Return on Investment (ROI) Program Funding Application

This template was built using the ITE ROI Submission Intranet application.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Enterprise 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 Revolving Fund Request.

Amount of funding requested: Currently: $100,000

Anticipated total: $100,000

Section I: Proposal

Date:	May 9, 2007
Agency Name:	DHS – Administration
Project Name:	Single Application
Agency Manager:	Tom Huisman
Agency Manager Phone Number / E-Mail:	(515)281-8303 thuisma@dhs.state.ia.us
Executive Sponsor (Agency Director or Designee):	Ann Wiebers
IOWAccess Project Process Phase:	☐ Scope Analysis ☑ Design ☑ Implementation

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 purpose of this funding request will be for the development of a Single Online Application Process and a supporting application system that will improve the Iowa Citizens' access to services through the use of technology.

The Scope Analysis is complete since this concept has already been proven by an earlier initiative funded by Iowa Access resulted which in the development of an online, Web-based Food Assistance (FA Web) application. The Single Online Application Process will further leverage the FA Web application by guiding clients potentially to a complete set of benefits that may be available to them, depending on their circumstances, through a single online application process.

Consequently, approval is being requested for the Design and Implementation phases.

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

The Plan prepared by the IM Strategic Partners makes a number of recommendations, one of them being "**Provide Better Client Access**". The description of this recommendation is "*to achieve better outcomes and increased satisfaction for clients through improving their access to and understanding of the programs and by improving the efficiency and effectiveness of the program's work process*".

Components of this recommendation include:

- One-stop application

- Timeliness of information

- Simplified/streamlined policies and work processes

- Error reduction through improved cross-program validations

- Better understanding of the programs (client education)

- Self-declaration when appropriate

- Improved communication with field staff

- Improved work flow

- Ubiquitous (available over the Web across the country)

- Ability to complete the application in stages or fully, supported by online help for clarification of policies, procedures and benefits

This overall recommendation directs efforts towards a common goal: *Provide a simple, easy to use vehicle for clients to communicate their needs, and to receive comprehensive and appropriate services in return*.

An earlier initiative funded by Iowa Access resulted in the development of an online, Web-based Food Assistance (FA Web) application. The Single Online Application Process will further leverage the FA Web application by guiding clients potentially to a complete set of benefits that may be available to them, depending on their circumstances, through a single online application process.

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? Are programming elements consistent with a Service Oriented Architecture (SOA) approach? Are programming elements consistent with existing enterprise standards?

Current systems are set up as silos, each with a focus on a single program. Interfaces between systems are on a batch, overnight basis at best, with manual processes to ensure completion of transactions and to handle exceptions.

The Department is carrying out application system renewals consistent with a Service Oriented Architecture (SOA) approach and enterprise technology standards.

Examples of projects that are underway include the Overpayment Recoupment (OPR) and Child Care (SACWIS/GUI) systems. These are essentially back-office systems and provide automated business processing *after* the client has carried out a dialogue with the field workers.

The purpose of this request is to create an improved dialogue between the client and the field worker supported by consistent and simplified policies, processes and technology to deliver superior comprehensive service to clients.

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?

☑ YES (If "Yes", cite the specific Federal law, rule or order, with a short explanation of how this project is impacted by it.)
Explanation:
The Federal Government has promulgated rules covering e-benefits through its major initiative called E-Gov Benefits. This initiative provides a standardized, comprehensive, one-stop approach to State benefits. These benefits are supported by Federal acts administered through several departments.

Is this project or expenditure required by state law, rule or order?

☐ YES (If "YES", cite the specific state law, rule or order, with a short explanation of how this project is impacted by it.)
Explanation:
This initiative is part of the Plan prepared by the IM Strategic Partners to "**Provide Better Client Access**" as described in an earlier section. It is not strictly required by State lay, rule or order.

Does this project or expenditure meet a health, safety or security requirement?

☐ YES (If "YES", explain.)
Explanation:
Health & Safety are two primary goals for the Department. This initiative will provide the citizens of Iowa broader and comprehensive access to those DHS programs that promote Health & Safety while improving accessibility to services and benefits. It is not strictly required to meet some specific health, safety or security requirement.

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☑ YES (If "YES", cite the specific standard.)
Explanation:
State Access Control Standard and Database Management System Standard.

E. Impact on Iowa's Citizens

1. **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.

1. **DHS** - DHS is the primary participant. This will involve personnel from data management, central office, and county field workers.

2. **Community Support Groups** - DHS has been working with a variety of community support groups such as the Red Cross and United Way. This project builds on the work done as part of a national 211 initiative. It is important to note that the FA Web Pilot has gained considerable interest from Community Groups who are interested in assisting citizens with completing the online application.

3. **Programs** – The Single Application will cover multiple programs. It is therefore necessary that the rules for all programs are covered in the supporting application system for this process, and it may be necessary to inquire into data from applications supporting those programs. This will be done by incorporating their data in the Data Warehouse for ease of on-line verification.

4. **Other State Agencies** - Some of the application information must be verified in other State systems such as Department of Transport and Iowa Workforce Development. DHS is planning to incorporate as many State Agencies as possible to decrease the amount of on-line verification that must be done. DHS plans to incorporate other State Agency information into its data warehouse for ease of online verification.

5. **DAS/ITE** - ITE has created a robust internet security network with firewalls and secure subnets. Using the ITE infrastructure minimizes the risk inherent in connecting external applications to DHS mainframe system currently housed and maintained by ITE.

6. **Federal Government** - The E-Gov Benefits program will participate. Many other States have web-enabled access to benefits and by working with E-Gov

Benefits, DHS can take advantage of the body of work currently available, decreasing the time and cost of this initiative.

7. **Other program case workers** - The State, in provisioning benefits, has many case workers associated with Iowans. This project will work with other benefits provisioning groups and case workers such as Elder Affairs, Department of Transport, Cultural Affairs and Public Health.

2. 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.

Applying for Benefits can be a challenging process. Applicants must come to a DHS county office and obtain the necessary forms to fill out. Once forms have been filled out, a customer must provide detailed information pertaining to eligibility and DHS has to search several different mainframe systems for information about the applicant. This process can take days before a customer can meet with a Case Worker to begin processing the application.

This new system needs to meet goals for clients as well as internal. We believe they are:

- Easier Citizen Access
- Quality of Service provided
- Process efficiency
- Standardized processes
- Reducing dependency on paper

The citizens that apply for benefits are of four types:

- Those that have access to the internet and are self-sufficient in terms of following an online application, with a 24x7 access from any location in the country
- Those that are able to call in to a DHS call center function and are comfortable explaining to the operator the service(s) they require. The operator will use the same online application as above and complete it on their behalf
- Those assisted by Community Partners
- Walk-in's (at local offices) that require personal assistance. We believe this to be the majority of the client base

The goal of the application should be service oriented, ease of use, comprehensive, real-time, online with self-service a long-term ultimate desire.

The on-line application will contain detailed help to assist the customer in filling out the benefits application. Additionally, the online site will advise the client what information to bring to the DHS office in support of the benefit application. This brings the following immediate benefits to applicants:

1. Some applicants may not need to come to the DHS office to fill out multiple forms. This saves trips and reduces the hassles as many applicants must find day care for their children in order to come to the DHS office.

2. The online application will contain very detailed information along with examples. This simplifies the application process and reduces errors that potentially delay the benefits application process.

3. All the background information that must be gathered and verified can be accomplished before the customer comes to the office. This system will interface with the DHS data warehouse which will have information from various programs and applications that may be needed for processing this Single Application.

4. Intake becomes simpler, consistent and less time consuming with vast improvement in client satisfaction.

5. Information will be ported directly from this system into interfacing DHS systems. This saves time for Customers and DHS workers while decreasing the potential for errors such as transposed and misspelled data.

6. This system will enable community partners in the Department of Public Health, Elder Affairs, and other services workers to assist their clients in accessing services, thereby increasing the participation rate of potential eligible recipients. Many elder Iowans who are potentially eligible do not apply because they are overwhelmed by the process.

7. The application date is the *key* date benefits can apply (retroactively upon benefit approval). This process speeds this date for those who would have mailed in a physical application or otherwise picked up the application and taken it home.

3. 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?

Online Single Applications will positively affect the Citizens of Iowa who are in need of public assistance. There are several additional constituencies impacted:

1. Community support groups such as Red Cross and Church groups. A Citizen in need can turn to non-State support groups to assist them in applying for benefits. A community support person can sit with the applicant and help them fill out and submit the application and help explain the benefits and gather the information necessary to bring to DHS.

2. DHS Staff. The application process takes a large amount of Staff time within the county offices. With staffing reductions over the last several years, clients have to wait longer in order to get their applications processed.

3. Other DHS programs. DHS has many programs that support Iowans in need. A web-enabled intake system enables other non-economic assistance DHS staff to assist their clients who may be eligible for services. This begins the

concept of any open door for DHS benefits and decreases the benefit silos that have been created over the years.

4. Non-DHS State Agencies. Many other State Agencies are involved in providing services to Iowans in need. A case worker from another agency can assist their clients in the application for benefits process. This promotes greater continuity of benefits to Iowans and State Staff across Agency boundaries.

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

Health & Safety are two primary goals for the Department. This initiative will provide the citizens of Iowa broader and comprehensive access to those DHS programs that promote Health & Safety while improving accessibility to services and benefits.

[This section to be scored by application evaluator.]
Evaluation (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.]
Evaluation (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:

- An applicant must come to a DHS county office and first understand what services are available and for which service what forms must be completed.

- Clients are often unsure how to fill them out.

- Redundant information is requested and completed.

- This leads to multiple interactions with State Customer Service Staff.

- Once these applications are filled out, they must be keyed into their systems.

- Inter-system checks are manually done.

- A single application process can be started as soon as the application is completed on-line. This way, when an applicant comes for a Case Worker interview, all the necessary systems verifications have been done.

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:

TBD

[This section to be scored by application evaluator.]
Evaluation (10 Points Maximum)

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

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

- <u>Significant </u>use of information technology to reengineer government processes (7-10).

G. Timeline

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

PHASE	RESOURCES	START DATE	END DATE	EFFORT (Person Months)
System Study	1	June 2007	July 2007	2
Requirements Definition	2	Aug 2007	Sept 2007	4
System Architecture/Design	2	Oct 2007	Nov 2007	4

PHASE	RESOURCES	START DATE	END DATE	EFFORT (Person Months)
Development	4	Dec 2007	May 2008	24
User Acceptance testing	2	Jun 2008	July 2008	3
Implementation	2	June 2008	July 2008	1
TOTAL		June 2007	July 2008	38

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.

	FY07		FY08		FY09	
	Cost($)	% Total Cost	Cost($)	% Total Cost	Cost($)	% Total Cost
State General Fund	$0	0%	$0	0%	$0	0%
Pooled Tech. Fund /IOWAccess Fund	$100,000	20%	$100,000	20%	$0	0%
Federal Funds	$50,000	10%	$50,000	10%	$0	0%
Local Gov. Funds	$0	0%	$0	0%	$0	0%
Grant or Private Funds	$0	0%	$0	0%	$0	0%
Other Funds (Specify**)	$100,000	20%	$1000,000	20%	$0	0%
Total Project Cost	$250,000	50%	$250,000	50%	$0	0%
Non-Pooled Tech. Total	$0	0%	$0	0%	$0	0%

** DHS will provide development resources, management and field staff on the project out of its staff budget.

Please note that only $100,000 is being requested. We propose to deliver the overarching business and technology architecture for the Single Application project along with developed application functionality from these funds, that will be extended in future years.

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:

This is the Intake component of the DHS Strategic Internet enabling of benefits. This project is closely associated with the Call Center and Document Imaging projects that involve streamlined workflow and communication between the clients, local and Central DHS offices.

Is this project a continuation of a previously begun project?

☑ YES (If "YES", explain.)

Explanation:

While this application is not a continuation of a previous project, it **will** build further on the FA Web application experience. FA Web is in Pilot and the experience and comments from the field have been very positive. Clients are able to complete applications on their own, at workstations in the field offices or through the call center. On completion, an interface with the IABC system creates a Case file for the client.

This application will expand on the capabilities of FA Web by covering all programs and developing back-end interfaces with existing applications thereby replacing manual interfaces and re-entry of data.

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:

[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:

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

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	$100,000	4	40%	$100,000	100%	$110,000
Software	Existing					0
Hardware	Existing					0
Training	Existing					0
Facilities	Existing					0
Professional Services	$150,000	4	40%	$0		$15,000
ITD Services						0
Supplies, Maint, etc.	Existing					0
Other	N/A					0
Totals	$250,000	4	40%	$100,000	100%	$125,000

B. Spending plan

Explain how the funds will be allocated.

The funds will be allocated per the proposed project plan below:

PHASE	RESOURCES	START DATE	END DATE	EFFORT (Person Months)
System Study	1	June 2007	July 2007	2
Requirements Definition	2	Aug 2007	Sept 2007	4
System Architecture/Design	2	Oct 2007	Nov 2007	4
Development	4	Dec 2007	May 2008	24
User Acceptance testing	2	Jun 2008	July 2008	3
Implementation	2	June 2008	July 2008	1
TOTAL		**June 2007**	**July 2008**	**38**

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:

Quantify Annual Pre-Project Cost:

	State Total
FTE Cost(salary plus benefits):	$0.00
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:	$0.00

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:

Quantify Annual Post-Project Cost:

	State Total
FTE Cost(salary plus benefits):	$0.00
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:	$0.00

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 or waiting for 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:

There are some 400,000 plus individuals active on the IABC Master File representing the potential client base for this application. The number of times they make requests for benefits across ALL programs is on average at least once a year.

On this basis, the value of a Single Application across all programs increases significantly because an individual can achieve on one visit, through one vehicle, what would ordinarily take multiple visits, forms, submissions, etc.

Very conservative estimates have been prepared based on this scenario, and the assumptions that logically follow are presented below:

Transaction Savings

Number of annual online transactions:	1
Hours saved/transaction:	1
Number of Citizens affected:	5% of 400,000 = 20,000 per year
Value of Citizen Hour	$10
Total Transaction Savings:	$200,000
Other Savings (Describe)	$0
Total Savings:	$200,000

4. Opportunity Value/Risk or Loss avoidance - Quantify the estimated annual non-operations 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 complying with enterprise technology standards, etc.

Response:

Food Stamps, TANF and Medicaid are Federally funded programs. Federal Health and Human Services ranks Iowa 39th in servicing the projected beneficiaries. This project is intended to extend DHS' ability to service those currently not served, or those that can be served comprehensively and efficiently.

Because individuals are served multiple times a year for programs (e.g., Food Assistance provides on average six months of benefits), a single application covering multiple programs can provide comprehensive and efficient service potentially reducing public and State staff time.

It is entirely possible that many individuals that are eligible for benefits across programs may not be fully aware of their eligibility and entitlement through a lack of knowledge and referral which would be rectified through a single application process.

While it is difficult to estimate what this may translate to in terms of benefits, it is clear that the average benefit received by families for Food Assistance, TANF and Medicaid can easily amount to $500 – 1,000 per month. Even with a very conservative population of 20,000 that may take advantage of this Single Application program, the benefits to them and the economic boost to the Iowa economy can be significant.

We have chosen not to estimate this quantitatively because it is a difficult metric to define and achieve. It is clear, however, that the potential is enormous even without this quantification of benefits.

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:

Because individuals are served multiple times a year for programs (e.g., Food Assistance provides on average six months of benefits), a single application covering multiple programs can provide comprehensive and efficient service potentially reducing public and State staff time.

Based on the experience with the FA Web application, the response from the Community Groups has been very positive and that would lead us to believe that a further expansion of that concept to a Single Application will prove to be highly beneficial for the Iowa citizens.

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	$0
B. Total Annual Post-Project cost (State Share from Section II C2):	$0
State Government Benefit (= A-B):	$0
Annual Benefit Summary:	$0
State Government Benefit:	$0
Citizen Benefit:	$200,000
**Opportunity Value or Risk/Loss Avoidance Benefit:	$0
C. Total Annual Project Benefit:	$200,000
D. Annual Prorated Cost (From Budget Table):	$125,000
Benefit / Cost Ratio: (C/D) =	1.6
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 = (200,000 – 125,000 / 100,000 * 100)	75%
[This section to be scored by application evaluator.]	

Evaluation (15 Points Maximum)

- The financial analysis contains several questionable entries and provides minimal financial benefit to citizens (0-5 points).

- The financial analysis seems reasonable with few questionable entries and provides a moderate financial benefit to citizens (6-10 points).

- The financial analysis seems reasonable with no problem areas and provides maximum financial benefit to citizens (11-15).

Note: For projects where no State Government Benefit, Citizen Benefit, or Opportunity Value or Risk/Loss Avoidance Benefit is created due to the nature of the project, the Benefit/Cost Ratio and Return on Investment values are set to Zero.

** We have essentially taken a **_very_** conservative approach and not included any opportunity value into this equation. In spite of this, there is a very healthy nd positive ROI for this project.

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 Single Application project is expected to provide the citizens of Iowa with a **_AAA_** service – Always, Anywhere, Any-Way service.

2. Citizen Impact

The Single Application will provide Iowa citizens with a fully explained, cohesive, single input single access, seamless referral across all programs.

3. Cost Savings

The ROI has been identified above. In addition to that, State workers will be able to provide service in more depth, covering broader areas because the application will go across programs.

4. Project Reengineering

Comprehensive, cohesive services, using a single input will result in streamlined policies and automated creation of case files.

5. Source of Funds (Budget %)

Iowa Access, Federal matching and State funds ~ 40/40/20% approximately.

6. Tangible/Intangible Benefits

Measurement of benefits can be achieved through vehicles such as **_At A Glance_** that measure service to citizens on a quantitative and qualitative basis.