

Unemployment Insurance Mainframe System Support

FY2022 Request: \$0
Reference No: 63423

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: Dan DeBartolo

Estimated Project Dates: 07/01/2021 - 06/30/2024

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Brief Summary and Statement of Need:

This project utilizes federal funds to update and modernize the state's Unemployment Insurance (UI) programs system, which are a critical component of the nation's social and economic safety net. Modernizing and updating this system will enable the division to respond more efficiently to unique economic impacts and emergency federal unemployment insurance programs.

The amount listed is an estimate based on information available at the time of budget release, and will be updated upon grant award.

American Rescue Plan Act: Title IX – Committee on Finance, Subtitle A, Crisis Support for Unemployed Workers, Section 9032

Funding:	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>Total</u>
1002 Fed Rcpts							\$0
1265 COVID Fed	\$6,000,000						\$6,000,000
Total:	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$6,000,000

<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"/> Ongoing
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:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

The Division of Employment and Training Services (DETS) administers the Unemployment Insurance program under the authority of AS 23.20.005.

The Unemployment Insurance (UI) DB2 Mainframe System (System) established in 1994, manages both unemployment benefits and taxes. This system also houses case management for both claimants and employers.

State UI programs are a critical component of the nation's social and economic safety net. Modernizing this system will ensure that DETS will continue to provide accurate and timely unemployment insurance benefits to individual Alaskans; equitably manage the Unemployment Tax system for Alaskan businesses; and increase the division's ability to detect and prevent fraud. Updating UI's outdated system will enable the division to respond more efficiently to unique economic impacts and emergency federal unemployment insurance programs.

Given the age of the existing UI System, DETS has conducted research into system updates utilized by other states and is in the process of entering into a consortium agreement with the state of Alabama for a system-wide conversion. This multi-year appropriation will ensure uninterrupted unemployment insurance benefits and taxes as the state transitions between systems.

This capital project includes personal services for programming and project management staff, travel for training and vendor on-boarding, additional contractual programming support, and staff office equipment and supplies.

This capital appropriation will be funded by federal receipts and will allow the State of Alaska to utilize federal funds appropriated for this purpose through the American Rescue Plan Act of 2021, HR 1319, 107th Cong. (2021), Sec. 9032.

1000:	\$ 3,700,000
2000:	\$ 50,000
3000:	\$ 2,200,000
4000:	\$ 50,000
5000:	\$ 0