

SENATE COMMITTEE ON INFORMATION MANAGEMENT
AND TECHNOLOGY

March 12, 1999 Hearing Room C

8:30 a.m. Tapes 11 - 12

MEMBERS PRESENT: Sen. Verne Duncan, Chair

Sen. Peter Courtney, Vice-Chair

Sen. David Nelson

STAFF PRESENT: Marjorie Taylor, Administrator

Patrick Brennan, Administrative Support

MEASURE/ISSUES HEARD: Discussion of DAS-IRMD

Strategic Planning and Review

-Don Mazziotti, Chief Information Officer

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 11, A		
003	Chair Duncan	Calls the meeting to order at 8:35 a.m.
<u>DAS/IRMD STRATEGIC PLANNING AND REVIEW</u>		
011	Don Mazziotti	Chief Information Officer, Department of Administrative Services (DAS), Information Resources Management Division (IRMD) (EXHIBIT A). Introduces Sandy Herring as the new manager for Strategic Planning and Review at IRMD.
034	Mazziotti	States that ORS 291.038 directs many activities for IRMD. Says that the core

		<p>function of the statute is the creation of an Information Resource Management Council (IRMC). Says that the IRMC has been reconvened after a several year absence. Says that there are 22 members of the IRMC rather than the required seven, consisting of the following:</p> <ul style="list-style-type: none"> • Representatives of all three branches of state government • Representatives of all three tiers of education • Representatives of county and local government • Representatives of the private sector <p>Indicates that the legislature is represented by Rep. Mark Simmons and Sen. Nelson. Says that the council reconvened in April of 1998.</p>
060	Sen. Courtney	Indicates that there should be a bipartisan representation from the legislature on the IRMC. Asks how often the IRMC meets.
065	Mazziotti	Replies that the council meets twice a month in Salem. Says that there have been some meetings conducted by video-conferencing.
073	Sen. Courtney	States that it is usually difficult to maintain high attendance with such a large group and says that the IRMC should be commended for doing so.
076	Chair Duncan	Asks Sen. Courtney if he would like to serve on the IRMC.
078	Sen. Courtney	Asks who decides membership of the IRMC.
080	Mazziotti	Replies that he is the Chairman of the IRMC but Jon Yunker, the Director of DAS, is also involved in such decisions.
085	Chair Duncan	Wonders if Sen. Courtney should be considered for a seat on the council.
090	Mazziotti	States that Executive Order 98-05 directed that the IRMC be reconvened and outlined its activities. Says that the IRMC produced an information technology (IT) strategy for presentation to the Governor, referred to as the Enterprise Information Technology Plan. Says that the strategy includes all three branches of government, all levels of education, and the private sector, crossing several jurisdictional boundaries. States that the strategy was outlined by several work groups appointed by the respective sectors.
120	Chair Duncan	Asks if there are "turf challenges" involved in the Enterprise Plan.
122	Mazziotti	Replies that there are constant "turf battles", competing claims, and opposing priorities. Says that the IRMC and the Enterprise Plan are attempts to alleviate the problems associated with turf battles.
129	Chair Duncan	Asks how higher education fits into the Enterprise Plan.

131	Mazziotti	Replies that it is part of the IRMC. Says that it has its own set of priorities that sometimes diverge from those of others. Says that occasionally there are contentious issues regarding what strategies should be pursued and where money should be spent.
140	Chair Duncan	Asks where the authority rests within the program.
142	Mazziotti	Replies that authority regarding state-level planning and policy review resides with DAS/IRMD and the IRMC. States that they have reviewed all technology projects and acquisitions and have reported to the Joint Legislative Committee on IMT.
153	Chair Duncan	Asks if the higher education programs are coordinated through Tom Cook.
154	Mazziotti	Replies that DAS/IRMD does not oversee all higher education programs. States that the Department of Education is part of the review process. Says that educational institutions frequently take exception to the rules, since they operate under different parameters than DAS/IRMD.
166	Sen. Courtney	Asks what group causes the most problems for DAS/IRMD with regards to policy review.
177	Mazziotti	Replies that no single group creates problems that are out of the ordinary. Says that different groups create different challenges.
183	Sen. Nelson	Mentions that the Oregon Department of Transportation (ODOT) has been a source of problems for DAS/IRMD during the past year.
188	Mazziotti	States that the Department of Corrections (DOC) is currently creating challenges with a particular project. States that there are different areas of contention with different agencies from time to time, but that there is no single entity that causes recurring problems. Says that the current problems with DOC are a normal part of the process in that tensions develop during periods of review.
194	Sen. Courtney	Says that those groups which cause problems should be brought in front of the IMT Committee.
209	Mazziotti	States that the nature of oversight creates different areas of contention on a daily basis. Says that bringing various groups together can be a difficult process.
212	Chair Duncan	Asks if Mr. Mazziotti would be taking action in a similar fashion to that of the DOC's IT director if he were in the same position.
215	Mazziotti	Replies that it is likely that he would. Says that ODOT had been on a course to construct its own fiber-optic network. Says that doing so made little sense, given the plans for a statewide network which could be used by ODOT. Says that the various parties were able to resolve the differences and coordinate a statewide

		plan.
240	Chair Duncan	Says that the IMT Committee is willing and able to help DAS/IRMD with oversight.
244	Sen. Courtney	Says that time constraints require action to be taken on issues despite the "turf battles" that may arise. Asks how long Mr. Mazziotti expects to be having issues of contention with DOC.
253	Chair Duncan	Replies that the problem will not likely last long when DOC learns that the IMT Committee is involved in the review process.
269	Sen. Nelson	Asks how many systems are currently being worked with.
273	Mazziotti	Replies that current projects consist of 14 networks, 3-12 data centers, 260 major application systems, and thousands of computer and telephone systems.
282	Sen. Nelson	Asks for the total state spending on the telecommunications programs.
286	Mazziotti	Replies that spending during the last biennium was roughly \$90 million. Says that the current biennium is budgeted at \$102 million. Says that the total refers only to services procured from outside providers, which represents about 70 percent of the IRMD budget. Says that most of the state's telecommunication technology is rented rather than owned.
320	Sen. Nelson	Says that higher education has a system in place which will be displaced by Enterprise Network. Asks how the services will be continued until the Enterprise Network is ready to go.
327	Chair Duncan	Replies that the higher education system will be part of the Enterprise Network.
330	Mazziotti	Says that he is unaware of any telecommunications network in the higher education system.
335	Chair Duncan	States that there is some concern within higher education that one of their systems will be disrupted by inclusion in the Enterprise Network.
342	Sen. Courtney	Says that higher education can be difficult to work with.
350	Mazziotti	Says that higher education, specifically the Oregon University System, has a different mission and priorities than those of DAS/IRMD. Says that his goal is to meet the needs of higher education wherever possible. Says that the system works well for most of state government but less so for IT issues, since there is a tendency to duplicate systems.

370	Chair Duncan	Asks if there is any effort to pull city and county governments together with the state to provide a comprehensive network.
375	Mazziotti	Replies that local governments are involved in the IRMC. Says that the focus on the big picture has taken place only within the past year. Says that DAS/IRMD does not want control over state agencies but rather seeks to provide services in the most efficient way possible.
396	Chair Duncan	Asks if the vision described includes or should include schools, cities, and counties. Asks who is responsible for putting the vision together. Asks if the legislature should draft a mission statement to outline the vision.
TAPE 12, A		
010	Mazziotti	Replies that the vision is partially outlined by statute and the strategy presented to the committee. Says that should the committee choose to amplify the message it would receive more attention. Says that the legislature could be helpful in the amplification and emphasis of the plan.
020	Sen. Courtney	Asks how the legislature, specifically the IMT Committee, could amplify the efforts.
021	Mazziotti	Replies that the committee could create a list of priorities. Says that legislative pressure could force reluctant parties together to negotiate solutions to problems.
028	Chair Duncan	Says that ideas that have been advanced by the committee are merely ideas rather than directives.
031	Mazziotti	Says that there is a chance that sectors of education are on a course to developing their own converged network. Says that to do so would create costly and wasteful redundancies.
039	Chair Duncan	Asks when the committee should draw the line between sides.
044	Mazziotti	Replies that the committee should ask higher education if they have a desire to run a statewide telephone network. Says that the issue is to find the best way to organize the statewide network. Says that the committee could develop a dialogue on the issue.
060	Mazziotti	Says that the IT Plan contains 6 parts: <ul style="list-style-type: none"> • Finding and fixing Year 2000 (Y2K) problems • Development of a common enterprise architecture of information technology standards.
080	Chair Duncan	Asks if the standards are highly technical, and asks if they can be provided to the committee.

082	Mazziotti	Replies that the standards can be provided and that they are not too technical to understand.
085	Sen. Nelson	Asks if the adoption of standards is one of this issues of contention with the University System.
088	Mazziotti	Replies that parts of the University System are operating under a different set of standards. Says that the process of adopting new standards can be a slow process but adds that there must be progression.
096	Chair Duncan	Asks for examples of the standards that are being discussed.
099	Mazziotti	Says that without the proper protocols some systems may not work together. Says that technological improvements create changes to the standards.
110	Chair Duncan	Says that the standards are built upon as technology increases.
113	Mazziotti	<p>Concurs with the chair and refers to the implementation of new networks as an example. Continues to discuss the IT Plan:</p> <ul style="list-style-type: none"> • Development and implementation of a voice, video, and data network as directed by statute • Development of a corporate "intranet," a small scale internet which performs as a private communications tool to unify government • Integration of agency data into common, large-scale databases
150	Chair Duncan	Says that the various data systems must be able to communicate with one another.
157	Mazziotti	Concurs with the chair and says that there is great interest regarding integrated database technologies.
165	Chair Duncan	Asks if the 9-1-1 emergency service is involved in the process.
168	Mazziotti	Replies that it is, insofar as it is part of the telecommunication network.
172	Sen. Nelson	Says that the relationship is a complex one.
174	Mazziotti	<p>Explains the final part of the IT Plan:</p> <ul style="list-style-type: none"> • Recruitment and retention of quality IT personnel.
180	Chair Duncan	Asks Ms. Herring why she decided to come to work for DAS/IRMD.

183	Sandy Herring	Manager of Strategic Planning and Review, DAS/IRMD. States that she has worked for state government for 20 years. Gives her background in state government as it relates to information technology.
199	Sen. Courtney	Says that the state has problems competing with the private sector for qualified IT personnel.
202	Mazziotti	Says that the state cannot compete with the pay offered by the private sector but that the work environment, benefits, and training are things that the state can offer in the absence of higher pay. Says that training is especially important for IT personnel and is a valuable tool for retaining staff.
221	Chair Duncan	Asks what the result would be of full implementation of the IT Plan as described to the committee.
223	Mazziotti	Replies that Oregon would have the best IT system in the world. Says that there are status reports on all six parts of the strategy in the materials provided.
253	Chair Duncan	Asks if the system is in place to an extent sufficient to guarantee that there will not be another problem such as that which was centered around the DMV.
256	Mazziotti	Replies that there must be an understanding that large scale failures are endemic to the IT business. Says that studies have shown a failure rate of 30 percent of large scale IT projects in the private sector. Says that the objective is to minimize the failures which happen by developing a corps of project managers whose job is to implement and troubleshoot programs.
285	Chair Duncan	Asks if the project manager development is part of the education program.
286	Mazziotti	Replies that it is. States that strong project management, oversight, and review are the ways to minimize failures. Says that there is no way to prevent failures and that they will be "embarrassing" and "costly."
294	Sen. Nelson	Says that the DMV situation was "blown out of proportion" by the press. Says that the actual loss was \$10 million as opposed to the \$70-80 million which was reported and that there were many good things which have come out of the situation. Says that the DMV reacted properly to the problem once it was detected.
309	Chair Duncan	Says that the committee must recognize problems and learn from them, rather than allowing them to be blown out of proportion.
317	Mazziotti	Concurs and says that it is important to learn from the mistakes as opposed to covering them up or making excuses for them. Says that it is important that the successes of programs receive attention as well.
331	Sen. Nelson	Concurs and says that "we judge our successes by our failures."

333	Sen. Courtney	Mentions that ODOT has been successful in many ways which have received little or no attention.
335	Chair Duncan	Comments on the way that the focus is too often on the bad rather than the good. Asks if there are things that the committee could do to assist DAS/IRMD without micro-managing.
358	Mazziotti	Replies that there is concern that no legislative committee has received a status report on the state's major IT projects in over a year. Says that legislative oversight is important.
373	Chair Duncan	States that such a report would be a good thing to have.
376	Herring	Says that the committee should always focus on the IT Plan when reviewing agency projects. Says that the committee should ask agencies to what extent their projects align themselves with the goals and directives of the plan.
415	Sen. Courtney	States that the committee should hold a press conference regarding the IT Plan. Says that the committee should send a message to the state, through the media, regarding the goals of the plan. Says that the committee is responsible for the issue and should address the concerns of the public regarding IT issues. Says that agencies which are problematic should be made accountable.
TAPE 11, B		
035	Sen. Nelson	Concurs with Sen. Courtney and says that there has been a great deal of interest in the development of the statewide system. Says that SB 142 also deals with the statewide network and ties in with the Enterprise Network. States that the issue may eventually come down to funding and that consequently all parties must be in agreement.
047	Chair Duncan	Asks for more information regarding SB 142.
050	Sen. Nelson	Replies that a constituent mentioned that there is a need within many rural areas in Oregon for "points of presence." Says that schools and DMV offices are to be anchors for the Enterprise Network, the framework upon which private business can build.
063	Chair Duncan	Asks what private businesses are to be attracted by SB 142.
065	Sen. Nelson	Replies that the bill would provide regulatory relief in order to entice businesses such as US West, Sprint, Century, or GTE to invest \$120 million over 4 years. Says that there has been some objection which has forced the Business and Consumer Affairs Committee to consider alternate sources of funding. Says that the bill will be passed with the US West proposal as the funding source.
080	Chair Duncan	Asks if SB 142 has an impact on other telecommunications legislation.

083	Sen. Nelson	Replies that it probably does not. States that there is a floor and ceiling on prices within the bill. States that the Business and Consumer Affairs Committee is trying to find a solution to the need for connectivity in rural Oregon.
100	Sen. Courtney	States that there is a desire to bring SB 142 out of committee with a unanimous vote, which necessitates addressing the concerns of all of the members.
105	Sen. Nelson	States that the success or failure of SB 142, as well as the entire Enterprise Network, comes down to funding.
109	Chair Duncan	Says that the public should know about the Enterprise Plan.
115	Sen. Courtney	Says that calling the plan the "best in the world" is a startling statement.
118	Chair Duncan	Says that the committee should consider a press conference on the Enterprise Plan. States that it may be beneficial to hear testimony from representatives of higher education to get their perspective.
141	Sen. Nelson	Concurs with Chair Duncan.
142	Mazziotti	Says that it could be a useful discussion.
145	Sen. Nelson	States that the Oregon Community College Association (OCCA) has an interest in the issue and should be invited to testify as well.
153	Mazziotti	States that higher education has the greatest divergence from DAS/IRMD.
193	Sen. Nelson	Says that the state wants to control the leasing agreements. Says that higher education would lose an e-rate subsidy if the state were to control the leasing agreements.
210	Mazziotti	Says that there are three questions: <ul style="list-style-type: none"> • In regard to lease vs. buying, ORS 291 states that DAS/IRMD is to use shared rather than dedicated lines with purchase of services where available. • Facilities are leased, except for control facilities which must be owned for security purposes. Privatization would make the system a regulated utility. Public networks elsewhere in the country are still eligible for the e-rate. • Oregon is one of the last states to develop a statewide network. It would be the best because it has the opportunity to learn from the experience of other states.
260	Chair Duncan	Asks how large of a facility and staff exists in Burns.

265	Mazziotti	Replies that there is currently a staff of one, with a budget for two more. Says that there is growing demand for the Burns facility as a location for archived data. Says that Burns is the anchor for the first leg of the Enterprise Network.
282	Chair Duncan	Asks where the other lines are going to be.
284	Mazziotti	Replies that the locations are on the map in the exhibit. Says that DAS/IRMD is analyzing possible future legs of the network. Says that the network will eventually incorporate all county seats. States that the network is currently scheduled for completion by July 2001.
320	Chair Duncan	Adjourns the meeting at 9:52 a.m.

Submitted By, Reviewed By,

Patrick Brennan, Marjorie Taylor,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Printed materials, Don Mazziotti, 26 pp.