

2013-2015 OPTION SUMMARY

WCC42000 - Workers' Compensation Commission
 12007 - Workers' Compensation Fund


 John A. Mastrogietro, Chairman
 Date: 09-27-2012

Priority	Option Title	2014 Base	2014 Adjust	2014 Revised	2015 Base	2015 Adjust	2015 Revised
REDUCTION							
1	Reduction in Indirect Overhead	575,355	-157,755	417,600	592,616	0	592,616
2	Reduction in Equipment Funding	56,025	-29,400	26,625	52,000	0	52,000
3	Reduction in Funding for Vacancies	9,154,288	-215,788	8,938,500	9,578,264	0	9,578,264
4	Reduction in Fringe Benefits	6,408,002	-151,052	6,256,950	6,704,785	0	6,704,785
5	Reduction in Other Expense	2,444,101	-379,264	2,064,837	2,398,521	0	2,398,521
	OPTION TOTAL	18,637,771	-933,259	17,704,512	19,326,186	0	19,326,186

2013/2014-2014/2015 Budget Options

Reduction Option

WCC42000 - Workers' Compensation Commission
12007 - Workers' Compensation Fund

Contact: Marvin Smernoff
Telephone: (860)493-1500

Priority: 2
09/13/2012

Reduction in Equipment Funding

ASSOCIATED PROGRAMS:

29012-Workers' Compensation Administration

DESCRIPTION & REASON

This account encompasses purchases of fixed assets over \$1000. In order to comply with OPM's 5% reduction directive, we have eliminated the purchase of several computer items.

MEASURE OF IMPACT

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
10050 - Equipment	0	15,900	56,025	-29,400	26,625	52,000	0	52,000
Option Total	0	15,900	56,025	-29,400	26,625	52,000	0	52,000
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

2013/2014-2014/2015 Budget Options

Reduction Option

WCC42000 - Workers' Compensation Commission
12007 - Workers' Compensation Fund

Contact: Marvin Smernoff
Telephone: (860)493-1500

Priority: 4
09/13/2012

Reduction in Fringe Benefits

ASSOCIATED PROGRAMS:

29012-Workers' Compensation Administration

DESCRIPTION & REASON

This option reduces the agency's funding request for fringe benefits for the vacant positions by the requested 70% rate of PS.

MEASURE OF IMPACT

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
12244 - Fringe Benefits	4,462,787	6,045,052	6,408,002	-151,052	6,256,950	6,704,785	0	6,704,785
Option Total	4,462,787	6,045,052	6,408,002	-151,052	6,256,950	6,704,785	0	6,704,785
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

2013/2014-2014/2015 Budget Options

Reduction Option

WCC42000 - Workers' Compensation Commission
12007 - Workers' Compensation Fund

Contact: Marvin Smernoff
Telephone: (860)493-1500

Priority: 5
09/13/2012

Reduction in Other Expense

ASSOCIATED PROGRAMS:

29012-Workers' Compensation Administration

DESCRIPTION & REASON

The agency currently maintains its own computer servers and applications. The budget request contained funding for the hosting of our computer applications to DAS/BEST. In order to fulfill the required 5% reduction the agency has chosen to eliminate these charges. In addition to the elimination of these charges, the agency will be forced to close the Middletown district office.

Additionally, the purchase of new PCs was removed from FY 2014. In order to comply with the mandated 5% reduction virtually every available line item was reduced.

MEASURE OF IMPACT

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
10020 - Other Expenses	2,268,560	2,284,102	2,444,101	-379,264	2,064,837	2,398,521	0	2,398,521
Option Total	2,268,560	2,284,102	2,444,101	-379,264	2,064,837	2,398,521	0	2,398,521
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

M E M O R A N D U M

DATE: September 28, 2012

TO: Melissa Yeich
Office of Policy and Management

FROM: Virginia Alling *VA*
Workers' Compensation Commission

RE: FY 2014 Options

CC: John A. Mastropietro, Chairman
Marvin L. Smernoff, CAO
Holly Williams, OFA
File

Enclosed please find one original and two additional hard copies of our Reduction Options for FY 2014.

We have 5 reduction options. They are as follows:

- Our reduction option for **Other Expense** is \$379,264. In order to comply with the 5% reduction mandate it is necessary that we close the Middletown District Office in addition to eliminating hosting charges for DAS/BEST as well as any increases in any available line item. We are also removing the purchase of new desktop computers from FY 2014.
- We have eliminated the purchase of several computer servers and laptops in the **Equipment** reduction option.
- Recognizing that other state agencies will also reduce their budgets by the required 5%, we have programmed a \$157,755 reduction in **Indirect Overhead**.
- The elimination of funding for five vacant positions is our reduction option in **Personal Services** along with the corresponding 70% reduction in **Fringe Benefits**. With the Middletown Office closure, the staff of that office would be transferred throughout the agency in an effort to alleviate our staffing shortage. Should the Middletown office closure option not be exercised, the agency would be unable to offer this vacancy funding and the corresponding fringe benefit funding reduction.

If you have any questions please don't hesitate to call. Thank you.

Office of the Chairman

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COMMISSION

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September 28, 2012

The Honorable Benjamin Barnes
Secretary
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

Dear Secretary Barnes:

The Workers' Compensation Commission's core information system is WCS (the Workers' Compensation System). This system first went online in 1995. It is written in PowerBuilder. PowerBuilder was a popular development language in the 1990s, but is being replaced by more recent technologies. Support for WCS was provided by two long term consultants. These consultants were part of the company that originally developed WCS. Because of their original experience developing the system and their long term engagement supporting it, these consultants possessed a wealth of knowledge about WCS. They also were very well versed in workers' compensation in general as well as the business processes of this agency.

The FY12 budget removed funding for the two consultants and instead provided the agency with a single IT Analyst 2 position. Because their funding was to be eliminated, the two consultants found other employment, leaving this agency without support for its core system. In the spring of 2012 WCC posted an announcement for the new position to the approximately 400 candidates then available on the state's IT Analyst 2 employment list. We interviewed the only three candidates that exhibited PowerBuilder experience. Two of these candidates were invited back for a second interview. Both declined our invitation.

This left the WCC in a difficult situation. WCS is an excellent system and is well liked by its user base. But it is written in a language that makes it very difficult to find and hire support personnel. The system needs to be written in a more modern language.

To obtain a system written in a modern language we have two choices. The first is to rewrite the system. This is a relatively long and expensive process. The system rewrite option is best chosen when the respective system is out of date, doesn't do what its users need it to do, and is cumbersome to use/not well liked/etc.

In the case of WCS we do not have those issues. The system is up to date and fulfills our requirements. It is easy to use and is well liked by its users. A system rewrite would take more

time and money to produce essentially the same system that we have today. For this reason WCC would like to convert WCS. A legacy system conversion takes a system written in a legacy programming language and converts it to a modern programming language, while preserving the functionality and original flow of the system. Because much of the conversion process is automated, a legacy system conversion can be done faster and less expensive than a system rewrite.

During a conversation with DAS Procurement about how to obtain conversion services, the topic of statewide legacy system conversion needs came up. As there are several agencies who have expressed interest in using system conversion to solve legacy system support problems, we understand that DAS Procurement may soon initiate an RFP process that would lead to the creation of a contract for legacy system conversion services. If DAS does initiate the RFP, WCC anticipates that, once in place, such a contract may result in a lower price for the conversion of WCS than if WCC issued their own RFP.

This agency is requesting \$2,117,000 in FY14 and \$1,076,000 in FY15 for services to convert WCS to another programming language. We believe that this effort could be done within a 12 month timeframe, making a system conversion much faster, and less expensive, than a system rewrite.

If there is a need for further information, please feel free to contact us and we will do our best to respond to your inquiries. Thank you for your attention to this matter.

Very truly yours,



John A. Mastropietro
Chairman

JAM:taa