

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

WORK SESSION RE:)
INFORMATION TECHNOLOGY)

WORK SESSION

TUESDAY, MARCH 13, 2007

BE IT REMEMBERED THAT at approximately
1:30 p.m., Tuesday, the 13th day of March 2007, the
above-entitled matters came on for hearing at the
Texas Workforce Commission, TWC Building, 101 East
15th Street, Room 244, Austin, Texas before
DIANE RATH, RON LEHMAN and RONALD G. CONGLETON,
COMMISSIONERS, and GENE CRUMP, DEPUTY EXECUTIVE
DIRECTOR, of the Texas Workforce Commission; and the
following proceedings were reported by Patricia
Gonzalez, a Certified Shorthand Reporter of:

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P R O C E E D I N G S

TUESDAY, MARCH 13, 2007

(1:30 p.m.)

CHAIR RATH: Okay. I think we'll go

ahead and come to order and we will continue with the
IT Session this afternoon.

Mr. Crump.

MR. CRUMP: Thank you, Chair Rath,
Commissioners.

Again, the -- in the table of contents,
we're going to go in the same order we've been going
in the last several quarters. And so with that, I'll
turn it over to Mr. Meador for some opening remarks.

Dee.

MR. MEADOR: Good afternoon,
Commissioners. Dee Meador, IT Director.

Just a couple of things I wanted to
mention before we got into the briefings. One is that
we've completed the work on the project categorization
that we discussed at previous meetings. It's now
official. There's actually an IT letter that has
rendered it official and it's been before the IT
Steering Committee. The actual documents associated
with that work are behind Tab 1 in your workbooks. We
hope that that has met your expectations.

1 CHAIR RATH: Can I say -- I really want
2 to thank everybody, because I know how comprehensive
3 it is, because it is a very, I think, difficult task
4 to get your hands around and I really appreciate all
5 the leadership, all the work that went into that, and
6 I think the document very well laid out the process.
7 So I really appreciate it and I think it's an
8 excellent tool for all of us to understand the myriad
9 of different reporting requirements we have. So I
10 appreciate it. Thank you.

11 MR. MEADOR: Thank you for the comments.
12 We appreciate it. It was an arduous process putting
13 it together.

14 I also thought I'd make a couple of
15 comments about the Data Center consolidation. I know
16 Gene has been keeping you apprised on the fiscal
17 impacts of the consolidation and we're all waiting to
18 see what the Legislature does with DIR's proposals for
19 making the agencies whole financially. So I'll just
20 leave that with what you-all already know, but I
21 thought I'd make some comments on the operational side
22 and kind of let you know what's going on with the
23 transition planning.

24 The IBM team that's here is referring to
25 themselves as "Team for Texas." So if you hear that

1 term thrown around, that's what it is. It's the
2 partnership in which IBM is engaged with Xerox,
3 Pitney-Bowes, Unisys and some other smaller partners.

4 Team for Texas has made job offers to 61
5 TWC employees. Of those, 42 have accepted their
6 offer; 15 of those have accepted positions with TWC in
7 our retained organization and 2 who accepted positions
8 in other state agencies.

9 For -- since mid-January, Team for Texas
10 has been in -- on-site at -- off and on at TWC engaged
11 in transition activities. They're doing a variety of
12 things, including knowledge transfer through meetings,
13 questionnaires and what they call "shadowing," which
14 is basically where they follow staff around and get an
15 understanding of what their jobs are by doing OJT with
16 them, essentially.

17 They're identifying staffing to fill in
18 the gaps where they're not receiving transitioning
19 employees. They're developing a policy and procedures
20 manual to document how work will be done
21 post-transition. They're training transitioning staff
22 and new Team for Texas staff on how to use their
23 problem management portal and other Team for Texas
24 tools and procedures. They're doing data collection
25 on TWC leases and contracts. And under our close

1 supervision, they've been installing and running
2 discovery software to identify and inventory hardware
3 and software independencies.

4 As a reminder to you-all, these
5 activities all have to do with our mainframe, our
6 servers, our print mail, our database administration
7 and our cost allocation or charge-back areas. So
8 those are the in-scope services that Team for Texas
9 will be assuming.

10 In parallel with the transition
11 activities that I've been mentioning, IBM is also
12 working on a transformation plan. "Transformation"
13 being the period which they actually move our staff
14 and hardware and software to one of the two
15 consolidated Data Centers, one of them in San Angelo
16 and one of them at -- what they refer to as Metric 12
17 here in Austin, and so they're working on that
18 transformation plan at the same time. They've got it
19 in draft mode right now and they've got a schedule
20 laid out for when our mainframe servers and print mail
21 operations will be migrating to those other
22 facilities.

23 To date, we've spent about 7,300 hours
24 of TWC time on the Data Center consolidation, going
25 back more than a year now. We are, along with the

1 other -- most of the other 27 agencies, concerned
2 about the general readiness for Day One, April 1st.
3 Some of the shadowing has not even started until this
4 week. We're talking about some fairly complex jobs
5 here and three weeks is simply not enough time to
6 truly get up to speed on some of these jobs. They
7 haven't filled in all the personnel gaps, and if they
8 do that at this point, again, they'll only have two
9 and a half to three weeks to get up to speed. So
10 we're concerned.

11 We're not saying the sky is falling by
12 any means. We are fortunate because the people that
13 currently support these functions at TWC with the
14 exception of the two that are going to other agencies
15 will be here on-site April 1st, either working for us
16 or working for Team for Texas. So we feel that the
17 staff that have been doing the job will be here and so
18 the job will get done.

19 Any questions?

20 CHAIR RATH: Thank you.

21 Any questions?

22 COMM. CONGLETON: No. No questions.

23 CHAIR RATH: Can I ask -- because I'm
24 certain that the concerns the major agencies have
25 about what will happen with the existing gaps as of

1 this time come April 1st, what is the response from
2 the vendor?

3 MR. MEADOR: They say that they are
4 doing everything that they can do to fill in the gaps
5 and that they will pull resources from wherever they
6 can get them to accomplish the work. So that's
7 basically the response that we get.

8 They are working very hard, I have to
9 say. Team for Texas is working very hard to make this
10 happen. There simply wasn't enough time, in our
11 opinion, to really do it and get everything
12 100 percent in place by April 1st.

13 IBM is very deep in resources, as are
14 the partnership companies, and so I feel that if they
15 absolutely have to attain a resource, they can do so.

16 CHAIR RATH: Thank you.

17 MR. MEADOR: Okay. The only other
18 comment I had before we go into the briefings was that
19 we made one small change to the reports that you're
20 going to be looking at today, and it only affects the
21 three projects that are under QAT, PI Workflow, IBPR
22 and PeopleSoft. We added the estimated project cost
23 and the timelines from QAT quarterly monitoring
24 reports to the report. We hoped that that would be
25 helpful.

1 CHAIR RATH: I really think that the
2 information we're getting in the format is very, very
3 helpful, and I do think it provides continuity from
4 meeting to meeting. At least for me, I can follow it.
5 So I appreciate it quite a bit.

6 MR. MEADOR: All right. Great.
7 Okay. With that, we'll move on to the
8 UI projects.

9 MS. LENZY: Thank you, Dee.

10 Good afternoon, Commissioners. LaSha
11 Lenzy, for the record.

12 In Tab 2 of your notebook, I have three
13 project items that I would like to cover with you
14 today. The first item is UI Claims Certification,
15 Payment Request and Work Search Log. As you know,
16 Phase 1 was completed last July. There were some
17 small expenditures this past quarter that was part of
18 some warranty work that you'll see listed there.

19 Phase 2 of this project involves our
20 Work Search Log online feature, and it is scheduled to
21 resume next month with an anticipated completion date
22 of October of '07. And I don't think there are any
23 other changes listed on here from last time other than
24 that.

25 We'll go to the second item, UI Tax

1 Services or ETIO Project. We have seen progress in
2 several areas here. At our last Work Session, the
3 report was that the project would be completed by
4 5/31/07. There is a change there. At this time, the
5 initial project release will be completed by 5/31/07.
6 The delay has been with our credit card feature.

7 Basically, credit cards ended up being
8 more complex than we had anticipated and it's been
9 eating up a lot of staff time because there's a lot of
10 external interfaces and testing coordination that has
11 gone on with that piece. The projection for
12 completing the credit card payment has been moved 90
13 days out, which would take us to 8/31. It's 90 days
14 from 5/31.

15 The delay with the credit card feature
16 has no impact on any other TWC business areas that
17 would want to use Texas Online services and there's no
18 impact to the July rule for electronic reporting or
19 anything like that, but I did want to report that that
20 feature has slipped a little bit on this project.

21 The last item that's under Tab 2 is UI
22 Tax Registration. There have been pretty limited
23 expenditures on this one for the same reason that we
24 had reported back in December at our last Work
25 Session, the team members that needed to perform this

1 task have primarily been working on the UI Tax
2 Services Project. We will need to play some catch-up
3 on this one, but at this time, we're still leaving our
4 preliminary completion date at the December 31, '07
5 date that we had initially reported.

6 I didn't really have any other items to
7 go over on that project unless anyone has any
8 questions.

9 CHAIR RATH: Can I ask one question?
10 And it's kind of a follow-up to what you just said.

11 We have a preliminary estimate of
12 December '07. When are we going to feel comfortable
13 not having a preliminary estimate of the date?

14 MS. LENZY: You had to ask that.

15 (Laughter)

16 MS. LENZY: I'm kidding.

17 (Simultaneous discussions)

18 MS. HOWES: The remaining Web portion,
19 it will depend on when the credit card -- I'm sorry.
20 Leslie Howes, Project Management Office. It will
21 depend on when the credit card --

22 CHAIR RATH: I'm sorry. And, for the
23 record, we need you on a mic. I'm sorry.

24 MS. HOWES: Leslie Howes, Project
25 Management Office.

1 The contingency for the timeline is
2 because we need to finish the credit card
3 functionality related to UI Tax Services to free up
4 the team to start. So the main contingency is for
5 when they actually resume the project for the Web
6 portion of the imaging, and then when they get through
7 the detail design, it will be even firmer.

8 CHAIR RATH: So pardon my next question,
9 but with all of those contingencies, which I
10 understand, when do you think we'll be able to project
11 a firmer date?

12 (Simultaneous discussions)

13 (Brief Pause)

14 MS. HOWES: August.

15 CHAIR RATH: Thank you.

16 (Laughter)

17 MS. LENZY: You just wanted that one
18 word, August.

19 (Laughter)

20 CHAIR RATH: I just wanted to have
21 some --

22 (Laughter)

23 COMM. CONGLETON: And what was the date
24 on UI Claim Status?

25 (No response)

1 COMM. CONGLETON: October?

2 MS. LENZY: October was for UI Claims
3 Certification Phase 2, which is the Work Search Log
4 piece.

5 COMM. CONGLETON: Okay.

6 MS. LENZY: If your -- but your question
7 was on Claims Status?

8 COMM. CONGLETON: Uh-huh.

9 MS. LENZY: On Claims Status, that was
10 the one that we were waiting to see what the debit
11 card vendor would be able to provide us under the
12 value-added services. And now we know what they're
13 going to provide, which is the financial status piece
14 of it which is pretty much our most frequently asked
15 question, "How much money do I have left?" So the
16 debit card vendor will be doing that phase for us. So
17 anything that's left like asking for a new 1099 or
18 things like that, we'll be doing that in-house. That
19 won't complete until the April 8 date that I had
20 briefed your staff on.

21 COMM. CONGLETON: April 8th of?

22 MS. LENZY: April '08.

23 Those services will still be on the VRU
24 in an automated fashion, but the remaining portions
25 that the debit card vendor is not going to do online

1 will roll out April '08.

2 COMM. CONGLETON: And that would be
3 the -- what?

4 MS. LENZY: I'm sorry. I didn't hear.

5 COMM. CONGLETON: And that would be what
6 that you're not going to do online other than the
7 debit card "How much have I got left" type of
8 question?

9 MS. LENZY: The debit card vendor will
10 do the financial pieces of it.

11 COMM. CONGLETON: Right.

12 MS. LENZY: The other Claims Status type
13 questions that we answer now on the VRU like "I'd like
14 to request an additional 1099" -- there's a list of
15 questions. I don't think I have them with me --
16 unless somebody else does -- of what rolled out on
17 that, but I can certainly send that to you. They're
18 just status-type questions. "Why was there a
19 deduction made?"

20 COMM. CONGLETON: And the Work Search
21 part of it, when's that going to happen?

22 MS. LENZY: The Work Search Log part of
23 it rolls out October '07.

24 COMM. CONGLETON: Okay. That's where it
25 is, where I got the October. Okay. I'm with you.

1 And you need to step on those people's
2 toes and make them hurry up.

3 MS. LENZY: Okay.

4 COMM. CONGLETON: We're giving them a
5 lot of money on those debit cards. They can certainly
6 do a little more for us.

7 Thank you.

8 MS. LENZY: Okay. Anything that I need
9 to get back with you on, Commissioner? Did you need
10 me to get back with you --

11 COMM. CONGLETON: No.

12 MS. LENZY: -- on anything?

13 COMM. CONGLETON: I'm fine with it. I
14 understand the questions. I know there's a --

15 MS. LENZY: Okay.

16 COMM. CONGLETON: -- lot of them. We
17 get them daily; so --

18 MS. LENZY: Okay.

19 COMM. CONGLETON: -- pretty well got my
20 own list.

21 (Laughter)

22 MS. LENZY: All right. Thank you-all
23 very much.

24 Okay. Tab 3.

25 MR. JONES: Good afternoon,

1 Commissioners. For the record, I'm Larry Jones with
2 Workforce Development. I'm going to brief you this
3 afternoon on updating four items for which I'm the
4 executive sponsor.

5 The first of those will be the
6 integrated business process redesign. The second of
7 those will be WorkinTexas.com Phase 2. The third will
8 be Work In Texas general enhancements and the fourth
9 will be the ES/UI integration.

10 If we turn first to the integrated BPR,
11 I'd like to start with introducing our new IT project
12 manager. As you may know by now, Cindy Gray resigned
13 here to take a position with another state agency, but
14 we're fortunate to have Patricia Espinoza with us.

15 Patricia.

16 And we're very pleased. Actually,
17 Patricia has been with this project for nearly two
18 years and is thoroughly familiar with all the ins and
19 outs of the IBPR and has stepped up to the plate very
20 well and is really doing a superb job. So we have
21 Patricia Espinoza from the IT side, Patricia Gonzalez
22 from the program side to keep this on track with me.

23 I would direct your attention to the
24 bottom of Page 1 where we lay out the budget and I
25 would point out that the budget has not changed over

1 the last quarter. You see it remains steady,
2 including the budget for both Phase 1 and Phase 2. We
3 have a total of \$8.3 million here. That differs
4 slightly from what was submitted to the QAT monitoring
5 report which went as high as 11.4 million in the
6 dollar amounts that you saw. That's because the QAT
7 monitoring report includes additional items such as
8 fringe benefits, training, travel, contingency,
9 hardware and software maintenance and those types of
10 things which are not included here in the budget that
11 I present. So we're still on track with our budget
12 and with our project.

13 We met with the Steering Committee this
14 last week. The major effort in the Steering Committee
15 was to present them with a draft RFO, and the Steering
16 Committee went over that, had a few recommendations
17 for us on the draft RFO, and we've included those.
18 And we've presented your offices with a timeline --
19 I'm not sure that you have it in your books here
20 today, but you were presented with a general overall
21 timeline for the RFO and for that process, since it
22 will parallel what we're doing as we continue working
23 on Phase 1 of the BPR.

24 So just, in general, to hit the high
25 points on the RFO, we did review -- the Steering

1 Committee did review that RFO on the 8th of March.
2 That will be put out for review by TBPC and the OAG on
3 March 31st. The RFO will then be publicly posted on
4 May 1st for returns. We'll look, then, for responses
5 over the next six weeks. We'll be reviewing the
6 responses basically starting somewhere around 15 June
7 and into the first week of July. And then we'll go
8 into the best and final offer round for the last three
9 weeks of July. We'll have contract negotiation and
10 sign-off in the month of August, and that will put us
11 in plenty of time to still cover our funding for this
12 year.

13 So that's what we can expect on the
14 request for offer. As I mentioned, we're progressing
15 very nicely. We are on track with Phase 1. We'll
16 have some deliverables for you shortly, and that
17 should finish up around the end of June and then we'll
18 be looking to enter Phase 2, which is the actual
19 software development.

20 So are there any questions on the IBPR
21 or where we stand?

22 (No response)

23 MR. JONES: Hearing none, we will move,
24 then, to Work in Texas Phase 2.

25 Again, at the bottom of the page, you

1 have a budget. The budget has not changed. We have
2 approximately \$1.6 million in the budget for Work in
3 Texas Phase 2. Of that, we've expended a little over
4 a half a million dollars and have nearly 1.1 million
5 remaining.

6 In your books, you will note that
7 there's been one item completed since our last update
8 to you -- there's actually four additional items, and
9 so if you look at the first four enhancements listed
10 as in progress, all four of those have been completed
11 as well. So the advisor page for the job seeker is
12 done. The advisor page for the employer is done.
13 Staff productivity reports, the keyword search and the
14 job posting update transaction logging, all five of
15 those are now completed, and so this project is moving
16 along. We are on track.

17 Are there any questions on Work in Texas
18 Phase 2?

19 (No response)

20 MR. JONES: Good. Thank you.

21 (Laughter)

22 MR. JONES: Continuing, then, we have
23 WorkinTexas.com, the general enhancements, and we have
24 the -- let's see. The job posting upload allows
25 employers to create their own file transfer account

1 log-on and the self-test file uploads without staff
2 intervention. That was just implemented this last
3 Friday.

4 We also, I would like to tell you, based
5 on direction here from the Commission, have started
6 work on veteran's preference in Work in Texas and
7 staff has started their initial work on that portion
8 of WorkinTexas.com. There's some other minor
9 phases -- minor portions being implemented right now,
10 but if you have questions, I'll be happy to address
11 those.

12 CHAIR RATH: I guess I just want to
13 clarify that since there was some legislation
14 introduced, that when that bill is up, if I'm
15 understanding correctly, we could testify that it's
16 already underway.

17 MR. JONES: We have already started
18 that. Yes, ma'am.

19 CHAIR RATH: Okay. Thank you.

20 MR. JONES: That's correct.

21 Are there any questions, then, on the
22 Work in Texas general enhancements?

23 (No response)

24 MR. JONES: And then I would move,
25 lastly, to the ES/UI integration.

1 Preliminary design has been completed
2 since our last update. Detail design is in progress.
3 I don't have anything to tell you beyond that unless
4 you have questions. This project -- you have a budget
5 line down at the bottom of the page there, I believe.
6 The budget has not changed and we're on track.

7 CHAIR RATH: And it looks like with the
8 concurrence of House and Senate, we're moving forward
9 being able to continue it.

10 MR. JONES: Yes, ma'am.

11 COMM. CONGLETON: Is that the
12 appropriations for it that we're waiting on?

13 MR. JONES: I don't know the answer to
14 that. I think that we're --

15 CHAIR RATH: It's being funded out of
16 available funds. It wasn't the money.

17 COMM. CONGLETON: Okay.

18 CHAIR RATH: It was just the --

19 MR. JONES: Right.

20 CHAIR RATH: -- authorization --

21 MR. JONES: Right.

22 CHAIR RATH: -- because we didn't have
23 the authorization to spend the money, but it's in
24 both -- as it stands now, both draft bill that will be
25 substituted in the House and in the Senate. So both

1 of them, as of this date, given us approval. So,
2 hopefully, if that moves forward, we're home free.

3 Did I say that right, Mr. Crump?

4 MR. CRUMP: Yes, ma'am.

5 MR. JONES: Very good. And thank you,
6 ma'am.

7 We expect the Phase 2 -- we're in Phase
8 2 of this project at this time. That should be
9 completed by August 31st. We're on track to do that.
10 Then we'll enter Phase 3 which would take about
11 another 18 months to complete.

12 COMM. CONGLETON: Which phase is going
13 to stop disqualifying people because it's so
14 complicated?

15 MR. JONES: I have to get you an answer
16 and get back to you on that, sir.

17 (Laughter)

18 COMM. CONGLETON: Thank you, Jones. You
19 know how I feel about disqualifying folks.

20 MR. JONES: Would you rather I come and
21 answer that or could I send staff to answer that?

22 (Laughter)

23 COMM. CONGLETON: I'd rather you do it.

24 MR. JONES: Oh. Very good, sir.

25 (Laughter)

1 COMM. CONGLETON: I feel freer to talk
2 to you.

3 MR. JONES: I'd be happy to do that,
4 sir.

5 (Laughter)

6 CHAIR RATH: And my fear is that that's
7 Phase 3.

8 COMM. CONGLETON: That's my fear, too.

9 MR. JONES: That's all that I --

10 CHAIR RATH: And can I ask one question
11 as a follow-up to Commissioner Congleton?

12 It's scheduled to begin in '08. Do we
13 have any remote draft date on when we think that might
14 be complete?

15 MR. JONES: I was briefed by staff 18
16 months after August 31st of this year. So I could do
17 the finger count, but -- February of '09. Would that
18 bring us to the right date?

19 MS. LENZY: 18 months.

20 COMM. CONGLETON: 18 months would be
21 like -- that sounds all right to me. I'm going to
22 hold you to that. I've got it "wrote" down here,
23 February.

24 (Laughter)

25 MR. JONES: Wail on me for that when I

1 come by for the other.

2 COMM. CONGLETON: Okay. Colonel, thank
3 you.

4 MR. JONES: Yes, sir.

5 That's all I have, Commissioners.

6 CHAIR RATH: Thank you.

7 MS. BENTON: Good afternoon, Chair Rath
8 and Commissioners. For the record, I'm Joann Benton,
9 the Acting Director of Program Integrity, and I'm here
10 to update you on two projects that we have in Program
11 Integrity, and they're behind Tab 4 in your notebooks.

12 And the first one we'll talk about is
13 the Benefit Payment Control Collection Redesign. The
14 purpose of that project is to improve data integrity
15 and the workflow of the overpayment collection process
16 as well as the quality of our statistical data
17 capturing methods. As similar to Larry's projects,
18 our projects are on budget and on target and the
19 budget hasn't changed since the last quarter.

20 On Page 2 of that summary, you'll see a
21 high-level timeline. The BPC project is not really
22 one project but rather a number of smaller projects
23 that are worked on by one project team as one
24 initiative. Because of this, you'll see that they
25 have various completion dates. The very first one

1 there, the Batch Architecture Project, provides the
2 redesign and enhancement to the collection specific
3 batch processes. Phase 1 is already completed and
4 Phase 2 will be complete by May of 2009.

5 Phase 2 will include increments to
6 address enhancements for selected functions such as
7 billing, past due, return mail, payment plan
8 assessments, skiptrace uncollectibles and death of
9 claimant.

10 Under the Comptroller Warrant Hold
11 section, that project is comprised of four
12 developmental increments and will automate the entire
13 process of Comptroller warrant holds which staff is
14 now doing manually. And that is all estimated for
15 completion this summer, July of 2007.

16 Archive Enhancements is also a
17 subproject. It's comprised of two increments that are
18 estimated for completion in about two months, and that
19 will correct the current archive process that causes
20 data integrity problems and archive also the closed
21 claims with overpayments of past data integrity
22 audits.

23 The fourth project is the online
24 modifications and enhancements which is comprised of
25 12 increments to address issues and known defects with

1 production/collections, online screens and programs.
2 And the fifth and final one is the data integrity data
3 corrections. And that's just going to correct some
4 inaccurate collections-related data in the Benefit
5 System as well as the programs that create the
6 inaccurate data.

7 So that is what that project is all
8 about. We are on time and budget. And do you have
9 any questions?

10 CHAIR RATH: No. I just want to comment
11 that realizing the overall project goes for a couple
12 of more years, but when I look at the significant
13 actions that will have been completed by October of
14 '07, that goes such a long way to improving a system
15 that I think we've recognized, you know, three years
16 ago was really struggling. So I want to thank
17 everybody because it clearly is making significant
18 progress.

19 COMM. CONGLETON: And I agree with that.

20 MS. BENTON: Thank you.

21 The second project we wanted to talk
22 about today is the Program Integrity Workflow Project,
23 and the purpose of that project is to improve the data
24 integrity and the quality of services to employers and
25 claimants. The process will reduce -- it's going to

1 reduce manual processes and improve data exchange with
2 employers and claimants and automate old -- improving
3 overpayment investigation and tracking to prevent
4 additional overpayments by investigating issues sooner
5 so that they can be detected and reduce the number and
6 amount of overpayments.

7 This project is budgeted to be concluded
8 by August of 2008. The date that you see there, the
9 September 2009 date, is really the -- was based on the
10 date of the supplemental budget request that ended at
11 that time, but with the recent approval of the
12 business requirements, it was determined that the work
13 could be achieved by August of 2008, in a shorter time
14 frame. This project also is on budget and on time and
15 the budget hasn't changed since the last quarter.

16 And on the next page, we give you the
17 high-level timeline. And this project is broken out
18 in three phases. The first phase focuses on the OCR
19 imaging solutions that automate the capture of data
20 received from the employers. It's then validated and
21 saved in the Benefit System. It's going to be
22 implemented by September of this year.

23 In Phase 2, the investigations workflow
24 framework will deliver processes and earnings data
25 that provides the investigations case management

1 functionality. That's going to be completed after
2 Phase 1 and will be ready to go in August of 2008.
3 And then Phase 3 will focus on other means of earnings
4 verification data input such as electronic data
5 interchange and fax servers. Implementation of this
6 phase will allow fraud detection to provide additional
7 means to employers to respond to requests for earnings
8 data. That, also, will be completed by August of
9 2008.

10 So if I can answer any questions.

11 CHAIR RATH: Looks good.

12 Any questions?

13 COMM. CONGLETON: No questions.

14 CHAIR RATH: Thanks.

15 MR. CRUMP: Commissioners, Gene Crump
16 again.

17 Jesse is at Senate Finance today. Are
18 there any questions regarding LMCI or CDR that you'd
19 like me to carry back to Jesse?

20 COMM. LEHMAN: Do we have any IT
21 projects underway?

22 MR. CRUMP: No, sir. Not to my
23 knowledge.

24 COMM. LEHMAN: Then what questions would
25 we have?

1 (Laughter)

2 MR. CRUMP: Oh. Hey.

3 MR. LEWIS: We don't have any IT
4 projects. Therefore, they are all on budget and on
5 schedule -- actually, ahead of schedule.

6 (Laughter)

7 COMM. CONGLETON: Completed, you might
8 say.

9 MR. LEWIS: Absolutely, sir.

10 COMM. CONGLETON: Good job, Jesse.

11 MR. LEWIS: I appreciate the confidence.

12 MR. JONES: Oh, gee.

13 (Laughter)

14 COMM. CONGLETON: And you, too, Colonel.
15 Almost.

16 MR. LEWIS: It's the juxtaposition.
17 Appreciate it.

18 (Laughter)

19 CHAIR RATH: And I was just going to
20 say, I think the debit card was given to us this
21 morning.

22 MR. CRUMP: Yes, ma'am. There's -- last
23 two items: One was the PeopleSoft financial upgrade.
24 Again, it's on time and on budget. We don't
25 anticipate any problems there, and we talked about

1 debit cards this morning. With that, that completes
2 staff's remarks.

3 Are there any questions from the
4 Commissioners?

5 CHAIR RATH: No. I want to really thank
6 everybody. I think when we look at the information
7 that's provided, the progress that's being made, I
8 think it really demonstrates such significant
9 improvement from where we were as an Agency a couple
10 of years ago, and that didn't come easily. It took an
11 awful lot of hard work and preparation; so I really do
12 thank you and I feel real good about both -- not only
13 the information we're getting, but more importantly,
14 probably, the status of the projects as you-all have
15 them underway, too. So thank you very much.

16 MS. LENZY: Thank you.

17 COMM. CONGLETON: This is a much kinder,
18 softer meeting, and I appreciate it as well.

19 (Laughter)

20 COMM. LEHMAN: Thank you.

21 CHAIR RATH: Then if there's nothing
22 else, we will stand adjourned.

23 Thank you-all.

24 (Proceedings concluded at 2:02 p.m.)

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, Patricia Gonzalez, 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 20th day of March 2007.

PATRICIA GONZALEZ
Certified Shorthand Reporter
CSR No. 6367-Expires 12/31/08

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