FOR
AGENDA

EBAP 84/64
Supplement 2

April 24, 1984

TO: Members of the Executive Board

FROM: The Deputy Managing Director

SUBJECT: Administrative Budget for FY 1985 – Additional
          Information on Data Processing Expenses

During the Executive Board Seminar 84/3 (4/23/84) on data
processing, some Executive Directors asked for additional information
on several matters concerning data processing expenses and the Adminis-
trative Budget for FY 1985. This paper is a response to those requests.

A. Fund Computer Center

1. Estimated Cost: As mentioned at the seminar, it is planned to
issue a paper within the next few weeks recommending the establishment
of a separate Fund Computer Center. At present the questions of whether
to build or rent and which site should be recommended for the Center
are still being studied by a consultant prior to review by the management,
and as these issues may have a significant impact on cost, it is not yet
possible to give an accurate estimate of the cost of establishing the
Center. However, Executive Directors may find it useful to have the
following preliminary estimate on the assumption that the new Center
building will be constructed rather than rented.

	a. Set up costs	$ Million
	Construction of building	
	including special conditioning	9.5
	New main frame computer	3.5
		13.0
b.	Annual operating costs	2.6

2. <u>Budgeting for Cost of Fund Computer Center</u>: As the paper recommending establishment of a Fund Computer Center will not be available at the time of the Executive Board discussion of the Administrative Budget, provision for the set-up costs of the Center was not made in the budget presentation for FY 1985 (as noted in paragraph 4 on page 1 of the budget document). Rather, it would be proposed to request such appropriations at the time when the Fund Computer Center paper is discussed, in the same way that additional appropriations are requested when proposals for a general salary adjustment are made subsequent to approval of the administrative budget. On the other hand, it will not be necessary to request additional appropriations for the operating cost of the proposed Center in FY 1985 as funds are already included in the budget presentation for renting time on outside IBM-compatible computers which would be switched to operation and maintenance of the new Center in the event the proposed Center were to be approved by the Executive Board. Management of the Center, however, will require the addition of three new staff positions in the Bureau of Computing Services for one senior person and two others with a background in IBM-compatible hardware and software. The planned paper will include a justification and request for such positions.

The three-year projection of costs shown on page 16 of EBAP/84/76 (April 17, 1984) was consistent with the presentation of the FY 1985 budget, i.e., it did not make provision for the $13.0 million once only set-up costs for the proposed Fund Computer Center, as noted on page 25, but it did make provision for the operating costs of the Center over a three year period including upgrading and expansion in the latter part of the period.

B. <u>Reconciliation of Cost Estimates</u>

Attachment I shows by major category the relationship between (i) the estimate of $111.6 million for data processing services in the three year period, FY 1985-87, as shown in Table 1 of EBAP/84/76, and (ii) the proposed budget of $24.87 million for FY 1985 as quoted on the third line of page 46 in the Administrative Budget Document for FY 1985 (EBAP/84/64). It should be noted that the costs shown for staff include salaries, other personnel expenses, office occupancy and such housekeeping costs as supplies and communications. As regards the possible extension of office automation applications to other departments, a provision of $750,000 has been included in the FY 1985 budget and a projection of $6,250,000 for FY 1986/87 has been made. However, if the evaluation of the present pilot projects shows that it is not beneficial to continue, none of these funds will be spent.

C. <u>Training Costs for Data Processing Services</u>

In the last paragraph of page 25 of EBAP/84/76 it is stated that "Other expenses associated with the new technology base include systems planning activities, resource management, and BCS staff training for a total of $2.1 million for FY 1985-FY 1987." The division of that

figure into the three components is as follows: systems planning, $0.5 million; resource management, $0.7 million; and BCS training $0.9 million. The amount budgeted for BCS training which—it might be noted—is subsumed within the systems technology line in Attachment I, is distributed between FY 1985 and FY 1986/87 as follows:

	FY 1985	FY 1986/87	Total
BCS Staff Training	$145,000	$747,000	$892,000

This estimate covers the time of BCS staff spent on being trained (an *average of about 1 week per staff position in FY 1985, and of about 2 weeks* in the two subsequent years) and includes salaries and other personnel costs. It does not cover the cost of time spent by staff in other units of organization for training in the use of microcomputers, etc., nor does it include the out-of-pocket cost of hiring any outside consultants, etc. required to provide the training. The latter expense is estimated at $132,000 in FY 1985 and has been included in the budget account for study allowances and training.

Attachment (1)

Other Distribution:
Department Heads

Estimated Cost of EDP Projects Over Three Years , FY 1985 - FY 1987
($000's)

	Classification in Administrative Budget Document 1/	FY 1985 Joint Computing Facility	FY 1985 Contractual Support Staff	FY 1985 Other Data Processing Services	Subtotal	Staff Costs	Total	FY 1986/87	Total
1. Major Development Projects		460	2,150	3,740	6,350	2,090	8,440	29,156	37,596
a. Statistical applications									
Economic Information System	A4	116	410	470	996	281	1,277	1,332	2,609
International banking and external debt	A4	58	40	20	118	87	205	472	677
Tape receipt and data transfer	A4	82	-	-	82	97	179	120	299
Exchange rates, interest rates, and gold prices	-	-	-	-	-	-	-	132	132
b. Financial applications									
TRE's integrated financial system	A3	50	800	260	1,110	772	1,882	3,614	5,496
c. Administrative applications									
Procurement/budget system	A5	7	140	70	217	138	355	1,490	1,845
Publication Sale and Fulfillment System	A5	-	-	265	265	22	287	349	636
Joint Library	A5	13	33	30	76	1	77	167	244
Annual Meetings	A5	75	70	123	268	65	333	637	970
d. Office Automation									
Office Automation Development	A1	-	152	284	436	64	500	1,139	1,639
O.A. Pilot - ASD	A1	50	35	126	211	22	233	526	759
- EXR	-	-	-	-	-	-	-	567	567
Document Management Facility	A1	-	77	515	592	175	767	1,138	1,905
Document Distribution System	A1	9	10	70	89	49	138	30	168
Legal Document Management System	A5	-	25	3	28	22	50	355	405
BLS Cables Translation System	A1	-	20	6	26	23	49	161	210
Personal Computer Applications-SEC	A5	-	10	10	20	-	20	124	144
Cable Room	A2	-	140	860	1,000	139	1,139	1,350	2,489
Publications Editorial	-	-	-	-	-	-	-	240	240
Office Automation Applications-TRE	A1	-	-	79	79	-	79	69	148
Economist Workstation	A1	-	60	38	98	22	120	894	1,014
Expansion of Office Automation	A1	-	128	511	639	111	750	6,250	7,000
e. Future Growth (New projects)	-	-	-	-	-	-	-	8,000	8,000
2. Production and Minor Development	B	4,790	1,750	3,090	9,630	1,690	11,320	36,180	47,500
3. Systems Technology	A6	-	1,080	1,560	2,640	1,060	3,700	17,900	21,600
Support of major development	A6	-	620	1,250	1,870	600	2,470	12,500	14,970
Support of production	B	-	460	310	770	460	1,230	5,400	6,630
BCS Staff Overhead 2/		-	-	-	-	1,410	1,410	3,490	4,900
Total		5,250	4,980	8,390	18,620	6,250	24,870	86,726	111,596

1/ According to the table on page 46 of the FY 1985 Administrative Budget Document.
2/ Bureau of Computing Services management and secretarial staff.