

**Retirement and Benefits Policy Automation****FY2014 Request: \$880,000****Reference No: 56601****AP/AL:** Appropriation**Project Type:** Information Technology /  
Systems / Communication**Category:** General Government**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Cheryl Lowenstein**Estimated Project Dates:** 07/01/2013 - 06/30/2018 **Contact Phone:** (907)465-5655**Brief Summary and Statement of Need:**

A commercial off-the-shelf (COTS) policy automation solution will be purchased and deployed to allow Retirement and Benefits (DRB) business users to write and maintain business rules, regulations and policies in a central catalog using familiar business tools. Currently, business rules are embedded in numerous complex, critical systems and software. Policy changes are difficult to implement and rely on software engineers for scripting and programming.

<b>Funding:</b>	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Ben Sys	\$325,800						\$325,800
Jud Retire	\$3,900						\$3,900
Nat Guard	\$12,700						\$12,700
P/E Retire	\$382,800						\$382,800
Teach Ret	\$154,800						\$154,800
<b>Total:</b>	<b>\$880,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$880,000</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 type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	88,000	0
One-Time Startup:	0	
<b>Totals:</b>	<b>88,000</b>	<b>0</b>

**Prior Funding History / Additional Information:**

No prior funding history.

**Project Description/Justification:**

This project is to purchase and deploy a COTS policy automation solution. With the included training and implementation support services, this will allow Retirement and Benefits (DRB) business users to write and maintain business rules, regulations and policies in a central catalog using familiar business tools. Currently, business rules are embedded in numerous complex, critical systems and software. Policy changes are difficult to implement and rely on software engineers for scripting and programming.

Policy automation promotes use of a centralized business logic layer based on a service oriented architecture (SOA). Using SOA, business rules are easily deployed across different communication channels (web, call-center, face-to-face) and re-usable within multiple software applications.

This solution will support DRB staff and approximately 200,000 members of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and the National Guard and Naval Militia Retirement System (NGNMRS). It will allow staff to efficiently deliver fair and consistent benefit eligibility determinations and counseling to members. It provides scalable interactive capabilities that will increase self-service opportunities for members via the web.

Retirement and Benefits (DRB) anticipates a 64% increase in the retiree population over the next decade. Policy automation is one of the tools DRB will use to cost-effectively accommodate this rapid growth and deliver exceptional customer service.

DRB current business rules are imbedded in complex disparate software platforms in a variety of technologies. This project will allow for the consolidation of business rules in a central catalog that systems, staff, partners and members can utilize to process transactions and answer questions using a single version of the policy.

**What is the purpose of the project?**

Simplify, consolidate and streamline the complexity of the DRB business rules management and allow changes to be made quickly and easily as the statutes and rules change.

**Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?**

This project will enhance existing systems by allowing them to consume program and eligibility rules from a central catalog.

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

Policy Automation Software Licenses \$600,000  
Implementation, Services and Training \$200,000

**How will service to the public be measurably improved if this project is funded?**

- Business rules will be cataloged and consistently implemented.
- Empowers DRB to respond nimbly to changes in statutes and regulation.
- Support the DRB customer services initiatives towards automation and self-service.

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

Not at this time.

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

Annual maintenance and support fees will be approximately \$88,000.

**What will happen if the project is not approved?**

If this project is not approved the automation and self-service initiatives within the division will have to recreate business rules without the benefits of a central repository. Business rules will continue to be managed in a system-by-system manner subject to increasing errors as the workload increases.