

Benefits And Retirement Systems (BEARS) Enhancement	FY2025 Request:	\$9,000,000
	Reference No:	AMD 62894

AP/AL: Appropriation Category: General Government Location: Statewide Impact House District: Statewide (HD 1 - 40) Estimated Project Dates: 07/01/2024 - 06/30/2029	Project Type: Information Technology / Systems / Communication Recipient: NA House District: Statewide (HD 1 - 40) Contact: Kris Humbert Contact Phone: (907)465-4466
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Brief Summary and Statement of Need:

The Division of Retirement and Benefits (DRB) is in the final stages of an information technology (IT) modernization project to replace the antiquated Computerized Retirement System (CRS) with an expanded, fully-functional, and modern Benefits And Retirement System (BEARS). During the development of BEARS, DRB received a Supreme Court decision (State of Alaska vs. Metcalfe), and identified other items requiring changes to programming outside the original scope of the project. A second phase of the project is required to accommodate those changes.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1017 Group Ben	\$4,307,520						\$4,307,520
1029 PERS Trust	\$3,172,560						\$3,172,560
1034 Teach Ret	\$1,354,020						\$1,354,020
1042 Jud Retire	\$27,300						\$27,300
1045 Nat Guard	\$138,600						\$138,600
Total:	\$9,000,000	\$0	\$0	\$0	\$0	\$0	\$9,000,000

<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 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	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch19 SLA2018 P6 L9 SB142 \$30,000,000

Project Description/Justification:

In FY2019, the DRB was allocated \$30,000,000 for an IT modernization project (BEARS). Design and development is nearing completion and is scheduled to be implemented in December 2024. Additional funding is needed to provide necessary changes to BEARS to comply with the *State of Alaska vs. Metcalfe* Supreme Court decision and provide additional enhancements identified during BEARS development but were originally out-of-scope. Design, development, and implementation of enhancements are anticipated to be completed in FY2028. Funding for enhancements will ensure that DRB can process required changes accurately and timely. Enhancements will also allow DRB

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to accommodate direct billing of health plan members, resulting in cost savings for the DRB as it will eliminate a substantial portion of costs paid to PayFlex, DRB's health plan billing vendor. Additionally, these enhancements will be integrating the contact center workflow and counseling scheduling functions, streamlining various DRB workflows. This will result in reduced processing timeframes for member retirements, refunds, etc. and simplify the process of potential future system updates.

1017 BSR	\$4,307.5
1029 PERS	\$3,172.6
1034 TRS	\$1,354.0
1042 JRS	\$27.3
1045 NGNMRS	\$138.6