

February 1994

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# AUTOMATED WELFARE SYSTEMS

## Historical Costs and Projections



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Accounting and Information  
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February 25, 1994

The Honorable John Glenn  
Chairman, Committee on  
Governmental Affairs  
United States Senate

Dear Mr. Chairman:

This report responds to your request that we determine the extent to which states are developing and implementing automated information systems for federally supported welfare programs.

As agreed with your office, our objective was to provide information on the numbers, types, status, and costs of these automated systems. As part of this objective, we obtained information on states' plans to continue developing and implementing such systems throughout the 1990s. We gathered this information through interviews with federal officials responsible for administering the various welfare programs and through telephone interviews with officials in all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands (hereafter referred to as the states). Appendix I provides additional details of our scope and methodology.

## Results in Brief

States, with the assistance of the Departments of Health and Human Services (HHS) and Agriculture (USDA), have developed and implemented a number of automated information systems, many of which have been costly, to help administer their welfare programs. With federal financial participation rates ranging between 50 and 90 percent, federal agencies contributed over \$6.8 billion from 1984 to 1992, and over \$1.8 billion prior to 1984, to help fund development and operation of these automated systems.<sup>1</sup>

In addition, federal costs for the continued development and operation of automated state welfare systems could be considerable. Currently, the federal participation rate to support states' development and operation of automated systems, including the development of replacement systems is at least 50 percent. Consequently, the federal government may pay the largest share of an estimated \$10.7 billion in additional automated system costs projected from fiscal year 1993 through the end of the decade.

<sup>1</sup>All figures in the letter are expressed in 1993 constant dollars.

Moreover, as our past work has shown, without effective federal oversight and monitoring of state development efforts, there is little guarantee that this continuing federal investment will produce or support systems that achieve expected benefits and provide effective service to welfare clients. (See appendix VII for a list of our prior products related to automated welfare information systems.)

## Background

HHS and USDA, in cooperation with the states, administer a number of welfare programs that provide cash benefits and other assistance to needy individuals and families. Although states are generally responsible for day-to-day program operations, including eligibility determinations, agencies within HHS and USDA are responsible for providing oversight, guidance, and various levels of program funding. For instance, HHS, through its Administration for Children and Families (ACF), is responsible for several welfare and welfare-related programs, including

- Aid to Families with Dependent Children (AFDC),
- Child Support Enforcement (CSE),
- Job Opportunities and Basic Skills Training (JOBS),
- Child Care, and
- Child Welfare Services and Foster Care/Adoption Assistance.

HHS also administers the Medicaid program through the Health Care Financing Administration (HCFA). USDA, through its Food and Nutrition Service (FNS), has responsibility for the Food Stamp Program. Appendix II provides details about these seven welfare programs, including fiscal year 1992 program dollars and participants.

Because of the complexity, costs, and large caseloads associated with these welfare programs, the Congress has provided funding to encourage states to develop and operate automated systems to support their welfare programs. These automated systems are used to determine participants' eligibility, process claims, and provide participant and program information, and are intended to help states more effectively administer and manage their welfare programs by reducing errors, lowering administrative costs, and providing better client service. Appendix III discusses the various types of automated welfare systems, including the authorizing legislation and the federal financial participation rates.

To obtain federal participation on the cost of automated welfare system development and implementation, states are required to follow a specific

advanced planning document (APD) process. During this process, states submit APDs to the specific oversight agency (that is, ACF, HCFA, or FNS) detailing their plans to develop and implement automated systems. The federal agencies then make funding decisions on the basis of these APD submissions. After approving funding to states, the federal agencies are to monitor development and operation of the state systems to ensure all federal requirements are met.

We have reviewed federal oversight and monitoring of state system development efforts for several welfare programs including AFDC, Medicaid, Food Stamps, and CSE (see appendix VII). These reviews showed that the agencies responsible for administering these programs generally do not provide effective oversight or monitoring, resulting in costly automated system problems. Further, despite the sizable federal investment, these agencies do little to determine whether the states' systems are providing expected benefits.

## Magnitude of Automated Systems Is Significant

As of June 1993, all 54 states and territories we contacted said they were operating one or more automated welfare systems to support their various welfare programs. Of these, 52 told us that they were operating multiple systems—ranging from 2 to 12—to provide welfare program support. Further, many of the states were in the process of upgrading or replacing these systems, developing new systems, or combining separate systems for individual welfare programs into a single, integrated Family Assistance Management Information System (FAMIS).<sup>2</sup>

The automated welfare systems operated by the states consist of combinations of separate systems that process data for individual programs and systems that are capable of supporting information requirements for several welfare programs. Oregon, for example, operates one system to process AFDC and Medicaid eligibility; separate individual systems to support Medicaid management information, food stamp, and child welfare/foster care activities; and various separate systems to support the JOBS, CSE, child care, and other programs. Appendix IV summarizes each state's automated welfare systems and their status as of June 1993.

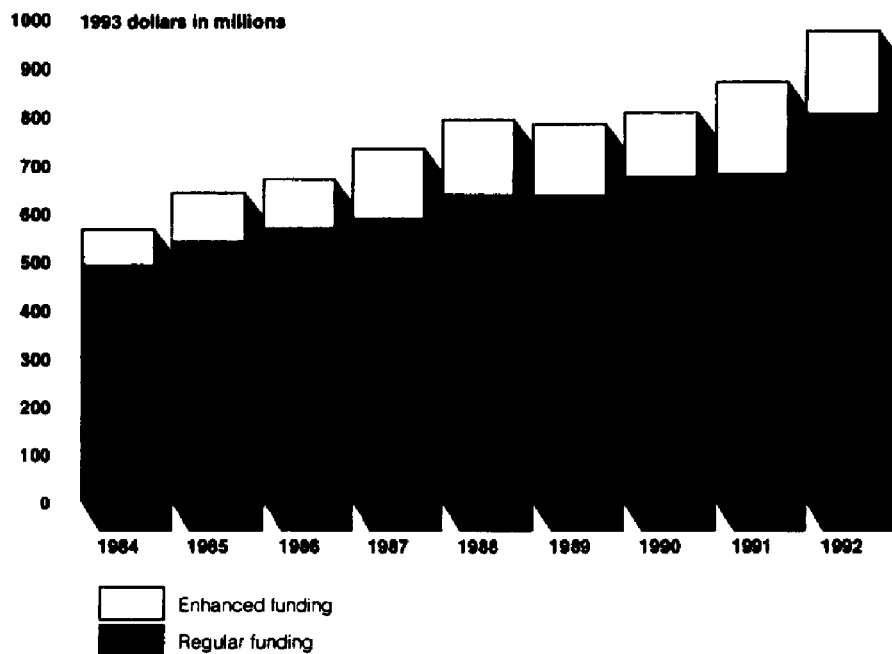
From fiscal years 1984 through 1992, ACF, HCFA, and FNS provided over \$6.8 billion to support state activities related to the planning, design, development, installation, and operation of automated welfare systems.

<sup>2</sup>A general system design developed by HHS to improve state administration of the AFDC program.

Further, although data on federal cost participation prior to 1984 are limited, we identified over \$1.8 billion that went to the states from 1980 to 1983, mostly for states' development and operation of Medicaid Management Information Systems (MMIS). Of the \$6.8 billion, \$1.2 billion was federal funding provided at an enhanced rate (greater than 50 percent) to support activities related to system development. The remaining \$5.6 billion was regular funding provided at a 50 percent rate to support system operations. Appendix V provides a state-by-state summary of federal automated systems expenditures (in current dollars) during the 1984-1992 period.

Federal expenditures for the development and operation of state automated welfare systems have continued to rise since 1984. As shown in figure 1, these expenditures (expressed in 1993 constant dollars) have grown by almost 72 percent from \$566 million in 1984 to \$972 million in 1992. ACF officials noted that these increases in expenditures are due, in part, to state requirements for larger, more sophisticated systems. These state requirements are attributable to rising welfare program caseloads, increased program complexity, and the inception of several new programs since 1984.

**Figure 1: Federal Automated Welfare System Expenditures, 1984-1992**

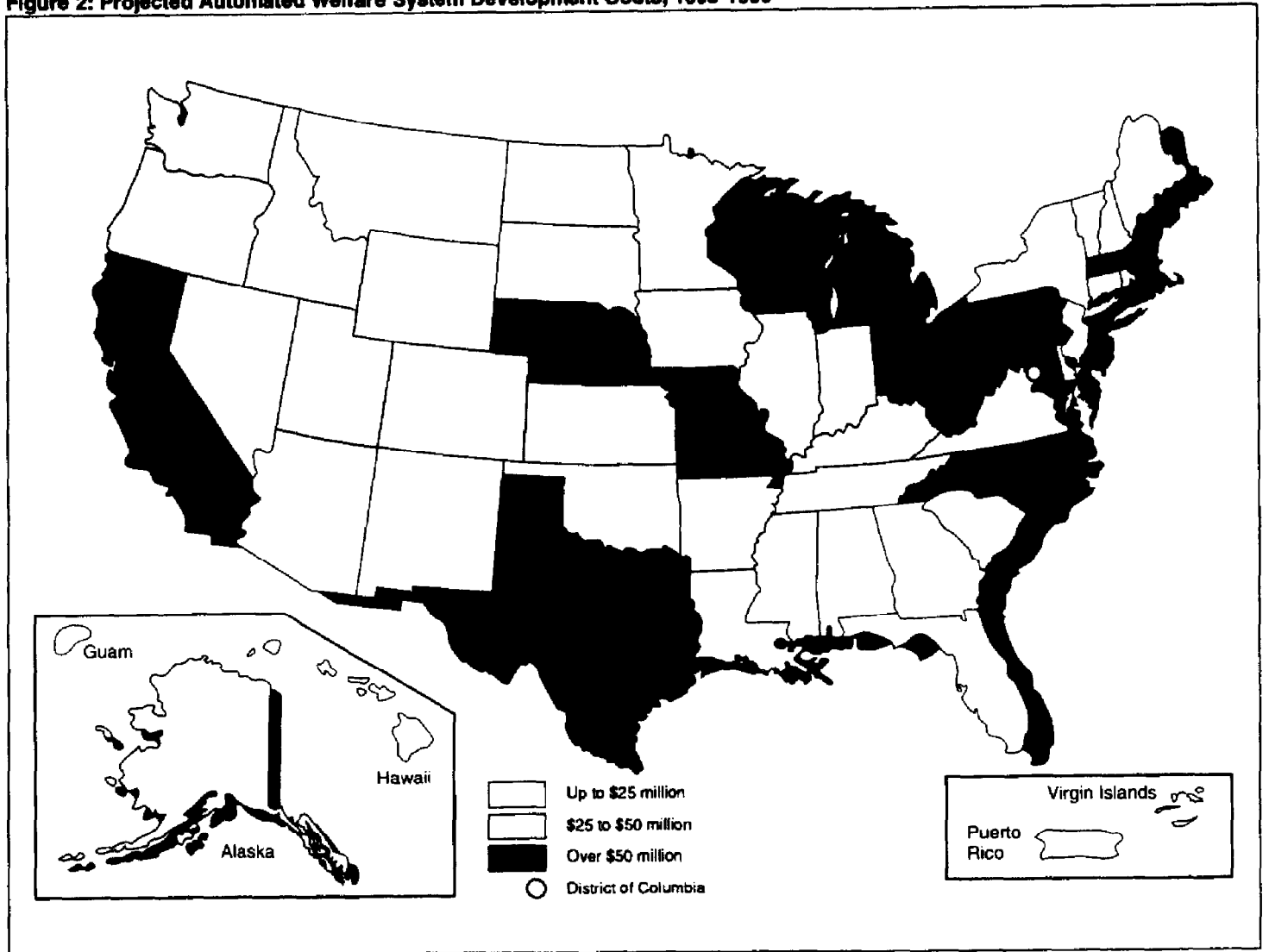


## Future Automated System Costs Could Be Considerable

Federal costs to support development and operation of state welfare systems could continue to be considerable. For example, all 54 states plan to either develop at least one new automated system by the end of this century, or upgrade or replace one or more of their existing systems to keep up with changing federal regulations, expanding welfare caseloads, increasing program complexity, and advancements in computer technology. Further, some HCFA officials noted that national health care reform could contribute to increasing automated system costs by creating the need for larger, more complex systems. ACF officials added that welfare reform, if it occurs, could also impact future automated system costs.

As shown in figure 2, 12 states anticipate initiating projects in the next 7 years each costing over \$50 million, and 17 states anticipate starting projects that will cost from \$25 million to \$50 million each. Each of the remaining states also expect to incur system development costs of up to \$25 million over this period. Individual states' plans for automated welfare system development during the 1993-1999 period are discussed in appendix VI.

Figure 2: Projected Automated Welfare System Development Costs, 1993-1999



In total, the 54 states estimate that development costs for automated welfare systems could be at least \$2.2 billion from 1993 through 1999. In addition, based on states' fiscal year 1993 estimates, annual operating costs for the automated systems could total an additional \$8.5 billion over this same period. Thus, the total estimated costs for developing and operating state automated welfare systems over this 7-year period are about \$10.7 billion.



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Except for the limits imposed by federal financial participation rates and the availability of program funding, no legislatively mandated ceilings exist to specifically limit federal assistance for states' development and operation of automated welfare systems. Further, federal regulations do not preclude funding of replacement systems. As a result, the federal government could continue to pay at least half of all future development and operating costs for states' automated welfare systems.

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We obtained the information in this report between July 1992 and October 1993. We discussed the results of our work with ACF, HCFA, and FNS officials, and have incorporated their comments where appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Chairmen and Ranking Minority Members of the House and Senate Committees on Appropriations, the Senate Committee on Finance, and the House Committee on Ways and Means; the Director, Office of Management and Budget; and other interested parties. We will also make copies available to others upon request.

Should you have any questions about this report or require additional information, please contact me at (202) 512-6252. Other major contributors are listed in appendix VIII.

Sincerely yours,



Frank W. Reilly  
Director, Information Resources  
Management/Health, Education,  
and Human Services

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**Abbreviations**

|       |   |
|-------|---|
| ACF   | Administration for Children and Families        |
| AFDC  | Aid to Families with Dependent Children         |
| APD   | advanced planning document                      |
| CSE   | Child Support Enforcement                       |
| FAMIS | Family Assistance Management Information System |
| FNS   | Food and Nutrition Service                      |
| HCFA  | Health Care Financing Administration            |
| HHS   | Department of Health and Human Services         |
| JOBS  | Job Opportunities and Basic Skills              |
| MMIS  | Medicaid Management Information System          |
| USDA  | U.S. Department of Agriculture                  |

# Scope and Methodology

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Our work was performed at various locations including

- the Food and Nutrition Service, in Alexandria, Virginia;
- the Administration for Children and Families, in Washington, D.C.; and
- the Health Care Financing Administration, in Woodlawn, Maryland.

To accomplish our objective, we interviewed federal officials responsible for information resources and systems management, financial management, and other programmatic aspects for the various welfare and welfare-related programs identified as being supported, to some extent, by automated information systems. These programs included Aid to Families with Dependent Children, Child Support Enforcement, Job Opportunities and Basic Skills Training, Child Care, Child Welfare Services and Foster Care/Adoption Assistance, Medicaid, and Food Stamps. We reviewed federal laws and regulations, agency guidance, and documentation related to these programs. We also obtained and analyzed historical data showing federal costs related to the development, implementation, and operation of states' automated welfare information systems, and to facilitate comparison, converted these costs to 1993 constant dollars. Finally, we conducted telephone interviews with officials of all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands (hereafter referred to as the states) to obtain information describing numbers, types, status, and costs of their automated welfare systems.

To determine the future outlook for the development and implementation of these automated systems, we conducted telephone interviews with state representatives to discuss their plans for development of new systems or replacement/enhancement of current systems and to obtain estimates of the total costs associated with these future plans. We also obtained their estimates of fiscal year 1993 operating costs for their automated welfare information systems. Using these state estimates of development and operational costs, we then projected the total state automated welfare system costs for fiscal years 1993 through 1999 in 1993 constant dollars.

We did not verify or corroborate historical financial data provided by the federal agencies. However, we did confirm with the states that we had accurately recorded data provided during initial telephone interviews. Only 3 of the 54 did not respond to our requests for data confirmation: Guam, Montana, and New Mexico.

# Description of Welfare Programs

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## Aid to Families With Dependent Children (AFDC)

The AFDC program provides direct cash payments to needy families with dependent children. Established by Title IV-A of the Social Security Act, AFDC operates in all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

AFDC is a state-managed program. However, the federal government and the states share program costs, and the federal government provides broad standards for eligibility and program requirements. About 13.8 million individuals, or about 5 percent of the U.S. population, were enrolled in the program in September 1992. The federal government spent about \$11.8 billion on participant benefits in fiscal year 1992.

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## Child Support Enforcement (CSE)

Title IV-D of the Social Security Act authorizes federal funds to states to locate noncustodial parents, establish paternity, determine child support obligations of noncustodial parents, and enforce child support orders. CSE services are welfare-related in that they are automatically available for families receiving AFDC assistance. However, they are also available to non-AFDC families who apply and meet certain criteria. Support payments collected for AFDC families are used to offset benefit costs for the AFDC program, while support payments collected for non-AFDC families are passed on directly to the family.

In fiscal year 1992, the Title IV-D caseload totaled about 15.2 million AFDC and non-AFDC cases. Support collections were made in over 2.8 million cases and about 3.7 million noncustodial parents were located. Additionally, over 500,000 paternities and about 900,000 support orders were established during the year.

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## Job Opportunities and Basic Skills Training (JOBS)

The Family Support Act of 1988 created the JOBS program under Title IV-F of the Social Security Act. JOBS is a comprehensive welfare-to-work program intended to improve a family's ability to become and remain self-sufficient. JOBS provides AFDC recipients with the opportunity to participate in job skills training, work activities, and education-related programs to help them develop skills necessary for finding and retaining employment. JOBS also provides welfare recipients with necessary support services such as transportation and child care. At the end of fiscal 1992, all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands had implemented JOBS programs. In fiscal year 1992, an average of 510,000 AFDC recipients per month participated in JOBS programs.

JOBS programs are administered by states' Title IV-A agencies, and are partially funded by the federal government. Total federal funding was capped at \$1 billion for fiscal years 1991 to 1993. In fiscal year 1992, about \$679 million was reimbursed to the states for the JOBS program.

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## Child Care

These child care programs—administered by states—are authorized under Title IV-A of the Social Security Act. These programs are as follows:

- The Family Support Act of 1988 created a child care program for AFDC recipients. This program is offered to AFDC families who need child care to accept employment or remain employed. AFDC families participating in educational or training activities, such as a JOBS program, are also eligible. An estimated 164,000 families participated in this child care program during fiscal year 1992.
- Also created by the Family Support Act of 1988, Transitional Child Care is offered to families who recently lost AFDC eligibility due to increased income from employment. Transitional child care benefits are limited to 12 months after losing AFDC eligibility. An estimated 32,000 families participated in this program during fiscal year 1992.
- The Omnibus Budget Reconciliation Act of 1990 created at-risk child care for families who would otherwise become eligible for AFDC without such child care assistance. No caseload figures were available for this program because states were not required to report program data until November 1993.

In addition, the Omnibus Budget Reconciliation Act of 1990 created child care development block grants. These grants are targeted toward making quality child care available and affordable for low-income families. Block grants under this program totaled about \$798 million in fiscal year 1992.

Total federal costs, including block grants, for the four child care programs were \$1.54 billion in fiscal year 1992.

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## Child Welfare Services and Foster Care/Adoption Assistance

Child Welfare Services is a formula grant program established under Title IV-B of the Social Security Act. This program provides states with federal support for a wide variety of child welfare services to strengthen families and avoid placement of children in foster care or adoption, prevent abuse and neglect, and provide foster care and adoption services. Federal funds for Title IV-B services were capped nationwide at \$274 million in fiscal year 1992.

One of the primary child welfare services offered is the foster care/adoption assistance program. Created under Title IV-E of the Social Security Act, this entitlement program authorizes federal funds to states to pay for foster care and adoption assistance. Federal funding for foster care and adoption services can be provided only for children who otherwise would be living in AFDC-eligible homes. In fiscal year 1992, 222,000 children were in the foster care program, and about 66,000 children received adoption assistance services. Federal costs for foster care services totaled about \$2.2 billion in fiscal year 1992, while adoption assistance cost the government about \$220 million.

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## Medicaid

Title XIX of the Social Security Act authorizes the Medicaid program. Medicaid is an entitlement program in which the federal government participates with states in the cost of medical provider payments for needy individuals. Medicaid eligibility has traditionally been linked to those eligible for either AFDC benefits or the Federal Supplemental Security Income program for the aged, blind, and disabled. However, recent legislation has extended Medicaid coverage to those who have no ties to welfare. Forty-nine states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate Medicaid programs. Arizona operates a similar medical assistance program under a demonstration waiver.

In fiscal year 1992, about 31.2 million recipients received Medicaid benefits. These benefits, in the form of medical assistance payments, cost the federal government over \$66.1 billion.

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## Food Stamp Program

Originally authorized in 1964 to improve the nutrition of low-income households, the Food Stamp Program operates in all 50 states, the District of Columbia, Guam, and the Virgin Islands. Puerto Rico operates a related nutrition assistance program. The Food Stamp Program provides participants with coupons that can be exchanged for food or food-preparation items at participating retailers. Food stamp benefits, which are 100 percent federally funded, are intended to make up the difference between participants' expected contributions to food expenses and the amount needed to purchase a nutritionally sound, low-cost diet.

Eligibility for this food assistance is generally based on income levels, liquid asset holdings, and various employment-related requirements. AFDC recipients must meet certain eligibility requirements to qualify for food stamps. In September 1992, about 26.4 million individuals, approximately

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**Appendix II**  
**Description of Welfare Programs**

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10 percent of the United States population, were receiving food stamp benefits. The cost to the federal government for food stamp benefits in fiscal year 1992 totalled over \$20.9 billion.



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# Description of Authorizing Legislation, Federal Financial Participation Rates, and Automated Systems by Welfare Program

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Below are descriptions of the authorizing legislation, the federal financial participation rates, and the overall status for automated information systems for each of the welfare and welfare-related programs covered by this fact sheet. Specific information on each state's automated information systems for these programs is presented in appendix IV.

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## AFDC

State AFDC programs are, in many cases, supported by systems referred to as Family Assistance Management Information Systems (FAMIS). FAMIS is a general system design developed by HHS to improve the capability of states to administer the AFDC program. FAMIS enables states to better control and account for all factors in the eligibility determination process, as well as the costs, quality, and delivery of benefits and services to program participants.

The Social Security Disability Amendments of 1980 authorized enhanced funding to states for 90 percent of total costs of planning, designing, developing, and installing automated AFDC management information systems that comply with specific federal system requirements. Prior to 1993, states could also be reimbursed for between 50 and 90 percent of the costs of operating automated AFDC systems. The Omnibus Budget Reconciliation Act of 1993 reduced the federal participation rate to 50 percent for all automated system costs, effective April 1, 1994, but will be delayed for states whose legislatures meet biennially.<sup>1</sup>

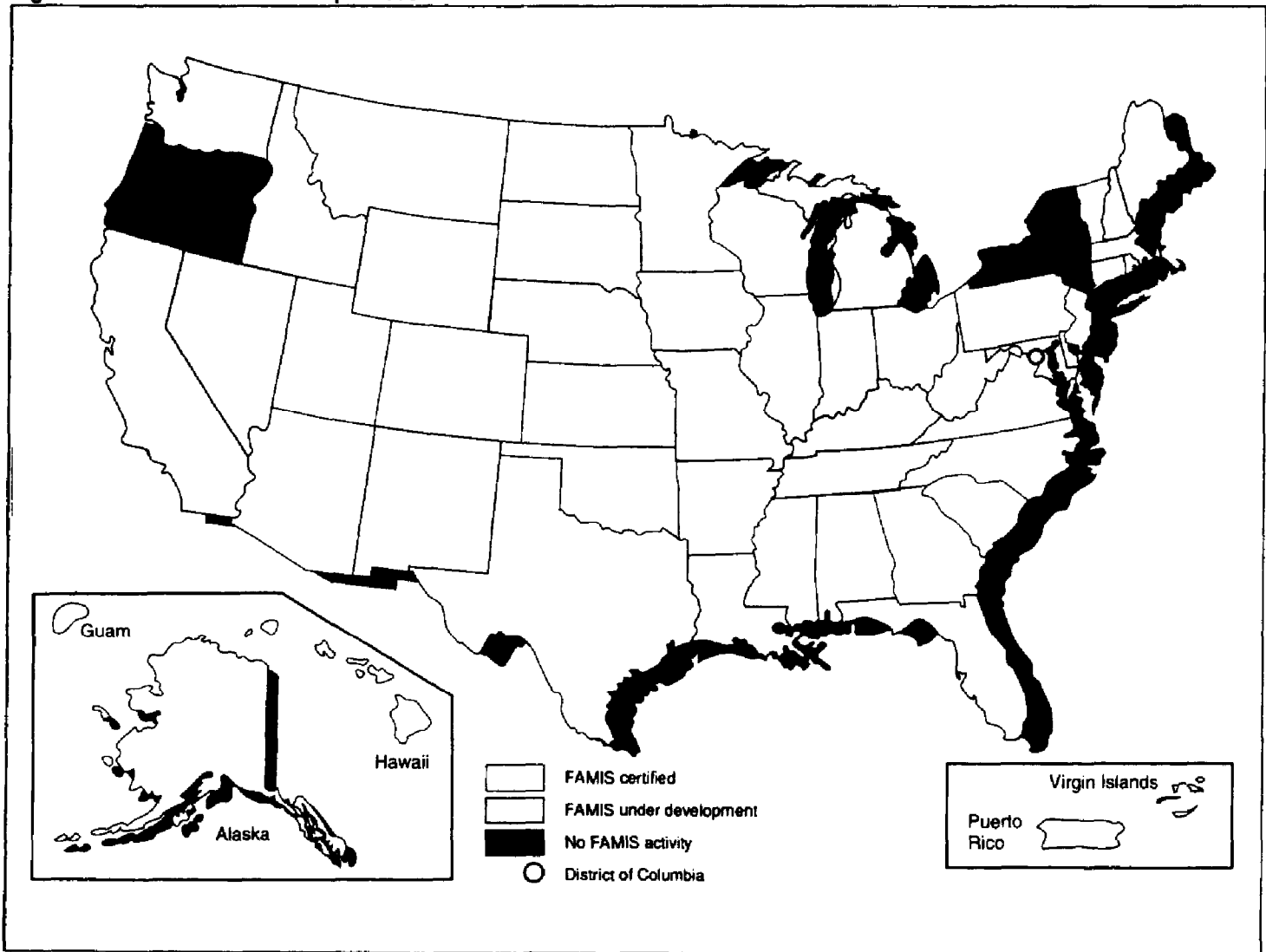
As of June 1993 52 states were operating some type of statewide automated AFDC system. As illustrated in figure III.1, as of April 1993, 32 states were certified by ACF as meeting FAMIS functional requirements, 20 states were in various stages of developing their FAMIS system, and 2 states had no FAMIS activity.

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<sup>1</sup>Public Law 103-66, 103 Stat. 312, 663 (1993).

**Appendix III  
Description of Authorizing Legislation,  
Federal Financial Participation Rates, and  
Automated Systems by Welfare Program**

**Figure III.1: FAMIS Status as of April 1993**



**Child Support  
Enforcement**

The Social Security Disability Amendments of 1980 authorized the federal government to pay up to 90 percent of states' total costs for planning, designing, developing, installing, or enhancing statewide automated CSE systems. States can also receive from 66 to 90 percent of their costs for operating these systems. To qualify for the 90 percent enhanced funding, the Family Support Act of 1988 mandated that states implement statewide automated data processing and information retrieval systems for the CSE program that meet all program functional requirements, including

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**Appendix III  
Description of Authorizing Legislation,  
Federal Financial Participation Rates, and  
Automated Systems by Welfare Program**

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interfacing with FAMIS and other state welfare systems. States not complying with this mandate by October 1, 1995, will receive no further enhanced funding for development.

In June 1993, 33 states were operating separate automated CSE systems of some type, and 6 states were operating automated CSE systems that also supported other welfare programs. The 15 states not operating statewide automated CSE systems were either developing or planning to develop a system to comply with the 1988 mandate.

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**JOBS**

The Family Support Act of 1988, which created the JOBS program, also authorized federal funding to states for planning, development, and implementation of an automated client-based JOBS information system. The federal financial participation rate is 50 percent for the costs of developing and operating such systems. However, to encourage JOBS system interfaces with FAMIS (sharing common data elements) and/or integration with an automated AFDC system (sharing common databases or utilizing the same mainframe computer), the states can receive 90 percent reimbursement for the cost of developing these interfaces or integration. The Omnibus Budget Reconciliation Act of 1993 reduced this enhanced funding rate for FAMIS-related automated system costs to 50 percent effective April 1, 1994.

In June 1993, 24 states were operating separate automated JOBS systems and 22 states had integrated their JOBS systems with systems for other welfare programs. Eight states were not operating automated JOBS systems on a statewide basis.

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**Child Care**

Legislation creating the four child care programs (see appendix II) also authorized federal funding to states for automating their child care programs. For the child care for AFDC recipients and transitional child care programs, ACF provides funding ranging from 50 percent of the automation costs related to planning, developing, installing, and operating state child care systems to 90 percent enhanced funding for planning and development of AFDC child care systems that meet certain conditions, such as integrating with FAMIS. However, the Omnibus Budget Reconciliation Act of 1993 reduced this enhanced funding rate for FAMIS-related automated system costs to 50 percent effective April 1, 1994. ACF also provides funding for the costs of automating and operating the at-risk and child care development block grant programs; however, federal funding is limited by the ceiling for each state's program grant.

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**Appendix III  
Description of Authorizing Legislation,  
Federal Financial Participation Rates, and  
Automated Systems by Welfare Program**

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In June 1993, 14 states were operating separate automated systems for their child care programs and 13 states were operating automated systems that included child care as one of their components. Twenty-seven states were not operating a statewide automated child care system at that time.

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**Child Welfare Services and  
Foster Care/Adoption  
Assistance**

Automated systems for state child welfare services are authorized under Title IV-B of the Social Security Act. These tracking and case management systems monitor child protective activities and perform associated risk assessment and case development and review functions for children and services covered under individual state plans. ACF can reimburse states for 75 percent of the administrative costs of operating Title IV-B programs, including development and operating costs for automated systems. Total funds are capped by individual state program allotments.

Automated systems for foster care/adoption assistance are authorized under Title IV-E of the Social Security Act. Essentially, these systems support maintenance payments for adoptions and foster care. However, they may support many other activities and functions as well, including program eligibility determination, referral services, case development and management, and interfaces with other welfare programs. Under Title IV-E, 50 percent federal assistance has been available for developing and operating automated systems. However, the Omnibus Budget Reconciliation Act of 1993 increased the federal matching percentage for the planning, design, development, or installation of automated statewide data collection and information retrieval systems to 75 percent as of October 1, 1993. This matching rate will decrease to 50 percent on October 1, 1996, as will the current 75 percent rate for Title IV-B automated systems.

In June 1993, 31 states were operating separate automated systems to support their Title IV-B and IV-E activities, and 10 states had combined these activities into systems that also supported other welfare programs. Thirteen states were not operating automated systems on a statewide basis.

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**Medicaid**

The Social Security Act and related amendments authorize the states to operate two types of automated systems to help manage their Medicaid programs—Medicaid eligibility systems and Medicaid management information systems (MMIS).

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**Appendix III  
Description of Authorizing Legislation,  
Federal Financial Participation Rates, and  
Automated Systems by Welfare Program**

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- Automated Medicaid eligibility systems are used to facilitate the eligibility determination process used by states to enroll participants in Medicaid programs. Many of these automated eligibility systems are integrated into systems that are used to determine eligibility for several welfare programs. For example, in June 1993, 41 states were operating some type of integrated eligibility system, including 30 state systems that complied with FAMIS requirements; 7 states were operating separate Medicaid eligibility systems; and 6 states had not yet automated their Medicaid eligibility determination functions on a statewide basis. Because Medicaid eligibility systems are, in many cases, integrated with other welfare systems, HCFA, by virtue of a cost allocation agreement between HHS and USDA, is responsible for only a portion of the costs of developing integrated systems. One HCFA official estimated that HCFA has contributed, on the average, about 20 percent of the costs for designing and developing integrated eligibility systems. HCFA reimburses states for 50 percent of the costs of developing and operating separate systems. Prior to November 1989, however, the HCFA reimbursement rate for developing these systems was 90 percent of state costs.
- MMIS, as required by HCFA, are basically claims processing and information retrieval systems, and are not intended to perform eligibility determination functions. Most states operate separate MMIS although one state—Maine—operates its MMIS as an integrated system with most of its other welfare programs. In June 1993, 48 states operated a separate MMIS, including 31 states that used contractors to operate their systems, 11 states that operated their systems in-house, and 6 states that operated systems using both in-house and vendor support. The remaining 5 states had not automated MMIS functions statewide. HCFA can reimburse states for 90 percent of the costs of designing, developing, and installing these systems, and 75 percent of the costs of system operation.

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**Food Stamp Program**

Legislation authorizing funds for the automation of the Food Stamp Program is included in both the Food Stamp Act of 1977 and subsequent amendments, and the Food and Agriculture Act of 1990. As with Medicaid eligibility systems, food stamp information retrieval and eligibility systems are generally integrated with other state welfare systems. As a result, FNS only pays a proportionate amount—estimated by FNS officials to average about 30 to 35 percent—of the costs to develop these systems. In June 1993, 37 states were operating integrated food stamp systems, including 30 states complying with FAMIS requirements. Fifteen states were operating separate automated food stamp systems, and two states were including food stamp automation as part of developing FAMIS.

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**Appendix III  
Description of Authorizing Legislation,  
Federal Financial Participation Rates, and  
Automated Systems by Welfare Program**

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FNS is authorized to reimburse states for 63 percent of the costs of planning, designing, developing, and installing automated systems for the Food Stamp Program, and 50 percent of the costs of operating these systems. Prior to October 1991, the federal reimbursement rate for development and related costs was 75 percent. On April 1, 1994, the federal reimbursement rate for automated food stamp systems will drop to 50 percent for both development and operations.



# Status of Automated Welfare Systems by State - June 1993

| State                | AFDC  | Medicaid eligibility  | Medicaid MIS  | Food Stamps  |
|----------------------|---|---|---|--|
| Alabama              | FAMIS (replacing with new FAMIS)  | Separate system (replacing with new FAMIS)                          | Private vendor  | Two separate systems (replacing with new FAMIS)                              |
| Alaska               | Part of FAMIS (planning to replace)   | Part of FAMIS (planning to replace)                                 | Private vendor  | Part of FAMIS (planning to replace)  |
| Arizona              | Part of FAMIS (enhancements planned)  | No statewide automated system (developing separate system)          | Separate state-operated system                        | Part of FAMIS (enhancements planned)   |
| Arkansas             | Part of FAMIS (planning to replace with new FAMIS)                                  | Part of FAMIS (planning to replace with new FAMIS)                  | Private vendor (enhancing)                            | Separate system (planning to replace with new FAMIS)                         |
| California           | No statewide automated system (developing FAMIS)                                    | No statewide automated system (developing FAMIS)                    | Private vendor  | No statewide automated system (developing FAMIS)                             |
| Colorado             | Part of FAMIS (enhancing but planning to replace)                                   | Part of FAMIS (enhancing but planning to replace)                   | Private vendor  | Separate system (planning to replace with FAMIS)                             |
| Connecticut          | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Private vendor (enhancements planned)                 | Part of FAMIS (enhancements planned)   |
| Delaware             | Part of FAMIS   | Part of FAMIS   | Private vendor  | Part of FAMIS  |
| District of Columbia | Operating a system with Medicaid eligibility and Food Stamps (replacing with FAMIS) | Operating a system with AFDC and Food Stamps (replacing with FAMIS) | Private vendor  | Operating a system with AFDC and Medicaid eligibility (replacing with FAMIS) |
| Florida              | Part of FAMIS (still developing)  | Part of FAMIS (still developing)                                    | Private vendor  | Part of FAMIS (still developing)   |
| Georgia              | Part of FAMIS (replacing)   | Part of FAMIS (replacing)   | Private vendor  | Part of FAMIS (replacing)  |
| Guam                 | Operating a system with JOBS (planning to replace with FAMIS)                       | Separate system (planning to replace with FAMIS)                    | No statewide automated system                         | Separate system (planning to replace with FAMIS)                             |
| Hawaii               | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Private vendor  | Part of FAMIS (enhancements planned)   |
| Idaho                | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Private vendor  | Part of FAMIS (enhancements planned)   |
| Illinois             | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Separate state-operated system (enhancements planned) | Part of FAMIS (enhancements planned)   |
| Indiana              | No statewide automated system (developing FAMIS)                                    | No statewide automated system (developing FAMIS)                    | Private vendor (replacing)                            | Separate system (replacing with FAMIS)                                       |
| Iowa                 | Part of FAMIS (enhancing)   | Part of FAMIS (enhancing)   | Private vendor  | Part of FAMIS (enhancing)  |



**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>JOBS</b>   | <b>Child Support Enforcement</b>                           | <b>Child Care</b>  | <b>Child Welfare/<br/>Foster Care</b>   |
|---|--|--|---|
| Separate system (enhancements planned)                        | Separate system (enhancements planned)                     | No statewide automated system  | Two separate systems (replacing with new FAMIS)   |
| Part of FAMIS (planning to replace)                           | Separate system (enhancing)                                | No statewide automated system  | Separate system   |
| Separate system (enhancements planned)                        | Separate system (enhancements planned)                     | Separate system (enhancements planned)   | No statewide automated system (planning separate system)  |
| Separate system (still developing)                            | Separate system (enhancements planned)                     | No statewide automated system (developing separate system)                                   | Separate system (enhancements planned)  |
| No statewide automated system                                 | No statewide automated system (developing separate system) | No statewide automated system  | No statewide automated system (developing separate child welfare system; foster care component for FAMIS being developed) |
| Separate system   | Separate system (enhancing)                                | No statewide automated system (developing separate system)                                   | Separate system   |
| Part of FAMIS (enhancements planned)                          | Separate system (enhancing)                                | No statewide automated system  | Separate system (planning to replace with system for all)   |
| Part of FAMIS   | Separate system (enhancing)                                | Part of FAMIS  | Separate system   |
| Separate system   | Separate system (replacing)                                | No statewide automated system (developing separate system)                                   | Separate system (enhancements planned)  |
| Part of FAMIS (still developing)                              | Part of FAMIS (still developing)                           | Operating a system with child welfare (planning to replace with single child welfare system) | Four separate systems (planning to replace with single system)  |
| Part of FAMIS (replacing)                                     | Separate system (replacing)                                | Separate system  | Part of FAMIS (replacing) Also, two separate systems  |
| Operating a system with AFDC (planning to replace with FAMIS) | Separate system (replacing)                                | No statewide automated system  | No statewide automated system   |
| No statewide automated system (developing separate system)    | No statewide automated system (developing separate system) | No statewide automated system (developing separate system)                                   | No statewide automated system (developing separate system)  |
| Separate system   | Separate system (enhancing)                                | Separate system  | Separate system (enhancing)   |
| Separate system (enhancements planned)                        | No statewide automated system (developing separate system) | No statewide automated system  | Three separate systems (enhancements planned)   |
| Separate system   | Separate system (replacing)                                | No statewide automated system  | Separate system (enhancements planned)  |
| Separate system   | Separate system (enhancing)                                | No statewide automated system  | Part of FAMIS (replacing with separate system)  |

(continued)

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>State</b>  | <b>AFDC</b>   | <b>Medicaid eligibility</b>   | <b>Medicaid MIS</b>  | <b>Food Stamps</b>   |
|---------------|---|---|--|--|
| Kansas        | Part of FAMIS   | Part of FAMIS   | Private vendor   | Part of FAMIS  |
| Kentucky      | Operating a system with Medicaid eligibility (replacing with FAMIS)   | Operating a system with AFDC (replacing with FAMIS)   | Private vendor   | Separate system (replacing with FAMIS)   |
| Louisiana     | Operating a system with Medicaid eligibility (replacing with FAMIS)   | Operating a system with AFDC (replacing with FAMIS)   | Private vendor   | Separate system (replacing with FAMIS)   |
| Maine         | Operating a system with Food Stamps, all Medicaid, JOBS, child welfare, and child care (replacing with FAMIS) | Operating a system with AFDC, MMIS, Food Stamps, JOBS, child welfare, and child care (replacing with FAMIS) | Operating a system with AFDC, Medicaid eligibility, Food Stamps, JOBS, child welfare, and child care | Operating a system with AFDC, all Medicaid, JOBS, child welfare, and child care (replacing with FAMIS) |
| Maryland      | Operating a system with Food Stamps and Medicaid eligibility (replacing with FAMIS)                           | Operating a system with AFDC and Food Stamps (replacing with FAMIS)   | Separate state-operated system (planning to replace)   | Separate system (replacing with FAMIS)   |
| Massachusetts | Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)  | Private vendor   | Separate system (replacing with FAMIS)   |
| Michigan      | Operating a system with all programs except MMIS (replacing with FAMIS)                                       | Operating a system with all programs except MMIS (replacing with FAMIS)                                     | Separate state-operated system (enhancements planned)  | Operating a system with all programs except MMIS (replacing with FAMIS)                                |
| Minnesota     | Part of FAMIS   | Part of FAMIS   | Separate state-operated system (replacing)   | Part of FAMIS  |
| Mississippi   | Part of FAMIS (enhancements planned)  | No statewide automated system   | Private vendor   | Part of FAMIS (enhancements planned)   |
| Missouri      | Operating a system with Medicaid eligibility (replacing with FAMIS)   | Operating a system with AFDC (replacing with FAMIS)   | Private vendor (enhancements planned)  | Separate system (replacing with FAMIS)   |
| Montana       | Part of FAMIS   | Part of FAMIS   | Private vendor (enhancements planned)  | Part of FAMIS  |
| Nebraska      | Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)  | Separate state-operated system (planning to replace)   | Separate system (replacing with FAMIS)   |
| Nevada        | Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)  | No statewide automated system  | Separate system (replacing with FAMIS)   |
| New Hampshire | Operating a system with Medicaid eligibility, Food Stamps, and child welfare (replacing with FAMIS)           | Operating a system with AFDC, Food Stamps, and child welfare (replacing with FAMIS)                         | Private vendor (replacing)   | Operating a system with Medicaid eligibility, AFDC, and child welfare (replacing with FAMIS)           |

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>JOBS</b>   | <b>Child Support Enforcement</b>  | <b>Child Care</b>   | <b>Child Welfare/<br/>Foster Care</b>   |
|---|---|---|---|
| Combined with Child Care as part of FAMIS   | Part of FAMIS (developing separate component as enhancement to FAMIS)             | Combined with JOBS as part of FAMIS   | No statewide automated system (developing separate component as enhancement to FAMIS)       |
| Separate system (planning integration with FAMIS)   | No statewide automated system (developing separate system)                        | Separate system (replacing)   | No statewide automated system (developing separate system)                                  |
| Separate system   | Separate system (replacing)   | Separate system   | No statewide automated system   |
| Operating a system with AFDC, all Medicaid, Food Stamps, child welfare, and child care (replacing with FAMIS) | Separate system (enhancements planned)  | Operating a system with AFDC, all Medicaid, Food Stamps, JOBS, and child welfare (replacing with FAMIS) | Operating a system with AFDC, all Medicaid, Food Stamps, JOBS, and child care               |
| No statewide automated system (developing as part of FAMIS)   | Six separate systems (replacing with single system)                               | No statewide automated system (developing separate system)  | Three separate systems (planning to replace with single system)                             |
| Separate system (replacing with FAMIS)  | Separate system (replacing)   | Separate system (replacing with FAMIS)  | Separate system   |
| Operating a system with all programs except MMIS (replacing with FAMIS)                                       | Operating a system with all programs except MMIS (replacing with separate system) | Operating a system with all programs except MMIS (replacing with FAMIS)                                 | Operating a system with all programs except MMIS (planning to replace with separate system) |
| No statewide automated system (planning a system with child care)   | Separate system (enhancing)   | No statewide automated system (planning a system with JOBS)   | Separate system (planning to replace)   |
| No statewide automated system (developing a system with child care)   | No statewide automated system (developing separate system)                        | No statewide automated system (developing a system with JOBS)   | Separate system   |
| Separate system (replacing with FAMIS)  | Separate system (planning to replace)   | Separate system (replacing with FAMIS)  | Five separate systems   |
| Separate system (enhancements planned)  | No statewide automated system (developing separate system)                        | No statewide automated system   | No statewide automated system (planning separate system)                                    |
| Separate system (replacing with FAMIS)  | No statewide automated system (developing separate system)                        | No statewide automated system (developing as part of FAMIS)   | No statewide automated system (developing as part of FAMIS)                                 |
| Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)  | Two separate systems (planning to replace with single system)                               |
| No statewide automated system (developing as part of FAMIS)   | Separate system (enhancing)   | No statewide automated system (developing as part of FAMIS)   | Operating a system with Medicaid eligibility, AFDC, and Food Stamps (replacing with FAMIS)  |

(continued)

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>State</b>   | <b>AFDC</b>   | <b>Medicaid eligibility</b>   | <b>Medicaid MIS</b>  | <b>Food Stamps</b>   |
|----------------|---|---|--|--|
| New Jersey     | Part of FAMIS   | Part of FAMIS   | Combination of private vendor/ state-operated, including separate database that interfaces with Medicaid eligibility component of FAMIS) (enhancing) | Part of FAMIS  |
| New Mexico     | Part of FAMIS   | Part of FAMIS   | Private vendor   | Part of FAMIS  |
| New York       | Operating a system with Medicaid eligibility, Food Stamps, JOBS, child care, and foster care (enhancements planned) | Operating a system with AFDC, Food Stamps, JOBS, child care, and foster care (enhancements planned) | Combination of private vendor/ state-operated (enhancements planned)   | Operating a system with AFDC, Medicaid eligibility, JOBS, child care, and foster care (enhancements planned) |
| North Carolina | Part of FAMIS   | Part of FAMIS   | Private vendor (enhancements planned)  | Separate system (planning to replace and integrate with FAMIS)   |
| North Dakota   | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)  | Separate state-operated system (enhancements planned)  | Part of FAMIS (enhancements planned)   |
| Ohio           | Part of FAMIS   | Part of FAMIS   | Separate state-operated system (enhancements planned)  | Part of FAMIS  |
| Oklahoma       | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)  | Private vendor (planning to replace)   | Part of FAMIS (enhancements planned)   |
| Oregon         | Operating a system with Medicaid eligibility (enhancements planned)   | Operating a system with AFDC (enhancements planned)   | Separate state-operated system (enhancements planned; system replacement planned)  | Separate system (enhancements planned)   |
| Pennsylvania   | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)  | Combination of private vendor/state-operated (enhancing)   | Part of FAMIS (enhancements planned)   |
| Puerto Rico    | Separate system (replacing with FAMIS)  | No statewide automated system (developing as part of FAMIS)   | No statewide automated system  | No statewide automated system (developing as part of FAMIS)  |
| Rhode Island   | Part of FAMIS   | Part of FAMIS (enhancing)   | No statewide automated system (developing separate system)   | Part of FAMIS  |
| South Carolina | Part of FAMIS   | Separate system   | Combination of private vendor/ state-operated  | Part of FAMIS  |
| South Dakota   | Part of FAMIS   | Part of FAMIS   | Separate state-operated system   | Part of FAMIS  |
| Tennessee      | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)  | Combination of private vendor/ state-operated  | Part of FAMIS (enhancements planned)   |

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>JOBS</b>   | <b>Child Support Enforcement</b>                           | <b>Child Care</b>   | <b>Child Welfare/<br/>Foster Care</b>  |
|---|--|---|--|
| Operating a system with some child care (enhancements planned)  | Separate system (enhancing)                                | No statewide automated system (developing separate system)  | Four separate systems (enhancements planned)   |
| Separate system (integration with FAMIS planned)  | Separate system (planning to replace)                      | Separate system   | Separate system  |
| Operating a system with AFDC, Medicaid eligibility, Food Stamps, child care, and foster care (enhancements planned) | Separate system (enhancing)                                | Operating a system with AFDC, Food Stamps, Medicaid eligibility, JOBS, and foster care (enhancements planned) | Separate system for child welfare services except foster care. Foster care system part of core welfare management system |
| Separate system (planning to replace)   | Separate system (replacing)                                | Two separate systems (planning to develop single integrated system)   | Four separate systems  |
| Part of FAMIS (enhancements planned)  | No statewide automated system (developing separate system) | No statewide automated system (planning separate system)  | No statewide automated system (developing separate system)   |
| Part of FAMIS   | No statewide automated system (developing separate system) | No statewide automated system (planning separate system)  | Separate system (enhancements planned)   |
| Part of FAMIS (enhancements planned)  | Separate system (enhancing)                                | Part of FAMIS (enhancements planned)  | Separate system (enhancements planned)   |
| Two separate systems (Some interface with child care and AFDC)  | Three separate systems (replacing with single system)      | Two separate systems  | Separate system  |
| Part of FAMIS (enhancements planned)  | No statewide automated system (developing separate system) | Separate system   | No statewide automated system (planning separate system)   |
| No statewide automated system (planning separate system)  | No statewide automated system (planning separate system)   | No statewide automated system   | No statewide automated system  |
| Part of FAMIS (enhancing)   | Part of FAMIS (enhancing)                                  | Part of FAMIS (enhancing)   | Separate system  |
| Separate system   | Separate system (replacing)                                | No statewide automated system   | Separate system  |
| Part of FAMIS   | Part of FAMIS (enhancing)                                  | Separate system   | Separate system  |
| Part of FAMIS (enhancements planned); also operating separate component   | No statewide automated system (developing separate system) | No statewide automated system (developing separate system)  | Separate system  |

(continued)

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>State</b>   | <b>AFDC</b>   | <b>Medicaid eligibility</b>   | <b>Medicaid MIS</b>   | <b>Food Stamps</b>   |
|----------------|---|---|---|--|
| Texas          | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Two systems; one private vendor-operated; one state-operated (enhancements planned) | Part of FAMIS (enhancements planned)   |
| Utah           | Part of FAMIS (enhancements planned)  | Part of FAMIS (enhancements planned)                                | Separate state-operated system (enhancements planned)                               | Part of FAMIS (enhancements planned)   |
| Vermont        | Part of FAMIS   | Part of FAMIS   | Private vendor (enhancements planned)   | Part of FAMIS  |
| Virgin Islands | Separate system (planning to replace with FAMIS)                                    | No statewide automated system                                       | No statewide automated system   | Separate system (planning to replace with FAMIS)                             |
| Virginia       | Part of FAMIS (enhancing)   | Part of FAMIS (enhancing)   | Private vendor (planning to replace)  | Part of FAMIS (enhancing)  |
| Washington     | Operating a system with Food Stamps and Medicaid eligibility (replacing with FAMIS) | Operating a system with Food Stamps and AFDC (replacing with FAMIS) | Private vendor  | Operating a system with Medicaid eligibility and AFDC (replacing with FAMIS) |
| West Virginia  | Separate system (replacing with FAMIS)  | Separate system (replacing with FAMIS)                              | Private vendor (enhancements planned)   | Separate system (replacing with FAMIS)                                       |
| Wisconsin      | Part of FAMIS (replacing with new FAMIS)  | Part of FAMIS (replacing with new FAMIS)                            | Private vendor  | Part of FAMIS (replacing with new FAMIS)                                     |
| Wyoming        | Part of FAMIS   | Part of FAMIS   | Private vendor (planning to replace)  | Part of FAMIS  |

**Appendix IV  
Status of Automated Welfare Systems by  
State - June 1993**

| <b>JOBS</b>  | <b>Child Support Enforcement</b>  | <b>Child Care</b>   | <b>Child Welfare/<br/>Foster Care</b>                                      |
|--|---|---|--|
| Separate system (enhancements planned)                     | No statewide automated system (developing separate system)                          | Separate system (enhancements planned)  | Two separate systems (planning to replace with single system)              |
| Part of FAMIS (enhancements planned)                       | Separate system (replacing)   | Operating a system with child welfare (enhancing)   | Operating a system with child care (enhancing)                             |
| Part of FAMIS  | Part of FAMIS (enhancements planned)  | Operating a system with child welfare   | Operating a system with child care   |
| No statewide automated system                              | No statewide automated system (planning to develop system and integrate with FAMIS) | No statewide automated system   | No statewide automated system  |
| Part of FAMIS (enhancing)                                  | No statewide automated system (developing separate system)                          | No statewide automated system   | Part of FAMIS (enhancing)  |
| Separate system (replacing with FAMIS)                     | Separate system (enhancements planned)  | Operating system with child welfare (enhancements planned)                                | Operating system with child care (enhancements planned)                    |
| No statewide automated system (developing separate system) | Separate system (replacing)   | Operating system with child welfare (planning to replace with similar system)             | Operating system with child care (planning to replace with similar system) |
| Separate system (replacing with new FAMIS)                 | Separate system (replacing)   | No statewide automated system (planning to develop system component as part of new FAMIS) | Separate system (enhancements planned)                                     |
| Operating system with child care                           | Separate system (planning to replace)   | Operating system with JOBS  | Separate system  |

# Federal Automated Welfare System Expenditures: Fiscal Years 1984-1992

Dollars in millions (current dollars)

| State                | AFDC-related* |         | Child Support Enforcement |         |
|----------------------|---------------|---------|---------------------------|---------|
|                      | Enhanced      | Regular | Enhanced                  | Regular |
| Alabama              | \$2.04        | \$0.99  | \$12.87                   | \$5.26  |
| Alaska               | 4.30          | 1.88    | 0.04                      | 6.50    |
| Arizona              | 8.22          | 2.61    | 12.78                     | 6.10    |
| Arkansas             | 1.92          | 0.45    | 3.53                      | 2.60    |
| California           | 0.17          | 9.68    | 11.55                     | 94.65   |
| Colorado             | 12.81         | 3.66    | 10.99                     | 1.67    |
| Connecticut          | 7.87          | 5.05    | 5.80                      | 3.31    |
| Delaware             | 4.19          | 0.85    | 1.13                      | 2.75    |
| District of Columbia | 6.51          | 0.02    | 0.53                      | 2.16    |
| Florida              | 24.54         | 1.25    | 17.62                     | 16.31   |
| Georgia              | 8.33          | 6.90    | 3.99                      | 8.71    |
| Guam                 | 0.00          | 0.00    | 0.08                      | 0.00    |
| Hawaii               | 10.74         | 1.25    | 1.10                      | 0.44    |
| Idaho                | 6.84          | 1.81    | 2.34                      | 4.43    |
| Illinois             | 15.22         | 6.20    | 4.50                      | 22.11   |
| Indiana              | 4.03          | 0.76    | 1.47                      | 2.00    |
| Iowa                 | 1.61          | 0.47    | 6.40                      | 4.84    |
| Kansas               | 7.73          | 1.19    | 0.21                      | 5.03    |
| Kentucky             | 4.62          | 0.69    | 7.71                      | 4.77    |
| Louisiana            | 2.61          | 0.00    | 0.70                      | 0.90    |
| Maine                | 0.00          | 0.00    | 5.14                      | 1.61    |
| Maryland             | 6.50          | 1.42    | 9.61                      | 3.98    |
| Massachusetts        | 4.19          | 1.26    | 2.15                      | 4.54    |
| Michigan             | 2.47          | 5.59    | 27.05                     | 6.56    |
| Minnesota            | 13.30         | 11.31   | 11.26                     | 13.86   |
| Mississippi          | 6.47          | 2.04    | 1.44                      | 1.64    |
| Missouri             | 0.78          | 2.25    | 0.78                      | 8.37    |
| Montana              | 3.71          | 0.75    | 2.60                      | 1.23    |
| Nebraska             | 0.00          | 0.45    | 5.04                      | 7.87    |
| Nevada               | 0.23          | 0.59    | 0.27                      | 2.26    |
| New Hampshire        | 0.00          | 0.00    | 5.17                      | 2.36    |
| New Jersey           | 27.16         | 25.55   | 19.88                     | 35.58   |
| New Mexico           | 5.55          | 2.43    | 3.73                      | 4.31    |
| New York             | 0.00          | 19.16   | 31.91                     | 40.09   |
| North Carolina       | 6.10          | 2.28    | 1.89                      | 7.45    |
| North Dakota         | 5.29          | 0.21    | 0.62                      | 1.00    |



**Appendix V  
Federal Automated Welfare System  
Expenditures: Fiscal Years 1984-1992**

| <b>Medicaid<sup>b</sup></b> |                | <b>Food Stamps</b> |                | <b>All programs<sup>c</sup></b> |                | <b>Total</b>   |
|-----------------------------|----------------|--------------------|----------------|---------------------------------|----------------|----------------|
| <b>Enhanced</b>             | <b>Regular</b> | <b>Enhanced</b>    | <b>Regular</b> | <b>Enhanced</b>                 | <b>Regular</b> |                |
| \$2.28                      | \$59.29        | \$0.55             | \$6.02         | \$17.74                         | \$71.56        | <b>\$89.30</b> |
| 2.57                        | 14.18          | 0.40               | 8.41           | 7.31                            | 30.97          | <b>38.28</b>   |
| 28.99                       | 21.06          | 12.24              | 10.45          | 62.23                           | 40.22          | <b>102.45</b>  |
| 2.42                        | 32.42          | 0.44               | 4.64           | 8.31                            | 40.11          | <b>48.42</b>   |
| 5.96                        | 483.69         | 7.87               | 34.62          | 25.55                           | 622.64         | <b>648.19</b>  |
| 3.59                        | 42.82          | 1.13               | 5.15           | 28.52                           | 53.30          | <b>81.82</b>   |
| 6.10                        | 69.89          | 3.37               | 5.92           | 23.14                           | 84.17          | <b>107.31</b>  |
| 2.10                        | 7.92           | 0.42               | 1.24           | 7.84                            | 12.76          | <b>20.60</b>   |
| 3.22                        | 19.81          | 0.77               | 4.27           | 11.03                           | 26.26          | <b>37.29</b>   |
| 13.70                       | 82.18          | 15.73              | 13.54          | 71.59                           | 113.28         | <b>184.87</b>  |
| 7.57                        | 105.93         | 1.58               | 28.82          | 21.47                           | 150.36         | <b>171.83</b>  |
| 0.00                        | 0.00           | 0.00               | 0.15           | 0.08                            | 0.15           | <b>0.23</b>    |
| 2.73                        | 14.96          | 0.84               | 3.82           | 15.41                           | 20.47          | <b>35.88</b>   |
| 2.27                        | 18.01          | 2.41               | 4.62           | 13.86                           | 28.87          | <b>42.73</b>   |
| 1.42                        | 140.91         | 0.43               | 0.69           | 21.57                           | 169.91         | <b>191.48</b>  |
| 0.43                        | 32.11          | 2.91               | 4.52           | 8.84                            | 39.39          | <b>48.23</b>   |
| 2.62                        | 34.90          | 1.02               | 1.89           | 11.65                           | 42.10          | <b>53.75</b>   |
| 8.55                        | 31.70          | 4.47               | 2.58           | 20.96                           | 40.50          | <b>61.46</b>   |
| 4.37                        | 49.27          | 0.00               | 14.93          | 16.70                           | 69.66          | <b>86.36</b>   |
| 1.47                        | 50.93          | 0.73               | 2.56           | 5.51                            | 54.39          | <b>59.90</b>   |
| 0.00                        | 31.11          | 0.00               | 1.66           | 5.14                            | 34.38          | <b>39.52</b>   |
| 3.10                        | 47.26          | 5.72               | 4.84           | 24.93                           | 57.50          | <b>82.43</b>   |
| 6.89                        | 81.65          | 0.13               | 2.47           | 13.36                           | 89.92          | <b>103.28</b>  |
| 4.53                        | 172.49         | 2.34               | 11.21          | 36.39                           | 195.85         | <b>232.24</b>  |
| 10.78                       | 49.04          | 6.67               | 3.26           | 42.01                           | 77.47          | <b>119.48</b>  |
| 3.82                        | 33.15          | 3.35               | 5.84           | 15.08                           | 42.67          | <b>57.75</b>   |
| 1.96                        | 32.45          | 1.10               | 7.19           | 4.62                            | 50.26          | <b>54.88</b>   |
| 8.78                        | 9.44           | 2.67               | 1.02           | 17.76                           | 12.44          | <b>30.20</b>   |
| 3.35                        | 26.20          | 1.97               | 4.32           | 10.36                           | 38.84          | <b>49.20</b>   |
| 0.00                        | 2.41           | 0.18               | 1.10           | 0.68                            | 6.36           | <b>7.04</b>    |
| 2.77                        | 20.56          | 0.00               | 1.96           | 7.94                            | 24.88          | <b>32.82</b>   |
| 10.55                       | 120.13         | 1.00               | 41.97          | 58.59                           | 223.23         | <b>281.82</b>  |
| 2.20                        | 21.92          | 2.87               | 9.18           | 14.35                           | 37.84          | <b>52.19</b>   |
| 30.25                       | 489.40         | 5.24               | 68.91          | 67.40                           | 617.56         | <b>684.96</b>  |
| 2.62                        | 44.76          | 0.83               | 10.86          | 11.44                           | 65.35          | <b>76.79</b>   |
| 2.33                        | 7.98           | 1.06               | 3.30           | 9.30                            | 12.49          | <b>21.79</b>   |

(continued)

**Appendix V  
Federal Automated Welfare System  
Expenditures: Fiscal Years 1984-1992**

Dollars in millions (current dollars)

| State          | AFDC-related*   |                 | Child Support Enforcement |                 |
|----------------|-----------------|-----------------|---------------------------|-----------------|
|                | Enhanced        | Regular         | Enhanced                  | Regular         |
| Ohio           | 22.88           | 7.51            | 2.69                      | 4.49            |
| Oklahoma       | 4.42            | 6.66            | 5.68                      | 10.03           |
| Oregon         | 3.70            | 1.52            | 0.46                      | 3.84            |
| Pennsylvania   | 27.54           | 17.02           | 2.33                      | 33.78           |
| Puerto Rico    | 0.00            | 8.83            | 1.47                      | 0.00            |
| Rhode Island   | 6.27            | 0.42            | 7.19                      | 2.27            |
| South Carolina | 17.76           | 3.13            | 3.27                      | 15.90           |
| South Dakota   | 2.21            | 0.53            | 0.99                      | 0.83            |
| Tennessee      | 8.39            | 1.53            | 0.23                      | 6.94            |
| Texas          | 13.24           | 8.35            | 3.81                      | 40.60           |
| Utah           | 9.01            | 0.84            | 1.99                      | 8.54            |
| Vermont        | 2.53            | 0.56            | 0.70                      | 0.79            |
| Virgin Islands | 0.00            | 0.06            | 0.00                      | 0.01            |
| Virginia       | 0.80            | 0.36            | 10.67                     | 31.34           |
| Washington     | 2.24            | 4.41            | 0.31                      | 31.40           |
| West Virginia  | 0.28            | 0.00            | 0.40                      | 0.97            |
| Wisconsin      | 12.54           | 3.09            | 15.19                     | 9.68            |
| Wyoming        | 6.30            | 0.57            | 0.24                      | 0.13            |
| <b>Totals</b>  | <b>\$356.16</b> | <b>\$186.39</b> | <b>\$291.50</b>           | <b>\$538.79</b> |

**Appendix V  
Federal Automated Welfare System  
Expenditures: Fiscal Years 1984-1992**

| <b>Medicaid<sup>b</sup></b> |                   | <b>Food Stamps</b> |                 | <b>All programs<sup>c</sup></b> |                   | <b>Total</b>      |
|-----------------------------|-------------------|--------------------|-----------------|---------------------------------|-------------------|-------------------|
| <b>Enhanced</b>             | <b>Regular</b>    | <b>Enhanced</b>    | <b>Regular</b>  | <b>Enhanced</b>                 | <b>Regular</b>    |                   |
| 6.81                        | 90.54             | 10.78              | 5.66            | 43.16                           | 108.20            | <b>151.36</b>     |
| 1.84                        | 50.76             | 1.12               | 11.52           | 13.06                           | 78.97             | <b>92.03</b>      |
| 3.51                        | 57.93             | 1.85               | 6.14            | 9.52                            | 69.43             | <b>78.95</b>      |
| 3.80                        | 197.14            | 9.37               | 28.20           | 43.04                           | 276.14            | <b>319.18</b>     |
| 0.00                        | 0.00              | 0.00               | 0.00            | 1.47                            | 8.83              | <b>10.30</b>      |
| 0.03                        | 2.67              | 2.48               | 2.05            | 15.97                           | 7.41              | <b>23.38</b>      |
| 1.35                        | 35.95             | 3.27               | 6.61            | 25.65                           | 61.59             | <b>87.24</b>      |
| 0.00                        | 5.15              | 1.22               | 2.05            | 4.42                            | 8.56              | <b>12.98</b>      |
| 9.05                        | 66.29             | 11.64              | 18.05           | 29.31                           | 92.81             | <b>122.12</b>     |
| 0.10                        | 234.60            | 7.55               | 46.49           | 24.70                           | 330.04            | <b>354.74</b>     |
| 4.04                        | 37.95             | 2.41               | 1.32            | 17.45                           | 48.65             | <b>66.10</b>      |
| 1.32                        | 17.91             | 0.29               | 1.70            | 4.84                            | 20.96             | <b>25.80</b>      |
| 0.00                        | 0.00              | 0.17               | 0.45            | 0.17                            | 0.52              | <b>0.69</b>       |
| 1.37                        | 51.70             | 3.19               | 7.81            | 16.03                           | 91.21             | <b>107.24</b>     |
| 2.51                        | 63.16             | 3.85               | 5.07            | 8.91                            | 104.04            | <b>112.95</b>     |
| 0.12                        | 20.26             | 0.05               | 0.76            | 0.85                            | 21.99             | <b>22.84</b>      |
| 0.69                        | 86.75             | 1.39               | 7.96            | 29.81                           | 107.48            | <b>137.29</b>     |
| 1.68                        | 2.83              | 1.73               | 3.65            | 9.95                            | 7.18              | <b>17.13</b>      |
| <b>\$234.51</b>             | <b>\$3,523.52</b> | <b>\$154.80</b>    | <b>\$493.42</b> | <b>\$1,036.97</b>               | <b>\$4,742.12</b> | <b>\$5,779.09</b> |

Note: Summary totals for fiscal years 1984-1992 federal automated welfare system expenditures in the letter are converted to 1993 constant dollars.

<sup>a</sup> JOBS and child care automated welfare systems costs are included in the AFDC-related column.

<sup>b</sup> Includes federal expenditures for both MMIS and Medicaid eligibility system development and operation.

<sup>c</sup> Child welfare/foster care costs were not separately identified by ACF.

# State-By-State Plans for Automated Welfare Systems Development (1993-1999)

| State                | Development Plans  |
|----------------------|--|
| Alabama              | Plans to replace separate systems, which serve AFDC, food stamps, Medicaid eligibility, and child welfare/foster care, with a single integrated client database system that will be the central repository for all welfare client information. Estimated development costs for this system and subsequent systems to service the individual welfare programs are about \$21.7 million. Alabama also plans to enhance its current JOBS and CSE systems to meet new federal reporting requirements. These enhancements could cost as much as \$750,000.  |
| Alaska               | Studying the feasibility of replacing its current FAMIS, which is about 8 years old, with a system that would also service multiple welfare programs. State representatives estimate that a new system could cost between \$28 and \$32 million. Additionally, Alaska received HHS approval to upgrade its current CSE system to comply with requirements imposed by the Family Support Act of 1988. State representatives estimate that planned enhancements will cost about \$500,000.   |
| Arizona              | Has a FAMIS that serves AFDC and food stamp clients. Although operational for a number of years, Arizona expects to spend about \$5.4 million for additional system enhancements. The state also plans enhancements and upgrades to improve its current CSE system to comply with federal requirements. These enhancements are estimated to cost about \$22.8 million. By 1995 Arizona plans to develop a new system, expected to cost about \$8.2 million, to support medical assistance eligibility determinations. The state also intends to begin developing a system to support child welfare/foster care services at an estimated cost of about \$8 million over the next several years. Finally, major upgrades to separate JOBS and child care systems are expected to cost Arizona about \$3.3 million. |
| Arkansas             | Expects to replace its two primary eligibility systems—a FAMIS serving AFDC/Medicaid clients and a separate system serving food stamps—with a FAMIS costing about \$6 million. Also, to comply with federal requirements, Arkansas plans to enhance its CSE system at an estimated cost of \$18.7 million, and is developing a JOBS system at an estimated remaining cost of about \$2.5 million. The state is also developing a child care system at an estimated remaining cost of about \$750,000. Finally, Arkansas plans to upgrade its automated foster care system and its vendor-operated MMIS at a combined estimated cost of about \$1.7 million.  |
| California           | Intends to replace 58 county-based eligibility systems with a FAMIS. This project, which will support AFDC, Medicaid eligibility, food stamps, and foster care, is estimated to cost at least \$322 million. No estimate was provided for future FAMIS development costs related to Los Angeles County. Also under development is a CSE system, with projected costs of \$57.2 million. Finally, the state plans to develop a child welfare system at an estimated cost of about \$14.7 million.   |
| Colorado             | Hopes to replace its FAMIS with a new system that would support AFDC, Medicaid eligibility, and food stamps. The new system's projected cost is \$22 million. Minor enhancements to the state's current FAMIS are scheduled to cost about \$100,000. Enhancements to meet recent federal CSE system requirements are expected to cost \$3 million. A child care system is being developed at a projected cost of \$300,000.  |
| Connecticut          | Plans to implement an on-line interface between its FAMIS and MMIS. An initial planning cost of about \$1 million is anticipated, but no estimates were provided for development costs. Various enhancements to the state's CSE system are expected to cost \$2.2 million. In addition, a replacement child welfare/foster care system is planned, with estimated costs of \$28 million.   |
| Delaware             | Completing a requirements analysis to determine if FAMIS enhancements are needed. In addition, enhancements are being made to the state's CSE system to meet federal guidelines. This project is estimated to cost \$1.7 million.  |
| District of Columbia | Completing development of a FAMIS at an estimated remaining cost of \$9 million. This system will replace the current system for AFDC, Medicaid eligibility, and food stamps. Also under development is a CSE system. Estimated costs to complete development are \$5.2 million. The District plans to enhance its child welfare/foster care system at a projected cost of \$1.3 million, and implement a child care system that should cost less than \$250,000.  |

(continued)

**Appendix VI  
State-By-State Plans for Automated Welfare  
Systems Development (1993-1999)**

| <b>State</b> | <b>Development Plans</b>  |
|--------------|---|
| Florida      | FAMIS is operational, but development activities will continue through fiscal year 1994, at an estimated remaining cost of \$13.5 million, and the system's mainframe will be upgraded within the next 2-3 years at a projected cost of \$5.6 million. In addition, Florida is in the initial stage of a feasibility study to assess potential alternative architectures to support future FAMIS growth. Although no estimates were provided, additional FAMIS development costs could be significant in the 1995/1996 period. A prototype of a new child welfare system is also scheduled to be built over the next 2 years at an estimated cost of \$480,000; however, no long-term development cost estimates are available beyond the prototype. Upgrades to the state's existing child welfare systems are expected to cost approximately \$35,000 in the next year. |
| Georgia      | Has initiated plans to replace its current FAMIS with a system transfer from another state. This project has estimated costs of \$12 million. A replacement CSE system is also expected to cost \$12 million.   |
| Guam         | Planning a FAMIS, with a 1995 operational date, that will support the AFDC, JOBS, Medicaid eligibility, and food stamps programs. Estimated costs for this project are \$2.6 million. A replacement system is also being developed for child support enforcement, with estimated costs of \$1.8 million.  |
| Hawaii       | In the process of developing four different automated welfare systems. First, a JOBS system is under development with an estimated cost of \$1.5 million to complete. Hawaii plans to have this system interface with both a child care system with projected development costs of \$300,000, and a combined food stamps/JOBS demonstration project system expected to cost \$200,000 to develop. A CSE system being developed should cost approximately \$17 million. The child welfare/foster care system is being enhanced at an estimated cost of \$1.5 million. Finally, various enhancements to the state's FAMIS are planned but no costs were available.  |
| Idaho        | Planning to improve its FAMIS on-line capabilities at an estimated cost of \$4.1 million. In addition, the CSE system will be enhanced, to meet federal guidelines, at an expected cost of \$4 million. Enhancements to the state's personal computer based child welfare/foster care system should cost approximately \$1.8 million.   |
| Illinois     | Plans significant enhancements to its FAMIS, MMIS, and JOBS systems, with estimated costs of \$1 million, \$5.9 million, and \$800,000, respectively. In addition, the state is developing a new CSE system estimated to cost \$18.2 million. A 10-year-old child welfare/foster care system is also being upgraded at an estimated cost of \$2.4 million.  |
| Indiana      | Developing a FAMIS to support AFDC, Medicaid eligibility, and food stamps. This new system should be completed by September 1993, with estimated remaining costs of \$14.9 million. Additionally, replacements for both Indiana's MMIS and its CSE system are being developed, with costs estimated at \$9.4 million and \$23 million, respectively. Finally, a major upgrade, projected to cost \$800,000, is planned for the state's child welfare/foster care system.  |
| Iowa         | Upgrading its FAMIS at an estimated cost of \$3.4 million. In addition, the CSE system will receive approximately \$7.2 million in upgrades to satisfy federal requirements. Finally, a new child welfare system is being developed with projected costs of \$1.9 million. This system will eliminate the need for Iowa's FAMIS to support child welfare, as is now the case.   |
| Kansas       | Implementing three major enhancements to its FAMIS—a CSE component to comply with the 1988 requirements, a JOBS/child care component, and a child welfare component. Estimated costs for these projects are \$4.4 million for CSE, \$3.3 million for JOBS/child care, and \$22 million for child welfare. The FAMIS system, as it operates currently, supports AFDC, food stamps, Medicaid eligibility, and child support enforcement.  |

(continued)

**Appendix VI  
State-By-State Plans for Automated Welfare  
Systems Development (1993-1999)**

| <b>State</b>  | <b>Development Plans</b>   |
|---------------|--|
| Kentucky      | In the process of replacing its existing AFDC/Medicaid eligibility and food stamp systems with a FAMIS. Estimated costs for this project are \$17.7 million. The state also hopes to integrate its existing JOBS system with FAMIS in the near future. However, no estimated integration costs were available. Also in the implementation phase is a CSE system. This system is projected to cost \$7.6 million to complete. A statewide, on-line system is being developed for the state's family-focused social services programs, including child welfare/foster care. Projected costs of about \$12 million remain to complete development by 1995. Finally, a personal computer based child care system is being implemented with costs estimated at about \$250,000. |
| Louisiana     | Planning a FAMIS to replace its existing AFDC, food stamps, and Medicaid eligibility systems. This FAMIS is estimated to cost \$10.2 million. In addition, a new CSE system is being transferred in from another state. It will replace the existing system at an estimated cost of \$9.1 million.   |
| Maine         | Developing a FAMIS to replace its existing system, which is over 20 years old. The new system will support AFDC, food stamps, Medicaid eligibility, JOBS, and some child care functions, and will cost an estimated \$22 million. Additionally, the state's CSE system is being enhanced to meet federal requirements, at a projected cost of \$500,000.   |
| Maryland      | FAMIS, now in development, will support AFDC, food stamps, Medicaid eligibility, and JOBS. This project is estimated to cost \$39.5 million to complete, and will replace an automated income maintenance and eligibility verification system. Replacement systems are also planned for the state's MMIS, CSE system, and child welfare/foster care systems, with estimated remaining development costs of \$13 million, \$10.8 million, and \$11.9 million, respectively. Also, a child care system, with projected remaining development costs of \$770,000, is scheduled for October 1993 implementation.   |
| Massachusetts | Replacing its existing AFDC, food stamps, Medicaid eligibility, JOBS, and child care systems with a FAMIS. Expected costs for this project are \$35 million. A replacement system is also being developed for the CSE program, with projected remaining development costs of \$25 million.   |
| Michigan      | Estimates it will spend about \$84 million to complete development of a FAMIS to support AFDC, food stamps, Medicaid eligibility, JOBS, and child care. Michigan is also developing a CSE system, at a remaining projected cost of \$38 million. In addition, the state plans to develop a new child welfare system at an estimated cost of \$21 million. It also plans to enhance its MMIS although no cost estimates were provided.  |
| Minnesota     | Replacing its batch processing MMIS with a system that has improved on-line capabilities. This new system has a remaining estimated development cost of \$14.5 million. Contract negotiations have stalled development of a new JOBS/child care system. In addition, enhancements to meet federal requirements are underway for the state's CSE system, with projected costs of \$8.3 million. The state also intends to develop a statewide child welfare/foster care database management and processing system at an estimated cost of \$3 million.  |
| Mississippi   | Planning to upgrade its FAMIS at an approximate cost of \$10 million. Two systems are currently in development. A combined JOBS/child care system, scheduled to be operational in July 1994, should cost an additional \$13.5 million. A new CSE system is estimated to cost about \$17.8 million.   |
| Missouri      | Developing new FAMIS that will support AFDC, food stamps, Medicaid eligibility, JOBS, and child care. Estimated remaining development costs are \$54.2 million. A major upgrade to the state's MMIS, scheduled to start in 1994, is expected to cost \$4.7 million. In addition, a replacement CSE system is being developed, with projected remaining development costs of \$37.3 million.  |
| Montana       | Planning two new automated systems. The CSE system should be operational within the next year and is estimated to cost \$3.5 million more to complete. A child welfare/foster care case management system is also planned. Cost estimates to develop this system range from \$3 to \$5 million. In addition, various enhancements to the state's MMIS and JOBS systems are expected to cost \$1.2 million.   |
| Nebraska      | Replacing existing eligibility systems for AFDC, food stamps, and Medicaid with a FAMIS that will support six welfare programs. This project is estimated to cost \$43.7 million. The state also plans to replace its 15-year-old MMIS over the next 3 to 5 years although no cost estimates are available. Also, a CSE system is under development, with costs projected at \$9.1 million through 1995.   |

(continued)

**Appendix VI  
State-By-State Plans for Automated Welfare  
Systems Development (1993-1999)**

| <b>State</b>   | <b>Development Plans</b>   |
|----------------|--|
| Nevada         | Developing a FAMIS that will replace existing separate systems for AFDC, food stamps, Medicaid eligibility, JOBS, CSE, and child care, at an estimated cost of \$22 million. Further, as one of the few states that does not operate an MMIS, Nevada plans to enter into a contract with a private vendor for MMIS services in the near future. Potential development costs, if any, were not provided. In addition, a replacement for the current child welfare/foster care system may cost \$1.2 million over the next 3 years.  |
| New Hampshire  | Will replace a system that supports AFDC, food stamps, Medicaid eligibility, and child welfare/foster care with a FAMIS. The replacement system will also support JOBS and child care. The estimated cost for this project is \$15 million. A replacement MMIS is also in development, with projected costs of \$5.2 million. Enhancements to comply with federal CSE system requirements are expected to cost \$600,000.  |
| New Jersey     | Presently performing a requirements analysis to determine future FAMIS needs. Enhancements to both the state's MMIS and JOBS program will total about \$2.1 million, and the CSE system will be upgraded to meet federal requirements, at an estimated cost of \$1.8 million. The state also plans to enhance its four separate child welfare/foster care systems at an estimated cost of \$7 million, and a personal computer based child care system is being developed for approximately \$750,000.   |
| New Mexico     | Intends to integrate its JOBS system with its FAMIS at an estimated cost of \$500,000 over the next 2 years. In addition, a replacement CSE system is projected to cost \$11.1 million. A user requirement survey is currently underway to determine if upgrades are needed to improve the state's child welfare system.   |
| New York       | One of two states with no FAMIS activity. The state has a core welfare management system that operates out of major computer centers in Albany and New York City. These computer centers support most of the state's welfare programs and are scheduled for about \$9 million in upgrades through 1999. Planned enhancements to its MMIS are estimated to cost \$3 million. Major upgrades to the CSE system are also planned at an estimated cost of about \$1.3 million.   |
| North Carolina | Intends to develop a replacement system to integrate its FAMIS, which serves AFDC and Medicaid eligibility, with its food stamp system. This project is estimated to cost at least \$22 million by 1999. In addition, either a replacement for or enhancements to the current JOBS program could cost between \$10 and \$15 million by 1997. A replacement system is being developed for the CSE system. Remaining development costs for this system are estimated at \$55.8 million. Also, MMIS enhancements are planned, and a new payment system for child care services is being developed. These should cost between \$1.4 and \$1.9 million. |
| North Dakota   | Developing a CSE system that will cost an estimated \$1 million to complete. A new child welfare/foster care system is also in development, with costs projected at \$1.8 million to complete development and upgrade hardware. Various enhancements to the state's FAMIS and MMIS are expected to cost about \$1.4 million. Finally, a child care system is planned for development by late 1994. However, no development cost estimates were available.  |
| Ohio           | Plans major enhancements to its MMIS over the next 5 years, at an estimated cost of \$5.7 million. Development of a CSE system is projected to cost \$54.6 million over the next 3 years. Enhancements to the child welfare/foster care system should cost \$1.7 million through 1995. Further, the state is completing a feasibility study to assist in the planning of a child care system. No cost estimates were available for this project.   |
| Oklahoma       | Intends to replace the mainframe on which its FAMIS operates, at an estimated cost of \$2.2 million. The state also plans to replace its MMIS with a system that can support a managed health care program. Estimated costs for this project are \$4.2 million. Finally, enhancements to the CSE system should cost approximately \$10.4 million. A major child welfare system upgrade is planned but no federal funding requests are contemplated.  |
| Oregon         | One of the two states with no FAMIS activity, intends to improve the data entry capability of its primary eligibility system at a projected cost of \$12.3 million. Also planned are enhancements to the current MMIS, with estimated costs of \$2.7 million. However, this MMIS will be replaced within 5 years, at an estimated cost of \$8.5 million. Finally, a replacement CSE system is expected to cost \$16.6 million by completion in 1995.   |

(continued)

**Appendix VI  
State-By-State Plans for Automated Welfare  
Systems Development (1983-1999)**

| <b>State</b>   | <b>Development Plans</b>  |
|----------------|---|
| Pennsylvania   | Enhancing its FAMIS to improve the system's communication and information sharing capabilities. This project is estimated to cost \$10 million over 5 years. A major \$10 million enhancement is in process for the state's MMIS. A CSE system is currently being developed, with projected remaining development costs of \$49.5 million. A statewide reporting system for child welfare services is also planned at an estimated cost of \$4 million.   |
| Puerto Rico    | Developing a FAMIS that will support AFDC and food stamps and provide an information exchange with Medicaid. Total costs for this project are estimated at \$5.5 million. Both a JOBS system and a CSE system are being planned for development; however, no cost estimates were available.   |
| Rhode Island   | Completing development on some components of its FAMIS. The JOBS and child care component integration will cost \$1.5 million. Enhancements to the CSE component of FAMIS should cost about \$2.2 million. An enhancement to the Medicaid eligibility component is projected to cost \$2 million. Rhode Island, which does not operate an MMIS at present, plans to spend approximately \$8.5 million to develop an MMIS component of FAMIS by the end of 1993.   |
| South Carolina | Plans to replace its existing CSE system by 1999, with initial cost estimates ranging from \$33 million to \$40 million.  |
| South Dakota   | Intends to enhance its CSE system, which is a component of its FAMIS, to meet requirements of the Family Support Act of 1988. Estimated costs for this system are \$1.3 million.  |
| Tennessee      | Developing both a CSE system and a child care system. The new CSE system is projected to cost \$29 million to complete development by 1995. Estimated costs to complete child care system development are \$1.4 million. Enhancements to the state's FAMIS are expected to cost \$700,000.  |
| Texas          | Has budgeted \$91.4 million for automated system replacements and upgrades for its AFDC, food stamps, Medicaid, JOBS, and child care programs. This does not include plans for a single system to replace two existing child welfare/foster care systems over the next several years. No cost estimates were available for this new system. In addition, a new CSE system should be operational by 1994 at an estimated cost of \$15.6 million.   |
| Utah           | Has planned a major enhancement to its FAMIS beginning in 1997. Projected costs are \$15 million. Further, three major enhancements planned for its MMIS are expected to cost \$980,000. Also, a replacement CSE system is being developed, with an estimated cost of \$9.6 million by 1994. Finally, enhancements to the state's combined child care and child welfare/foster care system should cost about \$300,000.   |
| Vermont        | Intends to spend approximately \$4 million, in 1993 and 1994, on enhancements to its MMIS. In addition, enhancements to meet federal CSE system requirements are projected to cost \$330,000. The state may also upgrade its FAMIS hardware in the future although no cost estimates were provided.   |
| Virgin Islands | Plan to implement a FAMIS to support AFDC and food stamps. This system will cost \$2.5 million. A new CSE system is also planned at a cost of \$3 million. This system will probably integrate with the FAMIS in the future although no additional development costs were provided.   |
| Virginia       | Plans several enhancements to its FAMIS, including the improvement of its on-line capabilities. These enhancements are expected to cost \$19 million by 1995. The state also plans to develop a replacement MMIS, through a new vendor, at a projected cost of \$9 million by 1996. Finally, a new CSE system should be operational by the end of 1993, with estimated remaining development costs of \$11.3 million.   |
| Washington     | Planning a FAMIS, estimated to cost \$41.9 million, to support AFDC, food stamps, Medicaid eligibility, and JOBS. This system will replace two existing automated systems for these programs. Additionally, the state plans to spend about \$4.2 million on enhancements to its CSE system. These improvements will provide new workstations as well as satisfy the most recent federal requirements for CSE systems. Also, the state is planning to complete enhancements for a combined child care and child welfare/foster care system, with projected costs of \$840,000. |

(continued)



**Appendix VI**  
**State-By-State Plans for Automated Welfare**  
**Systems Development (1993-1999)**

| <b>State</b>  | <b>Development Plans</b>   |
|---------------|--|
| West Virginia | Replacing its current AFDC, food stamps, and Medicaid eligibility systems with a FAMIS at a projected cost of \$28.2 million through 1996. Enhancement costs to transition the state's MMIS to a new contractor should cost about \$1.3 million. Additionally, a JOBS system is under development, with costs estimated to be \$2.4 million through 1996. Finally, replacement systems are being developed for both child support enforcement, at an estimated cost of \$11.3 million, and a combined child care and child welfare/foster care system, with cost projections ranging from \$8 million to \$12 million. |
| Wisconsin     | One of the first states to develop a FAMIS, is now in the process of replacing its 13-year-old system. The new system is expected to support AFDC, food stamps, Medicaid eligibility, JOBS, and child care with estimated development costs of about \$42.2 million. A replacement system is also being developed for the current CSE system. Estimated costs for this project are \$33.5 million through 1995. Finally, the state intends to spend about \$100,000 to upgrade its foster care/adoption assistance system.   |
| Wyoming       | Planning to implement a replacement MMIS at an estimated cost of \$2.5 million by 1994. In addition, a replacement CSE system is in the design stage. This project is estimated to cost \$11.3 million when completed in 1995.   |

# Past GAO Products Related to Automated Welfare Information Systems

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Medicaid: Data Improvements Needed to Help Manage Health Care Program (GAO/IMTEC-93-18, May 13, 1993).

Welfare to Work: JOBS Participation Rate Data Unreliable for Assessing States' Performance (GAO/HRD-93-73, May 5, 1993).

Health and Human Services Issues (GAO/OCG-93-20TR, December 1992).

Child Support Enforcement: Timely Action Needed to Correct System Development Problems (GAO/IMTEC-92-46, Aug. 13, 1992).

Welfare Programs: Ineffective Federal Oversight Permits Costly Automated Systems Problems (GAO/IMTEC-92-29, May 27, 1992).

Interstate Child Support Enforcement: Computer Network Not Ready to Be Awarded (GAO/IMTEC-92-8, Oct. 23, 1991).

Welfare to Work: States Begin JOBS, But Fiscal and Other Problems May Impede Their Progress (GAO/HRD-91-106, Sep. 27, 1991).

Child Support: State Progress in Developing Automated Enforcement Systems (GAO/HRD-89-10FS, Feb. 10, 1989).

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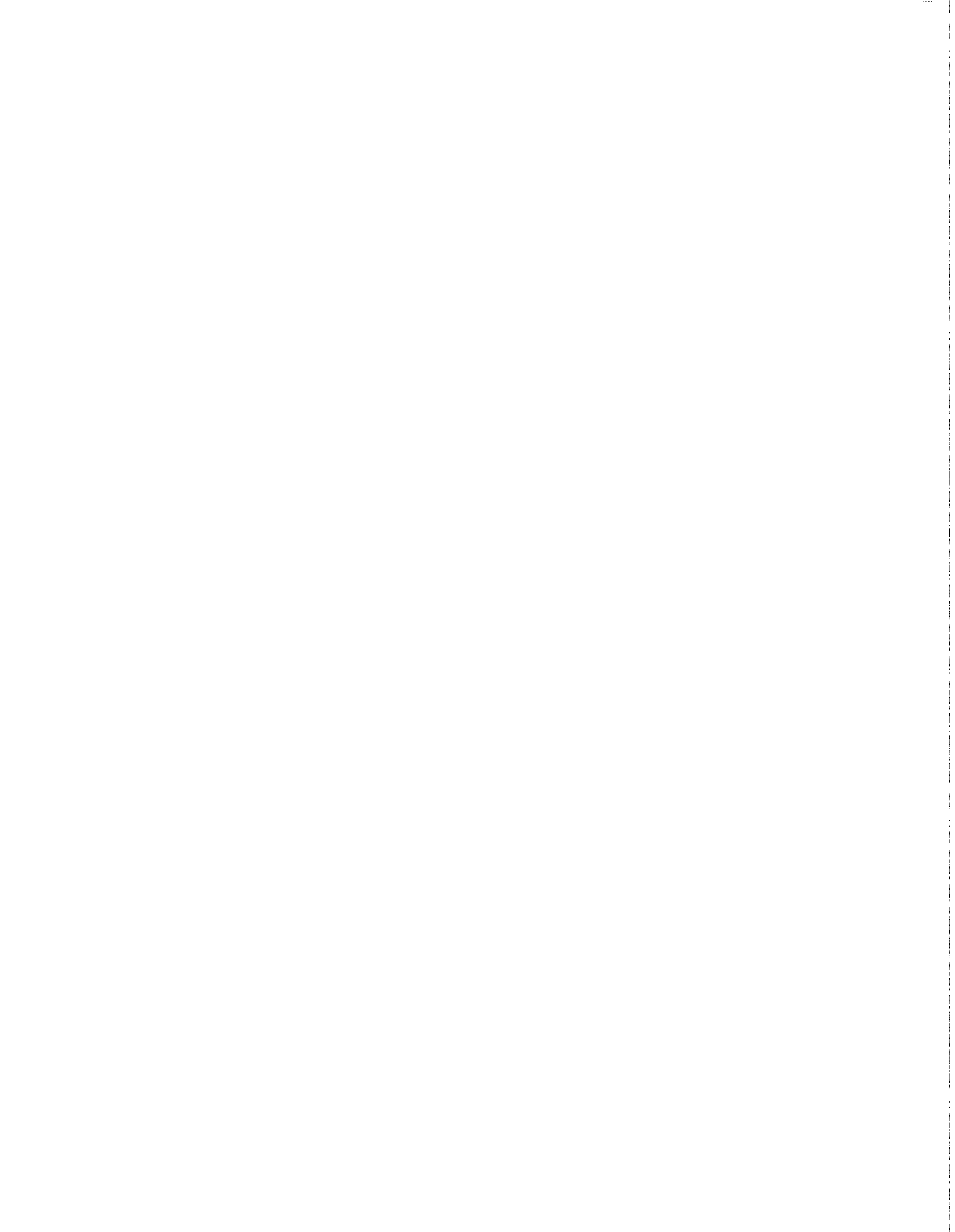
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General Accounting Office  
Washington, D.C. 20548-0001**

**Bulk Mail  
Postage & Fees Paid  
GAO  
Permit No. G100**

**Official Business  
Penalty for Private Use \$300**

**Address Correction Requested**

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