APD Reform Comes to the States

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While attending the National Child Support Enforcement Association Policy Forum in January, a presentation on the newly announced advanced planning document (APD) reform particularly stood out. Joseph Bodmer, project director at the U.S. Department of Health and Human Services, Office of Child Support Enforcement, walked the audience through the changes and described the two major shifts in oversight: more focus on high risk projects/procurements (with less on low risk) and overseeing the transition from federal to state procurement laws, regulations, policies, and procedures. The biggest change is the newly created operational APD (OAPD), only available for maintenance and operations (M&O) projects. The OAPD is akin to an acquisition checklist, reducing submission/approval requirements for lower-risk M&O contracts. States will only need to provide a simple summary of the project and list the procurements that will be taking place over the next year. Contracts or request for proposals (RFP) documents will no longer be reviewed, and the state will not have to include project plans or benefit analysis studies. The dollar threshold has been bumped from $5 million to $20 million.

The second type of project, software development, is still considered high risk. If a state wants to develop a new IT system, a feasibility study is still needed with a cost-benefit analysis on each alternative solution the state analyzes. However, federal officials no longer require a cost-benefit analysis at each yearly APD update. The threshold for software development has increased to $6 million.

Don't assume a child support enforcement system solution that can be bought "off-the shelf" qualifies as an M&O. Bodmer confirmed that if an ordinary person can purchase the system and use it, then it is considered an off-the-shelf product, not software development. No citizen is going to buy a child support solution that is typically highly customized for each state's needs, so those types of procurements will continue to fall under software development, calling for the traditional APD process.

Independent verification and validation (IV&V) is now subject to all high-risk entitlement programs. Triggers for IV&V include projects:

- Risk of missing statutory deadlines
- Risk of failing to meet a critical milestone
- Indicated need for a new project or total system redesign
- Development of systems under waivers
- Risk of failure, significant delay, or significant cost overrun
- State procurement policies putting a project at risk

With the rise of integrated IT projects touching several state departments, failure to adequately involve state program offices in development and implementation of system projects requires immediate IV&V. Bodmer used the Oklahoma enterprise architecture project as an example. The new IT system will touch 42 different state programs, some at varying phases of the project. If the state had not included the child support program in initial conversations (even though child support would not be included in the system until phase three), the project would not have been approved.

The goals of reform are to reduce oversight in a number of areas and shorten the period of time to execute procurements and contracts. This should help alleviate some of the stress placed on states as they prepare for Affordable Care Act (ACA) requirements looming overhead. Federal officials want to increase focus on high-risk projects and procurements to eliminate instances of project failure, which is no longer an option for states. Any state having a high-risk project fail using federal dollars will see all federal dollars taken back. As APD reform rolls on, federal officials are looking for more electronic submissions and postings, which will hopefully lead to more transparency in the planning project.

For more information on the NCSEA Policy Forum, click **here**.