



MEMORANDUM

Legislative Post Audit

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TO: Members, Legislative Post Audit Committee
CC: Joint Information Technology Committee; Jeff Maxon, E-CITO
FROM: Katrin Osterhaus, IT Audit Manager
DATE: February 19, 2026
SUBJECT: KDHE Early Childhood Data Integration and System Enhancement IT Project (monitoring period October 15, 2025 through January 31, 2026)

We started monitoring the Early Childhood Data Integration and System Enhancement project in January 2024. Our primary aim is to identify when a project is at risk of failure due to scope, schedule, or cost. During this quarter, the project has deteriorated significantly. Under K.S.A. 46-1128(d), we are reporting our concerns to this committee and other legislative committees and stakeholders directly, outside a regularly scheduled meeting through our Legislative Post Audit Committee.

Project History

- **The outdated Child Care Licensing and Regulation Information System (CLARIS) has significant limitations.** The Kansas Department of Health and Environment (KDHE) and the Department for Children and Families (DCF) jointly use CLARIS for their child care and foster care licensing programs. This includes processing child care or foster care facility applications and renewals, recording inspection results, requesting and maintaining background check information for licensees, and following up on facility complaints.
- Due to the system's age and outdated coding practices, the 2 agencies have difficulties keeping up with regulatory requirements, and can't provide flexible and real-time reports (e. g. number of licensed childcare providers in western Kansas). Other problems include slow application and case management processing, reduced customer service, and lengthy staff training to navigate the system.
- **In January 2024, KDHE signed a \$4.3 million contract to provide a Software as a Service solution through GL Solutions.** In early January 2024, KDHE signed an agreement with GL Solutions for \$4.3 million to develop the needed licensing solution, using Software as a Service (SaaS). SaaS allows KDHE to rely on the vendor to provide and maintain the licensing software via the internet and cloud storage. SaaS avoids entities having to purchase, install, and maintain software in-house, and instead pay a vendor a subscription fee for the software. On January 19, 2024, KDHE approved the purchase order.

Monitoring Results

- **As of January 31, 2026, the project appears satisfactory for Scope, but Cost, Schedule, and Quality were in Alert status, in part due to weak governance processes.** During this quarter, the project has exhibited significant project management issues with respect to communication, personnel, and project documentation:
 - Communication: Weekly status meetings with key stakeholders appeared to falter early in the quarter. KDHE's project manager distributed status reports for about a month, but stopped distributing those reports in mid-December. According to the Secretary, this was a deliberate decision because the parties knew the information wasn't accurate at that point, and because the amount of effort to create the information was unreasonable. A new stakeholder meeting series started in January, but many individual meetings—and ultimately the entire series—was canceled as well. The lack of communication led key stakeholders to become unsure and question the direction of the project, as evidenced through our interviews.
 - Personnel: The KDHE project manager (PM) announced they were transferring to the Office of Information Technology Services, another state agency, during this quarter. The parties agreed that the staff person would remain the PM on this project until its completion. During this quarter, that PM was asked to take a more passive approach with the contractor's staff in dealing with the problem that had been developing. The Secretary of KDHE explained that she took several steps to help with turnaround solutions. These steps included asking the Assistant Secretary take a more active role to better understand the issues, initiating direct communications with the contractor, and holding the contractor more accountable to meet the state's expectations. The Secretary, through the State CITO, also enlisted the State Chief Information Technology Architect (CITA) to help stabilize the projects' trajectory. As of January 22, the CITA described his role as a consulting role using about 50% of his time to help get the project re-aligned.
 - Project documentation: According to stakeholder interviews, the personnel changes lacked a written governance structure to revise lines of authority. This likely contributed to a number of periodic project documents to stagnate. According to KITO officials, agency stakeholders did not submit the required status documents for the reporting period ending December 31, 2025. Similarly, we reached out multiple times to request updated project information without success.

Project management principles emphasize the importance of strong governance, including identifying project sponsors, owners, and project leaders. This helps ensure everyone's role and lays out the chain of command when problems arise. It also ensures communication and project documentation continues when problems arise so that all stakeholders remain informed and working towards the same goal. During this quarter, the lack of a clear

governance structure contributed to the project's slow progress towards remediating various schedule and quality issues, in addition to increased frustration and lower morale.

Because we didn't receive sufficient status documentation and regularly scheduled stakeholder meetings largely didn't take place, much of this report relies on stakeholder interviews with state and contractor staff.

- **As of January 31, 2026, the project appeared to be satisfactory for Scope.**
 - The initial project scope was agreed on by both parties and appeared appropriate. At a high level, the scope includes replacing CLARIS with a comprehensive software licensing system for child care and foster care. Components include processing various types of applications, renewals, surveys, as well as other processes (e.g. KORA requests, background checks, complaints, investigations, and various levels of enforcement).
 - The scope also included creating 10 “interfaces” (connections) to and from external computer systems and agencies, such as the DCF Child Abuse Registry, Kansas Bureau of Investigation (for background checks), Kansas Eligibility Enforcement System (for medical and social service programs), and PayIt (the state's portal for certain government online payments). Lastly, the project scope includes a full year of standard hosting and support services once the system goes live.
 - Since work began on the project, the parties agreed to 19 change requests using a structured change control process. 9 of the 19 changes will increase the cost while 10 were no-cost changes. The approved changes reflected a mix of tasks that needed re-engineered, new or additional functionalities that weren't part of the initial project plan, or changes in the plan or schedule. Additionally, 2 change requests were approved based on the 2025 Legislature passing HB 2045. The bill established the Kansas Office of Early Childhood as a new state agency, which necessitated a number of changes. Throughout the reporting period, both parties used a formalized change control process to suggest, discuss, and decide on potential scope changes.
 - During this reporting period, stakeholders conceded additional change orders may be needed to address various User Acceptance Testing (UAT) findings. As discussed in more detail below, the project has been in UAT status during the past 3 months. That testing uncovered a number of incomplete or non-functional processes that will need to be addressed before going live. The parties had no details on additional change orders or their potential cost at the time of writing this memo.
- **As of January 31, 2026, the project was in alert for Schedule because the project is behind, and stakeholders have not established a realistic recast timeline.**

- The original completion date of October 2025 was pushed back to early March 2026. The vendor's original schedule envisioned a go-live date in June of 2025, with reporting and other deliverables completed by October 2025. In November 2024, the parties agreed to a schedule revision that pushed the go live date to October 10, 2025, and the project's final completion date to early March 2026. This initial recast was approved by the Kansas Information Technology Office (KITO).
- Since October 2025, both parties agreed another schedule revision was necessary due to several incomplete key tasks. The schedule started slipping in the 2nd quarter of 2025, with several missed milestones, and major tasks such as data conversion and training not yet started or completed. A preliminary schedule revision created by the contractor pushed the go-live date to February 2026 with a final completion in June 2026. That schedule wasn't realistic because it didn't incorporate additional time needed to remediate hundreds of bugs that User Acceptance Testing uncovered starting in October 2025. Knowing the new schedule was inaccurate and unrealistic, KDHE officials did not ask KITO to approve it.
- During this monitoring period, the stakeholders had not reached agreement on how to address the issues and how it would affect the overall schedule. We interviewed stakeholders in January and found vast disagreements on causes and fixes for the bugs, and a realistic "go live" schedule. Contractors explained that interfaces and data conversion had some remaining issues but they were not concerned about completing that work. Additionally, contractors didn't think all the bugs discovered in UAT testing would need to be fixed before go live date as some business process were used less frequently than others. Using those provisions, they estimated a mid-April 2026 go live date was possible.
- Conversely, state agency officials we spoke with explained they needed more control over which bugs needed to be fixed and would require re-testing the affected business processes. State officials also mentioned continued data conversion issues which they believed to contributed to a slower UAT process. Lastly, they explained that interfaces need to work properly before that work is considered complete. Stakeholders expressed low confidence for a successful go live date in March or April. At least one stakeholder gave the project a much stronger chance of success if the go live date was pushed out as far as January 2027.
- KDHE took several steps to stabilize the project and establish a realistic schedule, but it didn't get finalized as of the end of this reporting period. As mentioned earlier, the Secretary asked the Assistant Secretary to take a more active role on this project, and enlisted the assistance of the state's CITA. Both state and contract senior leadership also met to clarify expectations and re-align the project. Contractors also came onsite and senior leadership participated in a UAT demonstration to better understand the concerns.

Lastly, leadership has restarted weekly status reporting and clarified roles and responsibilities. Although it appears consensus was reached on how to move forward, the parties had not yet agreed to a revised project schedule by the end of this monitoring period.

- **As of January 31, 2026, the project was in alert status for Cost because it exceeds the original budget and federal funding may expire if deliverables are further delayed.**
 - The state has paid the vendor about \$2.8 million (about 53%) of the estimated \$5.3 million project cost (about 53%). As of January 7 (the latest cost tracker document we received), the state accepted and fully paid \$2.5 million for 14 of the 25 deliverables outlined in the original \$4.3 million contract. Outstanding deliverables include items such as Interface Development and Release, Data Conversion Validation, UAT, and System Acceptance. The approved change requests added about \$817,000 to the contract cost. As of early January, the state paid about \$222,000. Lastly, the state has paid KITO nearly \$104,000 of the estimated \$190,000 in expected monitoring costs.
 - The current estimated cost of the project exceeds the original \$5 million in federal grant moneys by nearly \$259,000. The original estimated project cost and monitoring fees were about \$4.4 million. This left a bit of a cushion given the \$5 million federal grant approved for this project. With the \$817,000 in additional change request costs and additional monitoring costs, the revised project cost reached \$5,258,620. That estimate does not include additional change requests that might be necessary.
 - Federal funds must be spent by December 31, 2026 which could become problematic if the project is delayed beyond that deadline. The State Finance Council approved \$5 million in federal American Rescue Plan Act funds for this project in December 2022. Based on federal requirements, these funds need to be spent by the end of this year. As mentioned above, a number of deliverables are not complete. The delays in completing key deliverables create a risk that the federal funding will expire before the state accepts and pays the remaining deliverables. That means KDHE would have to find other funding sources to complete the project. Conversely, if state officials decide to pay the vendor for deliverables prematurely to use the available federal funding, the state loses leverage over the vendor with respect to completing those deliverables timely and at the expected level of quality.
- **As of January 31, 2026, the project was in alert status for Quality because the project experienced unexpected and sustained problems with UAT, data conversion, and interface deliverables.**
 - Within User Acceptance Testing, the high number of bugs identified thus far indicated a substantive quality issue. The original UAT plan involved testing numerous business processes for childcare and foster care during several sessions each day. When scenario walk throughs encounter problems, they

are logged as “issues” (aka defects or bugs). Examples are screen inputs not properly saving, fields not being properly formatted, or missing or broken links to guidance/instructions for individuals using the system. Identifying defects is a normal process of UAT. The schedule allowed about 60 days for UAT, 15 days for corrections, and 5 days for verification. Within the first 2 weeks of testing in October, nearly 640 items were logged. As of early January, the number of bugs had grown to 1,787 items. By the end of January, the list grew to 2,245. The high number of bugs made the UAT schedule unrealistic, thus putting the overall schedule into jeopardy.

- Within UAT, the parties appeared to have differing opinions on the relative importance and reasons for the high number of bugs, and how to move forward. Contractors explained that the project was very complex, with several components across multiple agencies that were more different than initially described, thousands of pages in specifications, and 143 business processes to test. Given that, they said it was expected that UAT would uncover issues, some due to mistakes by the state (approving a business case with errors) and others due to contractor mistakes (design errors). Contractors said they addressed 1,000 of the 1,400 UAT problems and continued working towards the original UAT deadline of February 9, at the time of the interview. They also said that communications had improved, with state senior leadership stepping in. They suggested the best way forward would be to plot a critical path for a “go live” date closer to April. This would mean focusing on fixing only those bugs necessary for initial go live, and pushing remaining defect remediation (for less frequently used processes) to after the go-live date. Contractors described state staff as very professional and dedicated, likely contributing to the number of bugs they identified.

Conversely, state stakeholders voiced concerns about lacking control over logging and prioritizing defects themselves, and not being able to test the system independently. Stakeholders thought that the contractor hadn't sufficiently tested the system before UAT. They said this would have uncovered basic problems and sped up testing. Staff representing the foster care portion of the system were frustrated about a lack of contractor feedback once defects had been identified and were told errors would not be retested after the contractor had remediated them. State officials noted the addition of contractor business analysts once UAT had started helped “translate” the effect of identified defects across the 2 parties, and aided in more accurate logging, categorizing, and prioritizing the bugs.

- During this monitoring period, the parties were unable to finalize decisions regarding the revised UAT plan and schedule recast. We learned that many discussions took place among the parties to re-evaluate the UAT process. This included changes to the original UAT plan to allow the state more insight into, and control over, the process (e.g. logging issues, whether they required remediations or work around, and prioritizing them). Senior leadership officials worked with the contractor to clarify quality was more important than meeting an unrealistic deadline, re-align quality expectations, and request

revisions to the UAT plan and overall project schedule. However, as of January 31, it did not appear those revisions had been finalized or shared across stakeholders.

- Data conversion also exhibited quality problems during this quarter. Contractors agreed that data conversion was not yet complete, highlighting the fact that the old system didn't have a data workflow. They said working through data issues would be an iterative process to determine why data didn't land in the proper locations and which errors were real and which were not (e.g. two identical names representing the same or different persons). State officials said some of the data didn't get converted because the contractor didn't know where to put it. Staff also claimed data issues caused test scenarios to take 3 days instead of 1.
- Lastly, Interface components exhibited quality problems during this quarter. Contractors described the status as not 100% perfect yet: Various interfaces were said to have successful communication, but defects remained on data transfers. For the Kansas Eligibility Enforcement System (KEES) interface specifically, contractors were surprised at the amount of test cases to work through, but appreciated the rigorous process given the system's role in determining public assistance programs. State staff said testing for the KEES interface had been going on since September and still wasn't complete yet. They clarified that for an interface to be considered complete, it needs to have a functioning end-to-end connection with the other system, with data matching and ending up in the right places. Staff representing the foster care portion of the system voiced frustration over frequent schedule changes and spoke out about the importance to keep agreed-upon testing schedules with outside interface providers, specifically Carematch.
- During this reporting period, we did not gain any insight what work was completed to assess security compliance. As mentioned earlier, many of the project documentation had not been updated or shared, and few status meetings took place for stakeholders to share progress on the system's security features or risk assessment. Proactively identifying and mitigating unacceptable security risks helps prevent extensive reengineering or retrofitting controls which may increase costs.