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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/17

SPONSOR Sweetser/McCamley LAST UPDATED 02/07/17 HB 142/aHLEDC

SHORT TITLE Government Website Accessibility Requirements SB \_\_\_\_\_

ANALYST Klundt

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$3,200.0	\$700.0	\$3,900.0	Recurring	General Fund/Federal Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)

Department of Information Technology (DoIT)

### SUMMARY

#### *Synopsis of HLEDC Amendment*

The HLEDC amendment changed the year of three deadlines in HB 142 from 2017 to 2019. This alters two deadlines that currently apply to the One-Stop Business Portal (OSBP) project:

1. Section 4 (B): Changes the deadline for DoIT to “provide the framework and define the information exchange process necessary for the one-stop business portal” from January 1, 2017 to January 1, 2019.
2. Section 4 (C) and Section 5: Changes the deadline for DoIT to launch the OSBP website (including all “the information and capabilities required by Subsection D of this section” and all other requirements of HB 142) from July 1, 2017 to July 1, 2019.

#### *Synopsis of Original Bill*

HB 142 adds a new section to the Workforce Solutions Department Act indicating that a public access internet web site established by or on behalf of WSD shall be accessible by the public and fully operational 24 hours a day.

HB 142 also amends statute relating to the functionality of the one-stop business portal that the Department of Information Technology is charged with developing, implementing and being completed by July 1, 2017. New language states the new portal shall facilitate or provide the capability to access and utilize the functions of the public access internet web site established by or on behalf of WSD.

### **FISCAL IMPLICATIONS**

DoIT stated the amendment extends the deadline for launch of the OSBP website by two years. Although HB 142 does not appear to require work by DoIT beyond the portal as currently planned, if such work is required, the extended timeframe would make it easier for DoIT to meet that requirement without hiring additional staff. However, additional work may require that current resources and contractors be retained longer than the OSBP project budget allows, which would require that additional funds be put into the project.

WSD anticipates a significant fiscal impact to meet the timelines established in HB 142. Current IT resources, including funding and staffing would not be adequate to meet the timelines established in HB 142. WSD projects a fiscal impact of \$3.9 million. See the detailed fiscal impact analysis table provided by the department.

### **SIGNIFICANT ISSUES**

The WSD UI tax and claims system was recently upgraded; the modernization was completed January 2013. The new system as designed and implemented utilizes what is known as a batch processing system as opposed to a real time system; consequently, the system requires periods of downtime for batch processes, such as data updates, to be completed on a regular basis. Such systems often require access to data in a consistent state, free from online updates, until the batch processing is complete. Regarding WSD, a variety of data updates and transactions must be completed regularly; these include, but are not limited to, interactions with the employer community and with other states in the instance of interstate wage claims. The functionality directives described in HB 142 would require substantial and costly changes to the system. WSD notes HB 142 would severely impact the department's ability to ensure timely and accurate benefit payment to over 16,000 claimants and would jeopardize the accuracy and integrity of mandatory reporting to the United States Department of Labor.

Legislation passed in the 2014 legislative session directs DoIT to develop a one-stop business portal and specifically requires the portal to provide access to workers' compensation information, including requirements and filing and renewal deadlines among a great deal of other requirements. Designing the one-stop business portal is a substantial undertaking for DoIT and for the other state agencies whose information or business processes must be taken into consideration. Currently, the one-stop business portal is in its final implementation stage, and is set (and legislatively mandated) to launch on June 30, 2017. The portal design, functionality, and requirements have been finalized, and the vendor has made substantial progress in building the website. As noted in our analysis, the late stage of the project means that any legislation that mandates changes be made before the initial launch on June 30 would have a severe impact on DoIT's ability to finish the one-stop business portal project on time and on budget.

The WSD unemployment insurance tax and claims system is currently available Sunday through Friday from 4:00am to 7:00pm; however, the department is planning to provide expanded hours of operation beginning in March 2015. WSD notes it recognizes the need to have the online Unemployment Insurance Tax and Claims system availability extended to accommodate its customers. The department is currently exploring options to extend operational hours without requiring significant investment in architectural changes in the short term. The team has reduced processing time of the batch processes by 75 percent, which could enable the extension in the work day availability, pending additional staffing.

Longer term and in conjunction with its continual improvement initiatives, WSD expects to optimize the batch processing and increase the hours of availability of its online services based on its capacity to manage the change and ongoing operational support requirements

### **PERFORMANCE IMPLICATIONS**

WSD notes given the timeliness requirements for specific UI processes, staffing may need to be adjusted to ensure these standards are maintained. For example, as a result of the requirements in this bill, 10 day periods starting from initial actions could be initiated at any point in time and even on weekends. If staff only works standard hours, the time to resolve or take action would be reduced. Given current workloads and US DOL Federal requirements – extended work hours for certain functional staff may be required increasing the overall cost of operations and potentially require the addition of FTE or contract staff.

### **DETAILED FISCAL IMPACT ANALYSIS**

DWS provided the following detailed cost analysis for implementing the system changes required in HB 142.

<b>Staffing for Effort</b>			
<b>Labor Category</b>	<b>Rate</b>	<b>Hours</b>	<b>4 month cost</b>
Sr. Policy /SME (2)	\$103.50	1920	\$198,720.00
Sr. Analyst (2)	\$70.00	1920	\$134,400.00
Business Analyst/Testers (10)	\$30.00	9600	\$288,000.00
Developers (5)	\$100.00	4800	\$480,000.00
Database Architect (1)	\$135.00	960	\$129,600.00
Network Administrator (2)	\$45.00	1920	\$86,400.00
Technician (1)	\$20.00	960	\$19,200.00
			<b>\$1,336,320.00</b>
<b>Hardware/Infrastructure</b>			
· 10 ESX host to create VM farm of 250 - \$150,000			\$ 150,000.00
· Power Requirements – PDU/APC BU - \$110,000			\$ 110,000.00
· DB – IXO system - \$250,000			\$ 250,000.00
· UC4 – Config \$50,000			\$ 50,000.00
· Enterprise FTP Servers - \$50,000			\$ 50,000.00
· FileNet instance \$400,000k			\$ 400,000.00
· Network Component \$210,000			\$ 210,000.00
· Configuration project - \$250,000k			\$ 250,000.00
Development Desktops			\$ 46,000.00
* Exadata Expansion/Licensing			\$250,000
			<b>\$ 1,766,000.00</b>
Facilities/ Lease Space			\$75,000
<b>Total 4 month Effort</b>			<b>\$3,177,320.00</b>

<b>Ongoing Costs:</b>			
Technician On Call (4)	\$20	10400	\$208,000
HW/SW Licensing Ongoing			\$525,000
<b>Estimated ongoing costs</b>			<b>\$733,000</b>

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