



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

NOV 10 2015

V. Susan Alford
State Director
Department of Social Services
P.O. Box 1520
Columbia, South Carolina 29202-1520

Dear Ms. Alford:

This letter is in response to your September 3, 2015, letter requesting approval of an updated Implementation Advance Planning Document (IAPD) for Federal Financial Participation (FFP) for the development, implementation, and deployment of a statewide child support enforcement system (CSES). This IAPD responds to our comments provided to you in our August 27, 2015 letter. The document incorporated the updates to the approved version of your Feasibility Study (FS), Gap Analysis (GA), and Cost Benefit Analysis (CBA) which determined that the accepted go-forward strategy to transfer the Delaware automated child support system was the most advantageous solution to satisfy the requirement for the state to operate an automated CSES.

We have completed our review of the document and found that the IAPD Update 10 Revision 1, adequately addresses our concerns and provides the information required by federal regulation 45 CFR Part 95 Subpart F, Section 95.605(2) with minor discrepancies. We have detailed these discrepancies in the attached enclosure. In our review, we also determined that the IAPD does not address the state's plan to comply with the requirements of the Preventing Sex Trafficking and Strengthening Families Act, PL 113-183 regarding the implementation of UIFSA 2008 [Section 301(f)(3)(A)] and eIWO [Section 306(a)(2)(C)(iii)]. We request you provide a detailed project plan outlining your efforts to comply with these requirements.

Based on the results of the review of the document, we are approving funding for the CFS Project activities to transfer the Delaware automated child support system as the solution for an automated CSES for the state in the amount of \$32,773,288 for the period October 1, 2015 through September 30, 2016, matched at the regular Federal Financial Participation (FFP) rate of 66 percent. We also approve the variance increase of \$867,340 for federal fiscal year (FFY) 2015 funding. In regard to your request for funding for the regular maintenance and operation cost of the South Carolina legacy CSES, we are approving funding in the amount of \$5,424,333 (FFY 2015 funds of \$2,489,658 and FFY 2016 funds of \$2,934,674) matched at the regular FFP rate of 66 percent. All funding approvals are contingent on the corrections identified in the enclosure (including P.L. 113-183 compliance) are provided within 60 days of the date of this letter.

An overview of the Administration for Children and Families' approvals for funding and FFP matching rates in regard to the CSES/FCCMS Project activities are delineated below:

Overview of ACF Funding Approvals				
APPROVAL DATE	EFFP 90%	EFFP 80%	RFFP 66%	TOTAL APPROVAL
Approvals thru Dec 3, 2014	34,821,536	6,805,712	111,501,753	153,129,001
FFY 2015 Adjustment CSES/FCCMS	0	0	867,340	867,340
FFY 2015 Adjustment Legacy O&M	0	0	2,489,658	2,489,658
This Approval CSES/FCCMS	0	0	32,773,288	32,773,288
This Approval Legacy O&M	0	0	2,934,674	2,934,674
Total Project	\$34,821,536	\$6,805,712	\$150,666,713	\$192,193,961

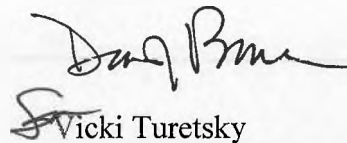
With the approval of this IAPDU, we remind the state that in accordance with applicable regulations at 45 CFR 95.631 (a)(2) you are responsible for amending the state's public assistance cost allocation plan (PACAP) with the Division of Cost Allocation. By forwarding this approved APD methodology for the identification, assignment, and distribution of development costs for this project to the Division of Cost Allocation, the methodology can be incorporated in the PACAP by reference. While this letter has approved your systems development cost allocation methodology for this project, your financial staff must reflect this approval in your state's PACAP. Additionally, if the approved APD methodology impacts other costs addressed in the state's PACAP it may also be necessary to seek Division of Cost Allocation approval to further amend the plan. A delay in updating your approved PACAP could unnecessarily delay future claims for this project. Questions regarding how to amend your state's PACAP should be directed to the Regional Grants Officer in our Region IV office.

Finally, as a reminder, please ensure claims submissions against these federal matching funds are made to the appropriate lines on the federal OCSE 396A report entitled, *Child Support Enforcement Program Expenditure Report*. Claims for system development costs must be reported on line 4. System maintenance and operational costs, whether approved in an Operational APD or in an Annual or As-Needed APD, must be reported on line 5 of the 396A report. Only costs to be claimed that were not subject to the APD approval process at any time are allowed to be reported on line 6 of the OCSE 396A report.

As stated in our previous August 27, 2015 letter, this IAPD approval along with formal CFS Project restart of August 5, 2015 incorporates your decision to move forward with the Delaware system transfer and not to complete the HP system project. Based on your decision all funding previously approved in Advance Planning Documents for the HP system project are now subject to a disallowance review and determination in accordance with federal regulations at 45 CFR Part 95 Subpart F, Section 95.635(a) and (b). The process and activities associated with our action in regard to those requirements will be provided in separate correspondence to your office.

Should you have questions or concerns regarding these matters, please feel free to contact Raghavan Varadachari of my staff at (202) 260-5478.

Sincerely,

A handwritten signature in black ink, appearing to read "Vicki Turetsky", written over a horizontal line.

Vicki Turetsky
Commissioner
Office of Child Support Enforcement

Enclosure

Reference: SC20150903 & SC20150331

Katie Morgan, IV-D Director, South Carolina CSE Division
Patrick Wells, Director, DMG/OGM/OA/ACF
Michael Bratt, Senior Grants Officer, DMG/OGM/OA/ACF
Jacqueline Mull, Regional Program Manager, Region IV/ACF

**Findings on SC September 3, 2015 Implementation Advance Planning Document – 10
Revision 1**

1. Page 15, 2.2.2 Schedule Management, para 2 – This paragraph refers to federal approval of funds under IAPD 9. The Office of Child Support Enforcement (OCSE) response letter dated August 27, 2015 to the March 11, 2015 IAPD 9 submission, approved the concept and strategy of the transfer of the Delaware child support system and specifically stated that OCSE was not approving funding at that time. Please correct.
2. Pages 15 and 16, Status of Project Schedule Activities – Provide updated schedule for the task titled “Joint Discovery & Clarification Sessions with Xerox.” This schedule indicates work was conducted by the vendor prior to contract approval.
3. Pages 19-59, Project Management Plan –
 - a. Page 28 – Request the state add Requirements Management System and Contract Requirements Document to the list of CDRLs.
 - b. Page 31 Operational Requirements states “The SDC will specify what types of backups and the frequency of the backup executions.” These requirements should be specified by the state.
 - c. Page 45, 3.1.8 – correct the reference to the RFP.
 - d. Page 59, para 6 – Was the reference to the allowance of an annual price increase beginning with the first option renewal a part of the contractor’s approved cost proposal? Verify/correct this statement.
4. Page 68, Software Development Contractor Organization Chart –
 - a. Please indicate all positions that are being staffed with subcontractors.
 - b. There is no Documentation function listed under Functional Design or Technical Design. Please clarify where this function will be performed.
 - c. Chart shows Training under Implementation. Due to the iterative methodology, a training function will be required during the design and development phases. Please verify/update.
5. Page 72, Figure 4.1.B – CFS Project Expenditures Variances by Cost Category –
 - a. Please provide rational for state staff variance of - \$165,171.
 - b. Please provide rational for DSS FPB – Tech Asst & Sup Svcs variance of -\$156,895.
6. Page 72, Table 4.2.1 Revised Budget Projections of Total Project Costs –
 - a. Please correct inconsistencies between Total Development costs listed here and in Appendix B. Example:

- i. Page 72, of IAPDU shows FFY 2015Q4 Total Development costs as \$8,698,347.
 - ii. Page 26, of Appendix B shows FFY2015Q4 Total Development Costs as \$5,705,716.
 - b. The federal share listed is not 66% of total costs. Please verify/correct.
 - c. The FFY 2016 Total Development and Maintenance costs (\$32,935,288) are inconsistent with those cited in the cover letter (\$32,773,288). Please correct.
7. Page 88, Section 9 CSES Legacy System IAPD Update, Application Support and Upgrades –
- a. For each task to be worked in FFY2016, please provide an estimated completion date.
 - b. Since the new CSES will not be in production until 2020, request the state implement changes to the legacy system to comply with the Preventing Sex Trafficking and Strengthening Families Act, PL 113-183 regarding the implementation of UIFSA 2008 [Section 301(f)(3)(A)] and eIWO [Section 306(a)(2)(C0(iii))]. These should be FFY2016 priorities (eIWO implementation deadline was 10/1/2015).
 - c. First bullet under initiatives planned to start in FFY 2016 – states “Changes to the legacy CSES application to support the transition to the new Child Support application.” Is this valid considering the CSES Project Restart? Please update.
8. Page 89, CSES Legacy System IAPD Update –
- a. Request the state provide a table (can be in an appendix) showing the annual expenditures from current legacy system inception through 2015.
 - b. Request the state provide a project organization chart for legacy system support.
 - c. Request the state provide a paragraph addressing the security plans and status for the legacy system (identify security officer, date of last bi-annual security assessment, etc).

CFS Project IAPD Update 10 Revision 1 Appendices, Dated September 3, 2015

- 9. Page 14, Appendix A CFS Project Draft Implementation Schedule – The CSES Certification Completion date is inconsistent with the schedule on page 70 of the IAPD Update 10. Provide an updated schedule.
- 10. Page 68, Appendix F Draft Hardware and Software – Request the state adds a column designating the Hardware and Software as either CSES, FCCMS, or Shared.
- 11. Page 89, CFS Project Security Policy, 3rd bullet – Delete reference to HP.