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STATE AUTOMATION SYSTEMS STUDY

SITE VISIT: NOVEMBER 15 - 17, 1993

KENTUCKY STATE REPORT

OCTOBER 12, 1994

FINAL

Prepared for:

Diana Perez, Project Officer
Office of Analysis and Evaluation
Food and Nutrition Service
3101 Park Center Drive
Alexandria, VA 22302

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THE ORKAND CORPORATION

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STATE PROFILE

System Name:	Kentucky Automated Management and Eligibility System - Income Management (KAMES-IM) Kentucky Automated Management and Eligibility System - Food Stamp (KAMES-FS)	
Start Date:	KAMES-IM	KAMES-FS
	1991	1985
Completion Date:	1994	1988
Contractor:	Developed by contractors, directed by in-house staff	
Transfer From:	Previous Food Stamp Program-only system (KAMES-FS)	
Cost:		
Actual:	$15,714,590.93 (through 3/31/93)	$23,868,471 (through 1/88)
Projected:	$29,888,193	$16,600,000
FSP Share:	0	N/A
FSP %:	0%	100%
	NOTE: The KAMES-IM project has not been completed. Development costs do not include costs for Food Stamps as those costs are in the KAMES-FS system until both systems are fully integrated. See Appendix D, State Supplemental Information for the KAMES Development Budget sheet.	
Number of Users:	2,500	
Basic Architecture:		
Mainframe:	IBM ES9000/972	
Workstations:	Telex 3270 terminals	
Telecommunications Network:	T1 statewide backbone	
System Profile:		
Programs:	Food Stamp, Aid to Families with Dependent Children, Medical Assistance, and State programs	

1.0 STATE OPERATING ENVIRONMENT

In Kentucky, the Cabinet for Human Resources (CHR) administers all public assistance (PA) programs, as well as a number of social service programs. CHR consists of the following components:

- Office of Policy and Budget
- Office of Personnel Management
- Department of Law
- Office of Inspector General
- Office of Communications
- Office of the Ombudsman
- Office of Administrative Services
- Department for Mental Health/Mental Retardation
- Department for Health Services
- Department for Employment Services
- Department for Medicaid Services
- Department for Social Services
- Department for Social Insurance

The Food Stamp Program (FSP) in Kentucky is administered by the Department for Social Insurance (DSI).

The Department of Information Systems (DIS) of the Finance and Administration Cabinet serves as the State's central data processing organization. Formal agreements between CHR and DIS task DIS to support the development and implementation of new data processing systems. DIS staff may be augmented by contractor staff obtained via a competitive bid process. DIS consists of five divisions: Support Services, Systems Engineering, Systems Development, Network Services, and Computer Services.

Kentucky is currently in the process of implementing the Kentucky Automated Management and Eligibility System-Income Management (KAMES-IM), an integrated eligibility determination system that has been in development for several years.

Kentucky operates 126 direct service offices in 120 counties. The State is rural in nature with no geographical features that impact the delivery of FSP services to its clientele. Conversion to KAMES-IM is expected to be completed during 1994. The Kentucky Automated Management and Eligibility System-Food Stamp (KAMES-FS), a standalone FSP-only eligibility and management system, was fully implemented in 1988 and is in use in all direct service offices.

Direct service offices have combined services and serve all clients receiving or applying for AFDC, Medical Assistance, FSP, and other PA programs.

The level of unemployment in Kentucky has generally declined since 1983. Between 1983 (11.7 percent unemployment) and 1990 (5.8 percent unemployment), the unemployment level decreased by over 50 percent. The 1991 unemployment rate was 7.4 percent.

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

- Kentucky's nominal expenditure growth for fiscal year (FY) 1993 was in the 0 to 4.9 percent range; the national average for expenditure growth was 2.4 percent.
- Kentucky reduced the 1992 State budget by $155 million after it was approved.
- State government employment levels in Kentucky increased by 4.57 percent. This increase was third highest in the nation and very different from the national average decrease of 0.60 percent.
- Kentucky increased revenues by $23 million for FY 1993.
- The regional outlook indicated that Kentucky's per capita personal income growth was above the national average and that it had below average unemployment rates.

2.0 FOOD STAMP PROGRAM OPERATIONS

DSI consists of four divisions: Child Support Enforcement, Management and Development, Field Services, and Administrative Review.

Support of the administrative processes involved in the operation of FSP is shared between all divisions, except for Child Support Enforcement. In the KAMES project, for instance, the coordination effort involved several units of the Division of Field Services, such as the Quality Initiatives, Eligibility Services, and Operations Support Units, as well as the Management and Eligibility Systems Unit of the Division of Management and Development. Many other organizations are involved in this coordination effort. A discussion of the KAMES project organization is included later in this report.

The Division of Administrative Review contributes to the administration of FSP with its handling of hearings and collections for all program areas.

2.1 Food Stamp Program Participation

As shown in Table 2.1, FSP household participation increased from 167,773 in 1988 to 201,211 in 1992, a 20 percent increase.

Table 2.1 Average Monthly Public Assistance Participation[1]

PROGRAM	1992	1991	1990	1989	1988
AFDC					
Cases	79,099	76,436	64,834	55,175	55,360
Individuals	229,339	221,884	177,580	153,122	155,718
FSP					
Households	201,311	188,639	169,460	165,520	167,733
Individuals	538,333	509,730	460,523	458,708	475,139
Medicaid Only					
Cases	117,841	92,641	82,428	82,292	75,530
Individuals	246,370	226,088	224,247	207,703	188,048

2.2 FSP Benefits Issued Versus FSP Administrative Costs

The ratio of benefits issued to FSP administrative costs has improved from 12.5:1 in 1988 to 15.7:1 in 1992. Kentucky'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	$181.84	$175.73	$165.53	$154.84	$151.27

2.3 FSP Administrative Costs

Kentucky's FSP administrative costs for the past five years are provided in Table 2.3.[3] The data indicates that total administrative costs increased each year from 1989 to 1992. It also shows that the average cost per household was fairly constant.

[1] All data provided by State staff.

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

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

Table 2.3 FSP Federal Administrative Costs

	1992	1991	1990	1989	1988
Total FSP Federal Admin. Cost	$27,136,011	$24,980,334	$24,574,613	$23,114,913	$24,157,817
Average Federal Admin. Cost Per Household Per Month	$11.46	$11.35	$12.17	$11.93	$12.09

2.4 System Impacts on Program Performance

FSP systems typically have an impact on several program performance areas. This section examines the system impact on staffing, responsiveness to regulatory changes, error rates, and claims collection.

2.4.1 Staffing

Kentucky employs 1,597 full time eligibility workers (EW) and 472 clerical support staff in the operation of its PA programs. There are also 154 EW supervisors, 4 field administrators and 21 field managers who manage daily operations. State staff report that there has been a slight reduction in the number of casework staff over the past five years. Staff also report an increase in the average caseload per worker and in caseload backlog. The number of issuance staff has also decreased over this time period.

2.4.2 Responsiveness to Regulatory Change

Kentucky reports that all applicable regulatory changes listed in Appendix A, Exhibit A-2.1 were implemented within the mandated timeframes. Provision 273.9(c)(1)(ii)(f), which mandates the exclusion of State or local general assistance payments provided as vendor payments from the calculation of client income, was not implemented because Kentucky does not provide general assistance payments in any form. Changes may have been made to operational policies and procedures to implement some of these Federal

Table 2.4 Official Combined Error Rate

	1992	1991	1990	1989	1988
Combined Error Rate	4.85	5.19	4.36	4.79	5.48

2.4.4 Claims Collection

The amount of claims established and collected, as shown in Table 2.5, has been steadily improving over the last five years.

Table 2.5 Total Claims Established/Collected

	1992	1991	1990	1989	1988
Total Claims Established	$1,635,386	$1,646,545	$2,047,778	$1,984,447	$2,163,773
Total Claims Collected	$1,319,113	$1,302,623	$1,339,220	$1,414,993	$1,532,240
As a % of Total Claims Established	80.7%	79.1%	65.4%	71.3%	70.8%

2.4.5 Certification/Reviews

The Food and Nutrition Service (FNS) post-implementation review of KAMES-FS was conducted in early 1990. The FNS review team listed several areas of concern. These areas were addressed by the State in a response in May 1990. KAMES-IM projects review in Fall 1994.

3.0 OVERVIEW OF THE SYSTEM

This section provides an overview of KAMES-IM functionality, complexity, and level of integration.

3.1 System Functionality

Kentucky has adopted the interactive interview model statewide. KAMES is designed around this model and includes other features specific to the Kentucky environment.

- ***Registration.*** When an applicant enters a direct service office a receptionist greets him/her and obtains a minimum set of data elements. This includes the Social Security number (SSN) of the head of household only, name, date, time and contact reason. A search of the statewide database is performed on-line to determine if the applicant is currently in the system and to upload the client's name, address and previous contacts. This process is not a true "registration" of the individual, but is designed to record contact with the agency.

- ***Eligibility Determination.*** Eligibility determination is made by KAMES after all relevant information has been received from the applicant. The EW conducts an interactive interview, with the system prompting the worker by presenting specific screens deemed relevant because of answers to previous questions, the types of programs applying for, and other logical factors programmed into the system. After the on-line interview, the system produces hard copy forms such as the application form for signature and the request for information.

  The number of accessed screens vary depending upon the specific circumstances of the applicant and the number and types of different programs for which the client is applying. Over 60 different screens are included in the system for eligibility determination purposes. KAMES automatically determines if the applicant qualifies for expedited service and notifies EWs of this status via on-screen display.

  The system conducts a real-time search of various data bases to determine if discrepancies exist between data reported by the applicant and that provided by various Federal and State agencies. These databases include the Benefit Earning Exchanges System (BEERS), Beneficiary Data Exchange (BENDEX), State Data Exchange (SDX), Internal Revenue Service (IRS), and State unemployment compensation and wages.

  During the application/recertification and member add process, KAMES determines if a member is currently receiving or has already received benefits for the eligibility period that has been established. This duplicate participation check is done for the Food Stamp Program and all money payment and medical assistance programs.

- ***Benefit Calculation.*** Benefit calculation is conducted at the same time as the eligibility determination function and is based on information provided during the interactive interview.

  KAMES has the ability to calculate monthly gross and net income, utilities, and medical expenses, as well as track verification of all income budget areas. KAMES also determines technical eligibility such as residency, citizenship, work registration, etc.

From the provided data, the system calculates the appropriate benefit level. Supervisory authorization is required in some instances including action taken by probationary EW's and when no Agency Contact has been entered.

- ***Benefit Issuance.*** Kentucky has both over the counter (OTC) and direct mail issuance of coupons. Issuance is handled by State workers except for four counties which utilize paid contractors.

  An issuance system, which is separate from KAMES, has automated capacity for the production of bar coded stuffing forms for high speed stuffing equipment. Issuance files are created daily for new approvals and special issuances, and monthly for on-going cases. AFDC benefits (on-going) are issued monthly while food stamp issuance is staggered over a ten day period.

  The issuance system also produces standardized rosters of eligible participants that the local offices use to disburse coupons. It links document numbers of original and replacement issuances, provides an on-line display of the entire issuance history, and prevents the issuance of benefits until all application data are complete. Expedited issuances are possible the next working day after an overnight batch process is conducted.

  State staff indicate that a very small number of cases exceed the 30 day standard of promptness for newly certified households. The latest available figures show 589 cases exceeding the standard in a selected month.

- ***Notices.*** KAMES automatically generates most client notices from imbedded rules. Caseworkers may add additional items to the on-line Request for Information screen which will then print to the hard copy given to the client. No other system generated notice allows for worker added text. Notices are provided for FSP, AFDC, Medicaid, and State Supplementation Assistance programs. Medicaid notices are limited to AFDC related Medicaid cases. AFDC and FSP notices are not combined and State staff indicated that there are no plans to combine the notice functions in the near future.

  The system generates the following notices automatically:

  - Key events related to household participation
  - Key events related to household eligibility
  - Warning that a monthly report was not received
  - Denial because of failure to keep appointments
  - Eligibility determination results
  - Benefit reductions
  - Benefit increases
  - Application approval

- Denial based on eligibility determination
- Closure based on recertification information
- Missing verifications

EWs have the ability to add to the system generated on-line request for information (RFI). No other worker-initiated notice capability was observed during the system demonstration. The system tracks the production and mailing of notices and provides an on-line display of notices sent to individual cases.

- ***Claims System.*** The separate "Integrated Claims System", which is not a part of KAMES, is utilized by the Collections Branch to manage all claims which are not being repaid by coupon reduction or administrative recoupment.

  KAMES does not update the "Integrated Claims System"; it is used to benefit reduce from active cases. The worker is not responsible for "correcting the benefit allotment amount" - only the claim amount. The worker calculates the total amount of the claim outside the system, and if the claim is to be benefit reduced and if the case is active, the worker then enters the total balance due and the monthly repayment amount or repayment percent. KAMES does interface with the claims system and generates discrepancy reports as needed.

  KAMES then reduces benefits by that amount out of each monthly issuance and automatically subtracts monthly from the balance due on the claim. KAMES generates all appropriate reduction notices.

- ***Computer Matching.*** Searches against outside data files take place at time of application or recertification, whenever a new household member is added, and on a regularly scheduled (either monthly or quarterly depending upon the data source) basis.

  Income and Eligibility Verification System (IEVS) matching is performed in a monthly batch mode and all discrepancies exceeding the *limits* set forth in Federal regulations are reported to caseworkers via on-line screen displays. Reported discrepancies may be viewed in detail via a specialized function within KAMES.

  Discrepancies are removed from the system when resolution information is entered by EWs. The system requires that all discrepancies be responded to and failure to resolve a discrepancy within mandated timeframes results in a notice to the worker's supervisor, who is responsible for tracking all match resolutions.

  Kentucky does not currently access participant data from any other State except on an ad hoc basis.

  KAMES does access a complete listing of IEVS data on-line at the time of application. BEERS, BENDEX, SDX, State Unemployment, wage and IRS databases are available for search at this time.

Kentucky state staff expressed the belief that most discrepancies are due to differences in accounting periods among the various data sources and the current data reported by the applicant. No perceptible change in the normal work flow was noted as a result of on-line matching. Kentucky does not report, or track, the time necessary to follow up on IEVS discrepancies.

- ***Alerts.*** KAMES alerts consist of the following types:

  - Discrepancies reported through IEVS
  - Scheduled interviews
  - Redetermination due
  - Applications pending
  - Transferred cases
  - Automatic discontinuance
  - Returned coupons and checks
  - Undeliverable mail
  - Pending disqualifications
  - Pending MMR actions
  - Expiring enumerations
  - Pending case changes
  - Spot checks (both automatically identified and posted by the system and worker posted)
  - Actions nearing time limit (supervisor only)

  The alert functions of KAMES appears to be a well functioning case management/administrative feature with clear displays and segmentation of data.

- ***Monthly Reporting.*** KAMES automatically determines those cases subject to monthly reporting requirements, produces the required monthly reporting forms for mailing, directs the returned forms to the correct EW, and generates warning notices to clients whose reports are late. It also automatically closes cases whose monthly report forms are not received within the mandated timeframes. KAMES provides on-line screens that indicate the status of monthly reporting forms.

  Information as to the receipt of monthly reporting forms is entered into the system by EWs. EWs also enter data related to changed and/or incomplete data.

- ***Report Generation.*** The system provides a Daily Case Status Report (DCSR) for each worker. This "alert" report contains data on due/overdue actions necessary on specific cases. It is not possible to go "directly to the full case record..", but the user, by using PF keys, may exit the DCSR and access the KAMES Main Menu where any case action may be selected and utilized.

  Supervisors are advised of delinquent actions via the system, which also produces a number of Federally and State mandated hard copy reports.

- ***Program Management and Administration.*** An extensive Help function is available through the system and electronic mail is available through other systems operating on the same network as KAMES. DIS maintains an internal change control tracking system outside of KAMES.

3.2 Level of Integration/Complexity

KAMES-FS/KAMES-IM is the eligibility determination system for the AFDC, FSP, and AFDC/Medicaid programs as well as the State Supplementation program. Interfaces to Child Support Enforcement, computer matching, and claims and issuance functions are transparent to the users.

KAMES is a central processor based system with real-time, on-line update and inquiry capability. The system is based on the interactive interview model with screen generation and program logic resident at the mainframe. KAMES is a large system by any standard and is representative of most Title IV-A systems designed within the last seven years.

3.3 Workstation/Caseworker Ratio

Kentucky state staff report the workstation to caseworker ration as being 1:1, each caseworker has a dedicated workstation for entry and inquiry purposes. There are also a number of workstations installed in interview areas for clerical use and administrative functions.

3.4 Current Automation Issues

Kentucky is currently in the implementation phase of the KAMES-IM project. Agency efforts are fully devoted to the successful implementation of the system as currently designed and no immediate changes, upgrades, or enhancements are planned.

4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION

This section of the report is limited to the KAMES-IM development effort and the system that preceded it in Kentucky.

4.1 Overview of the Previous System

An Advance Planning Document (APD) for KAMES was submitted to FNS in November 1984 for an integrated FSP, AFDC, Medical Assistance, State Supplementation, and Refugee Assistance system. The original APD was revised in December 1985 and again in March 1988. The revised system was for FSP only and was renamed KAMES-FS. KAMES-FS, developed in 1986/1987; piloted in March 1987; and fully implemented in 1988, was an FSP-only management and eligibility system. It continues to run in a production mode and provides the base platform for the current system configuration.

4.2 Justification for the New System

KAMES-IM was originally conceived as a standalone system which would appear to the end user to be integrated with KAMES-FS. It was later decided to integrate it into the base KAMES-FS design which, it was determined, would not negatively impact the existing capabilities of the system. The objective of the system design effort was to design and develop a system that supported AFDC; the State Supplementation program; and the Refugee Assistance programs, determines eligibility for Medicaid, and integrates KAMES-FS.

The specific justifications for KAMES-IM were:

- To reduce the number of tasks that caseworkers and other staff performed manually, thereby increasing efficiency and quality
- To supply adequate data to management for planning, budgeting, forecasting, etc.
- To lower the AFDC and Medicaid eligibility and benefit error rates to within Federal tolerance limits
- To apply policy uniformly and to implement changes, including mass policy changes, on a timely basis
- To monitor the performance of caseworkers
- To achieve system integrity

Intangible benefits claimed for the new system included improved service to clients, planning and evaluation, availability of statistical information for ad hoc information users, work environment, and interdepartmental relations.

4.3 Development and Implementation Activities

Development activities for KAMES-IM began in March 1985 with the completion of a requirements analysis. The request for proposals (RFP) was released in November 1986 and the contract awarded to CSX, Inc. in October 1987. This contractor was terminated in March 1989 and another RFP was released. This contract was awarded in July 1990 and resulted in detailed analysis and detailed design documents in 1991. The design and development task was completed in September 1992; acceptance testing was completed in April 1993. At the time of the site visit, November 1993, the pilot phase had been completed and statewide implementation had been about 50 percent completed.

4.4 Conversion Approach

FSP personnel assisted in developing the conversion plan. The conversion of data to the new KAMES systems required manual re-entry of the majority of data elements. A list

of cases to be converted was provided to each office, however, there was no automated conversion of data elements to the new system. Approximately 190,000 cases were scheduled to be converted during the statewide implementation effort, which is scheduled for completion in 1994.

State staff indicated that Staff training for the conversion effort generally was considered adequate, however, some difficulties were reported. EWs received two days of centralized classroom training, and they entered cases in a special practice region when they returned to their local offices. Supervisors received a full week, as did selected lead EWs. To the extent possible, training was coordinated statewide to coincide with the implementation schedule. However, due to circumstances beyond the control of the Department, there were lapses in the time workers were trained and when they began using the system.

Approximate time to convert a case was estimated at 45 minutes; cases that had multi-program participation and large families were more time consuming to convert. FSP staff did not feel that the scheduled conversion timeframe was adequate. There were also a number of system bugs found during the early implementation/conversion efforts.

4.5 Project Management

The core project team was made up of FSP staff members, AFDC staff members, Management Information Systems (MIS) technical staff members, contractor technical staff, and Medicaid program staff member.

The project manager was assigned from FSP and reported to the Division of Management and Development in DSI. The project manager spent 25 to 50 percent of her time on the project and had extensive experience in the PA program area. The KAMES-IM and KAMES-FS sections are housed in the Management and Eligibility Systems branch of the Division of Management and Development of the DSI.

A user group of State level administrators and supervisors was involved in all phases of the KAMES-IM project. The user group included FSP, AFDC, and Medicaid program areas. The user group met weekly and established requirements, made recommendations, and reviewed activities during the planning, development, and implementation phases of the project. Inadequate staffing was cited as preventing program managers and staff from making a more significant contribution to the project.

Contractor involvement was very heavy in the design and coding phases of the system development. Contractor involvement was described as moderate during the conversion phase; system documentation was also the prime responsibility of the contractor. Performance and deliverables of the contract staff were reviewed by the project management team. Despite some personnel turnovers, the contractor's performance was regarded as above average.

4.6 FSP Participation

FSP participation occurred during all phases of the project. State level FSP personnel were formal members of the user's group and the project manager had extensive FSP experience.

4.7 MIS Participation

MIS also participated during all project phases, with technical specialists assigned to specific supervisory tasks during the development of the system.

4.8 Problems Encountered During Development and Implementation

Schedule slippage occurred in the design, user acceptance testing, and training phases of the project. With a system the size and complexity of KAMES-IM, it is difficult to accurately project staffing needs and time frames. Therefore, inadequate staffing levels and unexpected delays did cause the design phase to extend much longer than planned. User acceptance testing was also impacted by unexpected delays. Training was delayed due to other phases not being completed on time.

Overall project costs also increased. While contractor costs remained stable, internal staffing, central processing unit (CPU) usage, and telecommunication costs increased, as did the number of staff necessary to maintain the system on an on-going basis. While the success of the project was not actually jeopardized by unexpected delays, they did have major impacts, causing frustration within the project staff. Other states have experienced an increase in their error rate due to the implementation of a new system. However, any increase in Kentucky is expected to be marginal based on the limited information we have available.

The pilot phase, which involved three counties, uncovered several systems problems, most of which were corrected before full implementation began.

5.0 TRANSFERABILITY

The present system, KAMES-FS, was developed by Electronic Data Systems (EDS) as the result of a court settlement. In addition, at the time KAMES-FS was completed, transfer of the system was not an alternative. The new system, KAMES-IM, was intended to build on and complement the existing KAMES-FS, thus, a system transfer was not appropriate. Since the combined KAMES-FS/KAMES-IM is still in the implementation phase, there has been no transfer activity from Kentucky to another State.

6.0 SYSTEMS OPERATIONS

The following section describes the KAMES-FS system. The description includes a profile of system components and a discussion of the system operating environment.

6.1 System Profile

- **Mainframe:** IBM ES9000/972
  MVS/ESA, CICS, IMS, RACF
- **Disk:** IBM 3390
  IBM 3495 - Tape Library System
- **Tape:** IBM 3480 - Cartridge
  IBM 3490 - Cartridge
  STK3670 - Reel
- **Printers:** IBM 6262 - Impact
  Xerox 4050, IBM 3800 - Laser
- **Front Ends:** IBM 3705, 3725, 3745
- **Workstations:** Telex 3270s
- **Telecommunications:** T1 statewide backbone connecting 100 KAMES circuits through one of 12 nodes under SNA protocol

A detailed Hardware Inventory is provided as Exhibit A-6.1 in Appendix A.

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

Under CHR, Kentucky's DSI supports the FSP operation. DIS is under the jurisdiction of the Cabinet of Finance and Administration and provides both systems development and data center operations support for the KAMES applications. There are currently two KAMES applications providing support for the FSP operation - KAMES-FS is a food stamp only system, developed in 1986 and still running in a production mode; KAMES-IM is an integrated eligibility determination system, built on the foundation of KAMES-FS and providing full support for AFDC and Medical assistance areas. The

KAMES-IM system is in production, and full conversion is expected to be completed in 1994.

DIS provides processing support for all State agencies in a centralized data center. The mainframe supporting all of the applications is an IBM ES9000/972, running MVS/ESA, CICS, IMS, COBOL II, DFHSM, and TSO. The IBM 972 is run as two logical systems: a CICS processor and a TSO/IMS/Batch processor. TSO and TELON are used for software support and development. DFHSM is used to manage auxiliary storage allocations among tape and disk.

The relationship between DSI and DIS is a working partnership with full involvement from both departments in application development and ongoing support issues. DSI has been involved with the full range of planning and development of the KAMES systems and is currently managing the implementation of the integrated version.

The DIS data center runs a 7 day a week, 24 hour a day operation with time allocated during Sunday mornings for hardware/software maintenance. DIS is also responsible for establishing the software and technical standards for all State agencies. Current software standards include IMS, with DB2 the selected direction for new database development, RACF for software and access security, COBOL II as the programming language, and VTAM as the accepted access method.

Peripheral equipment consists of strings of IBM 3390s. DIS has recently installed an IBM 3495 Automated Tape Library with storage capacity of 9,000 cartridges and up to 32 tape transports. No specific plans have been formulated for its use. A total of 525 gigabytes of DASD are currently installed. Tape processing is supported by a bank of six STK 3670 reel-to-reel tape drives. The units are used to support external and special tape requirements. In addition, there are 18 IBM 3480 cartridge tape units and 16 IBM 3490 cartridge units available to support the library of 60,000 cartridges and 40,000 reels. Three printers, an IBM 6262 impact printer, a Xerox 4050, and an IBM 3800 laser printer, support the print output. Seven IBM Front End Processors (one 3705, four 3725s, and two 3745s) support the DIS statewide telecommunications network with all communications lines coming from either one of two T1 concentrator nodes in Louisville or Lexington.

An uninterruptible power supply (UPS) is installed providing both battery and generator back-up for the data center.

There is a disaster recovery plan in place to support the entire DIS operation, including the telecommunications network. A contract is in place with Sungard in Philadelphia to begin providing support for all production work within 24 hours of a disaster declaration. Priorities have been established for each application and a detailed process is in place to execute the plan. Tests are conducted every six months to ensure the workability.

6.2.2 State Operations and Maintenance

The DIS operations and support staff that support KAMES consists of the following personnel: an operations group that controls and monitors all of DIS applications and printing - 1.5, network support - 2, software support (DBA, CICS) - 5.5, production control - 4, Help desk - 12, application programmers - 60, plus 4 programmers supporting KAMES-FS.

The on-line processing shift runs from 7:00 a.m. to 7:00 p.m. when batch processing begins. The batch cycle usually runs until 7:00 a.m. There are times when the batch

There are efforts in place to gather information on yet-to-be-defined network enhancements to meet the Governor's plans for future communication requirements that are targeted to be in place within 18 months. Feedback has been received from vendors as to their recommendations, and the 18 month target, as set by the Governor, should be met.

6.2.4 System Performance

The IBM ES9000/972 had only been running in a production environment for one month as of the date of the site visit. Utilization measurements were not available; however, estimates from capacity planning specialists within DIS indicated that the system is reaching average utilization of 50 percent with peaks of 60 percent. KAMES is the largest application using an estimated nine percent of the existing resource. It is estimated that its use of the resource will climb to 50 percent of all applications by the time KAMES-IM is fully implemented in 1994.

The upgrade to the IBM 972 occurred 18 months after the initial ES9000/900 installation, which indicates a strong growth pattern. Planners felt that the IBM 972 would be pushing processing limits within 12 to 18 months.

6.2.5 System Response

Tracked response times indicate that 90 percent of all responses take 3 seconds or less and that 95 percent are under 5 seconds. Both DIS and CHR felt that response time was not an issue in Kentucky.

6.2.6 System Downtime

Detailed records are kept on system availability or unscheduled outages and indicate that the system has been available for 99.8 percent of the scheduled time. There have been no major performance or stability issues for a long period of time. CHR also had no reliability issues or concerns.

6.2.7 Current Activities and Future Plans

Kentucky currently has plans for the following activities:

- Install an IBM 3495 Automated Tape Library System within the next two months.
- Continue work on a conversion of the KAMES-IM system after problems uncovered in the first half of the conversion have been corrected.
- Utilize DB2 for new database applications.

7.0 COST AND COST ALLOCATION

This section addresses the development costs of the KAMES-FS system (which was later used as a base for the KAMES-IM system), the operating costs of the KAMES-FS for the most recent four fiscal years, and the methodology used to allocate both KAMES-FS development and ongoing operating costs to FSP.[4] The sources of information used to develop this section appear in footnotes, as appropriate.

7.1 KAMES-FS Development Costs and Federal Funding

The costs incurred in developing KAMES-FS through the end of January 1988 totalled $23.9 million. At that time, the system was being implemented statewide. An additional $1.5 million was requested for additional implementation costs to be incurred in February and March 1988.[5] The final cost for the KAMES-FS development was approximately $25.4 million. Because KAMES-FS supported only FSP, FNS provided all Federal funding. However, no FNS correspondence was available for review to determine the exact amount approved by FNS. The amount reimbursed by FNS for KAMES-FS was not available.

The original APD for KAMES-FS was submitted to FNS in November 1984. The budget was $16.6 million with an FSP share of $11.1 million. Kentucky requested enhanced funding of 75 percent, or $8.325 million. This request was denied and a match of 50/50 was used. The State share was $5.5 million. The APD was revised in December 1985 and the budget increased to $17.9 million. FNS approval was granted in July 1986.[6] Approval documentation was not available for this APD revision or any that followed. A November 1986 revised budget for $20.2 million was submitted. The original schedule called for statewide implementation to be complete by August 1986. The date was delayed to March 1988.

The most recent KAMES-FS APD reviewed was submitted to FNS for approval in March 1988. This final APD requested an additional $3.19 million for the five month period from February 1988 through June 1988.[7] Although no specific FNS approval was reviewed, FNS evidently agreed to the additional funding.

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[4]Since none of the KAMES-IM development costs were allocated to the Food Stamp Program, cost information is provided for KAMES-FS only.

[5]APD, 3/88.

[6]KAMES-FS APD, December 1986, Table 1, KAMES-FS Development Costs.

[7]APD, March 1988, Table 1, KAMES-FS Development Costs, lists project costs budgeted for February 1988 and March 1988 as $1.73 million. However, Table 3, FS Development Budget by Quarters, lists project costs for February and March 1988 as $1.45 million; and, April through June 1988 budget costs as $1.74 million for a five-month total of $3.19 million.

7.1.1 System Components

KAMES-FS was designed to support only FSP. KAMES-IM was later developed to include support for FSP and the other income maintenance programs, including AFDC and Medicaid. However, this section addresses only KAMES-FS component costs.

7.1.2 Major Development Cost Components

Table 7.1, KAMES-FS Development Cost Components, lists the actual costs incurred for KAMES-FS development through the end of January 1988. The table lists the costs for February and March 1988 that were budgeted through the end of statewide implementation. The percentage columns represent that portion of the total cost from the previous column that can be attributed to the specific component.

Table 7.1. KAMES-FS Development Cost Components

COMPONENT	ACTUAL COST (through 1/88)	% TOTAL ACTUAL COST	FEBRUARY-MARCH 1988	TOTAL COST (actual + budget)	% OF TOTAL COST
KACIS Software	6,025,000	25.24	0	6,025,000	23.76
DSI Personnel	1,957,153	8.20	104,612	2,061,765	8.13
Contractor	4,458,320	18.68	0	4,458,320	17.58
DIS Personnel	2,869,016	12.02	395,622	3,264,638	12.87
Hardware	2,499,997	10.47	0	2,499,997	9.86
Hardware-related	4,306,876	18.04	929,234	5,236,110	20.65
Site Prep	132,889	0.56	0	132,889	0.52
Response Team/Help Desk	316,342	1.33	47,815	364,157	1.44
Training	672,701	2.82	0	672,701	2.65
Other	630,177	2.64	13,880	644,057	2.54
	23,868,471	100.00	1,491,163	25,359,634	100.00

The following sections address the five cost components that accounted for almost 80 percent of the total cost.

7.1.2.1 Hardware

Actual expenditures for hardware through the end of January 1988 were $2.5 million. The hardware purchased for all staff in anticipation of KAMES-IM included 633 printers, 270 modems, 166 controllers, and terminals.[8] An IBM

[8]The number of terminals was not specified in APD reviewed.

3084Q mainframe was purchased by DIS to support KAMES. The cost of this mainframe was recovered through the monthly billings from the data center.

7.1.2.2 Contractor

Electronic Data Systems, Inc. (EDS) personnel accounted for almost 18 percent of KAMES-FS costs. The actual costs incurred through January 1988 were $4.4 million. An additional $72,679 was requested for February and March 1988. The contract for EDS services was not available for review.

7.1.2.3 State Personnel

The cost of personnel from DSI and DIS accounted for 20 percent of KAMES-FS development costs, or $5.33 million.

7.1.2.4 Software

Kentucky purchased the core KAMES-FS software from EDS for $6 million, which accounted for almost 24 percent of the total KAMES-FS cost. This software, originally developed by EDS to support the Kentucky Automated Certification And Issuance System (KACIS), was the product of a previous effort approved by FNS in November 1983. When the EDS KACIS contract was canceled in February 1984, the software was 90 percent developed. Following legal action, Kentucky agreed to purchase the KACIS software and further support from EDS to complete the software development as part of KAMES-FS.

7.1.2.5 Hardware-Related

The hardware-related component included costs for communications, connect charges, CPU usage, DASD storage and maintenance, and hardware installation. The hardware-related costs through the end of January 1988 were $4.3 million. Of this amount, $1.24 million, or almost 29 percent, was related to CPU usage. An additional $0.90 million was requested for February and March, 1988; of that amount, $0.64 million, was related to CPU usage.

7.2 Operational Costs

Table 7.2, KAMES-FS Operating Costs, presents the operating costs of KAMES-FS for the most recent four Federal fiscal years (FFY), as submitted to FNS via the SF-269. Prior to the fourth quarter of FFY 1993, the costs submitted in this column consisted of the KAMES-FS operating costs, keypunch costs, and equipment costs. However, for the fourth quarter of FFY 1993, operating costs for the KAMES-IM system were also included. For that period, SF-269 ADP OPER COSTS totalled $1,086,463; $716,822 for KAMES-FS operating costs and $369,641 for KAMES-IM costs. There were no charges for keypunch or equipment.

Table 7.2. KAMES-FS Operating Costs

FEDERAL FISCAL YEAR	SF-269 ADP OPER COSTS
1990	$6,407,808
1991	$4,348,285
1992	$4,644,225
1993	$5,043,344

7.2.1 Cost Per Case

Based on 1992 FSP operating costs of $4,644,225, monthly operating costs averaged $387,018 in 1992. The average number of FSP cases monthly was 201,311 households. The cost per case -- the monthly operational costs divided by the average number of monthly cases -- was $1.92.

7.2.2 ADP Operational Cost Control Measures and Practices

DIS bills DSI for the operational costs incurred for KAMES operations. DSI, in turn, spreads these costs to four KAMES cost pools (program codes) based on case activity for each month of the fiscal quarter. The costs are divided into two types: computer storage, including computer disk space and computer tape, and computer operations, including CPU usage for the production system; CICS usage; and microfiche. These costs are allocated to four cost pools: CBBQ (FSP), CAAQ (AFDC), CCAQ (Medicaid), and CDAQ (State Supplementation). For September 1993, 53.4 percent of computer storage costs and 60.4 percent of operating costs were allocated to FSP.

7.3 Kentucky Cost Allocation Methodologies

This section describes the methodology used to allocate costs to FSP for KAMES-FS development costs.

7.3.1 Historical Overview of Development Cost Allocation Methodology

The KAMES-FS system was developed for the exclusive support of FSP. All costs incurred in its development were charged to FNS.

7.3.2 Operational Cost Allocation Methodology and Mechanics

Costs applicable to Federal grants are determined under applicable Federal cost principles, as contained in OASC-10, *Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contract with the Federal Government*, or other applicable Federal Regulations.

- ***Program Code.*** The State accounting system uses the program code as the means for identifying a service objective and its related activities. Program codes accumulate financial accounting information within the Cabinet and its Departments. Each program code is assigned a four-character identifier. The first character of the program code identifies a program area and, therefore, the organizations responsible for programs in that area. DSI, the organization that oversees FSP, is responsible for all "C" programs. All costs incurred by DIS that can not be directly identified to a program are accumulated into the DIS cost pool, CXXA, DSI Overhead Cost Pool.

  The second character of the program code identifies the particular program within that program area. All program codes which accumulate FSP costs begin with the characters "CB".[9]

- ***Payroll Time/Cost Distribution System.*** Salary costs for programs are derived from a time distribution system that accumulates costs based on time charges recorded by each employee. Actual time worked by each employee is reported to one or more program codes. Leave is reported to a code that identifies the type of leave being charged. The time distribution system determines the hours each employee is paid in the payroll system which assures that all time for each employee is reported in the time distribution system. Leave time is allocated to program codes to which employees in an organizational unit report their actual time worked in proportion to the direct time worked in each program.

  The employer's share of social security taxes, state retirement, health and life insurance, and other authorized fringe benefits are allocated to actual time codes (program or leave) reported by each individual employee. Fringe benefits charged to leave codes are allocated on the same basis as described for salaries.

- ***Object Class.*** Expenditures are classified into five object classes. These object classes designate the types of items purchased or services and include the following:

  - Object Class 1, Personnel Cost
  - Object Class 2, Operating Expenses
  - Object Class 4, Grants, Loans, or Benefits
  - Object Class 5, Debt Service
  - Object Class 6, Capital Outlay

  Each cost associated with an object class is identified to a direct program code when possible. Any cost that can not be identified to a program and, therefore, a direct program code, is charged to an indirect program code (cost pool) as follows:

[9]In contrast, AFDC, another program overseen by DIS, is identified as "CA".

- Indirect costs charged to the object classes 1 and 3, Personnel Cost and Operating Expenses, respectively, are allocated to program codes in the Salary Allocation System.

- Costs incurred in object class 4, Grants, Loans, or Benefits, are always identified to a direct program code.

- Object class 6, Capital Outlay, costs charged to indirect program codes FXAA (Department of Employment Services (DES) cost pool) and FXAB (DES cost pool, excluding unemployment insurance) are allocated to program codes in the Salary Allocation System. All other indirect Capital Outlay costs are funded with non-Federal funds. Capital Outlay costs may be recovered through a depreciation allowance.

Funds for Debt Service Cost, object class 5, are currently not being recovered from any Federal funding service.

7.3.2.1 Direct Charge Pools

FSP related costs can be directly charged to the following program codes:[10]

- CBBA, Food Stamp Eligibility Determinations
- CBBB, Food Stamp Non-Assistance Related Eligibility Determination
- CBCC, Food Stamps Issuance Costs
- CBBG, Food Stamps Administration
- CBBJ, Food Stamps Quality Control
- CBBQ, Food Stamps Operational Costs

7.3.2.2 Allocation Cost Pools

Exhibit A-7.1 in Appendix A, Allocated Cost Pools, describes the indirect cost pools used to accumulate all costs that can not be identified to a particular program, and the basis for allocating these costs among the programs supported.

[10]This set of program codes is a subset of direct charge program codes currently used to accumulated direct costs.

APPENDIX A

STATE OF KENTUCKY

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 HHS provided as vendor payments. 273.9(c)(1)(ii)(F)	8/1/91	N/A	N/A	N/A
2.2	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	N	N
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	N	N
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	N
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	N
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	N
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	N

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	N	N
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	Y	N
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	N
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	N	N
4.1	4: Issuance	1: Mail issuance must be staggered over at least ten days. 274.2(c)(1)	4/1/89	Y	Y	N
4.2	4: Issuance	2: Limitation on the number of replacement issuances. 274.6(b)(2)	10/1/89	Y	N	N
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 took place; the responses to these particular regulatory changes therefore may be inaccurate.

Exhibit A-6.1
State of Kentucky
Hardware Inventory

Component	Make	Acquisition Method	Number/ Features
CPU			
ES9000/972	IBM	Purchase	114 channels, 768 MB main storage, 1,536 MB expanded storage, 351 MIPS
DISK			
3990	IBM	Purchase	Controller (5)
3390	IBM	Purchase	Drive (17)
TAPE			
3670	STK	Purchase	Reel Tape Drives (6)
3480	IBM	Purchase	Cartridge Drives (18)
3490	IBM	Purchase	Cartridge Drives (16)
3495	IBM	Purchase	Robotics
PRINTERS			
6262	IBM	Purchase	Impact (1)
4050, 3800	Xerox, IBM	Purchase	Laser (2)
FRONT ENDS			
3705	IBM	Purchase	FEP (1)
3725	IBM	Purchase	FEP (4)
3745	IBM	Purchase	FEP (2)
REMOTE EQUIPMENT			
2250 terminals	Telex	Purchase	Workstations

Exhibit A-7.1
Allocated Cost Pools

PROGRAM CODE/COST POOL IDENTIFIER	COSTS ACCUMULATED INTO COST POOL	ALLOCATION BASIS
BXAA, Administrative and Program Support	Administration and Program Support (APS) is a grouping of the administrative support systems for the cabinet into a major program area. The primary goal is to provide effective support systems to the Departments (including DIS) and coordinate efforts of the Cabinet in the development and delivery of human services. APS is composed of the following office/programs: • Office of the Secretary • Office of Personnel Management • Office of Communications and Council Affairs • Building Costs • Office of Administrative Services • Office of the General Counsel • Office of Policy and Budget • Office of the Ombudsman Costs incurred within APS may be charged to any program code within the Cabinet. However, all indirect costs that can be allocated to the Food Stamp Program are accumulated first into BXAA The indirect program code that accumulates costs that can then be allocated to the Food Stamp Program.	Except for Building Costs: Allocated to Program Code CXAA based on the total salary costs for all DIS-supported programs (*C programs)* as a percentage of total salary costs for all programs. Building Costs are allocated based on square footage.
CXXA/CXAA, DSI Overhead	Salaries and operating costs that can not be identified to a particular DSI program for the following DSI units: • Commissioner's Office • Division for Management and Development • Division of Field Services • Division of Administrative Review	Costs charged to DSI cost pool CXXA are segregated into two pools for allocation: Costs charged to CXXA in the Commissioner's Office, the Division of Management and Development, and the Division of Administrative Review are allocated based on the cabinet-wide salaries charged to all ***C*** programs Costs charged within the Division of Field Services to CXAA are allocated to all programs administered by DSI with the exception of the Child Support Enforcement Program based on cabinet-wide salaries charged to the ***C*** programs administered by the Division.

APPENDIX B

STATE OF KENTUCKY

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 are summarized as well.

The responses to the Operational Level User Satisfaction Survey are the perceptions of eligibility workers in Kentucky. In other words, these responses do not necessarily represent a "true" description of the situation in Kentucky. For example, the results presented regarding the response time of the system reflect the workers' 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 EWs in Kentucky	Number Selected to Receive Survey	Percentage Selected
1,597	63	3.9%
	Number Responding to Survey	Response Rate
	46	73.0%

The eligibility workers selected to receive the survey were selected randomly so their perceptions should be representative of eligibility workers in Kentucky. The response rate of 73 percent is good, producing a sample whose responses should be representative of eligibility workers in Kentucky.

Summary of Findings

Most of the respondents do not have difficulty using the computer system in Kentucky. They generally find it accurate and about as easy to use as the previous system. Significant percentages, however, find the system more difficult to use and describe their work as less satisfying, less pleasant, more stressful, and less productive. Most significantly, 68 percent of the workers who responded feel that the new system overall is worse than the old system.

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents (%)
Poor	8	17.4
Good	20	43.5
Excellent	18	39.1

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

	Number of Respondents	Percentage of Respondents (%)
Poor	12	26.1
Good	26	56.5
Excellent	8	17.4

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents (%)
Rarely	14	31.1
Sometimes	25	55.6
Often	6	13.3

A majority of the eligibility workers who responded agree that the

Availability

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	4	8.9
Sometimes	8	17.8
Often	33	73.3

How often is the system down?

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	37.0
Sometimes	22	47.8
Often	7	15.2

A (73 percent) of the eligibility workers who responded think the system is often available; a smaller majority feels that it is sometimes or often down.

Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents (%)
Poor	11	24.4
Good	23	51.1
Excellent	11	24.4

How often is a case terminated in error?

	Number of Respondents	Percentage of Respondents (%)
Rarely	18	40.0
Sometimes	19	42.2
Often	8	17.8

How often is eligibility incorrectly determined?

	Number of Respondents	Percentage of Respondents (%)
Rarely	25	55.6
Sometimes	14	31.1
Often	6	13.3

How often is the systems data out-of-date?

	Number of Respondents	Percentage of Respondents (%)
Rarely	33	71.7
Sometimes	8	17.4
Often	5	10.9

Under the new (current) system, how difficult or easy is it to calculate benefit levels accurately?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	27	67.5
About the same	9	22.5
Easier	4	10.0

Most of the eligibility workers who responded feel that the systems data are current and 75 percent think that the information in the system is either good or excellent. A majority of 68 percent, however, feel that it is more difficult to calculate benefit levels accurately with the new system.

Ease of Use

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	26	56.5
Sometimes	14	30.4
Often	6	13.0

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	23	50.0
Sometimes	17	37.0
Often	6	13.0

How often do you have difficulty tracking receipt of monthly reporting forms?

	Number of Respondents	Percentage of Respondents (%)
Rarely	22	47.8
Sometimes	15	32.6
Often	9	19.6

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

	Number of Respondents	Percentage of Respondents(%)
Rarely	35	76.1
Sometimes	8	17.4
Often	3	6.5

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents(%)
Rarely	28	63.6
Sometimes	10	22.7
Often	6	13.6

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents(%)
Rarely	31	73.8
Sometimes	8	19.0
Often	3	7.1

How often do you have difficulty determining monthly reporting status?

	Number of Respondents	Percentage of Respondents(%)
Rarely	28	63.6
Sometimes	11	25.0
Often	5	11.4

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents (%)
Rarely	31	68.9
Sometimes	10	22.2
Often	4	8.9

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	34	73.9
Sometimes	8	17.4
Often	4	8.7

How often do you have difficulty updating registration data?

	Number of Respondents	Percentage of Respondents (%)
Rarely	38	82.6
Sometimes	5	10.9
Often	3	6.5

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	34	79.1
Sometimes	6	14.0
Often	3	7.0

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	36	80.0
Sometimes	6	13.3
Often	3	6.7

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

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

How often do you have difficulty tracking outstanding verifications?

	Number of Respondents	Percentage of Respondents (%)
Rarely	29	67.4
Sometimes	9	20.9
Often	5	11.6

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

	Number of Respondents	Percentage of Respondents(%)
Rarely	34	73.9
Sometimes	7	15.2
Often	5	10.9

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

	Number of Respondents	Percentage of Respondents(%)
Rarely	31	67.4
Sometimes	11	23.9
Often	4	8.7

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

	Number of Respondents	Percentage of Respondents(%)
Rarely	26	65.0
Sometimes	10	25.0
Often	4	10.0

How often do you have difficulty identifying error prone cases?

	Number of Respondents	Percentage of Respondents(%)
Rarely	16	41.0
Sometimes	20	51.0
Often	3	8.0

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	24	63.2
Sometimes	11	28.9
Often	3	7.9

How often do you have difficulty assigning new case numbers?

	Number of Respondents	Percentage of Respondents (%)
Rarely	34	81.0
Sometimes	6	14.3
Often	2	4.8

Under the new (current) system, how difficult or easy is it to determine eligibility?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	17	42.5
About the same	17	42.5
Easier	6	15.0

Under the new (current) system, how difficult or easy is it to track receipt of monthly reporting forms?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	18	47.4
About the same	19	50.0
Easier	1	2.6

Under the new (current) system, how difficult or easy is it to automatically terminate benefits for failure to file?

	Number of Respondents	Percentage of Respondents(%)
More Difficult	8	20.5
About the same	25	64.1
Easier	6	15.4

Under the new (current) system, how difficult or easy is it to generate warning notices?

	Number of Respondents	Percentage of Respondents(%)
More Difficult	10	27.0
About the same	24	64.9
Easier	3	8.1

Under the new (current) system, how difficult or easy is it to determine monthly reporting status?

	Number of Respondents	Percentage of Respondents(%)
More Difficult	12	31.6
About the same	25	65.8
Easier	1	2.6

Under the new (current) system, how difficult or easy is it to restore benefits?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	9	23.7
About the same	28	73.7
Easier	1	2.6

Most of the eligibility workers responding do not have difficulty performing any of the system-specific tasks such as assigning new case numbers or generating adverse action notices. On the average, a majority of the eligibility workers feel that the new system is about as easy to use as the old system, although significant percentages of the respondents (from 20 to 47 percent) feel that it is actually more difficult to use.

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 (%)
Rarely	8	17.4
Sometimes	14	30.4
Often	24	52.2

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	13	28.3
Sometimes	13	28.3
Often	20	43.5

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	20	43.5
Sometimes	14	30.4
Often	12	26.1

Under the new (current) system, how satisfying do you find your work now?

	Number of Respondents	Percentage of Respondents (%)
Less	21	52.5
About the same	15	37.5
More	4	10.0

Under the new (current) system, how pleasant do you find your work now?

	Number of Respondents	Percentage of Respondents (%)
Less	24	60.0
About the same	12	30.0
More	4	10.0

Under the new (current) system, how stressful do you find your work now?

	Number of Respondents	Percentage of Respondents (%)
Less	3	7.5
About the same	7	17.5
More	30	75.0

Under the new (current) system, how much are you able to get done now?

	Number of Respondents	Percentage of Respondents (%)
Less	21	52.5
About the same	16	40.0
More	3	7.5

Under the new (current) system, how efficient are you in your work now?

	Number of Respondents	Percentage of Respondents (%)
Less	23	57.5
About the same	14	35.0
More	3	7.5

How do you rate the new (current) system in comparison to the previous system?

	Number of Respondents	Percentage of Respondents (%)
Worse	26	68.4
About the same	9	23.7
Better	3	7.9

A bare majority of the eligibility workers who responded (52 percent) think that the current system is often a great help to them in their work. More than half feel the new system is worse in every specific aspect measured, e.g., more stressful, less efficient, and less productive; overall 68 percent rate the new system as worse than the old system.

Client Service

How often is expedited service difficult to achieve?

	Number of Respondents	Percentage of Respondents (%)
Rarely	39	84.8
Sometimes	2	4.3
Often	5	10.9

How often do you have difficulty providing expedited services?

	Number of Respondents	Percentage of Respondents (%)
Rarely	37	82.2
Sometimes	4	8.9
Often	4	8.9

Under the new (current) system, how difficult or easy is it to interview a client in a timely manner?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	28	70.0
About the same	11	27.5
Easier	1	2.5

Under the new (current) system, how would you rate the number of trips the client has to make to obtain benefits?

	Number of Respondents	Percentage of Respondents (%)
More	5	12.8
About the same	29	74.4
Fewer	5	12.8

Under the new (current) system, how would you rate the amount of time a client has to wait in the office?

	Number of Respondents	Percentage of Respondents (%)
More	25	62.5
About the same	13	32.5
Less	2	5.0

Under the new (current) system, how would you rate the amount of paperwork demanded of the client?

	Number of Respondents	Percentage of Respondents (%)
More	4	10.0
About the same	25	62.5
Less	11	27.5

Most of the eligibility workers who responded agree that expedited service is rarely difficult to provide. Providing other client services with the new system is perceived as a mixture of more difficult and about the same.

Fraud and Errors

Under the new (current) system, how difficult or easy is it to collect overpayments?

	Number of Respondents	Percentage of Respondents (%)
More Difficult	8	32.0
About the same	17	68.0

Under the new (current) system, how many errors are made?

	Number of Respondents	Percentage of Respondents (%)
More	26	66.7
About the same	11	28.2
Fewer	2	5.1

Under the new (current) system, how many instances of fraud get by?

	Number of Respondents	Percentage of Respondents (%)
More	5	15.6
About the same	25	78.1
Fewer	2	6.3

A majority (54 percent) of the eligibility workers feel that collecting overpayments and detecting fraud are about the same with the new system. A majority, however, feel that more errors are made.

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APPENDIX C

STATE OF KENTUCKY

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 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 supervisors in Kentucky. In other words, these responses do not necessarily represent a "true" description of the situation in Kentucky. 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 Supervisors in Kentucky	Number Selected to Receive Survey	Percentage Selected
154	30	19.5
	Number Responding to Survey	Response Rate
	20	66.6%

The supervisors selected to receive the survey were selected randomly so their perceptions should be representative of the population of supervisors in Kentucky. The response rate of 67 percent is acceptable, producing a sample whose responses should be representative of supervisors in Kentucky.

Summary of Findings

Most of the supervisors think the system makes it more difficult for them to perform their specific managerial tasks and detracts from the quality of their work experience. In addition, a majority experience difficulty obtaining information from the system and learning the system. Most significantly, 82 percent of the managers who responded feel that the new system overall is worse than the old system.

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents
Poor	1	5.0
Good	17	85.0
Excellent	2	10.0

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

	Number of Respondents	Percentage of Respondents
Poor	6	30.0
Good	12	60.0
Excellent	2	10.0

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents
Rarely	11	55.0
Sometimes	7	35.0
Often	2	10.0

The supervisors who responded mostly (79 percent) agree that the system's response time is generally good although 30 percent also feel that the system response time during peak usage is poor.

Availability

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

	Number of Respondents	Percentage of Respondents
Rarely	1	5.0
Sometimes	8	40.0
Often	11	55.0

How often is the system down?

	Number of Respondents	Percentage of Respondents
Rarely	9	45.0
Sometimes	10	50.0
Often	1	5.0

Almost all the supervisors who responded (95 percent) think the system is generally available.

Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents
Poor	8	40.0
Good	8	40.0
Excellent	4	20.0

Under the new (current) system, how difficult or easy is it to calculate benefit levels accurately?

	Number of Respondents	Percentage of Respondents
More Difficult	12	70.6
About the same	2	11.8
Easier	3	17.6

The supervisors generally find the information provided by the system to be accurate although 40 percent characterize it as poor. Most of the supervisors who responded think the new system makes it more difficult to calculate benefit levels accurately.

Ease of Use

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

	Number of Respondents	Percentage of Respondents
Rarely	7	35.0
Sometimes	10	50.0
Often	3	15.0

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

	Number of Respondents	Percentage of Respondents
Rarely	7	35.0
Sometimes	10	50.0
Often	3	15.0

How often do you have difficulty tracking receipt of monthly reporting forms?

	Number of Respondents	Percentage of Respondents
Rarely	8	42.1
Sometimes	3	15.8
Often	8	42.1

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

	Number of Respondents	Percentage of Respondents
Rarely	8	40.0
Sometimes	10	50.0
Often	2	10.0

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents
Rarely	9	47.4
Sometimes	7	36.8
Often	3	15.8

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents
Rarely	9	50.0
Sometimes	7	38.9
Often	2	11.1

How often do you have difficulty determining monthly reporting status?

	Number of Respondents	Percentage of Respondents
Rarely	8	44.4
Sometimes	5	27.8
Often	5	27.8

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents
Rarely	9	50.0
Sometimes	7	38.9
Often	2	11.1

Under the new (current) system, how difficult or easy is it to determine eligibility?

	Number of Respondents	Percentage of Respondents
More Difficult	12	70.6
About the same	2	11.8
Easier	3	17.6

Under the new (current) system, how difficult or easy is it to track receipt of monthly reporting forms?

	Number of Respondents	Percentage of Respondents
More Difficult	11	64.7
About the same	5	29.4
Easier	1	5.9

Under the new (current) system, how difficult or easy is it to automatically terminate benefits for failure to file?

	Number of Respondents	Percentage of Respondents
More Difficult	8	47.1
About the same	7	41.2
Easier	2	11.8

Under the new (current) system, how difficult or easy is it to generate warning notices?

	Number of Respondents	Percentage of Respondents
More Difficult	6	37.5
About the same	8	50.0
Easier	2	12.5

Under the new (current) system, how difficult or easy is it to determine monthly reporting status?

	Number of Respondents	Percentage of Respondents
More Difficult	10	58.8
About the same	6	35.3
Easier	1	5.9

Under the new (current) system, how difficult or easy is it to restore benefits?

	Number of Respondents	Percentage of Respondents
More Difficult	8	47.1
About the same	8	47.1
Easier	1	5.9

Most of the supervisors responding experience some difficulty obtaining information from the system and in learning the system. Generally, a majority of those who responded have difficulty performing such specific tasks as generating adverse action notices or restoring benefits. In addition, a majority (54 percent) feel that the new system is more difficult to use.

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
Rarely	9	45.0
Sometimes	4	20.0
Often	7	35.0

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

	Number of Respondents	Percentage of Respondents
Rarely	6	30.0
Sometimes	3	15.0
Often	11	55.0

Under the new (current) system, how satisfying do you find your work?

	Number of Respondents	Percentage of Respondents
Less	9	52.9
About the same	7	41.2
More	1	5.9

Under the new (current) system, how pleasant do you find your work?

	Number of Respondents	Percentage of Respondents
Less	11	64.7
About the same	5	29.4
More	1	5.9

Under the new (current) system, how stressful do you find your work?

	Number of Respondents	Percentage of Respondents
Less	2	11.8
About the same	3	17.6
More	12	70.6

Under the new (current) system, how much work are you able to get done?

	Number of Respondents	Percentage of Respondents
Less	11	64.7
About the same	6	35.3

Under the new (current) system, how efficient are you in your work?

	Number of Respondents	Percentage of Respondents
Less	12	70.6
About the same	5	29.4

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

	Number of Respondents	Percentage of Respondents
Rarely	7	41.2
Sometimes	6	35.3
Often	4	23.5

How often do you have difficulty meeting Federal reporting requirements?

	Number of Respondents	Percentage of Respondents
Rarely	7	36.8
Sometimes	6	31.6
Often	6	31.6

Under the new (current) system, how efficient are the people you supervise?

	Number of Respondents	Percentage of Respondents
Less	12	70.6
About the same	4	23.5
More	1	5.9

Under the new (current) system, how difficult or easy is it to make mass changes?

	Number of Respondents	Percentage of Respondents
More Difficult	9	60.0
About the same	4	26.7
Easier	2	13.3

Under the new (current) system, how difficult or easy is it to evaluate local office efficiency?

	Number of Respondents	Percentage of Respondents
More Difficult	13	76.5
About the same	3	17.6
Easier	1	5.9

Only a minority of the supervisors responding think the system helps them in their management tasks, with significant minorities feeling that they encounter difficulty with these tasks. A majority agree that the new system is more difficult and less efficient. Most think the reports produced by the system are poor (60 percent) but a majority, 75 percent, think the quality of the support provided by the technical staff is good or excellent.

Client Service

Under the new (current) system, how difficult or easy is it to interview a client in a timely manner?

	Number of Respondents	Percentage of Respondents
More Difficult	12	70.6
About the same	4	23.5
Easier	1	5.9

Under the new (current) system, how would you rate the services received by the client?

	Number of Respondents	Percentage of Respondents
Worse	10	58.8
About the same	7	41.2

Under the new (current) system, how do you think the average client is being served?

	Number of Respondents	Percentage of Respondents
Worse	9	56.3
About the same	7	43.8

On the average, the supervisors responding feel that the level of client service under the current system is about the worse, with 71 percent feeling that it is more difficult to interview a client, for example.

Fraud and Errors

Under the new (current) system, how difficult or easy is it to collect overpayments?

	Number of Respondents	Percentage of Respondents
More Difficult	8	50.0
About the same	7	43.8
Easier	1	6.3

Under the new (current) system, how many errors are made?

	Number of Respondents	Percentage of Respondents
More	11	68.8
About the same	5	31.3

Under the new (current) system, how many false claims are caught?

	Number of Respondents	Percentage of Respondents
Fewer	4	25.0
About the same	12	75.0

Under the new (current) system, how many instances of fraud get by?

	Number of Respondents	Percentage of Respondents
More	4	26.7
About the same	11	73.3

The supervisors feel that the new system has a variable impact on the detection of fraud and errors. Exactly half feel that collecting of overpayments is more difficult while 69 percent feel that more errors are made. Most feel that the detection of false claims and fraud is about the same.

APPENDIX D

STATE SUPPLEMENTAL INFORMATION

Table 3

KAMES Development Budget
Projected Costs for 4/1/93 - 5/94

Backup Table		
3-A	Actual Expenditures Through 3/31/93	$15,714,590.93
3-1	Project Team Costs	$1,362,131
	DSI Project Personnel	$438,568
	DSI Support Personnel	$68,764
	Supplies	$17,542
	Rental	$30,840
	Utilities	$6,800
	Janitorial	$2,216
	Pest Control	$56
	Phone	$6,400
	Travel	$8,000
	Testing Staff	$656,112
	OAS Personnel	$126,833
3-2	DIS Related Costs	$6,354,030
	Personnel	$3,349,173
	Communications	$140,352
	Connect Charges	$89,175
	CPU	$2,397,899
	Storage	$377,431
3-3	Contractor Costs	$5,417,200
3-4	Site Preparation	Already Expended
3-5	Training	$380,028
	Personnel	$262,554
	Travel	$7,574
	Rental	$96,000
	Phone	$6,400
	Materials	$7,500
3-6	Help Desk	$288,717
3-7	Hardware	$110,638
3-8	Miscellaneous	$72,060
3-9	TPNS Costs	$188,798
3-10	Quarter Breakouts	
	TOTAL	$29,888,193

The majority of the expenditures are at 90% federal funds and 10% state funds.