

MEMORANDUM

TO: Members of the House Committee on Energy and Technology
FROM: John Quinn, Secretary, Agency of Digital Services
DATE: February 26, 2019
SUBJECT: Appropriations Letter – Justification for Sections E.400 and E.500.1

This memo is to provide a written explanation of justification to sections E.400 and E.500.1 as requested. I am supportive of both projects, as both align with the Governor's priorities of improving the economy, making Vermont more affordable, and protecting the most vulnerable.

While the E.400 budget language and changes are correct, the explanation appears to be a clerical error on the Administration's part. That language change is not (was never) intended to provide funding for IT costs within the workers' compensation (WC) program. That language change is unrelated to IT.

There are two projects I can touch on as they relate to this Committee, however, there is not specific budget language for them. The Department of Labor already has spending authority for the IT projects as they are ongoing from years past. I can touch on them briefly here.

- The Department of Labor and their Workers' Compensation Division are in the beginning processes (again...) of replacing their current antiquated workers' compensation database with a web-based system. This project is intended to consolidate multiple databases currently in use, and allows the receipt of electronic data including injury reports, medical data, WC forms, etc. The system will allow collection and analysis of claims data, and performance data which is not available in the current system, including employer WC claims, insurance coverage and statistics for legislative and administrative action.
- The system will incorporate a case and document handling system so that all files will be maintained electronically (currently the system is largely paper-driven). WC is funded through an assessment on employers' WC premiums and self-insured employers' paid WC losses. The assessment is deposited in a Special Fund (21 V.S.A. §711). The project is estimated to cost between eight and nine million dollars.



E500.1 refers to the AOE Shared School District Data Management System (SSDDMS). This project will provide a centrally managed system, replacing over 50 IT financial systems that are decentralized and managed by the Supervisory Unions/Districts (SU/SD). Act 11 of the 2018 Special Session gave AOE the authority to select and manage a financial management solution for all SU/SD's. The project has had some challenges, primarily related to its legislatively mandated schedule. I expect this project will complete but not necessarily on time. I can provide more detail if the Committee desires.

