

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 CS FOR HOUSE BILL NO. 242 (Telecommunications)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to automatic data processing; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 44.21.160(b) is amended to read:
10 (b) To carry out (a) of this section the department may
11 (1) maintain a central staff of systems analysts, computer
12 programmers and other staff members sufficient to provide systems
13 analysis and computer programming support required by the executive,
14 legislative and judicial branches of state government;
15 (2) develop and maintain both short-range and long-range
16 data processing plans for state government and provide managerial
17 leadership in the use of automatic data processing;
18 (3) review all budget requests for automatic data process-
19 ing services and recommend to the governor approval, modification, or
20 disapproval;
21 (4) recommend implementation priorities of requested data
22 processing systems;
23 (5) determine and satisfy the data processing equipment and
24 supply requirements of all branches, departments and agencies of state
25 government;
26 (6) provide all facilities, equipment and staff required to
27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;
29 (7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 - 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require each state agency to procure its automatic data
9 processing services from the department;

10 (11) charge a state agency or other governmental agency for
11 the cost of the automatic data processing services provided or pro-
12 cured by the department for the agency.

13 * Sec. 2. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 1

Automatic REQUEST
 Bill/Resolution No.: CS 18B242(e) FISCAL DETAIL
 Title: "An Act Relating to Data Processing; and Providing For An Effective Date" Agency Affected: Dept. of Administration
 Program Category Affected: General Government
 Sponsor: _____ BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____ Information Resource Management
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONNEL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This Legislation has no fiscal impact to the State

Prepared By: John Valensi *John Valensi* Phone: 465-2-20
 Division: Information Resources Planning & Review Date: 2-11-85

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 2-20-85
 Agency: Department of Administration *for*

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

*not in
CIS* { The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

OFFICE OF THE COMMISSIONER

March 27, 1985

The Honorable Albert Adams
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

This letter contains information relative to House Bill 242.

In April, 1983 the 12th Legislature, in conjunction with the Executive Branch, terminated the major part of what had been functioning as a computing resource chargeback system for the following reasons:

- The amounts using agencies were budgeting to pay their resource charges were much higher than the amount computing resource providers needed to operate.
- Chargeback rates established by the Data Centers were artificially high to cover losses from agencies that consumed resources but did not pay their chargeback billings.

Once chargeback was eliminated, it was necessary to establish an operating budget for the Data Centers paid directly out of General Funds instead of Inter-Agency receipts. This was accomplished by taking the total Data Center budget and subtracting the amount of non-General Funded based income that would continue to be received through Inter-Agency transfers. (An additional amount of \$3100.0 was added to cover those operating expenses that had been paid from capital funds for a number of years.) As a result, the major portion of the FY84 Information Resources Management(IRM) budget was established and the Data Centers as well as the using agencies lost visibility and, therefore, the means of managing resource consumption.

It can be argued as to whether this loss of manageability or the surge in system's development was the primary

contributor, but 1983 and 1984 were the most dramatic years of expanded Data Center load in the history of Alaska. From December, 1982 to January, 1985 (two years) the Data Centers have had to upgrade their computers three times for an increase in capacity of nearly 300%.

This growth does not imply there has been a total abandonment of rational use. A number of excellent systems have been implemented in this period. However, it is felt that some portion of the current consumption level could be reduced through effective management.

For this reason, the idea of resource chargeback as a management tool is still supported by both the Legislature and the Administration in spite of problems with the old system. However, a new system must have new characteristics. Some of which are:

- Chargeback rates must be auditable directly back to the provider's budget.
- The system must be able to absorb unpredicted variations in agency usage estimates.
- The system must allow cause/effect changes in Data Center configurations at times which may be incompatible with budgetary approval schedules.

In July 1983 (FY84), a cost analysis of the Data Centers was commenced and a study of various packaged billing systems was undertaken to select one that would fit the State's needs. After approval of a \$74,000 capital project for FY85, a technique for calculating rates was developed and approved by all departments and the Boeing Computing Chargeback System (FACTS) was purchased and installed in the Juneau and Anchorage Data Centers as well as the University of Alaska. Commencing with October, 1984, simulated invoices were generated and provided to high-use departments for review.

At this time, the mechanics of a new chargeback system are in place and operating, but two major elements remain to make it fully operational - HB242 and Implementation.

The Telecommunications Committee substitute for House Bill 242 will allow IRM to collect funds directly from other agencies of government that may use state computing resources. For example, there are a number of local police agencies that use various elements of the Public Safety systems and certain agencies of the Federal Government here in Alaska have expressed an interest in using certain services. This is an opportunity to gain additional income for the state through the sale of resources at times that

would not interfere with state priorities.

The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

To accomplish this, IRM recommends that the full system be implemented over a two year span. In the first year (FY86), budgets would remain as they have been presented, the new rates would be published and used for new systems justifications, invoices would be generated to the entire user community, but actual payment of funds to IRM account would only occur from those agencies that have been making inter-agency payments through FY85 and any new accounts. This would give all other agencies an additional few months to prepare better budget estimates for their resource consumption and include their expected General Fund increases in the FY87 budget proposal. Commensurate with the user's increases in General Fund requests, IRM's General Fund request will go down equally, assuming there are no drastic increases in load. If there are such increases, IRM will be providing a total by agency as to the recommended funding level based on historical consumption. Any deviations will be justified by the consuming agency.

I encourage the committee to look favorably on this bill and will be available for testimony or conversation at any time.

Sincerely,

James R. Shea
Deputy Commissioner
Information Resources and
Telecommunications

JRS/cl's

cc: LuAnn Cutler, c/o Representative Adams, Pouch V
Elmer Lindstrom, c/o Representative Adams, Pouch V

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 CS FOR HOUSE BILL NO. 242 (Telecommunications)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to automatic data processing; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 44.21.160(b) is amended to read:
10 (b) To carry out (a) of this section the department may
11 (1) maintain a central staff of systems analysts, computer
12 programmers and other staff members sufficient to provide systems
13 analysis and computer programming support required by the executive,
14 legislative and judicial branches of state government;
15 (2) develop and maintain both short-range and long-range
16 data processing plans for state government and provide managerial
17 leadership in the use of automatic data processing;
18 (3) review all budget requests for automatic data process-
19 ing services and recommend to the governor approval, modification, or
20 disapproval;
21 (4) recommend implementation priorities of requested data
22 processing systems;
23 (5) determine and satisfy the data processing equipment and
24 supply requirements of all branches, departments and agencies of state
25 government;
26 (6) provide all facilities, equipment and staff required to
27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;
29 (7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 - 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require each state agency to procure its automatic data
9 processing services from the department;

10 (11) charge a state agency or other governmental agency for
11 the cost of the automatic data processing services provided or pro-
12 cured by the department for the agency.

13 * Sec. 2. This Act takes effect July 1, 1985.

Introduced: 2/27/85
Referred: House Special Committee on
Telecommunications, State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 242

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to automatic data processing; and
7 providing for an effective date."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. AS 44.21.160(b) is amended to read:

10

(b) To carry out (a) of this section the department may

11

(1) maintain a central staff of systems analysts, computer

12

programmers and other staff members sufficient to provide systems

13

analysis and computer programming support required by the executive,

14

legislative and judicial branches of state government;

15

(2) develop and maintain both short-range and long-range

16

data processing plans for state government and provide managerial

17

leadership in the use of automatic data processing;

18

(3) review all budget requests for automatic data process-

19

ing services and recommend to the governor approval, modification, or

20

disapproval;

21

(4) recommend implementation priorities of requested data

22

processing systems;

23

(5) determine and satisfy the data processing equipment and

24

supply requirements of all branches, departments and agencies of state

25

government;

26

(6) provide all facilities, equipment and staff required to

27

convert data to a form suitable for processing on automatic data pro-

28

cessing equipment;

29

(7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 -- 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require state agencies to procure automatic data pro-
9 cessing services from the department and it may charge appropriations
10 made to the agencies to finance these services.

11 * Sec. 2. AS 44.21 is amended by adding a new section to read:

12 Sec. 44.21.165. AUTOMATIC DATA PROCESSING ACCOUNT. There is
13 established in the general fund a nonlapsing automatic data processing
14 account. The account consists of amounts received from state agencies
15 and other governmental sources in satisfaction of charges levied by
16 the department for automatic data processing services and equipment.
17 Money may be expended from the account to carry out the powers of the
18 department set out in AS 44.21.160.

19 * Sec. 3. This Act takes effect July 1, 1985.