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STATE AUTOMATION SYSTEMS STUDY

SITE VISIT: MAY 18 - 20, 1993

NEW MEXICO STATE REPORT

October 26, 1994

FINAL

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FNS Contract No. 53-3109-2-007

THE ORKAND CORPORATION

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NEW MEXICO STATE REPORT

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STATE PROFILE

System Name:	Integrated Service Delivery System for the Income Support Division (ISD^2)
Start Date:	1983
Completion Date:	1987
Contractor:	Consultec
Transfer From:	Georgia
Cost:	
Actual:	$11,227,964 (through September 1987)
Projected:	$ 4,911,697
FSP Share:	$ 3,886,048 (through September 1987)
FSP %:	34.6%
Number of Users:	(1,100 - estimated - ISD^2 only)
Basic Architecture:	
Mainframe:	IBM 9021/740
Workstations:	3270-type terminals
Telecommunications Network:	T1 lines to 56 KB lines to 9600 baud multidrop lines
System Profile:	
Programs:	Aid to Families with Dependent Children, Food Stamp, General Assistance, Medicaid

1.0 STATE OPERATING ENVIRONMENT

The Human Services Department (HSD) is a cabinet-level agency that is responsible for the administration of the Food Stamp Program (FSP) and other assistance programs in New Mexico. HSD administers the State's Financial Assistance Program, which provides Aid to Families with Dependent Children (AFDC) program and General Assistance (GA) program benefits and the Medical Assistance Program, which provides Medicaid benefits. Until 1992, there were five principal divisions within HSD: Administrative Services, Income Support, Medical Assistance, Social Services, and Child Support Enforcement. In 1992, the Department of Children, Youth, and Families was created and the Social Services Division was moved to this new Department.

Several divisions within HSD are involved in administering assistance programs in the State. The Income Support Division provides support for field operations and benefit delivery. Within this division there are four bureaus: Program Support, Food & Community Assistance, Financial Assistance and Quality Control. There are also 4 District Operations Offices. Within the Administrative Services Division (ASD), the Information Systems Bureau (ISB) provides technical support for the Integrated Service Delivery System for the Income Support Division (ISD^2) and technical oversight of the ISD^2 software support contractor.

The responsibility for ISD^2 operations has only recently been transferred from a private sector facilities management contractor to the Information Systems Division (ISD) within the State's General Services Department (GSD). This group is responsible for providing information, data processing, telecommunications, and other services to governmental entities within New Mexico. The ISD Office of Technical and Computer Services provides computer processing support, while the ISD Office of Communications (OC) provides communication engineering support and maintains the State's voice switching system and data communications network.

The State population in 1990 was 1,521,779. State staff indicated that Bernalillo County, which encompasses Albuquerque, had the highest population (480,577 in 1990). Seven of the State's 33 counties were reported to have populations of less than 6,000 people. State staff also indicated that the northwestern section of New Mexico, which contains the Navajo Reservation, is extremely remote. This makes it difficult to schedule interviews to meet expedited timeframes or other processing deadlines. Approximately 10.7 percent of New Mexico residents received Food Stamp Program benefits in 1990.

The level of unemployment in New Mexico decreased each year from 1986 to 1990 and increased in 1991. The State's unemployment rate decreased by almost 32 percent between 1986 (9.2 percent unemployment) and 1990 (6.3 percent unemployment). In 1991, the unemployment rate increased to 6.9 percent.

The October 1992 report, *The Fiscal Survey of States*, provides the following information compiled by the National Association of State Budget Officers:

- New Mexico's nominal expenditure growth for Fiscal Year (FY) 1993 was 0.0 percent to 4.9 percent; the national average for expenditure growth was 2.4 percent.

- New Mexico reduced the 1992 State budget by $5.5 million after it was approved. Human service programs and public defender expenditures were exempted from the reductions.

- State government employment levels in New Mexico increased by 1.67 percent. This change differed in direction and was greater in magnitude than the national average decrease of 0.60 percent in state government employment.

- The regional outlook indicated the southwest region has experienced strong per capita income growth and average unemployment. The per capita increase in personal income of 3.6 percent was greater than the national average increase of 2.4 percent. The regional weighted unemployment rate of 7.9 percent was slightly greater than the national average of 7.8 percent, but all of the states in the region, except Texas, had 1992 unemployment rates below the national average.

2.0 FOOD STAMP PROGRAM OPERATIONS

The Food Stamp Program in New Mexico is county-administered and State-supervised. There are four district offices within the State that oversee the county operations. District offices report to the Income Support Division Director of HSD.

From an organizational perspective, policy and program administration, and benefit delivery for the Food Stamp Program are provided by the Food Assistance Bureau within the Income Support Division.

2.1 Food Stamp Program Participation

The average monthly participation for FSP and other assistance programs is provided below in Table 2.1. There has been an increase in all program participation rates over the past five years. The number of Food Stamp Program cases increased by 60.5 percent between 1988 and 1992. The number of AFDC cases increased by 57.1 percent during the same period. The number of Medicaid recipients increased by 90.3 percent between 1988 and 1992 and GA participation increased by 74.3 percent between 1990 and 1992. Participation data for the Foster Care and Child Support Enforcement Programs, which are not supported by ISD[2], were not provided by State staff.

Table 2.1 Participation Average Monthly Public Assistance Participation

Program	1992	1991	1990	1989	1988
AFDC					
Cases	28,958	24,935	19,260	18,239	18,431
Individuals[1]	88,296	75,845	57,581	54,262	54,883
FSP					
Cases	76,642	67,014	54,319	50,837	47,762
Individuals	220,954	196,464	162,317	153,382	147,028
Medicaid					
Individuals	175,723	152,859	105,793	95,814	92,334
GA					
Cases	1,410	1,176	809	N/A	N/A

2.2 FSP Benefits Issued Versus FSP Administrative Costs

The ratio of FSP benefits issued to FSP administrative costs improved from 10.2:1 in 1988 to 17.3:1 in 1992.

New Mexico's average monthly benefit issuance per household over the last five years, as provided in Table 2.2, has increased.[2]

Table 2.2 FSP Benefits Issued

	1992	1991	1990	1989	1988
Average Monthly Benefit Per Household	$197.35	$191.16	$184.45	$168.18	$165.06

2.3 FSP Administrative Costs

New Mexico's Food Stamp Program administrative costs for the past five years are provided in Table 2.3.[3] Total FSP Federal administrative costs decreased in 1989, increased in 1990 and 1991, and decreased in 1992. The average cost per household decreased each year except 1989.

[1] The number of individuals for FY 88 and FY 89 are estimates, based on an average of 2.98 individuals per case. Actual figures were not available.

[2] The number of households and benefit amounts use data reported in the FNS *State Activity Report* each year.

[3] The number of households and FSP Federal administrative costs are derived from data reported in the FNS *State Activity Report* each year.

Table 2.3 FSP Federal Administrative Costs

	1992	1991	1990	1989	1988
Total FSP Federal Admin. Cost	$10,537,169	$10,614,280	$9,672,500	$8,941,859	$9,553,891
Avg. Federal Admin. Cost Per Household Per Month	$11.44	$13.78	$15.22	$15.09	$16.26

2.4 System Impacts on Program Performance

Areas of Food Stamp Program performance that could potentially be affected by the automated systems that support the program include:

- Staffing
- Responsiveness to Regulatory Change
- Combined Official Payment Error Rates
- Claims Collection
- Certification/Reviews

2.4.1 Staffing

In 1993, there were 490 eligibility workers (EWs) in New Mexico. State representatives indicated that the EW staffing level has been constant for the past two years. HSD has plans to request approval, from the State legislature, for an additional 60 eligibility workers to accommodate caseload increases.

The organization and assignment of workload within the local office is at the discretion of each office. Some offices have both intake and on-going workers; others do not separate these functions. The assignment of caseloads may be based on the difficulty of the case or the category of assistance. Most caseworkers in the State are generic; however, some large offices may have some food stamp-only or Medicaid-only caseworkers in addition to generic caseworkers.

The average caseload per worker, however, has increased in recent years. New Mexico recently calculated an unduplicated count of approximately 300,000 individuals. Based on an average of 2.9 individuals per case, the average caseload per worker was determined to be between 200 and 210 cases. The State legislature determines case count by summing food stamp cases and Medicaid only cases. As of December 1993, the case count using this method was about 132,204 and the average caseload per worker was 269

cases. This exceeds the State's desired caseload of 190 to 200 cases per worker. For all programs, the average caseload per worker was 331.6 in 1993. By comparison, in 1983 the average caseload was between 250 and 270 cases per worker. In February 1993, the Statewide average FSP caseload per worker was 175.7 cases.

Following implementation of ISD^2, there were some caseworker staffing problems. The State converted from program specific to generic caseworkers in conjunction with ISD^2 implementation. The need to learn policy in new program areas resulted in increased caseworker turnover.

2.4.2 Responsiveness to Regulatory Change

As shown in Exhibit A-2.1 in Appendix A, New Mexico implemented each regulatory change in a timely manner, except one which was not applicable to New Mexico. Nine of the provisions required computer programming changes and 11 required changes to State policies. New Mexico staff attributed the State's ability to implement changes in a timely manner to the availability of programmers. State staff indicated that their contractor was able to provide programmers as needed to meet New Mexico's requirements. ISD staff thought that the most difficult provisions to implement were those related to budgeting and income calculations, since these changes required new coding logic.

2.4.3 Combined Official Payment Error Rate

New Mexico's official combined error rate, as indicated in Table 2.4, decreased between 1988 and 1990 and increased in 1991 and 1992. Overall, the error rate decreased during the five year period.

Table 2.4 Official Combined Error Rate

	1992	1991	1990	1989	1988
Combined Error Rate	8.55	7.55	7.19	8.91	9.68

Data for the first two months of FY 1993 indicated that the FSP error rate was 12.03 percent; however, this rate is not comparable to error rates for an entire year since error rates typically are higher at the beginning of the fiscal year. There was a wide variation in error rates across counties.

2.4.4 Claims Collection

Table 2.5 presents claims collection data indicating the total value of claims established, the total value of claims collected, and the percentage of claims established that were collected. The aggregate annual value of claims established and claims collected increased

between 1988 and 1992, but there was year-to year variation with both measures. The percentage of claims established that were collected also showed an overall increase despite some year-to-year fluctuation.

Table 2.5 Total Claims Established/Collected

	1992	1991	1990	1989	1988
Total Claims Established	$2,404,690	$1,674,883	$1,697,036	$2,106,886	$1,875,219
Total Claims Collected	$861,510	$743,839	$619,865	$549,275	$565,475
As a Percent of Total Claims Established	35.8%	44.4%	36.5%	26.1%	30.2%

Claim collections increased each year except 1989. State staff attributed the increase in claims collected to improvements that were made in ISD^2 and in the Automated Claims System. In 1988, the interface between ISD^2 and the Automated Claims System did not operate properly. Notices to clients were not being generated properly and recoupments or billing notices also were not being generated. This situation was corrected in 1988 and further improvements in the interfaces between the two systems were made between 1990

3.1 System Functionality

ISD^2 was intended to be an on-line interactive interviewing system; however, in practice, users often capture the information they need on paper and enter data into the system after the client interview.

Major features of ISD^2 are described in this section. Areas addressed include:

- ***Registration.*** One application form is completed for the Food Stamp, AFDC, Medicaid, and General Assistance Programs. Terminals are used to register the application. The name, address, date of birth, Social Security number (SSN), sex, and race are entered at the time of registration either by an eligibility worker or clerical personnel.

  Before the client's interview with the eligibility worker, the unit clerk or EW performs an automated search to determine whether the applicant was or is currently active in any assistance program. The search is conducted for each household member, using whatever information is available at the time of the search. The system has a Soundex function for searching names and the search can be as narrow or as broad as the information available permits. The search is performed on the following databases: State wages, State unemployment insurance, State Data Exchange (SDX) for Social Security Administration (SSA) benefits, Department of Motor Vehicles (DMV) using license numbers, and Disqualified Recipients System (DRS). A screen print is made of any information found during the on-line search and placed into the case file for review by the worker during the interview. If any household member has participated previously in the FSP, AFDC, or Medicaid Programs, the system can retrieve the historical record and place it into the electronic case file.

  The system will assign a case file number until the SSN has been established as the case number. The SSN is used as both a case identifier and an individual identifier.

  The need for expedited service is determined by the system, the unit's clerical worker, a screener, or the eligibility worker. Some offices have screeners who review the applications to identify those requiring expedited service. If the need for expedited service is not determined until the interview, the system will prompt for expedited service so that coupons can be issued immediately.

- ***Eligibility Determination.*** Although ISD^2 was designed to be used for interactive interviewing, most eligibility workers enter applicant information into the system after the interview or at the end of the day primarily because the system response time is relatively slow. Workers can page through system screens or screen initials may be used to go directly to the desired screen. Workers typically call up the screens they need because it is faster. For an active case, however, workers generally page through the income and resource screens to see if there is historical

information they need in order to determine eligibility. The worker does not need to page through the screens, but it is recommended they do so for the income and resource screens so they do not miss historical information that is available. ISD^2 provides immediate on-line edits of screen data as well as batch edits.

The worker can access a utility function that provides an on-line calculator screen. This function is available behind the day care, earned income, and unearned income screens. If the worker wishes to save the calculations for the case, a print screen is made and the paper print out is filed in the case record. The calculations are not maintained in the electronic record.

The worker enters income and resource information into ISD^2 and the system calculates the appropriate budgets for the AFDC, GA, and Food Stamp Programs and determines the benefit levels. ISD^2 uses prospective budgeting, but the worker can include up to eight weeks of previous income depending on how much the applicant's income fluctuates. The worker can set the recertification period at three, six, or twelve months. If the client indicates that he or she will be receiving an increase in income in the future, the worker can base the length of the certification period on this information and make a note of the anticipated increase.

Workers are required to verify certain data elements and computer matching information. Match information that is found on any of the household members is printed and placed in the case file for EWs to confirm during the interview. All screens have a verification field in which EWs must enter a "Y" if the data for the field has been verified. If the field is not verified, an error will occur.

ISD^2 determines client eligibility for all assistance programs handled by the system.

- ***Benefit Calculation.*** The system calculates the benefit levels, but EWs must verify and confirm the calculation before the files are updated. Probationary workers require supervisory approval for benefit authorization.

- ***Benefit Issuance.*** New Mexico has two types of benefit issuance: mail and Electronic Benefit Transfer (EBT). The primary benefit issuance method is direct mail. Coupons are mailed centrally from the Santa Fe office. Mail issuance is accomplished through an automated process in which a bar coded card contains the number of coupon books to be mailed. The cards are inserted into a machine that places coupons and an insert card into an addressed envelope, which is mailed to the client. For recipients who have suffered two losses in recent months, food coupons are mailed to the county office and the recipient picks up the benefits from the county. To support mail issuance, ISD^2 has a table of valid zip codes that verifies the zip code when the address is entered initially or changed.

Bernalillo County, which handles approximately 30 percent of New Mexico's food stamp cases, also uses EBT issuance. The EBT system in Albuquerque began providing food stamp benefits at the point of sale in September 1990 and AFDC benefits at many retailers and the First National Bank and Link automated teller machine (ATM) in February 1991. The EBT system was classified a demonstration until September 1993. The State of New Mexico has recently submitted an Advanced Planning Document (APD) to FNS and DHHS for an expansion of EBT statewide. In the future, New Mexico also would like to include Medical Assistance on the EBT card.

There are several other ISD^2 functions that support issuance. The system provides a screen that displays the last 30 issuances. The system also provides a monthly issuance file for both the mail and EBT systems. It also has the capability to create daily issuance files for new approvals and for supplemental food stamp issuance.

EWs can request replacement benefits on-line, based on an affidavit completed by the recipient. The affidavit goes to the Family Assistance Bureau, which enters information from the affidavit into the system.

- ***Notices.*** ISD^2 provides combined Medicaid, AFDC, and food stamp notices. Both worker-generated and system-generated notices are possible within ISD^2. The worker is required to enter the notice reason into the system; the system then generates the notice. Although the claims system has its own notice system, ISD^2 also sends out a notice indicating that a claim has been established and that the benefit amount will be reduced.

  The notice system is being modified as a result of a lawsuit by the New Mexico Legal Aid Society. The group sued the State of New Mexico, requiring that notices provide more information. Currently, most notices are a single page, and the longest notices are three pages. Once the notice system is revised, some notices may exceed eight pages.

- ***Claims System.*** The claims system is a separate system with an interface to ISD^2. Data is exchanged between the two systems daily and the interface is transparent to the user. The EW calculates the corrected benefit amount and enters the cause of the claim, whether the potential for fraud exists, and the corrected benefit amount into the system. The claims system calculates the monthly recoupment amount and tracks the claim. It automatically subtracts the amount from the monthly benefit and establishes a collection record.

  Claims collections and investigations are handled through the Office of the Inspector General (OIG). The OIG Restitution Bureau is responsible for contacting the client concerning the claim. The OIG Investigations Bureau provides additional support for claims collections.

- ***Computer Matching.*** The computer matching system is a separate system from ISD^2 with an automated interface that is transparent to the user. Six on-line computer matches are performed prior to the interview. On-line matching is performed against the following databases: State wages, unemployment insurance, SSA and Supplemental Security Income (SSI) benefits and wages, and motor vehicle registration. The Internal Revenue Service (IRS) tax return matching is a manual process. New Mexico also is involved in exchanging tapes with neighboring counties and states.

  State staff indicated that the usefulness of various computer matching sources varied. Staff indicated that SDX is considered to be the most useful database, while IRS and Beneficiary Data Exchange (BENDEX) data are considered to be out of date and less useful.

- ***Alerts.*** EWs can enter action item notes or alerts that establish a future date for an activity. These notes are maintained in an Action Item Log, referred to as a "Q Screen," that contains both system-generated and worker-generated items. The items are presented chronologically according to the type of action, so workers are required to scroll through all of the items in the action item log each day. Some types of action items cannot be eliminated directly from the Q Screen; these items must be deleted from the log when the worker accesses the case and updates the record. State staff indicated that many EWs will use the Q Screen daily to access and work cases because it allows workers to avoid beginning at the main menu.

- ***Monthly Reporting.*** The requirement for monthly reporting in New Mexico was eliminated during 1992. The elimination of this function required major modifications in ISD^2. The Mickey Leland Hunger Prevention Act of 1988 required that the prospective budgeting method be used for Native Americans living on reservations. Since monthly reporting was required to support retrospective budgeting, monthly reporting was eliminated at the same time the State changed the budgeting method.

- ***Report Generation.*** ISD^2's reporting capabilities include the provision of standard reports to workers, supervisors, and State staff. The system does not offer ad hoc reporting capabilities. ISD^2 provides one FNS report that is in its final form. For all other FNS reports, the data must be extracted from the system and reformatted to complete the required Federal reporting form.

- ***Program Management and Administration.*** ISD^2 provides several features to assist in program management and administration. The system does not provide electronic mail capabilities; but does have a one way electronic messaging capability. ISD^2 screens are considered to be visually well organized and easy to read.

  ISD^2 also provides an informational screen of county community services, contact persons, and telephone numbers that are available to provide assistance to

applicants and recipients. EWs can produce and provide the recipient with a printout of the screen. The information on the screen is specific to each county.

3.2 Level of Integration/Complexity

ISD^2 serves the major assistance programs and appears to have a moderately high level of integration. It interfaces with the Child Support Enforcement System, which is a separate system. It also interfaces with a separate claims collection system and with other agencies' systems (e.g., the Department of Labor system).

ISD^2 is a moderately complex system with integrated screens. With the transfer of ISD^2 from a private sector mainframe environment to the State data center environment, the complexity of system operations may increase since ISD^2 will be operating in a shared mainframe environment and competing with other State agencies for system resources.

3.3 Workstation/Caseworker Ratio

The State has a total of 5,000 terminals for all agencies and users. Of these, there are approximately 1,100 terminals in New Mexico that support ISD^2. There is a dedicated terminal for every eligibility worker in New Mexico. Most clerical personnel also have terminals. Additional terminals support EW supervisors, support staff, county and State administrators, and other users.

3.4 Current Automation Issues

ISD^2 was initially implemented on the State's host computer, but when the system failed to meet the performance requirements of HSD, the HSD decided to outsource ISD^2 operations and run the application from the facilities management contractor's mainframe. HSD has been directed to return ISD^2 operations to the State data center. HSD staff are hopeful that the data center equipment upgrades will enable it to provide efficient and cost-effective support for ISD^2, but HSD staff are concerned about the data center's ability to meet system performance requirements without increasing system operating costs.

There have been some problems related to management and system performance since operational support responsibilities were returned to the State data center. Problems were encountered when GSD switched from XA to ESA and when HSD was migrated to new disk space. A Friday night backup was missed. The cost of the GSD operations are expected to increase beyond the cost of a private sector contractor. For 1992 to 1993, GSD costs were capped at $6 million, the amount that had been charged by BDM International when the contractor operated the system. In the future, HSD will have to comply with the State's fee structure. State staff indicated that they expect that HSD will end up paying more for service they find unsatisfactory.

HSD also has become dependent on outside contractors for software support because the State legislature eliminated HSD's programming positions when ISD^2 operations were

privatized. Since the State mandated that ISD^2 be operated by GSD, the State legislature has authorized the addition of three positions in ISD.

4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION

This section discusses the approaches used in New Mexico during the development and implementation of ISD^2.

4.1 Overview of the Previous System

The previous system that supported the Food Stamp Program was the Food Stamp Management Information System (FSMIS). The system, which was transferred from Louisiana, was a standalone paper-based system that did not interface with other programs and systems.

Before ISD^2 was implemented, separate systems supported various assistance programs in the State and specialized workers were used for each program. The small caseloads in some of the local offices made it difficult and inefficient to use a specialized worker approach.

4.2 Justification for the New System

Shortcomings of the existing systems provided the rationale for developing a new system. Desired features for the new system included interactive interviewing capability, on-line eligibility determination and benefit calculation, and statewide clearance of new applicants against a historical, integrated database. State staff indicated that the objectives for the new system included:

- Reduced paperwork
- Reduced report production costs
- Increased worker efficiency and productivity
- Reduced error rates

New Mexico projected a probable savings of between 6.7 percent and 13.5 percent through the reduction of erroneous payments with the new system. Potential savings were estimated to be as much as 54.7 percent. The greatest potential for error reduction was in the automated interfaces with other systems, as well as reductions in errors associated with household composition, vehicles, wages, salaries, SSI, unemployment compensation, shelter deduction, arithmetic calculations, and standard utility allowances.

The State also expected that the implementation of the new system would be instrumental in allowing the worker to handle increasing caseloads and devote more time to State welfare reform initiatives (e.g., the State's self-sufficiency project, *Project Forward*).

4.3 Development and Implementation Activities

In 1983, New Mexico began planning for its system development effort. The first Advanced Planning Document was completed in December 1983. The State issued a Request for Proposals (RFP) and selected Consultec Corporation to design, develop, and implement the system. Although the original RFP requested the use of IDMS, Consultec, whose experience was with VSAM, initially developed the system in VSAM and was not able to switch to IDMS later.

System implementation occurred between 1985 and 1987. In May 1985, ISD^2 was implemented in a single county, Sandoval County, as a pilot test. Bernalillo County was the next county where the system was implemented. ISD^2 was implemented statewide in 1987.

The State continued to use contractor support for ISD^2 operational support and enhancement efforts. A maintenance contract with Consultec provided support through March 1988. On August 1, 1988, HSD contracted with BDM International of Albuquerque to provide ISD^2 software application support and all of HSD's computer processing, data communications, and equipment management services. The contract was a four year, fixed-price contract. BDM operated ISD^2 on an IBM 3090 Series 200 mainframe in an MVS/XA environment using the Customer Information Control System (CICS) for on-line applications.

In 1991, the HSD request to release an RFP for contractor support for the same services was denied. The Information Systems Council (ISC) decided to return processing and data communications services to the State agency responsible for providing these services to other State agencies: the General Services Department Information Systems Division.

In September 1991, HSD submitted an APD for application support during the transitional period and following it. This contract was awarded to Integrated Systems Solutions Corporation (ISSC), an IBM subsidiary, with BDM International as a subcontractor. Under this contract, ISSC was given responsibility for originating daily computer jobs, scheduling programs within batch cycles, and providing all programming support except for the basic job control language (JCL) that is provided by the Information Systems Bureau of the Administrative Services Division of HSD.

4.4 Conversion Approach

The planning group from the field operations area was responsible for ISD^2 training. A train-the-trainer approach was used, and training was integrated with conversion. Training and conversion were phased in, with the lead people in each county serving as the experts for the county. EWs and EW supervisors each spent approximately one week in training.

State staff indicated that training generally was considered to be adequate. Because ISD^2 replaced other automated systems, field staff already were familiar with automated systems, which facilitated training. Training for the transition to the generic caseworker

approach took place one month before ISD^2 training. One week was required for training FSP workers and one day was required to train financial assistance workers for non public assistance FSP cases.

Total conversion required three years. Approximately 47,000 FSP households were converted. Automated conversion was possible for a small percentage of data elements at the household level only. During the day, staff from other offices would come into the office being converted to help with the caseloads and the conversion. All active cases and all new cases were converted. The conversion process was time consuming because system response time was slow and because workers were having to learn policies for new program areas as part of the transition to the generic caseworker approach.

4.5 Project Management

The project manager was responsible for day-to-day oversight of the project team. The project manager was from the Administrative Services Division of HSD and reported directly to the HSD secretary. The core members of the project team included 18 contractor staff, less than one full-time equivalent (FTE) representing the AFDC, Medicaid, and financial areas; five field staff; and four generic State program staff.

A field advisory committee and a steering committee also provided support and oversight for the ISD^2 development effort. The steering committee included the project manager and one representative from each of the following areas: field operations, corrective action (field), budget, and clerical.

4.6 FSP Participation

A user group, the Field Advisory Committee, provided support during the planning, development, and implementation phases of the project. The group, which included 15 to 20 eligibility workers and management personnel, were involved in establishing requirements, making recommendations, and reviewing and approving project deliverables and progress. Five or six people from the field advisory committee formed a core group that participated in the group for the duration of the project.

4.7 MIS Participation

There was little involvement of State technical staff during the ISD^2 development effort or system implementation. Most of the necessary tasks were performed by contractors. Furthermore, most of the development was done at the contractor's site in Atlanta. Contractor support for the development effort included 18 programmer/analysts, one systems analyst, one manager, one quality assurance staff, and one systems architect. The State retained the implementation contractor to provide programming and analysis support for two years after the system became fully operational.

4.8 Problems Encountered During Development and Implementation

Several problems were encountered during ISD^2 development and implementation. Major problems detailed in this section include: difficulties in establishing and communicating system requirements, the contractor's inexperience and conflicting commitments, the changing scope of the system, and inadequate time for testing.

The State and the development contractor did not communicate effectively regarding requirements for the system. The system that Consultec developed for HSD did not have the functionality or structure that the State envisioned. There were several factors that contributed to these problems. State staff involved with the contractor lacked the information systems knowledge required to ask the contractor appropriate questions and evaluate the responses. Another problem resulted from the contractor's use of a batch system from Georgia as the starting point for ISD^2 development. Consultec then modified it to be an on-line system. The contractor also used a VSAM file structure instead of the desired hierarchical or relational database. State staff attributed some of the inefficiencies of the system's application code and design to the fact that ISD^2 code was developed by modifying Georgia's Public Assistance Reporting Information System (PARIS) code. Most of the development, programming, and testing was done at the contractor's site rather than at State facilities. This contributed to the communications and design problems and enabled the contractor to conceal some of the system's deficiencies.

State staff indicated that the contractor's experience and other commitments presented problems as well. Consultec had developed the Georgia system, but it did not have many components that New Mexico desired. During the ISD^2 development period, the contractor was working on projects in Connecticut, North Carolina, South Carolina, and Vermont. State staff indicated that this created some confusion and spread staff too thin.

Another problem was the changing scope of the system. Throughout the development period, users added changes and the Federal government required regulatory changes. Inadequate attention was devoted to alternatives analysis and requirements definition during development.

Program staff believed that a better system would have resulted if there had been more time for planning and system testing. The Department, however, was committed to completing the system within four years, and the time allotted for testing was reduced to meet the overall project timeframe. As a result, there was very little testing activity performed before the pilot test. Therefore, the pilot test in Sandoval County was more like an acceptance test than a pilot test and the next offices implemented also were treated as pilot sites.

5.0 TRANSFERABILITY

In 1983, several state systems were considered including the Hawaii, Vermont, Georgia, and Utah systems. Based on the recommendation of the development contractor, Georgia's PARIS system

was selected for transfer. The candidate system did not contain very much of the functionality desired by New Mexico. It was not an integrated system; it supported only financial assistance. The transfer was viewed as a conceptual transfer only.

State staff indicated that system transfers force the fit of a system designed for one environment into another environment. While this approach potentially reduces development costs and time, it also proliferates poor designs and obsolete technologies.

State staff indicated that New Mexico would prefer that a Federal system be used as a starting point. This system then could be customized to meet individual states' requirements. A viable Federal system would include basic functions and would be adaptable. New Mexico staff suggested that a rules-based system, with modifiable tables and templates, would provide an

6.2 Description of Operating Environment

The operating environment consists of several components. This section describes these components, which include the current operating environment, maintenance, telecommunications, performance, response time, system downtime, and plans for future hardware and software enhancements.

6.2.1 Operating Environment

The Information Systems Division within the State's General Services Department oversees the State data center, which operates 24 hours a day every day of the week. The data center is responsible for ISD^2 operations and supports all State agencies except the Department of Labor. The on-line processing window is between 7:00 a.m. and 6:00 p.m.; batch processing occurs from 6:00 p.m. to 7:00 a.m. If month-end cutover occurs on a weekday, the next day's on-line cycle starts late because the issuance processing cannot be completed within the batch processing window.

The IBM 9021 operates at 150 million instructions per second (MIPS) and contains three central processing units (CPUs). Two CPUs run MVS and one runs Host VM. The CPU on which ISD^2 resides operates under MVS/XA. ISD^2 utilizes VSAM.

The State data center uses many utilities and tools from Computer Associates, Compuware, Dun and Bradstreet, and other companies to support its systems. Without these tools, GSD would not be able to support the number of systems and the variety of hardware and software used in the State. Also, a variety of Platinum Technologies products are used to facilitate interaction and interface between VSAM, IDMS, IDMS-R, and DB2 databases and file structures.

System security is provided through ACF2. Access is controlled through passwords, area authorization, and function. There is an on-line monitor that enables authorized personnel to determine which individuals are logged into the system.

New Mexico has an approved disaster recovery plan that utilizes a cold site in Philadelphia, Pennsylvania. This plan is tested at least annually.

6.2.2 State Operations and Maintenance

Support for ISD^2 is provided by the State GSD and outside contractors. The HSD does not have programmers or analysts to support the ISD^2 application, but a contract between GSD/ISD and HSD's Administrative Services Division provides four system programmer/analysts, at the rate of $42 per hour, to support the system. When responsibility for operational support of ISD^2 was returned to State staff, the State legislature authorized three additional staff positions in the Information Systems Division. Other GSD system support includes: 2.5 FTE managers, 2.5 FTE system programmers, 0.1 FTE database administrators, and 19 operations staff. Approximately 20 contractor programmer staff currently provide support to ISD^2.

State staff indicated that HSD and GSD do not have enough technical staff with the skills required to develop and support HSD systems. HSD is not competitive in obtaining qualified technical staff because the best qualified technical personnel seek environments where newer technologies are being used.

HSD also does not have a sufficient number of staff to support the system. There have been State staffing cuts in recent years and HSD lost positions when it outsourced computer operations and support to a private contractor. HSD did not get many of those positions back when the State resumed support.

New Mexico lacks the resources necessary to develop and support an integrated system without contractor support. At present, the Department does not plan to make the transition from combined State and contractor support to State staff support only. State staff indicated that the State hiring process can take 18 to 24 months. Furthermore, the Department has been unsuccessful in its previous attempts to get new positions authorized by the State legislature. By using contractors, the State does not have to contend with State requirements regarding training and hiring or deal with union issues.

File backups and hardware and software maintenance activities are performed daily, weekly, and bi-weekly. Preventive maintenance is performed on alternating weekends. On weekends, when month-end processing is performed, however, preventive and database maintenance activities may be skipped. File backups are made daily for incremental files and weekly for all files.

6.2.3 Telecommunications

The telecommunications network uses T1 lines connected to 56KB lines to 9600 baud multidrop lines in local offices. Approximately 13,600 transactions are received over the network each 15 minutes. The State uses NETSPY and NETVIEW to monitor telecommunications.

6.2.4 System Performance

The mainframe is operating near full capacity for the entire State system. ISD^2 utilizes 27 percent of the system's capacity. Average CPU utilization for ISD^2 is 27 percent during normal processing periods and 42 percent at peak utilization. There is a total of 420 gigabytes of disk space and 18 percent of this is allocated to the HSD systems. Peak system utilization periods occur between 9:30 a.m. and 2:30 p.m.

Peripherals also are operating at levels close to capacity. Only 25 percent of the system's direct access storage device (DASD) is available and this amount of DASD is required for work space to keep the systems running. The front end processor (FEP) also is close to capacity. A 10 percent increase in caseload would severely impede system performance.

The average daily transaction count is 600,000 CICS transactions. This translates to several million database input/outputs (I/O). Approximately 400,000 of these transactions are associated with ISD^2.

The New Mexico data center is in the process of upgrading operating systems and software to use the latest versions.

6.2.5 System Response

State staff indicated that there have been problems with system response, particularly during periods when the State data center was responsible for system operations. The planned system response time, which is based on average response time for transactions over an entire day, is 4.5 seconds per transaction. Response time suffers during peak processing times. Month-end batch runs in the VM partition concurrent with on-line processing also adversely affects response time. There are a significant number of transactions that average 24 to 30 second response times. Some transactions take one to 20 minutes to complete. Eligibility determination, for example, sometimes requires several minutes. Internal response time varies from 0.7 seconds at normal processing load times to 2.1 seconds at peak load times.

6.2.6 System Downtime

State staff indicated that scheduled system downtime occurs regularly, at least monthly, in New Mexico. The system is not available until late morning or early afternoon if month end cutover occurs during the week. State staff also indicated that there were considerably fewer occurrences of downtime when HSD had its own facilities management contractor, and the contract between HSD and the contractor contained specific performance clauses.

6.2.7 Current Activities and Future Plans

The State plans to upgrade its mainframe computer by adding a fourth processor. The upgrade is planned for 1994, when the Highway Department system comes on-line.

HSD plans to shift ISD^2 from its VSAM structure to DB2 in the future; however, the State plans to retain its mainframe/terminal approach rather than move towards a personal computer (PC)/local area network (LAN) environment. HSD staff believe that there is a lack of security with PCs and LANs.

Other future plans include the development of a new notice system to be implemented in 1994, expansion of the Employment and Training Program, and statewide implementation of EBT.

The State's future direction will likely involve the use of a case tool and methodology similar to Texas Instrument's IEF. Andersen Consulting is utilizing the IEF tool for the State's new Child Support Enforcement system. New Mexico staff like IEF because it

requires the user to use each tool; this results in a fully documented system. The use of expert systems, relational databases, downsizing to reduce costs, graphic user interfaces, and increased user access to data represent other areas of interest in New Mexico.

New Mexico is re-engineering its systems as applicable, but the State is looking at other options for a longer term solution. State staff view re-engineering as a short to medium term solution that will extend the life of the current system but will leave an old technology platform in place. Through re-engineering and redesign, HSD would like to reduce mainframe computer charges, reduce response time, and improve reliability. The State is focusing greater attention on areas believed to have real long term benefits. State staff have looked at the Merced, California system and have worked with Missouri, Nebraska, Texas Instruments, Price-Waterhouse, and Blue Cross/Blue Shield to analyze potential platform options for the future.

7.0 COST AND COST ALLOCATION

This section addresses ISD^2 development costs and approved Federal funding, on-going ISD^2 operating costs, and cost allocation methodologies applied to allocating development and operating costs.

7.1 ISD^2 Development Costs and Federal Funding

ISD^2 development occurred between 1983 and 1987; the system became operational in early 1987. HSD currently is exploring the feasibility of re-engineering the system to achieve a more efficient environment and platform. An APD for ISD^2 enhancement is currently being planned.

The first ISD^2 APD was developed in 1983. Total development costs for ISD^2 were projected to be $4,911,697.[4] The FSP ISD^2 development funding share was projected to be $1,273,156 or 25.9 percent of total costs.[5] The APD also projected shares for other programs; these were: AFDC - $1,948,237 (39.7 percent), Medicaid - $799,738 (16.3 percent), and State - $890,566 (18.1 percent). FNS enhanced funding at the 75 percent Federal financial participation (FFP) rate was projected. The APD and funding shares were approved by both DHHS and FNS. A development contract for ISD^2 was awarded to Consultec in November 1983. The ISD^2 contract called for a three year development effort.

[4] ISD^2 APD December 1983.

[5] Ibid.

In July 1987, an APD Update (APDU) requested $1,484,236 to cover increased contractor costs.[6] The FSP share was $517,998 or 34.9 percent with FNS matching at the 75 percent FFP rate. The total FNS funding was $388,499.[7]

Actual ISD^2 development costs incurred through September 1987 totaled $11,227,964; the FSP share was $3,886,048.[8]

7.1.1 ISD^2 System Components

ISD^2 supports the Food Stamp, AFDC, Medicaid, and State Programs.

7.1.2 Major Development Cost Components

The major cost items associated with ISD^2 development included contractor services, State personnel costs, and equipment. Major ISD^2 development costs and the FSP share of these costs are shown in Table 7.1. The following sections provide additional information regarding development cost components.

Table 7.1 Major ISD^2 Development Costs Components[9]

Component	1983	1984	1985	1986	1987	TOTAL
Personnel Costs	$28,823	$171,412	$228,663	$735,091	$1,953,985	$3,117,975
Contractor Services	$11,369	$304,889	$2,058,340	$3,539,558	$560,995	$6,475,153
Equipment	$0	$0	$690,527	$288,362	$22,020	$1,000,910
Other	$752	$39,348	$202,967	$310,556	$80,303	$663,926
TOTAL	$40,944	$515,649	$3,180,497	$4,873,567	$2,617,303	**$11,227,964**
FSP Share	$14,306	$179,961	$1,099,355	$1,679,539	$912,885	**$3,886,048**
FSP Percent Share	35%	35%	35%	34%	35%	35%

[6] FNS Southwest Regional Office (SWRO) APD Summary Report 11/92.

[7] ibid.

[8] ISD^2 project cost tracking spreadsheets.

[9] ISD^2 Project costs tracking spreadsheets 12/83-9/87.

7.1.2.1 Contractor Costs

Contractor costs originally were estimated to be $2,680,693.[10] The contractor's responsibilities included design, development, testing, installation, and implementation of ISD^2. The contract was expanded due to increased system requirements. The total actual ISD^2 development contractor costs were $6,475,153.[11]

7.1.2.2 State Personnel Costs

The 1983 ISD^2 APD estimated State personnel costs to be $714,894.[12] This total included $555,962 for salaries plus $158,932 for benefits. A total of 18 staff were assigned to the effort: 12 full-time personnel and six staff devoting 5 percent of their time to the ISD^2 project. The total actual cost of State personnel for the ISD^2 effort was $3,117,975.[13]

7.1.2.3 Equipment Costs

The 1983 APD estimated data processing equipment costs to total $1,338,320.[14] This included $561,408 for 84 terminals, $405,000 for 54 printers, and $371,912 for 42 modems. The APD included a plan to lease 30 percent of the project's hardware. Leasing was selected to avoid purchasing hardware that would be used for development and abandoned after implementation. This category included a nine-month lease of 165 terminals and 23 printers with a total cost of $148,941.[15] The total actual cost for ISD^2 equipment was $1,000,910.[16]

7.2 Operational Costs

Prior to 1988, ISD^2 operating costs exhibited dramatic monthly fluctuations that made it difficult for HSD to manage budgets and funds. In an attempt to better manage operating costs and moderate fluctuations, HSD decided to contract out ADP operational support services, including ISD^2 operational support. The State awarded an ADP support contract to BDM in August 1988. BDM provided the equipment which fully supported HSD ADP operations, maintenance, and application support. The BDM maintenance contract was a fixed-price contract for approximately $6 million per year. In July 1992, HSD ADP

[10] ISD^2 December 1983 APD.

[11] ISD^2 project cost tracking spreadsheets 12/83-9/87.

[12] December 1983 ISD^2 APD.

[13] ISD^2 project cost tracking spreadsheets.

[14] December 1983 ISD^2 APD.

[15] ibid.

[16] ISD^2 project cost tracking spreadsheets 12/83-9/87.

operational support services were returned to the State due to political pressures and the fiscal climate in New Mexico.

In September 1991, HSD submitted an APD for ISD^2 Application Support Services for $14,468,052.[17] The estimated FSP share was $5,520,019 and the FNS share, at the 50 percent FFP rate, was $2,760,009. The funding was projected to cover five years of ISD^2 support services. This included both State and contractual services required to support ISD^2.

As of May 1993, the State had a smaller operational support contract for HSD ADP operations. The State's contract with Integrated Systems Solutions Corporation cost $2.8 million annually.

The three components of ISD^2 operational costs are shown below in Table 7.2.

Table 7.2 ISD^2 Operating Cost Components

Cost Component	Description
GSD/ISD	Development and maintenance of ISD^2 operations and equipment. Includes CPU time, communications, printers, etc.
Purchased Services	Primarily the cost associated with the ISSC maintenance and operations contract. Includes all operational support services which are contracted, purchased, or leased.
Administrative Support	All other services provided in support of ISD^2, generally data processing.

GSD/ISD is responsible for maintaining the operating environment for ISD^2. The New Mexico Human Services Department is responsible for development and maintenance of ISD^2.

ISD^2 annual operating costs for 1989 through 1992 are shown in Table 7.3, ISD^2 Operating Costs and FSP Share. Indirect operating costs are those costs which are shared among programs. Direct costs are costs that are directly attributable to Food Stamp Program operations.

[17] September 1991 ISD^2 Application Support Services APD.

Table 7.3 ISD² Operating Costs and FSP Share

Year	Indirect	Direct	Total	FSP Share	FSP %
1989	$4,959,244	$7,846	$4,967,090	$2,527,240	50.9%
1990	$4,451,657	$2,202	$4,453,859	$2,181,994	49.0%
1991	$5,354,065	$228,016	$5,582,081	$2,669,442	47.8%
1992	$5,302,252	$0	$5,302,252	$2,344,452	44.2%
TOTAL	**$20,067,218**	**$238,064**	**$20,305,282**	**$9,723,128**	**47.9%**

7.2.1 Cost Per Case

The monthly cost per case for ISD² for FY 1992 was $2.55. This cost was calculated using the 1992 food stamp monthly caseload of 76,642 households and the 1992 average monthly FSP share of ISD² operational costs, $195,371.

7.2.2 ADP Operational Cost Control Measures and Practices

GSD/ISD supports ISD² ADP operations and bills the HSD Income Support Division monthly. Transaction counts are tracked by program. Each ISD² screen provides processing for a particular program (e.g., FSP) or several programs. Costs are allocated based on the proportion of screen transactions for a particular program. All operational support costs such as CPU time, storage space, contractor costs, and maintenance programmer time are allocated based on CICS screen transaction counts.

7.3 New Mexico Cost Allocation Methodologies

This section addresses the cost allocation methodologies used to allocate costs associated with ISD² development and on-going ISD² operations. The cost allocation plan currently being used has been approved by FNS.

7.3.1 Historical Overview of Development Cost Allocation Methodology

The allocation methodology used for ISD² development was based on a functional weighting system with 15 system features. Each feature was based on two to 37 family assistance functional components. Features were assigned weights based on the complexity of each functional feature. These weights also were based on experience gained during the last major automation project. Points were assigned based on the benefits of each feature for the three major program areas. Caseloads and number of workers also were factored into the program needs. The following formula was used to allocate each feature:

Feature Percentage by Program = (Needs by Program / Total Needs) x Assigned Feature Weight

ISD^2 development costs were allocated using the total of feature percentage by program for all features. The following shares of development costs were allocated to each program:

- Food Stamp Program - 34 percent
- AFDC - 44 percent
- Medicaid - 18 percent
- General Assistance - 4 percent

These allocation percentages were used throughout the entire ISD^2 development effort.

7.3.2 ISD^2 Operational Cost Allocation Methodologies and Mechanics

The September 1991 APD for application support services proposed that these costs be allocated based on the Federally approved cost allocation plan. Application support costs were allocated on a transaction basis among the three Federal programs and the State. The proposed funding shares were as follows:

- Food Stamp Program - 48 percent
- AFDC - 26 percent
- Medicaid - 25 percent
- General Assistance - 1 percent

ADP costs, including costs for purchased services, allocated to ISD^2 are distributed based upon a CICS screen transaction count analysis. This analysis accounts for the number of times a particular screen is accessed on ISD^2 and the average time associated with an access. The analysis multiplies the transaction and the average time to arrive at a weighted total. The weighted total is then assigned to a single program area (food, financial, or medical assistance) or a pool common to all programs (generic or general screens). The common allocation pool is allocated to program areas based on the percentage of the program allocation. The net allocated cost related to food and medical assistance then is charged to food and medical administration at the 50 percent FFP rate. Costs directly related to the Electronic Benefit Transfer system are further allocated based on the ratio of food stamp and financial assistance transactions only.

Administrative costs are allocated using a step-down procedure. Costs are allocated to other cost units within the administrative division or program directly. The first step in this cost allocation procedure is to analyze and allocate the Statewide Cost Allocation, which is provided by the State's Department of Finance and Administration. This cost includes allowable overhead costs related to the general operation of State government that is allocated to the Human Services Department. This cost is distributed to the related function within the Department and allocated based on the prescribed procedures of the particular cost unit. All expenditures are grouped by cost center and summarized into divisions and groups.

APPENDIX A

STATE OF NEW MEXICO

EXHIBITS

Exhibit A-2.1
Response to Regulatory Changes

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
1.1	1: Mickey Leland Memorial Domestic Hunger Relief Act	1: Excludes as income State or local GA payments to DHHS provided as vendor payments. 273.9(c)(1)(ii)(F)	8/1/91	N/A	N/A	N/A
1.2	1: Mickey Leland Memorial Domestic Hunger Relief Act	2: Excludes from income annual school clothing allowance however paid. 273.9(c)(5)(i)(F)	8/1/91	Y	Y	Y
1.3	1: Mickey Leland Memorial Domestic Hunger Relief Act	3: Excludes as resource for Food Stamp purposes, household resources exempt by Public Assistance (PA) and SSI in mixed household. 273.8(e)(17)	2/1/92*	Y	Y	Y
1.4	1: Mickey Leland Memorial Domestic Hunger Relief Act	4: State agency shall use a standard estimate of shelter expense for households with homeless members. 273.9(d)(5)(i)	2/1/92*	Y	Y	Y
2.1	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	1: Extended resource exclusion of farm property and vehicles. 273.8(e)(5),etc.	7/1/89	Y	N	Y
2.2	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	2: Combined initial allotment under normal time frames. 274.2(b)(2)	1/1/90	Y	Y	Y
2.3	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	3: Combined initial allotment under expedited service time frames. 274.2(b)(3)	1/1/90	Y	Y	Y

Exhibit A-2.1
Response to Regulatory Changes

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
3.1	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	1: Exclusion of job stream migrant vendor payments. 273.9(c)(1)(ii)	9/1/88	Y	Y	Y
3.2	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	2: Exclusion of advance earned income tax credit payments. 273.9(c)(14)	1/1/89*	Y	N	Y
3.3	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	3: Increase dependent care deductions. 273.9(f)(4), etc.	10/1/88	Y	Y	Y
3.4	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	4: Eliminate migrant initial month proration. 273.10(a)(1)(ii)	9/1/88	Y	Y	Y
4.1	4: Issuance	1: Mail issuance must be staggered over at least ten days. 274.2(c)(1)	4/1/89	Y	N	N
4.2	4: Issuance	2: Limitation on the number of replacement issuances. 274.6(b)(2)	10/1/89	Y	Y	Y
4.3	4: Issuance	3: Destruction of unusable coupons within 30 days. 274.7(f)	4/1/89	Y	N	N

* These dates were changed after the State completed this form and the site visit occurred; therefore, the responses to these particular regulatory changes may be inaccurate.

Exhibit A-6.1
State of New Mexico Hardware Inventory

Component	Make	Acquisition Method	Number/Features
CPU			
9021/740	IBM	Lease	3 CPUs, 150 MIPS (1)
DISK			
3380 3390 6390	IBM IBM Amdahl	Lease Lease Lease	(59) (3) (2)
TAPE			
9-track	IBM	Lease	3420 (2)
Cartridge loader/drives	IBM	Lease	3480 (1)
PRINTERS			
Impact	IBM IBM	Lease Lease	3900 (2) 4245 (1)
Laser	Xerox Xerox	Lease Lease	9790 - MICR (1) 4850 - color (1)
FRONT ENDS			
FEP	IBM	Lease	3745 (1)
REMOTE EQUIPMENT			
Terminals	Various	Purchase	3270 type (5,000 - ISD[2] and other State systems)

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APPENDIX B

STATE OF NEW MEXICO

ANALYSIS OF OPERATOR USER SATISFACTION SURVEYS

OVERVIEW

This appendix presents the results of the Operational Level User Satisfaction Survey. Frequency counts of responses to all applicable items on the survey are included, grouped by the topic covered by the item. The results for the items covering each topic

[redacted]

represent the perceptions of eligibility workers (EWs) in New Mexico. In other words, these responses do not necessarily represent a "true" description of the situation in New Mexico. For example, the results presented regarding the response time of the system reflect the workers' perceptions about response time, not an objective measure of the actual speed of the response.

Description of the Sample

The following table summarizes the potential population size and the final size of the sample who responded.

Number of EWs in New Mexico	Number Selected to Receive Survey	Percentage Selected
474	63	13.3%
	Number Responding to Survey	Response Rate

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents(%)
Poor	9	31.0
Good	18	62.1
Excellent	2	6.9

What is the quality of system response time during peak periods?

	Number of Respondents	Percentage of Respondents(%)
Poor	21	72.4
Good	7	24.1
Excellent	1	3.4

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents(%)
Rarely	2	6.9
Sometimes	20	69.0
Often	7	24.1

Eligibility workers in New Mexico are somewhat satisfied with system response time. While 69 percent of EWs feel that overall system response time is good or excellent, over 72 percent think response time during peak periods is poor. A large majority also believes that response time sometimes or often is too slow.

Availability

How often is the system available when you need to use it?

	Number of Respondents	Percentage of Respondents (%)
Rarely	1	3.4
Sometimes	4	13.8
Often	24	82.8

How often is the system down?

	Number of Respondents	Percentage of Respondents (%)
Rarely	4	14.3
Sometimes	21	75.0
Often	3	10.7

Nearly 83 percent of eligibility workers believe that the system often is available when they need to use it, but over 85 percent of EWs also think that the system is sometimes or often down. The system downtime, however, does not seem to be intrusive enough to detract from the perception that the system generally is available.

Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents (%)
Poor	3	10.3
Good	22	75.9
Excellent	4	13.8

How often is a case terminated in error?

	Number of Respondents	Percentage of Respondents (%)
Rarely	23	85.2
Sometimes	4	14.8

How often is eligibility incorrectly determined?

	Number of Respondents	Percentage of Respondents (%)
Rarely	19	67.9
Sometimes	8	28.6
Often	1	3.6

How often is the system's data out-of-date?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	59.3
Sometimes	10	37.0
Often	1	3.7

Most eligibility workers think the system's data and computations are quite accurate. Almost 90 percent of the workers feel that the quality of the information in the system is good or excellent. Majorities also believe that problems related to cases terminated in error, incorrect eligibility determination, and obsolete data are rare, but over 40 percent feel that the system's data sometimes or often are obsolete.

Ease of Use

How often do you have difficulty obtaining necessary information from the system?

	Number of Respondents	Percentage of Respondents (%)
Rarely	18	64.3
Sometimes	10	35.7

How often do you have difficulty learning to use the system?

	Number of Respondents	Percentage of Respondents (%)
Rarely	23	82.1
Sometimes	3	10.7
Often	2	7.1

How often do you have difficulty automatically terminating benefits for failure to file?

	Number of Respondents	Percentage of Respondents (%)
Rarely	18	78.3
Sometimes	5	21.7

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents (%)
Rarely	18	72.0
Sometimes	6	24.0
Often	1	4.0

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	69.6
Sometimes	7	30.4

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	68.0
Sometimes	6	24.0
Often	2	8.0

How often do you have difficulty identifying recipients already known to the State?

	Number of Respondents	Percentage of Respondents (%)
Rarely	21	77.8
Sometimes	4	14.8
Often	2	7.4

How often do you have difficulty updating registration data?

	Number of Respondents	Percentage of Respondents (%)
Rarely	18	69.2
Sometimes	7	26.9
Often	1	3.8

How often do you have difficulty updating eligibility and benefit information from recertification data?

	Number of Respondents	Percentage of Respondents (%)
Rarely	21	77.8
Sometimes	6	22.2

How often do you have difficulty identifying cases which are overdue for recertification?

	Number of Respondents	Percentage of Respondents (%)
Rarely	19	73.1
Sometimes	4	15.4
Often	3	11.5

How often do you have difficulty monitoring the status of all hearings?

	Number of Respondents	Percentage of Respondents (%)
Rarely	10	71.4
Sometimes	2	14.3
Often	2	14.3

How often do you have difficulty tracking outstanding verifications?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	59.3
Sometimes	10	37.0
Often	1	3.7

How often do you have difficulty automatically notifying households of case actions?

	Number of Respondents	Percentage of Respondents(%)
Rarely	18	75.0
Sometimes	4	16.7
Often	2	8.3

How often do you have difficulty notifying recipients that recertification is required?

	Number of Respondents	Percentage of Respondents(%)
Rarely	18	69.2
Sometimes	5	19.2
Often	3	11.5

How often do you have difficulty identifying cases making payments through recoupment?

	Number of Respondents	Percentage of Respondents(%)
Rarely	19	73.1
Sometimes	3	11.5
Often	4	15.4

How often do you have difficulty identifying error prone cases?

	Number of Respondents	Percentage of Respondents(%)
Rarely	11	45.8
Sometimes	7	29.2
Often	6	25.0

How often do you have difficulty identifying cases involving suspected fraud?

	Number of Respondents	Percentage of Respondents (%)
Rarely	9	37.5
Sometimes	9	37.5
Often	6	25.0

How often do you have difficulty assigning new case numbers?

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	68.0
Sometimes	4	16.0
Often	4	16.0

Eligibility workers generally believe that the system is easy to use. For most functions, a large majority reports rarely having difficulty. There are several areas, however, in which a significant proportion of EWs reports sometimes or often having difficulty. These areas include: obtaining necessary information from the system, monitoring the status of hearings, tracking outstanding verifications, and identifying error prone and suspected fraud cases.

FOOD STAMP PROGRAM NEEDS

Worker Satisfaction Levels

How often is the system a great help to you in your job?

	Number of Respondents	Percentage of Respondents (%)
Sometimes	6	20.7
Often	23	79.3

How often is the system an added stress in your job?

	Number of Respondents	Percentage of Respondents (%)
Rarely	13	44.8
Sometimes	11	37.9
Often	5	17.2

How often is the system more of a problem than a help?

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	60.7
Sometimes	11	39.3

EWs generally think that the system positively influences job satisfaction. A large majority of eligibility workers feels that the system helps them in their jobs. Although 55 percent of the workers believe that the system contributes to job-related stress, almost 61 percent believe that the system usually is more helpful than problematic.

Client Service

How often is expedited service difficult to achieve?

	Number of Respondents	Percentage of Respondents (%)
Rarely	20	74.1
Sometimes	6	22.2
Often	1	3.7

How often do you have difficulty providing expedited services?

	Number of Respondents	Percentage of Respondents (%)
Rarely	20	76.9
Sometimes	4	15.4
Often	2	7.7

Most EWs feel that there are few problems associated with providing expedited service to clients.

Fraud and Errors

No data are available to address fraud and errors with the New Mexico system because all the questions in this category compare the current and previous systems. Since New Mexico's system was implemented more than five years ago, comparative questions are not applicable.

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APPENDIX C

STATE OF NEW MEXICO

ANALYSIS OF MANAGERIAL USER SATISFACTION SURVEYS

OVERVIEW

This appendix presents the results of the Managerial Level User Satisfaction Survey. Frequency counts of responses to all applicable items on the survey are included, grouped by the topic covered by the item. The results for the items covering each topic are summarized as well.

The responses to the Managerial Level User Satisfaction Survey are the perceptions of eligibility worker (EW) supervisors in New Mexico. In other words, these responses do not necessarily represent a "true" description of the situation in the State. For example, the results presented regarding the response time of the system reflect the managers' perceptions about that response time, not an objective measure of the actual speed of the response.

Description of the Sample

The following table summarizes the potential population size and the final size of the sample who responded.

Number of EW Supervisors in New Mexico	Number Selected to Receive Survey	Percentage Selected
91	30	33.0%
	Number Responding to Survey	Response Rate
	21	70.0%

The supervisors selected to receive the survey were selected randomly so their perceptions would be representative of supervisors in New Mexico. The response rate of 70 percent is acceptable and produces a sample large enough for the results to be representative of those selected, rather than the opinions of just a few individuals.

Summary of Findings

For the most part, EW supervisors in New Mexico are satisfied with their system. Most EW supervisors report that overall system response time, availability, and accuracy are acceptable. The majority of EW supervisors feels that the system is relatively easy to use, but there are areas in which some EW supervisors report problems. For example, nearly 37 percent have difficulty learning to use the system. Supervisors agree that the system generally contributes to improved job satisfaction and supports their management needs.

Since New Mexico's current system has been operational since 1987, comparisons between the current and previous systems would be of limited value. Responses to comparative questions, therefore, are

not solicited for systems that were implemented more than five years ago.

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents
Poor	5	23.8
Good	16	76.2

What is the quality of system response time during peak periods?

	Number of Respondents	Percentage of Respondents
Poor	17	81.0
Good	4	19.0

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents
Rarely	2	9.5
Sometimes	13	61.9
Often	6	28.6

EW supervisors in New Mexico are somewhat satisfied with system response time. Over 76 percent of the respondents feel that overall system response time is good; however, 81 percent of EW supervisors believe that response time is poor during peak processing periods. A vast majority also believe that response time sometimes or often is too slow.

Availability

How often is the system available when you need to use it?

	Number of Respondents	Percentage of Respondents
Sometimes	2	9.5
Often	19	90.5

How often is the system down?

	Number of Respondents	Percentage of Respondents
Rarely	4	19.0
Sometimes	14	66.7
Often	3	14.3

Over 90 percent of EW supervisors report that the system often is available when they need to use it; however, most supervisors also feel that there are instances of downtime. This downtime, however, apparently is not intrusive enough to detract from the perception of overall system availability.

Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents
Poor	1	4.8
Good	16	76.2
Excellent	4	19.0

EW supervisors generally perceive the quality of the system's data to be acceptable. More than 95 percent of the supervisors feel that the information in the system is good or excellent.

Ease of Use

How often do you have difficulty obtaining necessary information from the system?

	Number of Respondents	Percentage of Respondents
Rarely	12	57.1
Sometimes	8	38.1
Often	1	4.8

How often do you have difficulty learning to use the system?

	Number of Respondents	Percentage of Respondents
Rarely	12	63.2
Sometimes	6	31.6
Often	1	5.3

How often do you have difficulty automatically terminating benefits for failure to file?

	Number of Respondents	Percentage of Respondents
Rarely	13	76.5
Sometimes	3	17.6
Often	1	5.9

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents
Rarely	15	71.4
Sometimes	4	19.0
Often	2	9.5

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents
Rarely	15	78.9
Sometimes	3	15.8
Often	1	5.3

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents
Rarely	12	60.0
Sometimes	6	30.0
Often	2	10.0

EW supervisors generally believe that the system is easy to use. For each function discussed, a majority of the EW supervisors reports rarely having difficulties in these areas. There are several areas; however, in which significant minorities sometimes or often have problems: obtaining information from the system, learning to use the system, and restoring benefits.

FOOD STAMP PROGRAM NEEDS

Supervisor Satisfaction Levels

How often is the system a great help to you in your job?

	Number of Respondents	Percentage of Respondents
Sometimes	3	14.3
Often	18	85.7

How often is the system an added stress in your job?

	Number of Respondents	Percentage of Respondents
Rarely	2	9.5
Sometimes	13	61.9
Often	6	28.6

EW supervisors generally feel that the system contributes to job satisfaction. Almost 86 percent of respondents feel that the system often is a great help; however, more than 90 percent of the supervisors think the system sometimes or often is an added stress in their jobs.

Management Needs

What is the quality of the reports produced by the system?

	Number of Respondents	Percentage of Respondents
Poor	6	28.6
Good	14	66.7
Excellent	1	4.8

What is the quality of the support provided by the technical staff supporting the automated system?

	Number of Respondents	Percentage of Respondents
Poor	3	14.3
Good	14	66.7
Excellent	4	19.0

How often do you have difficulty making mass changes to the system?

	Number of Respondents	Percentage of Respondents
Rarely	10	58.8
Sometimes	4	23.5
Often	3	17.6

How often do you have difficulty meeting Federal reporting requirements?

	Number of Respondents	Percentage of Respondents
Rarely	7	41.2
Sometimes	7	41.2
Often	3	17.6

EW supervisors feel that the system generally supports management needs. More than 71 percent of the EW supervisors think that the quality of the reports produced by the system is good or excellent, and over 85 percent feel that technical staff support is good or excellent. Significant proportions of EW supervisors; however, report sometimes or often having problems making mass changes (41 percent) and meeting Federal reporting requirements (59 percent).

Client Service

No data are available to address client service because all the questions in this category compare the current and previous systems. Since New Mexico's system was implemented more than five years ago, comparative questions are not applicable.

Fraud and Errors

No data are available to address fraud and errors with the New Mexico system because all the questions in this category compare the current and previous systems. Since New Mexico's system was implemented more than five years ago, comparative questions are not applicable.