Return on Investment (ROI) Program Funding Application

This template was built using the ITD ROI Submission Intranet application.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is an IOWAccess Fund Request. Amount of funding requested:
$295,000.00
Section I: Proposal

Date:	July, 2006
Agency Name:	Iowa Department of Agriculture and Land Stewardship (IDALS) – Division of Soil Conservation (DSC)
Project Name:	10164 - Ag Soil Conservation – Financial And Reports Management System (FARMS) project
Agency Manager:	Kenneth Tow, Director – Division of Soil Conservation
Agency Manager Phone Number / E-Mail:	515-281-6153 /Ken.Tow@idals.state.ia.us
Executive Sponsor (Agency Director or Designee):	Mary Jane Olney / Kenneth Tow - designee

A. Project Summary: Describe the nature and use of the proposed project, including what is to be accomplished, how it will be accomplished, and what the costs and benefits will be.

The Iowa Department of Agriculture and Land Stewardship (IDALS) works with one-hundred Soil and Water Conservation Districts (SWCD). SWCDs are local units of state government comprised of five elected officials per district. In each district office, district, state and federal staff deliver technical and financial assistance related to soil and water conservation to Iowa landowners. It is the intent of IDALS to establish a web based system that will be used by landowners, SWCD offices and IDALS. The system will also be capable of communicating with the Department of Revenue and Finances I-3 system. The web based system will accomplish several goals of IDALS.
Improvements for the landowner:
1. *Enable landowners to educate themselves on the various financial incentive programs available for soil and water conservation.*
2. *Simplifies and speeds up the application process. It provides the ability to apply for financial assistance at any time from anywhere.*
3. *Reduced time it takes for a landowner to receive a financial incentive after conservation practices are implemented.*
4. *Ability to check the status of an application at any time.*
5. *Ability to check the status of a financial incentive claim at any time.*
6. *Allows landowners to request technical assistance at any time from anywhere.*

Improvements for the SWCD:
1. *Enables tracking of applications. This will include the status of each application (examples of status would include: denied, pending, approved, claim paid).*
2. *Financial incentive program management. This would include maintaining ledgers for each program. Ledgers will show pending applications, obligated funds, spent funds and funds not obligated. Each program area has a unique ledger. Currently, these ledgers are kept on paper and quarterly reports are sent to IDALS. The system will eliminate the need to maintain paper ledgers and submit reports to IDALS.*

3. *Establish more efficient communication with landowners*
4. *Long term records management.*

Improvements for IDALS Central Office:
1. *Enables IDALS to accurately assess financial incentive needs in each SWCD office.*
2. *Enables allocations to be inputted onto a SWCD ledger from the central office.*
3. *Instant management of program funds with real time reporting capability.*
4. *Ability to track environmental benefits (this data can be extracted and displayed on GIS mapping programs currently in use by IDALS)*
5. *Track the status of SWCD allocations and individual applications.*
6. *Streamline the creation of vendors and the financial incentive payment process.*
7. *Long term records management.*

B. Strategic Plan: How does the proposed project fit into the strategic plan of the requesting agency?

A goal of the agency is to protect and preserve soil and water quality. The project promotes this goal by better utilizing existing funds. Specifically, this will improve the way funds are allocated to districts, make it easier for districts to manage funds and will improve public accessibility to soil and water conservation program funds.

C. Current Technology: Provide a summary of the technology used by the current system. How does the proposed project impact the agency's technological direction?

SWCD offices and IDALS are conducting business with customers primarily with paper documents and it's often necessary to have three copies of every piece of paper generated (landowner, SWCD, IDALS). Although some ledgers are kept in MS Excel, many SWCD offices are still using hand written, hand calculated ledgers.

The web based system will drastically reduce the amount of paper being used and will eliminate the need for SWCD offices to report program information to IDALS.

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?
No

Is this project or expenditure required by state law, rule or order?
No

Does this project or expenditure meet a health, safety or security requirement?
No

Is this project or expenditure necessary for compliance with an enterprise technology standard?
No

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)
If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-15 points awarded.

E. Impact on Iowa's Citizens

a. **Project Participants** - List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many direct users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

Project Participants

1) *Iowa Department of Agriculture and Land Stewardship*

> *A team of ten representing two divisions within the department are assisting with the project development.*

2) *Iowa Department of Administrative Services (IT Enterprise & Accounting Enterprise*

> *The IT Enterprise is the lead project developer. Also working with the State Accounting Enterprise to interface the system with I-3.*

3) *Local Soil and Water Conservation Districts*

> *Representatives from seven SWCD's are assisting with project development.*

4) *US Department of Agriculture – Natural Resources Conservation Service (NRCS)*

> *SWCD's utilize office space and equipment provided by NRCS. NRCS employees may also be a user of the system*

5) *Public*

> *It's estimated that there will be 5,750 plus requests for assistance each year in the system. Of the requests, approximately 3,250 will be approved for program funds. Each request can be prioritized in the system and can be kept indefinitely (or until it's a high enough priority to be eligible for program funding).*

A secondary benefit to the system will be the tracking of maintenance agreements on lands that received program funds. Realtors, farmers, and others will be able to search land by legal description to determine whether or not conservation practices on a specific section of land are bound to a maintenance agreement.

b. **Service Improvements -** Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

In addition to the service improvements listed in the project summary, this project will provide the public and legislature accurate, up to the minute program information. By showing all pending applications, approved applications and completed projects, it will be much easier to assess conservation needs throughout the state. This assessment will enable state agencies, the legislature and others to evaluate current and future program policy. By establishing a policy base on conservation needs, the affect programs have on Iowa's water quality and soil productivity will improve. Water quality and soil productivity are essential to quality of life in Iowa.

Data from one report will be used to produce electronic maps that show where conservation practices are being applied to the land. These maps will measure a conservation practices' impact on water quality.

c. **Citizen Impact** – Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an extension of another project, what has been the adoption rate of Iowa's citizens or government employees with the preceding project?

Currently, paper reports are generated quarterly and are not easily accessible by the public. This project will make all reports available to the public in an electronic format at a moments notice.

Public access to program information facilitates government accountability and encourages a participatory democracy. Reports will show program allocations, expenditures and environmental benefits for each program.

d. Public Health and/or Safety – Explain requirements or impact on the health and safety of the public.

Many of these division programs address public issues and they will increase public awareness.

[This section to be scored by application evaluator.]

<u>Evaluation</u> **(15 Points Maximum)**

- Minimally directly impacts Iowa citizens (0-5 points).

- Moderately directly impacts Iowa citizens (6-10 points).

- Significantly directly impacts Iowa citizens (11-15 points).

[This section to be scored by application evaluator.]

<u>Evaluation</u> **(10 Points Maximum)**

- Minimally improves customer service (0-3 points).

- Moderately improves customer service (4-6 points).

- Significantly improves customer service (7-10 points).

F. Process Reengineering

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or process.   Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.
Response:

The current process requires the public to physically visit a local SWCD office to learn what programs are available, complete financial incentive applications and to request technical assistance. Most SWCD offices are open from 8 – 4:30, Monday through Friday. It's common for the public to make several trips to the SWCD office before all of their needs are met.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.
Response:

The public will be able to educate themselves at their convenience on the various financial incentive programs available for soil and water conservation. The application process will be simplified and the time it takes to apply will be reduced. The public will have the ability to apply for financial assistance at any time from anywhere and after projects are complete, the financial incentive payment will be received in a matter of a few days. The public will be able to check the status of applications or financial incentive claims at any time. Technical assistance can be requested at any time from any location as well.

Evaluation (10 Points Maximum)

- Minimal use of information technology to reengineer government processes (0-3 points).

- Moderate use of information technology to reengineer government processes (4-6 points).

- Significant use of information technology to reengineer government processes (7-10).

G. Timeline

Provide a projected timeline for this project. Include such items as planning, database design, coding, implementation, testing, conversion, parallel installation, and date of final release. Also include the parties responsible for each item.

Milestone	Date	Responsible
Execution phase starts	7/12/6	DAS-ITE
Customer acceptance (Core Group) testing begins	9/12/6	IDALS Core Team
Expanded customer acceptance testing begins	9/19/6	Pilot Team
Customer Acceptance sign off	10/16/6	IDALS/DAS-ITE
SLA signatures	10/24/6	IDALS/DAS-ITE
Production roll out	10/26/6	DAS-ITE
Project completion	11/1/6	IDALS/DAS-ITE

Evaluation (10 Points Maximum)

- The timeline contains several problem areas (0-3 points).

- The timeline seems reasonable with few problem areas (4-6 points).

- The timeline seems reasonable with no problem areas (7-10).

H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades, …

	FY06		FY07		FY08	
	Cost($)	% Total Cost	Cost($)	% Total Cost	Cost($)	% Total Cost
State General Fund	$0	0%	$0	0%		0%
Pooled Tech. Fund /IowAccess Fund	$150,000	100%	$295,000	100%	$0	0%

Federal Funds	$0	0%	$0	0%	$0	0%
Local Gov. Funds	$0	0%	$0	0%	$0	0%
Grant or Private Funds	$0	0%	$0	0%	$0	0%
Other Funds (Specify)	$0	0%	$0	0%	$0	0%
Total Project Cost	$150,000	100%	$295,000	100%	$0	0%
Non-Pooled Tech. Total	$0	0%	$0	0%		0%

[This section to be scored by application evaluator.]

<u>Evaluation</u> **(10 Points Maximum)**

- The funding request contains questionable items (0-3 points).

- The funding request seems reasonable with few questionable items (4-6 points).

- The funding request seems reasonable with no problem areas (7-10).

I. Scope

Is this project the first part of a future, larger project?

YES (If "YES", explain.)   NO, it is a stand-alone project

Explanation:

Somewhat. The most widely used programs will be part of this project, including Iowa Financial Incentives Program, REAP practices, REAP watershed projects and Publicly Owned Lakes. The system is built with flexibility in mind to accommodate program changes and entirely new programs. While there may be additional programs added, the application is being built as a stand alone project.

Is this project a continuation of a previously begun project?

No

NO   YES (If "YES", explain.)
Explanation:

[This section to be scored by application evaluator.]

<u>Evaluation</u> **(10 Points Maximum)**

- This is the first year of a multi-year project / expenditure or project / expenditure duration is one year (0-5 points)

- The project / expenditure is of a multi-year nature and each annual component produces a definable and stand-alone outcome, result or product (2-8 points).

- This is beyond the first year of a multi-year project / expenditure (6-10 points)

The last part of this criteria involves rating the extent to which a project or expenditure is at an advanced stage of implementation and termination of the project / expenditure would waste previously invested resources.

J. Source of Funds

On a fiscal year basis, how much of the total project cost ($ amount and %) would be <u>absorbed</u> by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

Response:

Beyond the initial implementation effort and first year web hosting costs, the IDALS division will absorb the ongoing operational and maintenance costs. This amount is anticipated to be: $108.56 for hosting costs and $250.00 for A & A costs for a total monthly charge of $358.56. Annual costs would be approximately $4,302.72.

[This section to be scored by application evaluator.]

<u>Evaluation</u> **(5 Points Maximum)**

- 0% (0 points)

- 1%-12% (1 point)

- 13%-25% (2 points)

- 25%-38% (3 points)

- 39%-50% (4 points)

- Over 50% (5 points)

Section II: Financial Analysis

A. Project Budget Table

It is necessary to <u>estimate and assign</u> a useful life figure to <u>each</u> cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all <u>new</u> annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[\left(\frac{Budget\ Amount}{Useful\ Life}\right) \times \%\ State\ Share\right] + \left(Annual\ Ongoing\ Cost \times \%\ State\ Share\right) = Annual\ Prorated\ Cost$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff						
Software						
Hardware						
Training						
Facilities						

Professional Services						
ITE Services	$295,000.00		100%	$4,302.75	100%	
Supplies, Maint, etc.						
Other						
Totals	$295,000.00		100%	$4,302.75	100%	

B. Spending plan

Explain how the funds will be allocated.

The funds allocated would be used to complete the execution of this project.

C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

1. **Annual Pre-Project Cost** - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

Describe Annual Pre-Project Cost:

*The average district secretary has a salary and benefits package totaling approximately $43,750.00. She spends approximately 30% of her time on cost-share or related programs. (30% * 43,750 = $13,125.00). There are 100 district secretaries spending time handling calls, working with the public and keeping track of expenditures related to the cost-share and related programs.*

Quantify Annual Pre-Project Cost:

	State Total
FTE Cost(salary plus benefits):	$ 13,125.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$0.00
Total Annual Pre-Project Cost:	$1,312,500.00

2. **Annual Post-Project Cost** - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

Describe Annual Post-Project Cost:

After the application is put into production and rolled out to the 100 district secretaries, it is anticipated that the FARMS application may save a third of the effort currently expended by each of the district secretaries on cost share and related programs. The district secretary will now spend an average of 20% of her time handling FARMS related activities as opposed to a previous 30% of her time.

Thus, a 10% savings per position X 100 FTE district secretaries equals an additional 10 FTE's in our field offices to be freed up to deal with the ever increasing state and federal programs workloads in those offices.

Therefore, the anticipated savings will be:

$1,312,500.00 – before - 30% of average district secretary's time X 100 secretaries

-   875,000.00 – after - 20% of average district secretary's time X 100 secretaries

$ 437,500.00 – district secretaries' savings after FARMS application

Quantify Annual Post-Project Cost:

	State Total
FTE Cost(salary plus benefits):	$ 8,750.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$0.00
Total Annual Post-Project Cost:	$875,000.00

3. **Citizen Benefit** - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of $10 per hour for citizen time.

Describe savings justification:

The convenience of the new system will allow the public to conduct business with SWCD offices at their leisure. An estimated 5,750 requests for assistance are received each year and each request involves at least one trip to the SWCD office. The new system won't require a trip to the office; therefore, the public can avoid the transportation costs and loss of wages associated with doing business during the SWCD regular business hours. Per the "rule of thumb" provided in this application, the estimated savings to the public is $57,500 plus transportation expenses.

<u>Transaction Savings</u>

Number of annual online transactions………………………..5,750

Hours saved/transactions……………………………………..1.00

Number of citizens affected…………………………………..5,750

 Value of Citizen Hour…………………………………………$10.00

Total transactions savings……………………………………$57,500

Other Savings (Describe).…………………………………………

Total Savings:...$57,500

4.Opportunity Value/Risk or Loss Avoidance - Quantify the estimated annual <u>non-operations</u> benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	
B. Total Annual Post-Project cost (State Share from Section II C2):	
State Government Benefit (= A-B):	
Annual Benefit Summary:	
State Government Benefit:	
Citizen Benefit:	
Opportunity Value or Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	
D. Annual Prorated Cost (From Budget Table):	
Benefit / Cost Ratio: (C/D) =	
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 =	

complying with enterprise technology standards, etc.
Response:

One component of the system will handle the distribution of a federal financial incentive program that requires financial and environmental reporting. This reporting is required in order to continue receiving federal funding. The new system will be able to generate these reports, freeing up staff time for other duties.

State law requires public access to all information related to IDALS programs. The new system will enable us to comply with this law in a very accurate and timely manner. It will also enhance the public's ability to access IDALS programs. We'll be able to show pending applications, approved applications and completed projects and the financial details of each application at a

moments notice.

5.Benefits Not Readily Quantifiable - List and summarize the overall non-quantifiable benefits (i.e., IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.).
Response:

Government hassle factor will be improved by:
- *Enabling the public to educate themselves on the various financial incentive programs available for soil and water conservation.*
- *Simplifying and speeding up the application process.*
- *Reducing the time it takes for the public to receive a financial incentive after conservation practices are implemented.*
- *Ability to check the status of an application at any time.*
- *Ability to check the status of a financial incentive claim at any time.*
- *Allowing the public to request technical assistance at any time from anywhere.*
- *Establish more efficient communication between SWCD offices, IDALS and the public.*

Appendix A. Auditable Outcome Measures

For each of the following categories, <u>list the auditable metrics for success</u> after implementation and <u>identify how they will be measured.</u>

1. Improved customer service

The process is simplified, more efficient, saves time and most importantly standardized.

2. Citizen impact

General public will have far more accessibility to accurate and timely data.

3. Cost Savings

It is difficult to attach a value to a wider range of information being made available to a significantly larger audience. The cost savings include employee time and effort on answering phones and supplying information that will now be readily available online.

4. Project reengineering

Iowa Department of Agriculture and Land Stewardship wants to reduce costs, improve budgetary processes and validity while improving communication between districts and the public.

5. Source of funds (Budget %)

Investment in this project will allow the department to provide information to the public and the landowners in a more efficient manner thereby decreasing the time spent by the administrative staff.

6. Tangible/Intangible benefits

The citizens can view reliable information with confidence that the information is accurate and credible. Also, other departments would be able to use the FARMS application to get real-time information on funds that are committed as well as funds that have been expended.