

Unemployment Insurance Mainframe System Analysis**FY2025 Request: \$480,000****Reference No: AMD 65201****AP/AL:** Appropriation**Category:** To be determined**Location:** Statewide**Impact House District:** Statewide (HD 1 - 40)**Estimated Project Dates:** 07/01/2024 - 06/30/2029**Project Type:** Research / Studies / Planning**Recipient:** NA**House District:** Statewide (HD 1 - 40)**Contact:** Paloma Harbour**Contact Phone:** (907)723-6047**Brief Summary and Statement of Need:**

The Division of Employment and Training Services (DETS) Unemployment Insurance (UI) program needs to modernize its current mainframe system. This request is to initiate a full system analysis on the current system to help inform modernization efforts.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1004 Gen Fund	\$480,000						\$480,000
Total:	\$480,000	\$0	\$0	\$0	\$0	\$0	\$480,000

<input type="checkbox"/> State Match Required	<input 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 checked="" 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	
Totals:	0	0

Prior Funding History / Additional Information:**Project Description/Justification:**

This as-built mainframe documentation process is a strategic step towards modernizing the Department of Labor and Workforce Development's (DOLWD) antiquated Unemployment Insurance (UI) system. A detailed documentation process will position the department for greater operational efficiency, clarity, and scalability in the future.

The UI program's current mainframe is about 30 years old and in need of replacement. The limitations of the Common Business Oriented Language (COBOL) programming have become apparent during each episodic downturn in the economy. This was particularly highlighted during the COVID-19 pandemic. When the U.S. Department of Labor implemented three separate UI programs at once, Alaska's UI system struggled to implement the various programming requirements in a timely manner. It took on average six to eight weeks to implement each program in addition to requirement changes as the pandemic continued. These delays impacted Alaskans that needed immediate financial relief.

Due to the structure of the COBOL programming language, Alaska's UI program is struggling to undo various coding components of the pandemic UI programs that have a direct impact to the payment of UI benefits.

Anticipated federal funding for modernization efforts was rescinded as a part of Congress' claw back of pandemic funding.

What is the purpose of the project?

To study and complete detailed documentation of the current mainframe system that will be used to help inform modernization options.

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

A new system development project that will enhance the department's capabilities.

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

System Analysis & Documentation: Approximately \$480,000. This would include:

- Review of each of the 1,000 COBOL applications to determine their purpose and functionality.
- Comprehensive documentation detailing the functionality, data flows, dependencies, and integrations of each application.
- Creation of a central "What does DOLWD do" summary report encompassing all applications.

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

Modernizing the UI system would allow Alaska's UI program to be more responsive during economic downturns, allow for data mining to detect and prevent fraudulent claims, as well as make timelier eligibility determinations and payments.

Will the project affect the way in which other public agencies conduct their business?

No

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

This project will inform a larger full system replacement project.

What will happen if the project is not approved?

If this project is not approved, the UI program will not be able to document its "as is" and "system requirements" for modernization efforts. The longer the UI program is unable to modernize, the more difficult it will be to meet federal performance measures and make UI payments timely and accurately. During periods of economic downturns, it has taken longer than expected to implement program changes and respond to the economic downturn.