

Annual Report

OVERVIEW OF MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM

December 2012 to November 2013



Legislative Budget Board

State Auditor's Office

Department of Information Resources

December 2, 2013

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OVERVIEW OF MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM

The Quality Assurance Team (QAT), comprised of representatives from the Legislative Budget Office (LBB), the State Auditor's Office (SAO), and the Department of Information Resources (DIR), identified 39 major information resources projects that are not expected to meet their planned delivery dates and 28 projects that have exceeded or are expected to exceed their initial budgets by a total of \$249 million during the period from December 2012 to November 2013. Those projects are included in the QAT's technology portfolio of 57 projects that it monitored pursuant to state statute.

During that same period, the QAT provided process improvement strategies to state entities that manage the projects in the portfolio.

FACTS AND FINDINGS

- ◆ From December 2012 to November 2013, 77 projects representing \$1.8 billion in major information resources projects were in the technology portfolio. Twenty of the 77 projects were approved and began after September 1, 2013.
- ◆ Portfolio investments increased approximately \$300 million during the same 12-month period.
- ◆ Of the 57 projects in the technology portfolio that began before September 2013, 39 were late or projected to be late by an average of 24 months. In addition, 28 of the projects exceeded or are expected to exceed their initial budgets by an average of \$8.9 million.
- ◆ One agency closed a project at a higher cost than originally planned and implemented a deliverable with less functionality than originally planned.
- ◆ Thirteen projects were reported to be complete.
- ◆ The Quality Assurance Team reviewed approximately 54 new business cases submitted by 14 agencies.
- ◆ Some projects that used a commercial off-the-shelf solution as a beginning point for their development had better budgetary and delivery outcomes than projects that did not use a similar approach.

DISCUSSION

Staff from the Legislative Budget Board (LBB), the State Auditor's Office (SAO) and the Department of Information Resources (DIR) serve in a joint capacity on the Quality Assurance Team (QAT). The QAT reviews and monitors state agency major information resources projects. QAT identifies potential major information resources projects from agency

Major Information Resources Projects

According to Texas Government Code, Chapter 2054, a major information resources project is:

- Any information resources technology project identified in a state agency's *Biennial Operating Plan* whose development costs exceed \$1.0 million and that:
 - Requires one year or longer to reach operations status,
 - Involves more than one state agency, or
 - Substantially alters the work methods of state agency personnel or the delivery of services to clients.
- Any information resources technology project designated by the legislature in the General Appropriations Act as a major information resources project.

Because higher education institutions do not submit the *Biennial Operating Plan*, that section of the Texas Government Code does not apply to them.

Biennial Operating Plans. QAT monitors the status of major information resources projects monthly or quarterly, depending on the risk of the project. QAT also provides feedback on agencies' framework deliverables.¹

BACKGROUND

The Quality Assurance Team (QAT) operates pursuant to Chapter 2054 of the Texas Government Code and Article IX, Sec. 9.02, of the General Appropriations Act, Eighty-third Legislature. The QAT approves, monitors, and reviews major information resources projects. Since its inception, the QAT has published annual reports that provide the status of those projects.

LBB staff specify procedures for the submission, review, approval, and disapproval of *Biennial Operating Plans* and amendments, including procedures for review or reconsideration of the LBB's disapproval of a *Biennial Operating Plan* or *Biennial Operating Plan* amendments.

SAO staff retain independence while assisting QAT in project reviews. Beginning in fiscal year 2005, the SAO delegated voting authority for any QAT-related decisions to approve or disapprove the expenditure of funds to the LBB. That delegation was made to ensure that the SAO retains its independence as required by certain auditing standards. The SAO delegated that authority again for fiscal years 2014 and 2015.

DIR's Texas Project Delivery Framework (framework) is intended for use during delivery of major information resources projects as defined in the Texas Government Code, Chapter 2054, Information Resources, and for certain major contracts. DIR's framework includes the following components:

- Business Justification;
- Project Planning;
- Solicitation and Contracting;
- Project Implementation; and
- Benefits Realization.

PROJECT PERFORMANCE OBSERVATIONS

From December 2012 to November 2013, 77 projects representing \$1.8 billion in major information resources projects were in QAT's state technology project portfolio. Twenty of the 77 projects began after September 1, 2013. Portfolio investments increased approximately \$300 million since the last QAT annual report.

Of the 57 projects in QAT's technology project portfolio that began before September 2013, 39 were late or projected to be late by an average of 24 months. In addition, 28 of the projects exceeded or are expected to exceed their initial budgets by an average of \$8.9 million. The Department of Aging and Disability Services closed a project after it spent an estimated \$14.7 million, delivering less functionality than originally planned. Thirteen projects were reported to be complete, and QAT is waiting on agency submissions of *Post-implementation Review of Business Outcomes* (PIRBO) reports for 12 completed projects.

DIR's Texas Project Delivery Framework (framework) is intended for use during delivery of major information resources projects as defined in the Texas Government Code, Chapter 2054, Information Resources, and for certain major contracts.¹

Since the 2012 QAT annual report, the SAO performed two rounds of reviews of projects involving multiple agencies on behalf of QAT. The first review was performed from December 2012 through February 2013. During that review, the SAO reviewed 13 major information resources projects at eight agencies. Results of that review were published in the SAO’s report, *A Report on Analysis of Quality Assurance Team Projects* (SAO Report No. 13-028). At the time of that analysis, seven of the projects were complete and the systems had been implemented, two projects were significantly complete, two projects were scheduled to be completed in fiscal year 2013, one project was scheduled to be completed in fiscal year 2014, and one project at the Texas Education Agency was canceled after five years of work. Nine of the 13 projects were completed late or were projected to be completed late, and one project was canceled after spending \$7.6 million over five years. The average delay for all 13 projects was nine months, or a 40 percent increase from the original projected end dates. The project with the shortest completion time took eight months. The project with the longest completion time took almost seven years; that project exceeded its planned completion time by 2.7 years. The following table includes reasons for project delays and factors that contributed to project success as identified by state agencies.

Post-implementation Review of Business Outcomes (PIRBO)

A Post-implementation Review of Business Outcomes describes the expected benefits and outcomes compared to the realized benefits and outcomes of implementing a major information resources project. In that report, the agency also identifies the lessons it learned that can be used to improve agency and/or state level processes.

The agency must submit a *Post-implementation Review of Business Outcomes* to the QAT within six months after a project has been completed.

FACTORS CONTRIBUTING TO PROJECT DELAYS

FACTORS CONTRIBUTING TO PROJECT SUCCESS

- | | |
|---|--|
| <ul style="list-style-type: none"> • Vendor negotiations and bidding process delays. • Federal and legislative requirements and standards changed during development of the system. • Turnover in project management. • Underestimated scope and time lines. • Decisions agencies made related to changes in funding, requirements, or design. | <ul style="list-style-type: none"> • Active agency staff involvement in planning, scope management, requirements gathering, and user acceptance activities. • Open/collaborative communication. • Effective management support. • Shorter project timelines. • Focusing on business outcomes. |
|---|--|

The SAO performed the second review from September 2013 through October 2013; that review included eight major information resources projects at six agencies. QAT selected the projects for review because they had been reported as complete, were nearing completion, or were identified as high-risk projects. The SAO is still receiving information from the agencies. The SAO will publish a report later in fiscal year 2014.

The Office of Attorney General completed the Crime Victims Claims Legacy Workflow System project under budget and on time. According to the OAG, that project was successful because:

- The project scope was clear and did not expand.
- The OAG identified and properly categorized system requirements.
- The project had strong executive sponsorship.
- The project identified and included the correct subject matter experts.

The project was recognized by the Texas Association of State Systems for Computing and Communications for implementing a technical application significantly improving internal operations, customer services, or communications.

QAT identified several projects that met the criteria of a major information resources project, yet they were not reported to QAT prior to beginning the project. Certain projects at the Department of Aging and Disability Services, the

Department of Public Safety, and the Health Professions Council were not reported. Agencies are required to report a major information resources project as defined in the Texas Government Code, Sec. 2054.118(a), which states that an agency may not spend appropriated funds for a major information resources project unless the project has been approved by the LBB in the agency's *Biennial Operating Plan* and by QAT.

PROPOSED BUSINESS CASES AND APPROVED PROJECTS

Since the last QAT annual report, QAT reviewed 54 new business cases submitted by 14 agencies. A business case is a decision-making tool used to determine how a proposed project will affect costs and efficiency over a given period. A business case must provide enough quantitative information (methodology of benefits) to justify an information resources project. Of the proposed businesses cases, 20 were approved as major information resources projects to be monitored. See Appendix B for a summary of approved projects that began after September 1, 2013. Below is a summary of QAT's significant observations during the review of the proposed business cases:

- ◆ Many projects are initially being submitted without a full methodology of benefits having been quantified. In addition, agencies did not always provide a methodology to quantify costs in their project deliverables. QAT met with agencies on multiple occasions to discuss their projects' quantitative benefits section while DIR assisted them in providing sample methodologies that other agencies have used in their quantitative benefits section.
- ◆ Agencies have communicated to QAT that they are reluctant to quantify benefits associated with the reduction in staff. Agencies are concerned with having their full time equivalent count reduced if they tie efficiencies gained through the implementation of a new system to staffing.
- ◆ QAT identified a project at the Texas Education Agency that is using another related project as a financial placeholder. That can cause a lack of clarity in accountability for business outcomes.
- ◆ Some agencies indicate that they do not have enough qualified internal staff to develop a project. They typically must hire additional staff or outsource project development to a vendor. Agencies then use internal staff to oversee a vendor's project manager.
- ◆ While reviewing multiple project deliverables at some agencies, QAT noted that some projects were actually programs, which are collections of several projects. DIR's framework is intended to apply only to projects. QAT met with these agencies and referred them to the framework instructions which provides guidance on how they should separate out the technology projects that are related to a program.
- ◆ QAT is beginning to see agencies break larger projects into smaller, more manageable projects using a phased approach when they develop and implement major information resources projects. Based on QAT data it appears that the phased approach results in more successful project outcomes with realistic initial estimates of costs and time lines. Of the 20 new projects, only 3 exceed 2 years in estimated development time.

OVERSIGHT INITIATIVES

Last year, QAT applied process improvement strategies to its monitoring of the projects in the portfolio. QAT created and began using the business case and business case workbook checklists for QAT project reviews; state statute now requires the Comptroller of Public Accounts to be notified before project funds are allocated; QAT received assistance from the SAO for onsite project reviews; and the QAT sent a request to all state agencies and public institutions of higher education to identify any information resources project that had a life cycle cost of more than \$750,000.

In December 2012, DIR included the business case and workbook checklists as part of the framework. Agencies are to use those checklists when reviewing the business case toolset before they submit deliverables to QAT. Prior to the submission of the business case and the workbook to QAT, agencies must use the checklists to verify the quality of a deliverable. Use of the checklists and QAT feedback has improved the quality of the final set of deliverables that agencies produce. QAT relied on those checklists and applied them while reviewing 54 sets of framework deliverables.

During the Eighty-third legislative session, it was established that the Comptroller of Public Accounts may not authorize the expenditure of appropriated funds by a state agency until written approval of the project is received from the QAT. That provision was included in Article IX, Sec. 9.02, of the General Appropriations Act, Eighty-third Legislature.

The SAO's report, *A Report on Analysis of Quality Assurance Team Projects* (SAO Report No. 13-028) identified several instances in which agencies use a modified, commercial off-the-shelf (COTS) solution. Final estimated budgets were close to the initial estimated budget, and projects took less time to complete than when agencies did not use a COTS solution (see text box for additional details). Although they used COTS solutions, the agencies still needed to modify the software to fit their needs and incurred development costs associated with their projects. Seven of the 13 projects the SAO reviewed used modified COTS solutions. Those seven projects exceeded their planned completion times by an average of 4 months (27 percent), and they exceeded their budgets by an average of \$1.7 million (23 percent). It took an average of 2.0 years to complete those projects. In comparison, the remaining six projects that did not use a COTS solution exceeded their planned completion times by an average of 14 months (55 percent) and exceeded their planned budgets by an average of \$2.0 million (97 percent).

It took an average of 3.7 years to complete those projects. Agencies understated the costs of their projects by not including the costs related to state employees who worked on the projects. For 8 of the 13 projects, agencies did not always include costs associated with the salary and benefits for state employees in the project documentation they submitted to the QAT.

In addition, to prepare agencies for reporting their major information resources projects to QAT in accordance with the proper submission requirements, QAT sent letters to all state agencies and public institutions of higher education in August 2013 to request that they list any major information resources projects that had a life cycle cost of more than \$750,000. The request included current projects or projects that may begin in the 2014–2015 biennium. It is noteworthy that none of the reporting public institutions of higher education identified projects that fit the definition of a major information resources project.

Commercial Off-the-shelf (COTS) Solutions

COTS solutions are commercially available specialized software designed for specific applications.

COTS may be selected for several reasons:

- Development time can be faster.
- The software can provide more user functionality than custom software and may be flexible enough to accommodate multiple hardware and operating environments.
- Help desk support can be purchased with the commercial license, which can help reduce software maintenance costs.

Sources: *GAO Cost Estimating and Assessment Guide Best Practices for Developing and Managing Capital Program Costs*, Report No. GAO -09-3SP, Governmental Accountability Office, March 2009; and <http://www.businessdictionary.com/definition/commercial-off-the-shelf-COTS-software.html>.

APPENDIX A**CURRENT MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM
ORDERED ALPHABETICALLY BY AGENCY**

(Original budgets do not include operational costs after implementation)

AGENCY	PROJECT	ORIGINAL BUDGET (IN MILLIONS)	CURRENT BUDGET (IN MILLIONS)	EXPENDITURES TO DATE (IN MILLIONS)	PERCENTAGE COMPLETE	ORIGINAL ESTIMATED DATES (MM/YY)	CURRENT ESTIMATED DATES (MM/YY)
Comptroller of Public Accounts	Statewide Enterprise Resource Planning Project – Human Resources ^a	\$18.0	\$23.7	\$20.9	90%	08/09 – 08/11	08/09 – 07/14
Department of Aging and Disability Services	Preadmission Screening and Resident Review (PASRR) Assessment Redesign Project ^b	\$2.3	\$6.0	\$3.1	90%	03/12 – 02/13	03/12 – 07/14
Department of Aging and Disability Services	Single Service Authorization System ^c	\$8.5	\$15.2	\$14.7	69%	06/10 – 08/13	06/10 – 09/13
Department of Assistive and Rehabilitative Services	ReHabWorks	\$2.4	\$18.3	\$17.5	100%	05/05 – 08/07	05/05 – 02/13
Department of Motor Vehicles	National Motor Vehicle Title Information System	\$2.1	\$2.1	\$0.80	65%	10/12 – 04/14	10/12 – 04/14
Department of Motor Vehicles	Registration & Titling System Refactoring Project	\$28.2	\$63.8	\$1.1	11%	05/12 – 12/18	05/12 – 12/18
Department of Motor Vehicles	WebDealer-eTitles	\$9.7	\$9.7	\$0.22	9%	09/12 – 06/15	09/12 – 12/15
Department of State Health Services	Clinical Management for Behavioral Health Services, Phase Five	\$3.5	\$4.8	\$3.3	78%	09/11 – 08/13	09/11 – 08/14
Department of State Health Services	Health Registries Improvement Project	\$1.0	\$3.4	\$2.9	100%	11/09 – 08/11	11/09 – 09/13
Department of State Health Services	ImmTrac Replacement Project	\$4.3	\$4.3	\$0.3	7%	06/12 – 03/15	06/12 – 03/15
Department of State Health Services	Pharmacy and Emergency Preparedness Asset Management System	\$1.0	\$2.1	\$1.9	95%	11/09 – 05/11	11/09 – 10/13
Department of State Health Services	Purchased Health Services Unit (PHSU)	\$3.6	\$5.2	\$1.5	48%	06/12 – 08/14	06/12 – 08/14
Department of State Health Services	Trauma Registry Improvement System Project	\$3.8	\$3.3	\$3.3	100%	11/09 – 01/12	11/09 – 05/13
Department of State Health Services	Women, Infants and Children (WIC), WIC Information Network (WIN) ^d	\$24.9	\$75.5	\$11.4	20%	07/06 – 06/10	07/06 – 03/16
Health and Human Services Commission	EDW—Enterprise Information Management	\$100.0	\$129.9	\$10.1	8%	04/08 – 04/17	04/08 – 10/18
Health and Human Services Commission	Enhanced Eligibility	\$664.7	\$676.8	\$664.9	83%	06/07 – TBD	08/07 – 08/13
Health and Human Services Commission	Enterprise Security Improvements Project	\$7.9	\$6.4	\$5.7	100%	09/11 – 01/14	09/11 – 08/13

**CURRENT MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM
 ORDERED ALPHABETICALLY BY AGENCY (CONTINUED)**

(Original budgets do not include operational costs after implementation)

AGENCY	PROJECT	ORIGINAL BUDGET (IN MILLIONS)	CURRENT BUDGET (IN MILLIONS)	EXPENDITURES TO DATE (IN MILLIONS)	PERCENTAGE COMPLETE	ORIGINAL ESTIMATED DATES (MM/YY)	CURRENT ESTIMATED DATES (MM/YY)
Health and Human Services Commission	High Availability for State Hospitals and State Supported Living Centers (SSLCs)	\$5.7	\$4.5	\$0.9	68%	09/11 – 08/13	10/11 – 12/14
Health and Human Services Commission	HR/Payroll Upgrade Project	\$14.1	\$13.8	\$13.3	100%	01/11 – 04/12	01/11 – 02/13
Health and Human Services Commission	Medical Transportation Program Telecommunications Enhancement	\$6.5	\$3.4	\$3.4	100%	05/09 – 08/11	04/08 – 01/13
Office of Attorney General	Child Support Division – Enterprise Content Management	\$51.3	\$35.2	\$28.5	88%	09/08 – 12/11	09/08 – 11/15
Office of Attorney General	Child Support Division – Enterprise Reporting System	\$6.2	\$12.0	\$6.4	21%	09/08 – 08/12	09/08 – 11/15
Office of Attorney General	Child Support Division – Establishment & Enforcement Renewal	\$54.5	\$65.0	\$37.8	29%	01/10 – 08/15	09/09 – 11/15
Office of Attorney General	Child Support Division – Financial Renewal	\$40.2	\$48.2	\$15.7	1%	12/13 – 12/17	02/13 – 12/17
Office of Attorney General	Child Support Division – Rendering OAG Documents and Easy Orders Upgrade	\$6.3	\$10.0	\$6.2	36%	08/09 – 10/12	01/09 – 11/15
Office of Attorney General	Child Support Division – Security Management	\$8.7	\$6.4	\$4.8	36%	09/08 – 08/11	09/08 – 11/15
Office of Attorney General	Child Support Division – Infrastructure Enhancements	\$48.8	\$66.3	\$43.0	45%	09/08 – 12/11	09/08 – 11/15
Office of Attorney General	Crime Victims Legacy Workflow System	\$6.4	\$3.9	\$2.0	100%	07/10 – 01/13	06/10 – 02/13
Railroad Commission	Agency Enforcement & Compliance Project	\$4.6	\$4.6	\$0.016	1%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	Alternative Energy Division Online Project (LP)	\$1.8	\$1.8	\$0.006	1%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	Gas Services Online Project	\$1.8	\$1.8	\$0.011	2%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	GIS Technology Upgrade Project	\$4.3	\$4.3	\$0.016	1%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	Oil & Gas Permitting and Online Filing Project	\$12.6	\$12.6	\$0.043	1%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	Operator Portal Project	\$3.7	\$3.7	\$0.014	1%	06/13 – 08/15	06/13 – 08/15
Railroad Commission	Pipeline Online Permitting Project	\$3.5	\$3.5	\$0.012	1%	06/13 – 08/15	06/13 – 08/15
Teacher Retirement System	TRS Enterprise Application Modernization (TEAM)	\$96.1	\$114.9	\$18.7	15%	09/11 – 03/17	09/11 – 08/18

**CURRENT MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM
 ORDERED ALPHABETICALLY BY AGENCY (CONTINUED)**

(Original budgets do not include operational costs after implementation)

AGENCY	PROJECT	ORIGINAL BUDGET (IN MILLIONS)	CURRENT BUDGET (IN MILLIONS)	EXPENDITURES TO DATE (IN MILLIONS)	PERCENTAGE COMPLETE	ORIGINAL ESTIMATED DATES (MM/YY)	CURRENT ESTIMATED DATES (MM/YY)
Texas Commission on Environmental Quality	Permit and Registration Information System II	\$4.3	\$5.3	\$4.9	100%	09/11 – 08/13	09/11 – 08/13
Texas Commission on Environmental Quality	Texas Emissions Reduction Plan Database	\$1.4	\$2.0	\$1.8	100%	09/09 – 08/11	09/09 – 02/13
Texas Department of Public Safety	Automated Driver License Knowledge Testing System (ADLTS)	\$13.2	\$9.5	\$0.007	0%	05/13 – 08/14	12/13 – 12/14
Texas Department of Public Safety	Enterprise Case Management	\$3.7	\$7.9	\$0.010	1%	03/13 – 02/15	09/13 – 08/15
Texas Department of Transportation	Centralized Account and Payroll/Personnel System (CAPPS) – PeopleSoft Implementation	\$51.7	\$51.6	\$17.9	35%	01/13 – 09/14	01/13 – 09/14
Texas Department of Transportation	Compass	\$13.5	\$13.6	\$11.7	100%	10/06 – 12/09	04/06 – 01/13
Texas Department of Transportation	Enterprise Business Intelligence System (EBIS)	\$5.0	\$7.5	\$2.7	32%	04/12 – 03/15	03/12 – 12/15
Texas Department of Transportation	Highway Performance Monitoring System (HPMS) Conversion to GIS	\$2.5	\$3.4	\$2.2	57%	10/10 – 08/12	08/10 – 11/14
Texas Department of Transportation	Mainframe Application Modernization Project (Roadmap Project)	\$4.1	\$2.5	\$2.5	100%	10/11 – 07/12	10/11 – 11/12
Texas Department of Transportation	Statewide Traffic Analysis and Reporting System II—Phase I*	\$1.9	\$1.9	\$1.5	79%	05/08 – 12/09	05/09 – 11/13
Texas Department of Transportation	Texas Environmental Compliance Oversight System (ECOS)	\$1.6	\$1.8	\$1.9	100%	06/11 – 08/13	09/11 – 09/13
Texas Department of Transportation	Texas Railroad Crossing Project (TxRAIL II)	\$2.4	\$2.5	\$1.8	100%	05/06 – 08/10	05/06 – 05/13
Texas Department of Transportation	TxTag Customer Service Center Back Office System Project*	\$8.7	\$8.7	\$1.6	42%	01/09 – 06/12	01/09 – 06/14
Texas Education Agency	PEIMS Redesign Phase III	\$3.9	\$4.0	\$3.7	96%	09/11 – 08/13	09/11 – 12/13
Texas Education Agency	Texas Student Data System (TSDS)	\$21.0	\$31.9	\$21.2	67%	09/10 – 06/13	09/10 – 08/14
Texas Water Development Board	TxWISE Project	\$1.8	\$1.9	\$1.4	84%	03/11 – 03/13	04/11 – 09/14
Texas Workforce Commission	UI IT Improvement Strategy – Benefits Electronic Correspondence - Claimant View 1.0	\$1.2	\$1.2	\$0.0	0%	03/13 – 04/14	09/13 – 04/14
Texas Workforce Commission	Improve Benefits System User Interface	\$7.8	\$7.5	\$1.1	22%	04/12 – 02/15	01/12 – 02/15
Texas Workforce Commission	Improve Fraud Discovery Project	\$3.3	\$2.9	\$0.36	21%	03/11 – 03/13	10/12 – 12/14

**CURRENT MAJOR INFORMATION RESOURCES PROJECTS REPORTED TO THE QUALITY ASSURANCE TEAM
ORDERED ALPHABETICALLY BY AGENCY (CONTINUED)**

(Original budgets do not include operational costs after implementation)

Texas Workforce Commission	Improve Tele-Center Call Handling	\$6.3	\$3.1	\$0.11	20%	11/11 – 08/13	03/12 – 04/14
Texas Workforce Commission	Tax Modernization Project	\$9.1	\$10.2	\$2.0	20%	09/11 – 02/14	11/12 – 08/14

- ^aProject was originally reported as complete. The agency reopened the project to complete the initial scope.
- ^bDADS intends to reduce budget, scope, and time frame and will continue finalizing the project with the Texas Medicaid & Healthcare Partnership (TMHP) current services contract at a cost of \$690,000. There are three enhancements to the PASRR function in the TMHP LTC Online Portal for compliance with federal regulations and the litigation settlement agreement.
- ^cProject canceled by agency with reduced functionality. Final costs have not yet been determined.
- ^dThe contract with the vendor was terminated with a mutual agreement in 2013; DSHS is selecting a new vendor.
- ^eAgency terminated the vendor and rebaselined the project before hiring another vendor.

Source: Original costs and time line derived from agency business case submission. Current budget is derived from submission of latest agency monitoring report.

APPENDIX B**OVERVIEW OF NEW PROJECTS APPROVED TO BEGIN AFTER SEPTEMBER 1, 2013
ORDERED ALPHABETICALLY BY AGENCY**

(Estimated Budget does not include operational costs after project implementation)

AGENCY	PROJECT	ESTIMATED BUDGET (IN MILLIONS) ¹	ESTIMATED TIMELINE (YEARS)	BENEFITS (IN MILLIONS) ²	COMMENTS
Commission on State Emergency Communications	Texas Next Generation 9-1-1 Geospatial Database	\$11.3	3.0	\$417.3	Cumulative net benefits are shown as gaining \$357.6 over a 10-year period. Total business case cost for the 10-year period is \$51.9 million.
Comptroller of Public Accounts	CAPPS Financial Agency Deployment FY 14	\$5.9	1.0	\$20.0	Cumulative benefits include \$18.6 million on cost avoidance related to maintenance costs. Total business case cost for the 10-year period is \$9.7 million.
Comptroller of Public Accounts	Enterprise Content Management System Replacement	\$4.5	2.0	\$16.8	Quantifiable benefits include \$14.4 million on reduced constituent transaction costs and to cost savings for improvement in efficiency and productivity. Total business case cost for the 10-year period is \$13.8 million.
Comptroller of Public Accounts	TxSmartBuy - Online Ordering System	\$5.7	1.0	\$85.6	Quantifiable benefits are over a 10-year period, which includes \$9.2 million each year in a reduction of information technology (IT) and non-IT contractors/consultants related to current system costs for maintenance and support. Total business case cost for the 10-year period is \$31.6 million.
Department of Aging and Disability Services	Balancing Incentive Program — LTSS Screen Project	\$3.2	1.6	\$7.9	Benefits result from a reduction in information technology (IT) and non-IT full-time equivalent (FTE) costs related to agency staff not having to duplicate data entry in multiple systems. Total business case cost for the 10-year period is \$3.2 million. Operational costs were not identified by the agency.
Department of Aging and Disability Services	State Supported Living Centers Electronic Health Record/Electronic Life Record Project	\$19.2	1.8	\$67.2	Benefits are related to a reduction in IT and non-IT FTE costs related to savings for staff (physicians, registered nurses, licensed vocational nurses, psychiatrists, etc.). Total business case cost for the 10-year period is \$20.0 million.
Department of Family and Protective Services	Assessment Decision Making Tool	\$1.6	1.0	\$21.6	Quantitative benefits are related to constituent's service delivery savings related to enhanced services to high-risk clients. Total business case cost for the 10-year period is \$1.6 million. Operational costs were not identified by the agency.
Department of Family and Protective Services	Child Protective Services — Alternative Response	\$1.7	1.0	\$61.2	Return on investment of \$61 million from fewer additional staff and increased constituent benefits. This will take place in year five of the project. Total business case cost for the 10-year period is \$1.7 million. Operational costs were not identified by the agency.
Department of Family and Protective Services	Information Management Protecting Adults and Children in Texas system (IMPACT) Modernization	\$44.6	4.0	\$191.7	Quantitative benefits realized by improvements in Child Protective Services (CPS), Adult Protective Services (APS), and Statewide Intake Policy (SWI) workflow and through improved usability of system. Total business case cost for the 10-year period is \$59.1 million.

**OVERVIEW OF NEW PROJECTS APPROVED TO BEGIN AFTER SEPTEMBER 1, 2013
ORDERED ALPHABETICALLY BY AGENCY (CONTINUED)**

(Estimated Budget does not include operational costs after project implementation)

AGENCY	PROJECT	ESTIMATED BUDGET (IN MILLIONS) ¹	ESTIMATED TIMELINE (YEARS)	BENEFITS (IN MILLIONS) ²	COMMENTS
Department of Family and Protective Services	Information Management Protecting Adults and Children in Texas System (IMPACT) Upgrades	\$3.4	2.0	\$3.7	Quantitative benefits realized in cost avoidance by moving from a manual process to automation. Total business case cost for the 10-year period is \$3.4 million. Operational costs were not identified by the agency.
Department of State Health Services	Client Assignment and Registration Enrollment (CARE) Retirement DSHS	\$15.1	3.30	\$26.0	The Department of State Health Services will only realize \$4.0 million if it does not move off the mainframe system and it would be solely responsible for the entire cost assuming the Department of Aging and Disability Services moves off the mainframe system by year 5. Total business case cost for a 7-year period is \$16.9 million.
Department of State Health Services	Clinical Data Exchange for Behavioral Health	\$1.4	1.3	\$7.8	Quantitative benefits are realized equally between improved workflow for patient discharges from state hospitals to local mental health authorities and savings to primary care providers using electronic records transfers. Total business case cost for a 7-year period is \$2.4 million.
Department of State Health Services	NorthSTAR Enrollment Optimization (NEO) Project	\$2.2	2.0	\$0.324	This project does not have a positive return on investment, though the CARE retirement project is dependent on this project in order to obtain the financial benefits of moving all functionality off the mainframe. The CARE retirement project shows a positive return on investment in year eight after deployment. Total business case cost for a 7-year period is \$3.2 million.
Office of Attorney General	Legal Case Management Replacement System	\$4.1	1.3	\$9.1	Quantitative benefits realized in improved workflow and improved business processes as well as identified cost avoidance (manual process to manage legal data). Total business case cost for a 4-year period is \$5.7 million. Operational costs were not identified by the agency after year four.
Secretary of State	Texas Election Administration Management System	\$4.5	1.3	\$24.4	Benefits are realized in agency costs savings related to improved efficiency and productivity plus reductions in maintenance costs of current system over a 10-year period. Total business case cost for the 10-year period is \$23.7 million.
Texas Department of Criminal Justice	Electronic Document Management System	\$14.7	1.8	\$35.0	Quantitative benefits realized in improved efficiency and productivity due to the large storage of paper documents. Cost avoidance of a fire suppression system related to the large amounts of paper being stored. Operational costs were not identified by the agency.

**OVERVIEW OF NEW PROJECTS APPROVED TO BEGIN AFTER SEPTEMBER 1, 2013
ORDERED ALPHABETICALLY BY AGENCY (CONTINUED)**

(Estimated Budget does not include operational costs after project implementation)

AGENCY	PROJECT	ESTIMATED BUDGET (IN MILLIONS) ¹	ESTIMATED TIMELINE (YEARS)	BENEFITS (IN MILLIONS) ²	COMMENTS
Texas Department of Public Safety	Fingerprint Portrait Signature Project	\$7.8	1.0	\$7.2	The agency is upgrading equipment to support the new software solutions that must be used to manage Department of Public Safety business. The Department of Public Safety believes the cost of these upgrades should not be passed on to the constituent base. Total business case cost for the 10-year period is \$20.0 million.
Texas Workforce Commission	PeopleSoft Financial Upgrade	\$2.9	2.0	\$3.1	Benefits are related to reduction to staff time for dual entry of financial transactions into the Uniform Statewide Accounting System (USAS) and the Integrated Statewide Administrative System (ISAS) to avoid late payment interest fees. Operational costs were not identified by the agency.
Texas Workforce Commission	Tax Electronic Correspondence	\$1.5	2.0	\$3.2	Quantitative benefits are related to cost avoidance through compliance and protection associated with postage, mailing, and print services. Total business case cost for an 8-year period is \$1.6 million.
Texas Workforce Commission	Workforce Systems Common Components ³	\$3.0	1.8	\$3.1	Quantitative benefits are related to constituent benefits related to improved workflow/business processes and reduction in error rates. Total business case cost for the 10-year period is \$6.3 million. Operational costs were not identified by the agency.
Total Estimated Costs:		\$158.3			

¹ Estimated project development costs up to time of placing system into production.

² Benefits quantifies incremental cost savings, cost avoidance, and revenue generation benefits for the agency, as well as service delivery and regulatory savings for constituents usually identified over a 10-year period.

³ Project was reapproved due to delay in securing a vendor.

Source: Original costs and time line derived from agency business case submissions - (August 2012 – October 2013) to QAT.

CONTACT

An electronic version of the report is available at <http://qat.state.tx.us>. If you have any questions, please contact Richard Corbell of the Legislative Budget Board at (512) 463-1200, Ralph McClendon of the State Auditor's Office at (512) 936-9500, or P.J. Vilanilam of the Department of Information Resources at (512) 475-4700.