

STATE AUTOMATION SYSTEMS STUDY

SITE VISIT: APRIL 26 - 28, 1994

INDIANA STATE REPORT

July 6, 1994

FINAL

Prepared for:

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

FNS Contract No. 53-3109-2-007

TABLE OF CONTENTS

	<u>Page</u>
STATE PROFILE	1
1.0 STATE OPERATING ENVIRONMENT	2
2.0 FOOD STAMP PROGRAM OPERATIONS	3
2.1 Food Stamp Program Participation	3
2.2 FSP Benefits Issued Versus FSP Administrative Costs	3
2.3 FSP Administrative Costs	4
2.4 System Impacts on Program Performance	4
2.4.1 Staffing	5
2.4.2 Responsiveness to Regulatory Change	5
2.4.3 Combined Official Payment Error Rate	5
2.4.4 Claims Collection	5
2.4.5 Certification/Reviews	6
3.0 OVERVIEW OF THE SYSTEM	6
3.1 System Functionality	6
3.2 Level of Integration/Complexity	9
3.3 Workstation/Caseworker Ratio	9
3.4 Current Automation Issues	9
4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION	10
4.1 Overview of Previous System	10
4.2 Justification for the New System	10

TABLE OF CONTENTS

	<u>Page</u>
4.3 Development and Implementation Activities	11
4.4 Conversion Approach	11
4.5 Project Management	12
4.6 FSP Participation	12
4.7 MIS Participation	12
4.8 Problems Encountered During Development and Implementation	13
5.0 TRANSFERABILITY	13
6.0 SYSTEM OPERATIONS	14
6.1 System Profile	14
6.2 Description of Operating Environment	14
6.2.1 Operating Environment	14
6.2.2 State Operations and Maintenance	15
6.2.3 Telecommunications	15
6.2.4 System Performance	16
6.2.5 System Response	16
6.2.6 System Downtime	16
6.2.7 Current Activities and Future Plans	16
7.0 COST AND COST ALLOCATION	17
7.1 ICES Development Costs and Federal Funding	17
7.1.1 ICES System Components	21

TABLE OF CONTENTS

	<u>Page</u>
7.1.2 Major ICES Development Cost Components	21
7.1.2.1 Hardware	21
7.1.2.2 Contractor Costs	22
7.1.2.3 State Personnel	23
7.2 Operational Costs	23
7.2.1 Cost Per Case	24
7.2.2 ADP Operational Cost Control Measures and Practices	24
7.3 Indiana Cost Allocation Methodologies	25
7.3.1 Historical Overview of ICES Development Cost Allocation Methodology	25
7.3.2 Food Stamp Program Operations Cost Allocation Methodology	26
7.3.3 ICES Allocation Mechanics	27

APPENDICES

A State of Indiana Exhibits	A-1
B Analysis of Managerial User Satisfaction	B-1
C Analysis of Operator User Satisfaction	C-1
D State Supplemental Information	D-1

LIST OF TABLES

<u>Table No.</u>		<u>Page</u>
2.1	Average Monthly Public Assistance Participation	3
2.2	FSP Benefits Issued	4
2.3	FSP Federal Administrative Costs	4
2.4	Official Combined Error Rate	5
2.5	Total Claims Established/Collected	6
7.1	ICES Expenditures 4/1/91 - 12/31/92	18
7.2	FNS Enhanced Funding Breakout	20
7.3	SF-269 ADP Operating Costs	23
7.4	State CDP Facilities Charges to ICES	24

APPENDIX A - State of Indiana Exhibits

<u>Exhibit No.</u>		
A-2.1	Response to Regulatory Changes	A-2
A-6.1	State of Indiana Hardware Inventory	A-4
A-7.1	ICES Budget Changes 11/90 - 3/93	A-5
A-7.2	Deloitte Touche Contract History	A-6

INDIANA STATE REPORT
Site Visit April 26 - 28, 1993

STATE PROFILE

System Name: Indiana Client Eligibility System (ICES)

Start Date: 1990

Completion Date: December 31, 1993

Contractor: Deloitte Touche

Transfer From: Ohio (CRIS-E)

Cost:

Actual: \$7,540,000 (through 12/31/92)

Projected: \$37,700,000

FSP Share: \$1,940,000 (through 12/31/92)

FSP %: 25.8%

Number of Users: 2,853

Basic Architecture:

Mainframe: IBM 3090/600J (MVS/ESA)

Workstations: Lee Data 3270-type

Telecommunications

Network: T1 Backbone/X.25/ XX baud
multi-drop lines to field offices

System Profile:

Programs: Food Stamp Program, Aid to Families with
Dependent Children, Medicaid

1.0 STATE OPERATING ENVIRONMENT

The Indiana Family and Social Services Administration (FSSA) consists of three major operational divisions: the Division of Aging and Rehabilitative Services, the Division of Family and Children, and the Division of Mental Health. The Division of Family and Children is responsible for administration of the Food Stamp Program (FSP) in Indiana. There are three organizational areas within the Division of Family and Children: Child Development, Family Protection, and Family Resources. The Family Independence Section of Family Resources is comprised of the Food Stamp, Aid to Families with Dependent Children (AFDC), and Medicaid Programs.

Indiana has 92 counties. Marion County, which contains the city of Indianapolis, is the largest county in the State and has the largest FSP caseload (37,937). Benton County has the smallest food stamp caseload (155).

In 1990, the population of Indiana was 5,564,228. Approximately 6.0 percent were FSP recipients.

Indiana officials indicated that because of the nature of industry in Indiana, the State's unemployment rate trends often lead national trends. The statewide unemployment rate decreased from 11.9 percent in 1982 to 4.7 percent in 1989. This rate increased to 5.3 percent in 1990 and 5.9 percent in 1991.

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

- Indiana's nominal expenditure growth for Fiscal Year (FY) 1993 was in the 5.0 percent to 9.9 percent range, which exceeded the national average of 2.4 percent.
- Indiana reduced the approved 1992 State budget by over \$99 million.
- State government employee levels remained nearly constant; Indiana government employment dropped by 0.14 percent, which was less than the average national decrease of 0.6 percent.
- Indiana did not implement any changes to increase or decrease revenues for FY 1993.
- The regional outlook provided a mixed picture. The regional weighted unemployment rate of 7.0 percent was lower than the national average of 7.8 percent, but the per capita personal income increase for the region (2.1 percent) was less than the national average of 2.4 percent.

2.0 FOOD STAMP PROGRAM OPERATIONS

Responsibility for Food Stamp Program administration in Indiana, within the Division of Family and Children, is divided along operational and policy lines. The District Directors and Local Operations group reports directly to the director of the Division of Family and Children and is responsible for the operation and supervision of county offices and local branches (a total of 109 offices).

The Food Stamp Policy Unit reports directly to the Food Stamp Program manager in the Family Independence Section (FIS) within Family Resources. The responsibilities of this group include the interpretation of Federal and State policies as well as planning, evaluation, and monitoring activities for the FSP.

Systems support for FSP operations is provided by the Information Services Division (ISD), which is under the State Department of Administration. ISD also provides application support for the current food stamp system; however, responsibility for applications support for the ICES system belongs to the Office of Information and Technology Services (OITS) within FSSA.

2.1. Food Stamp Program Participation

Average monthly participation for public assistance programs in Indiana, as provided by State FSP staff, is presented in Table 2.1 below. Household participation in the FSP increased by 59 percent (over 62,600 households) between 1988 and 1992. Participation levels in the Child Support Enforcement (CSE) and AFDC Programs increased by about 40 percent during this period, while Medicaid participation increased by 128 percent (nearly 100,000 cases). Indiana does not provide General Assistance (GA) benefits.

Table 2.1 Average Monthly Public Assistance Participation

Program	1992	1991	1990	1989	1988
AFDC - cases	78,254	66,354	57,266	54,028	55,882
FSP - households	172,667	142,764	116,340	105,915	110,026
FSP - individuals	477,278	405,608	331,276	301,502	315,705
Medicaid - cases	178,372	133,614	100,093	84,084	78,382
General Assistance	N/A	N/A	N/A	N/A	N/A
CSE	2,115	2,138	2,057	1,710	1,519

2.2 FSP Benefits Issued Versus FSP Administrative Costs

The ratio of benefits issued to FSP administrative costs has improved from 10.2:1 in 1988 to 17.5:1 in 1992.

Indiana's average monthly benefit issuance per household over the last five years, as provided in Table 2.2, has increased.¹

Table 2.2 FSP Benefits Issued

	1992	1991	1990	1989	1988
Average Monthly Benefit Per Household	\$194.58	\$186.52	\$173.45	\$154.57	\$151.64

2.3 FSP Administrative Costs

Indiana's Food Stamp Program administrative costs for the past five years were as follows²:

Table 2.3 FSP Federal Administrative Costs

	1992	1991	1990	1989	1988
Total FSP Federal Admin. Cost	\$21,258,099	\$19,950,621	\$20,507,514	\$19,815,775	\$18,501,764
Avg. Federal Admin. Cost Per Household Per Month	\$11.09	\$12.66	\$15.71	\$16.58	\$14.81

2.4 System Impacts on Program Performance

Food stamp 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. Since the Indiana Client Eligibility System is currently being implemented, this section focuses on the predecessor TANDEM system when discussing historical and operational data.

¹ The number of households and benefit amounts use data reported in the FNS *State Activity Reports* each year.

² The number of households and FSP Federal administrative costs are derived from data reported in the FNS *State Activity Reports* each year.

2.4.1 Staffing

Current staff, including clerical and eligibility workers (EWs) and EW supervisors, totals 2,634. Of this total, 258 are supervisors and 1,582 are intake or on-going workers. In addition, the State has 794 clerical workers, including issuance workers. State officials indicated that staff levels are driven by overall caseload, and that automation has not had any impact on staffing level. An increase in caseworker staffing has occurred in recent years as the caseload grew.

2.4.2 Responsiveness to Regulatory Change

Indiana has been able to meet Federal regulatory changes, as indicated in Appendix A, Exhibit A-2.1, except in two situations: implementing the Mickey Leland Domestic Hunger Relief Act (code 1.4) covering the use of a standard estimate for shelter expense for households with homeless members, and implementing the issuance regulation (code 4.1) which stipulates that mail issuance must be staggered over 10 days. FSP officials indicated that they had difficulties implementing the Act because of the Federal government's delay in providing the final rule. The State implemented the mail issuance regulation late only because State staff were unaware of the requirement until after the implementation date had passed.

2.4.3 Combined Official Payment Error Rate

Indiana's official combined error rate decreased from 1988 to 1989 and increased each year from 1990 through 1992.

Table 2.4 Official Combined Error Rate

	1992	1991	1990	1989	1988
Combined Error Rate	13.56	12.83	11.28	10.17	11.37

2.4.4 Claims Collection

Table 2.5 presents claims collection data including: the dollar value of claims established, the dollar value of claims collected, and the percentage of claims established that were collected. The dollar value of claims collected decreased each year except 1991. The value of claims established increased in 1989 and decreased each year between 1990 and 1992.

Indiana's claims collected as a percentage of claims established decreased between 1988 and 1990 and increased in 1991 and 1992. The year-to-year variations in the percentage of claims collected and the 1992 data -- which shows that the value of claims collected

exceeds the value of claims established -- occur because claims may not be collected in the same year in which they are established.

Table 2.5 Total Claims Established/Collected

	1992	1991	1990	1989	1988
Total Claims Established	\$1,093,847	\$1,248,007	\$1,903,657	\$2,232,016	\$1,943,328
Total Claims Collected	\$1,141,353	\$1,211,542	\$1,107,850	\$1,392,381	\$1,419,896
As a % of Total Claims Established	104.3%	97.1%	58.2%	62.4%	73.1%

2.4.5 Certification/Reviews

Indiana does not plan to complete ICES conversion until the end of 1993; therefore, a post-implementation review by the Food and Nutrition Service (FNS) or a Family Assistance Management Information System (FAMIS) certification review by the Department of Health and Human Services (DHHS) has not occurred as of the end of April 1993.

3.0 OVERVIEW OF THE SYSTEM

Indiana's ICES system currently supports the Food Stamp, Aid to Families with Dependent Children, and Medicaid Programs. Indiana does not provide GA payments.

3.1 System Functionality

The ICES system is an automated, structured eligibility determination and benefit calculation system that provides for interactive interviews. During interviews, the applicant responses are entered into the system by the eligibility worker. These responses drive the interview process by prompting the input of necessary data based on previous responses. In preparation for ICES implementation, Indiana converted to the generic caseworker approach. The shift from program specific caseworkers to generic workers began in 1989.

ICES was transferred from Ohio; however, ICES project team members indicated that approximately 50 percent of Ohio's CRIS-E was modified for use in Indiana.

Major features of ICES functionality are described in this section. Areas addressed include:

- **Registration.** During application registration, a registration clerk enters data -- including name, address, telephone number, social security number (SSN), and date of birth (DOB) -- into the ICES terminal. An on-line search is performed using statewide participation records for the past three years. The purpose of this search is to determine if any household members are known to the ICES system or the previous food stamp or AFDC systems. Data used in making this determination include the applicant's SSN, name, DOB, race, and sex. If it is determined that the applicant has an old case number, the ICES system provides the option of using this number. Otherwise, the system automatically assigns an application number. The system also assigns the case to an eligibility worker and establishes an interview appointment. The registration worker initiates the request for the system to generate and print a listing of application data, the "rights and responsibilities" narrative, and an appointment notice, which are provided to the client.

ICES automatically schedules interview appointments at the time of application registration and prints a recipient notice. Registration workers, however, can manually schedule an appointment.

- **Eligibility Determination.** Like the CRIS-E system, the ICES system utilizes mandatory "driver" screens in the eligibility determination process. Screens requesting further detail may be displayed depending on the information that is entered into the system through mandatory screens. The ICES system's data entry screens require immediate on-line edits in certain fields. The system automatically

in another county. Issuance is staggered in Indiana, but the number of days over which issuance is staggered varies among counties from two to 15 days.

- **Notices.** ICES automatically generates notices to recipients but does not provide the capability for workers to add any text to these notices. Notices are generated to convey: changes related to household participation, eligibility, and benefit amounts; eligibility determination results; and reminders regarding outstanding verifications. ICES notices combine food stamp, AFDC, and Medicaid information.
- **Claims System.** Claims collection was a feature added to the CRIS-E system for use in Indiana. The eligibility worker establishes a claim on-line by entering the cause of the underpayment or overpayment into the ICES system. The system then calculates the corrected benefit amount. The worker determines the collection method. The system tracks the claim status and monthly recoupment amount, generates a notice to the recipient, and automatically establishes a collection record.
- **Computer Matching.** The ICES system does not perform any matching against external databases at the time of application registration or before the applicant's eligibility is determined. Before initial certification -- except in the case of expedited issuances -- matching is performed via batch mode using databases from the following sources: State Data Exchange (SDX), Internal Revenue Service (IRS), Benefit Earnings Exchanges System (BEERS), Indiana Department of Labor, Beneficiary Data Exchange (BENDEX), and Social Security Administration (SSA). After certification, the system verifies wages and resources by matching against data from Indiana and Federal government data. Indiana defines "hits" in BENDEX and SDX matching to be SSN matches; "hits" are still being defined for other databases. When a match or "hit" is identified, the system generates an on-line alert for the eligibility worker.
- **Alerts.** Alerts are used in ICES to provide on-line messages to eligibility workers. The system generates alerts for discrepancies identified in computer matching, notices to be sent, pending applications, data requiring verification, and case transfers among workers.
- **Monthly Reporting.** Monthly reporting is not required in Indiana.
- **Report Generation.** The reporting subsystem for ICES had not been fully implemented as of April 1993. Ad-hoc management reporting is a planned feature of the reporting subsystem.
- **Program Management and Administration.** Other system functions supported by ICES include: electronic mail for all staff, capability for worker to enter and maintain narrative text in a case record, and workload allocation monitoring with

respect to the number of cases. In addition, an on-line policy manual is planned, but it had not been fully implemented as of April 1993.

- **Assistance Groups.** ICES defines households based on a common address; therefore, a household may contain multiple groups seeking public assistance. ICES, like CRIS-E, automatically determines the various assistance groups within a household, but it does not provide for total outreach. ICES determines eligibility only for the assistance programs to which the applicants apply.

3.2 Level of Integration/Complexity

ICES provides a high level of integration and complexity. Systems support staff projected that the number of users, once the system is fully implemented, will be 2,853.

ICES interfaces with several systems including external databases used in matching and the TANDEM food stamp system which ICES is replacing. The interface with the TANDEM system is through a master index which includes all open cases in Indiana. At conversion, open cases from the TANDEM system are loaded into the Transitional Issuance System (TIS). TIS converts the issuance information only and enables benefits to be issued through ICES before the case has been converted from the TANDEM system to ICES.

3.3 Workstation/Caseworker Ratio

Under the ICES system as planned, each caseworker should have his or her own terminal. Additional terminals are required in each office for use by supervisors, registration workers, issuance workers, and other system users. This represents a significant change from the predecessor system in which each county office contained only one or two terminals. Caseworkers completed data entry forms. Clerks, who alone had access to the TANDEM terminals, performed data entry activities.

3.4 Current Automation Issues

Food Stamp Program personnel in Indiana raised two issues regarding implementation of the automated system. One issue was related to the conversion itself and the impact it was having on case backlog. During the initial months of ICES operations, workers have experienced some problems in learning to use ICES proficiently. This has resulted in case backlogs of about 200 to 300 cases per month.

The second issue relates to expectations for ICES operations after implementation has been completed, and the contractor's (Deloitte Touche) involvement in system support ends. FSP personnel indicated that the OITS group, which will assume responsibility for application support, lacks adequate personnel for performing this function.

4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION

ICES development and implementation began in the late 1980s after Indiana decided that an integrated public assistance system was needed to improve client service and operational efficiency. This section describes: the system that ICES replaced, the reasons for developing the new system, the activities involved and problems encountered in ICES development and implementation, the conversion approach used, ICES project management, and State FSP and management information system (MIS) involvement throughout the process.

4.1 Overview of Previous System

The TANDEM system is the food stamp system in Indiana being replaced by the ICES system. Unlike ICES, the TANDEM system is a batch-oriented food stamp-only system. TANDEM runs in an IBM mainframe environment and is a statewide system whose users are State employees working at county offices. The system has been in use since the late 1970s; however enhancement efforts were initiated in 1982. In 1984, the TANDEM system was enhanced by adding an on-line membership file.

Indiana decided that simply enhancing the TANDEM system was insufficient and began exploring alternatives for developing an integrated public assistance system. A group was formed to develop specifications for a system referred to as the Welfare Integration System (WIS). The WIS team consisted of program policy people, as well as county representatives to provide a user's perspective. The individuals involved in this group and the group's efforts would form the basis for the ICES project team and development effort, respectively.

4.2 Justification for the New System

In its Implementation Advanced Planning Document (IAPD), Indiana staff identified three broad categories of benefits that they expect the ICES system to achieve:

- Improved service to clients as a result of greater accessibility, improved communication, and improved benefit delivery
- Better utilization of resources to administer programs effectively
- Improved operational efficiency that reduces program errors and achieves cost savings; the State expects annual savings of \$32.4 million during the fourth year of ICES operation, which can be further classified as:
 - \$29.7 million in savings due to error rate reduction (\$8.2 million is attributable to food stamp error reduction)
 - \$2.1 million in savings due to increased collections
 - \$0.6 million in savings by reducing current system operating costs

4.3 Development and Implementation Activities

Indiana began planning activities for an integrated public assistance system, WIS, in the middle 1980s. In late 1987 and early 1988, Indiana began looking to other states for a suitable transfer system due to the Federal requirement regarding system transfers. Indiana selected the Ohio CRIS-E system as the transfer system and developed a request for proposals (RFP). The RFP was released in December 1989, and Deloitte Touche was chosen as the development contractor.

Indiana submitted an initial Planning Advanced Planning Document (PAPD) in March 1989. Amended PAPDs were submitted in April 1989, October 1989, January 1990, April 1990, and September 1990 and requested funding increases and time extensions. All PAPDs were approved.

The IAPD was submitted in October 1990, and, in February 1991, ICES funding for FY 1991 and FY 1992 was approved. Advanced Planning Document Updates (APDUs) were submitted in December 1990, December 1991, February 1992, May 1992, June 1992, and March 1993. All APDUs -- except the March 1993 Annual APDU which is pending and requires additional data from Indiana -- were approved.

ICES development has consisted of the following stages:

- **Design.** The ICES team conducted planning related to the requirements system design (RSD) from July 1990 to March 1991.
- **Development.** The contractor's involvement officially began in April 1991. During the development period, Deloitte Touche wrote the RSD; the change definition document (CDD), which identified changes that needed to be made to the CRIS-E system for transfer to Indiana; and the detail system design (DSD). The ICES team provided input and reviewed the RSD. System testing was conducted between July and September 1992.
- **Implementation.** The ICES system is currently being implemented. Implementation began with the pilot test, which was conducted between November 1992 and January 1993 in Delaware County. As of the end of April 1993, ICES project staff estimated that 14 percent of the State's caseload had been converted to ICES. Indiana expects to complete conversion by December 31, 1993.

4.4 Conversion Approach

Indiana's conversion plan entails converting all open cases. Clusters of counties are converted to ICES simultaneously. The State does not have a detailed conversion plan for each county office, but workers are expected to complete conversion documents when cases are recertified prior to ICES conversion of a county. Completed conversion documents are intended to facilitate conversion by consolidating information required by ICES.

Conversion training is being performed by the contractor. Workers come from the county offices to Indianapolis for one week of training; some workers in each county are trained earlier to serve as local experts as other workers receive training.

The total number of cases to be converted in Indiana is approximately 500,000. The ICES functional manager bases the estimated conversion time on observations. If the conversion document was completed before the worker began the conversion, the average time required to convert the case is approximately 30 minutes. The time required to convert a case is considerably longer if the conversion document was not completed previously. Cases with a large number of individuals in a household also tend to take longer to convert.

There have been some conversion problems. Worker errors with application registration entry have caused some clearance problems. In addition, cases involving transitional child care cannot be converted due to system problems.

4.5 Project Management

The project manager for the ICES project is a contractor from Eligibility Management Systems (EMS) who reports to the Director of Systems Development. The ICES project team consists of five track managers; each manager is responsible for a number of functional areas. ICES project team members have backgrounds in policy areas (FSP, AFDC, and Medicaid) and county operations. The project is operated within OITS, but State technical personnel have little involvement in the project at this time. The development contractor is handling technical issues, and oversight is being performed by the quality assurance/project management consultant, EMS.

4.6 FSP Participation

Food Stamp Program personnel have been involved in the ICES project since its inception. The involvement included examining potential transfer systems, developing the RFP for a transfer system, and reviewing proposals. When the ICES team was initially formed, the State-level FSP policy unit supervisor and county representatives were included. During ICES design, food stamp personnel were involved in monthly task force meetings, and during development, FSP involvement included providing input and reviewing contractor documents. FSP users and ICES track managers also participated in designing test scripts. The ICES project team currently is attempting to get the FSP policy units (and other program policy groups) more involved in supporting ICES. For example, policy questions received at the ICES help desk are referred to the applicable policy group.

4.7 MIS Participation

State systems staff involvement in the ICES project has been very limited. As discussed in the project management section, technical oversight of the development contractor has been handled by EMS. There is some concern about the ability of OITS staff to support

ICES after the system is fully operational. The State is considering using a contractor to provide system maintenance for the operational system.

4.8 Problems Encountered During Development and Implementation

Indiana staff identified a couple of problems that have been encountered during development or implementation. ICES project team staff indicated that during system development, the most significant problem encountered was an inadequate timeframe for testing. During implementation, Food Stamp Program staff and ICES project team personnel indicated that a common problem during the initial stages of conversion in a county was that workers fall behind in interviews due to slowness using ICES before they became familiar with it. In addition, staff indicated that many county office workers are inexperienced with computers and find it difficult to learn the system with only one week of training.

5.0 TRANSFERABILITY

As previously mentioned, the system chosen for transfer was the Ohio CRIS-E system. Indiana officials examined several other State systems -- including Illinois, Arizona, Alaska, Mississippi, Delaware, and Kentucky -- before selecting the Ohio system. The factors that influenced the system choice included similarities in caseloads, hardware, and database management systems; CRIS-E's capabilities and functions; and the degree of application integration.

Indiana officials indicated that a significant portion (50 percent) of the CRIS-E system transferred from Ohio has been modified because of differences in State programs between Indiana and Ohio and problems identified with the CRIS-E system. General Assistance is not provided in Indiana, and monthly reporting is not performed. Therefore, both of these functions were eliminated from the transfer system. Indiana's other modifications were aimed at improving functionality and tailoring the system to Indiana's needs. Important modifications to ICES included:

- Adding a claims collection module
- Increasing the database management system (DBMS) capacity
- Modifying some of the screens and output reports
- Making system changes to improve response time
- Adding on-line edits
- Adding other functions that were not present in the transferred system that were desired for ICES, such as automated generation of FNS reports (under development), budget determination, and maintenance of participation statistics

The ICES system has not been transferred to any other States.

6.0 SYSTEM OPERATIONS

The following section provides a description of the ICES system. The description includes a profile of system hardware and a discussion of the system operating environment.

6.1 System Profile

The components supporting ICES are as follows:

- **Mainframe:** IBM 3090/600J
- **Disk:** 3380/3390
- **Tape:** 3480 Tape Cartridge
STK 4400 Robotic Tape Library
- **Printers:** IBM 4248
STK 5000
- **Front Ends:** 3745
- **Workstations:** Lee Data 3270-type
- **Telecommunications:** T1 X.25 Fiber Optic and 56 KB Network

A detailed hardware list, containing information provided by the State, is included as Exhibit A-6.1 in Appendix A.

6.2 Description of Operating Environment

This section contains a description of the current operating system environment, including maintenance, telecommunications, performance, response time, and downtime. The section also discusses the plans for the future of the system.

6.2.1 Operating Environment

The State data center is managed by the Information Systems Division of the Department of Administration. The data center supports ICES, as well as applications for the Department of Revenue, Bureau of Motor Vehicles and the Department of Corrections. Work is processed 24 hours a day, seven days a week on an IBM 3090/600J under MVS/ESA.

Peripherals supported include IBM 3380 (four strings) and 3390 (four strings) disks, 4 reel tape drives and 24 cartridge transports housed in three STK robotic silos, three impact printers and an IBM 3745-610 front end processor supporting the network of Lee Data 3270-type workstations.

The ICES predecessor system for the Food Stamp Program runs stand-alone on a TANDEM XLS system. The system will be phased out of production after conversion to ICES has been completed.

6.2.2 State Operations and Maintenance

Ten on-line regions support applications during the primary processing shift (7:00 a.m. to 5:45 p.m.) under either IMS or customer information control system (CICS). Program development is supported by time sharing option (TSO) in the same system. The batch cycle runs begin at approximately 6:30 p.m. and end at midnight. The remainder of the shift is used for maintenance and backup processing. ISD provides all the technical support (system programmers, capacity planners, etc.) and operations staff for all departments supported by the data center. Application support for the FSP application on the TANDEM system is also supported by an ISD team, but it is not expected to provide support for the new ICES system. Application support for ICES will come from either a contractor or, possibly, from the Family and Support Services Administration Information and Technology Services Group.

There is no formal change control group tasked to oversee the process of application updates. Written program change requests (PCR) are submitted by the requesting department to FSSA to document any change.

Hardware and software maintenance are scheduled as required. Data file backups are performed several times a week for incremental updates, and weekly for all data files. Preventative maintenance is usually performed on the weekend.

6.2.3 Telecommunications

There are two distinct telecommunications networks supporting Food Stamp Program needs: the TANDEM and the IBM networks.

The TANDEM network is being phased out as counties are converted to ICES. The current network supports 26 multi-dropped 9.9 KB SNA circuits still running the TANDEM food stamp system. The network supports TANDEM terminals and printers, similar to IBM 3270, under current loop and RS-232 connections within the local office.

The IBM/ICES network is a T1-based backbone utilizing X.25 protocol, fiber optics, and digital circuits to connect local offices. Three major hubs (Rockdale, IN, Cincinnati, OH, and Keeler, IL) are connected to ISD via T1 fiber optic links. Each of these locations is connected to a number of 56 KB SNA digital circuits from which local offices are multi-dropped. There are currently 30 circuits installed with additional circuits being added as county conversions dictate.

6.2.4 System Performance

The IBM 3090/600J is a 120 million instructions per second (MIPS) processor which is approaching 90 percent utilization for both primary and off-shift processing workloads. An additional processor, an IBM 3090/400J, will be installed in May 1993 if approval from State and Federal authorities is obtained. Since approximately 28 percent of the counties and 14 percent of the cases had been converted to ICES as of April 28, 1993, the impact of full ICES cannot be estimated at the present time. A memory upgrade of 64 megabytes to each side of the processor on May 3, 1993 should provide some performance relief until the new processor is installed.

The system processes approximately 450,000 transactions a day with 147,000 attributed to Food Stamp Program activity. The batch cycle runs seven hours per night with an average duration of three to five hours.

6.2.5 System Response

Response time has begun to deteriorate due to the mainframe constraints, but has not created any major problems for the local offices. Estimates of response times during slow periods suggested 15 to 20 second response times were usual. If the constraints are in the current central processing unit (CPU), the second system should noticeably improve ICES response time.

6.2.6 System Downtime

The mainframe is running at 99.5 percent to 99.7 percent uptime based on statistics from 1992 and 1993. Users appear to be very satisfied with the reliability of the system and network, with the exception of expected startup problems with the new IBM network.

6.2.7 Current Activities and Future Plans

The State planned to install additional mainframe memory on the IBM 3090/600J on May 3, 1993 to alleviate the storage shortage. Plans are also in place to bring in a second processor within a month to split the current workload between the two systems. No plan has yet been formulated as to how the workload split would work. Disk growth is expected to require more direct access storage device (DASD), the amount of which has not yet been determined. Tape growth is also anticipated to require a fourth STK silo at some point. The current cartridge library is approximately 30,000 volumes with another 1,000 tape reels stored on-site.

The director of the ICES support team indicated that plans are in place to redesign the Eligibility Determination/Benefit Calculation (ED/BC) module by 1995. The current version contains more than 30,000 lines of code and uses an estimated 30 percent more processor resources than would be required if the code was more efficient. The State plans to begin rewriting ED/BC code after ICES conversion is completed.

7.0 COST AND COST ALLOCATION

This section addresses the following topics: ICES development costs and approved Federal funding profile, ongoing operating costs of the system which currently supports the Food Stamp Program, and cost allocation methodologies applied to allocating development and operating costs.

The ICES development and implementation phase officially began in April 1991.³ As of March 10, 1993, statewide implementation is scheduled to occur no sooner than December 31, 1993. FAMIS certification is scheduled for late 1994.⁴

7.1 ICES Development Costs and Federal Funding

Total ICES expenditures through December 31, 1992 were reported to be \$7.54 million. The FSP share of the ICES costs was \$1.94 million, or 25.8 percent.⁵ Table 7.1, ICES Expenditures 4/1/91 - 12/31/92, presents a breakout of the actual ICES costs,⁶ the estimated cost of each component per the March 1993 APDU, and the percentage expended in each category measured against the current budget. The table shows that expenditures through the end of that period constituted 15.6 percent of the total ICES budget. The ICES pilot county had been implemented through the end of this period and only one of the eight county clusters would be implemented by the end of January 1993.

³ ICES Implementation Phase History.

⁴ APDU, March 1993.

⁵ The Agency for Children and Families (ACF) share was \$3.5 million (for AFDC), or 46.5%; the Health Care Financing Administration (HCFA) share was \$412,000 (for Medicaid), or 5.5%; the State share was \$1.67 million, or 22.2%.

⁶ March 1993 APDU, ICES Project Expenditures, April 1, 1991 - December 31, 1992, page XV-23.

Table 7.1 ICES Expenditures 4/1/91 - 12/31/92

ICES COMPONENT	CURRENT ESTIMATE (\$ millions)	EXPENSE TO DATE (\$ millions)	% EXPENDED TO DATE
Personnel	1.96	1.02	52.04
Hardware	6.35	.024	.38
Software	.349	.349	100
Contractors	18.82	4.31	22.90
Operations	13.17	1.01	7.67
Telecommunications	3.27	.014	.43
Training	2.07	.183	8.84
Indirect	1.01	.395	39.11
Miscellaneous ADP ⁷	1.28	.231	18.05
Total	\$48.28	\$7.54	15.62%

a. ICES Planning Phase

ICES was conceived in 1988. FNS approved the original ICES Planning Advanced Planning Document in January 1989⁸ and the first amendment in April 1989⁹ for \$600,000. An amendment to the PAPD, approved by FNS in May 1990, increased planning costs to \$930,000.¹⁰ As of June 30, 1990, the planning costs incurred were reported to be \$657,165; the FSP share was \$221,662.¹¹ Finally, an October 1990 amendment increased planning costs to \$1.14 million, with an FSP share of \$385,000.¹² The estimated cost for the remainder of the planning phase was \$487,560 with a FSP share of \$164,454. Initially the ICES

extended the planning phase to January 1991. The planning phase officially ended in March 1991. During this planning period, three major events occurred:

- A planning support contractor, EMS, was hired in January 1990 to provide planning support to the ICES project team.
- The Implementation Advanced Planning Document was submitted to FNS in October 1990 for approval to begin the ICES development project.
- The firm of Deloitte Touche was selected as the transfer and implementation contractor in April 1990.

b. ICES Development and Implementation

The IAPD was submitted to FNS for approval in October 1990. The estimated cost of the ICES was \$37.7 million. The FSP share of ICES at 34.23 percent was almost \$13 million. In February 1991, FNS approved the FSP share of FY 1991 project costs (\$1.6 million) and FY 1992 project costs (\$4.5 million), for a total approval of \$6.1 million.¹⁴

By February 1992, the ICES APDU documented a reduction in the proposed cost to \$37.1 million (down from \$37.7 million). In response to this cost decrease, in March 1992, FNS superseded the February 1991 approval for FY 1992. The approved amount for FY 1992 fell to \$3.6 million from \$4.5 million.¹⁵ The FNS percentage share increased to 35.22 percent from 34.23 percent.

In March 1993, the APDU presented a revised ICES cost estimate of \$48.3 million with an FSP share of almost \$17 million. Appendix A, Exhibit A-7.1, ICES Budget Changes 11/90 - 3/93, shows changes in the estimated costs of ICES since the IAPD was submitted for approval. The exhibit shows that the greatest budget increases could be traced to operating costs incurred during development (+155 percent) and other ADP expenses (+312 percent) and that State personnel costs (-37 percent) and site installation costs (-31 percent) offered significant budget reductions. The exhibit also shows that the budget increased 30 percent overall during the development phase.

c. FNS Funding Approval History

FNS approved funding for ICES planning efforts at a 50 percent rate in January 1989.¹⁶ Indiana maintained, however, that the funding should be reimbursed at

¹⁴ Letter, 2/7/91.

¹⁵ Letter, 3/6/92. Reduction was attributed to the removal of support for state funded programs from ICES.

¹⁶ Letter, 1/1/89.

the enhanced rate of 75 percent since the current system did not meet the level of automated requirements put forth in the Code of Federal Regulations (CFR) 277.18. In an October 20, 1989 letter to FNS, Indiana requested that enhanced funding be provided because the new system was necessary to meet mandated automation requirements. FNS accepted this reasoning as justification and, in January 1990, approved Indiana's request for enhanced funding effective as of January 1, 1990.

In April 1991, FNS reduced the reimbursement rate to 63 percent from 75 percent citing the Advanced Planning Document (APD) funding law effective October 1, 1991.¹⁷ Enhanced funding at the 63 percent rate would be approved for all expenses incurred after November 28, 1990. Indiana, however, continued to press FNS for enhanced funding at the 75 percent level.

On July 27, 1992, FNS reversed itself and agreed to reimburse Indiana at the enhanced rate of 75 percent for all ICES costs approved prior to September 30, 1991. Sixty-three percent funding would be provided for all costs approved after that date.¹⁸

The March 1993 APDU, which budgets the ICES development and implementation at \$48 million,¹⁹ lists the FSP share at almost \$17 million. Of the \$17 million share, FNS is to reimburse \$8.69 million at the enhanced rate of 75 percent or 63 percent. The remaining \$8.3 million is to be reimbursed at the regular rate of 50 percent.

The March 1993 APDU budget divides the FSP share eligible for enhanced funding (\$8.69 million) into: the amount to be reimbursed at the 75 percent Federal financial participation (FFP) rate (\$4,569,929), and the amount to be reimbursed at 63 percent FFP (\$210,792). Using these data, Table 7.2, FNS Enhanced Funding Breakout, shows that the calculated share of the \$8.69 million eligible for enhanced funding totals only \$6.43 million rather than the expected \$8.69 million. The reason behind this discrepancy is unclear. Using the numbers presented in the budget, it would appear that Indiana is expecting FNS to reimburse only \$9.66²⁰ million of the FSP share of \$16.97 million, or 57 percent, of the ICES development and implementation costs.

¹⁷ Letter, April 15, 1991.

¹⁸ In January 1992, FNS requested repayment of \$468,367 in enhanced funding that Indiana had received in a previous development effort. On October 19, 1992, Indiana confirmed that it would repay the requested amount in eight installments.

¹⁹ March 1993 APDU, Exhibit XI-1, page XI-7.

²⁰ The \$9.66 million amount is the sum of the enhanced funding of \$4.78 presented in Table 7.3 and the amount to be funded at the regular 50% rate, \$4.88 million.

Table 7.2 FNS Enhanced Funding Breakout

\$8,692,514 (amount eligible for enhanced funding)	FSP Share (before FFP)	FNS Share (after FFP)
75%	\$6,093,239	\$4,569,929
63%	\$334,590	\$210,792
Total	\$6,427,829	\$4,780,721

7.1.1 ICES System Components

The proposed ICES was designed to support AFDC, the Food Stamp Program, Medicaid eligibility, and the JOBS Program. The initial ICES development and implementation effort described in the IAPD consisted of 17 tasks to modify a transferred system to meet Indiana requirements, perform system testing, and implement the system statewide. A pilot implementation was included in addition to a period during which the implemented system could be fine-tuned. The final task addressed activities for obtaining Federal certification.

Task 18 was added in December 1991 to add an on-line policy manual subsystem to the ICES development effort.²¹ Task 19 was added in June 1992 to develop and implement the Transitional Issuance System to support the manual conversion of existing ICES cases.²²

7.1.2 Major ICES Development Cost Components

Hardware, contractor support, and State personnel costs account for almost 69 percent of ICES estimated costs. Table 7.1 presents the current cost estimates for each of these components and shows the component costs incurred through December 31, 1992. The cost of these three components (\$5.354 million) represents 71 percent of the total costs incurred through the end of December 1992.

7.1.2.1 Hardware

Hardware costs through December 31, 1992 were reported to be \$240,000. The original estimate for hardware was \$9.2 million.²³ This amount was decreased to \$5.22 million in February 1992. The March 1993 APDU budget for leased and purchased hardware is

²¹ Letter, 12/17/91, and accompanying APDU, page IX-19.

²² Letter, 6/11/92, and accompanying APDU, page IX-22.

²³ IAPD, October 1990.

\$6.23 million and \$123,000, respectively. Indiana had originally planned to purchase all hardware and equipment. However, as cited in a June 1992 letter to FNS, Indiana had "no other choice...the State of Indiana is not fiscally able to purchase the amount of equipment required for ICES." Therefore, all leased hardware was acquired on a 48-month lease-to-own program competitively offered by the equipment vendor, Lee Data.

7.1.2.2 Contractor Costs

Indiana contracted with three companies to support ICES implementation:

- **Deloitte Touche** was awarded an \$11.9 million contract in March 1991 to transfer, modify, implement, and maintain the ICES. As of December 31, 1992, \$2.88 million had been expended.²⁴

The contract has been amended four times to accommodate additional ICES tasking. As of March 1993, the value of the contract was reported to be \$13.6 million. Appendix A, Exhibit A-7.2, Deloitte Touche Contract History, details the changes made to the Deloitte Touche contract.

The total period of contract performance is 42 months. Transfer and development support is to be conducted in the first 30 months and includes delivery of the following ICES products: functional description (FD), detail design, coding and unit testing, system testing, documentation, and training. The initial contract included 12 months of maintenance support to follow implementation at \$1.4 million.

Additional tasking since initial contract award includes development of an on-line policy manual subsystem and the design, development, and implementation of the Transitional Issuance System.

- **EMS, Inc.** was awarded a \$1.676 million contract in February 1991 to provide planning support. In October 1990 the EMS role was expanded to include project management and quality assurance support for the development and implementation phase. In February and June 1992, the contract was amended to include an additional \$75,000 and \$105,500 respectively. The period of performance is 44 months. As of December 31, 1992, \$1.34 million in EMS, Inc. contract costs have been reported.²⁵
- **Lee Systems** was awarded a contract worth more than \$6.9 million to deliver, install, and warrant equipment needed to implement ICES. The period of performance is 24 months beginning July 1, 1992.

²⁴ March 1993 APDU; ICES Project Expenditures, April 1, 1991 - December 31, 1992.

²⁵ March 1993, APDU, pp. XI-8 through XI-34.

7.1.2.3 State Personnel

As of December 31, 1992, \$1.02 million has been expended for State personnel. The original estimate was \$3.1 million.²⁶ As of March 1993, the estimate had decreased to \$1.96 million.

7.2 Operational Costs

Operations costs for the current TANDEM system supporting the Food Stamp Program are presented for Federal Fiscal Year (FFY) 1990 through FFY 1993 in Table 7.3, SF-269 ADP Operating Costs.

Table 7.3 SF-269 ADP Operating Costs

FFY	CURRENT FSP OPERATIONS	
	FSP Share	FNS Share at 50% FFP Rate
1990	1,981,486	990,743
1991	605,957	302,978
1992	424,638	212,319
1993	43,851	21,926

The State central data processing (CDP) facilities charges for ICES development through December 31, 1992 totalled \$1,007,511. Table 7.4, State CDP Facilities Charges to ICES, shows the growth of these charges within the ICES development phase.

²⁶ IAPD, October 1990.

Table 7.4 State CDP Facilities Charges to ICES²⁷

REPORTING PERIOD	MONTHLY CDP CHARGES	FFY CDP CHARGES
4/1/91 - 9/30/91		36,984
10/1/91 - 9/30/92		208,780
10/1/92 - 10/31/92	180,633	
11/11/92 - 11/30/92	403,223	
12/1/92 - 12/31/92	177,892	
10/1/92 - 12/31/92		761,748
Total		1,007,512

During the first quarter of 1993, when \$761,748 in State CDP facilities charges were incurred, the ICES pilot county was implemented and the first county cluster was being readied for implementation.

7.2.1 Cost Per Case

Based on the food stamp monthly caseload of 172,667, the monthly cost per case for the TANDEM food stamp system in 1992 was \$0.20. Monthly ADP operating costs of \$33,387, which were used in this calculation, represented the operational costs for the TANDEM food stamp system. Costs were low because hardware and usage costs were minimal for the old, stand-alone TANDEM system.

ICES operations began in FY 1993, starting with the pilot county in November 1992 and the first cluster of counties in January 1993. Cost per case for the ICES system could not be calculated because ICES operational cost data and ICES caseload data were unavailable.

7.2.2 ADP Operational Cost Control Measures and Practices

System users within Indiana are charged by the ISD for all computer usage; operating/utility software; network costs (leased line service); on-line processing costs, including communications messages, disk inputs/outputs, disk storage, TSO; and batch costs, including job set up and handling, processing, disk inputs/outputs, tapes, report handling, and paper. These costs are accumulated under a project number assigned by ISD. Costs are billed on a monthly basis on an interdepartmental bill identifying separate

²⁷ March 1993 APDU, pp. XI-8 through XI-34.

costs for each project. Bills are posted to the ledger by account code and Section number when appropriate.

ICES costs are identified at the time a voucher is presented for payment to a contractor or an interdepartmental bill is presented by CDP. Total costs are recorded in the appropriate ledger. At the end of each month, enhanced funding costs are tabulated separately and calculated at the enhanced rate in effect at the time. The balance of the account is normally calculated at 50 percent.

Costs shared by two or more programs are normally accumulated under account 100-500. These costs are then allocated by the department percentages (compiled through time study), unless any one program's percentage can be determined by actual use. Their related calculations and audit trail are contained in the quarterly work papers prepared in support of the Quarterly Expenditure Reports.

7.3 Indiana Cost Allocation Methodologies

This section describes the methodology used to allocate ICES development costs to the Food Stamp Program. It also describes the methodology used to allocate operations costs incurred by the current system supporting the Food Stamp Program and submitted to FNS via SF-269.

7.3.1 Historical Overview of ICES Development Cost Allocation Methodology

The cost allocation methodology used in the development and implementation phase is designed to accurately quantify the relative time and effort which will be expended on each system application task during the development phase. The intent is to ensure that each assistance program supported by ICES is charged its fair share of the development costs. The basis for determining appropriate share is unduplicated recipient count coupled with a thorough analysis of the ICES functionality in terms of the benefitting program supported.

The share of ICES planning and development costs allocated to the Food Stamp Program has undergone minor changes since 1989:

- FNS approved a 33.73 percent FSP share of all planning costs.²⁸
- FNS approved a 34.23 percent FSP share of all allocated ICES development costs documented in the IAPD.²⁹

²⁸ Letter, 4/17/89.

²⁹ Letter, 2/7/91.

- As of March 1992, FNS assumed an increased FSP share of ICES allocated development costs (35.22 percent). The increase was attributed to the removal of State funded programs from the income maintenance modules of ICES.³⁰

The March 1993 APDU allocated all ICES costs incurred after March 31, 1992 to the FSP at 35.22 percent. The mechanics for determining how this percentage is applied to allocation development costs is presented at length in the February 6, 1992 APDU.

7.3.2 Food Stamp Program Operations Cost Allocation Methodology

All expenses are recorded in the journal of original entry to State administration (Account 100-500). Each recorded transaction is posted to a ledger. From this ledger, expenses are distributed to the various Division of Family and Children section. Other costs that can be identified to a specific program are charged to that program.

Four times a year, time studies are conducted within divisions or sections that work on different public assistance programs. Each employee, without exception, charged to account 100-500 must complete the appropriate time study sheet, DPW Form 602. The time study provides a daily record of time spent by employees on different programs for the reporting month. Hours worked are recorded on DPW Form 602 in the column designated for a particular program. Percentages of time spent on different programs are developed for each employee, section or division, and the department overall. The expenses recorded on the ledger for each section or division are transferred to IDFC calculation forms. Each section performing a time study has its separate time percentage breakdown applied to its expenses. The total is used as the base for calculating the percentage factor for allocating State administration costs to the participating Federal programs.

The following cost pools are allocated by time study, as described above:

- Family Service Administration
- Management Information Services
- Legal/Staff Attorneys/Hearings & Appeals
- Quality Control
- Audit Section
- Financial Management
- Reports and Statistics

Direct cost pools include:

- AFDC & AFDC ICES
- IMPACT - Personal Services and Administration
- Food Stamp Policy

³⁰ Letter, 3/6/92.

- Food Stamp ADP Development ICES
- Children and Family Services Administration
- Formula Indiana Clients Eligibility System
- Child Support Enforcement
- Indiana Support Enforcement Track System
- State-Assisted Programs
- Medicaid/MMIS/Medicaid ICES
- Guaranteed Child Care & Transitional Child Care
- AFDC-UP
- JOBS/JOBS ICES
- At-Risk Child Care

7.3.3 ICES Allocation Mechanics

State staff indicated that all ICES development costs are allocated to the benefitting programs. Cost pools and cost centers are not used. Instead, as documentation related to an ICES charge is received, it is posted to three spreadsheets:

- ***Individual Expenditure Spreadsheet.*** The expenditure is posted to this spreadsheet to spread the cost to each of the public assistance programs in accordance with the approved allocation percentages. The spreadsheet then calculates the Federal share for each program based upon the expenditure type, enhanced or regular.
- ***Monthly Spreadsheet.*** The expenditure is posted to this spreadsheet to spread the cost to programs and calculate the Federal share in the same manner as the Individual Expenditure Worksheet. This spreadsheet, however, accumulates the monthly total and provides a worksheet to be included in the monthly reports. Claims paid for cost allocation are entered separately.
- ***Financial Status Report (FSR) Check Worksheet.*** The Federal and State share for each expenditure is then posted to the FSR Check Worksheet. This spreadsheet accumulates totals which will be used on the Monthly Spreadsheet. Claims paid for cost allocation are not entered on this worksheet.

The appropriate Food Stamp Program costs are then transferred to the SF-269.

APPENDIX A

STATE OF INDIANA

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 No such payments in Indiana	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	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*	N	N	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	N	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	N	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	9/88	N	N
4.1	4: Issuance	1: Mail issuance must be staggered over at least ten days. 274.2(c)(1)	4/1/89	N	N	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 occurred; therefore, the responses to these particular regulatory changes may be inaccurate.

**Exhibit A-6.1
State of Indiana Hardware Inventory**

Component	Make	Acquisition Method	Number/ Features
CPU			
3090/600J	IBM	Purchase	64 channels, 384 MB main storage, 512 MB extended storage, 120 MIPS
DISK			
3380/3390	IBM	Purchase	3380 controllers (2) 3390 controllers (2) 3380 disk (20) 3390 disk (12)
TAPE			
Reel Tape Drives	IBM	Purchase	3803 controller 3420 drives (4)
Robotic Silos (cartridge drives)	STK	Purchase	4400 (3)
PRINTERS			
Impact	IBM Data Products	Purchase Purchase	4248 STC-5000 (2)
FRONT ENDS			
Processor	IBM	Purchase	3745-610
REMOTE EQUIPMENT			
Workstations	Lee Data	Purchase	3270 (2,800)

Exhibit A-7.1
ICES Budget Changes 11/90 - 3/93

ICES DEVELOPMENT COST ITEM	ESTIMATED ICES COSTS		INCREASE OR (DECREASE) 11/90 - 2/92		ESTIMATED ICES COSTS	INCREASE OR (DECREASE) 2/92 - 3/93	
	November 1990 IAPD (\$ millions)	February 1992 APDU (\$ millions)	Millions \$	%	March 1993 APDU (\$ millions)	Millions \$	%
State personnel	3.13	3.13	0	0	1.96	(1.17)	(37.38)
Deloitte Touche	10.55	12.19	1.64	15.55	13.58	1.39	11.40
EMS, Inc.	1.68	1.75	0.07	4.17	1.86	0.11	6.29
Site Installation	3.21	3.23	0.02	0.62	2.22	(1.01)	(31.27)
Central Distribution Facility	0	1.49	1.49	0	1.16	(0.33)	(22.15)
Operations/Telecomm.	5.10	6.43	1.33	26.08	16.44	10.01	155.68
Hardware	9.20	5.22	(3.98)	(43.26)	6.35	1.13	21.65
Software	.40	.40	0	0	.349	(0.05)	(12.50)
Supplies	0	0	0	0	0	0	0
Miscellaneous ADP Expenses	2.04	.31	(1.73)	(84.80)	1.28	0.97	312.90
Training	2.35	2.35	0	0	2.07	(0.28)	(11.91)
Indirect	0	.64	0.64	0	1.01	0.37	57.81
Total	\$37.66	\$37.14	(\$0.52)	(1.38%)	\$48.28	\$11.14	29.99%

**Exhibit A-7.2
Deloitte Touche Contract History**

DATE/DOCUMENT CITED	CONTRACT VALUE	CONTRACT \$ INCREASE	ICES TASKING
10/90 ICES IAPD	\$10,552,530	N/A	Transfer, modify, and implement a certifiable automated, integrated eligibility system.
3/6/91 Contract Award; Cost and Cost Allocation Survey	\$11,938,977	\$1,386,447	Contract award amount provided by Indiana personnel.
2/6/92 cover letter; APDU	\$12,192,976	\$253,999	<ul style="list-style-type: none"> • Expand role to provide telecommunications technical support from network design through implementation. • Develop on-line policy manual subsystem from existing Florida subsystem. • Support new requirements in the Transitional Child Care and Guaranteed Child Care.
6/11/92 cover letter; As Needed APDU	\$13,142,976	\$950,000	Design, develop, and implement Transitional Issuance System.
3/1/93 cover letter; APDU	\$13,582,977	\$440,001	Provide additional staff support to implementation effort.

APPENDIX B

STATE OF INDIANA

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 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 represent the perceptions of eligibility workers (EWS) in Indiana. In other words, these responses do not necessarily represent a "true" description of the situation in Indiana. 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 survey was sent to 63 eligibility workers. The following table summarizes the potential population size and the final size of the sample who responded.

Number of EWS in Indiana	Number Selected to Receive Survey	Percentage Selected
419 ¹	63	15.0%

Compared to the previous system, over 80 percent of eligibility workers prefer the new system or do not have a preference. Most of the respondents believe the new system helps them do their jobs and makes them more efficient. A significant minority believes that the system adds stress to their jobs, makes it more difficult to perform specific functions, and results in more errors.

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents (%)
Poor	1	1.9
Good	38	70.4
Excellent	15	27.8

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

	Number of Respondents	Percentage of Respondents (%)
Poor	10	18.5
Good	34	63.0
Excellent	10	18.5

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	29.6
Sometimes	35	64.8
Often	3	5.6

Approximately 98 percent of the eligibility workers think that overall system response time is excellent or good, and over 80 percent believe that response time is excellent or good during peak

processing periods. Less than six percent of the eligibility workers believe that response time often is too slow.

Availability

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

	Number of Respondents	Percentage of Respondents (%)
Sometimes	5	9.3
Often	49	90.7

How often is the system down?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	29.6
Sometimes	36	66.7
Often	2	3.7

A large majority of eligibility workers (over 90 percent) indicated that the system is available when they need to use it, but over 70 percent indicated that the system is sometimes or often down. Apparently the system downtime is not intrusive enough to detract from the perception that the system is generally available.

Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents (%)
Poor	5	9.3
Good	42	77.8
Excellent	7	13.0

How often is a case terminated in error?

	Number of Respondents	Percentage of Respondents (%)
Rarely	40	76.9
Sometimes	12	23.1

How often is eligibility incorrectly determined?

	Number of Respondents	Percentage of Respondents (%)
Rarely	21	38.9
Sometimes	29	53.7
Often	4	7.4

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	40	75.5
Sometimes	11	20.8
Often	2	3.8

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

	Number of Respondents	Percentage of Respondents (%)
More Difficult	8	16.3
About the same	11	22.4
Easier	30	61.2

The eligibility workers generally think the system's data and computations are quite accurate and timely; however, a majority believes that eligibility is determined incorrectly sometimes or often. In addition, more than 61 percent of eligibility workers think that the new system makes accurate benefit calculation easier.

Ease of Use

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	28	51.9
Sometimes	20	37.0
Often	6	11.1

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	30	56.6
Sometimes	19	35.8
Often	4	7.5

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	33	71.7
Sometimes	10	21.7
Often	3	6.5

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents (%)
Rarely	30	57.7
Sometimes	16	30.8
Often	6	11.5

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents (%)
Rarely	16	43.2
Sometimes	14	37.8
Often	7	18.9

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents (%)
Rarely	32	62.7
Sometimes	17	33.3
Often	2	3.9

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	43	79.6
Sometimes	9	16.7
Often	2	3.7

How often do you have difficulty updating registration data?

	Number of Respondents	Percentage of Respondents (%)
Rarely	40	75.5
Sometimes	12	22.6
Often	1	1.9

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	40	74.1
Sometimes	12	22.2
Often	2	3.7

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	41	78.8
Sometimes	8	15.4
Often	3	5.8

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	12	41.4
Sometimes	9	31.0
Often	8	27.6

How often do you have difficulty tracking outstanding verifications?

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	33.3
Sometimes	19	37.3
Often	15	29.4

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	31	58.5
Sometimes	21	39.6
Often	1	1.9

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	35	72.9
Sometimes	10	20.8
Often	3	6.3

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	20	40.0
Sometimes	21	42.0
Often	9	18.0

How often do you have difficulty identifying error prone cases?

	Number of Respondents	Percentage of Respondents (%)
Rarely	22	45.8
Sometimes	22	45.8
Often	4	8.3

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	19	44.2
Sometimes	20	46.5
Often	4	9.3

How often do you have difficulty assigning new case numbers?

	Number of Respondents	Percentage of Respondents (%)
Rarely	39	73.6
Sometimes	11	20.8
Often	3	5.7

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

	Number of Respondents	Percentage of Respondents (%)
More Difficult	6	12.2
About the same	13	26.5
Easier	30	61.2

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	7	16.7
About the same	12	28.6
Easier	23	54.8

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

	Number of Respondents	Percentage of Respondents (%)
More Difficult	8	23.5
About the same	16	47.1
Easier	10	29.4

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

	Number of Respondents	Percentage of Respondents (%)
More Difficult	9	20.0
About the same	18	40.0
Easier	18	40.0

Eligibility workers responses to these questions express the feeling that the system is easy to use for some, but not all, functions. A significant proportion (at least 40 percent) of workers sometimes or often have problems with obtaining information from the system, generating notices, monitoring hearing status, tracking verifications, and identifying specific types of cases. In comparison to the previous system, a minority of workers (between 12 and 24 percent) feel that it is more difficult to perform various functions with the new/current system.

Over 43 percent of the eligibility workers have experienced some problems learning to use the system, which could indicate that training is inadequate.

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	2	3.7
Sometimes	12	22.2
Often	40	74.1

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	17	32.1
Sometimes	26	49.1
Often	10	18.9

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

	Number of Respondents	Percentage of Respondents (%)
Rarely	34	63.0
Sometimes	14	25.9
Often	6	11.1

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

	Number of Respondents	Percentage of Respondents (%)
Less	10	20.4
About the same	24	49.0
More	15	30.6

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

	Number of Respondents	Percentage of Respondents (%)
Less	10	20.4
About the same	17	34.7
More	22	44.9

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

	Number of Respondents	Percentage of Respondents (%)
Less	15	30.6
About the same	17	34.7
More	17	34.7

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

	Number of Respondents	Percentage of Respondents (%)
Less	1	2.0
About the same	20	40.8
More	28	57.1

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

	Number of Respondents	Percentage of Respondents (%)
Less	4	8.2
About the same	24	49.0
More	21	42.9

How would you rate the current system in comparison to the previous system?

	Number of Respondents	Percentage of Respondents (%)
Worse	8	17.4
About the same	4	8.7
Better	34	73.9

The eligibility workers are generally satisfied with the new system, although a significant percentage (35 percent) find their work more stressful now. Workers overwhelmingly believe that the new system has enabled them to be more efficient and productive compared to the previous system. Approximately 74 percent of the eligibility workers felt that the new system often is a great help to them and is better than the previous system.

Client Service

How often is expedited service difficult to achieve?

	Number of Respondents	Percentage of Respondents (%)
Rarely	42	80.8
Sometimes	9	17.3
Often	1	1.9

How often do you have difficulty providing expedited services?

	Number of Respondents	Percentage of Respondents (%)
Rarely	45	84.9
Sometimes	8	15.1

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	3	6.1
About the same	24	49.0
Easier	22	44.9

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 (%)
About the same	27	55.1
Better	22	44.9

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 (%)
Worse	5	10.2
About the same	27	55.1
Better	17	34.7

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

	Number of Respondents	Percentage of Respondents (%)
About the same	34	69.4
Better	15	30.6

Eligibility workers generally feel that the new system has a positive impact or no effect on client service. A small minority, however, believe that it is more difficult to interview clients in a timely manner and feel that clients spend more time waiting in the office with the new system. Workers overwhelmingly believe that expedited service is relatively easy to achieve.

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	11	25.0
About the same	25	56.8
Easier	8	18.2

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

	Number of Respondents	Percentage of Respondents (%)
More	12	26.1
About the same	17	37.0
Fewer	17	37.0

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

	Number of Respondents	Percentage of Respondents (%)
More	5	11.6
About the same	28	65.1
Fewer	10	23.3

Eligibility workers generally feel that the system has little impact on fraud and errors. The majority thinks that the number of undetected fraud cases and the ease of collecting overpayments is about the same with the new system. Workers' perceptions about the impact of the new system on the number of errors is divided. Equal percentages believe that the number of errors are the same or less, but just over 26 percent of workers believe that more errors are made under the new system.

APPENDIX C

STATE OF INDIANA

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 Indiana. 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 Indiana	Number Selected to Receive Survey	Percentage Selected
54 ¹	30	55.6%
	Number Responding to Survey	Response Rate
	20	66.7%

The supervisors selected to receive the survey were selected randomly so their perceptions would be representative of supervisors in Indiana. The response rate of 66.7 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

Most of the EW supervisors believe that the system sometimes or often helps them in their jobs. The majority of EW supervisors reports that response time, system availability, and accuracy are acceptable. EW supervisors feel that the system is relatively easy to use, but there are areas in which some EW supervisors believe there are problems. Supervisors agree that the system generally contributes to improved job satisfaction and supports their management needs.

¹ At the time the survey was conducted, Indiana was implementing its new system. The number of eligibility worker supervisors from which the sample was drawn only includes supervisors in offices where the new system had been implemented.

In comparison to the previous system, a large majority of the responding EW supervisors prefers the current system. In general, EW supervisors think that the current system is easier to use and offers improvements in many areas including job satisfaction (especially productivity), management support, and client service.

SYSTEM CHARACTERISTICS

Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents
Good	13	65.0
Excellent	7	35.0

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

	Number of Respondents	Percentage of Respondents
Poor	5	25.0
Good	13	65.0
Excellent	2	10.0

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents
Rarely	7	35.0
Sometimes	13	65.0

EW supervisors in Indiana are satisfied with system response time. All of the respondents think that overall response time is good or excellent. During peak processing periods, 75 percent feel that response time is good or excellent.

Availability

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

	Number of Respondents	Percentage of Respondents
Often	20	100.0

How often is the system down?

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

EW supervisors think that system availability generally is good. All of the respondents believe that the system often is available when needed. Although 45 percent think that the system is sometimes or often down, this downtime 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	4	20.0
Good	13	65.0
Excellent	3	15.0

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

	Number of Respondents	Percentage of Respondents
More Difficult	2	12.5
About the same	3	18.8
Easier	11	68.8

EW supervisors generally perceive the quality of the system's data and the accuracy of its calculations to be acceptable. Eighty percent of the supervisors feel that the information in the system is good or excellent. In comparison to the previous system, approximately 69 percent of the EW supervisors think that it is easier to calculate benefit levels accurately with the current system.

Ease of Use

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

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

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

	Number of Respondents	Percentage of Respondents
Rarely	11	57.9
Sometimes	8	42.1

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

	Number of Respondents	Percentage of Respondents
Rarely	9	75.0
Sometimes	3	25.0

How often do you have difficulty generating adverse action notices?

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

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents
Rarely	7	58.3
Sometimes	5	41.7

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents
Rarely	10	52.6
Sometimes	8	42.1
Often	1	5.3

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

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

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
About the same	5	38.5
Easier	8	61.5

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

	Number of Respondents	Percentage of Respondents
More Difficult	2	14.3
About the same	3	21.4
Easier	9	64.3

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

	Number of Respondents	Percentage of Respondents
More Difficult	3	18.8
About the same	6	37.5
Easier	7	43.8

EW supervisors generally feel that the system is relatively easy to use. For all functions addressed, at least half of the responding EW supervisors report rarely having difficulty with the function. In many areas, however, significant minorities sometimes have difficulty. This may be attributable to the newness of the system and the high proportion (over 42 percent) of EW supervisors who report some problems learning to use the system. For all functions except restoring benefits, the majority of EW supervisors believe that in comparison with the previous system, it is easier to perform specific functions with the current system.

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	15.8
Often	16	84.2

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

	Number of Respondents	Percentage of Respondents
Rarely	8	40.0
Sometimes	9	45.0
Often	3	15.0

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

	Number of Respondents	Percentage of Respondents
Less	2	12.5
About the same	7	43.8
More	7	43.8

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

	Number of Respondents	Percentage of Respondents
Less	1	6.3
About the same	9	56.3

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

	Number of Respondents	Percentage of Respondents
Less	4	25.0
About the same	9	56.3
More	3	18.8

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

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

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

	Number of Respondents	Percentage of Respondents
Less	1	6.3
About the same	9	56.3
More	6	37.5

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

	Number of Respondents	Percentage of Respondents
Worse	1	6.3
About the same	1	6.3
Better	14	87.5

EW supervisors feel that the system improves job satisfaction. Over 84 percent of EW supervisors think the system often is a great help, and only 15 percent also think it often is an added stress.

In comparison to the previous system, EW supervisors feel that the current system is equivalent or better. Overall, almost 88 percent feel that the current system is better than the previous system. Almost 69 percent of the supervisors feel that they are more productive with the current system.

Management Needs

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

	Number of Respondents	Percentage of Respondents
Poor	12	63.2
Good	7	36.8

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

	Number of Respondents	Percentage of Respondents
Poor	6	31.6
Good	12	63.2
Excellent	1	5.3

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

	Number of Respondents	Percentage of Respondents
Rarely	6	33.3
Sometimes	6	33.3
Often	6	33.3

How often do you have difficulty meeting Federal reporting requirements?

	Number of Respondents	Percentage of Respondents
Rarely	6	37.5
Sometimes	8	50.0
Often	2	12.5

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

	Number of Respondents	Percentage of Respondents
Less	1	6.7
About the same	4	26.7
More	10	66.7

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

	Number of Respondents	Percentage of Respondents
More Difficult	1	7.7
About the same	2	15.4
Easier	10	76.9

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

	Number of Respondents	Percentage of Respondents
More Difficult	4	25.0
About the same	4	25.0
Easier	8	50.0

For the most part, EW supervisors feel that the system supports management needs. A majority of the supervisors, however, believe that the quality of reports produced by the system is poor. In comparison to the previous system, most supervisors feel that the current system facilitates making mass changes. In addition, two thirds of the supervisors feel that the personnel they supervise are more efficient with the current system.

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	3	18.8
About the same	3	18.8
Easier	10	62.5

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

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

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

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

The majority of EW supervisors believe that client service is improved with the current system. Only 19 percent believe that it is more difficult to interview a client in a timely manner with the current system than it was with the previous system.

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	3	18.8
About the same	11	68.8
Easier	2	12.5

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

	Number of Respondents	Percentage of Respondents
More	4	25.0
About the same	8	50.0
Less	4	25.0

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

	Number of Respondents	Percentage of Respondents
Fewer	4	25.0
About the same	6	37.5
More	6	37.5

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

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

EW supervisors feel that the current system is equivalent to or an improvement of the previous system with respect to fraud and errors. At least 75 percent of the respondents think that the ability to collect overpayments, reduce errors, and identify fraud and false claims is the same or better with the current system.

APPENDIX D

STATE OF INDIANA

STATE SUPPLEMENTAL INFORMATION



"People
helping people
help
themselves"

Evan Bayh, Governor
State of Indiana

Indiana Family and Social Services Administration

402 W WASHINGTON STREET PO BOX 7083
INDIANAPOLIS, IN 46207-7083

Cheryl Sullivan, Secretary

October 8, 1993

Mr. David M. Mikelson, Regional Director
Food Stamp Program
U.S. Department of Agriculture
Food and Nutrition Service
Midwest Region
77 West Jackson Boulevard - 20th Floor
Chicago, Illinois 60604-3507

Dear Mr. Mikelson:

This letter is in reply to your letter of September 27, 1993 in which you requested that we respond to three questions surfacing from the Orkand Corporation's automation study. Our responses to the first two questions are on the attachment to this letter. As the reply to question 3 will be both difficult to compile and lengthy, it will be sent to you as soon as possible but beyond the response date you requested.

We appreciate your sharing a copy of the Orkand Corporation's study with us. Staff from the program, project, administration, and financial management areas have reviewed the report and see no need for clarifications or corrections.

If you have any questions regarding the attached responses, please feel free to contact me at (317) 233-4450.

Sincerely,

Steve DeMougin, Assistant Secretary
Office of Administration

Attachment

Equal Opportunity / Affirmative Action Employer



QUESTIONS AND ANSWERS

1. There is a marked change in total claims established since 1987. The dollar value of claims established decreased by about 60%. What caused this decrease in claims establishment?

The decrease in claims establishment was caused by two factors. As the report prepared by the Orkand Corporation stated, the household participation rate increased by 59% from 1987 to 1991 with no substantial change in the number of State personnel. The increased workload, coupled with the additional burden of staff preparation for and implementation of ICES, caused many workers to draw the conclusion that, if they were to complete current eligibility functions and ICES implementation, they would have to sacrifice other duties, such as claims and establishment.

We expect that the Benefit Recovery subsection of ICES will provide a threefold advantage: first, that claims establishment will be simpler; second, that workers will not perceive claims establishment and collection activities as a separate task which must be completed only at the expense of eligibility determination; and, third, that claims tracking and monitoring will be better regulated.

2. EMS is providing quality assurance services for the ICES project. What measures do you take to ensure that the EMS representatives are looking out for the State's interests?

Until the recent departure from this agency of Phil Canada, Assistant Secretary - Information and Technology Services, Mr. Canada was in daily contact with the EMS, Inc. project manager at the project site and/or at project related locales (e.g., training facility, converted local offices). EMS, Inc. also submitted biweekly progress/status reports to him. EMS, Inc. has had access to all the system tools and to the on-line change definition document (CDD). Continual monitoring is done to ensure the code quality of the implementation contractor and to assess how frequently the CDD is being documented. Reports on the above were submitted to Mr. Canada on a semi-annual or "as needed" basis. EMS also participated in and reported on the review of detailed design specifications, the design of and conduct of acceptance testing, and the review of pilot office operations.

In addition to this agency's monitoring, two other entities oversee EMS, Inc.'s activities on a regularly scheduled basis. The same reports that were submitted to Mr. Canada on a biweekly basis are also submitted biweekly to the Data Processing Oversight Commission (DPOC), a State agency charged with the responsibility of approving and monitoring all data processing projects and systems. The DPOC meets with EMS, Inc. on a monthly basis. On a quarterly basis, EMS, Inc. provides project updates to an Executive Steering Committee comprised of the Commissioner of the Department of Administration, the Director of the State Budget Agency, the Executive Director of the DPOC, the Director of the Information Services Division, and the Secretary and other high-level management staff of this agency.

Between this regular internal and external oversight, we are highly confident that the priorities and best interests of the State are being met.



Family
Social
Services
Administration

CHERYL SULLIVAN - Secretary

STATE OF INDIANA

EVAN BAYH - Governor

Family and Social Services Administration
402 W. Washington Street, P.O. Box 7083, Room W341
Indianapolis, IN 46207-7083

November 15, 1993

Mr. David M. Mikelson, Regional Director
Food Stamp Program
U.S. Department of Agriculture
Food & Nutrition Service
Midwest Region
77 West Jackson Boulevard - 20th floor
Chicago, Illinois 60604-3507

Dear Mr. Mikelson:

Please accept our apologies for the delay in responding to the third question that FNS had concerning Orkand Corporation's study in Indiana. The review of the documentation along with the activities associated with the implementation of our final county prevented a more timely response.

Your question was "what changes [in CRIS-E] were necessary in the ED/BC module to accommodate Indiana's requirements." Listed below are the items which we feel provide the most improvement in functionality with the implementation of ICES.

- a. The calculator feature was added allowing caseworkers the ability to enter raw data rather than manually converting income and expenses to a monthly figure off-line.
- b. The donor system had no accommodation for processing a Voluntary Quit. ICES added this feature.
- c. CRIS-E contained no logic to process the penalty for failure to cooperate with Quality Control. ICES contains this logic.
- d. Logic was modified to ignore the resources test for assistance groups comprised solely of AFDC and/or SSI recipients.
- e. Functionality to deal with the deeming of alien sponsor's resources was added.
- f. The resource module was changed to allow for a point in time resources evaluation.

- g. The donor system did not contain logic for processing strikers. ICES added this logic.
- h. Modifications were made to farm loss budgeting procedures to exclude farms having less than \$1000 annual gross income.
- i. Boarder logic was modified to consider income from a boarder as self-employment and to compare the actual associated expenses to the food stamp allotment for the boarder unit and to use whichever is greater.
- j. Functionality was added to correctly consider the out of pocket expenses for individuals receiving Guaranteed or Transitional Child Care.
- k. CRIS-E did not allow internally the expenses for meals for a medical attendant. In ICES, if the majority of the attendant's meals are furnished, an additional medical expense equal to a one person coupon allotment is allowed.
- l. The program was modified to allow the use of qualified unoccupied house expenses in the calculation of shelter costs.
- m. Functionality was added to identify and correctly calculate expense assistance income. Refund tables are used to identify whether the income is exempt or is to be counted in determining food stamp eligibility.
- n. Processing for destitute households was added.
- o. Programming was modified so that for calculations on applications and untimely recertification during the time between the 31st day and 60th day, the assistance group may pass ignoring unverified expenses when appropriate.
- p. Similar charges were made to handle 60th day processing, timely recertification completed after the certification end date and calculations done on the 10th day after the last certification end date.
- q. ICES was designed to include many more internally assigned reason codes than the donor system provided.
- r. Functionality was added to allow for two assistance groups who move in together to maintain their current certification periods without shortening or lengthening either certification period.

David Mikelson
Page 3

This list represents the vast majority of the significant changes to CRIS-E. As you can see, Indiana required extensive enhancement to the donor system. While a few changes reflected program options chosen by the state, most were of the nature that would be required by any state electing to transfer CRIS-E.

If you require further information, please contact Mrs. Cheryl Baxter, ICES Project Manager at 317-464-2360.

Sincerely,



Thomas Guevara
Assistant Secretary
Office of Information
Technology Services