

State of Vermont
Joint Fiscal Office

Independent Review
of
State Information Technology Projects, Operations, and
Organizations
(Act 74 of 2021, Sec. E.127.1)

Consolidated Summary for
Joint Information Technology Oversight Committee

November 7, 2023

Prepared by:
Lisa M. Gauvin
Information Technology Consultant
Joint Fiscal Office

1. About this Document

This document provides updates for state information technology projects that are actively being monitored or are undergoing information technology reviews by the Joint Fiscal Office (JFO).

Prior project reviews can be found at the following link: <https://lifo.vermont.gov/subjects/state-it>.

For projects that have received full JFO IT reviews, the JFO continues to monitor project status via project management documents, status reports, independent reviews, and other documentation.

This document also provides an update for a state project undergoing JFO information technology review. These projects did not undergo a full JFO IT review previously because they were still in the early planning stages, and there was not enough information to conduct a full review. Although recommended for funding, a caveat was included requiring a full JFO IT Review be performed when the required information is available. Once completed, the JFO IT Review will be presented to the Joint Information Technology Committee, which will decide whether to approve the release of the appropriated funds.

Note: In this document, "CIO's Independent Review" refers to a review described in 3 VSA § 3303(d). This is a requirement for the Agency of Digital Services to obtain an independent expert review of any new information technology projects with a total cost of \$1,000,000.00 or greater or when required by the Chief Information Officer. This CIO's Independent Review has a different scope than the JFO Information Technology Review and is conducted by a vendor selected by the Agency of Digital Services.

2. Updates for Active Projects Previously Reviewed

2.1 Agency of Human Services (AHS) – Integrated Eligibility and Enrollment Program



Last Project Review: Interim Update of August 30, 2019. Legislative updates, informal reviews, and monitoring have been ongoing since this previous review.

Over the last several years, IE&E has completed several modernization efforts that have primarily focused on addressing system and security requirements. This included ensuring Vermonters had access to benefits during the pandemic. Details of these efforts can be found in Appendix A of this document.

The IE&E team is now working on a Request for Proposal (RFP) for a notification system to replace the current noticing solution which is at end of life. In addition, the IE&E team is near completion of a draft RFP for the procurement of a new integrated eligibility system that will replace legacy systems for IE&E programs. This effort is a positive step towards mitigating business continuity risks associated with legacy enrollment systems (ACCESS and VHC).

This system is referred to as VT-IES (Vermont Integrated Eligibility System) and includes a new client portal, case management, and business rules engine. This RFP is subject to formal federal approval before it is posted. The IE&E team has indicated that additional state funding will be needed to fund the state match for this project. This project will roll out incrementally over four years.

An important aspect of the VT-IES project is that it will use a new backend database and not rely on mainframe ACCESS for operations. The system will still load data into ACCESS because programs remaining on ACCESS need the data. Still, this is a significant step toward retiring what will be the last state mainframe application.

The risks associated with the age of the ACCESS system and the lack of documentation were key drivers for the funding of the initial IE&E project. My prior reviews of this project had been negative due to its length (Pre-2012) and the continued use of ACCESS for new development.

My current rating is "neutral" because I believe VT-IES is charting a comprehensive path forward and away from the business continuity risks associated with the mainframe.

The VT-IES project will be subject to the CIO's independent review before any bid is accepted. At that point, I suggest JFO do a fresh review of this project and not saddle this team to a business case developed before 2012.

Please see Appendix A of this document for more information about IE&E's recent accomplishments and challenges and suggested next steps regarding other programs still using ACCESS.

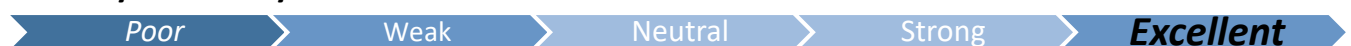
2.2 Department of Motor Vehicles – DMV Core System Modernization



Last Project Review: Interim Update of April 19, 2022. (https://lifo.vermont.gov/assets/Subjects/Independent-Memos-and-Reports-Other/5c23885fd5/DMV_Feb_2022.pdf)

This project consists of Phase 1, Vehicle Services (VS), which includes titling, registration, and other customer-facing eServices, and Phase 2, Driver's Services (DS), including driver's licenses and other identification, customer-facing eServices, and other supporting functions. Project monitoring involves the review of weekly status reports, project plans, and other project documents. In addition, I consulted Commissioner Minoli in October. Phase 1 is on time, on budget, and on track to go live on November 13th. The estimated date for completion of Phase 2, Driver's Services, remains July 2025.

2.3 Judiciary – Judiciary Network



Last Project Assessment: April 19, 2023 https://lifo.vermont.gov/assets/Subjects/Independent-Memos-and-Reports-ther/fc57d1c235/JFO_IT_Consultant_memo_Regarding_Judiciary_Network_IndepRev_23_04_18.pdf Project monitoring been ongoing. The project is currently on time and on budget. All equipment has been purchased. As of October 17th, 75% of rewiring in courthouses has been completed. The network design has been completed. A network roll-out and testing plan has been developed and will begin in November. Roll-out for all courthouses will be completed in February. Conversion from the State to the Judiciary system is planned and expected to be completed by June. The State CIO cited the conversion as high risk and requiring more collaboration than was occurring. The Judiciary and the State teams are working together to minimize this risk.

3 Current Status for Projects with JFO IT Review Underway

3.1 Department of Labor – Unemployment Insurance (UI) Modernization Project

The Department of Labor – Unemployment Insurance (UI) Modernization Project project was previously assessed in the memo "Assessment of IT Projects in the FY23 Governor Recommended Budget".

This document can be found at the following location:

https://lifo.vermont.gov/assets/Subjects/Independent-Memos-and-Reports-Other/7223e5fa07/FY23_Recommendations_For_UI_ERPFM_WIMsv1.pdf

3.2 Project Description

This project will implement outward-facing claimant and employer portals (phase 1) and replace all mainframe processes for the unemployment insurance system (phase 2).

3.3 Summary of Interim Findings

The Joint Information Technology Committee (JITOC) requested this interim review. A review of the findings at this stage of the review process provides an excellent opportunity for the Committee to get insight into the challenges that must be overcome before project work begins. Although this assessment looks concerning, **I do not believe we have encountered any deficiencies that cannot be corrected.** Sometimes, my preliminary assessments may be wrong or based on incorrect assumptions. I have submitted follow-up questions to the State and will offer my final assessment at the conclusion of this work.

Do not consider this assessment as final.

3.4 Interim Ratings by Review Area: Unemployment Insurance (UI) Modernization Project

Overall status:



*This IR has identified gaps in project staffing. My initial review of the project has also identified potential gaps in the implementation plan that I feel must be addressed by the State. **None of the gaps relate to the implementation vendor or solution.** Until these areas are reconciled, my overall rating is WEAK.*

1. Project Justification: (Why are we doing this? Is the project necessary and beneficial?)



There is a strong justification for this project. A modern, secure information system should replace the current Vermont Department of Labor 50-year-old mainframe and 30 to 40-year-old applications.

2. Clarity of Purpose: (Is the definition of success established and realistic?)



*The independent review left many unanswered questions regarding the implementation plan, impacting whether the definition of success is realistic. **More clarification is needed.***

3. Organizational Support: (Does the business fully support the project?)



The independent review indicated that State resource availability may negatively impact the project timeline. The IR also indicated key staff may resist the changes required by the new system. These risks must be mitigated.

4. Project Leadership: (Does the project have strong and effective leadership?)



The independent review mentioned that the previous ADS Technical Lead was unavailable for this project. There is insufficient information to assess project leadership.

5. Project Management: (Is the project management staff appropriate, and will project management conform to State of Vermont standards?)



Project staffing plans have not been received or discussed at this time, so this area has not been rated.

6. Financial Considerations: (Is funding secure and sufficient for the anticipated life of the system?)



The Independent Review indicated, "There is a net annual increase in operational costs with no break-even point." I believe the State will seek more funding to cover the system's ongoing operations. The IR did not include the increased dollars allocated to DOL to cover staff augmentation for this project. I believe the analysis did not include dollars spent on outside contractors to support the mainframe.

7. Technical Approach (Are the proposed technical solutions achievable, realistic, and appropriate for this project?)



The current implementation plan describes a "go-live" for tax portion of the system, followed by a "go-live" for the benefit portion of the system a year later. Although I believe the vendor can produce a system in this timeframe, I have serious doubts the current UI mainframe will function properly if the benefits portion of the system is decoupled from the tax portion. This concern must be discussed and mitigated.

Appendix A

Agency of Human Services (AHS) – Integrated Eligibility and Enrollment (IE&E)

Here is a link to the AHS has a website dedicated to providing information about the IE&E project ([Integrated Eligibility and Enrollment \(IE&E\) System | Agency of Human Services \(vermont.gov\)](#))

Major Project Accomplishments since the last JFO review.

- Implementation of a document loader and State's solution for document management (OnBase).
- Upgrade Medicaid for the Aged, Blind, and Disabled application (MABD) in compliance with Federal requirements.
- Moved premium processing from VHC to insurance carriers.
- Replaced the Vermont Health Connect (VHC) reporting solution with a modern cloud-hosted solution.
- Development of draft RFP for new VT-IES System. This work was informed by conversations with vendors, other states, federal partners, and AHS requirements gathering efforts.

Current Activities

- Team has submitted draft RFP for VT-IES to the U.S. Center for Medicaid and Medicare Services and Food Nutrition Services for feedback – and the again for formal review before it is re-posted.
- Team must re-issue RFP for notification services. Former RFP was not awarded after a functional gap was identified in notification software that was the designated solution.

Challenges

- Improvements to the system have improved access to customers during the pandemic, but the information collected via new interfaces must then be manually entered by staff into the system (ACCESS). This process has been deemed to be out of compliance with federal requirements and this must be addressed before VT-IES is implemented.
- Managers must pay close attention to guidelines to retain federal match.
- Project team is not responsible for other programs sharing ACCESS and VT-IES must update data in ACCESS to support these other programs, even though VT-IES will be using a new backend database.
- Federal money is funding the majority of this system, and all work must be reviewed and approved by the federal partners.

Conclusion and Next Steps

Discussions of additional funding for IE&E's V-TIES project should include plans for a new JFO Review that detaches the project from original pre-2012 business goals and requirements.

Because other programs rely on ACCESS, oversight concerns about business continuity should focus on the risk the ACCESS program poses to services provided to Vermonters served by these other programs.

Recommended Next Steps

In accordance with state procurement rules, the VT-IES RFP should undergo a State CIO's Independent review before any contracts are signed. At this time, a JFO IT Review of the VT-IES should be conducted.

In addition, I recommend legislators consider requiring the State submit a plan to the general assembly for retiring ACCESS. I would suggest the plan include the following information:

1. An outline of all the Programs currently using ACCESS
2. The name and description of applications currently using ACCESS.
3. The annual costs of maintaining ACCESS and the applications mentioned in #2.
4. A plan for implementing a new operational database(s) to replace ACCESS.
5. Other information and challenges AHS or ADS deem important regarding de-commissioning ACCESS.