



1 P R O C E E D I N G S  
2 TUESDAY, APRIL 21, 2015  
3 (11:06 a.m.)

4 CHAIRMAN ALCANTAR: Good morning,  
5 everyone. We're back in session. Larry, who do you  
6 have first?

7 MR. TEMPLE: Lisa Richardson will give us  
8 an update on our IT --

9 CHAIRMAN ALCANTAR: Good morning, Lisa.

10 MS. RICHARDSON: Good morning, Chairman,  
11 Commissioners. Lisa Richardson, IT Director, for the  
12 record.

13 Each quarter we had talked about providing  
14 you an update with additional information on our data  
15 center services performance.

16 The first chart that you have under your  
17 Tab 1, this is our updated score card trend chart that  
18 I'll continue to provide to you quarterly and in each  
19 quarter I'll provide some additional new information.

20 If you look towards the last three rows of  
21 this chart, that's the last quarter's performance. So  
22 as you'll see it's December -- well, it's really  
23 December 2014, although that's a typo on there. It's  
24 December '15.

25 For December we still continue to have a

1 few issues with our backup performances and also similar  
2 issues in our software procurement over there off to the  
3 far right where you see the No. 2 rating.

4 In January we actually had some very good  
5 performance all across the board. Over in our mainframe  
6 column we actually had a 4 for the services that were  
7 provided to our staff for those services in January.

8 Then in February we were back again with  
9 having continued issues with our service delivery as  
10 well as our backups. So what's happening on the service  
11 delivery, especially in February, is that we were having  
12 problems in our ticket resolution.

13 So we would have tickets that were open  
14 and it was taking too long to get those tickets  
15 resolved, and then also improper ticket status reporting  
16 where some tickets would be closed by the data center  
17 services staff and we would have to follow back up with  
18 them and reopen the tickets because they hadn't been  
19 resolved properly.

20 So it's continued work that our staff  
21 manages with data center services to stay on top of the  
22 work that they're -- and the solutions they're providing  
23 for us.

24 As far as the backup related, this has  
25 again continued as you can see. The backups have been

1 an issue ongoing. This is related to a new tool that  
2 data center services has implemented for performing  
3 backups.

4                   So we've seen tremendous improvement over  
5 what they're providing to us, but we're still concerned  
6 that every month we have issues with our backups, and it  
7 could be an issue to where a backup should only take a  
8 certain period of time; yet, it's going longer than what  
9 it should be taking, but that's still something that our  
10 staff are raising to DCS because they need to be getting  
11 the backups performed within the windows that were  
12 identified.

13                   So any issue related to backups we're  
14 staying on top of and making sure that we manage to make  
15 sure our data and the security of our systems are good.  
16 If you turn to your next page -- some of the new  
17 information for this quarter -- this is related to our  
18 incident logs.

19                   So incidents could be anything from just a  
20 fix that comes up or something to investigate, something  
21 that's happening in our systems that could pop up at any  
22 day, whether it's on our servers, whether it's on  
23 backups, whether it's on the mainframe. It's just  
24 something that pops up for us.

25                   So it could be for anything from a warning

1 light displaying on a server to backups not completing  
2 timely or to -- you know, actually, the worst case for  
3 us is actually a system or a server going down and  
4 non-production for us.

5                   So this very first chart shows TWC  
6 incidents logged and resolved by month. So this is a  
7 very typical workload trend for TWC.

8                   Sometimes you may see a spike in the  
9 number of issues logged depending on activities at the  
10 agency. But looking at the six-month view, TWC has  
11 remained fairly constant and the resolution is keeping  
12 up with the incidents as they are identified.

13                   So this is very positive. We're not  
14 seeing a spike on that right -- on the left-hand column  
15 where we're logging many more incidents than what they  
16 were able to take care of for us. So as we identify  
17 issues, they are being resolved. So that's positive.

18                   If you take a look at the chart below  
19 that, this breaks those incidents into a little more  
20 level of -- lower level of detail where we identify  
21 whether the incident is a P-1, which is critical; a P-2,  
22 which is a high; P-3, which is medium; or a P-4, which  
23 is low.

24                   So each one of these types of incidents  
25 have a different service level agreement rating and a

1 different time frame associated with when they need to  
2 be resolved.

3                   So, obviously, the P-1s are our most  
4 critical that we always want to track and make sure  
5 those are resolved the fastest.

6                   Over this trend for December and January  
7 we had a fairly low number of P-1 incidents, but in --  
8 excuse me -- December and January -- and then in  
9 February we actually had a spike in our critical  
10 incidents. We had 16 of those.

11                   Three of those related to backup window  
12 errors that we experienced. One was related to the  
13 TWIST Sybase server error, and then 12 others were all  
14 related to backup incidents.

15                   So, again, this backup issue continues to  
16 crop up for us, but our staff are watching this every  
17 day and they're staying on top of ensuring that the  
18 backups get resolved so that we're flowing on track and,  
19 again, that our data is secure as it can be.

20                   MR. TEMPLE: Lisa, a question.

21                   MS. RICHARDSON: Yes, sir.

22                   MR. TEMPLE: I see up top that we -- let's  
23 say in December we had -- look at November. We had 206  
24 logged, 207 resolved; so, apparently, a carryover from  
25 the last month.

1                   But my question is, of the critical and  
2 the high, say 4 and the 25, the 8 and the 43, the 16 and  
3 55 were 100 percent of the critical resolved. In other  
4 words, that 16, was that 16 out of 16 or was that --

5                   MS. RICHARDSON: Well, they're typically  
6 going to be --

7                   MR. TEMPLE: No, down here (indicating).

8                   MS. RICHARDSON: Yes, sir. They're  
9 typically going to be resolved within that month's  
10 period unless it -- it depends on when it happens that  
11 month.

12                   If it happens at the end of the month it  
13 may flow into the next month for its resolution. But,  
14 yes, sir, those -- we track those and those are the ones  
15 that are -- we make sure those are resolved, the high  
16 ones.

17                   MR. TEMPLE: Okay.

18                   MS. RICHARDSON: The P-1s and the P-2s.

19                   COMM. ANDRADE: And that was my question.  
20 So the P-1s are almost always resolved immediately.

21                   MS. RICHARDSON: Yes, ma'am.

22                   CHAIRMAN ALCANTAR: The one constant has  
23 been backups. Going back to your Page 1 of 2, the --  
24 you know, last year we started off in -- with that  
25 category requiring immediate corrective action, and

1 we've been there pretty much every month. You mentioned  
2 a new tool.

3                   So the new tool that was introduced some  
4 time end of year has not fully resolved the issues that  
5 are impacting us, and, in fact, in February led to more  
6 Priority 1 type of incidents.

7                   MS. RICHARDSON: Yes, sir.

8                   CHAIRMAN ALCANTAR: Are there alternatives  
9 being considered, or is it -- are we not yet at full  
10 implementation of this new tool, whatever --

11                   MS. RICHARDSON: It was last year back in  
12 January where you see the red "1" up at the top. That's  
13 where they were actually putting the tool into place,  
14 and so that was -- we were having some serious problems  
15 with our backups, truly not getting done and not being  
16 managed.

17                   Now what we're doing in this process --  
18 it's almost like performance tweaking where they're  
19 really in performance tuning where they're trying to get  
20 everything down to work consistently.

21                   If we were having any kind of critical  
22 backup failures to where things truly weren't being  
23 backed up completely, this would continue to be red, but  
24 we're going to continue to rate them as a 2 until they  
25 can get it completely resolved for us.

1                   CHAIRMAN ALCANTAR: But there's not one IT  
2 problem that's been identified that's trying to be  
3 resolved. It's an ad hoc --

4                   MS. RICHARDSON: It really is a plethora  
5 of problems. There's several different issues and it's  
6 tweaking each of the different backups because it is  
7 pretty complex.

8                   CHAIRMAN ALCANTAR: All right.  
9 Commissioner Congleton, any questions?

10                  COMM. CONGLETON: (Mic off) No.

11                  CHAIRMAN ALCANTAR: All right. What's  
12 next?

13                  MS. RICHARDSON: Okay. Shifting from data  
14 center services, I wanted to share with you that DIR is  
15 initiating a pilot program to evaluate application  
16 portfolio management tools.

17                  This effort is a result of House Bill 2738  
18 from last session that dealt with Legacy System studies.  
19 So they performed the Legacy System study, and in that  
20 bill they were also mandated to perform -- to try to  
21 pull together a shared tool for all agencies to use.

22                  So DIR has requested TWC to be a  
23 participant in the pilot, and we're currently looking  
24 at -- as of -- we were planning on definitely being a  
25 participant and then something called "DARS" came about.

1 So that was -- we were reevaluating that, but I believe  
2 that we'll have the bandwidth now to participate because  
3 we want to be involved with what the tool selection is.

4 So this would be more like a software as a  
5 service and it would be a tool provided by DIR for other  
6 state agencies to use that should be able to help us  
7 manage all of our applications better across the agency.

8 So we believe that that's a positive for  
9 us.

10 CHAIRMAN ALCANTAR: Great.

11 MS. RICHARDSON: IT has many  
12 infrastructure projects in the works. These are just  
13 day-to-day things that we have going, but we're  
14 continuing to do network upgrades. We've got several  
15 projects that are both here and throughout the state.

16 We're currently upgrading our Filenet  
17 software. We are working on a project to move our  
18 intranet off of the mainframe. This one actually  
19 impacts a lot of people. When our internet was  
20 developed years and years ago it was put on the  
21 mainframe.

22 So what that requires is for everyone of  
23 us to have what we call a RACF Security ID. Well, that  
24 ID, most of us only need to log in to the intranet site.  
25 So by moving the internet off of the mainframe we're

1 going to able to eliminate a significant number of RACF  
2 IDs. So it's going to be easier for the users that  
3 you're not going to have to go reset the second ID all  
4 the time, and it increases our security because we don't  
5 want a lot of people to have RACF IDs and access to the  
6 mainframe if they truly don't need that access.

7                   So that's the projects that we have in the  
8 works now as well.

9                   MR. TEMPLE: And the audits that we  
10 undergo for RACF are always very detailed, very long,  
11 very time consuming and resource consuming. So this  
12 will certainly give us -- free up some time there during  
13 those regular RACF --

14                   MS. RICHARDSON: Right.

15                   CHAIRMAN ALCANTAR: Good work.

16                   MS. RICHARDSON: And lastly, I wanted to  
17 get back to our improvements that we discussed last  
18 quarter.

19                   We were talking about managing our large  
20 IT contracts. We are actively pursuing several of the  
21 key improvement recommendations from the handout that we  
22 provided to you.

23                   Staff are reducing our review cycles and  
24 focusing on making timely decisions at the lowest level  
25 in the projects that we have going on, and we are also



1 in your book.

2 CHAIRMAN ALCANTAR: Good morning, LaSha.

3 MS. LENZY: Good morning, everyone. Thank  
4 you. Thank you, Lisa. Under Tab 2 we do have five  
5 projects.

6 I can go through all five with you instead  
7 of bouncing back and forth here.

8 CHAIRMAN ALCANTAR: Yeah, let's do that.

9 MS. LENZY: All right. Thank you. The  
10 first project under Tab 2 is our tax modernization  
11 project.

12 As Lisa was saying, we had some bumps with  
13 this project previously, but I have to say that we had  
14 discussions with the vendor, NTT Data, and things are  
15 really back on track.

16 They rose to the occasion and we have a  
17 planned implementation of November 2015. Another  
18 success of this project, I would like to combine the  
19 second project in your tab, which is Electronic  
20 Correspondence for Employers. We were able, since it  
21 was the same vendor, NTT Data -- we were able to combine  
22 these two projects and that really helped us a lot  
23 internally because we could now manage the two projects  
24 concurrently, and we were able to minimize the resource  
25 contention on these. So they will both be completed by

1 November of this year.

2 Any questions on either of these two?

3 CHAIRMAN ALCANTAR: Commissioners, any  
4 questions? So even though we're behind schedule we  
5 think we're going to meet the new projected end date?

6 MS. LENZY: We really feel like we will.

7 CHAIRMAN ALCANTAR: All right. Thank you.  
8 Which one is next, LaSha?

9 MS. LENZY: If you go to the third  
10 project, which is Improved Benefits User Interface, this  
11 is one of the ones that Lisa referred to as, I'll say, a  
12 "problem child."

13 I do want to say that as a customer of IT  
14 we greatly depend on IT's direction and expertise. So  
15 we really tremendously appreciate the new leadership  
16 with Lisa and look forward to working with her.

17 We've had a lot of, I will say, false  
18 positive starts on this project where we've talked with  
19 the vendor, we've had cure letters from our legal  
20 department that's gone out, and things would go well and  
21 then it would kind of drop back down.

22 The vendors had a lot of turnover. This  
23 project really was going to have some very good benefits  
24 for us. So we've really been trying to work through it,  
25 but there's been some disappointments along the way.

1                   So we are evaluating at this time what we  
2 need to do with this project. So we are in consultation  
3 with our legal services and with the vendors with Cooper  
4 Consultant as well as with their subcontractor,  
5 Pegasystems.

6                   MR. TEMPLE: At the current time it looks  
7 like that -- barring any miracle coming from the  
8 contractors that we'll be pursuing a legal solution to  
9 this. We just can't seem to get them to the table to do  
10 what they need.

11                   So we're going to exercise the rights that  
12 we have under the contract.

13                   CHAIRMAN ALCANTAR: Commissioners.

14                   COMM. CONGLETON: I think that's a great  
15 idea.

16                   COMM. ANDRADE: That saddens me that the  
17 contractor is not living up to what they committed, but  
18 I strongly encourage you to pursue that.

19                   MR. TEMPLE: We'll keep you posted.

20                   CHAIRMAN ALCANTAR: You know, the full  
21 complement of projects is part of an effort on the part  
22 of this agency to better serve our customers to equip  
23 our workers with more up-to-date tools and technology  
24 that allows them to really enhance the quality of our  
25 services, and the impact is not only in that interaction

1 with the people that we serve but there's impact to  
2 other programs when these projects don't come online as  
3 scheduled and as envisioned.

4                   So the inability to arrive at a solution  
5 that generates and delivers the different milestones and  
6 the timeline and in the project is certainly  
7 disappointing. It has an impact on the taxpayer, and I  
8 would certainly encourage staff to seek an acceptable  
9 resolution on this project.

10                   COMM. ANDRADE: I agree, Mr. Chairman. I  
11 just have zero tolerance for this.

12                   MS. LENZY: Absolutely.

13                   COMM. ANDRADE: You know, they committed  
14 and I think you've mentioned they have had a high  
15 turnover. That's not our problem --

16                   MS. LENZY: No.

17                   COMM. ANDRADE: -- and I think that we  
18 even have a bigger responsibility when we deal with  
19 taxpayer dollars that's not ours. I always felt like,  
20 you know, if it was my money it would be different, but  
21 I bet you that I'd be calling them every day if it was  
22 my money, and there's no difference here.

23                   We even have a bigger responsibility for  
24 this agency.

25                   COMM. CONGLETON: Hear, hear.

1 CHAIRMAN ALCANTAR: Thank you.

2 MS. LENZY: I totally agree, and we will  
3 keep you informed actively.

4 CHAIRMAN ALCANTAR: Great.

5 MS. LENZY: The fourth project -- excuse  
6 me. The fourth project is our Benefits Electronic  
7 Correspondence.

8 This is on the claimant view. This  
9 project is going well.

10 COMM. ANDRADE: Thank you.

11 (Laughter)

12 MS. LENZY: Yeah, it's going well. We  
13 anticipate that we will roll this one out by September,  
14 I believe.

15 We do have rules that need to be  
16 promulgated before we roll this project out, though.  
17 This one also goes hand in hand with the previous one  
18 that was Employer Electronic Correspondence.

19 CHAIRMAN ALCANTAR: Okay.

20 MS. LENZY: The fifth or the last project  
21 that I have is -- it's Benefits Electronic  
22 Correspondence, but this is the staff view -- not the  
23 claimant view. This is our internal staff.

24 We've had a limited release on this going  
25 into production. So it hasn't been available to all the

1 end users. We've just been trying it in some of the  
2 centers and we've had great success with it. So we're  
3 very excited about this one.

4 We've got a few things that are still  
5 pending as far as accessibility on it before we do the  
6 final complete release, but we don't see any reason that  
7 we won't be on target for our September 2015  
8 implementation -- full implementation on this one.

9 CHAIRMAN ALCANTAR: Any questions?

10 COMM. CONGLETON: No questions.

11 CHAIRMAN ALCANTAR: Good work. Thank you.

12 MS. LENZY: Let me add -- Lisa reminded  
13 me. RID will be having some projects come up. It's the  
14 Treasury Offset Program.

15 So it will affect the UI benefits and tax.  
16 So next quarter we'll have some new projects under TOP.  
17 So I guess Mr. Carmona will come up and report on those.

18 CHAIRMAN ALCANTAR: Okay.

19 MS. LENZY: Thank you.

20 COMM. ANDRADE: Thank you.

21 CHAIRMAN ALCANTAR: Thank you, LaSha.

22 Lisa, who's next?

23 MS. RICHARDSON: Reagan.

24 MR. TEMPLE: Reagan.

25 CHAIRMAN ALCANTAR: Good morning, Reagan.

1 MS. MILLER: Good morning. So the first  
2 initiative I want to update you on is under general  
3 Workforce System Enhancements, and you'll see in your  
4 material that we've completed several enhancements and  
5 performance improvements.

6 For the most part these are general  
7 technical types of enhancements. I will highlight one  
8 that was tied to a change in legislation. The TWIST  
9 release implemented provisions related to Texas Rising  
10 Star that go into effect as a result of House Bill 376.

11 COMM. ANDRADE: You notice I smile when  
12 you say that?

13 (Laughter)

14 MS. MILLER: So we're happy that those  
15 changes have been put into place. I'll just point out  
16 that we have several things in progress, but the biggest  
17 change is WIOA and the changes as a result of that  
18 legislation.

19 So we have a work session scheduled, but  
20 as we go through the regulations we'll need to determine  
21 what automation changes will need to be put in place to  
22 implement those changes.

23 I would be happy to answer any questions.

24 CHAIRMAN ALCANTAR: I think one of the  
25 things that -- I know Doyle has taken a look at it --

1 but really making sure that as we enhance our systems  
2 that we -- and I know that we're examining the  
3 possibilities with TEA and the Co Board, but as we move  
4 forward really having a focused effort to improve the  
5 quality of the information that we have available for  
6 our students, better integrating and linking that and  
7 upgrading the tools that we currently have in place that  
8 have not been updated in a while is something that we  
9 need to do.

10                   So I would like for staff to really  
11 examine what we need to do there to not only integrate  
12 but enhance the different components within the tools  
13 and if at all possible replace with a more integrated  
14 version of everything that we have out there.

15                   So I would like for the team to work with  
16 Doyle on that. I think the tool should be the go-to  
17 tool for our students, for our counselors, the parents  
18 for adult learners, and we have such great and rich data  
19 out there.

20                   We just need to make it more relevant and  
21 easier to access. I love everything that reality check  
22 does, but we have other components and other tools, and  
23 with an eye on what the Co Board is doing with Texas,  
24 (inaudible) and some of their tools and TEA. So there's  
25 some potential -- additional resources during this

1 legislative session going to one or two of the other  
2 agencies, but notwithstanding that there are things that  
3 we can do to really enhance what we offer, and I'd like  
4 for the staff to start working on that in a more earnest  
5 fashion.

6 MS. MILLER: And, Chairman, we have a  
7 board work group that's actually -- it goes beyond  
8 boards. We have some ISD representatives and college  
9 representatives.

10 We'll take those comments back and make  
11 sure that the work group is considering those types of  
12 enhancements, but their primary focus is on the use of  
13 labor market information.

14 CHAIRMAN ALCANTAR: Right. And -- but  
15 this goes back to making sure that the team at -- our  
16 LMCI team is a part of that effort and not working  
17 independently because we've done that at times.

18 MR. TEMPLE: We've probably got the best  
19 interaction in that LMCI group altogether than we've  
20 ever had.

21 CHAIRMAN ALCANTAR: I think Doyle is doing  
22 a great job. I think he's doing some things that are  
23 new. He's looking at the little things, and he's been  
24 very upfront about the opportunities that we have  
25 available, and that's why I'm encouraging it because I

1 think he can get it done.

2 MR. TEMPLE: Absolutely.

3 CHAIRMAN ALCANTAR: All right.

4 MS. MILLER: All right. The next project  
5 I want to provide you an update on -- Lisa also made  
6 reference to it. This is our Common Components Project  
7 that's intended to create a new integrated system  
8 consolidating some functionality from both WorkInTexas  
9 and TWIST, and it also removes us from platform that's  
10 outdated.

11 I mentioned this at our last IT work  
12 session. We have some serious concerns about the  
13 timelines for the common components deliverables.

14 CHAIRMAN ALCANTAR: What was the project  
15 start date for this?

16 MS. MILLER: So the project start date  
17 began in July of 2014.

18 CHAIRMAN ALCANTAR: What percent of the  
19 project has been completed?

20 MS. MILLER: 4 percent. We are 38 percent  
21 of the way into this 26-month contract. We have  
22 received the 1st of 15 deliverables. So only one of the  
23 required deliverables has been completed in the first  
24 almost 10 months.

25 We've had several meetings that Lisa and I

1 have both participated in -- the staff have had many  
2 more than that -- with the vendor expressing the  
3 concerns that we have about the oversight of the project  
4 and the ability to complete these deliverables.

5 I will point out, Commissioner Andrade,  
6 this is a deliverables-based contract. So we've only  
7 made payment for that first deliverable.

8 COMM. ANDRADE: Good.

9 MS. MILLER: So with these --

10 MR. TEMPLE: 7500.

11 MS. MILLER: About \$7500. So with these  
12 significant concerns we're continuing our meetings with  
13 the vendors. But, again, we have significant concerns  
14 about their ability to achieve the required deliverables  
15 in a timely manner.

16 So over the course of the next weeks and  
17 probably within the next month we'll have updates for  
18 you on this project and we'll be around to brief you.

19 CHAIRMAN ALCANTAR: What was the value  
20 that we anticipated from this in terms of our Boards and  
21 what they do?

22 Why are we doing this?

23 MS. MILLER: So right now -- right now we  
24 use two different systems to capture information, and  
25 what we were trying to do was to consolidate all of that

1 into one integrated system so that our case workers are  
2 only having to interact with one system with one set of  
3 business rules, and we're not trying to eliminate those  
4 duplications and inconsistencies between two systems.

5 We were also moving off of an obsolete  
6 platform that's no longer supported, which is very  
7 concerning because if anything were to happen to this  
8 platform we would put all of our data collection at  
9 risk.

10 So it was a very significant project both  
11 for Workforce and for IT.

12 CHAIRMAN ALCANTAR: So, you know, if  
13 launched sooner rather than later the sooner we allow  
14 our local Board front office team, those interacting and  
15 documenting and recording and doing all that is  
16 necessary, allow them to focus more on the customer and  
17 spend less time doing the back door things that we want  
18 to try to do.

19 So, you know, this is very concerning to  
20 me, because, again, it impacts our ability to serve the  
21 people that walk through the door in a more efficient  
22 and effective way.

23 It limits our reach. You know, the reason  
24 we support these type of projects, because we're always  
25 looking at its impact on this interaction between the

1 people that we have out there in our one-stops and the  
2 individuals that are walking through there --

3 MS. MILLER: Absolutely.

4 CHAIRMAN ALCANTAR: -- the employers and  
5 job seekers. I'm very concerned that we are where we  
6 are on this.

7 Commissioners.

8 COMM. ANDRADE: I agree. We need to  
9 explore, and if they can't get it done, who can?

10 CHAIRMAN ALCANTAR: I'd really like for us  
11 to examine, seek the different remedies that are  
12 available to us and do it in a way that protects the  
13 interest of those that we serve and honors the intent of  
14 what we're trying to do there, and that's our quality of  
15 services.

16 So I ask you to work with everyone to make  
17 sure that we get there.

18 MS. MILLER: Yes, sir. Thank you.

19 MR. TEMPLE: I do want to point out that  
20 Lisa has really brought great leadership, and I think  
21 that our vendors are understanding that there's an  
22 expectation that not only they meet these deliverables  
23 but they meet them in time and budget, and she just  
24 doesn't put up with a lot of the whining that some of  
25 our contractors and vendors think -- entitles them to

1 stretch out their schedule or even ask for more money.

2                   So it's a new day in IT here for certain,  
3 and I appreciate your leadership, Lisa.

4                   MS. RICHARDSON: Thank you.

5                   MR. TEMPLE: She can be mean.

6                   (Laughter)

7                   COMM. ANDRADE: Good. We want her to be.

8                   CHAIRMAN ALCANTAR: Well, you know,  
9 it's -- again, where we started off with this is, there  
10 were timelines when we did all these UI projects and  
11 there's -- it's not only about the solution that we're  
12 investing in relative to each of these unique projects;  
13 it's an impact on some of the things that we're able --  
14 going to be able to do in other programs.

15                   That's the thing that's very disconcerting  
16 to me, is that some of those benefits are being -- are  
17 not going to be realized in a timely manner that I was  
18 hoping for.

19                   So, yes, I think we need to do certain  
20 things to make sure that these individual projects stay  
21 on time in a more consistent manner and that we more  
22 effectively get them up to speed when we start falling  
23 behind.

24                   COMM. CONGLETON: (Mic off) We may be  
25 able to look at penalties for not being timely.

1                   MR. TEMPLE: Well, all of our new  
2 contracts -- Ed and I and Paul, we've all discussed that  
3 we need to put some more penalty -- monetary penalties  
4 for various missed deliverables, and particularly as  
5 you're going to, when we have built in the budget actual  
6 savings that we were looking at in some of these and  
7 banking on them coming in on time, then we lose those  
8 savings that we had built in.

9                   COMM. ANDRADE: I agree. I think, Lisa,  
10 you're doing a great job and I think you and Ed are a  
11 great team.

12                   I do agree that penalties will encourage  
13 communication. If they're not going to meet a deadline  
14 they will communicate with you. But I also -- and I  
15 don't know if this -- if we as state agencies have  
16 anything like a -- in the private sector we have the  
17 Better Business Bureau.

18                   So when I was a small business owner and I  
19 did my own contracting, I would call the Better Business  
20 Bureau and make sure the company was a good company. Do  
21 we do anything like that, Ed, at state agencies, or do  
22 we have something that we can report these --

23                   MR. SERNA: Yes, ma'am. There are  
24 mechanisms, but they're not used effectively by state  
25 agencies, which is why at the last work session we said

1 we would develop our own internally.

2                   There are also several bills working their  
3 way through the Legislature right now that are going to  
4 require agencies to begin to provide performance  
5 information to the Comptroller's office. We hope also  
6 to the Department of Information Resources, which is  
7 where a lot of the IT contracts are at.

8                   But the mechanisms that are there right  
9 now are seldomly used. We even had feedback from the  
10 Department of Information Resources, I believe, where  
11 they've said, "Well, this is a new contract." So what  
12 may have happened in the past doesn't apply to this new  
13 bid, this new contract which, of course, we would take  
14 exception to.

15                   COMM. ANDRADE: Then we can be a model  
16 agency in that area, because I do think that we -- they  
17 need to know that we are very much overseeing these  
18 contracts.

19                   MR. TEMPLE: I think one of the things  
20 we'll do -- and it's just how it's received by others,  
21 but let Lisa through the IT work groups or other state  
22 agencies will for certain communicate when we have these  
23 cure letters and litigation and whatnot and, hopefully,  
24 they'll start sharing with us if we can start that as a  
25 practice even though there's nothing formal that's

1 recognized at the DIR level. State government is a  
2 small town.

3 COMM. ANDRADE: That's right.

4 MR. TEMPLE: And so I think that word will  
5 get around, and so Lisa -- we've talked about bringing  
6 our issues up when she -- they have their regular  
7 meetings.

8 COMM. ANDRADE: Good. Thank you very  
9 much.

10 CHAIRMAN ALCANTAR: One of the things, Ed,  
11 that I've talked to you about recently is examining  
12 these different steering and working groups to see if  
13 you need added representation on there in terms of the  
14 other divisions within the agency.

15 I would like for you to take a strong look  
16 at that --

17 MR. SERNA: Yes, sir.

18 CHAIRMAN ALCANTAR: -- and see what we can  
19 do to make sure that we don't find ourselves in these  
20 situations moving forward.

21 MR. SERNA: Right. We'll incorporate  
22 business operations, because that's where procurement  
23 and contract services are, as well as General Counsel's  
24 office in the future.

25 CHAIRMAN ALCANTAR: Appreciate it. Thank

1 you.

2 MS. RICHARDSON: So next up we have Tab 4  
3 and that's going to be Paul Carmona who is going to give  
4 an update on the RID projects.

5 MR. FIELDS: I apologize. Paul is  
6 (inaudible) --

7 (Laughter)

8 MR. FIELDS: -- the Boston marathon and  
9 he's not with us today.

10 CHAIRMAN ALCANTAR: Good morning, Boone.  
11 How are you?

12 MS. RICHARDSON: Next is Boone Fields.

13 MR. FIELDS: (Mic off) I'm Boone Fields,  
14 for the record. (Mic on) The mic is on now. I'm going  
15 to talk about the improved fraud discovery and want to  
16 thank our IT folks for helping me walk through this.

17 I think we're doing rather well and  
18 knocking down a lot of the outlaws out there. The UI  
19 benefits and UI tax project stages are now both in  
20 production on the Aware Fraud Detection system.

21 The Aware -- Aware for UI benefits has  
22 been in production since August in 2014, and most of the  
23 planned functionality for UI tax stage was implemented  
24 during February of '15.

25 Functionality that is dependent on tax

1 modernization data and also data from two Texas agencies  
2 will be also integrated into Aware. Once these data  
3 sources become available, both the UI benefits and UI  
4 tax project stages are currently in the closeout phase  
5 or will be.

6                   As part of the contract provisions we can  
7 add up to 40 additional data tables to the Aware, and  
8 one is in the TWIST child care data which is now  
9 available, and some initial integration work has been  
10 done by On Point and to add this child care attendance  
11 data.

12                   The work continues to develop and IT theft  
13 preventive analysis capability which we call "FraudX,"  
14 and the automation of the current manual process will be  
15 ready for TWC's review and testing April 15th, this --  
16 month -- and we feel like the capacity will be fully  
17 implemented by December 2015.

18                   CHAIRMAN ALCANTAR: Commissioners, do you  
19 have any questions?

20                   COMM. CONGLETON: (Mic off) You realize  
21 if you don't make that date, that's fraud.

22                   (Laughter)

23                   MR. FIELDS: Absolutely.

24                   (Laughter)

25                   MR. FIELDS: We'll punish ourselves.

1 CHAIRMAN ALCANTAR: Good update, Boone.

2 Thank you.

3 MR. FIELDS: Thank you.

4 CHAIRMAN ALCANTAR: Appreciate all the  
5 good work.

6 MR. FIELDS: Okay. Thank you.

7 MS. RICHARDSON: And then next is Tab 5,  
8 and I'm going to call up Randy Townsend to give us an  
9 update on our PeopleSoft upgrade project.

10 CHAIRMAN ALCANTAR: Great. Good morning  
11 again, Randy.

12 MR. TOWNSEND: Good morning again. For  
13 the record, Randy Townsend, Chief Financial Officer.  
14 The PeopleSoft financials upgrade: As you may or may  
15 not know, we had a few challenges with looking at the  
16 transition for the potential transition of DARS, and I  
17 am proud to say that our team dealt with those  
18 challenges quite well.

19 We pulled off as we needed to to take a  
20 look at what was necessary or would have been necessary  
21 with that delay now pushing out. We're back on the  
22 upgrade path that we had originally planned for.

23 We're still on track to accomplish the  
24 September implementation date. We still expect to come  
25 in under budget, mostly on the basis of the fact that we

1 were fortunate to receive the statewide modifications  
2 for the -- as a hub vendor -- a hub agency for the  
3 central accounting system for the state. That's keeping  
4 us on track.

5                   We're -- Ed Serna and I are project  
6 sponsors, Ed in his role as the business operations  
7 director and myself over the financial systems. Of  
8 course we have to coordinate closely on the overlapping  
9 aspects of those systems as it relates to financial  
10 transactions, procurement, et cetera, contracts.

11                   So we're keeping on top of that. We've --  
12 30 percent of the project was related to identifying  
13 what changes would be necessary and how we do business  
14 with the new system. We call that our fit/gap session.

15                   We completed that in February. Again, it  
16 represented 30 percent of the project. We've moved on  
17 to developing the changes that are necessary. These are  
18 kinds of changes that we've identified over the last  
19 seven or eight years of using the system, that if we can  
20 take information that's available and populate fields,  
21 for example, and avoid mistakes, having to correct those  
22 mistakes, that's an efficiency and the key of  
23 information and the use of the system, and so we had  
24 identified several dozens of those kind of changes over  
25 the years that made sense, that continue to make sense

1 in the new system. That is in process. We're making  
2 good progress on that. We're probably close now to 85  
3 percent of the way finishing that portion of the  
4 project, which represents about 40 percent of this  
5 particular project.

6 We are moving into system testing. We'll  
7 be also moving into user acceptance testing here.  
8 Shortly we're probably going to combine some of the  
9 features for user acceptance testing and training for  
10 some of those skilled users that we think we can kind of  
11 a twofer for that, get the benefit of the user  
12 acceptance testing and then also complete some of the  
13 training.

14 So we're using those kinds of techniques  
15 to make sure that we complete the work that's necessary  
16 in terms of testing by July, which will leave us, we  
17 think, the time necessary to finish out training and be  
18 able to go live the first part of September.

19 So we're on track, appears to be under  
20 budget and pleased with the staff and all the hard work  
21 on this.

22 Do you have comments or questions?

23 CHAIRMAN ALCANTAR: That's a good update.

24 I have no questions. Appreciate the good work, Randy.

25 Lisa, what else do you have for us?

1 MS. RICHARDSON: That's all we have today.

2 CHAIRMAN ALCANTAR: Any final thoughts  
3 from you?

4 MS. RICHARDSON: Say that again.

5 CHAIRMAN ALCANTAR: Any final thoughts or  
6 anything else?

7 MS. RICHARDSON: I guess I would like to  
8 point out just what Randy was talking about on the  
9 PeopleSoft financial upgrade and the different method  
10 that we're doing that project.

11 So what we've done on that project is  
12 basically staff augmentation where we've gone out and  
13 we've hired the individuals to come in and we're  
14 managing those individuals.

15 What we are seeing on that project is that  
16 we're staying on time and we're being able to manage it  
17 very well. What we've seen on a few of the other ones  
18 that are deliverables based we've sought a vendor to  
19 come in and bring in a team to do the work.

20 We've seen that that just hasn't worked as  
21 well for us up to now. So I think that that's  
22 definitely something that we're going to be looking at  
23 going forward is the procurement methods that we use for  
24 future projects, and we believe that our staff are  
25 skilled and we can manage the projects very well

1 internally, and I think we're going to really look hard  
2 at that going forward.

3 CHAIRMAN ALCANTAR: All right.  
4 Commissioners, any final questions or comments?

5 COMM. ANDRADE: Not on IT, but I do have a  
6 comment after -- thank you, Lisa.

7 MS. RICHARDSON: Thank you.

8 CHAIRMAN ALCANTAR: Thank you, Lisa. All  
9 right. I'd love to hear from you, Commissioner.

10 COMM. ANDRADE: Well, you know, Larry,  
11 congratulations. You know, you've got a great staff.

12 MR. TEMPLE: We do.

13 COMM. ANDRADE: Reporting is always  
14 positive. You know, we always leave here feeling like  
15 that's why we keep inheriting programs because you and  
16 the team do a great job.

17 However, one of the things that I would  
18 like -- and I think it came from the IT, the fact that  
19 you bring us the problems that you're having, and you're  
20 addressing them but we also acknowledge the fact that we  
21 now know about it and that we're asked about it. We  
22 know what we're doing.

23 So perhaps one of the things that I would  
24 like to hear is that we highlight on our weaknesses.  
25 You know, some of the reporting that I saw today -- I

1 mean, like employer services or workers -- how are we  
2 addressing those? Let's bring them out and let's talk  
3 about how we're addressing them so that if we hear about  
4 this then we can always come back and say, "Yes, but let  
5 me tell you what we're already doing."

6                   We lost jobs. For me it saddens me to see  
7 that California created more jobs than Texas did. So  
8 what are we doing? I know that, you know, we can't go  
9 out and create jobs, but are we providing more services  
10 for our employers or are we telling our employers about  
11 the support that we can offer them; on layoffs, the fact  
12 that we're, you know, immediately going out and helping  
13 those that have been laid off.

14                   You know, let's talk about that as to how  
15 we're addressing what's going on in our state with some  
16 more weaknesses, because it's great -- I mean, don't  
17 take me wrong. I think it's wonderful that we hear all  
18 the positive things and the fact that we're meeting  
19 expectations and our Boards are meeting performance  
20 measures, but let's also talk about those that we're not  
21 and what we're doing to address them.

22                   MR. TEMPLE: Absolutely.

23                   CHAIRMAN ALCANTAR: And, certainly, when I  
24 sit down with staff throughout the week, those are the  
25 sort of things that we discuss and -- but I think, to

1 your point, we do try to -- and even when we're having  
2 these discussions during our staff briefings and on an  
3 ad hoc basis during the week we really try to make sure  
4 that we have a good response to each of these different  
5 issues, whether they're micro or more macro-type of  
6 prongs for us.

7 I think you're right, though. I think we  
8 benefit from a more lengthy discussion on some of these  
9 issues as we develop solutions. Part of the work that  
10 we did last year with the -- with our statewide partners  
11 was a good example of that. Probably during those  
12 sessions and when we do them again this year we'll  
13 probably get more into the details this time around a  
14 little bit more than what we did last year would be  
15 beneficial and -- but taking some of those aspects of  
16 those listing sessions and doing those here internally  
17 on a more consistent basis would be good so that we're  
18 all addressing these issues consistently and coming up  
19 with timely solutions.

20 The economy is shifting. Right? So we  
21 need to make sure that we are a viable and very solution  
22 oriented option for those that are looking for that edge  
23 moving forward that they're going to need.

24 So I think that's absolutely something  
25 that we need to do.

1 Commissioner, any final thoughts?

2 COMM. CONGLETON: (Mic off) No. I agree  
3 with both of you on those issues. It's not that we  
4 hadn't talked about those things.

5 COMM. ANDRADE: Right.

6 COMM. CONGLETON: (Mic off) We have in  
7 our meetings and in our offices as well. Sometimes it's  
8 hard to get a grip on it, but you keep working on it.

9 COMM. ANDRADE: But then we need to bring  
10 them up to light and for the public to understand that  
11 we are talking about them, and we may be talking about  
12 them in our office but I think we do need to talk about  
13 them when we're all together because we don't have that  
14 opportunity many times.

15 You know, in my company whenever we had  
16 staff meetings I didn't want to hear all the good things  
17 we were doing. I wanted to hear our weaknesses and what  
18 we were doing to address them to make sure that we were  
19 always providing an exceptional service.

20 CHAIRMAN ALCANTAR: All right. Well,  
21 thank you, everyone. That concludes our meeting. Have  
22 a good day.

23 (Proceedings concluded at 11:52 a.m.)

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