



KEN PAXTON  
ATTORNEY GENERAL OF TEXAS

December 4, 2015

Ursula Parks  
Director, Legislative Budget Board  
PO Box 12666  
Austin, TX 78711

Dear Ms. Parks:

As you know through the Legislative Budget Board's (LBB) involvement on the Office of the Attorney General's (OAG) Texas Child Support Enforcement (TXCSES) 2.0 Initiative (T2) Quality Assurance Team (QAT) and Executive Steering Committee, the OAG has been engaged in a thorough review over the past six months of the T2 project. We have been doing so in an effort to assess the long-term health and fiscal soundness of the project and to address the numerous concerns that have been raised both internally and through independent review.

Our assessment is that the state of the project before we set out to make changes would have resulted in runaway development costs, overly complex systems, increased maintenance costs and significant delays – even as much as well past 2020. To address these concerns, we have been working with our vendors – including the main DDI vendor, Accenture – to move the process forward while addressing the myriad pre-existing issues and re-working the schedule.

That review has resulted in ongoing negotiations to determine the costs and timeframe to effectively move forward, numerous staffing changes at both the OAG and its contractors, development of a detailed work plan and increased communication and coordination with the federal government. Further, we have now seen material improvements in recent weeks in the product itself and in the quality of the team developing it.

These conversations with Accenture continue, but soon will result in the information necessary to make a decision on the appropriate path forward. Accordingly, the OAG's federal partner, the U.S. Department of Health and Human Services Office of Child Support Enforcement (OCSE), has placed a funding freeze on the DDI portion of the project while we continue to work with them, state officials and Accenture to realign and make a final decision in the coming weeks.

OCSE has requested the OAG provide two written documents for OCSE's review to complement our verbal updates prior to the resumption of financing:

- a resource-loaded schedule outlining tasks and resources necessary to complete the project; and
- a Corrective Action Plan, outlining the root causes of delays on this program and how they will be addressed moving forward.

Both these elements have been in development for over the past several months and are currently near completion.

We are currently seeking clarification with the OCSE regarding the scope of the freeze, as well as addressing inconsistencies in some of the dollar figures they have cited as opposed to actual contracted numbers. A conversation with OCSE on December 2 indicated OCSE's understanding of our request and their willingness to work with the OAG to keep this project progressing.

As you will recall, we initially notified the Legislature of our concerns with the T2 project in March 2015. Since then, we have had regular meetings with vendors, state officials, and the federal government, working to improve the project and significantly increase the quality of the final product. We have also negotiated with vendors to help successfully complete this project at the lowest possible cost to Texas.

We believe that following many months of revising our approach and working to address pre-existing issues, the project is in a much better position to be successful. We will continue to work together to ensure that Texas families receive the support they need and deserve while ensuring value for the taxpayers.

Sincerely,

A handwritten signature in cursive script that reads "Mara F. Friesen".

Mara F. Friesen  
Deputy Attorney General for Child Support (IV-D Director)