

HOUSE COMMITTEE ON
INFORMATION MANAGEMENT AND TECHNOLOGY

March 17, 2005

Hearing Room 357

1:00 P.M.

Tapes 27 - 28

MEMBERS PRESENT: **Rep. John Dallum, Chair**

Rep. Chuck Burley

Rep. Brad Witt

MEMBER EXCUSED: **Rep. Kelley Wirth, Vice-Chair**

Rep. Jerry Krummel, Vice-Chair

STAFF PRESENT: **Dallas Weyand, Committee Administrator**

Louann Rahmig, Committee Assistant

MEASURES/ISSUES HEARD:

Public Employees Retirement System Information Technology Briefing – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 27, A

004	Chair Dallum	
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Calls the meeting to order at 1:02 p.m. and opens the informational meeting on Public Employees Retirement System Information Technology Briefing.

PUBLIC EMPLOYEES RETIREMENT SYSTEM INFORMATION TECHNOLOGY BRIEFING – INFORMATIONAL MEETING

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| 010 | Paul Cleary | Executive Director, Public Employees Retirement System (PERS). Begins with the agency's background and challenges. Refers to printed <i>Information Systems Overview</i> (exhibit a). |
| 037 | Cleary | Refers to PERS history in EXHIBIT A, Page 2 . Describes the agency's chronological highlights from 1945 through 2003. |
| 077 | Cleary | Continues with explanation of the retirement plan with multiple components. Explains other major changes, including revamping the governing board. Describes the office locations. Provides statistics on membership, employers and workload (EXHIBIT A, Page 3). |
| 122 | Cleary | Describes the multiple information technology systems that are used for plan administration. Comments that manual calculations are still needed, and they want to move forward with technology to eliminate. |
| 142 | Cleary | Refers to EXHIBIT A, Page 4 that shows the uneven work load. Points out the legislative reforms that became effective in 2003. |
| 174 | Cleary | Discusses key litigation on EXHIBIT A, Page 5 . Outlines the workload impacts as a result of no 2003 account crediting. |
| 206 | Jeff Marecic | Chief Information Officer, PERS. Explains the technology environment in PERS. Cites Web site user statistics. Describes the current retirement information management system (RIMS). |
| 256 | Marecic | Comments that moving through the legislative changes requires system modifications. Cites the actuary table changes as an example. States that RIMS is now an impediment instead of a facilitator and that jClarety is being implemented to manage the new pension plan. |
| 320 | Marecic | States that jClarety has Web-based components so employer information can be submitted via the Web. Advises that online information will soon become available to members. Indicates that jClarety will become the platform for pension plan administration at PERS. |

348 Marecic Describes the various applications in the current environment. Indicates they intend to reduce the amount of technological diversity for easier support.

TAPE 28, A

009 Marecic Continues with description of ability to take on a major conversion project. Refers to **EXHIBIT A, Pages 8 and 9** on agency readiness. Reviews a typical information technology (IT) project and a complex project.

064 Marecic Explains the responsibilities and initiatives of the Information Services Division.

131 Marecic Discusses their information security program.

162 Marecic Describes the RIMS conversion project which will be done in three stages (**EXHIBIT A, Pages 11 and 12**).

218 Marecic Brings attention to other related projects and activities, including focus on “clean data.”

254 Marecic Concludes with PERS participation in statewide initiatives.

288 Rep. Burley Refers to **EXHIBIT A, Page 3**. Requests an explanation of the issues surrounding manual intervention for retirement calculations.

298 Marecic Responds that each member seems to have a unique situation that hasn't been addressed in the system.

320 Cleary Clarifies that when the system was initially installed, much of the data was not clean when entered. States that with the new system, the data will be corrected and verified as received. Advises that the RIMS data will be cleaned up prior to conversion.

350 Rep. Burley Asks if jClarety is designed specifically for retirement calculations.

351 Marecic Responds, that is correct.

359 Dallas Weyand Committee Administrator. Adds history about jClarety.

- 403 Rep. Burley Inquires about long-term support and modifications.
- 413 Marecic Replies that the application provides the tools to quickly modify the system when necessary. Adds that PERS plans to integrate their own IT staff into the process so they will be well trained to provide support and modifications as needed.

TAPE 27, B

- 004 Marecic Follows up on Mr. Weyand's comments on jClarety. Advises that the base core on which the system is built has made several migrations. Continues that the creators of the software are astute at migrating the core functionality as the technology changes.
- 012 Chair Dallum Asks if all accounts will require a manual review before conversion.
- 022 Marecic Replies that staff keeps track of membership records with a problem, corrects them when possible and maintains a list of other corrections needed.
- 044 Chair Dallum Asks if the information in **EXHIBIT A, Page 9, Slide 17** is for this point in time.
- 052 Marecic Answers that the information was based on last summer's data.
- 065 Chair Dallum Inquires if PERS has coordinated with DAS.
- 070 Cleary Responds, yes.
- 072 Chair Dallum Asks if their security plan was reviewed.
- 074 Marecic Replies, yes.
- 083 Chair Dallum Closes the informational meeting on Public Employees Retirement System Information Technology and adjourns at 2:05 p.m.

EXHIBIT SUMMARY

- A. **Public Employees Retirement System, Information Systems Overview, printed material, 14 pp**

HOUSE COMMITTEE ON
INFORMATION MANAGEMENT AND TECHNOLOGY

March 15, 2005 Hearing Room 357

1:00 P.M. Tapes 25 - 26

MEMBERS PRESENT: Rep. John Dallum, Chair

Rep. Jerry Krummel, Vice-Chair

Rep. Kelley Wirth, Vice-Chair

Rep. Chuck Burley

Rep. Brad Witt

STAFF PRESENT: Dallas Weyand, Committee Administrator

Louann Rahmig, Committee Assistant

MEASURES/ISSUES HEARD:

High Performance Computing Briefing – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker’s exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 25, A		
003	Chair Dallum	Calls the meeting to order at 1:00 p.m. Introduces the high school students from Mitchell, Oregon, attending the committee meeting as guests. Opens the informational meeting on high performance computing briefing.

HIGH PERFORMANCE COMPUTING BRIEFING – INFORMATIONAL MEETING

015	Brian Wornath	LCN Media & Consulting Group. Announces that he represents the Oregon High Performance Computing Consortium. Distributes hard copy of <i>General Proposal for Establishing an Oregon High Performance Computing Infrastructure</i> PowerPoint presentation (EXHIBIT A). Begins the presentation with an overview and the goals of developing a supercomputing resource in Oregon.
055	Wornath	Provides an explanation of supercomputing and who would use it.
074	Wornath	Describes the old-style, traditional, single-purpose computer called a “monolith.”
088	Wornath	Discusses types of supercomputers. Refers to case studies in EXHIBIT A, Page 14.

- 117 Wornath Discusses how much unused computing time is available after regular office hours, creating an affordable and powerful computing “grid.”
- 149 Wornath Continues with justification to develop affordable high performance computing resources within Oregon.
- 184 Wornath Proposes to create a state resource that markets the unused capacity and the accompanying consulting services, offering “one-stop shopping” for high-performance computing.
- 216 Wornath Outlines sources for general initial capitalization. States that earnings from operations would come from leasing affordable high-performance computing time.
- 237 Wornath Shows comparison of estimated financial scenarios (**EXHIBIT A**).
- 313 Wornath Discusses the percentage of return and cost per year of operating a computer grid.
- 381 Wornath Suggests implementing a pilot project to determine the best technical solution. Displays the estimated pilot profitability.

TAPE 26, A

- 019 Wornath Discusses a possible organizational structure similar to an Oregon high-performance computing consortium. Continues with explanation of challenges.
- 069 Wornath Has spoken with Chief Information Officers around the state, who believe the concept is good.
- 083 Wornath Summarizes by stating that the technology is proven, can easily be applied to numerous applications and uses, and is easily expandable.
- 121 Chair Dallum Asks about the “down side.”
- 125 Wornath Responds that information technology people will say this is a very specialized area. Believes that ideally the universities and the state would co-develop a pilot program.

148	Chair Dallum	Inquires if this concept is attractive to private enterprise.
155	Wornath	Replies, it is. Continues that there are certain niches that don't have the financial resources to take on a project such as this. Cites examples of researchers who believe they can use.
192	Chair Dallum	Asks what proposed legislation should look like.
196	Wornath	Answers that funding for a pilot project could be requested.
227	Rep. Burley	Inquires what is preventing us from using this now.
233	Wornath	Responds, nothing. Indicates from a financial standpoint, it is best to consolidate and not have many small clusters.
261	Rep. Burley	Refers to the case studies in EXHIBIT A that were mostly done by private corporations. Comments that if we were going to use public resources, that is a different set of circumstances particularly since we are concerned with security issues.
270	Wornath	Agrees. Offers to provide more up-to-date information. Reports on other states that are doing this for economic development.
313	Rep. Burley	States that the corporate environment is more controlled than ours as we have computers all across the state. Asks how we would insure security.
323	Wornath	Agrees that some environments are better suited than others.
329	Rep. Krummel	Asks if setting something like this up in the new data center might generate the dollars to pay for it.
338	Wornath	Replies, absolutely. Reports that high performance computing is being done on a limited basis at the Oregon State University Oceanic School.
404	Rep. Krummel	Asks if there have been discussions with the Department of Administrative Services (DAS) or other privately owned data centers to see if there is an interest.

416 Wornath Has spoken with DAS and some small companies affiliated with academics.

439 Rep. Witt Inquires if one has to be a participant in the network to be able to utilize supercomputing capacity.

**TAPE 25,
B**

011 Wornath Responds, yes, for security reasons. States that the criteria needs to be identified in the business model.

020 Rep. Witt Asks if he is aware of any claims in other states that there is not equal access.

025 Wornath Answers that he has not heard of any.

027 Rep. Wirth Inquires if anyone has expressed an interest in helping finance a pilot study.

032 Wornath Replies, absolutely.

038 Rep. Wirth Asks how much private money might be available.

046 Wornath Replies that there is interest, and some medical schools are trying to lure grants. Believes discussions with interested parties to determine how much money is available would be needed.

069 Rep. Wirth Inquires if other states have included some public financing, and how far along they are in the process.

077 Wornath Answers, it varies.

089 Wanda Brennan High School Science Teacher, Mitchell, Oregon. Cites problems of areas with limited internet access. Asks how high-performance computing will benefit them.

096 Wornath Responds that not all rural areas will receive the same amount of benefit; however, areas with community colleges perhaps can provide access.

140

Chair Dallum

Closes the informational meeting on high performance computing and adjourns the meeting at 2:08 p.m.

EXHIBIT SUMMARY

- A. High Performance Computing Infrastructure, General Proposal for Establishing, printed copy of PowerPoint presentation, Brian Wornath, 67 pp**