



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
March 16, 2009

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Russ Larson	Controller General	Present	
Dr. Lillian Lowery	DOE	Represented	Dr. Mike Owens
Myron Steele	Chief Justice	Represented	Pat Griffin
James Canalichio	Dixon Valve & Coupling Company	Present	
Dan Grim	University of Delaware	Present	
Carlos Vieira	Bank of America	Present	
Kris Younger	82 North LLC	Not Present	
Glenn Tascione	Barclay's Bank	Present	

Call to Order:

Secretary Jim Sills called the meeting to order at approximately 9:05 am.

Welcome:

Jim Sills welcomed everyone to our first quarter 2010 TIC meeting. This meeting was held by video teleconference in two locations: DTI William Penn Building in Dover and the Wilmington Carvel Building. Introductions were given at each of the locations. TIC members attendance was noted as shown in the above table. Others in attendance included DTI Senior Staff, DTI Team Leaders, IRM Council representative, DTI's Legislative Analyst and a representative from the Department of State.

Old Business:

Jim Sills asked if all the members received and reviewed the December 15, 2009 TIC meeting minutes and requested for a motion to approve them. With no comments or questions, Glenn Tascione made a motion to approve the minutes as written and Carlos Vieira seconded the motion. With no opposition the motion was carried.

IT Consolidation Update ~ Bill Hickox:

There has been a great deal of activity surrounding the IT Consolidation initiative since the last TIC meeting in December. DTI has completed the assessments of the initial five agencies, which included Department of State, Department of Finance, Department of Labor, Department of Education, and Department of Transportation. DTI provided the Cabinet Secretaries of these agencies and Ann Visalli with our recommendations and met with the Governor to review them. We recently met and had more specific discussions with Secretary Bullock and Ann Visalli regarding questions and concerns relating to the handling of IT employees within the agencies and their merit status. We will be moving forward with the implementation of the IT Consolidation recommendations with the Department of State within the next few weeks. It is DTI's intent to successfully implement the consolidation at DOS and based on that success move on to the balance of the first five agencies.

Russ Larson: How will the staff be handled?

Bill Hickox: The staff will remain within their specific agency. The complements will not be removed from the agency and placed in DTI. The staff will remain as merit positions. Their reporting structure will change depending on whether they are included in the consolidation or not; those included will be reporting to DTI. All will remain within their agency and their merit status will remain. Also the funding associated with those positions will remain in the agency.

Russ Larson: How do you handle the difference in salary plans?

Bill Hickox: The same way we handle it today. For example, at DHSS in the Biggs facility we have DTI exempt employees working side by side with DHSS merit employees that are doing the same type of job, except one has an exempt title and one has a merit title. Merit employees will have the opportunity to bid on vacant exempt positions. It is nothing different than what is actually happening today.

DTI's Cost Allocation Model ~ Bill Hickox:

DTI has a cost allocation plan which is modeled after and complies with the Federal A-87 standard. The plan accounts for all our costs and the allocation of those costs across the agencies we serve. Each year DTI's cost plan is incorporated with OMB's submission to the Federal-OMB office into the Statewide Cost Allocation Plan (SWCAP). One of the roles of the TIC is to oversee the cost allocation methodology and process. We have not significantly changed the cost allocation methodology for several years. Our goal is to refine and restructure our cost allocation methodology to better reflect the services that are actually being provided.

The FY11 Governor's recommended budget proposes to reduce DTI's operating budget by \$1 million in anticipation of IT Consolidation savings. The savings will be experienced by the agencies we serve; therefore DTI needs to get a better accounting of those services in order to accurately reflect the experience. In order to provide better transparency and allow us to be more granular in defining the costs, DTI is proposing to redefine the current cost allocation categories. The FY11 proposed category list includes five new categories: Managed Server Hosting, Managed Web Hosting, Data Center Rack Space/Hosting, Video/Web Casting, and Wireless Solutions. These are not new services; DTI has been providing these services for years, however they did not have specific costs allocated to them. The costs were spread over the other eight categories. By expanding the category list we will be able to more appropriately reflect the expenses associated with those services and provide accurate accounting to the agencies. The total cost allocation will not change and will be cost neutral.

Russ Larson: Is the million dollar savings general funds?

Bill Hickox: It came out of our general fund appropriations.

Russ Larson: What are you taking from DOS to recoup the million dollars that was cut from your budget?

Bill Hickox: One of the recommendations for DOS is to consolidate the data center into the William Penn facility. There are expenses associated with operating the DOS data center today...

Russ Larson: Which theoretically will be budgeted for in 2011.

Bill Hickox: Once we migrate their data center into ours, those budgeted dollars will not need to be expended on data center expenses because the data center is now in ours. We would now look to transfer the funds in order to fill the million dollar hole.

Russ Larson: So that wouldn't necessarily be built into this cost allocation, is that a separate item?

Bill Hickox: Correct. We are going to have a truer accuracy of accounting. We have to make sure we are allocating the expenses appropriately so we are able to capture the million dollar savings. One of the things that we run into with this is for example, when DOS leaves the mainframe and goes with the ICIS project which is client server based,

they will no longer be contributing to the cost allocation associated with mainframe expenses. As agencies migrate away from the mainframe, if we are just pushing everything into the mainframe cost pool then the last agency standing on the mainframe will have an enormous bill at the end of the day. We have to better accurately reflect those expenses so we don't run into that problem.

Pat Griffin: How do you calculate the different categories for each agency? Do you look at actual expenses or estimates?

Bill Hickox: The cost pool is comprised of everything it takes to provide a service; the hardware, software, maintenance, licensing, and percentage of personnel dedicated. Once we have the cost pool, we identify the usage associated with the cost pool. That is divided out and we generate the rate, per unit of usage.

Pat Griffin: It is not a cost savings, it is a cost allocation?

Bill Hickox: Yes.

Ann Visalli: Have you worked with my office to get this incorporated into the forecast? Is John Nauman on board; we have started FY11 already.

Bill Hickox: He has not seen this proposal yet, because we need TIC's approval.

Secretary Sills: We will need a motion to approve the new cost allocation methodology and categories.

Russ Larson: I motion.

Glenn Tascione: I second.

With no opposition, the motion was carried.

Strategic Plan 2010 – 2012 ~ Secretary Sills

The Department of Technology and Information is required to develop a Strategic Plan that is approved by the Technology Council and updated annually. This updated plan is the third edition; the first one was created in 2005 and the second in 2007. The State remains in a difficult financial position in terms of limited funding and resources; DTI has created this plan to align with the Governor's policy agenda. One of the key points in our plan is to leverage existing investments, projects, and resources. Our plan's strategic objectives include: Government Efficiency, IT Governance, Improving Education Technology, Information Security and Reliability, and Information Technology Workforce Development. The Governor is also focused on smaller more efficient government. In our plan we addressed how we can leverage our new ERP system, focus on shared services and more self services, and consolidate hardware in our data centers. One area the Governor is focused on is improving education. We want to make sure all the schools have the right type of network connectivity and are focused on improving network services and security.

Russ Larson: On the efficiency standpoint, how is that enforced? If DOS wanted to go out and buy new equipment does that have to go through you?

Secretary Sills: Yes, they would have to submit a business case and we would review it and make sure what they are doing makes sense. If there was an opportunity to leverage some existing hardware already in the environment, we would recommend that to them.

Russ Larson: Even if they already have the equipment and all they are doing is upgrading the software?

Secretary Sills: Yes, anything over \$10,000 would still have to go through DTI and I would have to sign off on it.

Russ Larson: Does that apply to the 19 school districts?

Secretary Sills: No, that does not apply to the school districts.

Ann Visalli: I am worried about the DCAS: I want to make sure everybody is coordinated in terms of readiness for the test in May. We are working on your issues but barring this, what kind of status reports are you doing in terms of the test for the schools?

Secretary Sills: We have had conversations with Lillian Lowery and her staff in terms of the speed of the network and access for the test. We have the one issue of upgrading the 36 schools and the other issue is we need to buy this proxy which allows us to prioritize all the transaction activities; this is another \$600,000. We need to get answers to those to questions by March 31st.

Ann Visalli: We are working on that piece of the funding, but even beyond that I want to make sure that there is a really good communication network to ensure everything is in place for the schools.

Mike Owens: We just got an update the other day: the last couple of weeks DSTP has controlled everything as we migrate from one state test to a new state test. Beginning April 5th the field test will begin on the new DCAS. This field test will run from April 5th to May 28th. All of the schools in the state will be getting kids online. There is a requirement that the kids will have to be on for so many hours, per day, per week so they can put this new system through the rigorous tests.

Secretary Sills: I feel confident that our network will be able to handle a subset of the kids for the test. The other issue is we will not have ERP implemented at that time so we should be okay. If a large number of kids are accessing the network all at the same time, it is our responsibility to make sure they have the right response time and are getting the results they need to take the test. We need to address a couple of issues to ensure they are successful.

Secretary Sills: Are there any other questions about the updated strategic plan?

Carlos Vieira: Are there any ongoing updates relative to the previous plan; what has actually changed or evolved?

Secretary Sills: The second plan was created in 2007. We looked at that plan and added to it. In terms of Governance, Security, Workforce, IT Technology; those items were in the plan previously. We added items relative to Efficiency, IT Consolidation, and ERP that were previously not in the plan. Our intent is to come back and update the plan every 12 months.

Glenn Tascione: One thing I felt was understated in the plan is any activities that are looking long term into what is the next wave of new technology. It is always a challenge to put aside the resources and look beyond what you see today. We have to think in broader and longer terms.

Secretary Sills: We had a lot of items we wanted to include in this plan, but we wanted to be realistic in terms of what we can really achieve with the limited dollars and resources. From a future technology standpoint there are a number of items we are looking at, such as cloud computing. The next time you see this plan that item may be included. We are working on a number of different future technologies right now which will be included in future plans.

Secretary Sills: If there are no other questions, we need a motion to approve the Strategic Plan.

Carlos Vieira: I motion

Glenn Tascione: I second

With no opposition, the motion was carried.

ARRA Grant – Broadband NOFA 2 ~ Mike Hojnicki:

We were unsuccessful in obtaining funding in Broadband NOFA 1 process for two of the grant submissions: The Anchor Institution Project and the Delaware State University Modernization Project. We are currently regrouping and identifying where these projects fit in for NOFA 2. The deadline for NOFA 2 is March 26, 2010. There is approximately \$2.3 billion available. We are adjusting our scope and expanding our focus on our service partners and how they can benefit from our proposal. We will also be utilizing more statistical data from the Department of Labor which will help validate the need across the state. The focus of our NOFA 2 submissions will include: Video Conferencing Bridge Infrastructure, DSU Network Infrastructure Modernization, and Anchor Institution Broadband Enhancements. DTI is also providing technical guidance to the Delaware Division of Libraries to assist them with their Library Grant of \$2.9 million in which a large portion will be received from the Gates foundation.

Secretary Sills: We have been reaching out to our delegation to make sure we get something this time around. Every state will receive something as part of the second round. We are making sure our application is really tight and meets all the requirements.

Ann Visalli: Is Delaware State putting up a match?

Mike Hojnicki: They have not been able to provide any type of cash match, their match is in-kind at this time.

Ann Visalli: Is that in-kind match sufficient? Are they leaving money on the table because they don't have cash?

Mike Hojnicki: Yes, they are leaving money on the table. Secretary Sills and I have sat down with President Williams and the Provost. We asked the questions what are you putting in your budget this year and requesting next year, to try to show what they have for the match component. They kept saying they did not have the cash to put up. If you could help us find the cash that would better position our grant for success.

Ann Visalli: How much do they need on their side?

Mike Hojnicki: We are currently working with their team to get the exact number.

Secretary Sills: I reached out to the President myself on two occasions and specifically asked if they can provide the in-kind match. They really need their network upgraded and are about 15 years behind other Universities.

Rick Geisenberger: I would like to speak briefly about the Library Program. This is a \$2.9 million program over three years to speed up broadband access in all public libraries to be able to provide Wi-Fi access and desk top video conferencing capabilities. Specifically within four anchor libraries in Dover, Georgetown, Wilmington, and Seaford, we will be creating job training and education centers for online learning. Within the other 28 public libraries we will be able to offer scheduled sessions where people can access services. We are going to receive \$1.9 million in federal money and are going to match it with \$1 million from the State. Most of the State money will come from the Bill and Melinda Gates Foundation which has selected Delaware from among four or five other states. One reason why I wanted to mention it to this group is because there is an accompanying piece of legislation that we will be working on with the General Assembly this year. In 2004 the State passed the Children's Protection Act, which was designed to protect children from accessing pornographic materials in libraries. We want to clarify under the law for adults and children that accessing inappropriate material from the library will not be tolerated. We need that piece of legislation to make sure we are enhancing our protection.

ICIS ~ Project Overview ~ Matt Payne:

The Integrated Corporations Information System (ICIS) will upgrade and update the legacy mainframe imaging and workflow system responsible for supporting the States Corporations Division that generates approximately \$850 million in annual revenue. The solution will be upgraded to a .net based web application using an Oracle database. The work is primarily being done by Alliance. Base functionality will be provided by a commercial platform

(Epitome) with about 50% custom application code for the business rules and user interface. We are slightly over a year away from implementation of the project. Overall the ICIS project is currently on schedule and within budget. Total project budgeted is \$11,877,000 with \$5,702,351 expended to date.

ICIS Issues and Concerns: There is a current lag in the testing plan however Alliance has estimated that by April 28, 2010 they will be back on track with all the modules. The technology involved is relatively new and significant work must be done to enable the application to be supported internally. One concern is that it will take some time to get everyone used to the navigation of moving from a mainframe environment to one that is totally web based. The next steps for ICIS are to continue and complete the design and implementation of testing for the various tracks, complete our UAT, finalize our Disaster Recovery strategy, and continue user education and training.

Russ Larson: On slide 12 it says the solution will be .net based web application. Base functionality will be provided by a commercial platform (Epitome) with about 50% custom application code...

Matt Payne: It's a tool set, so the part that is custom is the painting of the screens. The underlying technology comes with it on how it handles different things. Rather than buying a package, you are actually building the screens and the workflow that you want.

Russ Larson: What does that mean down the road for upgrades and maintenance?

Matt Payne: What it means is that the support team that we talked about has to be up to speed on how to make changes. Maintenance and/or new requests would be done by this group. If the base product is changed then we would have to change that, but that is going to happen a lot less frequently than requests from the business community to modify things.

Russ Larson: So you are comfortable with this 50% customization?

Matt Payne: It is a custom solution. Unlike PeopleSoft where we can go out and get people that have specific PeopleSoft experience, this solution is customized and we wouldn't be able to go and get those types of resources.

Rick Geisenberger: We are so integrated with the registered agencies in Delaware where 80% of our volume comes from them. We have literally tailored our system over the last 30 years to meet the unique customer service segments. There is no other way to do it but through customization.

Matt Payne: Russ, when you see anything above 20% number, you have made a decision that you are going to support a customized solution. You would almost treat it as if you built it from scratch yourself. You have to staff and plan accordingly versus if you were to buy a canned COTS type solution off the shelf then you would have a completely different type of staffing model because you would be dependent on whoever produced it to give you fixes and updates. So this is clearly a customized solution.

Rick Geisenberger: We did do the bids in a way that looked at it with and without the customization, but they were substantially higher.

Pat Griffin: I have a question about training the user community. I think it is quite complex to do that, would it be web based training?

Rick Geisenberger: We are doing a train the trainer program. We are not going to go out and train all the hundreds of people on how to use the system; we are going to train three or four people. It is actually much more web-based with drag down menus and designed in a way that you can continue to use the exact same way that you use the current system, however it will be much more intuitive.

Pat Griffin: Is it true that this will be deployed in July?

Rick Geisenberger: There are two time frames: April 2011 and July 2011. As we are working through the next couple of months how this consolidation is going to work, a lot of that is going to need to be tied into the timeframe for the ICIS project. We want to wind down the disappearance of the current system and tie the two processes together.

COTS: Project Overview ~ Matt Payne:

Courts Organized to Serve (COTS) Project is moving off of mainframe functionality to a distributed environment. We have completed the civil processing and are currently working on the enhancement feedback we received from the Courts to make any necessary changes. The work for the criminal portion of the project is on hold. The Lexis/Nexis upload of e-filed cases has been successful and e-Filing is now available in all civil courts in the State.

COTS Current Status: JP Court civil efficiency plan was developed to improve confidence in moving forward with the criminal implementation. The implemented changes have improved performance and we are continuing with the evaluation and testing of other recommendations. Analysis of the network reviews has been completed; we did not have any issues with the network. The transition of the image solution from FileNet to Oracle will take place on April 1, 2010. The budget is approximately \$15 million and is a fixed price, milestone deliverable contract with the vendor. The project continues to operate within the budget.

COTS Issues and Concerns: The Criminal Phases 5, 6, and 7 continue to present significant challenges. JP Court efficiency plan and identification of supplemental solution sets are in progress to help improve confidence in system's ability to handle high volume caseload. Interfacing with DELJIS which is critical to the project's success needs to be maintained. Finally, additional customization or in-house development may be needed in the long term to handle case load demands and to improve how people feel about the criminal phase.

COTS Next Steps: There have been a few changes in leadership. Chief Justice Steele has appointed Justice Ridgely to lead the effort. Chief Justice Steele will still be heavily involved; however Justice Ridgely is very familiar with the processes and detail. Also Marianne Kennedy from the JP Court will be replacing Carol Kirshner in terms of leading the steering committee on the project. Other deliverables moving forward are we need to resolve issues surrounding the criminal phases 5, 6, and 7, complete the JP Court efficiency plan, and evaluate possible solution sets to supplement the vendor product.

Russ Larson: What is the status of the projected \$15 million cost in terms of the hold on the criminal side?

Pat Griffin: A great deal of that money was in infrastructure that was expended early on in the project. What we paid the vendor was approximately \$7.7 million. At the end of phase 4 when civil was done we had to pay about \$5.5 million; we have to pay for the milestones completed. There is approximately \$2.2 million left that will be needed for everything else.

Russ Larson: If this criminal issue went on for a couple of years, does it stay at \$2.2 million?

Pat Griffin: It would have to be renegotiated with ACS. They have not said it would cost more. I am not sure if it goes on forever or if they'll come back and say there is a certain amount of money they need to pay their consultants. The leadership team will be looking into that as well as some possible cost solutions that could address the issues ahead so that there is a clear path forward.

Ann Visalli: Are you hoping that the \$2.2 million covers all the criminal implementation?

Pat Griffin: Under the contract the \$2.2 million covers all of the criminal implementation. What is not as clear is if it drags on forever. It covers the completion of the contract.

Matt Payne: The quandary is if you decided that you were not really enamored with this solution then all bets are off. The biggest thing that the vendor has on its plus side is that we have a good contract with them to finish the work. The downside is that the criminal phase is much more complicated and there is a good audience within the judicial space

that is not enamored with this particular solution set and vendor. If we were to go back with a different solution, I will be willing to go out on a limb and say it will be more than \$2 million to do that.

Pat Griffin: I am not sure if that is absolutely true, but it would depend on what we were looking at and what the expectations were. Certainly if it were an overall new system, that would be a very different story.

Russ Larson: Do you happen to know where Ridgely is on this?

Pat Griffin: Since he just took over yesterday, I could not say. He is certainly technology savvy and is open to different options. ACS is an important, critical one and would be the easiest solution to make for us.

Matt Payne: Again my quote on the cost is my opinion. We have not done the studies or solicited any vendors. The benefit to keeping the current vendor is that we have a pretty good contract, although we don't necessarily love the solution. We could go out and find a better solution, but then we have the dollar challenge. It is not an easy decision.

Carlos Vieira: Is there any concern about having a different solution for criminal than you have for civil?

Matt Payne: Yes, there has definitely been some concern. Logic would say integration wise using the same solution would be easier.

DTI Major Projects Update: ERP ~ Matt Payne

The Enterprise Resource Planning (ERP) Objective/Scope has not changed since the last update. We are migrating from an older mainframe system to PeopleSoft applications and upgrading to a more current version. Our schedule is on track: We are approximately 100 days away from the PHRST and FSF implementation. We have begun the registration process for the training, the course schedule is currently online, and we have 16 trainers; 9 of which are external resources with strong PeopleSoft knowledge and 7 State workers with working knowledge of PeopleSoft. The final round of integrated testing is being finalized. In addition the Pre-Implementation Audit has been canceled.

ERP issues and concerns of the project are (1) Resources: The functional and technical resources are being stretched thin, grant funding for the K-12 network upgrade was denied, the level of participation requested from the end users is high, the helpdesk and training position transfer has been slow to progress, and the post go-live structure on the business side needs to be finalized. (2) Training: There will be approximately 3,700 people that will require training and there is a scheduling risk with no shows due to completing fiscal year-end priorities. (3) Scope and Change Management: ERP initiatives need to be closely monitored, organizational structure changes require system configuration and may introduce project risks due to the timing at fiscal year start, and user's adaption to the new system will require monitoring.

The next steps for ERP is to continue to aggressively manage the frozen system change requests, complete the 4th round of testing, finalize resources for the Helpdesk, complete and monitor the training registration, and deliver the training. DTI recommends that the executive sponsors continue to support the commitment of their resources, continue good communications to Cabinet, IRM, ISO, and business managers, and continue the strict adherence to the project schedule. ERP has spent \$60.2 million to date and is projected to spend \$66.6 million through FY 2010.

Ann Visalli: In one of the early meetings you had a menu of all the major projects that are out there. There was recommended bond bill funding for FACTS II and DACSES; will that come up before this group at some point?

Secretary Sills: Yes, at our next meeting we will have an update on DACSES. We wanted to wait until they selected a vendor before we gave an update. In regards to FACTS II, Matt and his team are engaged with the Kid's Department and are setting up governance now. We will give an update on that one in June or fall of this year.

Information Security Program Update ~ Elayne Starkey:

The Governor's Executive Order 13 focuses on emergency operations and response. The key issue for DTI is that every State agency has a COOP Plan (Continuity of Operations Plan). DTI is several years into that program; about

30% of agencies are well on their way to developing a COOP Plan. We are partnering with DEMA and are looking forward to increasing the number of participants so that eventually we will have a standardized way to identify critical services in the event of a disaster. To date we have done COOP and DR exercises independent of each other. We will have our first combined COOP/DR test this April, where we will not only cover our IT systems but will also simulate that our building has been destroyed.

We have 230 Information Security Officers (ISO) across the 87 organizations in the State. We have worked hard to raise the stature of these officers so they are able to demonstrate their commitment to their organization. The Information Security Office Certification will allow them to do this. It will be a 24 month certification period where they will have to attend certification classes and ISO meetings. This will be a requirement for all ISO's in 2010.

DTI went live with a new email encryption tool statewide. We had a situation where we had an encryption tool that was end of life by the vendor and will no longer be available. The new product, Ironport, went live yesterday.

Conclusion ~ Secretary Sills:

Secretary Sills thanked the members for their participation, confirmed the next scheduled TIC Meeting will occur on Tuesday, June 15, 2010 and concluded the meeting.

Adjournment – Secretary Sills:

With no further business to be conducted: Dan Grim made the motion to adjourn; Glenn Tascione seconded the motion. The meeting was adjourned at approximately 10:44 am.

:iik