

DEPARTMENT OF INFORMATION RESOURCES

Open Board Meeting

February 11, 2009

10:00 a.m.

300 W. 15th Street, Room 103

William P. Clements Building

Austin, Texas 78701

CALL TO ORDER: Board Chair Cliff Mountain called the meeting to order at 10:04 a.m.

I. ROLL CALL AND WITNESS REGISTRATION: Board Secretary, Pat Koller, called the roll.

Members present:

Chairman Cliff Mountain

Debra McCartt

Rosemary Martinez

Bill Wachel

John Cox – Ex-Officio

Brad Livingston – Ex-Officio

Carter Smith – Ex-Officio

II. Approve minutes from October 20th, 2008, Board meeting - ACTION

A motion to approve the minutes of the October 20th, 2008 DIR Board meeting was made by Ms. Martinez and seconded by Mr. Wachel. Motion carried unanimously.

III. Executive Director's Report

Brian Rawson presented a Snapshot Performance Report on Statewide Technology Goals including the areas of ICT Cooperative Contracting, TexasOnline eGovernment Web Portals, Data Center Services, Communications Technology Services, Information Security, Privacy Management, Next Generation TexasOnline Procurement, Next Generation Tex-An Procurement, and Architecture and Standards. He also updated the Board on DIR Operational Excellence initiatives including the DIR Business Planning Initiative, the DIR Performance Management Initiative, Organizational Development Activities, and Other Priority Initiatives. Mr. Rawson also updated the Board on DIR in the News, and introduced new DIR Employees.

IV. Legislative Update

Brian Rawson provided a legislative update to the Board explaining the various Agency Roles, DIR's Legislative Recommendations relating to Privacy, Security and General Provisions, and Other Key Bills such as the Appropriations Bill and other bills that may affect technology programs of the state. Brian highlighted the key differences between DIR's FY10/11 LAR and the recommended funding included in Senate Bill 1.

V. Consider State Strategic Plan for Information Resources Management Advisory Committee - ACTION

Brian Rawson explained that he must, by state law, with the consent of the Board, appoint an Advisory Committee for the State Strategic Plan for Information Resource Management. He presented the proposed list of 17 committee members and asked for approval from the Board. Mr. Wachel made the motion to approve the committee as presented. Ms. McCartt seconded the motion. Motion carried unanimously.

VI. Finance Update

Mr. Bob Saathoff, Chief Financial Officer for DIR, and Mr. Don McPhee of the accounting firm PMB Helin Donovan presented the Internal Audit Report of the DIR implementation of Texas Computer Network Security System requirements set forth in Chapter 2059, Texas Government Code, and of the administration of the TexasOnline contract with BearingPoint. Ms. Martinez made the motion that the Board approve both Internal Audit Reports. Ms. McCartt seconded the motion. Motion carried unanimously.

Cindy Reed provided a description of budget amendments and the impact on FY09 finances. Mr. Wachel had questions concerning an expense item related to the TEX-AN procurement. Both Ms. Reed and Ginger Salone provided additional information on this budget amendment. Ms. Martinez made the motion to approve and ratify the budget amendments as proposed. Mr. Wachel seconded the motion. Motion passed unanimously.

Ms. Reed updated the Board on FY09 Q1 Financial Statements and Metrics. She noted that the Data Center Services Revenue Forecast is \$2.4 million below budget, the driver being actual cost recovery rates are less than the budgeted cost recovery rates. A proposed rate change is pending approval as required by Rider 11. Ms. Reed explained how this deficit may be covered temporarily, and answered other questions from the Board. It was also noted that we received a letter from the Lieutenant Governor and the Speaker of the House requesting an FY09 budget reduction of 2.5% of GR funds. Additionally, the State Auditor's Office has notified us that they will be performing an audit of selected Data Center Services activities.

VII. Information and Communications Technology (ICT) Cooperative Contracts Program Update – Fiscal 2009 Q1

Ms. Cindy Reed provided an update of FY 2009 Q1, including Overall Performance, Customer Highlights, Product Highlights, and Marketing/Outreach Highlights. Mayor McCartt asked if we ever promoted the program in publications other than those that are technology oriented. She mentioned education in particular. Ms. Reed stated not at this time but that it is something we can look into. Chairman Mountain congratulated the team on a job well done.

VIII. Data Center Services

Ms. Ginger Salone (DIR) and Ken Weiss (IBM) presented the Data Center Services update. They initially presented background information to benefit the incoming ex officio Board members. They presented Performance Metrics, including Overall Operational Performance, Infrastructure Availability, Incident and Change Management, Completed Changes, Backlog of Open Priority Three Incidents, Backlog of Open Priority Four Incidents, Critical SLA's with Satisfactory Results, and Customer Satisfaction. There was much discussion by the Board with several questions to Mr. Weiss about what type of tickets are not being resolved in a timely manner, why the tickets remain unresolved for a long period, and what can be done to resolve the tickets in a timely manner. Ms. Salone noted that thousands of tickets are being resolved quickly. Mr. Weiss stated that more focus and management attention such as a new designated executive should resolve these issues. Mr. Weiss explained the TxDCS customer satisfaction program. Chairman Mountain pointed out that the big problem still seems to be a lack of sufficient staffing by Team for Texas. While acknowledging progress since the last Board meeting, Chairman Mountain stated he wants the annualized staffing turnover rate down to 15 to 18% from the current 33% by the next Board meeting. He stated that the two key issues are staffing and transformation acceleration. Mr. Weiss provided some details and an update from the August Board meeting. Chairman Mountain again recognized progress and a good job in some areas, but stated that the information provided still is not as detailed as the Board needs. He requested within two weeks a detailed consolidation plan that will provide schedules,

resources, critical path, and risk. Mr. Rawson pointed out that IBM is fully accountable to the state and DIR, and that there has been and will continue to be a concentrated effort on the part of DIR leadership and all the agencies involved to move forward. There was discussion about Back-Up and Recovery to immediately mitigate current exposures and risks to State data. Other focus areas are Contingency Planning and Corrective Actions.

IX. Communications Technology Services

Ms. Salone presented the Communications Technology Services Update, including Key 2009 Objectives, Performance Measures, including Service Availability and Channel Penetration, Key CTS Activities, and TEX-AN Revised Procurement Solicitation Strategy.

X. TexasOnline Update

Ms. Salone presented the TexasOnline Update which included Key 2009 Objectives, Key 2009 Performance Objectives including Cumulative State Revenue Share, Customer Satisfaction, Transactions--9% growth, Portal Visits--19% growth, and Re-Procurement Milestones being met.

XI. Information Security Update

Ms. Salone presented the Information Security Update which included Key 2009 Objectives and Performance Measures.

XII. Rules

Cynthia Kreider asked that the Board consider publishing for public comment a proposed new chapter to DIR Rules, 1 TAC 217, Procurement of Information Resources. Mr. Wachel made the motion that the Board approve publishing the proposed new rule. Mayor McCartt seconded the motion. Motion passed unanimously.

XIII. Public Testimony

There was no Public Testimony.

XIV. Executive Session

At 11:55 a.m. Chairman Mountain announced that the Board would recess the open portion of the meeting to go into Executive Session pursuant to Section 551.074, Government Code, to deliberate the evaluation and duties of DIR executive management and pursuant to Section 551.071, Government Code, to consult with its attorney.

At 12:50 p.m. Chairman Mountain called the meeting to order again and announced that a quorum was present. Chairman Mountain stated that while in executive session the Board discussed the DIR management performance plan and did not vote, take any final action or make any decision.

XV. Adjournment

It was decided that future meetings would begin at 9:30 a.m. instead of the usual 10:00 a.m. to allow additional time to get through all the agenda items. Ms. Martinez made the motion to adjourn. Mr. Wachel seconded the motion. Motion carried unanimously. Chairman Mountain adjourned the meeting at 12:51 p.m.