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### 3. AGENCY INTERVIEWS

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This section consolidates the interview information gathered from discussions of Alaska's statewide systems to update the 2003 Business Case.

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#### 3.1 ACCOUNTING AND PAYROLL INTERVIEW

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- November 27, 2006 15:00-16:30
  - Kim Garner's Office
  - Business Process Personnel: Kim Garner and Debra Bump
  - Project Personnel: Elizabeth Lo
- 

##### 3.1.1 Alaska Statewide Accounting System (AKSAS) and Reporting Systems

The Alaska Statewide Accounting System (AKSAS) pays the state's 55,000 vendors and serves as the general ledger for state government. It was custom written for the state by Price Waterhouse in the mid-1980s and remains a viable accounting system today. It includes online data entry by users across the state and overnight batch processing of transaction files. Payments are issued and financial records updated each night. AKSAS has no graphical user interface so it has the "green screen" feel, using PF keys to navigate. It has several points of interface with other systems, including AKPAY, to record disbursements, perform revenue and cost accounting, and support federal billings. AKSAS is written in COBOL and Natural and is therefore faced with the same difficulty as AKPAY in recruiting programming staff for these legacy software languages.

AKSAS was implemented in 1985 at an initial cost of \$15 million. It has about 2,500 casual users, with an average of 600 concurrent users across the state. Like AKPAY, it is delivered to desktop computers using a 3270 emulation program over the state's telecommunications network. AKSAS uses ADABAS database software and runs on the same mainframe computer as AKPAY. The chargeback cost is about \$1.3 million annually. No vendor maintenance costs apply, but four application programmer positions are dedicated to maintaining AKSAS.

Since 1993, the reporting from AKSAS has been enhanced using 4<sup>th</sup> generation reporting product Generalized Events-Based Architecture View Builder Transaction Processor (GENEVA). While GENEVA does provide comprehensive access to accounting data, it is not a user-friendly reporting tool and requires expert knowledge for effective use. A significant weakness has been the lack of flexibility to support increasing reporting demands.

As a result of an increasing need for better reporting capabilities, Alaska decided to move forward with initiating a data cataloging project as recommended in 2003 business case. After issuing a request for proposal for a data warehouse and business intelligence reporting solution, the state procured the implementation services of CGI (formerly CGI-AMS) with Business Objects as the business intelligence software, as well as the hardware associated with the solution. Implementation began in July of 2006.

In addition to replacing GENEVA, the ALDER (ALaska Data Warehouse Enterprise Reporting) project will also handle historical and future reporting currently performed by CHEQ, Alaska Statewide Payroll System (AKPAY), WorkPAD, and WorkPlace Alaska systems. The final objective of the project is that Alaska shall own a data warehouse and reporting capability that is flexible and scalable for state staff to maintain and expand.

### **3.1.2 Alaska Statewide Payroll System (AKPAY)**

The Alaska Statewide Payroll System (AKPAY) pays the state's 16,500 employees in either semi-monthly or biweekly payroll cycles. Employees are distributed among 13 bargaining units, each with different pay and benefit packages. AKPAY is a vendor-supplied payroll software product—Empagio—that was substantially modified to accommodate the state's requirements. The dwindling customer base for this software product is one factor that makes system replacement a time critical project. A second factor is the software languages. Empagio is written in COBOL and Assembler, and modifications are in COBOL, SAS, and Natural. It is becoming more difficult to find programming staff trained in the legacy software languages.

Staying current with vendor maintenance requirements is a constant challenge. The state converted the underlying database from ADABAS to DB2 to keep within vendor support specifications. Most user requests for modifications and enhancements are not able to be fulfilled since modifications to keep the system functional and current are the first priority. The system pays consistently and keeps adequate records, but has poor user interfaces. The screens are not intuitive and the reporting capability is very limited. The lack of a time and attendance front end is a major burden on users. MS-Excel timesheets and a few homegrown application interfaces have been developed to compensate for this lack of functionality.

AKPAY was implemented in 1990 at an initial cost of \$3 million. It has about 1,400 total users, with an average of 200 concurrent users across the state. It runs on the mainframe computer operated by ETS at a chargeback cost of about \$600,000 annually. Licensing agreement costs are about \$125,000 annually. Four application programmer positions are dedicated to its maintenance.

### **3.1.3 Current Business Needs and Requirements**

At a high level, the current goals and needs for the Division of Finance remain the same. Among them include:

1. Increasing business process efficiency and effectiveness
2. Creating an employee self-service environment
3. Improving quality, consistency, and accessibility of data
4. Eliminating redundant data and systems
5. Automating business areas
6. Modernizing technologies for easier maintenance and longevity
7. Ensuring a smooth transition to a new system

## 8. Enhancing and building system integration

The 1,600 “Alaska Fit” business requirements identified in the 2003 business case were a starting point. When the state prepares to issue a request for proposals to replace its statewide administrative systems, the Alaska Fit requirements for accounting should be revisited and updated in facilitated requirements gathering sessions. Payroll requirements used in the cancelled HR-Payroll System Replacement RFP were thoroughly reviewed, documented and finalized. These requirements provided a starting point for the Time and Attendance RFP which is currently under development.

### 3.1.4 Shadow Systems and Workarounds

In the areas where AKSAS is weak, state agencies use shadow systems or workarounds for accounting purposes. For example, AKSAS does not perform capital asset accounting. As a result, the Division of Finance and other agencies use Microsoft Excel to fulfill that task. State agencies often use Excel spreadsheets to bridge the functions not easily achieved or not accounted for in administrative systems.

In the Increment One JAD Sessions of the ALDER project, the following shadow systems (i.e., external sources) have been identified by department:

#### **Administration (primarily systems used by the Division of General Services):**

- Procurement Tracking System (PTS)
- Parking (MS Access)
- ALVIN (Mainframe)
- Lease Management (MS Access)
- Facilities Workplan (MS Excel spreadsheet manually entered & maintained)
- ETS MICS usage tracking for chargeback

#### **Alaska Court System:**

- REX – Court System receipt system

#### **Commerce, Community and Economic Development:**

- ABS
- Paytech (revenue website)
- Itransact (revenue website)
- Beaches
- Accepts
- ACH
- Other revenue websites

### **Corrections:**

- INMATE (trust fund activity for inmates)
- New Procurement system for purchases – currently in development

### **Environmental Conversation:**

- BillQuick

### **Fish & Game:**

- ETS (Expenditure Tracking System) – in house system – reconciled to AKSAS

### **Health & Social Services:**

- ABS – OMB Budget System
- ORCA – Child Assistance program
- New revenue system for SWCAP is under development

### **Labor:**

- Business Partnership
- Employment Security
- Unemployment Insurance

### **Law:**

- ABS – OMB budget system
- JAVELIN – time tracking system for attorneys
- Restitution program – Excel spreadsheets

### **Legislative Affairs:**

- MS Access – ALBERS (legislative business expenditure report system)
- Excel spreadsheets

### **Legislative Audit:**

- Mainframe data base – historical AKSAS, AKPAY, and HR information

### **Post Secondary Education:**

- InfoCenter – Student loan system and report tool
- HELMS – Higher Education Loan Management Systems

### **Public Safety:**

- QuickBooks
- MS Access
- APSIN System - Revenue system

### **Revenue:**

- ABS
- Permanent Fund Dividend Program
- Tax System

### **Transportation and Public Facilities:**

- DOT applications
- Third Party Billing

The Department of Education and Early Development, Department of Natural Resources, Department of Military and Veterans Affairs, and the Governor's Office did not identify any shadow systems or external sources.

### **3.1.5 Impact of HR-Payroll RFP Cancellation**

While the uneasiness regarding the longevity of AKPAY has diminished, this perception changes with the vendor's situation and the Department of Administration is still concerned that the state is in a very limited user environment. Currently, Alaska is one of less than 40 users operating the Empagio payroll software. As a result, the impact of the HR-Payroll RFP cancellation has led the state to move toward achieving a portion of the HR-Payroll RFP goals through procuring a Time and Attendance solution.

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## 3.2 PERSONNEL AND LABOR RELATIONS INTERVIEWS

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- December 1, 2006 08:00-09:00
  - Personnel Small Conference Room
  - Business Process Personnel: Nicki Neal and Greg Sheppard
  - Project Personnel: Elizabeth Lo
- 

### 3.2.1 TrainAlaska

TrainAlaska is an online training registration system. The system allows students to enroll online and sends their enrollment through an approval process. The system then creates a student record that is available for transcript purposes. Attendance is tracked and transcripts of completed and pending training are available online. It has a ColdFusion MX front end and a Microsoft SQL Server back end. The state has scheduled an upgrade during fiscal year 2008.

### 3.2.2 WorkPlace Alaska

WorkPlace Alaska is the State of Alaska's online recruitment and application system for all classified service positions, salary range eight and above. Applicants create an online Applicant Profile, which they store in the system, and then tailor an application for each individual job opening to which they respond. The system then allows the hiring manager to review and select candidates to interview. The system archives old records and contains minimal reporting tools. Conversion of information contained in WorkPlace Alaska is planned as increment three in the ongoing project to develop ALDER. Vacancies in the classified service, except those requiring registration with job service, are posted on WorkPlace Alaska and available for on-line application. WorkPlace Alaska is written in Lotus Notes.

Due to the limited availability of staff with a Lotus Notes skill set, it is the goal of the department to convert the system onto a ColdFusion MX front end and a Microsoft SQL Server back end by the close of calendar year 2007.

### 3.2.3 WorkPAD

WorkPAD, Alaska's Workforce Planning and Development system, provides basic management reporting tools based on employee and position information downloaded from AKPAY. This web-enabled data reporting system uses current payroll and position information, some of which is confidential, for various formatted and ad hoc reports. The system is currently only available to registered users. Development was performed using ColdFusion and Microsoft SQL Server. WorkPAD is scheduled to be replaced with the ALaska Data Enterprise Reporting System.

### 3.2.4 Equal Employment Opportunity Reporting System (EEORS)

The Equal Employment Opportunity Reporting System captures and analyzes EEO statistics required for state and federal reporting purposes. It is a Microsoft Access program. EEORS will be replaced with the ALDER.

### **3.2.5 LTC Labor Trades and Crafts (LTC) Seniority System**

The LTC Seniority System is a mainframe database that tracks and reports seniority dates for Labor Trades and Crafts (LTC) employees for promotional opportunities. Due to unresolved problems in the mainframe system, information is currently being tracked using Microsoft Excel spreadsheets.

LTC Seniority System is scheduled to be replaced with the ALDER.

### **3.2.6 Exit Survey**

The Exit Survey is a web-based form that collects and tracks issues/reasons for an employee's departure from State of Alaska employment. It has a ColdFusion MX front end and Microsoft SQL Server back end.

### **3.2.7 MyPhone Book**

MyPhone Book is an online system that allows users to create phone directories tailored to their work units. It has a ColdFusion MX front end and a Lightweight Directory Access Protocol (LDAP) back end.

### **3.2.8 Online Position Description System (OPD)**

The Online Position Description System allows users to create position descriptions and other position control documents in an electronic format that are then forwarded through various editing and approval processes for final consideration by the Division of Personnel and Labor Relations. The system also has the functionality of online archiving and retrieval of position control information. It has a ColdFusion MX front end and a Microsoft SQL Server back end.

### **3.2.9 Issues Tracking System**

The Issues Tracking System provides a method for tracking and reporting on employee/labor relations issues. It has a ColdFusion MX front end and a Microsoft SQL Server back end.

### **3.2.10 Alaska Labor Relations Agency (ALRA) System**

The ALRA (Alaska Labor Relations Agency) system tracks ALRA filings, hearing schedules and decisions, such as Petitions to Enforce and Unit Clarifications. It provides a detailed log of the status of all filings. It is written in MS Access.

The system is still accessible but is not maintained. The division has not made a formal decision to decommission the ALRA system.

### **3.2.11 Grievance Tracking System**

The Grievance Tracking System provides a method of tracking grievances, complaints, and disputes from the point of receipt through closure. Additionally, this system tracks letters of agreement from receipt through signature. It is developed in FileMaker Pro. This system is used solely by Labor Relations.

### **3.2.12 Current Business Needs and Requirements**

Shortly after publishing the 2003 Business Case, the state integrated all human resource staff into the Division of Personnel (DOP). One of the goals of HR-Integration was to gain efficiencies through the standardization of processes across departments while providing the same or a greater level of service. The integration of HR staff resulted in the DOP inheriting some human resource systems that were supported by individual agencies, but not the technical staff to support those systems. Although the use of individual agencies' time and attendance systems continued, most other tracking and reporting systems were discontinued and alternate methods were developed.

These alternate methods typically involve the extraction of data from AKPAY which has very limited reporting capabilities and is labor intensive. The division plans to rely on ALDER to provide and meet the reporting needs and requirements. Other functions such as the gathering of data will still need to be performed. Currently, the division devotes approximately four FTEs to retrieving data and developing reports for internal and external use.

### **3.2.13 Shadow Systems and Workarounds**

At this time, DOP does not have an integrated HR system. The systems identified above represent the systems supporting the HR needs of the 14 operating agencies within the Executive Branch.

### **3.2.14 Impact of HR-Payroll RFP Cancellation**

As a result of the HR-Payroll RFP cancellation, DOP is taking steps to convert WorkPlace Alaska to SQL Server and ColdFusion MX for easier maintenance. Originally, WorkPlace Alaska was one of the key systems to be decommissioned as part of the HR-Payroll replacement solution. Like the Division of Finance, DOP agrees that the T&A solution will help achieve a portion of the HR-Payroll RFP goals and alleviate the workload associated with manual timesheet calculation and entry.

### 3.3 GENERAL SERVICES AND PURCHASING INTERVIEW

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- December 1, 2006 09:00 – 10:30
  - Vern Jones ' Office
  - Business Process Personnel: Vern Jones and Walt Harvey
  - Project Personnel: Elizabeth Lo
- 

#### 3.3.1 Lease Management System (LMS) and Lease Projection System (LPS)

In FY 2003, the Lease unit implemented software developed by Wostmann and Associates, a local software firm, called the Lease Management System (LMS) and the Lease Projection System (LPS). These systems track basic information regarding leased and state-owned real estate. The software allows division staff to manage space, leases, customer leases (both existing and new) amendments, renewals, and the terms of each. The software projects current and future fiscal year costs using outside information including consumer price index and regional factors. It also provides the information necessary to bill the lease customers and the customer tenants in the state-owned public facilities and includes both ad hoc and standardized reporting. The platform for these systems is Oracle and the software is Java. The systems allow for numerous simultaneous users.

After approximately four years of use, DGS has found that intended functionality of LMS and LPS has not been met well. Both systems require a significant amount of data entry as well as workarounds using spreadsheets. As a result, DGS is in the process of narrowing the scope of the system.

#### 3.3.2 MAXIMO

The Facilities unit purchased MAXIMO, a system for preventative maintenance and projections of facility needs. MAXIMO provides a work-order module, an equipment module, labor and other resources module, calendar module, job plans, and work management with scheduler module. MAXIMO was selected because it reportedly has an intuitive user interface and ability to integrate smoothly with any statewide software. Space management and rate setting capabilities will be required of the system, because the state as lessor needs to manage these relationships in accordance with the requirements of OMB Circular A-87. MAXIMO will not fulfill the capital asset accounting needs of this section, which are currently being met using MS-Excel.

#### 3.3.3 State Property System

The Property Management unit has the overall statewide responsibility for inventory control and surplus disposal, and departmental property officers in each agency are responsible for inventory within their respective departments. Two systems currently support the property function. The State Property System is an aging mainframe system that contains the equipment records that

support the state's current capital asset accounting. As with facilities, the actual accounting is currently done in MS-Excel. This system is greatly in need of replacement.

### **3.3.4 SURDATA**

SURDATA is a Foxpro database that supports the surplus equipment disposal process.

### **3.3.5 Procurement Tracking Database**

The Division of General Services operates several independent systems that support its varied areas of responsibility. Notably missing is a centralized purchasing system. The division operates several disparate databases to support individual aspects of the purchasing process. However, these ad hoc systems provide only a small fraction of the functionality a centralized purchasing system would deliver. Procurement tracking is labor intensive, but necessary to know the status, produce information for interested parties, and meet required reporting responsibilities under the law. Databases maintained by the division for purchasing track vendors, purchasing officer certifications, alternate procurements, and formal procurements.

### **3.3.6 Vendor System**

The state is required by statute to maintain a list of vendors interested in selling products or services to the state. The Division of General Services also provides vendor lists and mailing labels to all departments and others outside state government. The Vendor System is an internally designed database which tracks vendor information for these purposes.

### **3.3.7 Purchasing Officer Certification and Training Program**

The Procurement Certification Program supports the purchasing authority delegated to state agencies by scheduling and tracking required training courses. The software, developed by the Department of Administration, uses LDAP (lightweight directory access protocol) authentication and a Web browser acts as client. Employees and their supervisors can view certification status.

### **3.3.8 Current Business Needs and Requirements**

The DGS is looking to automate the procurement process on an enterprise basis from the solicitation phase through contract closeout. It is the goal of the state to be able to better identify and leverage its buying volume.

### **3.3.9 Shadow Systems and Workarounds**

The following systems have been identified as shadow systems (i.e., external sources):

- Parking (MS Access)
- ALVIN (Mainframe)
- Lease Management (MS Access)
- Facilities Workplan (MS Excel spreadsheet manually entered & maintained)

### **3.3.10 Impact of HR-Payroll RFP Cancellation**

While very little has changed in the process for DGS due to the cancellation of the HR-Payroll RFP, a HR-Payroll replacement solution would have eliminated some of the manual processes in place such as time and attendance for LTC workers.

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### 3.4 RETIREMENT AND BENEFITS INTERVIEW

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- November 30, 2006 13:30-14:00
  - R&B Conference Room
  - Business Process Personnel: Traci Carpenter, David Duntley, Lisa Tourtellot, Michael Hoskins, and Ken Donnelly
  - Project Personnel: Elizabeth Lo
- 

#### 3.4.1 Deferred Compensation Plan (DCP)

The Deferred Compensation Plan (DCP) is a tax deferral program for state employees. The DCP system collects and tracks member payroll deductions from AKPAY and reports these as contributions to the contract third party record keeper. The record keeper maintains detailed account information and makes the net disbursements to fund managers. The plan uses the record keeper's trading and internet services to conduct investment and other transactions; the third party record keeper reports balance information to both the division and the plan members. Calculations and instructions for distributions are prepared and authorized by the division. Electronic files requesting payroll deductions are sent to populate AKPAY.

DCP is a state developed system on Oracle.

#### 3.4.2 Supplemental/Select Benefits System (SBS)

The Supplemental/Select Benefits System consists of two parts, insurance enrollment and annuity information. Employers provide indicative data on members from which eligibility for benefits is derived. There are approximately 35,000 members in the Annuity system with 28,000 state members in the system with a positive account balance who can conduct transactions. Approximately 53% (57% state) of the members are actually actively contributing, and 47% (43% state) are former employees with account balances. Those balances remain with the system for 15-20 years on average. The SBS Annuity Plan uses the same third party record keeper and same transaction system as the Deferred Compensation Plan.

For insurance benefits, employees electronically enroll or are enrolled in a default plan. The division is responsible for maintaining enrollment data and reporting deduction setups and any necessary adjustments to employers. This is done electronically for the state and by paper for other employers. The employers are responsible for deducting premiums and reporting to the division; these deductions are reconciled with the enrollment elections. From election and deduction data, eligibility is reported to insurance companies and claims processors on either an aggregate or individual basis. This system was completely rewritten and converted to JAVA in 2002. The new system has also integrated many of the functions and processes of the SBS and DCP. A Dependent Care Reimbursement Account subsystem is maintained to track and process claims and issue reimbursements to approximately 200 participating members on a semi-monthly basis.

Annuity benefits (the annuity is an employer/employee section 401(a) defined contribution plan in which the state participates in lieu of social security contributions) are mandatory and employers are responsible for deducting contributions from employee salary and reporting it with matching employer contributions.

All employers now report SBS annuity and benefit contributions electronically. The system reports contributions to the record keeper and is handled along side with, and the same as, the DCP system as previously described.

The division maintains a health eligibility reporting system to report eligibility for health benefits for retirees and active employees, approximately 35,500 members. The system maintains information on covered dependents based on member enrollment and changes. The system accepts eligibility data from AKPAY twice monthly and the retiree payroll system monthly, merges it with coverage and dependent data, reports to the health claims processor, and maintains a history of the reporting.

The state is presently one of ten customers of this service.

### **3.4.3 Combined Retirement System (CRS)**

The Combined Retirement System (CRS) is an integrated modular software system that maintains service records for all members of the Public Employees', Teachers', and Judicial Retirement Systems (approximately 88,000 members). The state is one employer of 212 served by the division for retirement system administration. Approximately 50% of the member volume is generated by the state, the other 50% from 211 outside reporting units that maintain their own separate systems. The division's CRS system integrates all the information necessary for retirement system purposes.

The payroll module of CRS produces monthly retiree payments (30,171), weekly payments (100 per month), and refunds of employee contribution accounts (250 per month). Monthly disbursements exceed \$85 million. Extensive maintenance to payee records takes place each month (over 1,000 per month). Approximately 90% of payments are made by electronic fund transfer (EFT), and 10% by warrant. The system is also used for federal and state tax reporting.

CRS, including both the production and test payroll systems, operates on an AS/400 platform owned by the division. This system has been completely rewritten over the past five years and is fully stand-alone. It integrates the needs of 211 outside employer reporting units and the State of Alaska. The CRS system also has its own financial reporting module for general ledger and accounting purposes.

### **3.4.4 Current Business Needs and Requirements**

The business needs of the Division of R&B have not changed significantly. The division primarily needs a streamlined approach to exchanging data with AKPAY. Currently, AKPAY provides a snapshot of the data, not the history of an employee's data. Once the data from

AKPAY is received, there is some correcting of the data in CRS. R&B is also responsible for directly entering data in AKPAY, which appears as a deduction in an employee's paycheck. Since 2003, the state has added new retirement plans as well as encountering potential change in requirements such as the same-sex partner benefits. These programs are essentially changes to the interface in order to handle the different type of data.

### **3.4.5 Shadow Systems and Workarounds**

See R&B Agency Survey in Section 4.

### **3.4.6 Impact of HR-Payroll RFP Cancellation**

The cancellation of the HR-Payroll RFP 2006-0200-5914 has had little impact on R&B. Instead the replacement of the payroll system would have had significant impact on the division due to the data exchange between from AKPAY and AKSAS to the Deferred Compensation Plan, Supplemental/Select Benefits System, and the Combined Retirement System. As a result, any changes in the payroll and accounting systems will impact R&B systems and require R&B input.

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## 3.5 TREASURY INTERVIEW

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- December 1, 2006 15:00-15:30
  - Julie Pierce's Office
  - Business Process Personnel: Sue Bump
  - Project Personnel: Elizabeth Lo
- 

### 3.5.1 Custodian Bank

State Street Bank is the custodian for the investments managed by the Treasury Division (these include the general fund, the Constitutional Budget Reserve Fund (CBRF), and the pension funds plus several smaller funds). The division relies on the custodian to act as its book of record. This means that State Street's records are considered the primary records. The division does not capture any transaction detail in an in-house general ledger. Instead, summary journal entries are manually posted monthly to AKSAS and allocated to the appropriate asset class. The volume of funds managed is approximately 40-50 funds.

### 3.5.2 Internal Versus External Money Managers

Internal staff of the division invest most of the domestic fixed income portfolio. All other investments (domestic and international equities and international fixed income) are invested through contracts with external money managers. Monthly, the external managers are required to reconcile their detail transaction and holdings records with the custodians. There is no such reconciliation performed at this time between the internal investment staff and the custodian. This is because the division has no internal subsidiary accounting system to track its own investment activity and portfolio holdings.

Internal investment staff send trade information to the custodian through the Bloomberg Trading system. Bloomberg has limited capabilities to capture the portfolio transaction detail.

### 3.5.3 ResourceIQ<sup>2</sup>

Cash Management currently uses ResourceIQ<sup>2</sup> as their Treasury Management Workstation. ResourceIQ<sup>2</sup> is a LAN-based product using a Sybase back end. Cash Management is licensed for five simultaneous users. This system performs bank polling every morning to obtain prior day banking data for four local banks, and receives three files via direct lease line from the state's custody bank for current day transactions. The system puts these transactions in a standardized format, and assigns AKSAS financial coding to each transaction. This data is extracted on a daily basis to upload into AKSAS. The AKSAS extract is saved on Treasury's LAN, in a PC-based format. Cash Management uploads a FTP file into the ETS mainframe, where a batch program is run against the data to translate it into a format AKSAS will accept for interface. The Treasury Division plans to use ALDER for AKSAS reporting needs once it is operational. ResourceIQ<sup>2</sup> is a mission critical system for recording and reporting the state's cash receipts and warrants clearing.

### **3.5.4 Current Business Needs and Requirements**

For the most part, ResourceIQ<sup>2</sup> has been able to meet the state's current needs and requirements. A windows-based system, maintenance is primarily managing the releases. The state has established a consolidation of 300 bank accounts. Within those bank accounts, there are sub-accounts, which allow agencies to account for their funds. The state can provide as many sub-accounts are needed by an agency. For example, the Tax Division has 27 tax sub-accounts for segregating each tax type. In order to meet this need, the state used optional fields in ResourceIQ<sup>2</sup>. One of the drawbacks is that ResourceIQ<sup>2</sup> does not permit reporting from optional fields.

Other business needs not currently met include the inability to perform cash-for-cash transactions within ResourceIQ<sup>2</sup>, and inflexible security that does not permit field-level security. Sunguard is the vendor responsible for ResourceIQ<sup>2</sup> and while technical support has been adequate, the training and documentation provided has been weak.

The current contract with Sunguard is for the next four and a half years. Given the limitations of ResourceIQ<sup>2</sup>, the Treasury Division may be potentially interested in assessing the capabilities of a treasury module in an Enterprise Resource Planning solution.

### **3.5.5 Shadow Systems and Workarounds**

None.

### **3.5.6 Impact of HR-Payroll RFP Cancellation**

There has been very little impact on Treasury with the cancellation of HR-Payroll Replacement Solution RFP.

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## 3.6 BUDGET INTERVIEW

- November 28, 2006 10:30-11:30
  - Will Belknap's Office in the Court Plaza Building
  - Business Process Personnel: Will Belknap and Michael Dau
  - Project Personnel: Elizabeth Lo
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### 3.6.1 Alaska Budget System (ABS)

The Alaska Budget System (ABS) produces easily understood operating and capital budget information for the administration, legislature, and public. ABS is used to prepare and implement annual budgets for all executive branch departments. It replaced old inflexible computer systems that were not year 2000 compatible and did not “roll-up” from departments to produce statewide budgets and appropriation bills. Overall, the system streamlined budget development, with more emphasis on facilitating decisions.

ABS contains two modules: operating and capital. Both modules feature integrated processing environments for all executive branch departments. For example, departments can now develop their budgets in the system and simply click on a button to submit their information to OMB. User-defined scenarios provide departments flexibility for “what if” decision-making. Flexible reporting options allow for picking and choosing report data at the time the report is created. ABS is a Windows-based system with a graphical user interface that is easy to learn and use. In 2004, the state updated the hardware supporting the ABS DB2 database onto a new Windows-based server to get off of an older AIX server which was getting expensive to maintain.

At present, the ABS platform uses PowerBuilder client/server application (a product of Sybase). In the next year or two, OMB will evaluate options to centralize the application and ease the maintenance necessary for software updates. Two options currently being researched are moving all users to a Microsoft Terminal Server or moving the application to a web-based architecture.

The recommended minimum desktop configuration is a Pentium 90 with 16 MB RAM and a VGA, 640x480-resolution capable display monitor.

There are currently about 430 users of ABS statewide.

### 3.6.2 Current Business Needs and Requirements

A past issue with users has been the need to manually enter actuals into ABS. This is due to AKSAS and ABS running in parallel. If a new fund source is added in AKSAS, manual intervention is necessary to alert OMB to add the source into ABS. In addition, Legislative Finance has a separate budget system that interfaces with ABS. Future procurement and implementations of an ERP should include a requirement that automatically ties the actuals with what is budgeted.

OMB also mentioned the business need to have more frequent AKPAY data exchanges. Every month ABS receives data for every position control number (PCN) for comparison purposes. It serves the purpose of validating what is in budget and what is in actuals. The work associated with the monthly data from AKPAY is not significant, but it could be automated. ABS also receives updated salary schedules from AKPAY once a year and updated class code tables twice a year.

The three most time consuming aspects of ABS were identified as 1) enhancements to ABS, 2) correcting defects, and 3) testing associated with corrected defects. Given the longevity of ABS, the level of effort for improvements to ABS and repairs has not been lengthy compared to the implementation period for ABS.

In the last several years, the state has taken steps toward performance measurement. Recently, the Governor's Office has attended product demonstrations of performance measurement and Activity Based Accounting tools such as ALG. Departments have been increasingly educated about the terminology associated with performance measurement and what makes a good performance measure. The next step is tying the costs related to those performance measures.

### **3.6.3 Shadow Systems and Workarounds**

OMB noted Auto Authorized Budget as a shadow system used to produce an export friendly file for AKSAS. It is a utility application that formats the final appropriated budget and loads the file into AKSAS to authorize spending. There are currently 25 users and the application is used two weeks a year.

### **3.6.4 Impact of HR-Payroll RFP Cancellation**

OMB has a process in place to retrieve and send data to AKPAY and AKSAS. The impact of canceling the previous RFP has been negligible. Instead, a HR-Payroll replacement solution could potentially change how the OMB updates ABS. In particular, a key concern noted was how PCNs and personal services would be calculated and tied to ABS in a new HR-Payroll replacement solution.