

AP/AL: Appropriation

Project Type: Information Systems

Category: Development

Location: Statewide

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House District: Statewide (HD 1-40)

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Estimated Project Dates: 07/01/2008 - 06/30/2011

Brief Summary and Statement of Need:

The project's purpose is to replace Business Services' Management Information System, required for monitoring Workforce Investment Act job training funds, with a more stable, reliable system that will reduce maintenance and operations costs. The current system is contracted to an out-of-state, sole source that owns the enhancement capacity and code, and is written in an extinct technical language. The end results will reduce costs associated with fiscal and outcome-based reporting and provide a more effective, accountable data platform that will readily show returns on job training investments supporting the department's mission in preparing Alaskans for jobs.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Gen Fund	\$3,700,000						\$3,700,000
Total:	\$3,700,000	\$0	\$0	\$0	\$0	\$0	\$3,700,000

<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 type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	3,700,000	0
Ongoing Operating:	455,000	0
One-Time Startup:	0	
Totals:	4,155,000	0

Additional Information / Prior Funding History:

No previous funding has been provided for this project. In FY 08 the division is working with department data processing staff to conduct a needs assessment and have committed \$50.0 of federal funds towards this effort.

Project Description/Justification:

Information Technology Capital Project Review Form FY2009

1. Has this project been previously approved? No

2. What is the purpose of the project?

As a condition to receive Workforce Investment Act training funds, the department must have a Management Information System (MIS) in place. The data in the MIS are used to provide participant counts and training outcomes; for Missions and Measures; and for annual reports for the various fund sources granted out by the Business Services component. Failure to

provide complete participant data and performance totals adversely impacts funding for job training grants.

The current Management Information System will be nearly ten years old in FY09. It is a proprietary system, owned, maintained and outsourced to a sole-source, out-of-state contractor, consisting of only two principals who reside in Oregon and Florida, and is written in an extinct technical language, FoxPro (in March 2007, Microsoft announced that it will not release any new versions of its Visual FoxPro development software).

The state is the only customer for the system and lacks sufficient controls to ensure upgrades and enhancements. The system affords narrow reporting capacity and is not aligned with state or departmental technical standards and requires users to go through multiple steps to report performance, duplicating effort and causing redundancy.

Recent scrutiny of the system by the department's data processing management indicates that the state is at considerable risk with this contractual arrangement. The contractors not only own the system code, but the sole access to the system for enhancements and report ability.

Estimates by the department's data processing management indicate that in order to increase the capacity of Business Services to report reliable and accurate workforce development program performance, \$3.7 million in General Funds is needed for a capital improvement project that will replace the antiquated Management Information System. The funds will buy a department standard database that includes grants management, an integrated reporting capability, and performance management capable of adapting with innovative workforce development opportunities as they arise.

Project cost:	Capital:			Annual O&M costs or savings
	Prior Years	FY 2008	FY 2009	
General Funds		3,700,000		113,700
General Fund Match				
General Fund Program Receipts				
Technical Vocational Education Program (#1151)				10,100
State Training and Employment Program (#1054)				77,200
Federal Funds				254,000
Total		3,700,000		455,000

3. Is this a new systems development project? No

Upgrade or enhancement to existing department capabilities?
 This is a rewrite of an existing application with enhancements.

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

The funding will be provided to the department data processing unit through a contractual reimbursable services agreement to complete the system based upon a needs assessment. Anticipated expenditures are:

- Project Initiation / Planning \$20,000
- Requirements Definition \$30,000
- Staff Resources Required \$900,000
- System Design \$50,000
- Software Acquisition \$600,000
- Software Installation / Programming \$1,500,000
- Hardware / Infrastructure Acquisition \$150,000
- Hardware / Infrastructure Installation \$40,000
- Hardware / Infrastructure Testing \$10,000
- System Integration and Testing \$300,000
- Training \$100,000

5. How will service to the public measurably improve if this project is funded?

With this enhanced application, grant award expenditures will be tied to the participant data automatically and on demand, greatly improving the grant performance review process with the ability to analyze and assess grant outcomes against grant performance requirements. The new application will simplify the public's access to grant information to improve participation and reduce administrative support, and will provide partner agencies with up to the minute reporting, capable of easily creating custom reports, and information generated for research or labor analysis.

This project will result in an improved, stable and reliable, seamless, outcome-based Management Information System that will show returns on significant workforce training investments. By being able to distinctly account for training participant performance and training provider outcomes, successes will be more readily demonstrated and used as a means to leverage additional business and industry contributions, and as a platform to build innovative, federal grant proposals for additional job training funding. In this way, the project supports the department in meeting its statutory mission in ensuring a prepared, skilled workforce, and in creating for Alaskans, opportunities for profitable employment.

6. Does project affect the way in which other public agencies will conduct their business?

Yes, our partner agencies will have the ability to run reporting on participant data. In the current scenario any customized reporting would need to be completed manually and the division does not have adequate staff to provide this service. The ability to provide our partner agencies with up to the minute reporting and the capability of easily creating custom reports would provide data for research or labor analysis. Also, this will allow our partner agencies when tracking participants the ability to track data on a single system versus the current scenario where data resides on multiple databases and in some cases on different systems.

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

The only known cost implications are ongoing maintenance of the system which the data processing group anticipates to be in the area of \$455,000 per year above the costs of maintaining the current system. The costs would consist of vendor support and staff programmer maintenance of the system. The funding for operation of this system will be dependent on the types of funding the division receives in a fiscal year. Programs with information maintained in the system will be allocated a portion of the maintenance and operations costs in proportion to the total information retained in the system.

The operating costs would be allocated out to the various programs which have information in the system, currently this would include federal, State Training Employment Program (STEP), General Fund and Vocational Technical Education Program (TVEP). The General Fund portion of the cost is estimated to be \$113,700 and this amount would be requested as an increment to the operating budget for Business Services once the system is complete.

8. What will happen if the project is not approved?

Business Services will continue to use the existing MIS system and additional non-connected databases, and spreadsheets to try and provide the information needed for reporting. The problems associated with this option are: the system is written in Foxpro which the department cannot support; and even if the department could provide the support the state does not own the code to the existing application, it is owned by a contractor; we must maintain a contract with the contractor to use the system and we must pay the contractor for any system enhancements or maintenance issues with the existing system; the contractor is a very small non-Alaska company consisting of two employee owners who complete the programming. In the event this contractor were to decide to disband or no longer continue to provide this service at the end of our yearly contracts we could be in a situation where we had no reporting capability.