



## Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) is submitting a placeholder request in the 2024 Supplemental Budget to begin implementing a Social Services Payment System (SSPS) Replacement solution for all DCYF payments. A feasibility study will be completed in the fall of 2023, which will provide DCYF with the considerations necessary to implement a successful SSPS Replacement project as well as an estimate for the corresponding funding needed.

## Program Recommendation Summary

### 010 - Children and Families Services

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## Fiscal Summary

| Fiscal Summary<br><i>Dollars in Thousands</i> | Fiscal Years |      | Biennial | Fiscal Years |      | Biennial |
|-----------------------------------------------|--------------|------|----------|--------------|------|----------|
|                                               | 2024         | 2025 | 2023-25  | 2026         | 2027 | 2025-27  |
| <b>Operating Expenditures</b>                 |              |      |          |              |      |          |
| Fund 001 - 1                                  | \$0          | \$0  | \$0      | \$0          | \$0  | \$0      |
| Total Expenditures                            | \$0          | \$0  | \$0      | \$0          | \$0  | \$0      |

## Decision Package Description

The Department of Children, Youth and Families (DCYF) uses the Social Service Payment System (SSPS) to pay for a variety of services that facilitate employment, increase independence, support families, and protect children. SSPS provides authorization and payment processing for services delivered to DCYF clients. This mission-critical system is used by more than 2,000 case workers from DCYF to pay over 23,000 social service providers more than \$1 billion annually in services to more than 100,000 clients.

The SSPS system facilitates the following processes:

- Generates invoices and payments to service providers and contracted and non-contracted providers.
- Makes one-time and recurring payments.
- Generates letters and notification documents to payees.
- Provides statistical data.
- Generates reports detailing counts of services delivered, unduplicated client and payment counts, payments by service, etc.
- Creates reports on a regular schedule at different administrative levels such as but not limited to: local/worker level, regional level, statewide level.
- Consolidates various payment authorization documents and social service reporting forms.
- Tax reporting and garnishments.

The COBOL developer resources needed to support the current system are a scarce resource, creating challenges to maintain the existing system. Therefore, the system must be streamlined and modernized to continue to support payment processing and new technologies in the future, including the ability to interface with OneWA.

DCYF technical staff continue to correct system issues, modify the system as necessary for state and federal legislative mandates, changes in business practice, and maintain application software and hardware dependencies. The SSPS business processes such as invoice generation, payments, and claims are processed on the Unisys Mainframe using OS2200 COBOL. There is an increasing risk of failure impacting the ability to make payment for critical services to the children and families of Washington State.

The current maintenance and operations (M&O) cost is \$3.2M annually. With the move to a new mainframe in January 2023, these costs have increased by about \$1M annually for the next five years. These costs are anticipated to increase over time provided the limited COBOL expertise. However, it is anticipated that the new system will reduce M&O costs and improve business support.

DCYF received funding in the 2021-23 biennial budget to replace the current SSPS system. However, the agency delayed this effort to ensure the Department could accommodate the issuance of many unexpected Covid related grants and benefits and in addition, to ensure the new system would be compatible with the HHS coalition's integrated eligibility approach and integrate with the HHS Master Person Index. DCYF began a feasibility study in January 2023, with the study anticipated to be completed by late fall of 2023. Until the feasibility study is complete, the implementation approach and costs are unknown. DCYF will better know the funding need once the study is completed.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This is a placeholder request, which will be updated based on the feasibility study, which will be completed in the fall of 2023.

### ***Detailed Assumptions and Calculations:***

This is a placeholder request, which will be updated based on the feasibility study, which will be completed in the fall of 2023.

### ***Workforce Assumptions:***

This is a placeholder request, which will be updated based on the feasibility study, which will be completed in the fall of 2023.

## Strategic and Performance Outcomes

### ***Strategic Framework:***

This package supports the following Results Washington goals:

- World-class education
- Prosperous economy
- Sustainable energy & clean environment
- Healthy & safe communities
- Efficient, effective & accountable government

**Performance Outcomes:**

The successful implementation of a modernized SSPS system will:

Future payment processing continuity – Ensure a reliable payment system for service providers caring for vulnerable children and their families.

Support of changing processes – Ensure the payment system can accommodate the changing business rules and processes to support our service providers.

Improved accessibility – Enabling mobile device support will facilitate easier access for service providers.

Streamlined workflows – Ease service providers ‘administrative time’ by streamlining system workflows.

Financial - Currently a team of highly specialized resources are required to support the existing system. It is anticipated that the new system will reduce M&O costs and improve business support.

A goal of this proposed investment is to lower DCYF’s costs per check.

## Equity Impacts

**Community outreach and engagement:**

No groups are negatively impacted. Providers who need assistance with payments will be supported. This also supports agency contractors who provide payments on behalf of DCYF. Providers have provided feedback over the years on the need for a more user-friendly payment system.

**Disproportional Impact Considerations:**

Providers are disproportionately women and women of color. Supporting these businesses with an updated/streamlined/more transparent/efficient payment system further advances these businesses. This in turn further supports families receiving childcare subsidy. Increasing provider participation in subsidy supports families with low income with access high quality child care. This proposal reduces disproportionality with support to child kindergarten readiness which improves child outcomes and reduces race as a predictor for child outcomes.

**Target Populations or Communities:**

Providers are disproportionately women and women of color. Supporting these businesses with increased economic and administrative support further advances these businesses. This in turn further supports families receiving child care subsidy.

## Other Collateral Connections

### ***Puget Sound Recovery:***

Not Applicable.

### ***State Workforce Impacts:***

The modernized Social Service Payment System could change the job description/duties of the staff that support the system.

### ***Intergovernmental:***

Not Applicable.

### ***Stakeholder Response:***

Contracted and non-contracted care providers

### ***State Facilities Impacts:***

Not Applicable.

### ***Changes from Current Law:***

Not Applicable.

### ***Legal or Administrative Mandates:***

Not Applicable.

### ***HEAL Act Agencies Supplemental Questions***

Not Applicable.

## Reference Documents

[IT Addendum\\_SSPS\\_2023-09 SSPS.docx](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

Yes

## Agency Contact Information

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