

# **State of Alaska FY2009 Governor's Operating Budget**

## **Department of Labor and Workforce Development Data Processing Component Budget Summary**

## Component: Data Processing

### Contribution to Department's Mission

The Data Processing component contributes to the department's mission by providing technical, analytical and business specific expertise to assist our customers in efficiently achieving their goals.

### Core Services

Data processing operations, long-term planning and technology strategy.

Developing, integrating, and maintaining business specific applications. This includes mainframe, minicomputer, microcomputer and web based application analysis, development and project management.

Database administration and systems administration.

Local Area Network (LAN) installation, maintenance, troubleshooting and administration.

### FY2009 Resources Allocated to Achieve Results

<b>FY2009 Component Budget: \$6,163,000</b>	<b>Personnel:</b>	
	Full time	38
	Part time	0
	<b>Total</b>	<b>38</b>

### Key Component Challenges

The ability to recruit and retain senior Analyst/Programmers remains an ongoing challenge and we need to develop new ways to recruit and retain staff.

Statewide Enterprise Information Technology (IT) planning resulted in new standards. Fully aligning the department's IT efforts to these standards will take several years as the department's substantial infrastructure on the IBM MVS/CICS/DB2 mainframe is not part of the new IT standard. The department is pursuing effective solutions for technology platforms for the future, with a focus on efficiencies and savings.

Security requirements are becoming stricter and threats to security are becoming more frequent and sophisticated. Increased demand for public access and wireless systems also forces more attention in this area and the required effort is increasing very rapidly. The department has completed a security study and is developing an operational security plan for the Unemployment Insurance (UI) system that will conform with the National Institute of Standards and Technology (NIST) guidelines and will ensure that technical security controls are implemented to safeguard data, ensure data integrity and assure the availability of UI information.

### Significant Changes in Results to be Delivered in FY2009

Our major non-standard data processing items are our core Unemployment Insurance (UI) Tax and UI Benefits applications which reside on the state mainframe. We have explored the cost benefit analysis, risk analysis, impact on business processes, and skill set requirements for a number of possible technology directions. We are wrapping up our "Mainframe Retargeting Assessment". The department migration strategy will be governed by the speed at which we can get funding and develop cost effective solutions to replace those mainframe applications that are not currently compatible with State standards.

We are in the process of purchasing an automated regression testing tool. This has the potential to reduce web production errors and reduce testing time.

The department has implemented several web applications and will continue to increase the functionality of options available to the public. Targeted this year will be:

\* Benefits Internet Filing (BIF) - phase III. This application will allow more of the filing input to be handled by clients and will reduce call center workload.

\* Workers' Compensation Electronic Data Exchange. This application will share data automatically between states and cut down on manual data entry. It should be finished and in place prior to FY09.

\* Certified Payroll. This application allows for easier and more intuitive filing of weekly or biweekly wages for employers working on public construction projects. Enhancement for this year will include the ability to pay fees online.

### Major Component Accomplishments in 2007

Completed several critical maintenance issues on the Unemployment Insurance tax system in accounting, reconciliation, annual rates, federal reporting and printing.

Continued to reduce mainframe costs by eliminating or modifying costly jobs and purging unneeded data from the mainframe database.

Integrated the Alaska Labor Exchange system (ALEXsys) for the Employment and Training Services program with the Unemployment Insurance (UI) Benefits system.

Delivered a new version of the Unemployment Insurance Benefits Initial Claim Filing (BIF) system (phase 3). This system is intended to evolve into the principal method for interacting with unemployment insurance clients.

Established an Internship program to encourage new Analyst Programmer talent.

### Statutory and Regulatory Authority

Not applicable.

#### Contact Information

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### Data Processing Component Financial Summary

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,258.6	3,643.3	3,816.7
72000 Travel	28.8	48.0	48.0
73000 Services	2,344.7	2,452.5	2,236.0
74000 Commodities	164.2	42.3	42.3
75000 Capital Outlay	181.3	20.0	20.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>5,977.6</b>	<b>6,206.1</b>	<b>6,163.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	4,017.6	4,221.5	4,221.5
1004 General Fund Receipts	325.8	225.8	182.7
1007 Inter-Agency Receipts	1,634.2	1,758.8	1,758.8
<b>Funding Totals</b>	<b>5,977.6</b>	<b>6,206.1</b>	<b>6,163.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	4,017.6	4,221.5	4,221.5
Interagency Receipts	51015	1,634.2	1,758.8	1,758.8
<b>Restricted Total</b>		<b>5,651.8</b>	<b>5,980.3</b>	<b>5,980.3</b>
<b>Total Estimated Revenues</b>		<b>5,651.8</b>	<b>5,980.3</b>	<b>5,980.3</b>

**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>225.8</b>	<b>4,221.5</b>	<b>1,758.8</b>	<b>6,206.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Correct Unrealizable Fund Sources for Salary Adjustments: GGU	173.4	-109.7	-63.7	0.0
-ETS Chargeback Redistribution	-216.5	0.0	0.0	-216.5
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	109.7	63.7	173.4
<b>FY2009 Governor</b>	<b>182.7</b>	<b>4,221.5</b>	<b>1,758.8</b>	<b>6,163.0</b>

**Data Processing  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	38	38	Annual Salaries	2,525,704
Part-time	0	0	COLA	166,629
Nonpermanent	3	3	Premium Pay	48,698
			Annual Benefits	1,286,449
			<i>Less 5.23% Vacancy Factor</i>	(210,780)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>41</b>	<b>41</b>	<b>Total Personal Services</b>	<b>3,816,700</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Analyst/Programmer III	0	0	2	0	2
Analyst/Programmer IV	0	0	11	0	11
Analyst/Programmer V	0	0	3	0	3
Data Communicatns Spec II	1	0	0	0	1
Data Processing Mgr II	1	0	2	0	3
Data Processing Mgr III	0	0	1	0	1
Data Processing Tech III	0	0	1	0	1
Database Specialist III	0	0	2	0	2
Micro/Network Spec I	3	0	2	0	5
Micro/Network Spec II	0	0	2	0	2
Micro/Network Tech II	1	0	3	0	4
Student Intern I	0	0	3	0	3
Systems Programmer II	0	0	1	0	1
Systems Programmer III	0	0	2	0	2
<b>Totals</b>	<b>6</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>41</b>