

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

COMMISSION BRIEFING RE:)
INFORMATION TECHNOLOGY)
PROJECTS)

IT WORK SESSION

TUESDAY, NOVEMBER 1, 2011

BE IT REMEMBERED THAT at approximately 9:28 a.m., Tuesday, the 1st day of November 2011, the above-entitled matters came on for hearing at the Texas Workforce Commission, TWC Building, 101 East 15th Street, Room 244, Austin, Texas, before TOM PAUKEN, RONALD G. CONGLETON, and ANDRES ALCANTAR, COMMISSIONERS of the Texas Workforce Commission; and the following proceedings were reported by Janis Simon, Certified Shorthand Reporter.

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P R O C E E D I N G S

TUESDAY, NOVEMBER 1, 2011

(9:28 a.m.)

CHAIRMAN PAUKEN: Dee, I'm going to turn it over to you. Larry Temple is not here this morning.

MR. MEADOR: Okay. Good morning, Commissioners. Thank you.

We'll be going with our usual format. I'll make a few comments about some sort of broad IT issues, and then we'll move to our project reports.

I'm going to start out with Data Center Services, as I often do. Steady state operations with our production environments have continued to be stable over the past quarter. We continue to work with Team for Texas on issues with server builds and service requests. And we're currently dealing with a PeopleSoft Finance performance problem, But we're hoping that's resolved soon.

Related to the Data Center Services reprocurement, it is proceeding as scheduled. DIR and agency staff are in final negotiations with select multisource system integrator and service provider vendors and expect to have contracts signed by the end of December. Transition will begin in January 2012,

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1 and the selected vendors will assume full
2 responsibility for services next summer; we're hoping
3 July 1st. We currently have no insight into cost, but
4 I expect we'll be getting pricing information on the
5 new contracts within the next couple of months.

6 A new governance group has been
7 established to assist -- assist with issues that arise
8 during transition to the new service providers. Our
9 partnership group, which consists of the Department of
10 Insurance, TCEQ, Railroad Commission, the PUC, and
11 ourselves, will have a member on that transition
12 group.

13 I don't have any other comments on Data
14 Center Services at this time. Do y'all have any
15 questions?

16 CHAIRMAN PAUKEN: Commissioner
17 Congleton.

18 COMMISSIONER CONGLETON: No.

19 CHAIRMAN PAUKEN: Commissioner Alcantar.

20 COMMISSIONER ALCANTAR: No.

21 CHAIRMAN PAUKEN: Okay.

22 MR. MEADOR: Okay. Thank y'all.

23 CHAIRMAN PAUKEN: All right. Who's
24 next?

25 MR. MEADOR: All right. I want to touch

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1 on some IT infrastructure and improvement projects,
2 briefly.

3 CHAIRMAN PAUKEN: Okay.

4 MR. MEADOR: There were two major
5 infrastructure capital projects we completed in
6 September. One was the FileNet upgrade, which was the
7 culmination of the two-year Electronic Data Management
8 Project. We increased our overall licensing of
9 FileNet allowing us to standardize on the FileNet
10 Image Viewer. We upgraded to the current versions of
11 FileNet, and we converted all the FileNet systems from
12 Windows operating system to AIX. We also moved from
13 server environment for FileNet from our Annex Data
14 Center to the Austin Data Center with redundancy at
15 the San Angelo Data Center.

16 We also performed the Captiva upgrade,
17 which is a Fiscal '10 and '11 capital project.
18 Captiva is the software that's used to develop and
19 manage image data capture. The project was to upgrade
20 the software to current supported levels, and it was
21 also completed successfully in September. We've also
22 made several upgrades to our appeals applications
23 related to the FileNet upgrade, and we're continuing
24 to work on upgrading other appeals applications to the
25 current supported levels of the development software.

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1 As you-all know, we moved to Managing
2 Mail the weekend of October 15th. There were a few
3 small bumps in the road, but the conversion was
4 successful. The next and final phase of the project
5 will be to move individual's personal folders into the
6 hosted storage. We're still in a planning phase on
7 that, working on a migration strategy that will not
8 negatively impact our networks due to the large
9 volumes of data transfers. This move to managed
10 e-mail, along with the move to the FileNet servers to
11 the Austin Data Center, allows us to remove several
12 servers from the Annex Data Center reducing the total
13 needed to accomplish the transformation.

14 As you also know, we replaced our agency
15 Blackberrys with iPhones. As there are a multitude of
16 iPhone applications available, we will use our current
17 software review process as requests are made to
18 determine which of those applications are business
19 appropriate and do not present security or
20 accessibility issues. I've mentioned before that we
21 purchased and will soon be implementing a Web
22 filtering appliance for our TWC network to allow
23 enhanced control and monitoring of Internet use and to
24 further protect the Enterprise from Malware. Kent
25 Dyer and I will be providing individual briefings with

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1 each of you-all to discuss that product. I believe
2 those are already scheduled the next couple of weeks.

3 And as you can see from the new little
4 building next to the Annex parking lot, the project to
5 install a power backup system for the Annex is
6 continuing and should be completed by the end of
7 December. We had to correct Mr. Temple, who thought
8 it was a smoke house.

9 (Laughter)

10 MR. MEADOR: The diesel generator will
11 be delivered November 15th. After installation, we'll
12 perform two or three tests to ensure it's functioning
13 properly. These tests will require some weekend power
14 outages, which we'll communicate ahead of time, of
15 course. When we fully install the diesel generator,
16 we'll provide power backup for key assets in the Annex
17 in the event of a power loss.

18 And we've also been proceeding with our
19 IT improvement projects, which we identified as part
20 of our strategic road map. In the IT investment
21 management area, we've continued with regular meetings
22 of the project review board and four functional
23 steering committees to review project portfolios,
24 discuss project status, and consider new project
25 requests. A fourth functional steering committee for

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1 administrative and regulatory integrity systems will
2 meet for the first time in November. We also continue
3 to make progress on the establishment of architectural
4 standards and governance, enhancing and implementing a
5 standard system development life cycle, and enhancing
6 our quality assurance organization and environment.

7 And, lastly, there's a couple of 12 or
8 13 capital projects that are not really on our list
9 here. They're more infrastructure related. One of
10 them is the PeopleSoft HR Project. We're in a
11 planning phase on that, as we are on our local area
12 and wide area network upgrades and our PC Refresh
13 Projects.

14 Any questions about that or any other IT
15 issues?

16 COMMISSIONER CONGLETON: No questions.

17 MR. MEADOR: Okay.

18 Well, LaSha, let's move to UI projects.

19 MS. LENZY: Thank you.

20 Good morning, Commissioners. LaSha
21 Lenzy, Unemployment Insurance Division. Under Tab 2,
22 Commissioners, UI does have four projects that I'd
23 like to go over briefly.

24 The first project is our Apply for
25 Benefits Additional Program Types Project. You're

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1 familiar with it. This one is a project that expands
2 our existing Internet Apply for Benefit System to
3 allow more self-service for our claims filing. We
4 completed the Military Claim Filing this year.

5 Now we are approaching completion in
6 December for federal claims. Also, disaster claims,
7 we're near the end of preliminary design phase on
8 that. The project team will be able to estimate the
9 time line for developing, testing, and implementing
10 the disaster claims once the code and system phases
11 for federal claims and preliminary design for disaster
12 claims are completed.

13 Also coming up will be our combined wage
14 claim where multistate filing can be done. That date
15 has not been set yet, but these are all being done
16 sequentially. So, that will be next on the -- on the
17 list.

18 The second project under Tab 2 is our UI
19 Internet Appeals Status Project. This project was
20 designed to build a secure Internet system that will
21 allow 24/7 access for claimants and employers. You'll
22 recall that the claimant portion was implemented this
23 past July. We are now moving on to the employer
24 portion, and it is scheduled for completion this
25 December.

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1 The third project, still under Tab 2, is
2 the SIDES Project we've reported on before that we are
3 proceeding with Phase 1, which is the separation
4 piece. We are scheduled to deploy this month, and
5 that is still on target. We'll proceed with
6 deployment as planned. ADP will be our first key
7 partner to participate in that.

8 The fourth project is the first in -- in
9 our books but certainly not a -- a new project to
10 you-all. It's part of the UI IT Strategic Plan, which
11 is part our Tax Modernization Project. This
12 product -- project will replace outdated flat file
13 database structures with more modern relational
14 database structures.

15 As we look through on that second page,
16 it gives you the goals that was listed for this one.
17 Primarily, it was for long-term reduction of the risk
18 that we were afraid of and in maintaining and
19 modifying the UI Tax System. So, this will bring us
20 more up-to-date in -- in that aspect, as well as
21 improve customer service.

22 The team is in a preparation and
23 procurement stage. We did do an RFI. It was very
24 beneficial; 11 vendors responded with over 300
25 comments and questions. The team reviewed the

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1 responses and reviewed and evaluated all the comments
2 that came in.

3 It was very beneficial, because it did
4 result in providing us with over 150 updates that we
5 could do to our Statement of Work as we proceeded with
6 posting the RFP. The remainder of the schedule will
7 actually be negotiated with the selected vendor. So,
8 that will be our next step.

9 Just one piece of news. This -- August,
10 as the year was ending, there was some additional
11 monies available with DOL. And there was an SBR --
12 SBR funding that was available. And we did apply for
13 a little over a million dollars; it was about \$1.1
14 million in SBR fundings.

15 We were approved for that, and about a
16 million of that will go toward the Tax Modernization
17 Project. And it will give us some additional budget
18 for that project, as well as some flexibility and will
19 be helpful with the additional changes that came with
20 the Statement of Work after we did the RFI. We were
21 able to get some software certification purchased and
22 then another project that was on the books for
23 Knowledge Management. And what that does is our UI
24 staff, when they are with customers making decisions,
25 doing appeals or what have you, instead of having to

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1 go to a manual this allows them on-line quick access
2 to look at those manuals. And with a little over
3 \$100,000, it was included in the SBR that DOL had
4 published.

5 And I'm available for any questions that
6 you might have.

7 CHAIRMAN PAUKEN: Commissioner Alcantar.

8 COMMISSIONER ALCANTAR: I have no
9 questions.

10 CHAIRMAN PAUKEN: Commissioner
11 Congleton.

12 COMMISSIONER CONGLETON: No questions.

13 MS. LENZY: Thank you.

14 MR. MEADOR: Mr. Jones.

15 MR. JONES: Good afternoon,
16 Commissioners -- or good morning, Commissioners. For
17 the record, my name is Larry Jones with Workforce
18 Development. This morning I have three projects to
19 present.

20 The first of those is the TWIST/Child
21 Care Consolidation Project, and this project is now
22 completed. And I'm pleased to tell you it was
23 completed on target and well under budget. In fact,
24 of the original 2.6 million that you had dedicated to
25 this project, we, in fact, only ended up spending

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1 about 1.8 million. And I would offer a
2 congratulations to Patricia Gonzalez and her staff on
3 doing a magnificent job for the rollout. I think this
4 was a very smooth project for our boards as we
5 proceeded, and we did, indeed, consult with our boards
6 and with our users as we rolled this project out.

7 The programming is -- is now complete on
8 all the modules. Our statewide conversion for this
9 project began on 28 September of this year, and three
10 days later that was completed. So, system wide
11 implementation, in fact, was completed on 1 October.
12 IT staff and Workforce Policy staff have conducted
13 meetings, not only with Workforce Board Child Care
14 staff, but also with their Financial staff to be sure
15 that all folks out there were up on what would be
16 required to roll the project out. And we continue to
17 work with them. So, again, it's been a very smooth
18 rollout.

19 With that, I'll answer any questions you
20 might have.

21 CHAIRMAN PAUKEN: Commissioner
22 Congleton.

23 COMMISSIONER CONGLETON: No.

24 CHAIRMAN PAUKEN: Commissioner Alcantar.

25 COMMISSIONER ALCANTAR: No questions.

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1 CHAIRMAN PAUKEN: Okay.

2 MR. JONES: The second project that I
3 have this morning is the Rapid Reemployment System
4 Redesign. This project incorporated RRES
5 functionality into our Work In Texas system so that
6 specific claimant data could be integrated into Work
7 In Texas, and then we could also extract or slice and
8 dice data, if you will, as we analyze that. The RRES
9 Redesign Project was completed on time and, again,
10 under budget, this time by as much as \$169,000. Phase
11 2 of this project was completed in August of this
12 year, and this will be your final report on this
13 project.

14 With that, I'll answer any questions
15 that you might have.

16 COMMISSIONER CONGLETON: No questions.

17 CHAIRMAN PAUKEN: No questions.

18 MR. JONES: And the final project that I
19 have to present is the ongoing WorkInTexas.com
20 Enhancements. Since our last report, numerous
21 enhancements have been completed. As many as nine
22 enhancements have been completed recently.

23 As noted in your notebook, in effort to
24 keep the Work In Texas Website looking new, we have a
25 makeover enhancement, which will enhance the main

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1 entry page and the color theme. Several enhancements
2 are listed in your queue in your notebooks and are in
3 preliminary design discussion. The main project there
4 that we're emphasizing is the Detailed Work Activity
5 Project, a joint project between Workforce and Labor
6 Market Information. So, that will be our primary
7 focus with WorkInTexas.com Enhancements over the next
8 six months.

9 And with that, gentlemen, I would answer
10 any questions you would have about the ongoing
11 WorkInTexas.com Enhancements.

12 COMMISSIONER CONGLETON: No questions.

13 CHAIRMAN PAUKEN: No questions.

14 MR. JONES: That's all I have, sir.

15 MR. MEADOR: Okay. Tom is going to talk
16 about Home Page Redesign.

17 MR. McCARTY: Good morning,
18 Commissioners; Tom McCarty.

19 On September 30th, we launched
20 successfully the new Web page for the TWC, and we --
21 staff implemented a -- the -- that consisted of 87
22 redesign pages that we implemented with new headers
23 and footers on 1,366 Legacy Web pages. We're going to
24 move into the final two deliverables at this point
25 going forward, which is Internet Governance and Future

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1 Internet Redesign Planning.

2 And that concludes my remarks.

3 CHAIRMAN PAUKEN: Questions?

4 COMMISSIONER CONGLETON: I'd just like
5 to say thanks to Dale (inaudible) for bringing the
6 Reality Check Web Application back on-line. I
7 received a thank you e-mail from a teacher in Leander
8 who uses the application to teach her At-Risk
9 students. So, thank you very much.

10 CHAIRMAN PAUKEN: Okay.

11 MR. MEADOR: John Moore, Regulatory
12 Integrity.

13 MR. MOORE: Good morning, Commissioners.
14 I'm John Moore with the Regulatory Integrity Division.
15 I have two reports for you this morning under Tab 5.

16 The first is on the New Hire Case
17 Weighting Project. I have an updated report on the
18 project, and I'm pleased to report that the project
19 continues to be on schedule and on budget. The
20 project is in two phases, as I've reported before. We
21 developed the new Earnings Verification Letter
22 Process, and that was completed and -- on schedule and
23 migrated to production in January of this year.

24 Phase 2 of the project includes
25 enhancing the current New Hire cross-match functions

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1 by creating an automated weighted predictive analysis
2 process featuring a selectable evaluation criteria.
3 I'm happy to report that this phase was completed on
4 schedule, and it migrated to production in August of
5 2011.

6 Upon completion of these phases, we did
7 have a balance of unexpended funds. A request has
8 been made to DOL for an extension of the SBR to allow
9 us to make full utilization of all funds. If we are
10 given the extension, we will work on additional
11 enhancements to the New Hire process. And these
12 enhancements include improving the timing of the
13 cross-matching process, improving reporting matrix,
14 and creating a system and functional documentation
15 process.

16 And with that, I'll be happy to answer
17 any questions.

18 COMMISSIONER CONGLETON: No questions.

19 CHAIRMAN PAUKEN: No questions.

20 MR. MOORE: And then the final item that
21 we have is the Improve Fraud Discovery Project. This
22 is part of the UI IT Strategic Plan. The fraud
23 detection solution will include data analysis
24 capabilities through a proven-technology package or a
25 Commercial-Off-The- -- Off-The-Shelf software package.

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1 The solution will reduce the impact of fraudulent
2 activity through earlier detection.

3 The Texas Project Delivery Framework
4 Project Plan and Acquisition Plan have been approved
5 by TWC and forwarded to the Quality Assurance Team.
6 The Quality Assurance Team is -- has approved the
7 project and has selected it for monitoring. And just
8 so you know, the QAT is comprised of representatives
9 from the LBB, the State Auditor's Office, and the
10 Department of Information Resources. The DBITS
11 Statement of Work is in review with TWC staff.

12 And I'll be happy to answer any
13 questions that you may have.

14 CHAIRMAN PAUKEN: How is the solution
15 going to reduce the impact of fraudulent activity
16 through earlier detection?

17 MR. MOORE: In a number of ways. Right
18 now we don't have the capability of -- of early
19 detection of a lot of -- of, I will say, sophisticated
20 fraudulent activity. We have the information. It's a
21 matter of pulling the information out of the systems
22 that we have. And what we hope with these -- and what
23 we've seen with some of the off-the-shelves and other
24 items that have been shown to us, is the ability to
25 pull this information together and put it in a form

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1 that we will be able to recognize what's going on on
2 an earlier basis.

3 A lot of times we discover these --
4 these fraudulent activities, and the money is -- some
5 of the money is already gone. It -- we learn about
6 it, not through what we have in our hands, but through
7 tips, which we'll continue to get. But we hope that
8 by using the information that we do have on hand that
9 we'll be able to get to this stuff a lot earlier than
10 we do now.

11 CHAIRMAN PAUKEN: Okay.

12 COMMISSIONER CONGLETON: Is this the
13 project where -- where the -- provide banking
14 information of the claimants?

15 MR. MOORE: No, sir. The -- we were
16 only looking for -- and -- and the project -- and the
17 products we've seen only rely on information that's
18 available to the public. Give -- give you for an
19 example, the ability to pull information from other
20 Web sites -- state agency Web sites; for example, the
21 Secretary of State. Like we have to do that manually
22 now, go to the Web site, that type of thing, pull
23 information from the Secretary of State, from the
24 Comptroller's Office. But no, no banking. I have
25 seen no banking information at all that -- that's been

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1 provided by any of the -- any of the entities that
2 provide these type of services.

3 COMMISSIONER CONGLETON: Well, one of
4 the worst things we could possibly do is start roaming
5 around in people's --

6 MR. MOORE: Commissioner, could -- could
7 you turn your microphone on, please?

8 COMMISSIONER CONGLETON: One of the
9 worst things we could do is start roaming around in
10 people's private business and especially their bank
11 accounts. I don't think it would go over too well,
12 and I'd like to nip that in the bud before it ever
13 gets started. It's still out there, as far as I know,
14 and I don't think that's a good idea for us --

15 MR. MOORE: I will say, Commissioner,
16 that it was mentioned at the UI Integrity Conference
17 last week by Gay Gilbert. So, it's still out there.
18 But, no, we have no intent on using -- trying to gain
19 access to any of that type of information. And -- and
20 I'm a little surprised that an entity out there has
21 that information, a private entity does, and -- but
22 apparently they do.

23 COMMISSIONER CONGLETON: Well, I -- I'm
24 surprised at that and dismayed, as well.

25 CHAIRMAN PAUKEN: Okay. Any other

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1 questions?

2 (No response)

3 CHAIRMAN PAUKEN: All right.

4 MR. MEADOR: Well, unless you-all have
5 additional questions --

6 COMMISSIONER CONGLETON: I'd like a --
7 I'd like a little further briefing on this project,
8 well, when you get time.

9 MR. MOORE: We'll set something up for
10 you, Commissioner.

11 COMMISSIONER CONGLETON: Thank you.

12 MR. MEADOR: Thank y'all.

13 CHAIRMAN PAUKEN: Okay. Thank you.

14 MR. MEADOR: Appreciate your time.

15 (Meeting concluded: 9:49 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, JANIS SIMON, a Certified Shorthand Reporter in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true, and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7th day of November 2011.

JANIS SIMON
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