MH Implementation of Replacement Grant System	**FY2014 Request:**	**$700,000**
	Reference No:	**56573**

AP/AL: Appropriation	**Project Type:** Information Technology / Systems / Communication
Category: Health/Human Services	
Location: Statewide	**House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40)	**Contact:** Jennifer Klein
Estimated Project Dates: 07/01/2013 - 06/30/2018	**Contact Phone:** (907)465-1870

Brief Summary and Statement of Need:

This capital program will provide additional funding for the Department of Health and Social Services' new grant system, Grants Electronic Management System (GEMS) that will manage both operating and capital grants.

Funding:	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
GF/MH	$700,000						$700,000
Total:	$700,000	$0	$0	$0	$0	$0	$700,000

☐ State Match Required	☐ One-Time Project	☐ Phased - new	☑ Phased - underway ☐ On-Going
0% = Minimum State Match % Required	☐ Amendment	☑ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

The first phase of this new grant system was funded with Children's Health Insurance Program bonus funds.

Project Description/Justification:

This capital project will support implementation of the replacement eGrants system (to be built in FY13) using Microsoft Dynamics customer relationship management (CRM), which has the necessary functions required to manage both operating and capital grants. Implementation objectives include roll out; phased use beginning with electronic grant agreements, then quarterly grantee reports, and finally moving to an electronic solicitation process in winter 2014. Training and technical assistance for internal and external users will be required throughout FY2014. Because the objective of this project is to produce a more seamless sharing of information between grantees, between Grants and Contracts sections and program managers, it is intended that this implementation will include data migration from the old system to the new. This implementation process will also include communication with other potential users, such as Legislative Audit, to ensure that the system allows for more streamlined oversight and coordination.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

New system development.

Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure. Include a line item breakdown.

Description	FY2013	FY2014	Total
Project Initiation	$46,700	$30,300	$77,000
Requirements Definition	$46,700	$98,500	$145,200
Contractual Staffing Resources Required		$50,000	$50,000
System Design/Development	$70,000	$84,000	$154,000
Software Licensing		$53,000	$53,000
Hardware/Infrastructure (Laptops & Videoconferencing)		$35,000	$35,000
System Integration and Testing	$93,400		$93,400
Data Migration	$46,700	$200,000	$246,700
System Operation and Maintenance		$2,000	$2,000
Corrective and Adaptive Maintenance		$45,900	$45,900
Training	$93,400	$88,100	$181,500
Administrative Costs		$14,000	$14,000
Total	$396,900	$700,800	$1,097,700

How will service to the public measurable improved if this project is funded?

Service to the public will improve measurably by increased speed and accuracy of grant management, and reduced time and effort to compile summary information required for federal, Trust and other funding agencies.

The system will allow for transparency for the Department of Health and Social Services' capital and operating grant processes. It will integrate data of grantees and providers as well as lessen the overhead of managing grants so that they can provide more services and spend more time on improving performance.

Grant management will be streamlined and allow management to truly see the big picture of expenditures on grants allowing the Department better ability to promote and protect the health and well-being of Alaskans.

The system will provide a single point of entry for grantees and providers and allow for better accountability in document tracking and fiscal reporting of performance.

Does project affect the way in which other public agencies will conduct their business?

The Department of Health and Social Services manages over 600 grants annually. This project will improve the administration and management of grants, affecting all nine division of the department. A substantial portion of the department's budget is distributed annually to grantees who deliver services to the citizens of Alaska through grants that employ Alaskans. Each year more than $160,000,000 is expended by the department in operating grants, and $100,000,000 in capital grants. This request provides an efficient method of administering the grants used to support the Department's mission, as well as will provide a unified platform for tracking and management.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Potential out-year costs include Information Technology costs of ongoing maintenance. Increased bandwidth requirements are not anticipated.

What will happen if the project is not approved?

eGrants is the current mission critical system used to manage outbound operating grants awarded by the Department of Health and Social Services. eGrants was developed as part of a department wide effort to improve the department's operating grant process, to simplify and unify procedures, reduce administrative burdens for the state and grantees, and enhance communication to improve grantee satisfaction. In support of this effort the original eGrants design was built solely for operating grant document tracking. It did not consider payment tracking and accounting, or even how it might handle either capital grants or provider agreements.

Among the consequences of not approving the project include failure in the State's pledge to grantees to enable narrative submission on-line; abandonment of necessary support and training to grantees to allow their continued use of the system; rejection of the progress attained by the Grantee Partnership Project, and denial of appropriate grant management tools, as well as increased time and cost for grants processing to the Facilities Section.