

**CNIC Governing Board  
Meeting Minutes – February 13, 2006**

Approved 3/13/06

Attendees:

<b>Agency:</b>	<b>Board Representative:</b>	<b>CIO or Representative:</b>
DAS	Lindsay Ball	Mike Zanon
DCBS		Dan Adelman
Corrections	Mitch Morrow	John Koreski
Education	Vickie Fleming	
Employment	Laurie Warner	Curt Amo
Forestry	Clark Seely	Sandy Jefferson
Housing & Community Services		Bill Carpenter
Human Services	Bruce Goldberg	Bill Crowell
State Police	Ron Ruecker	David Yandell
Revenue	Elizabeth Harchenko	Stan McClain
ODOT	Mike Marsh	Ben Berry
Veterans' Affairs	Paula Brown	Herb Riley

State Data Center: Mark Reyer, Dave Howard

Project Office: Julie Bozzi, Keith Kohan

Accenture: Mike Dawson, Kari Ensminger, Rick Webb

Others: Rod Bailey, Jim Carbone, Tanya Crane, Ken Disbrow, Kay Erickson, Scott Hayes, Raelynn Henson, Robert Kennedy, Jerry Korson, Kris Kautz, Theresa Masse, Margaret McDowell, Sarah Miller, Bryan Nealy, Donna Haole-Valenzuela, Dallas Weyand

**1. Opening Comments**

November 14, 2005 and January 19, 2006 minutes: Approved with no changes.

**2. In-scope Budget Review**

George Dunford distributed a "Summary of Position Information" document and a "Reported In-Scope Actual Expenditure from 03-05 Accounting Records" document. Based on the recent agency review of in-scope positions and 03-05 S&S, in-scope FTE numbers changed as follows:

- DAS added another 1.5
- DHS removed 3
- State Police removed 4
- ODOT added 7

Another inquiry is being done by BAM and should be finished by Feb. 17. George then reviewed the expenditures document. There was a net change across all agencies of negative \$7.2 million. Very detailed information was sent out to agency staff by DAS Operations. This is purely a reflection of what agencies reported. This will either reduce the savings promised or the operating budget of the SDC. It was noted that some agencies are finding more savings while others are finding less. There was concern that agencies are choosing to remove FTE from the in-scope list. The primary purpose of the review exercise was to add credibility to findings of savings. Removing numbers from the list does not seem to accomplish this goal. Lindsay and George both anticipated seeing numbers added, not taken away. This, again, contradicts the goal of establishing credibility. Because agencies account for funds differently, it is up to the agencies to ensure that the information provided is valid and thorough. DAS is still evaluating whether or not there are more FTE to add from DAS. Lindsay asked the directors how many of them had seen these numbers before today; no one had. They were asked if they would like to take these numbers back to their agencies for review before the next meeting. The Legislature will be asking questions about these numbers and well-vetted answers are vital.

Agency budgets will be most affected by personal services. Individuals from George's office are available to meet with agencies. A very thorough validation of the agency FTE and expenditure information needs to be done. One approach could be to have an independent party come in and validate numbers in each agency. Lindsay cautioned that if this approach is taken, whatever numbers the third party comes up with will be final. Ron Ruecker expressed confidence that agencies can validate the numbers without a third party.

**ACTION:** Agency directors will take these numbers back to their agencies for analysis and updating.

**DECISION:** The Governing Board will reconvene next Tuesday, February 21 to review and discuss each agency's findings.

Lindsay cautioned that if the Governing Board does not secure the right funds for the SDC during this exercise, they will end up coming out of savings or will be paid by the agencies via higher rates/fees from the SDC at a later date.

### **3. Human Resources & Data Center Administrator's Report**

Mark Reyer distributed an SDC org chart. In the SDC budget bill last spring there were 93 designated SDC positions. Of the 93, a disproportionate number were lower classification positions. After careful review, Mark has reclassified several of the positions to higher level positions. He did this, as directed, within the constraints of the legislatively-approved budget number originally established for the 93 positions. The final number is 79 positions including the following departments:

- Server (managed by Randy Whitehouse)
- Enterprise Systems (managed by Jim Long)
- Network (managed by Al Grapoli)
- Operations (manager to be selected at a later time)
- Plans and Controls (managed by Julie Bozzi).

Although Mark wanted to begin hiring after the first of the year, position hiring will now be done once in-scope budget questions are answered *and* the reclassification of positions is legislatively approved. When hiring launches, it is now planned that all position recruitments for all departments will be released simultaneously. Mark acknowledged the anxiety the hiring situation is causing staff. He will send a memo to the in-scope group to explain the situation.

It was noted that positions for security are not reflected on the org chart. Mark explained that a decision had recently been made that the Enterprise Security Office will provide SDC security. Work is being done to ensure that the security effort happens in parallel with SDC activities. Lindsay stated that the case to explain this change is good.

Members were given an opportunity to ask questions.

- Can the SDC be run with 79 positions?
  - Mark stated that 79 is a lean number. (A suggestion was made that agency directors keep this in mind as they are readdressing their budgets. If critical systems go down at the SDC because it is understaffed, these numbers become very important.)
- Can the QA vendor take a look at the risks associated with the lower FTE counts?
  - This is not a part of the current QA contract; however it is possible that the contract could be expanded to include that aspect of the project.

Laurie Warner stated that it has always been communicated to the Legislature that estimates for this project were based on information known *at the time* and that DAS would return to the Legislature to update them as more is learned about staffing levels and the budget needed to operate the data center.

Mark Reyer reiterated that he feels the proposed staffing level (79) is not sufficient to operate the data center; however DAS will stay within the levels dictated by the approved budget and be vigilant to any service short falls. In that event DAS will go forward with additional staffing requests.

Members were asked if there were any comments coming out of their HR departments. Elizabeth Harchenko said that staff is very concerned that they will not qualify for SDC positions because positions have been classified higher than existing staff positions in the agency.

#### **4. Project Manager's Report**

Julie Bozzi distributed her status report. The project is almost halfway through the first quarter. There have been three changes to the schedule due to procurement delays. This will not affect the master schedule.

- Agency migration planning will be completed by February 20 after which wave planning (move planning) will begin.
- Completed hardware and application inventories must be submitted to the SDC by the end of this week. This is a deadline for DAS, DHS, OED and ODOT.
- The tape library should be delivered by February 17.
- A disc contract has been awarded and delivery is expected on March 20.
- The SDC is requesting delivery of the mainframe on March 22.
- All AIX servers have been received. Asset tagging is underway.
- The Change Management Workgroup did a cultural assessment survey to discover the principles that the customers and agency staff would like the SDC to uphold.
- A cost model for the 07-09 biennium was done by the Accounting Workgroup. Mark and the SDC management team will define billing units and plug them into this model.
- The org chart has been completed along with hiring the majority of the management team.
- The transitional-to-permanent staffing strategy has been and continues to be that agency staff will work at the SDC on rotation throughout a stabilization period. Staff not hired by the SDC for a permanent position will return to their agency after the stabilization period. Julie is currently working with the first four CIOs to bring over staff on rotation at the data center. These are people who currently do infrastructure work within the agencies and will rotate to do the same work at the SDC.
- Implementation of wave plans will take place from March 20-July 10. Multiple agencies may move varying components on the same weekends.

#### **5. Other Business**

Agency directors were asked to keep employees and service levels in mind in the coming weeks. The project has reached a time during which people will continue to have doubts and question leadership credibility. It is at these times that the leaders need to do everything they can to reassure staff that the project is moving forward. The CNIC project is the right answer for the state of Oregon. As individuals voice concerns for the success of the project, managers need to step in and show support. The goal continues to be that each agency will experience the same or higher level of service.

#### **Next Scheduled Meeting**

Monday, March 13, 2006  
3:00 – 4:30 p.m.  
DAS West ~ Conference Room B