

**Web Based Labor Exchange System**

**FY2003 Request: \$3,000,000**

**Reference No: AMD 36902**

**AP/AL:** Appropriation

**Project Type:** Information Systems

**Category:** Development

**Recipient:** Not Applicable

**Location:** Statewide

**Contact:** Ronald Hull

**House District:** Statewide (HD 1-40)

**Contact Phone:** (907)465-5933

**Estimated Project Dates:** 07/01/2002 - 06/30/2005

**Brief Summary and Statement of Need:**

This project will provide a Web-based, occupational skill-centered labor exchange, making it straightforward and apparent to Alaska employers that a skilled, occupationally appropriate, ready-to-work labor pool exists. The implementation of this statewide Internet based exchange will automate an outdated manual system enabling job seekers to post online occupational skill-based resumes for quicker matches needed by Alaska's employers looking for skilled workers. This will allow for an increased ability to identify training needs (via a skills gap analysis), and promote workforce investment and benefit programs, which will increase the ability of the job seeker to gain successful employment.

<b>Funding:</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>Total</b>
Fed Rcpts	\$3,000,000						\$3,000,000
<b>Total:</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000,000</b>

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

**Operating & Maintenance Costs:**

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

**Additional Information / Prior Funding History:**

**Project Description/Justification:**

This project has not been previously submitted for consideration.

The purpose of the project is to implement a statewide Internet based public labor exchange system that promotes interactive participation with employers and job seekers and facilitates a quicker, more accurate match of employers' job openings with qualified job seekers.

A public labor exchange is the mechanism set up by the federal Wagner-Peyser Act (20 CFR 652) and administered in Alaska by the Employment Security Division, to match qualified workers with employer hiring demands. The Act stipulates that Employment Services (ES) are provided to a universal population – all employers, workers and job seekers in a state. Each state must institute a public labor exchange; most have converted manual systems to those accessible on the Internet.

<b>Project cost:</b>	<b>Capital:</b>			<b>Annual O&amp;M costs or savings</b>
	<b>Prior Years:</b>	<b>FY 2002:</b>	<b>FY 2003:</b>	

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General Funds	0	0	0	
General Fund Match	0	0	0	
General Fund Program Receipts	0	0	0	
I/A Receipts (dept. and fund source)	0	0	0	
Other Funds (name and fund number)	0	0	0	
Federal Funds	0	0	3,000,000	
Total	0	0	3,000,000	

This is a new systems development project. The division will develop an RFP to purchase or develop an electronic, Web-based labor exchange system, ensure it meets ESD specifications, integrate with or build linkages to existing/legacy system(s), and convert data. Estimated cost: \$2,500,000 (73000). Purchase high capacity servers, operating systems, back-end development software, middleware, front-end development software, and web integration software. Estimated cost: \$500,000 (75000).

Cost estimates were based on implementation of similar Web-based labor exchange projects in Arkansas, Louisiana, Illinois and Wyoming public employment security systems. The RFP will reflect either a plan to purchase or develop an electronic labor exchange ensuring the product meets ESD specifications.

No position funding is requested with this proposal and no staff time will be charged to the project. These costs were estimated by close observation of other state labor exchange systems converting from manual to a Web-based application.

Employers will have direct access to registered job seekers' qualifications and skills relating to job openings they are trying to fill. Employers will be able to more quickly match their job openings with job seekers. Employers will be able to control many different aspects of the job orders they post with ESD and have the flexibility to make changes without having to wait for ESD staff to make the changes.

The Web-based labor exchange system parallels the Governor's initiative promoting employment in rural Alaska. It will allow contractors bidding on capital improvement jobs to identify local qualified workers, increasing the state's capacity to accept more projects thereby potentially increasing private sector jobs.

Employer customer satisfaction surveys will document the percent of employers using the system, which are satisfied with the provided service including use of the new system. Another Employment Service performance measure will show the number of registered job seekers that enter employment, which should increase due to job seeker participation in the matching process.

From a skills inventory aspect, other public agencies will be able to view aggregate numbers of registered job seekers in defined areas of the state that possess specified skill sets. Alaska Job Center Network partners will have limited access to the system allowing them to view employment and training information for their customers/clients. Training agencies and entities will be able to use skills inventory information to develop training programs appropriate to the needs of employers in different areas of the state.

Public use of bandwidth will increase dramatically due to employers and job seekers accessing and interacting with the system. Alaska's Job Bank is currently one of most accessed Web systems in the state. The new system will promote public interactive participation with up to 1,800 job openings posted on Alaska's Job Bank each day. Mainframe activity may increase two-fold or more as the system compares skills listed on job orders to skills listed for registered job seekers.

Based on information from other states that have implemented public employment security systems, it is estimated that there may be a slight increase in overall operating costs in the area of equipment and program maintenance due to the more complex Internet system.

If the project is not approved, ESD would continue to assist employers with filling their job openings at a much slower pace than could be accomplished with employers' interactive participation through the Internet. A Web-based system will

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save staff a unit of work and permit time to pursue employer outreach, one-on-one client case management and other neglected customer service activities. Taking this opportunity to replace a manual system with a Web-based application would increase the capacity of all Alaskans to access valuable workforce investment, and employment and training services.

Federal Wagner-Peyser funding for ES programs has been flat for the past eight years. This has caused the Division to fall behind in how services are delivered, not keeping pace with today's readily available and commonly used technology. Implementation of this system now will facilitate increased service delivery to more Alaskans, providing the unemployed and those looking for their first, next or best jobs with needed tools to gain employment. This system will also make Alaska's skilled, ready-to-work labor pool more available to meet employers' business demands. This project is being requested now due to the one-time funding of the current Reed Act distribution, which permits monies for the improvement of Wagner-Peyser Employment Services. Using the funds now would also contribute to the Division's long-term plan to improve customer service, particularly for Alaska's employers, and obtain long-term goals as they relate to meeting federal requirements and guidelines such as the Malcolm Baldrige Criteria for Excellence.