

Full Mainframe System Replacement**FY2024 Request: \$54,234,232****Reference No: AMD 64706****AP/AL:** Appropriation**Project Type:** Information Technology /
Systems / Communication**Category:** Health/Human Services**Location:** Statewide**House District:** Statewide (HD 1 - 40)**Impact House District:** Statewide (HD 1 - 40)**Contact:** Josephine Stern**Estimated Project Dates:** 07/01/2023 - 06/30/2028**Contact Phone:** (907)465-1630**Brief Summary and Statement of Need:**

DEPARTMENT OF HEALTH. The sum of \$54,234,232 is appropriated to the Department of Health, Division of Public Assistance, for Full Mainframe System Replacement from the following sources: (1) the unexpended and unobligated balance, estimated to be \$6,900,000, of the appropriation made in sec. 1, ch. 11, SLA 2022, page 23, line 31, and allocated on page 24, line 16, (Department of Health, Medicaid Services) (special effective date of June 30, 2023);

(2) \$30,152,749 Federal

(3) the remaining amount, after the appropriation made in (1) of this section, estimated to be \$17,181,483, from the general fund.

Funding:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	Total
1002 Fed Rcpts	\$30,152,749						\$30,152,749
1003 GF/Match	\$17,181,483						\$17,181,483
1255 Reapprops	\$6,900,000						\$6,900,000
Total:	\$54,234,232	\$0	\$0	\$0	\$0	\$0	\$54,234,232

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	7,000,000	0
One-Time Startup:	0	
Totals:	7,000,000	0

Prior Funding History / Additional Information:

Sec1 Ch19 SLA2018 P6 L11 SB142 \$36,786,502
 Sec15 Ch18 SLA2013 P103 L28 SB119 \$81,232
 Sec1 Ch17 SLA2012 P118 L17 SB160 \$8,738,478
 Sec13 Ch29 SLA2008 P149 L4 SB221 \$427,800
 Sec13 Ch29 SLA2008 P149 L14 SB221 \$864,300
 Sec4 Ch30 SLA2007 P94 L30 SB53 \$412,800
 Sec4 Ch30 SLA2007 P95 L5 SB53 \$662,400

The Division of Public Assistance has several systems in use on the state Mainframe. The mainframe uses outdated technology and programming languages making it very costly and difficult to maintain and update.

Project Description/Justification:

The Division of Public Assistance has several systems in use on the State mainframe. The mainframe uses outdated technology and programming languages making it very costly and difficult to maintain and update. The systems that need to be fully replaced are the child care program system, Integrated Child Care Information System; the work services Temporary Assistance for Needy Families Case Management System (CMS); and to fast track and fully fund the remaining Eligibility Information System milestones.

What is the purpose of the project?

This finishes the road map to consolidate all five eligibility systems into Alaska's Resource for Integrated Eligibility Services (ARIES).

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

This is an upgrade and expansion of an existing system.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

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	Total Capital Budget		
	Federal	General Fund	Total
DPA Project Management Staff (Medicaid)			
DPA Project Management Staff (SNAP)	\$ 774,119	\$ 774,119	\$ 1,548,238
DPA Project Management Staff (TANF & State only)	\$ -	\$ 75,000	\$ 75,000
Facilities/Supplies/Travel	\$ 1,296,000	\$ 144,000	\$ 1,440,000
Comagine (Medicaid)	\$ 1,676,259	\$ 186,251	\$ 1,862,510
Comagine (SNAP)	\$ 1,396,883	\$ 1,396,883	\$ 2,793,765
Comagine (TANF & State only)	\$ -	\$ 931,254	\$ 931,254
Procurement/Accounting/Allocation	\$ 339,954	\$ 383,352	\$ 723,307
IT/Business Apps/Network Services/DSO	\$ 1,305,511	\$ 1,472,172	\$ 2,777,682
IV&V	\$ 968,724	\$ 107,636	\$ 1,076,360
Project Tools / Software Licenses	\$ 1,800,000	\$ 600,000	\$ 2,400,000
State Hosting Support	\$ 776,000	\$ 824,000	\$ 1,600,000
State IT Staff Support (Existing Costs)	\$ 2,350,000	\$ 2,650,000	\$ 5,000,000
Subject Matter Expert	\$ 678,069	\$ 764,631	\$ 1,442,700
FFM Automated Registration (FAR) (Milestone 1 Increment 3.1)	\$ -	\$ -	\$ -
Hospital Presumptive Eligibility (HPE) (Milestone 1 Increment 4)	\$ -	\$ -	\$ -
Self-Service Portal Enhancements (Milestone 2)	\$ -	\$ -	\$ -
Known Deficiency Remediation (Milestone 2)	\$ 450,000	\$ 50,000	\$ 500,000
APA Cash (Milestone 2)	\$ -	\$ -	\$ -
SNAP (Milestone 3)	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
ICCIS Replacement	\$ 4,000,000	\$ -	\$ 4,000,000
Case Management System Replacement (Work Services)	\$ 3,500,000	\$ -	\$ 3,500,000
Improve Worker Experience (Milestone 4)	\$ 3,250,000	\$ 1,750,000	\$ 5,000,000
ATAP/TANF (Milestone 5)	\$ -	\$ 5,000,000	\$ 5,000,000
GRA, SB, CAMA (Milestone 6)	\$ -	\$ 1,500,000	\$ 1,500,000
Development Total	\$ 29,561,518	\$ 23,609,298	\$ 53,170,816
Capital Funds Admin	591,230	472,186	1,063,416
	\$ 30,152,749	\$ 24,081,483	\$ 54,234,232

How will service to the public be measurably improved if this project is funded?

A single eligibility system will allow for better training for staff, which will increase benefit processing speed and accuracy.

Will the project affect the way in which other public agencies conduct their business?

The Department of Family and Community Services has eligibility technicians who process children in State custody through the Office of Children's Services. During the pandemic, the Division of Public Assistance processed pandemic Electronic Benefit Transfer (EBT) for the Department of Education and Early Development which was hampered by the outdated coding language used on the mainframe.

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What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

The ongoing maintenance and operation costs for the new system are unknown but estimated to be about \$7 million per year. The federal match rate will be 50 percent. Maintenance and operation costs for a single eligibility system will be less than the current costs to maintain five eligibility systems and train staff on the different systems.

What will happen if the project is not approved?

If this proposal is not enacted the division will continue to incur increased costs to manage, maintain and update the old systems. Delays in system updates are costly to the state in many ways, not only to locate and pay for the programming services but also in staff time due to inefficient processes associated with manual work necessitated by system programming delays.