

# Close out My APD

## Moving Beyond Certification

a presentation by the Office of Child Support Enforcement



# Close out My APD

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- Many States are approaching or have achieved certification of their ACSES.
- Many States have entered routine maintenance mode.
- State staffs have begun asking questions about the need for and purpose of APD's after system certification.

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- State staffs also asked about the content and format requirements of APD's for their systems now that they were entering or were in an Operations and Maintenance (O&M) mode.
- The advent of APD Reform the last two years has moved a number of Federal agencies to revisit the APD process.

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## ■ Close out APD - Catalyst For Change

- ✓ Historically, Close out APD use is rare.
- ✓ Most States in CSE had never seen the need for or used a Close out APD.
- ✓ Other major Federally-funded programs have similar experiences with Close out APD's – limited use and need.
- ✓ With States now getting certified, queries have arisen as to Close out of an APD.

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## ■ Close out APD - Catalyst For Change

- ✓ Result was the need to create policy and process based on existing regulation and guidance.
- ✓ In addition, we looked for related impacts that could provide opportunities for positive change – and we found one: the *“once enhanced, always enhanced”* FFP definition for APD’s can now be eliminated in certain cases.

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## ■ **Considering Closing-out Your APD ?**

- ✓ What is a “Close out” APD ?
- ✓ Factors affecting whether to Close out an APD.
- ✓ Format for a Close out APD.
- ✓ Why Would A State Keep an APD open ?
- ✓ A policy change – “once enhanced, always enhanced” is going away.

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## ■ What is a “Close out” APD ?

- ✓ The Close out APD represents the last APD required to fully and finally describe all past project activities, cost, benefits, and functional-compliance with Federal certification requirements (PRWORA and FSA88), and with regulatory requirements for Federal funding.

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## ■ What is a “Close out” APD ?

- ✓ All informational requirements for a fully approvable, ongoing ACSES project APD must also be included in the project’s final “Close out” APD.
- ✓ There are some exceptions.



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## ■ **When Can I Close My APD ?**

✓ **There are three factors:**

- Whether the State's ACSES is fully and unconditionally certified.
- Whether there are any outstanding, software development or significant procurement actions yet to be done.
- Whether the ACSES cost-benefit analysis has achieved "break-even".

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## ■ When Can I Close My APD ?

### ✓ Factor One: ACSES Certification

- The ACSES must be fully and unconditionally certified.
- Conditional certification does not meet the necessary standard.
- Management findings (versus certification findings) will in most instances *not* prohibit APD Close out.

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## ■ **When Can I Close My APD ?**

### ✓ **Factor Two: Outstanding Work**

- Outstanding software development projects, modules, or other activities.
- Outstanding procurement actions.
- Either of the above will prevent approval of a State's request to Close out it's APD.

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## ■ When Can I Close My APD ?

### ✓ Factor Three: CBA Breakeven

- The State's cost-benefit analysis must show a breakeven or a positive benefits to cost ratio.
- OCSE must and will verify the CBA's accuracy prior to approval of the Close out APD.

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## ■ What's A Significant Software Development Effort ?

- ✓ A significant application development takes on three basic characteristics:
  - ✓ Level of effort
  - ✓ Cost
  - ✓ Risk

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## ■ What's A Significant Software Development Effort ?

- ✓ **Types of significant application development efforts include:**
  - ✓ replacement of an ACSES distribution or enforcement module.
  - ✓ development of a graphical user interface (GUI) front-end to the ACSES.
  - ✓ replacement of the database from a hierarchical to a relational model.

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## ■ What's A Significant Software Development Effort ?

- ✓ **Types of significant application development efforts include:**
  - ✓ outstanding Federal PRWORA or FSA88 certification findings not yet found to be unconditionally certifiable.
  - ✓ data warehousing.
  - ✓ migration from a mainframe-based platform to a client-server platform.

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## ■ What's **Not** A Significant Software Development Effort ?

- ✓ Types of development efforts **NOT** considered significant:
  - ✓ routine maintenance activities, e.g., creating new reports, limited data element changes, minor changes to data entry screens.
  - ✓ upgrades to the ACSES hardware and/or COTS.



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## ■ What's A Significant Procurement Effort ?

- ✓ **Types of procurement efforts that are considered significant:**
  - ✓ prime contractor to perform ongoing ACSES maintenance over multiple years.
  - ✓ major mainframe or other hardware and software or network upgrade.
  - ✓ An outstanding, unresolved, “reconsideration request” filed with ACF/OCSE in accordance with OSSP-00-01.

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## ■ Close out APD Format

### ✓ What's different from an AAPDU ?

- Content is essentially the same as that for any AAPDU.
- OCSE must be able to determine that all Close out criteria have been met.
- For APD sections that didn't change from an APD in last three years, a reference to that APD, by section and page number(s) will suffice.

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## ■ Close out APD Format

### ✓ Every AAPDU section is needed

- ✓ **Executive Summary:** Optional.
- ✓ **Project Management Plan:** Required (*Tasks, Schedule, Resources*).
- ✓ **Budget:** Required (*include all costs from planning to certification*).
- ✓ **Cost/Benefit Analysis:** Required (*Revenue Stream Model*).
- ✓ **All Other Sections:** Required if changed *if unchanged, make reference to appropriate APD (Security, Interfaces, Project Organization and Charts)* .

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## ■ Close out APD Format

### ✓ A Few Clarifications

- Project Management Plan needs to meet specifications in OCSE's APD Guidance.
- Budget *MUST* specify all past, present and expended ACSES project cost from planning through O&M. The budget is the last summarization of the project's cost information and basically serves as the final cost reconciliation.

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## ■ Close out APD Format

### ✓ A Few Clarifications (*cont'd*)

- The cost-benefit analysis must be complete, thorough, and show a breakeven or positive benefit to cost ratio.
- Thoroughness includes spreadsheets or other methodologies for every year of the project's and system's lifecycle, and includes all costs from planning through O&M.

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## ■ Why Keep My APD Open ?

- ✓ Systems never stay static. New enhancements, new technologies, new designs for the system are always being conceived.
- ✓ Technology updates are always being pursued, if for no other reason than to retain an affordably maintainable system (staff, COTS, hardware).
- ✓ However, new user interfaces, new databases, new programming languages are rarely cheap.

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## ■ Why Keep My APD Open ?

- ✓ The threshold for having to submit a new IAPD is \$5 Million dollars. A low threshold by today's system acquisition standards.
- ✓ By keeping the APD open, your State can use the still accruing benefits attributable to the current ACSES to ***“pay for”*** the new enhancements to the system.
- ✓ Keeping the APD open also eases the paperwork required to create a new CBA from scratch.

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## ■ Can We Keep Our APD Open ?

- ✓ Yes, in almost all instances a State can choose to keep their annually updated APD for the ACSES project open. The exception is:
  - A “*new*” or “*replacement*” system project will require a full planning phase, including a new feasibility study with alternatives analyses and a cost-benefits analysis for each alternative.



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- **Oops ! We Closed Our APD !**
  - ✓ **Yes, the APD that a State closes can be reopened within two years (24 months) of it's closure.**

*(Just in case the new administration comes in and decides to change direction)*

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- **“If Our State Only Has M&O Left, But It Exceeds \$5 Million Per Year, Must We Still Do APD’s ?”**
  - ✓ **Once the state achieves breakeven or positive benefits to cost ratio, the State can close the APD *(per 45 CFR 95.605)*.**

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- **A Policy Change – “Once Enhanced, Always Enhanced” Is Going Away**

- ✓ The “once an enhanced project, always an enhanced project” concept now has a terminus, even if the APD is kept open.
- ✓ Once a state is certified for meeting PRWORA automation requirements, acquisition and APD threshold rates for regular rate FFP projects will apply. (\$5 Million versus \$100,000)

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# Questions