Project Startup Report

Project Name: Women Infants and Children (WIC) Electronic Benefits Transfer (EBT) – Phase 1 Feasibility Study

Agency: Department of Health (DoH)

Business Unit/Program Area: WIC

Project Sponsor: Kristi Miller

Project Manager: Brandi Fagerland

Project Description
The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is administered by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). WIC provides nutrition screening and education, referrals to preventive health care programs, and access to selected foods to supplement the diets of low income, pregnant, breastfeeding and postpartum women, infants and children up to age five who are at nutritional risk. To fund the WIC program, FNS provides federal grants to states to provide these services. At the state level, the WIC Program is administered by the State WIC office, located within the Department of Health. The State WIC program contracts with local public health departments, hospitals, clinics and some non-profit agencies to operate local clinics that provide families with nutrition screening and education and issue WIC benefits, currently via paper checks that the families then bring to their local grocery store for their foods. Electronic Benefits Transfer (EBT) development has been a key long-term goal of FNS and of the WIC Program. Under EBT, an electronic system replaces paper checks or vouchers with a card that can be used at the Electronic Cash Register (ECR)/Point of Sale (POS). Currently, FNS supports both the offline and online WIC EBT technologies. Online EBT transaction processing uses a payment card that has a magnetic stripe to perform a series of real-time transactions. Offline EBT processing uses a payment card that has a computer chip imbedded in the card; commonly referred to as a Smart Card. The goal of this project is to determine the viability of EBT for the North Dakota WIC Program by conducting a feasibility study. The two outcomes of the feasibility study will be whether or not EBT is a viable solution for WIC and, if so, which technology is the best solution. Should the study show that EBT is a viable solution for WIC, this project will also include an Implementation Application Planning Document (IAPD), grant funds application, and a Request for Proposal (RFP) for implementation. With a relatively new WIC Management Information System (WICnet), the state of North Dakota is in a good position to move to EBT. Although it is a new system, it will need to be modified for EBT.

Business Needs and Problems
1. USDA/FNS has mandated the implementation of EBT as the delivery method of food benefits for WIC by October 1, 2020. USDA/FNS requires that each state must first conduct an EBT feasibility study before implementation. 2. Currently, WIC families must bring multiple checks to the stores for their food. The abundance of checks contributes to lost checks and the inability to use them before they expire; resulting in lost benefits. 3. As vendors process a WIC transaction, they must determine whether each food is allowable by referencing the WIC food list. This process causes potential inaccuracies, inefficiencies, and conflicts between the cashier and the family. 4. The volume of WIC checks a family must present at the store causes unwanted attention for the family, and therefore identifying them as a family in need. A more discreet payment method would be desirable by WIC families. 5. The amount of detailed redemption data available for analysis is minimal. With access to additional data, WIC would have more information to assist in the planning for WIC allowable foods.

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Key Metrics		
Project Start Date	Project End Date	Original Baseline Budget
11/29/2012	11/29/2013	$259,697.00

Objectives	
Project Objectives	Measurement Description
Business Need/Problem 1: USDA/FNS has mandated the implementation of EBT as the delivery method of food benefits for WIC by October 1, 2020. USDA/FNS requires that each state must first conduct an EBT feasibility study before implementation. Phase 1 Objective 1.1: Complete an EBT feasibility study.	Measurement 1.1.1: The Planning Contractor will deliver a final version of the feasibility study to the Project Sponsor. The Project Sponsor will provide acceptance of the feasibility study.
Business Need/Problem 1: USDA/FNS has mandated the implementation of EBT as the delivery method of food benefits for WIC by October 1, 2020. USDA/FNS requires that each state must first conduct an EBT feasibility study before implementation. Phase 1 Objective 1.2: Use the information from the feasibility study to determine whether to move forward with an EBT implementation.	Measurement 1.2: The Project Sponsor will deliver the results from the feasibility study to the WIC Director who will make a go/no-go determination to implement EBT.
Business Need/Problem 1: USDA/FNS has mandated the implementation of EBT as the delivery method of food benefits for WIC by October 1, 2020. USDA/FNS requires that each state must first conduct an EBT feasibility study before implementation. Phase 1 Objective 1.3: If the North Dakota WIC Director makes the decision to implement EBT, then complete, review, and approve an IAPD. Also, complete the grant request for funds for implementation and author an implementation contractor RFP.	IAPD Measurement 1.3.1: The Project Sponsor will present the IAPD to the WIC Director for approval to submit to the FNS regional office. IAPD Measurement 1.3.2: The WIC Director will present the IAPD to the FNS regional office for approval to prepare the grant request. Grant Measurement 1.3.3: The Project Sponsor will present the grant application for implementation funds to the WIC Director for approval to submit to the FNS regional office. Grant Measurement 1.3.4: The WIC Director will present the grant to the FNS regional office for approval to submit to USDA. Grant Measurement 1.3.5: After receiving approval from the FNS regional office, the WIC Director will submit the grant application to USDA for funding. RFP Measurement 1.3.6: The Project Sponsor will present an implementation contractor RFP to the WIC Director.

Cost/Benefit Analysis
Anticipated Benefit(s): The feasibility study that is required by USDA/FNS is completed so that a determination can be made to move forward with EBT for WIC. Anticipated Benefit(s): The North Dakota WIC Director has enough information to comfortably make an informed decision whether to move forward with an EBT implementation. IAPD Anticipated Benefit(s): In order to gain funding for the implementation phase of the project, an IAPD is

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required by USDA. This ensures that the IAPD is complete and sent to the FNS regional office for approval.

Grant Anticipated Benefit(s): In order to gain funding for the implementation phase of the project, a grant request must be submitted to USDA; however, the FNS regional office needs to review the grant before it is sent to USDA. This will ensure that the grant is complete, approved by the FNS regional office, and sent to USDA for funding.

RFP Anticipated Benefit(s): The implementation contractor RFP is ready to be released when the schedule allows within the implementation planning effort. The FNS regional office quite often recommends authoring of this RFP while they are considering the grant application.

Key Constraints or Risks

1. Risk: With WIC being a discretionary program, funding on the national level is always uncertain from year to year. Fiscal year 2012 (FY12) started October 1, 2011. WIC funding has only been guaranteed through the first quarter of FY12. There is uncertainty as to the future funding situation.

   Impact: Should funding not be available to the project, the project will be closed.

   Response: Accept

2. Risk: North Dakota WIC has the smallest state staff in the nation. Staff availability for extra projects is limited because of the day-to-day program demands.

   Impact: WIC staff doesn't have time to dedicate themselves as much to the project as would be desired. Staff has to juggle their normal, daily responsibilities with the project responsibilities.

   Response: Mitigate. Hiring an ITD project manager takes some project responsibility away from WIC staff.

3. Risk: North Dakota WIC contracts with local grocery stores to cash WIC checks. As a result, they are major stakeholders in this project. It is possible that some local grocery stores may be opposed to the EBT solution for WIC.

   Impact: Lack of cooperation by local grocery stores could impact the quality of data obtained for the feasibility study.

   Response: Mitigate. An organizational change management plan will be created during planning of Phase 1. Grocery stores will be included in the management plan.

4. Risk: North Dakota WIC intends to have the Planning Contractor conduct the feasibility study. A quality feasibility study is vital to North Dakota WIC because it will be used to make a go/no-go determination on implementing EBT.

   Impact: If the feasibility study is not of acceptable quality, the determination becomes difficult to make.

   Response: Mitigate. During contract negations with the chosen Planning Contractor, deliverable acceptance criteria were developed. This sets the expectations for production of a quality feasibility study.

5. Risk: North Dakota WIC is exploring an upgrade to their Mountain Plains States Consortium (MPSC) system. Should it be determined that the upgrade will occur during the course of this project, ND WIC resource availability to this project could become an issue.

   Impact: If ND WIC resources are not as available to the project as planned, the project schedule could be impacted.

   Response: Mitigate. North Dakota WIC accepts that the schedule could be impacted but will explore the process for requesting a federal grant extension for the funds approved for this project. North Dakota WIC will also coordinate this potential delay with the Planning Contractor.