

Banking and Securities Management Systems**FY2009 Request: \$890,000****Reference No: 47010****AP/AL:** Appropriation**Project Type:** Information Systems**Category:** General Government**Location:** Statewide**Contact:** Amanda Ryder**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-2506**Estimated Project Dates:** 07/01/2008 - 06/30/2014**Brief Summary and Statement of Need:**

The Banking and Securities Management Systems project was submitted in the FY10 Governor's Capital Budget as a Governor's Office IT project. An amendment will be submitted to remove it from the Governor's budget. This project replaces and consolidates multiple systems used by the Division of Banking and Securities to track activities associated with regulating banks, securities offerings and securities brokers. It is needed as a supplemental item, as soon as possible, because the existing systems are past their useful life and are failing. This project contributes to the mission of providing administrative support to all divisions and agencies and results in efficient and secure information technology services.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Rcpt Svcs	\$890,000						\$890,000
Total:	\$890,000	\$0	\$0	\$0	\$0	\$0	\$890,000

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

Additional Information / Prior Funding History:

None.

Project Description/Justification:

Information Technology Capital Project Review Form FY2009

1. Has this project been previously approved?

No - It was approved in the review of FY2010 proposed projects and submitted in the Governor's FY10 Capital Budget. An amendment will be proposed to remove it from the Capital Budget and a supplemental is needed as soon as possible because of current system failure.

2. What is the purpose of the project?

The Division of Banking and Securities regulates banks, securities offerings and securities brokers. The division currently uses multiple systems to track and report this information. These systems are past their useful life and need to be replaced.

The division has already created a portal application as the central location for the division's applications and reports. The goal of this project is to develop replacement systems in current technology and incorporate them into the portal.

The following systems require replacement:

- STAR – this system is a commercial, off-the-shelf system designed to track securities data. This system never lived up to expectations and currently requires daily manual intervention to keep it running. This system is at risk of stopping altogether before a replacement system can be developed.
- ANCSA – this system was developed in Microsoft access and has very limited capabilities.
- Banking – this system was developed in the 1990s in non-standard technologies. The system has limited capabilities and makes tracking and enforcement time consuming for staff.

3. Is this a new systems development project?

Yes, but as a replacement to existing software.

Upgrade or enhancement to existing department capabilities?

No

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

The expectation is that contractors will be utilized to design and build the system. The project breakdown is as follows:

Project Initiation / Planning	10,000
Requirements Definition	35,000
System Design	35,000
Software Acquisition	150,000
Software Installation / Programming	455,000
Hardware / Infrastructure Acquisition	10,000
Hardware / Infrastructure Installation	10,000
Hardware / Infrastructure Testing	10,000
System Integration and Testing	70,000
Installation and Deployment	45,000
Corrective and Adaptive Maintenance	45,000
Training	15,000

5. How will service to the public measurably improve if this project is funded?

- Consolidate three key systems into the existing division application portal, reducing costs.
- Enable staff to better manage increased workload.

- Build a system based on updated business processes rather than continuing inefficient processes.
- Provide expanded reporting capability for staff and investigators.

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

No

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

None

8. What will happen if the project is not approved?

One of the existing systems is broken beyond repair, forcing staff to use spreadsheets and manual processes. Staff communication and investigative functions are currently suffering. This will continue until a new system is put in place.

AP/AL: Appropriation **Project Type:** Information Technology / Systems / Communication

Category: General Government

Location: Statewide

Contact: Amanda Ryder

House District: Statewide (HD 1-40)

Contact Phone: (907)465-2506

Estimated Project Dates: 07/01/2008 - 06/30/2014

Brief Summary and Statement of Need:

The Secretary of State Knowledge Base (SOSKB) system is a new capital project, needed as a supplemental item, as soon as possible, because the existing system may fail and leave the Division of Corporations, Business and Professional Licensing (CBPL) unable to provide its core services - licensing and registration of corporations. This Information Technology (IT) project was approved in the review of proposed FY10 capital projects for replacement of the aging software system and will reduce maintenance costs.

Funding:	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
BLic&Corp	\$630,000						\$630,000
Total:	\$630,000	\$0	\$0	\$0	\$0	\$0	\$630,000

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

Additional Information / Prior Funding History:

New Project.

Project Description/Justification:

Information Technology Capital Project Review Form FY2009

1. Has this project been previously approved?

No - This project was approved in the review of FY10 proposed projects but needs to begin as soon as possible because of the impacts of potential system failure.

2. What is the purpose of the project?

The Division of Corporations, Business and Professional Licensing (CBPL) currently uses the Secretary of State Knowledge Base (SOSKB) system for tracking corporations doing business in the State of Alaska. This system was developed by a vendor and sold to multiple states. The majority of the states that purchased this system have since changed to other systems (both purchased and custom developed). The vendor is in the process of developing a new

system which is incompatible with the old, making the system currently used by CBPL obsolete.

The system is currently maintained by a vendor at rates uncommonly high for the industry. The division is concerned that as more states abandon the system, the already high maintenance fees will continue to climb or the vendor will drop support altogether. Due to these and other issues, the system needs to be replaced as soon as practical.

The goal of this project is to replace the aging SOSKB system to reduce maintenance costs and avoid the potential for having a major system for the division unsupported altogether.

Project cost:	Capital:			Annual O&M costs or savings
	Prior Years	FY 2009	FY 2010	
General Funds				
General Fund Match				
General Fund Program Receipts				
I/A Receipts (dept. and fund source)				
Other Funds (name and fund number)		630,000 Blic&Corp	0	
Federal Funds				
Total		630,000	0	0

3. Is this a new systems development project?

Yes, but as a replacement to existing software.

Upgrade or enhancement to existing department capabilities?

No

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

The expectation is that contactors will be utilized to design and build the system.

The dollar breakdown is as follows:

Project Initiation / Planning	10,000
Requirements Definition	40,000
System Design	75,000
Software Acquisition	15,000
Software Installation / Programming	265,000
Hardware / Infrastructure Acquisition	10,000
Hardware / Infrastructure Installation	10,000

Secretary of State Knowledge Base System Replacement**FY2009 Request:****\$630,000****Reference No:****48236**

Hardware / Infrastructure Testing	20,000
System Integration and Testing	95,000
Installation and Development	35,000
Corrective and Adaptive Maintenance	40,000
Training	15,000

5. How will service to the public measurably improve if this project is funded?

If this project is not funded, the State will continue to pay higher than normal maintenance fees until the service is no longer provided. We can expect a system failure shortly after termination of maintenance and CBPL will be unable to access data. This will lead to failure of CPBL's ability to provide its core services - licensing and registration of corporations.

Service to the public improved through cost savings and ongoing reliability of service.

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

No

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

None.

8. What will happen if the project is not approved?

The vendor may discontinue maintenance before the system can be replaced. This would cause extreme hardship on the division.

AP/AL: Appropriation
Category: Development

Project Type: Construction

Location: Barrow

Contact: Amanda Ryder

House District: Arctic (HD 40)

Contact Phone: (907)465-2506

Estimated Project Dates: 07/01/2008 - 06/30/2014

Brief Summary and Statement of Need:

The revenues received in FY2009 (Ch 29, SLA 2008, Sec 38, Pg 212, Ln 2 (SB221) for the NPR-A Impact Grant Program were short \$53.5 to fund all appropriated NPR-A projects. This request reduces the Arctic Fox Study from \$402.0 to \$348.5 per a request from the Mayor of the North Slope Borough.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
NPR Fund	\$-53,500						\$-53,500
Total:	\$-53,500	\$0	\$0	\$0	\$0	\$0	\$-53,500

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
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Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Project Description/Justification:

Because the NPR-A revenue received is \$53.5 short of the funding needed to fund all appropriated NPR-A projects, per statute, the lowest ranking grants should be dropped. The impact of this would have been that the City of Nuiqsut would not receive \$50.0 of funding for youth recreation or \$3.5 of the \$285.0 appropriated for local government operations.

To ensure that the City of Nuiqsut received the funding appropriated, the Mayor of the North Slope Borough sent a letter to the Commissioner of Commerce, Community, and Economic Development requesting a reduction from the \$402.0 appropriation for the Arctic Fox Study. This project is a multi-year project and the re-scoping of the project can be handled through the North Slope Borough's normal administrative process.