477 | \$ 971,223 | \$ 1,396,567 | \$ 1,718,465 | \$ 1,936,871 | \$ 2,051,739 |
| Cumulative Return on Investment | 0% | 287% | 440% | 515% | 543% | 539% | 513% |

Benefit – Current Support Measure

| Improved Collections on Current Support Percentage | | | Source |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------|
| A | Number of cases where NCP is deceased | 712 | Data obtained from CSED. Cases open as of 04/30/09. |
| B | Number of cases where CP is deceased | 1,060 | Data obtained from CSED. Cases open as of 04/30/09. |
| C | Expected percent of these cases that can be closed | 90% | Estimated based on Deloitte experience with similar projects. |
| D | Number of cases closed ((A + B) * C) | 1,595 | |
| E | Number of cases where NCP is incarcerated, institutionalized or disabled | 3,579 | Data obtained from CSED. |
| F | Number of cases where NCP has an address in a foreign country and does not have an active employer record or bank account for a FIDM action | 689 | Data obtained from CSED. |
| G | Expected percent of these cases that can be closed | 50% | Estimated based on Deloitte experience with similar projects. |
| H | Number of cases closed ((E + F) * G) | 2,134 | |
| I | Total number of cases closed (D + H) | 3,729 | |
| J | Average current support obligation for a IV-D case | 4,326 | Data obtained from CSED. |
| K | Expected amount of current support owed on cases closed (I * J) | \$16,130,789 | |
| L | Amount collected for current support in IV-D cases in FY2008 | \$477,534,039 | Data obtained from OSCE-157, line 25. |
| M | Amount owed for current support in IV-D cases in FY2008 | \$680,841,154 | Data obtained from OSCE-157, line 24. |
| N | Expected amount of current support owed in IV-D cases after cases closed (M - K) | \$664,710,365 | |
| O | FY2007 Collections on Current Support Percentage (L / M) | 70.14% | |
| p | New Collections on Current Support Percentage (L / N) | 71.84% | |
| Q | Additional Incentives for Improved Collections on Current Support | \$453,851 | This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data. |
| Annual Increase in Incentives due to Improved Current Collections Measure | | \$453,851 | |

Benefit – Arrears Collection Measure

| Improved Arrears Collections Percentage | | | Source |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Number of IV-D cases with arrears balance, but no arrears payment in past 6 months, but current support at least 90% paid for past 6 months | 491 | Data obtained from CSED. Cases open as of 04/30/09. |
| B | Expected percent of these cases that would become paying on arrears | 40% | Conservative estimated based on Deloitte experience. |
| C | Number of new paying arrears cases (A * B) | 196 | |
| D | Number of IV-D cases in which there is no longer a current support order, arrearages are under \$500, and no payment has been received in the last 6 months | 1,758 | Data obtained from CSED data request. |
| E | Number of cases that currently have an arrears balance greater than \$1000, that are currently eligible in PRISM for a FIDM action and no FIDM action has been taken in the last 12 months | 405 | Data obtained from CSED data request |
| F | Expected percent of these cases that receive a collection on arrears from the FIDM action | 50% | Estimated based on Deloitte experience with similar projects and recognizing some FIDM records may be for accounts with zero or nominal balances. |
| G | Number of cases with a FIDM collection on arrears (E * F) | 203 | |
| H | Number of cases where there is no current support obligation and where all arrears are owed to the state and no payment has been received in the last 12 months | 7,240 | Data obtained from CSED data request. |
| I | Expected percent of these cases that would make a negotiated payment on arrears | 30% | Estimated based on Deloitte experience with similar projects. |
| J | Number of cases with a renewed collection on arrears (H * I) | 2,172 | |
| K | Number of IV-D cases paying toward arrears in FY2008 | 134,529 | Data obtained from OSCE-157, line 29. |
| L | Number of IV-D cases with arrears due in FY2008 | 196,956 | Data obtained from OSCE-157, line 28. |
| M | Expected number of IV-D cases paying toward arrears after project (C + G + J + K) | 137,100 | |
| N | FY2007 Arrears Collections Percentage | 66.00% | Data obtained from CSED 2008 Annual Performance Report |
| O | New Arrears Collections Percentage (O / P) | 68.30% | |
| P | Additional Incentives for Improved Arrears Collections | \$225,720 | This metric was calculated using Deloitte's proprietary State Performance Incentive Calculator, which used FFY2007 data. |
| Annual Increase in Incentives due to Improved Arrears Collections Measure | | \$225,720 | |

Detailed Costs

| Resource Costs - One-Time | | | | | | | Source |
|---------------------------------------------------------------------|---------------------------|--------------|------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------|
| Estimated Hours | | | | | | | |
| | Identify and Plan Queries | Run Queries | Work the Queries | Total Estimated Hours | Rate / Hour* | Total Cost | |
| CSED Non-IT Staff | 400 | 400 | 500 | 1,300 | \$35.35 | \$45,955 | Estimate based on Deloitte experience with similar projects. |
| CSED Non-IT Management | 50 | 50 | 50 | 150 | \$49.10 | \$7,365 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Staff | 400 | 500 | 500 | 1,400 | \$48.45 | \$67,830 | Estimate based on Deloitte experience with similar projects. |
| CSED IT Management | 50 | 50 | 50 | 150 | \$59.33 | \$8,900 | Estimate based on Deloitte experience with similar projects. |
| County Staff | 0 | 0 | 2,000 | 2,000 | \$29.79 | \$59,580 | Estimate based on Deloitte experience with similar projects. |
| Vendor | 0 | 0 | 0 | 0 | \$150.00 | \$0 | Estimate based on Deloitte experience with similar projects. |
| Total One-Time Resource Costs | | | | | | \$189,630 | |
| Hardware / Software / Processing Costs - One-Time | | | | | | | |
| | Quantity | Unit Cost | Total Cost | | | | |
| N/A | 0 | \$0.00 | \$0 | | | | |
| Total One-Time Hardware / Software / Processing Costs | | | | | | \$0 | |
| TOTAL ONE-TIME COSTS | | | | | | \$189,630 | |
| Recurring Costs (Starting in Year 2) | | | | | | | |
| | Estimated Hours | Rate / Hour* | Total Cost | | | | |
| Monitoring and woking on targeted queries (CSED Non-IT Staff Hours) | 500 | \$35.35 | \$17,675 | | | | |
| Monitoring and woking on targeted queries (CSED Non-IT Staff FTEs) | 0.2 | | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | |
| Monitoring and woking on targeted queries (County Staff Hours) | 1,000 | \$29.79 | \$29,790 | | | | |
| Monitoring and woking on targeted queries (County Staff FTEs) | 0.5 | | | | Assumes 2080 hours / year. Cost included in the line above. This simply shows the hours translated to actual FTEs. | | |
| TOTAL RECURRING COSTS | | | | | | \$47,465 | |

* Rate per hours sources:

CSED Non-IT Staff rate / hour provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED Non-IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED IT Staff rate / hour estimate provided by CSED and includes only those persons with salaries and benefits projected for all of SFY2009.

CSED IT Management rate / hour provided by CSED and is based on full year projection for SFY2009 and includes salary and benefits.

CSED County Staff rate / hour is calculated per the following: Total annual personnel salary and benefits for the counties is \$74,358,160 per the SFY 2008 Net County Admin report. This translates to average annual salary and benefits for county child support personnel of \$61,959.97. Using 2080 hours as the annual hours worked, the average hourly wage for county child support personnel is \$29.79. (This count excludes cooperative agreement personnel, but includes clerical, child support officers, child support aides, clerical, administrators, managers, supervisors, etc.)

Appendix A: Implementation Roadmap

292 Appendix A provides a high-level graphical representation of the Implementation Roadmap, including project timing and high-level milestones. It also depicts the implementation and sequencing strategy decided jointly with CSED.

Appendix B: Cost Benefit Analysis Models

293 Each Cost Benefit Analysis Model in Microsoft Excel is provided in Appendix B. These models can be manipulated in the future as assumptions and plans are refined.

Appendix C: County and State Participation

- 294 To achieve a complete view of the child support policies and procedures, it was important to have a variety of staff members that brought different perspectives to the table. These staff members not only came from the county offices, but also from the various State teams that support the program. Having this mix of staff presented different policy interpretations and brought to surface both challenges and innovative practices that would not have come to light without the diversity of the group make-up. A concerted effort was made to have as many front-line staff participate in these sessions in order to accurately document the true practices that occur in child support casework throughout Minnesota.
- 295 Table 57 shows the number of participants who attended the Process Sessions held within each business process area. A number of participants were involved in more than one session. Each session was approximately 3.5 hours in length, resulting in more than 2,800 person-hours of participation in the sessions from State and county participants.

| BPR Business Process | Number of Participants |
|----------------------|------------------------|
| Case Initiation | 38 |
| Establishment | 138 |
| Enforcement | 250 |
| Financials | 145 |
| Locate | 34 |
| Case Management | 205 |

Table 57: Number of State and County Staff Represented in the Process Sessions

- 296 Figure 23 shows the different types of participants in the Process Sessions: State, County, and Deloitte staff.

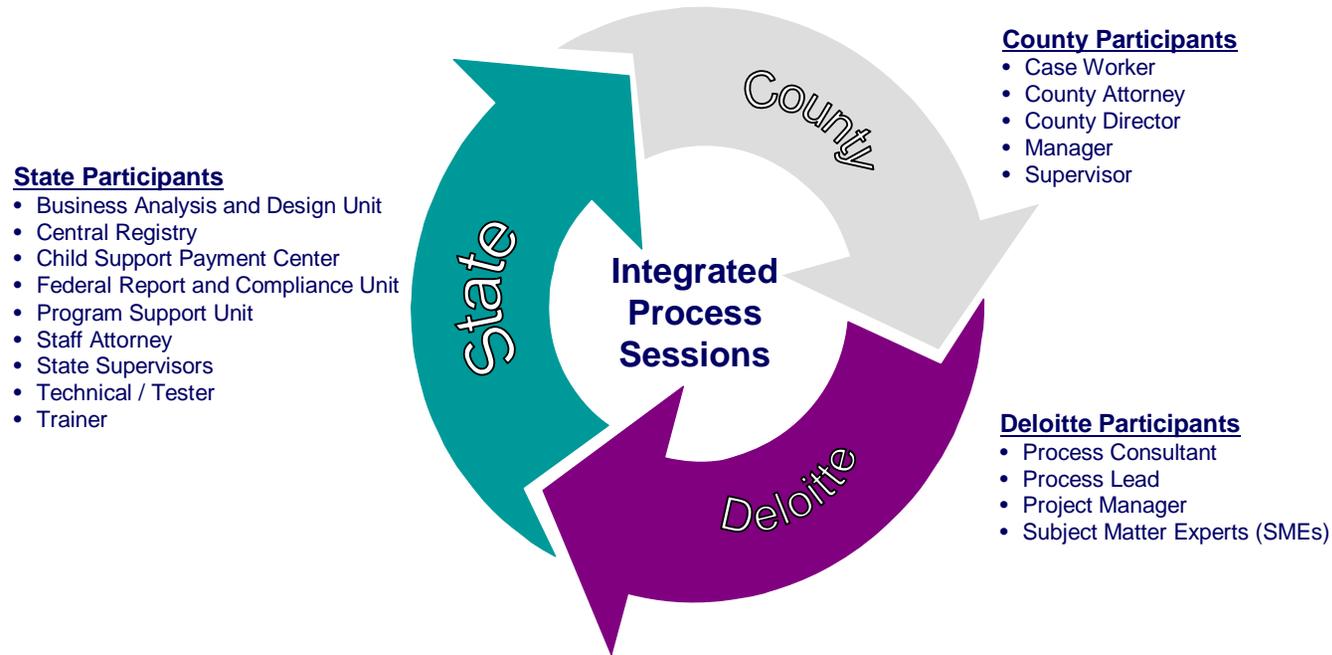


Figure 23: Types of Staff Represented in the Process Sessions

297 In addition to having a diverse group of workers participate in the sessions, it was also important to have diverse representation from counties. All 87 counties were given an opportunity to participate, and counties outside the metro area were given an opportunity to participate remotely. Thirty (30) counties with caseloads that ranged from 172 cases to in excess of 56,000 cases participated. Together, the 30 counties participating in the sessions make up 70% of the State’s total caseload.

298 The counties with different caseloads were able to highlight the differences in how they deliver services. Often, counties with smaller caseloads have a more “generic” casework approach that has one caseworker doing the casework from Case Initiation through Enforcement. However, counties with larger caseloads often rely more on a “specialized” approach that has a caseworker focus on one area such as Paternity Establishment or working new intakes.

299 Table 58 provides an alphabetical list of the counties that participated in the Process Sessions. The map provided in Figure 24 identifies each of these counties as either having a small, medium or large caseload based on numbers from the 2007 Minnesota Child Support Performance Report.

The Process Sessions included participants from 30 counties across Minnesota. These counties represented small, medium and large caseloads.

| Counties that Participated in Process Sessions | | | | |
|------------------------------------------------|-------------------------|--------------------------|---------------|----------------|
| Aitkin (S) | Dakota (L) | Le Sueur (S) | Ramsey (L) | Washington (M) |
| Anoka (L) | Dodge (S) | Lincoln/Lyon/Murray* (S) | Rice (M) | Watonwan (S) |
| Benton (S) | Faribault / Martin* (S) | Mower (M) | Scott (M) | Wright (M) |
| Chisago (M) | Hennepin (L) | Nicollet (S) | Sherburne (M) | |
| Clay (M) | Jackson (S) | Olmsted (M) | Sibley (S) | |
| Cook (S) | Kandiyohi (M) | Pine (M) | Stearns (M) | |

*These counties share a child support office

Table 58: List of Counties Represented in the Process Sessions

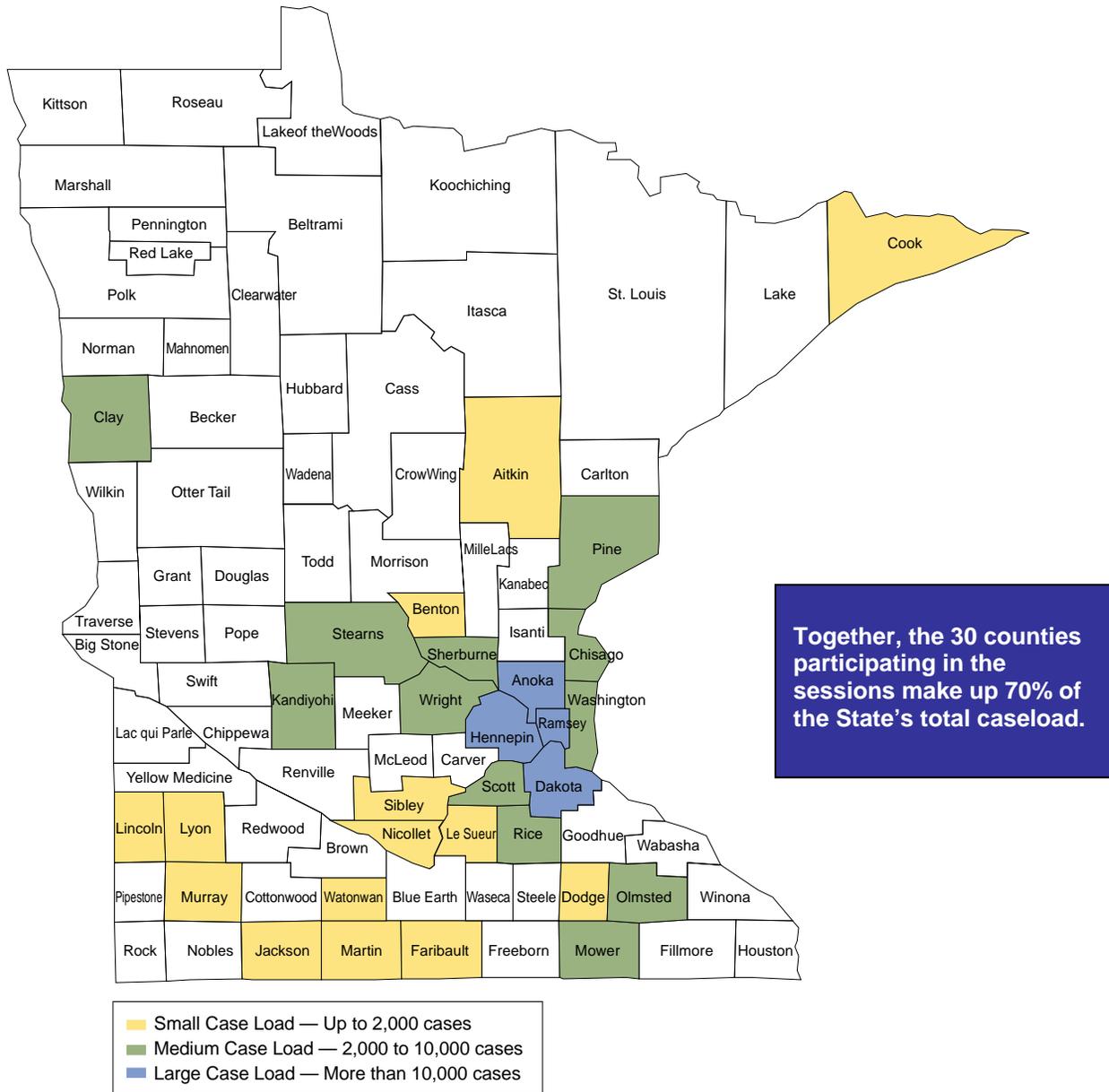


Figure 24: Counties Represented in the Process Sessions by Caseload