Evaluate Eligibility Information System Alternatives	**FY2008 Request:**	**$496,800**
	Reference No:	**42854**

AP/AL: Appropriation   **Project Type:** Information Systems
Category: Health/Human Services
Location: Statewide   **Contact:** Janet Clarke
House District: Statewide   **Contact Phone:** (907)465-1630
Estimated Project Dates: 07/01/2007 - 06/30/2012

Brief Summary and Statement of Need:
The department seeks funding to acquire a professional services contractor to complete an evaluation of current and future business needs and alternatives for replacing or upgrading the Eligibility Information System (EIS).

The first phase of the project evaluation includes a gap assessment, requirements, feasibility and cost benefit analysis.

The second phase of the project is dependent on the alternative chosen and includes development of a federal Advanced Planning Document and Implementation Request for Proposal.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Fed Rcpts	$248,400	$366,031					$614,431
G/F Match	$248,400	$366,031					$614,431
Gen Fund		$99,827					$99,827
Total:	$496,800	$831,889	$0	$0	$0	$0	$1,328,689

☑ State Match Required	☑ One-Time Project	☐ Phased - new	☐ Phased - underway	☐ On-Going
50% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	237,344	2
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	237,344	2

Additional Information / Prior Funding History:
This is fhe first year of the project.

Project Description/Justification:

Information Technology Capital Project Review Form FY2008

1. Has this project been previously approved? No

2. What is the purpose of the project?

The scope of this project is a comprehensive need assessment and feasibility study of system alternatives for the Eligibility Information System (EIS). The EIS is over 22 year old, resides on an IBM mainframe platform and is written in COBOL and Adabas.

The Department of Health and Social Services, Division of Public Assistance (DPA) uses the legacy Eligibility Information System (EIS) as its mission critical information systems application to support key programs and services within the

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Division. Originally implemented statewide in 1984, the EIS provided eligibility support for the Aid to Families with Dependent Children and Food Stamp Programs. In subsequent years additional programs and services were added. EIS now supports the Denali Kid Care, Family Medicaid, Food Stamps, Interim Assistance, Adult Public Assistance, Adult and Long Term Care Medicaid, General Relief, Chronic and Acute Medical Assistance, Alaska Temporary Assistance, Cook Inlet Tribal Council, Temporary Assistance for Native Families, Work Services, Employment and Training, Child Care Assistance, Permanent Fund Dividend Hold-Harmless, and SeniorCare programs.

Welfare reform, new program demands, and the continued growth and complexity in Public Assistance programs is creating a shift in business needs from when the system was initially implemented. Better reporting, greater system flexibility and a more user friendly system to gain efficiency are essential for providing timely and accurate customer services. The system's technology limitations make it increasingly difficult for the Division to respond quickly to change and to keep pace with constantly changing federal and state regulations. The Division has a growing backlog of requests for programming changes to the EIS. Overall EIS maintenance, enhancements, and operating costs will continue to increase as the application continues to age and the programs that it tracks become more complex. Efficiencies recommendations to management in a 2006 Workload Analysis report included immediate consideration of the need to upgrade or replace the existing aging EIS system.

A major system project to extensively upgrade or replace EIS is complex will take 6 to 8 years.

The initial activity will be to determine what functionality should be added to the current set of EIS capabilities to better allow staff to perform their required activities. A "gap-fit" analysis will be performed to define the gap between the current system capabilities and the needed system capabilities. The next step is to evaluate the feasibility of replacing EIS by identifying the areas the current system is deficient, defective or offers significant opportunities for improvement. Finally, a strategy would be developed to bridge the gap between the current capabilities and the desired capabilities.

The alternatives for upgrading or replacing EIS include, among others, adding functionality to the current system, transferring a system from another state or developing a custom replacement system. At a high-level, these alternatives can be described as follows:

a. Adding functionality to the current system would involve the development of EIS enhancements utilizing the current software development language (COBOL) and database (Adabas). Given the difficulties in supporting these older technologies, it is likely that this alternative could involve the migration of the current application environment to a more modern software development platform. However, this approach would not totally alleviate some of the critical issues associated with the obsolete application and technology platform.

b. Transferring a system from another state would involve utilizing the results of the "gap-fit" analysis to identify those states that have an existing welfare eligibility application which meets enough of the Division of Public Assistance's current and desired requirements to be considered a potential replacement solution. The Division of Public Assistance would then have to estimate the cost and effort required to customize the selected transfer system to meet its needs.

c. Developing a custom replacement system would involve utilizing the results of the "gap-fit" analysis to establish a set of desired requirements for the replacement application. The replacement application would then be implemented using modern software development architecture, tools and methods. DPA would have to estimate the cost and effort required to develop a custom application to meet their desired requirements.

Project cost:	Capital:			Annual O&M
	Prior Years	FY 2008	FY 2009	costs or savings
General Funds			$99,827	
General Fund Match		$248,400	$366,031	
General Fund Program Receipts				
I/A Receipts (dept. and fund source)				
Other Funds (name and fund number)				
Federal Funds		$248,400	$366,031	
Total		$496,800	$831,888	

3. Is this a new systems development project? No
    Upgrade or enhancement to existing department capabilities?

The scope of this project involves a comprehensive needs assessment and feasibility of system alternatives for EIS. The last EIS alternative analysis was in 1992.

4. Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure?
    (Include a line item breakdown.)
    A professional services contractor will be solicited to conduct the following services.

Project Costs	
FY08 Contractual	
Project Work Plan	$38,400
Gap / Business Analysis / System Analysis	$80,000
System Requirements Specifications	$148,800
Total FY08 Contractual Cost	**$267,200**
FY08 Non Contractual Cost	
Personnel Services	$146,800
Other Project Costs	$82,800
Total FY08 Non Contractual Cost	**$229,600**
Total FY08 Cost	**$496,800**
FY09 Contractual	
System Alternatives / Recommendations	$198,400
Cost Benefit Analysis	$148,800
Federal Planning Doc	$112,800
Request for Proposal (RFP) for Alternative	$94,000
Total FY09 Cost	**$554,000**
Total FY09 Non Contractual Cost	
Personnel Services	$189,028
Other Project Costs	$88,860
FY09 Total Non Contractual Cost	**$277,888**
FY09 Total Cost Estimate	**$831,888**
Total Project Cost	**$1,328,688**

5. How will service to the public measurably improve if this project is funded?

The results of a recent Workload Analysis indicate eligibility staff spends more than 30% of work time reviewing and entering data into EIS. This project will evaluate our business needs and whether EIS can continue to effectively meet those needs. Several areas of the current EIS are inefficient because it was not designed to determine eligibility for the number of assistance programs available to Alaskans or to implement the complex rules and policies that govern such programs. A second inefficiency relates to limitations in the EIS software, which requires work around procedures.

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

The scope of the analysis includes stakeholders and the activities to support interface agencies both internal and external to the department, such as the Division of Child Support Services.

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

The alternative analysis will include a Cost Benefit Analysis Report providing a cost for each alternative. The project will result in a replacement, upgrade or enhancement of the existing system. The table below provides some cost and schedule data regarding the major welfare eligibility system replacement projects that have been procured since the year 2000.

STATE	SYSTEM	AMOUNT	DURATION	NOTES
Texas	TX TIERS	$120M (planned $87M)	4.5 years	Started 1Q 2000, currently in production
Utah	UT eREP	$20M (Planned $19M)	2 years for TANF, 3.5 add'l years for Food Stamps and Medical Eligibility	Started September 2002, TANF in Pilot, Food Stamps and Medical Eligibility being developed in-house (scheduled for production in 1Q 2008)
Michigan	MI BRIDGES	$69M	3 years	Started 1Q 2006, due 4Q 2008
Tennessee	TN VIP	$33M	2.5 years	Started 1Q 2006, due 3Q 2008

8. What will happen if the project is not approved?

Overall, EIS maintenance, enhancement and operating costs will continue to increase as the application and the programs become more complex, the software and hardware technology platform becomes more obsolete, and experienced COBOL and ADABAS application developers become less available and more costly.

The Division of Public Assistance staff finds EIS to be an inflexible application with an outdated user interface that has become difficult to adapt to the Division's diverse and ever-changing business practices. As a result, the staff has developed a variety of manual and semi-automated system workarounds to support their day-to-day business needs. The cost and effort associated with developing and maintaining these workarounds could be reduced or eliminated by replacing EIS with a modern, more comprehensive information system application.

Department's Mission: *To promote and protect the health and well being of Alaskans*. This project supports the Department's mission by determining the best design for the replacement system for determining eligibility for public assistance programs.

The end result to which this project contributes is "Low income families and individuals become economically self-sufficient."