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## **Economy & Efficiency Commission Presentation**

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*Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.*

**PRESENTATIONS BY  
Michael Sylvester  
Assistant Director  
Los Angeles County**

**January 10, 2013**

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### **Department of Public Social Services Overview**

Chairman Barcelona greeted Mr. Sylvester from Los Angeles County Department of Public Social Services (DPSS), and welcomed him while turning it over for Mr. Sylvester to speak to the Economy and Efficiency Commission.

### **Leader Replacement System Project (LRS)**

Mr. Sylvester stated that it has been almost 7 years of effort in getting this project launched. He stated that the department had an agent eligibility system in what was known as "Leader". He stated that the existing Leader system was originally conceptualized in 1990 to automate the case management of the public assistance programs for Los Angeles County. He stated that it is a COBOL system and mainframe-based. He stated that the department has been doing its best with the system to serve the public to the greatest extent possible. He stated that the department also has a Welfare to Work system known as GEARS and that GEARS is another outdated technology that doesn't offer the department the flexibility it needs to serve the public effectively. Mr. Sylvester stated that the department has embarked on replacing the systems all with one integrated system that will be built on a flexible technology architecture known as "service oriented architecture". He stated that this technology aims to provide the most flexible environment for businesses to be able to adapt to all of the changes at the regulatory levels: both State and Federal. He stated that the department does not anticipate any less in terms of what the department has had to respond to in the past. He stated the department believes that they will have just as much legislative changes in the next couple of decades as the department has seen in the prior years.

Mr. Sylvester stated the LRS will leverage the latest advances in technology, to provide an integrated eligibility system that will streamline multi-disciplinary business processes. He stated that LRS, GEARS, and DCFS Eligibility Systems will be seamlessly integrated into one system. He stated that this seamless integration will improve communication among programs such as CalWorks, Medi-Cal, CAPI, General Relief, and Foster Care, and making it easier for eligibility workers to provide needed services to their participants.

Mr. Sylvester stated that the major thing to focus on is that the new LRS will allow the department to embrace the wave of technology with mobile access point. He stated that the department is recognizing that with the way of technology and the way Moore's Law works is that it continuously gets cheaper every year and everyone could appreciate that on an electronic front and a consumer stand point. He stated that it also breaks down the digital divide with the underprivileged groups because they can actually start to afford some of the programs and they can obtain ways to communicate with the department. He stated that the department needs a technology that can actually embrace those efforts and the COBOL technology can't do that. He stated that this method allows the department to put it out anywhere and anytime and to be more commercially aligned with what is available to people on a commercial bases. He stated that another goal is to make everything web oriented and to have Apps available through iTunes and through the Android Marketplace.

### **LRS Technology and Service Agreement**

Mr. Sylvester stated that LRS provides technology or key capabilities beyond that of any Statewide Automated Welfare System (SAWS) today. He stated that such capabilities are not only necessary for meeting the demands of multiple counties, but also essential to delivering intelligent, cost effective, and customer-centric services to a growing population of health and human services program participants. The LRS solution includes essential and robust features for effective government services and agile business operations.

Mr. Sylvester stated that LRS will leverage lessons learned to ensure that it meets the County's requirement of open standards technology and to maintain project accountability. He stated that the proprietary technology of LRS will employ an open-standards based architecture and shall run on a standard Web browser. He stated that such architecture will eliminate the County's dependency on a particular vendor, and minimize the County's dependency on a proprietary technology.

Mr. Sylvester stated that outdated technology or technological obsolescence in the LRS Agreement requires the contractor to provide upgrades or replacements to the LRS data center hardware prior to the date of the original equipment manufacturer end of full service life or full service warranty, as well as the latest or penultimate versions of commercially available software products, throughout the term of the LRS Agreement, at no additional cost to the County.

Mr. Sylvester stated that the LRS system required to have adequate capacity for caseloads, user, transactions, and data growth throughout the entire term of the LRS Agreement, at no additional cost to the County. He stated that the LRS Agreement includes more stringent and extensive service level and also requires rigorous load testing during system development to ensure the response time service level agreement can be met under simulated full production conditions prior to implementation. Mr. Sylvester stated that the technology platform is designed for longevity and evolution.

Mr. Sylvester stated that the department will be showing the County all the way through implementation how successful it is. He stated that he is highly confident in the project and it is something that he has put his blood, sweat, and tears into with a great team that has supported the project all along. He stated that the strategic plan is evolving into one that is focused on all threads around professional staff development because you have to be able to get the staff to change the way they do work which is process improvement, and technology.

### **Questions/Comments:**

Commissioner Padilla asked what is the crux of issue that is being addressed by the system. Mr. Sylvester replied that the issue is the system is outdated. He stated that it replaces a number of outdated legacy systems and will enable the department to do things they can't do today. Mr. Sylvester added that the Leader System is the system that actually calculates the participant's eligibility in all of the department's programs and it controls the issuance and benefits of the programs, provides the case management screens requirements, and verifications that have gone along with a numerous amount of programs that the

department has. He stated that they all have different requirements. He stated that the system is there to control a vast amount of over 3 billion dollars worth of benefits that transacts through the system annually to the public.

Commissioner Hinsche-Otto asked if is there a piece of it that attracts foster kids. Mr. Sylvester replied that the current system that the County has in place does not track that. He stated that none of the legacy systems in the department are capable of that but the new Leader Replacement System will be doing that and will be taking over automation that will integrate foster care which the department has a tremendous overlap in terms of the participants who are associated with the foster family. He stated that will also allow the department of data sharing.

Commissioner Wolowicz asked about the breakdown funding or cost sharing. Mr. Sylvester replied that the funding for the system as it stands for LA County purposes is a 92% by Federal and State and the County only has to pick up the 8% difference on the system which is substantial. He stated that when the other 39 counties come on board the 8% will then be subdivided and allocated among the other 39 counties.

Commissioner Fuhrman asked what the overall cost of the program is. Mr. Sylvester replied that the overall cost on the contract is \$577 million. He stated that the \$577 million is the contractors' cost to implement the system within a 4 year time frame, and to run and operate it for another 7 years after that. He stated that the department is looking at best practices throughout the contract by keeping technology relevant.

Chair-Emeritus Philibosian asked about the anticipated percentage of participation from the recipients and how is the department going to avoid fraud. Mr. Sylvester replied that fraud is one of his highest concerns with the department to maintain program integrity. He stated that he can't say that the department will be eliminating face to face contacts but the department will be reducing them significantly into where they really belong. He stated that currently everything is a face to face contact. He stated that the department is also providing an avenue for the recipients to submit things electronically but they are still verified face to face. He stated that it will not remove any level of security that the department currently has in place on the face to face but that it puts a greater efficiency in terms of the handoff points. He stated that it does not automatically make them eligible for the next round and all work still will go to an eligibility worker. He stated that the eligibility worker is still a key component in looking at the records. He stated that the department is already using data mining, and SAS solution. He stated that the department will also be adding predictive analytics further into the system where it looks for patterns for internal fraud as well as external fraud.

Commissioner Kalm commented that the E-Government taskforce had the opportunity to meet with Mr. Sylvester's team several months ago and received a detail description of what the Commission is hearing today. He stated that one of the advantages that DPSS has is that they really seem to have technology transfer moving into the department's DNA.

Chairman Barcelona expressed his appreciation to Mr. Sylvester and invited him to come back to speak to the EEC in the near future and the Commissioners applauded.

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