Combined Retirement System Upgrade **FY2011 Request: $400,000**
Reference No: 45400

AP/AL: Appropriation
Project Type: Information Technology / Systems / Communication

Category: General Government
Location: Statewide
Contact: Eric Swanson
House District: Statewide (HD 1-40)
Contact Phone: (907)465-5655
Estimated Project Dates: 07/01/2010 - 06/30/2014

Brief Summary and Statement of Need:
Funding is needed to continue to upgrade the Division of Retirement and Benefits' Combined Retirement System. Enhancements for FY2010 include providing additional information to retirees over the web. This project contributes to the department mission of providing business management and information technology support for state agencies by administering State of Alaska and political subdivision retirement and benefit plans.

Funding:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Total
Ben Sys	$137,700						$137,700
Jud Retire	$1,800						$1,800
Nat Guard	$5,800						$5,800
P/E Retire	$179,700						$179,700
Teach Ret	$75,000						$75,000
Total:	$400,000	$0	$0	$0	$0	$0	$400,000

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☑ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
$350.0 was appropriated for the project in FY2009.

Project Description/Justification:
Problem to be Solved:

The Combined Retirement System (CRS) was developed in COBOL using DB2 as a database on an IBM AS400. The implementation schedule brought up the benefits section in 1996 with the retiree payroll system. The retirement systems (PERS, TRS, JRS, NGNMRS) were added and brought up in 1999 – 2000. Most recently, the passage of SB 141 (Chapter 9, FSSLA 2005) creating the Defined Contribution Retirement (DCR) plans for PERS and TRS required significant additions which went into production in July 2006.

During the latest DCR work and in day-to-day operations requiring significant, repetitive episodes of manual data manipulation, it is apparent that the existing code is not adequately documented, suffers from some internal inconsistencies related to the incompatibility of the non-standard software/hardware combination and is therefore unmanageable as a production system in the long

run. It has proven so difficult to maintain that external contractors are used for most enhancements. As these technologies are rapidly nearing the end of their useful lives, the skills needed to maintain the current system are rare in the existing marketplace and the current staff members that possess these skills are nearing retirement age.

Solution:
A complete upgrade is needed to incrementally move the functions currently provided by CRS from this older technology. The design will include a JAVA web interface with the data residing in an Oracle database. The Division is currently setting up a SAN (Storage Area Network) to provide the backbone for the CRS servers. The programming will be done by a blend of external contractors and internal programmers with the internal programmers taking over all of the maintenance on the backend. The project will start by determining the requirements then proceeding to design and implementation.

Benefits:

1. CRS will realize increased accuracy in retirement data and ease of incorporating changes as they are done by internal DRB staff.
2. Decreased contractor dependence as new system is deployed using state standards and division staff is concurrently trained in design, development, testing and implementation of systems using the standards.
3. Additional benefits will be in DRB's staff's ability to easily retrieve/input the data they need in their day to day work (as opposed to using dozens of 'green screens' to perform the same functions in CRS currently).

When fully implemented, the number of dollars required for external contractor support will fall by up to one half, non-standard combinations of software and hardware will no longer be used in mission-critical applications, and the calendar time needed to implement system enhancements will also be halved. Each module re-write, once implemented, is expected to save the equivalent of at least one PCN in the primary customer service unit by increasing productivity of staff.

What We Propose to Buy:

Full Life Cycle Cost Information

Dollar amounts in thousands: $ 1,000.00 = 1.0

Description	Amount
1.1.1. Project Initiation / Planning	50.0
1.1.2. Requirements Definition	70.0
1.1.4. System Design	75.0
1.1.5. Software Acquisition	75.0
1.1.6. Software Installation / Programming	950.0
1.1.7. Hardware / Infrastructure Acquisition	68.0
1.1.10. System Integration and Testing	45.0
1.1.12. System Operation and Maintenance	50.0
1.1.13. Corrective and Adaptive Maintenance	50.0
1.1.14. Training	42.0
Total	1,475.0

Timeline: Work timeline: 10/1/2008 – 6/30/2014
Expenditure timeline:

Budget Amount	Fiscal Year
350.0	FY09
400.0	FY11
350.0	FY12
200.0	FY13
175.0	FY14
1,475.0	Total Project