

HB

242

Article 3. Automatic Data Processing.**Section**

- 150. Declaration of purpose
- 160. Powers and duties of Department of Administration
- 170. Definitions

Sec. 44.21.150. Declaration of purpose. It is the purpose of AS 44.21.150 — 44.21.170 to designate the Department of Administration as the department responsible for the operation and management of automatic data processing resources and activities of the executive, legislative and judicial branches of state government, and to provide for periodic review of state automatic data processing procedures and mechanisms. It is further the purpose of these sections to encourage cooperation between the state government and local governments in the use of automatic data processing systems. (§ 2 ch 170 SLA 1972)

Sec. 44.21.160. Powers and duties of Department of Administration. (a) The department shall provide automatic data processing services responsive to the needs of state government and procure, operate and staff all automatic data processing equipment facilities used by state government.

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

- (1) maintain a central staff of systems analysts, computer programmers and other staff members sufficient to provide systems analysis and computer programming support required by the executive, legislative and judicial branches of state government;
- (2) develop and maintain both short-range and long-range data processing plans for state government and provide managerial leadership in the use of automatic data processing;
- (3) review all budget requests for automatic data processing services and recommend to the governor approval, modification, or disapproval;
- (4) recommend implementation priorities of requested data processing systems;
- (5) determine and satisfy the data processing equipment and supply requirements of all branches, departments and agencies of state government;
- (6) provide all facilities, equipment and staff required to convert data to a form suitable for processing on automatic data processing equipment;
- (7) develop and publish systems analysis, computer programming and computer operations standards;
- (8) review all state automatic data processing systems to encourage effectiveness, measure performance, and assure adherence to the standards developed under AS 44.21.150 — 44.21.170;
- (9) develop and conduct an automatic data processing training program designed to serve the technical and managerial needs of state government.

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(c) The department may cooperate with political subdivisions of the state in the development and operation of data processing systems and may allow for the use of state facilities by political subdivisions.

(d) The department may develop and implement a plan for the integration of automatic data processing facilities of the University of Alaska with the state facilities. However, the integration plan authorized by this subsection may not be put into operation until approved by the President of the University of Alaska and the department.

(e) Nothing in this section precludes the department from authorizing recruitment and employment of data processing personnel by other departments of the executive branch when the commissioner determines that the needs of the other departments will be best served by the authorization. Nothing in this section precludes the department from obtaining necessary contractual assistance for automatic data processing activities. Nothing in this section precludes the legislature or judicial system from recruiting and employing data processing personnel or from obtaining necessary contractual assistance for automatic data processing activities.

(f) The division of data processing shall coordinate with the division of telecommunications in providing for the effective transfer of information by telecommunications through the establishment of compatible systems and common standards. (§ 2 ch 170 SLA 1972; am E.O. No. 50, § 8 (1981))

Effect of amendments. — The 1981 amendment added subsection (f).

Editor's notes. — Section 3, ch. 170, SLA 1972, provides: "This Act applies to all automatic data processing facilities acquired either partially or wholly with

state money before or after July 7, 1972. This Act also applies to automatic data processing facilities used by the state but financed with federal money, to the extent permissible under applicable federal policies."

Sec. 44.21.170. Definitions. In AS 44.21.150 — 44.21.170

(1) "automatic data processing" means

(A) those methods of processing data by using electrical accounting machinery (EAM) or electronic data processing equipment (EDP), including the activities and devices required to prepare data for automatic data processing;

(B) data communications devices and those systems used with automatic data processing equipment in the transmission and reception of data; and

(C) activities related to the design and development of automatic data processing systems;

(2) "commissioner" means the commissioner of administration;

(3) "department" means the Department of Administration. (§ 2 ch 170 SLA 1972)

Article 3 -

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

March 5, 1985

Representative Red Boucher
Chairman, Telecommunications Subcommittee
Capitol Building, Room 421

Dear Representative Boucher:

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 charges 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.

House Bill 242 which will accomplish two things.

- Establish a non-lapsing account in the General Fund to act as shock absorber between the often incompatible requirements of resource demands and budget schedules.
- Provide the authority to collect funds from all governmental entities in or out of state

government that may be authorized to use state resources.

The non-lapsing account would commence with zero funding and be a repository for all resource-based income from any Data Center user. From this account, the Data Centers would be authorized to pay those expenses which result from providing the chargeback resources. Any excess income would not lapse at fiscal year closing, but would accumulate in the account to defray major up-front expenses that occur as a result of significant changes in system load or technology. The fund would be reimbursed by a fractional change in rates or the actual enlargement in a user's bill where additional resources are consumed. The fund would also serve as a buffer for sudden reductions in user consumption causing a reduction in income. Unfortunately, computing hardware cannot be disposed of as rapidly as a user can reduce his usage.

The other portion of HB242 allows the Data Centers to charge non-state governmental agencies for services and resources consumed. This would cover any user from city-borough through federal level.

HB242 very adequately covers the above subjects, but there are two administrative items relative to the non-lapsing account that should be considered. The first is the establishment of a limit of the account size. IRM recommends that limit be set at \$5,000.0 with any excess automatically rolling back to the General Fund at the close of each fiscal year. The second is the management of the account. IRM recommends this be the responsibility of the Office of Management and Budget.

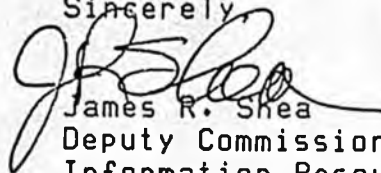
The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

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 to the non-lapsing General Fund account would only occur for 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

cc: Representative Virginia Collins
House of Representatives
Behrends Building, Room 220

Representative Mike Davis
House of Representatives
Capitol Building, Room 415

Representative Peter Goll
House of Representatives
Behrends Building, Room 212

Representative Marco Pignalberi
House of Representatives
Behrends Building, Room 203

Representative Dave Thompson
House of Representatives
Behrends Building, Room 214

Representative Kay Wallis
House of Representatives
Capitol Building, Room 130

Jay Hogan, Associate Director
Office of the Governor
Office of Management and Budget
Division of Budget Review

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES

BILL SHEFFIELD, GOVERNOR

Robert J. Sundberg
Commissioner

POUCH N
JUNEAU, ALASKA 99811
PHONE: 465-4336

January 29, 1986

JAN 30 1986

Representative H. A. "Red" Boucher, Chairman
House Special Committee on Telecommunications
Post Office Box V
State Capitol
Juneau, AK 99811

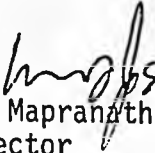
Dear Representative Boucher:

In response to your recent inquiry about the Department's fiscal note for CSHB 242(Tele)(efd am), this fiscal note was based upon the Department of Administration's: 1) cost projections in the Fall of 1985, and 2) their sample monthly billings. The information was not available during the last session when the bill was being initially considered.

The Department of Public Safety's position is that the Department of Administration probably has adequate funding to continue present service being provided to the Department of Public Safety. But, since the potential fiscal impact is so substantial, it should be pointed out to legislative decision-makers as a likely cost related to full implementation of data processing chargeback.

Unfortunately, there was also an apparent distribution problem with this fiscal note. Additional copies have been sent out to those who did not receive the initial copy sent to them. Please advise if you have further questions or concerns.

Sincerely,


Jos Mapranath
Director

cc: James D. Vaden, Deputy Commissioner

DEPARTMENT: Public Safety

DATE: 1/9/86

LAW LOG # _____

Due:

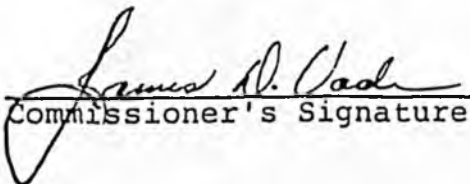
Please indicate your recommendation regarding the final draft legislation affecting your department sent to you by the Department of Law. If you notice any changes you would like to make to the transmittal letter, major corrections, or issues to be addressed, list them below.

Attach a fiscal note, sign this cover sheet and return to Candise Griffin, Office of the Governor, as soon as possible. Thank you.

RECOMMENDATION: (Approve, hold, do not approve)

COMMENTS: When this bill becomes law, a DP chargeback system will be formally implemented using rate structure developed by Department of Administration.

There appears to be a substantial impact on the Department of Public Safety as can be seen from the attached Fiscal Note.


Commissioner's Signature

1/9/86
Date

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 242 (Telecomm.)
 Title : An Act relating to automatic data processing; and providing for an effective date.
 Sponsor : Rules/Governor
 Requestor By House Special Committee on
 Date of Request : Telecommunications

FISCAL DETAIL

Agency Affected : Dept. of Public Safety
 BRU : DPS Administration
 Components : Data and Word Processing

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		1433.5	1476.5	1520.8	1566.4	1613.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1433.5	1476.5	1520.8	1566.4	1613.3

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		1433.5	1476.5	1520.8	1566.4	1613.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

A 3% increase has been figured into each consecutive year following FY87.

See the attached.

Prepared by : Jos Mapranath
 Division : Administrative Services

Phone : 465-4336
 Date : 1/9/86

Approved by Commissioner : [Signature]
 Agency : Department of Public Safety

Date : 1/9/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS HR 242

Fiscal note is using current Department of Administration rate structure and is based on a comparison of :

1.	11 months cost ending 8/31/85 =	\$3,653,000.0	
	Projected 12 months		\$3,985.1
2.	10-1-85 to 10-31-85		
	Sample Billing	\$ 322,676.06	
	Straight Projection for 12 months		\$3,872.1

Take the lower of the figures (in FY86 dollars) \$3,872.1 (A)

DP Chargeback

Budgeted in DPS in FY84; now in Department of Administration (in FY82 dollars) \$2,438.6 (B)

Difference: A - B =
$$\begin{array}{r} \$3872.1 \\ 2438.6 \\ \hline \$1433.5 \end{array}$$

Note

The actual amount needed may be lower due to:

1. Planned downward revision in the rate structure by Department of Administration.
2. Other funds available within Department of Administration.
3. Probable inflationary increase in funding budgeted by Department of Administration over the course of these years.

XXXX TOTAL XXXX

10809.96

10809.96

JUNEAU CICS

JUNEAU CICS PRIME

366.26

186.80

XXXX TOTAL XXXX

186.80

ANCHORAGE CICS

ANCH CICS PRIME
ANCH CICS NONPRIME

557.69
.00

284.41
.00

XXXX TOTAL XXXX

284.41

DEDICATED CICS

DEDICATED CICS PRIME
DEDICATED CICS NON PRIME

137714.58
35637.69

70234.43
13898.70

STATE OF ALASKA

BCS FINANCIAL ACCOUNTING SYSTEM (IBM)

FACTS RELEASE 3.00 11/13/85
(LEVEL = 4) REPORT PAGE 23 PA

ACCOUNTING PERIOD:
START: 10/01/85
END: 10/31/85

ORGANIZATION / RESOURCE DETAIL

PREPARED FOR
STATE OF ALASKA

DATA REPORT
FIRST:
LAST:

PROJECT TYPE: BILLABLE

ORGANIZATION: STATE OF ALASKA
(CURRENT PERIOD)

CHARGES

SUB-ORGANIZATION	RESOURCE TYPE	RESOURCE	VOLUME	CHARGES (\$)
PUBLIC SAFETY	(CONTINUED)			
	XXXX TOTAL XXXX			84133.13
JUNEAU ADABAS		JUNEAU ADABAS PRIME JUNEAU ADABAS NONPRIME	87.01 3.37	38.27 1.04
	XXXX TOTAL XXXX			39.31
ANCHORAGE ADABAS		ANCH ADABAS PRIME ANCH ADABAS NONPRIME	153.38 146.99	67.52 47.00
	XXXX TOTAL XXXX			114.52
DEDICATED ADABAS		DEDICATED ADABAS PRIME DEDICATED ADABAS N-PRIME	345203.05 32119.09	151889.33 10278.11
	XXXX TOTAL XXXX			162167.44

XXXX TOTAL FOR PUBLIC SAFETY

Straight Projected 12 mos (FY 86) = 3,672,112 - 3,877

322676.06

TOTAL COST OF SUPPORT FOR 11 MONTHS ENDING AUGUST 31, 1985

Governor	\$ 373,899	Environmental Conservation	\$ 14,500
Administration	3,963,637	Corrections	49,249
Law	135,543	Community & Regional Affairs	1,344
Revenue	807,054	Dept. of Transportation	873,756
Education	376,185	Ombudsman	3,597
Health & Social Services	2,611,740	Legislative Affairs	351
Labor	24,485	Legislative Audit	29,990
Commerce	216,347	Legislative Finance	72,691
Military Affairs	808	Courts	38,324
Natural Resources	565,770	University	9,978
Fish & Game	475,429	Federal Government	11
Public Safety	3,653,000		
			<hr/>
			\$14,297,688

2985 (11 months)

AGENCY: DEPARTMENT OF PUBLIC SAFETY
 CATEGORY: ADMINISTRATION OF JUSTICE

PROGRAM: ADMINISTRATION
 SUB PROGRAM: ADMINISTRATION & SUPPORT

USED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: LB-3-3 \$3.4

***** HOUSE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: HOUSE (\$3,273.1) VERSUS GOV.AMD. (\$5,766.7)
PERS. SERV.	-13.6	-0.7%	DISALLOW NEW DATA CONTROL CLERK II POSITION.
TRAVEL	-0.1	-0.2%	ALLOW FY 83 AMOUNT LESS 10%.
CONTRACTUAL	-2474.5	-67.2%	DELETE INFLATION AMOUNT <35.9>, DELETE DATA PROCESSING CHARGEDBACK AMOUNT <2438.6>.
COMMODITIES	-2.8	-5.7%	DELETE INFLATION AMOUNT.
EQUIPMENT	-2.6	-49.1%	ALLOW 50% OF REPLACEMENT EQUIPMENT.
TOTALS	-2493.6	-43.2%	

NO NEW POSITIONS AUTHORIZED.

***** SENATE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE (\$3,204.4) VERSUS GOV.AMD. (\$5,766.7)
TRAVEL	-15.8	-24.5%	REDUCE TRAVEL.
CONTRACTUAL	-2538.6	-68.9%	REDUCE INFLATION <100.0>, DELETE DATA PROCESSING CHARGEDBACK <2438.6>.
COMMODITIES	-5.3	-10.8%	REDUCE INFLATION.
EQUIPMENT	-2.6	-49.1%	REDUCE BY 50%.
TOTALS	-2562.3	-44.4%	

POSITIONS AUTHORIZED

TITLE	LOCATION	TYPE	APP	S&B COSTS	FED.FUND	GEN.FUND	OTH.FUND
3 DATA CONTROL CLERK II	ANCHORAGE	PART	1	13.6		13.6	
** TOTALS			1	13.6		13.6	

DATA PROCESSING CONTINUATION LEVEL SUMMARY

FORM 5A TRANSFER FROM:	TOTAL	310 LINE CHARGES	360 TERMINAL LEASE	382 DATA PROCESSING PROP. FEES	382 TERMINAL MAINT. (A.I.S)	382 TERMINAL LEASE /CONVERSION	382A DP CHARGEBACK TERMINAL COSTS	382A DP CHARGEBACK SYSTEMS COSTS
Fire Safety	17.8		7.9		3.0		6.9	
Driver Services	60.0				15.0		45.0	
Vehicle Services	32.4				7.4		25.0	
Field Services	645.0	128.8			94.4		421.8	
DIV Administration	16.4				5.9		10.5	
Central Communications	510.2	70.0			88.5		401.7	
Academy	11.2	0.6			1.5		9.1	
Bureau of Vehicle Inf.	21.3			21.3				
Total 5A Transfers	\$ 1,314.3	\$ 149.4	\$ 7.9	\$ 21.3	\$ 215.7	\$ 0.0	\$ 920.0	\$ 0.0
Admin. & Support	1,986.4	3.2	19.9	114.7	38.4	291.7	56.8	1,461.8
TOTAL DP COSTS	\$ 3,300.7	\$ 152.6	\$ 27.8	\$ 136.0	\$ 254.1 /	\$ 291.7	\$ 976.8	\$ 1,461.8
TOTAL OF 15 DP FORMS						\$ 2,984.4		

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23 CONTINUED 15

01-115417/821-23

AGENCY Department of Public Safety
 PROGRAM Crime ID & Apprehension
 BRU DPS Administration
 COMPONENT Administration & Support

Page 10 of 10
 Revised Date

FY 84

000940

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.

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 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: _____
 Title: "An Act Relating to
 Data Processing; and Providing
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration
 Program Category Affected: General Government
 For An Effective Date"
 BRU, Program or Subprogram(s) Affected:
 Information Resource Management

Automatic

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL 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)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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: 465-2220
 Division: Information Resources Planning & 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)

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: _____

Title: "An Act Relating to
Automatic Data Processing; and Providing

Sponsor: _____

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration

Program Category Affected: General Government
For An Effective Date"

BRU, Program or Subprogram(s) Affected:

Information Resource Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL 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 FUND						
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: 465-2220

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)

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

173 242

Revision Date: 155

REQUEST

Bill/Resolution No.:
Title: "An Act relating to the fiscal procedures ..."
Sponsor: Rules/Governor
Requestor:
Date of Request: 2/22/85

FISCAL DETAIL

Agency Affected: University of Alaska
Program Category Affected:
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				

CAPITAL						
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REVENUE		0				
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FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		N/A				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary See Attached

Prepared By: Sherman Carter, Executive Vice President Phone: 474-7593
Division: University of Alaska Date:
Approved by Commissioner: Sherman Carter Date: 2/21/85
Agency:

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

January 22, 1986

MEMO TO FILE

FROM: Chris Herberger

Spoke to Mike Wheeler in Dept. of Administration concerning whether the University must procure data processing from the Dept. of Administration under HB 242. He said only with the consent of the President of the University. At the present time, the University has its own computers but there are plans for sharing network costs in the future.

January 18, 1986

Red,

HB 242, "An Act relating to automatic data processing," has a \$0.00 fiscal note. The bill originally introduced would have done two things:

- 1) Require state agencies to procure data processing from the Dept. of Administration and allow the Dept. to charge the agencies for that service.
- 2) Set up a chargeback account so that the Dept. of Administration could cover immediate costs for purchasing new equipment or software, or to do maintenance work when there is no time for an appropriation. This purpose is according to Jim Shea.

The Telecommunications Committee substitute eliminated the second provision. There was concern expressed by the members, particularly Rep. Goll, that a chargeback account, or slush fund, allowed the Dept. too much leeway in expenditures. You, and Representatives Goll and Thompson voted yes on the Committee substitute, and Rep. Wallis voted no. She wanted to know other agencies opinion of the bill.

The letter of transmittal from the Governor specifically talked about the usefulness of the slush fund. The Governor said that such an account would help finance data processing services.

The Finance Committee passed the Telecommunications Committee substitute by 9 to 1. Rep. Rieger voted no. He told me yesterday that he had nothing against data processing or against centralizing it, but that he was against the bill because it allows one bureaucracy to charge any amount for a service provided to another bureaucracy.

HB 242

File Contents

- 1) Bill History -- House Calendar 1-20-86
- 2) Letter of Transmittal from Governor Sheffield
- 3) Copy of HB 242 -- original
- 4) Copy of CS for HB 242 (Telecommunications)
- 5) Letter from Jim Shea, Dept. of Administration to Representative Adams
- 6) Finance Committee Report
- 7) Fiscal Note
- 8) Minutes from March 8, 1985 and March 12, 1985 Telecommunications Committee hearings

HOUSE CALENDAR: 1-20-86

BILL HB0242
 PAGE 00457
 DATE 02/27/85
 CHAMBER HOUSE
 TEXT HOUSE BILL NO. 242 by the Rules Committee by request of the Governor, entitled:
 "An Act relating to automatic data processing; and providing for an effective date."
 was read the first time and referred to the House Special Committee on Telecommunications, the State Affairs and Finance Committees.
 A zero fiscal note was attached.

The Governor's transmittal letter dated February 27, 1985, appears below:

"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.

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,
 /s/
 Bill Sheffield
 Governor"

BILL HB0242
 PAGE 00588
 DATE 03/13/85
 CHAMBER HOUSE
 TEXT The Speaker waived the State Affairs Committee referral on HOUSE BILL NO. 242 (automatic data processing; effective date) at the request of the Chairman.
 HB 242 is currently in the House Special Committee on Telecommunications and has a further referral to the Finance Committee.

BILL HB0242
 PAGE 00602
 DATE 03/15/85
 CHAMBER HOUSE
 TEXT The House Special Committee on Telecommunications has considered HOUSE BILL NO. 242 (relating to automatic data processing; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 242 (Telecommunications) (same title) and reports it back as follows: Boucher (Chairman), Goll and Thompson recommend do pass; Wallis has no recommendation. HB 242 was referred to the Finance Committee.

BILL HB0242
 PAGE 01054
 DATE 04/24/85
 CHAMBER HOUSE
 TEXT The Finance Committee has considered HOUSE BILL NO. 242 (automatic data processing; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 242 (Tele) (page 603) and reports it back as follows: Adams (Chairman), Ringstad, Szymanski, Larson, Pourchot, Uehling, Frank, Binkley and Cotten recommend do pass. Rieger has no recommendation. HB 242 was referred to the Rules Committee for placement on the calendar.

Automatic Data Processing HOUSE BILL NO. 242, by the Rules Committee by Request of the Governor. Relates to automatic data processing (see Governor's letter).

Introduced February 27 and referred to the House Special Committee on Telecommunications, State Affairs, Finance.

In his message transmitting the bill Governor Sheffield stated:

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.

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.

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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.

Automatic Data Processing HOUSE BILL NO. 242, (see page 366). Reported back to the House March 15 by House Telecommunications recommending adoption of a substitute and that it do pass. Concurring: Boucher (Chair), Goll and Thompson. Not concurring: Wallis has no recommendation.

The Telecommunications substitute would allow the Dept. of Administration to require each state agency to procure its automatic data processing services from the Department of Administration. Administration could also charge a state agency or other governmental agency for the cost of the automatic data processing services provided or procured by the Department for the agency. This version excludes section that would have set up a nonlapping automatic data processing account.

Automatic Data Processing HOUSE BILL NO. 242, (see page 366). On March 13 the Speaker waived the State Affairs referral. The bill is currently in the House Special Committee on Telecommunications and has a further referral to Finance.

Automatic Data Processing HOUSE BILL NO. 242, (see pages 366;462;464). Reported back to the House April 24 by Finance recommending it do pass. Concurring: Adams (Chair), Ringstad, Szymanski, Larson, Pourchot, Uehling, Frank, Binkley and Cotten. Not concurring: Rieger has no recommendation. To Rules.

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 CS

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

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."

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

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

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

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27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;

29 (7) develop and publish systems analysis, computer

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

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/15/85

Date: 4-23-85

The Committee on FINANCE has had HB 242

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

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 242 (Title) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS-

Albert C. ...

...

...

...

...

...

...

...

...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

...

...

...

...

...

Albert C. ...
CHAIRMAN

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

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

OFFICE OF THE COMMISSIONER

390

March 5, 1985

Representative Red Boucher
Chairman, Telecommunications Subcommittee
Capitol Building, Room 421

Dear Representative Boucher:

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 \$3100,000 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.

House Bill 242 which will accomplish two things.

- Establish a non-lapsing account in the General Fund to act as shock absorber between the often incompatible requirements of resource demands and budget schedules.
- Provide the authority to collect funds from all governmental entities in or out of state

government that may be authorized to use state resources.

The non-lapsing account would commence with zero funding and be a repository for all resource-based income from any Data Center user. From this account, the Data Centers would be authorized to pay those expenses which result from providing the chargeback resources. Any excess income would not lapse at fiscal year closing, but would accumulate in the account to defray major up-front expenses that occur as a result of significant changes in system load or technology. The fund would be reimbursed by a fractional change in rates or the actual enlargement in a user's bill where additional resources are consumed. The fund would also serve as a buffer for sudden reductions in user consumption causing a reduction in income. Unfortunately, computing hardware cannot be disposed of as rapidly as a user can reduce his usage.

The other portion of HB242 allows the Data Centers to charge non-state governmental agencies for services and resources consumed. This would cover any user from city-borough through federal level.

HB242 very adequately covers the above subjects, but there are two administrative items relative to the non-lapsing account that should be considered. The first is the establishment of a limit of the account size. IRM recommends that limit be set at \$5,000.00 with any excess automatically rolling back to the General Fund at the close of each fiscal year. The second is the management of the account. IRM recommends this be the responsibility of the Office of Management and Budget.

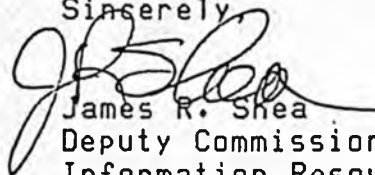
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To accomplish this, IRM recommends that the full system be implemented over a two year span. In the first year (FY86), budgets would remain as they have been presented, the new rates would be published and used for new systems justifications, invoices would be generated to the entire user community, but actual payment to the non-lapsing General Fund account would only occur for 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

cc: Representative Virginia Collins
House of Representatives
Behrends Building, Room 220

Representative Mike Davis
House of Representatives
Capitol Building, Room 415

Representative Peter Goll
House of Representatives
Behrends Building, Room 212

Representative Marco Pignalberi
House of Representatives
Behrends Building, Room 203

Representative Dave Thompson
House of Representatives
Behrends Building, Room 214

Representative Kay Wallis
House of Representatives
Capitol Building, Room 130

Jay Hogan, Associate Director
Office of the Governor
Office of Management and Budget
Division of Budget Review

Eik,
These memos have to do with
data processing charge backs as requested
by Jim Shea. File (after reviewing).



3:30 WED HB 242 charge- back	DUNCAN FRANK Reiger Boucher Shea Hogan	House Judiciary Rm-124
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MEMORANDUM

TO: Steve

DATE: March 28, 1985

FROM: Garrey

SUBJECT: HB 242

In 1974, the Division of Legislative Audit completed a series of reviews of the Department of Administration, Division of Data Processing.

The Legislative Auditor recommended, at that time, that all state agencies be required to budget separately for data processing services provided by the Division of Data Processing.

The Legislative Budget and Audit Committee and the House and Senate Finance committees approved of the concept of "data processing chargebacks" as recommended by the Legislative Auditor.

A system for chargebacks was implemented in FY '76

In practice, the chargeback system became cumbersome for the state agencies to work with and many of the agencies decided that the charges billed by the Department of Administration were too high so they contracted, instead, with private industry for data processing services.

The House and Senate Finance committees became frustrated with the data processing chargeback system because of a scenario that went something like this:

--The budget subcommittees would question the various departments and agencies about their data processing chargeback budget and they would be told "We have no control over that. The Department of Administration tells us what to budget for our data processing work."

The subcommittee viewed the chargeback as just one relatively small part of the agency budget and it was left to the subcommittees who were reviewing the Department of Administration to get the details about data processing budgets from the Division of Data Processing.

--The Division of Data Processing would answer the subcommittees' inquiries by saying that they have no control over the level or need for the services being provided to the various agencies because it is, after all, the various agencies' budgeted funds and if the money was made available, the service requested would be provided.

The level of frustration in the Finance Committees finally reached the point that in 1983 the agencies were directed to discontinue budgeting for data processing chargebacks. Since then, the Division of Data Processing has budgeted for the data processing services to be provided to the state agencies.

Other problems arose while the data processing chargeback system was being used.

For example: It was difficult to force the agencies to pay for services provided when their budgets ran short or they disagreed with the size of the charge or value of the services.

It was difficult to prevent the agencies from contracting with private industry to provide data processing services when the funds were right there in their budget. (Note that a current committee substitute would prohibit state agencies from purchasing data processing services from private industry. I don't know what the ramifications of that are but I suspect that there will be instances when it will not be possible or practical to enforce that prohibition)

It was also a problem for an agency to request any kind of additional services (such as a specially sorted printout) if they didn't have the funds budgeted for the service.

There were numerous disagreements over the rates charged by the Division of Data Processing and the formulas used to determine those rates.

I support the concept of data processing chargebacks but before we implement the program by passing a law, I would like to know that the new system is going to satisfy the Legislature's information needs.

If the chargeback plan is implemented, the Division of Data Processing would again be operating on funds other than General Funds. That tends to remove their budget from the intense Legislative scrutiny that components with general funds get. It seems to me that we need to make sure, somehow, that this is implemented in such a way that the individual agencies will, in fact, be held accountable for their budgeted data processing funds.

MEMORANDUM

TO: Steve

DATE: March 28, 1985

FROM: Garrey

SUBJECT: HB 242

Eleven years ago, I recommended to the Legislative Budget and Audit Committee that they direct the Department of Administration, Division of Data Processing to implement a data processing charge back system.

At that time, the Department of Administration opposed the concept but it was implemented at the direction of the Legislature.

The charge back system was a colossal failure. The Finance Committees were frustrated by what was perceived as a total loss of budgetary control over data processing expenditures.

After several years of trying to work with the chargeback system, the Legislature directed that the Department of Administration scrap it and budget for anticipated data processing needs in the Division of Data Processing.

If we are to resurrect the data processing charge back system in the operating budget, I recommend that we thoroughly review it first.

We should determine that the new plan design addresses and resolves all the problems that the Legislature had with the last system.

Before we put it in to law, we should see how well the charge back system meshes with the new state accounting system that is scheduled to go on line on 7/1/85.

I recommend that the House Finance subcommittee on HB 242 take the following action:

1. Draft legislative intent for insertion in the FY '86 budget stating that memorandum billing for data processing charge back should be done during FY '86 with a report to be made to the Legislature on the results by next session.
2. Address the question of whether the Division of Data Processing should be selling services to the Federal Government or others outside State Government as the CS HB 242 would allow.

3. Request that the Legislative Budget and Audit Committee direct the Legislative Auditor to perform a special audit to review the data processing charge back proposal being suggested by the Department of Administration.

The audit should include a review of memorandum billings prepared by the Division of Data Processing through November 30, 1985.

The Auditor's report can be available early in the next Legislative Session. The auditor should also be requested to include a review of the ramifications of prohibiting all Executive Branch agencies from purchasing data processing services from anyone other than the Department of Administration.

4. Request that the House Research Agency review and ^dcomment on the Department of Administration's charge back proposal by the beginning of the next session.
5. Request that the Director of Legislative Finance review and comment on the Department of Administration's charge back proposal by the beginning of the next session.
6. Request that Senators Sackett and Faiks support this approach and notify the Leadership that the bill must be deleted from the priority list this year.

Jay Hogan is very well versed on the pros and cons of the data processing chargeback concept and we should also ask for his comments on the final proposed charge back system before we completely revise the state budget by law.

VM AVERAGE CPU UTILIZATION

YEAR=1985

TOTCPU



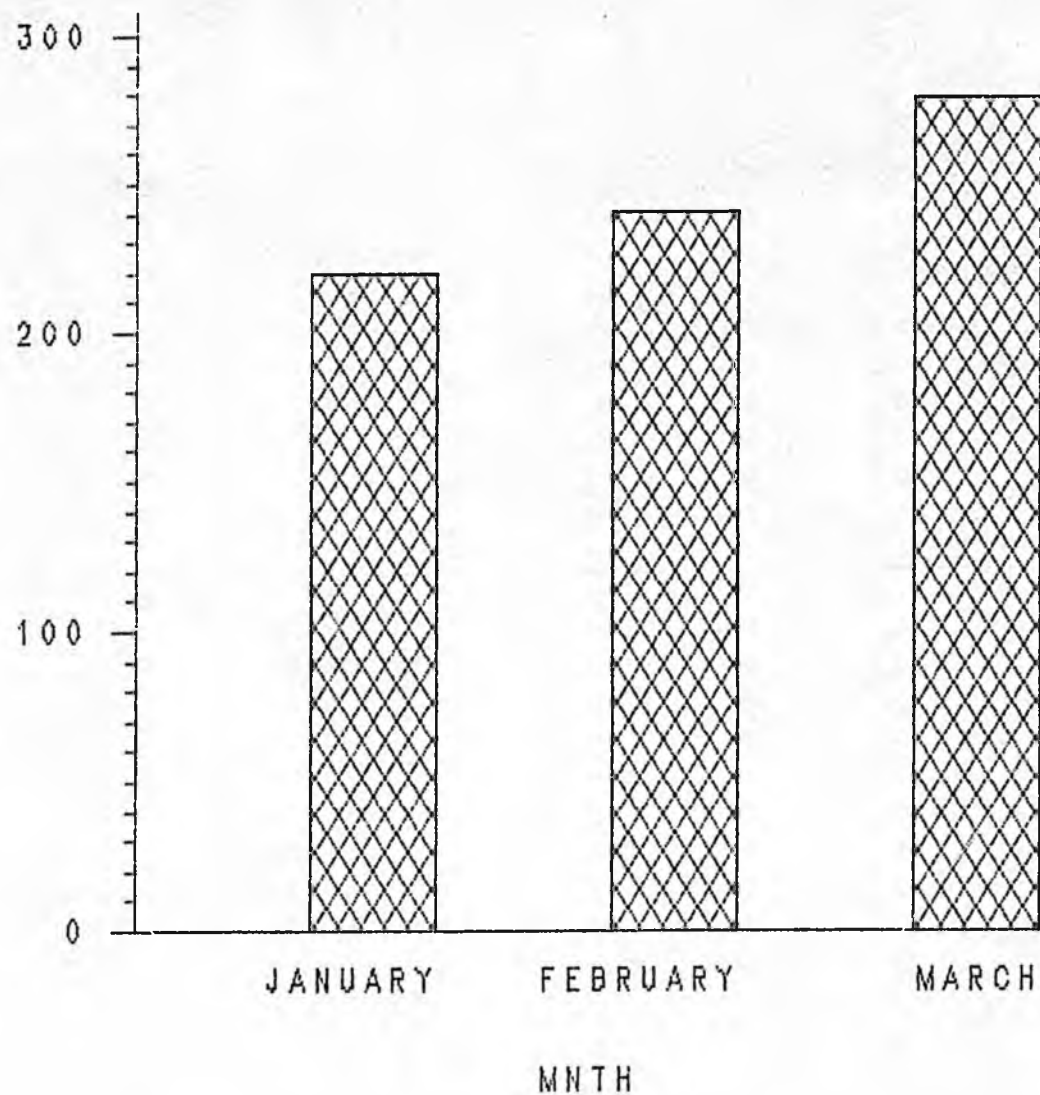
RUNDAY

TREND ACTUAL

TOTAL LOGGED ON TIMESHARING USERS

YEAR=1985

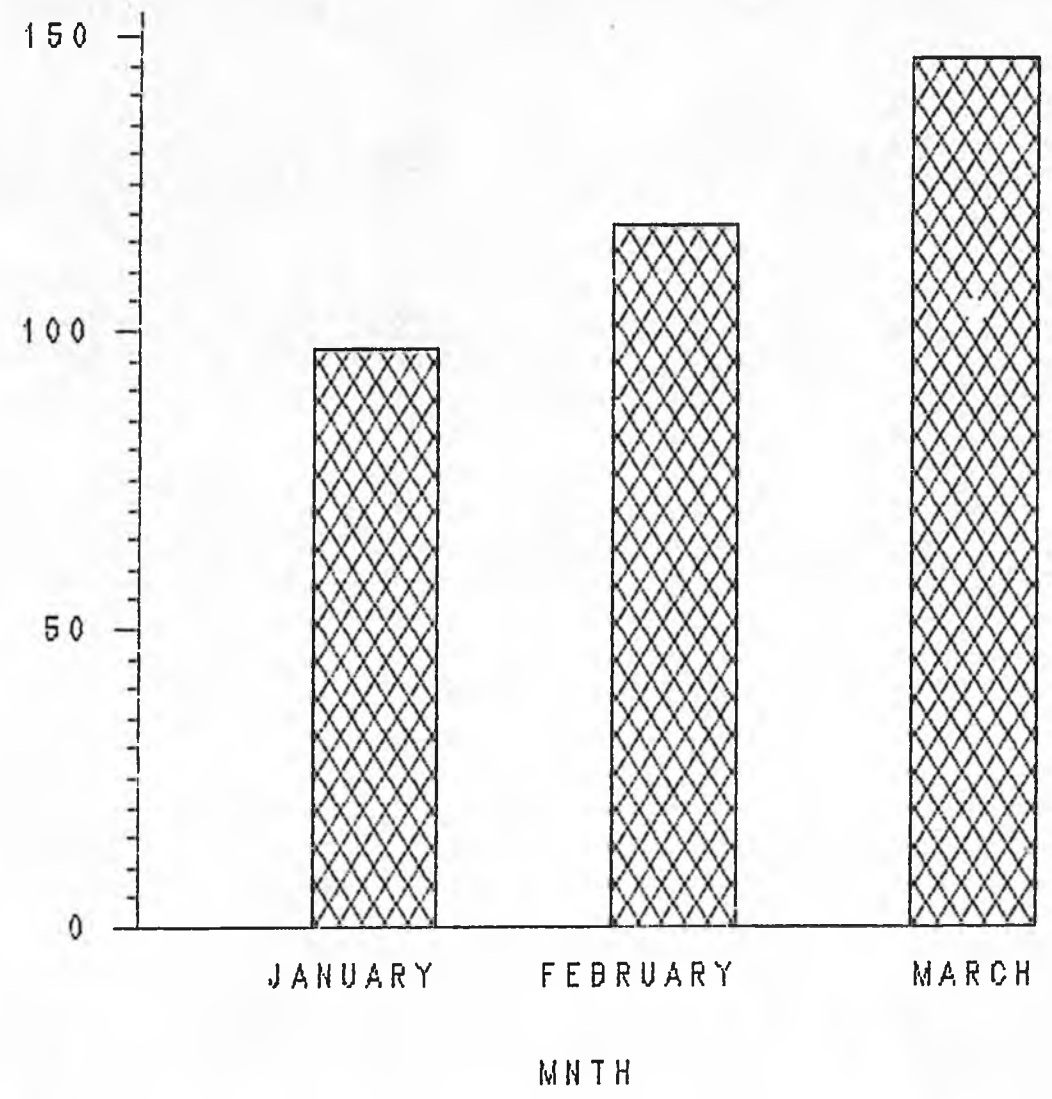
LOGGED MEAN



TOTAL ACTIVE TIMESHARING USERS

YEAR=1985

ACTIVE MEAN



LOGGED/ACTIVE TIMESHARING USERS

YEAR=1985

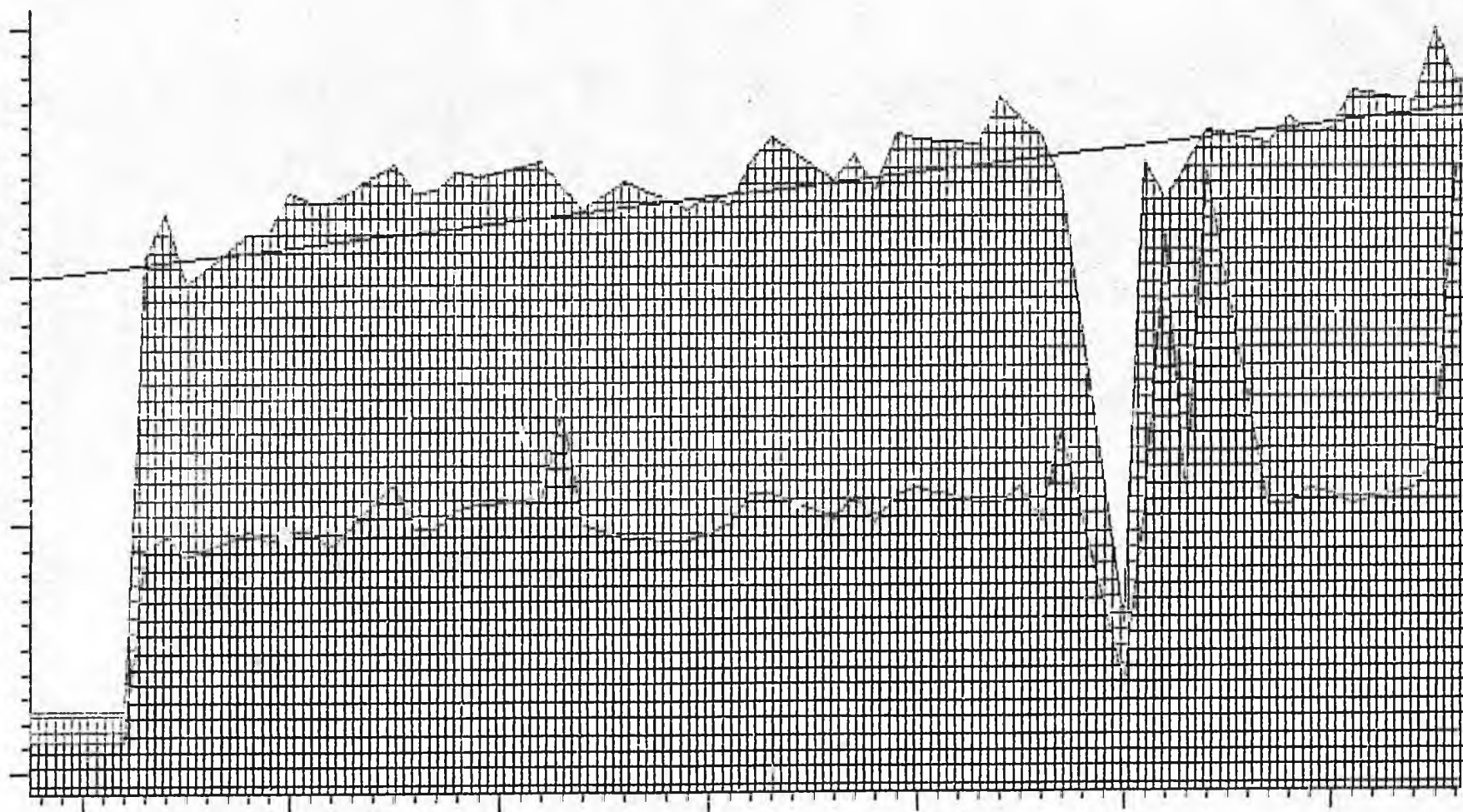
ACTIVE

300

200

100

0



30 DEC 84

09 JAN 85

19 JAN 85

29 JAN 85

08 FEB 85

16 FEB 85

26 FEB 85

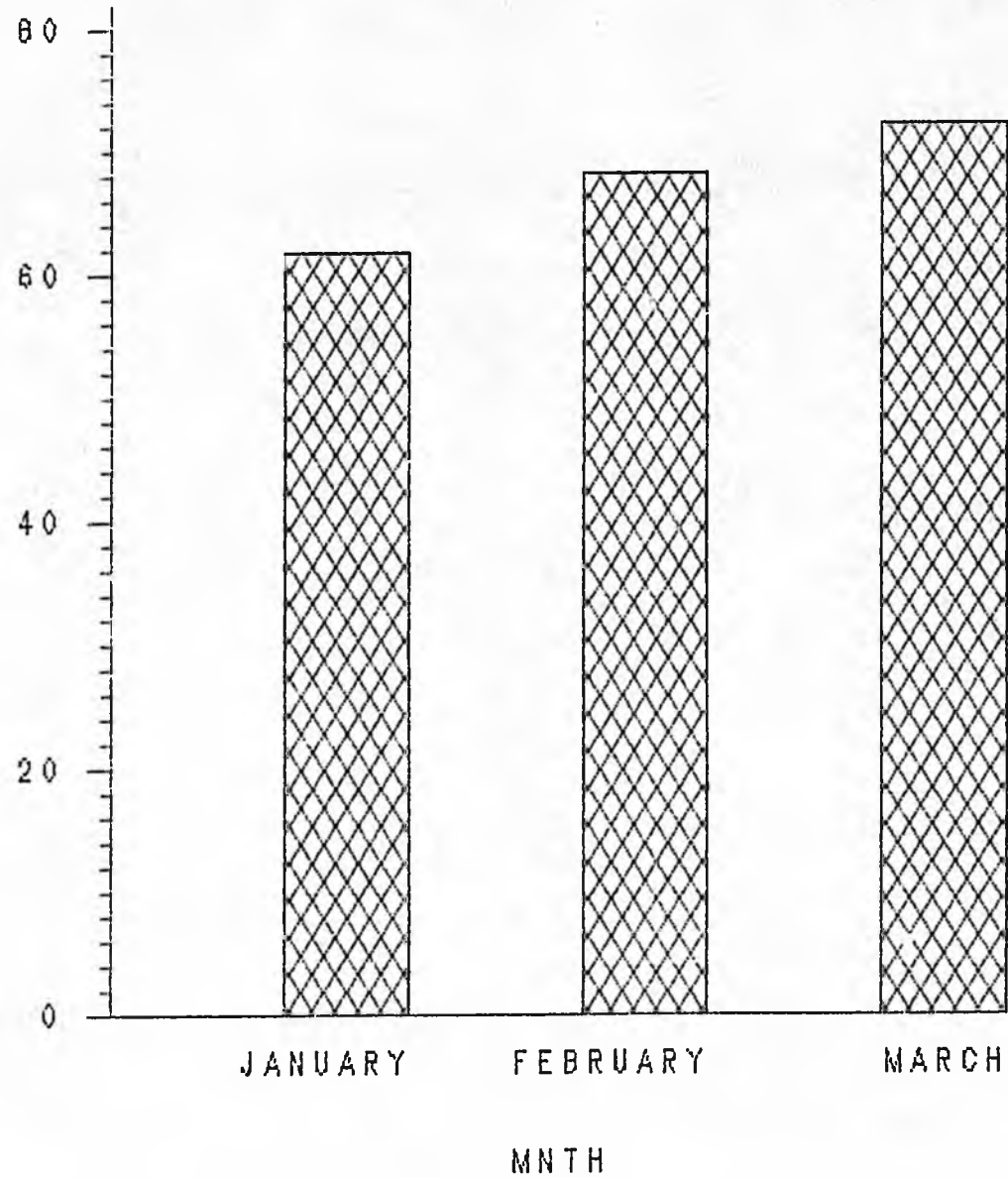
RUNDAY

RED=LOGGED ON USERS BLUE=ACTIVE USERS

TIMESHARING STORAGE UTILIZATION

YEAR=1985

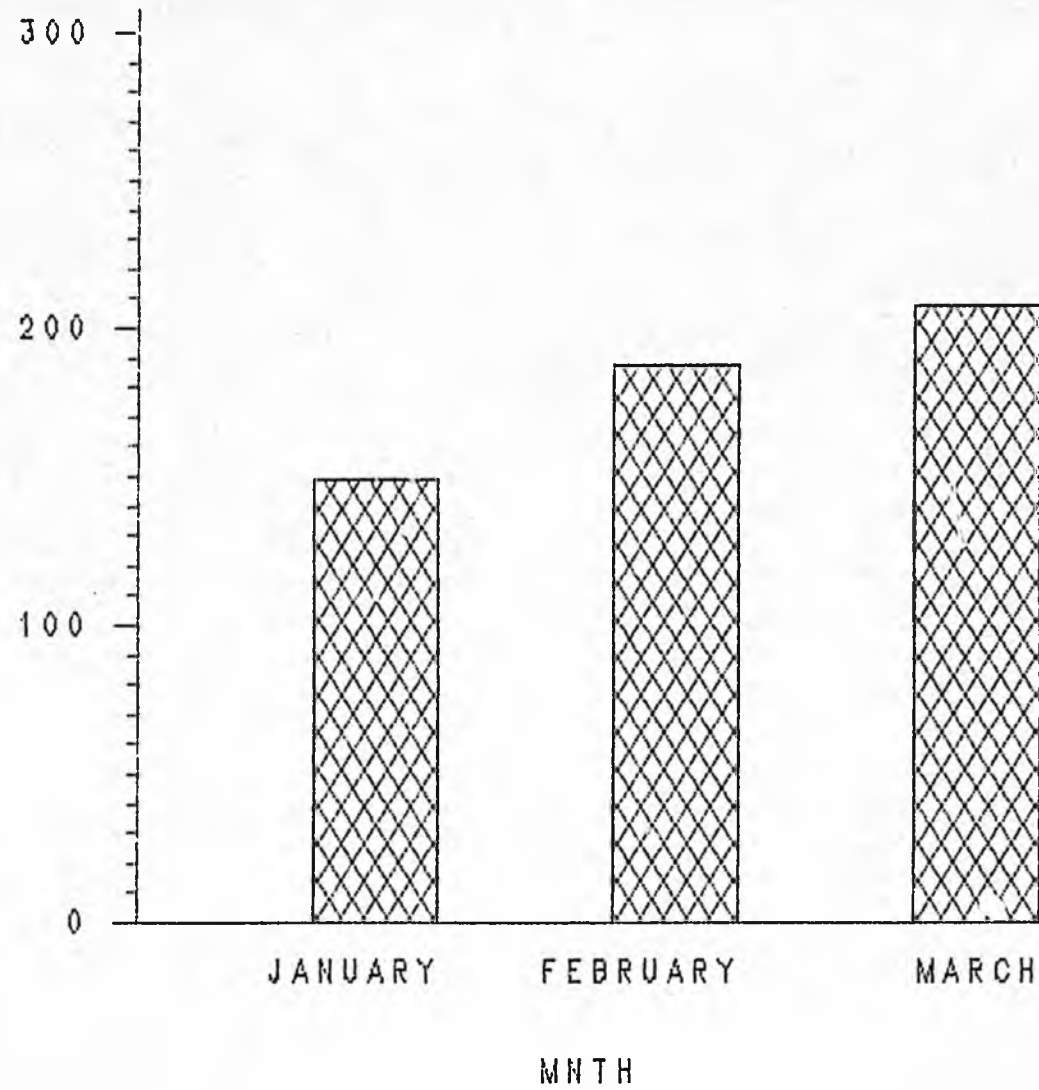
STGUTIL MEAN



TIMESHARING PAGE RATE

YEAR=1985

PAGERATE MEAN



Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 242 (Telecommunications)(efd am)

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, 1986.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 242 (Telecomm.)
 Title : An Act relating to automatic data processing; and providing for an effective date.
 Sponsor : Rules/Governor
 Requestor : By House Special Committee on
 Date of Request : Telecommunications

FISCAL DETAIL

Agency Affected : Dept. of Public Safety
 BRU : DPS Administration

Components : Data and Word Processing

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		1433.5	1476.5	1520.8	1566.4	1613.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1433.5	1476.5	1520.8	1566.4	1613.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		1433.5	1476.5	1520.8	1566.4	1613.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

A 3% increase has been figured into each consecutive year following FY87.

See the attached.

Prepared by : Jos Mapranath

Phone : 465-4336

Division : Administrative Services

Date : 1/9/86

Approved by Commissioner : [Signature]

Date : 1/9/86

Agency : Department of Public Safety

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS HB 242

Fiscal note is using current Department of Administration rate structure and is based on a comparison of :

1.	11 months cost ending 8/31/85 =	\$3,653,000.0	
	Projected 12 months		\$3,985.1
2.	10-1-85 to 10-31-85		
	Sample Billing	\$ 322,676.06	
	Straight Projection for 12 months		\$3,872.1

Take the lower of the figures
(in FY86 dollars) \$3,872.1 (A)

DP Chargeback

Budgeted in DPS in FY84; now in Department of
Administration (in FY82 dollars) \$2,438.6 (B)

Difference: A - B =

\$3872.1
<u>2438.6</u>
\$1433.5

Note

The actual amount needed may be lower due to:

1. Planned downward revision in the rate structure by Department of Administration.
2. Other funds available within Department of Administration.
3. Probable inflationary increase in funding budgeted by Department of Administration over the course of these years.

XXXX TOTAL XXXX

10809.96

JUNEAU CICS

JUNEAU CICS PRIME

366.26

186.80

XXXX TOTAL XXXX

186.80

ANCHORAGE CICS

ANCH CICS PRIME
ANCH CICS NONPRIME

557.69
.00

284.41
.00

XXXX TOTAL XXXX

284.41

DEDICATED CICS

DEDICATED CICS PRIME
DEDICATED CICS NON PRIME

137714.58
35637.69

70234.43
13898.70

STATE OF ALASKA

BCS FINANCIAL ACCOUNTING SYSTEM (IBM)

FACTS RELEASE 3.00 11/13/85
(LEVEL = 4) REPORT PAGE 23 PA

ACCOUNTING PERIOD:
START: 10/01/85
END: 10/31/85

ORGANIZATION / RESOURCE DETAIL

PREPARED FOR
STATE OF ALASKA

DATA REPORT
FIRST:
LAST:

PROJECT TYPE: BILLABLE

ORGANIZATION: STATE OF ALASKA
(CURRENT PERIOD)

CHARGES

SUB-ORGANIZATION	RESOURCE TYPE	RESOURCE	VOLUME	CHARGES (\$)
PUBLIC SAFETY	(CONTINUED)			
	XXXX TOTAL XXXX			84133.13
JUNEAU ADABAS		JUNEAU ADABAS PRIME JUNEAU ADABAS NONPRIME	87.01 3.37	38.27 1.04
	XXXX TOTAL XXXX			39.31
ANCHORAGE ADABAS		ANCH ADABAS PRIME ANCH ADABAS NONPRIME	153.38 146.99	67.52 47.00
	XXXX TOTAL XXXX			114.52
DEDICATED ADABAS		DEDICATED ADABAS PRIME DEDICATED ADABAS N-PRIME	345203.05 32119.09	151889.33 10278.11
	XXXX TOTAL XXXX			162167.44

XXXX TOTAL FOR PUBLIC SAFETY

Stright project of 12 mos (FY 86) = 3872,112

322676.06

TOTAL COST OF SUPPORT FOR 11 MONTHS ENDING AUGUST 31, 1985

Governor	\$ 373,899	Environmental Conservation	\$ 14,500
Administration	3,963,637	Corrections	49,249
Law	135,543	Community & Regional Affairs	1,344
Revenue	807,054	Dept. of Transportation	873,756
Education	376,185	Ombudsman	3,597
Health & Social Services	2,611,740	Legislative Affairs	351
Labor	24,485	Legislative Audit	29,990
Commerce	216,347	Legislative Finance	72,691
Military Affairs	808	Courts	38,324
Natural Resources	565,770	University	9,978
Fish & Game	475,429	Federal Government	11
Public Safety	3,653,000		
			<hr/>
			\$14,297,688

3925 (12/2/85)

AGENCY: DEPARTMENT OF PUBLIC SAFETY
 CATEGORY: ADMINISTRATION OF JUSTICE

PROGRAM: ADMINISTRATION
 SUB PROGRAM: ADMINISTRATION & SUPPORT

USED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: LB-3-3 \$3.4

***** HOUSE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: HOUSE (\$3,273.1) VERSUS GOV.AMD. (\$5,766.7)
PERF. SERV.	-13.6	-0.7%	DISALLOW NEW DATA CONTROL CLERK II POSITION.
TRAVEL	-0.1	-0.2%	ALLOW FY 83 AMOUNT LESS 10%.
CONTRACTUAL	-2474.5	-67.2%	DELETE INFLATION AMOUNT <35.9>, DELETE DATA PROCESSING CHARGEBACK AMOUNT <2438.6>.
COMMODITIES	-2.8	-5.7%	DELETE INFLATION AMOUNT.
EQUIPMENT	-2.6	-49.1%	ALLOW 50% OF REPLACEMENT EQUIPMENT.
TOTALS	-2493.6	-43.2%	

NO NEW POSITIONS AUTHORIZED.

***** SENATE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE (\$3,204.4) VERSUS GOV.AMD. (\$5,766.7)
TRAVEL	-15.8	-24.5%	REDUCE TRAVEL.
CONTRACTUAL	-2538.6	-68.9%	REDUCE INFLATION <100.0>, DELETE DATA PROCESSING CHARGEBACK <2438.6>.
COMMODITIES	-5.3	-10.8%	REDUCE INFLATION.
EQUIPMENT	-2.6	-49.1%	REDUCE BY 50%.
TOTALS	-2562.3	-44.4%	

POSITIONS AUTHORIZED

TITLE	LOCATION	TYPE	APP	S&B COSTS	FED.FUND	GEN.FUND	OTH.FUND
3 DATA CONTROL CLERK II	ANCHORAGE	PART	1	13.6		13.6	
** TOTALS			1	13.6		13.6	

DATA PROCESSING CONTINUATION LEVEL SUMMARY

FORM 5A TRANSFER FROM:	TOTAL	310 LINE CHARGES	360 TERMINAL LEASE	382 DATA PROCESSING PROF. FEES	302 TERMINAL MAINT. (A.I.S)	382 TERMINAL LEASE /CONVERSION	382A DP CHARGEBACK TERMINAL COSTS	382A DP CHARGEBACK SYSTEMS COSTS
Fire Safety	17.8		7.9		3.0		6.9	
Driver Services	60.0				15.0		45.0	
Vehicle Services	32.4				7.4		25.0	
Field Services	645.0	128.0			94.4		421.8	
DIV Administration	16.4				5.9		10.5	
Central Communications Academy	510.2	20.0			88.5		401.7	
Bureau of Vehicle Enf.	11.2	0.6			1.5		9.1	
	21.3			21.3				
Total 5A Transfers	\$ 1,314.3	\$ 149.4	\$ 7.9	\$ 21.3	\$ 215.7	\$ 0.0	\$ 920.0	\$ 0.0
Admin. & Support	1,986.4	3.2	19.9	114.7	38.4	291.7	56.8	1,461.8
TOTAL DP COSTS	\$ 3,300.7	\$ 152.6	\$ 27.8	\$ 136.0	\$ 254.1 /	\$ 291.7	\$ 976.8	\$ 1,461.8
TOTAL OF 15 DP FORMS						\$ 2,984.4		

23

CONTINUED

15

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU DPS Administration

COMPONENT Administration & Support

FY 84

Page 10 of 10

Revised Date

000940

DEPARTMENT: Public Safety

DATE: 1/9/86

LAW LOG # _____

Due:

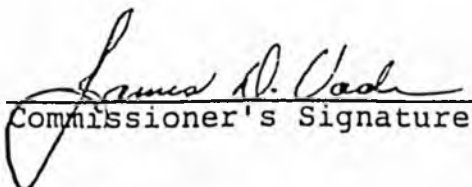
Please indicate your recommendation regarding the final draft legislation affecting your department sent to you by the Department of Law. If you notice any changes you would like to make to the transmittal letter, major corrections, or issues to be addressed, list them below.

Attach a fiscal note, sign this cover sheet and return to Candise Griffin, Office of the Governor, as soon as possible. Thank you.

RECOMMENDATION: (Approve), hold, do not approve)

COMMENTS: When this bill becomes law, a DP chargeback system will be formally implemented using rate structure developed by Department of Administration.

There appears to be a substantial impact on the Department of Public Safety as can be seen from the attached Fiscal Note.


Commissioner's Signature

1/9/86
Date

DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER - CSHB 242 (Tele) efd am

APPROVE

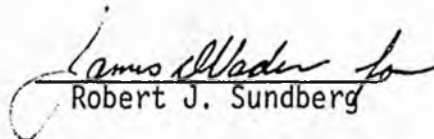
March 3, 1985

HB 242 - "An Act relating to automatic data processing; and providing for an effective date."

The Department of Public Safety and the Department of Administration have discussed the fiscal impact of CSHB 242 (Tele) efd am on this Department.

We have received assurance from the Department of Administration that this agency should have no fiscal impact if our present consumption and hardware needs remain constant.

With this understanding, we are withdrawing our prior fiscal note and submitting a revised one.


Robert J. Sundberg

RECEIVED
MAR 5 1986

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSHB 212 (Tele) efd am
 Title : "An Act relating to automatic data processing..."

Sponsor : Rules
 Requestor : Senate State Affairs
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Public Safety
 BRU : DPS Administration

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

RECEIVED
MAR 5 1986

Prepared by : Kathy Niles, Admin Assistant Phone : 465-4336
 Division : Commissioner's Office Date : 2/28/86

Approved by Commissioner : Michael J. Clemens Date : 2-28-86
 Agency : Public Safety

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : CSHB 242 (Tele) efd am
 Title : "An Act relating to automatic
 data processing..."

Sponsor : Rules
 Requestor : Senate State Affairs
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Public Safety
 BRU : DPS Administration

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Kathy Niles, Admin Assistant
 Division : Commissioner's Office

Phone : 465-4336
 Date : 2/28/86

Approved by Commissioner : Michael J. Clemens
 Agency : Public Safety

Date : 2-28-86

Distribution (by Agency preparing fiscal note) :

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- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER - CSHB 242 (Tele) efd am

APPROVE

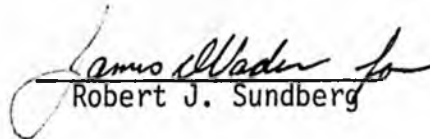
March 3, 1985

HB 242 - "An Act relating to automatic data processing; and providing for an effective date."

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