TEXAS DEPARTMENT OF MOTOR VEHICLES
PROJECTS AND OPERATIONS COMMITTEE
MEETING

2:00 p.m.
Wednesday,
June 5, 2019

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

COMMITTEE MEMBERS:

John Prewitt, Chair
Tammy McRae
Paul Scott
Shelley Washburn
INDEX

AGENDA ITEM

1. Roll Call and Establishment of Quorum 3
2. Pledges of Allegiance - U.S. and Texas 4
3. Comments and Announcements from Committee Chair, Committee Members, and Executive Director

BRIEFINGS

5. TxDMV Organizational Assessment Project (TOAP) 14
6. Workforce Update 23
7. Enterprise Project Management Advisory Service 30
8. Technology Projects and Roadmap (Software/Hardware Currency Progress) 41
9. Strategic Planning and Balanced Scorecard 82
10. Facilities Update 90

EXECUTIVE SESSION

11. The Board may enter into closed session under none or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:
   Section 551.071
   Section 551.074
   Section 551.089

12. Action Items from Executive Session none
13. Public Comment none
14. Adjournment 105

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PROCEEDINGS

MR. PREWITT: Good afternoon. My name is John Prewitt, and I am pleased to open this meeting of the Projects and Operations Committee of the Board of Texas Department of Motor Vehicles. It is now two o'clock p.m., and I'm now calling the Committee meeting for June 6, 2019 to order, and I want to note for the record that the public notice for this meeting containing all items on the agenda was filed with the Office of Secretary of State on May 23, 2019.

Before we begin today's meeting, please place all cell phones and other communication devices in silent mode. I'd now like to have roll call of the members of the Committee. Member McRae?

MS. MCRAE: Here.

MR. PREWITT: Member Scott?

MR. SCOTT: Here.

MR. PREWITT: Member Washburn?

MS. WASHBURN: Here.

MR. PREWITT: And I'm John Prewitt, chair of the Committee. Let the record reflect that we have a Committee quorum. The posted agenda stated a quorum of the Board may be present at this meeting, however, Board members who are not members of the Projects and Operations Committee will not vote on any Committee agenda items.
today, nor will any Board action be taken.

There is -- Chairman Treviño is in attendance
for information gathering and discussion. Chairman, thank
you for being here. I'd like for us now to stand and say
Pledge of Allegiance to the United States flag and flag of
Texas.

(Whereupon, the U.S. and Texas pledges were
recited.)

MR. PREWITT: Thank you. Now, we move to
Agenda Item 3. Do any Committee members or the executive
director have any comments or announcements?

MS. BREWSTER: No, sir.

MR. PREWITT: Okay. Since this is our first
Committee meeting and we have some new members, I wanted
to discuss the Committee's charge. I am ready and willing
to take on the charges of the Committee. The Projects and
Operations Committee meets as needed to review long-range
projects and operational improvements.

The responsibilities of this Committee include
project -- providing oversight and strategic direction
relating to the planning, execution and impacts of major
Texas Department of Motor Vehicles initiatives. These
include the following: hardware and software projects,
facility management, organizational structure, workforce
development, performance measures and process improvement,
and finally, continual ongoing operational activities.

Unless anyone has any questions, we will move into the briefing items.

(No response.)

MR. PREWITT: Seeing there are no questions, we will now hear from executive director Whitney Brewster on Agenda Item 4.

MS. BREWSTER: Good afternoon, Chairman Prewitt, and members of the Projects and Operations Committee. My name is Whitney Brewster, and I am the executive director for the Department. Thank you for the opportunity to share with you the status of the management actions adopted by the Sunset Advisory Commission for our Department.

This is just a briefing. There are no action item -- this is not an action item for the Board. There were 16 management actions made by the Sunset Advisory Commission, which you will see reflected in your Board books, starting on page 5.

As a reminder, there are two types of changes recommended by the Sunset Advisory Commission: management and legislative. Management recommendations are effective immediately upon adoption by the Sunset Advisory Commission.

The legislative recommendations were folded
into our Sunset bill, SB604, which passed the 86th Legislature. I'm grateful for that, because we can continue on as an agency for another 12 years. You will be receiving a briefing from Caroline Love with our Government and Strategic Communications Division tomorrow that will include a comprehensive list of bills that passed impacting the Agency, which will also include the Sunset bill, SB604.

Today, I will be providing you with an update on the management actions adopted by the Sunset Advisory Commission, but more specifically, those that are not yet implemented. You will see a full list of the items in your Board books.

The good news is that there are no red items. We -- all of them have either been implemented or are in-flight. I draw you to the Sunset decision tracking document, again in your Board books, and you can also see it on the screen here, starting with Recommendation 1.7.

And this directs the Board to establish advisory committees to provide expertise for rulemaking and other issues, and to adopt rules regarding the structure and criteria for how those advisory committees are to operate.

This item does have a due date that was specified in the report of September 1. The Board had --
has already approved rules for posting for public comment, and this rule package will be up for final adoption -- for consideration for final adoption by the Board in the August Board meeting.

Once those advisory committees are established through rule, Chairman Treviño will then appoint advisory committee members. Moving on to Recommendation 2.2, this item -- let me scroll down a little bit here -- moving on to Recommendation 2.2 -- this is not functioning, sir.

Thank you. This item also has an element of rulemaking. This recommendation directs the Department to adopt rules to formalize the Department's current red flag process and to make it very clear what the path is for, reported -- reporting suspected fraud, waste and abuse, as well as providing an option for the counties to request action for suspected fraud, waste and abuse, which could include terminating access to the Registration and Titling System, used both by the Agency as well as the tax assessor-collectors.

The Agency does have a very strong red flag training that it provides, but this recommendation requires that we formalize that program in rule. And again, there was no specific due date on this item. However, the Board has already again approved the rules for publication for public comment.
So we should be able to have this implemented entirely when the Board considers this rule for final adoption in the August Board meeting, of course, assuming that the Board does adopt the rule. If you will please turn with me to page 7 of your Board books -- all right.

Going down to 3.6, adopted by the Sunset Advisory Committee, it directs the Department to improve enforcement data tracking in its existing system. There is no implementation date for this item. However, Agency staff has already begun logging IT tickets to make enhancements to the systems to add additional fields so we can collect more robust information on our enforcement cases, like -- just to give you a few examples -- like repeat violators, information around what stage a case is in with the State Office of Administrative Hearings, being able to pull information on enforcement case type, what the violation was.

We -- right now, we don't have the ability to pull that information from our current systems, so this is -- this would allow us to do that, and would be -- would allow us to identify trends that would warrant further action by the Department. We are in the planning phase for this item, and I think it's important to note that we did request funding from the Legislature through our legislative appropriations request in the 86th
Legislature. We were appropriated those dollars, and they will be available starting in FY'20.

So that is very good news. I say they should be available by September 1, because we are still in the veto period. That period runs through June 16. Moving on to Recommendation 3.7, this recommendation is directly linked to Recommendation 3.6.

Based on the additional enforcement case information that we will be able to pull from our system, we can then revise and expand our internal key performance indicators and be able to provide additional information to the Legislature and others on the status of our enforcement cases.

Again, this will help better assess effectiveness and efficiency, and to provide more visibility into the enforcement process. We will also look at revising our annual reports to include more comprehensive data, and the revised report, the annual report, would include data from the newly-established KPIs, based on the information we're able to pull.

Moving on to Item 3.9 here, this recommendation directs the Department to publish more detailed information on our enforcement histories of the regulated motor vehicle and motor carrier businesses. The Agency already publishes or posts to our website the enforcement
actions pertaining to our motor carriers.

However, we do not do this when it comes to our motor vehicle licensees. I'm sure you're asking yourself, why do you do it for one and not the other? I think context is really important here. In 2009, when the Agency was established, we only had enforcement of our motor vehicle licensees.

It was not until 2012 that the motor carrier function came over to the Agency from TxDOT. So when that transfer occurred, we did not make changes to the system to provide that information for our motor vehicle licensees, and that's what this is around.

Again, there is no implementation date on this.

This is -- this was also dependent upon funding received from the Legislature, which fortunately we received, and we should be able to have that funding available in FY'20.

Moving on to 4.6, this recommendation directs the Department to adopt criminal history checks and guidelines for the salvage industry, much as we do for the motor vehicle licensees.

This item does not, again, have a specified implementation data. However, this item is well underway. Agency staff will be making a recommendation to the full Board in tomorrow's meeting to start the informal rulemaking process.
Recommendation 5.4 directs the Department to develop a comprehensive approach to developing, maintaining, and updating its IT infrastructure. The Information Technology Services Division has been very busy. They have created a full inventory of our IT systems and assets.

They have also created a new organizational structure and timelines for system maintenance updates. IT has created a technology roadmap, which our CIO, Mike Higginbotham, will be going into in a little more detail later on in the agenda. And they are also in progress on the creation of a process to ensure communication and coordination between the executive team, IT staff, and project management, as well as continued implementation of state cybersecurity requirements and best practices.

This is not an exhaustive list. This is a high-level review. There are a lot of other activities that IT has been performing to address this recommendation, but those are just some of the high-level items.

Lastly, Recommendation 5.5 directs the Department to evaluate and identify further opportunities to consolidate and modernize its customer service functions to improve efficiency and the customer experience. A lot of really good things have been going
on around this recommendation, that I'm pleased to be able to share.

I also want to note that this is an ongoing effort. There is no implementation date. To me, this is something that should be an ongoing exercise of the Agency to ensure that we are providing a positive customer experience and looking at better ways of providing services.

During the evaluation of our customer service functions, three small business units were identified in the Information Technology Services Division. As customer support-related, they were transferred to other appropriate divisions.

One transfer was the Five Percent Customer Service Help Desk for counties and dealers to the Consumer Relations Division. It was a natural fit within the division, where the motoring public calls for title and registration support, and motor vehicle dealers call for e-licensing support.

Since the transition, I'm really happy to be able to report that the wait times for county staff has decreased from average of 20 minutes to less than two minutes, and dealers can now just call one place in the Agency for help. So I think that was a really good move.
Another misaligned business unit was County Billing and Funds Adjustments. This group was transferred to the Financial Services -- Finance and Administrative Services Division to improve accountability, ensure proper oversight, and improve the customer experience.

Lastly, our website functions transferred from IT to our Government and Strategic Communications Division, where the focus is on communication and the customer experience. All three business units have transitioned well, and the Information Technology Services Division has aligned their business areas with their core mission.

We are also working on standardizing our customer surveys Department-wide, which fits nicely into this recommendation. We're also upgrading the call center technology that is needed for us to be able to use chat and bot technology.

We're also working on procurements of kiosks to be able to pilot across the state in the counties. And also we are in the middle of upgrading our website. We are underway in that project, and again, Mike Higginbotham will give a little more information on that later on in the agenda.

That was a lot of information that I just went through with you, but I am happy to answer any questions
that you have around the Sunset management activities of
the Agency.

MR. PREWITT: Do any Committee members have any
questions or comments?

(No response.)

MR. PREWITT: Just a wonderful job by staff, executive
director Brewster, and we're -- not only when
going through the Sunset process, but just the proactive
stance you've taken and progress you've made. So thank
you.

MS. BREWSTER: Thank you.

MR. PREWITT: Well, once again, if you're ready
for the next briefing, we'll move ahead and do the Texas
DMV Organizational Assessment Project, also known as TOAP.

MS. BREWSTER: I am usually not on this side of
the table, so excuse my ability to manage the slide deck
here. That's great. Thank you. All right. Mr. Chairman, if I may continue?

As the Texas Department of Motor Vehicles approaches its 10-year anniversary, Agency staff is revisiting the vision the Legislature had for the Department. The purpose of the Texas DMV Operational Assessment Project is to ensure we are meeting that vision and that we have a strong foundation on which to grow and mature as an organization.
In an effort to ensure the TxDMV Board is apprised of the operational efforts of the Agency to strengthen the Department, TxDMV staff wants to make sure that the Projects and Operations Committee is well aware of what is happening with what we call TOAP. All right. Not the greatest acronym, but it works.

All right. These are some of the objectives that we have established as an Agency as being important to achieve through the TOAP process: looking at improving Agency processes, improving our departmental policies and procedures, evaluating and aligning our current technology, optimizing TxDMV infrastructure and looking at our budget structure to ensure that it is meeting the needs of the Agency and is scalable, improving our organizational structure and our allocation of our resources, and improving internal and external communications.

The TxDMV Operational Assessment Project has identified six work groups to accomplish these objectives. We've got the Process Work Group, Legal, Technology, Finance and Administrative Services, Organizational Preparation, and Communications Work Group.

Each work group has established both short-term and long-term milestones. The Process Work Group. The Process Work Group is developing a statement of work to
contract with a vendor to examine Agency processes so that we can identify areas of inefficiencies, redundancies, gaps, and opportunities for improvement.

They're also reviewing the government processes and providing recommendations on improvements to those processes for agency-wide initiatives, as well as use of capital funding. This work group is also reviewing the Centralized Accounting and Payroll Personnel System, also called CAPPS -- the modules that we use to make sure that we're leveraging that application to the fullest potential, and that is a system that is operated through the Comptroller's Office.

Finally, they are evaluating and providing recommendations to improve the delegation of authority processes so that we can improve our efficiencies through the Department so that we don't have a choke point in one particular area.

The Legal Work Group is reviewing the Department's policies to identify changes needed to ensure that we are aligned with statute and best practices, that those policies, those rules and policies are standardized, and that they are easily accessible to staff.

They are also reviewing the Agency's fraud policies and completion of our Sunset-related items. And finally, this work group is focused on the flow of rule
development from drafting to final adoption, and looking to make sure that we have the best process in place possible so that we can ensure proper review, transparency, efficiency, and public input into that process.

The Technology Work Group. The Technology Work Group is reviewing the Department's technology organization for alignment to ensure efficiency of services, and they're also identifying service-level agreements, so internal and external customers really know what to expect from the services that we provide.

Another milestone for this work group is to assess the application performance and to employ additional monitoring tools to assist the Department. They are also looking to improve visibility into cybersecurity risks through utilization of automated tools, and also evaluating data governance processes to improve performance, decrease the Agency's risk around data, and to ensure efficiency and compliance with the use of the Department's very important data.

Another initiative is to review the intake process when it comes to portfolio governance -- excuse me -- and develop a weighted matrix of how we prioritize and select enhancements and system defects for implementation. This work group is also responsible for
development of a report that lays out the status of our technology currency and the standards around our technology.

And finally, the Technology Work Group will be looking at planning out an enterprise complaint management system to improve our cross-division work related to complaints received by the Department. Right now, we don't have a system like that in place. So they will be busy looking at planning and looking at what would it take to implement such a system in the Agency.

Moving on to the Finance and Administrative Services Work Group, they are developing a report of changes needed to optimize the usage of our facilities, both here at Headquarters and the 16 Regional Service Centers across the state. These are both short-term and long-term milestones for those -- for facilities. They're also evaluating the budget structure, and will be making -- recommending changes to ensure that it is optimal to meet the Department's needs, both short-term as well as long-term.

Finally, they are creating key performance indicators around our support functions within the Agency so that we have greater visibility into whether or not we are hitting the mark when it comes to the support services that we provide to Department staff.
Organizational Preparation Work Group. This work group is very busy reviewing and will be making recommendations around the overall organizational structure and staff allocations to make sure that we are efficiently using our human resources within the Agency.

Additionally, this work group is looking at the development of an annual plan for classification reviews. And this is to better ensure equity and consistency across the Department, and also better recruitment and retention of our employees.

They're also looking at the change management within the Agency. We have pockets of change management throughout the organization, so they'll be looking at the structure of change management, and possibly where it should reside within the Department.

They're also developing policies and procedures around setting up and implementing career paths in the Agency, so we can hold onto our employees that have an interest in a career at the Agency. The Organizational Preparation Work Group is also developing guidelines for starting salaries, and equity for salary increases across the different divisions.

Something that is near and dear to my heart is the Leadership Academy. They are looking very closely at the next level of the Leadership Academy. Our Human
Resources Division has created supervisory training for the Department, that all of our supervisors are going through now, and they're looking forward to adding additional leadership training to our repertoire so that we, one, can make sure that our existing managers within the Agency have the leadership skills that they need to be able to move the Agency forward, but also any of our employees that are interested in moving into a leadership role, that we have that resource available to them, should that be of interest to them.

And last, but certainly not least, we have the Communications Work Group, who will be developing a style guide for the Department to include standards for writing, so that we can better ensure that we are speaking with one voice. They're also establishing a Department communication calendar to make sure the Agency is coordinated and prepared for communications being distributed by the Department. The work group is also looking at the development of standard operating procedures pertaining to the governance of the TxDMV's intranet and internet.

And finally, the Communications Work Group is developing communication strategies on how to communicate and better foster stakeholder relationships, as well as methods to permeate the Agency culture throughout the
organization at all levels of the organization.

I've shared with you just the short-term goals of the TxDMV Organizational Assessment Project, which will actually formally end at the end of the fiscal year. Those items that are not completed or have the longer-term goals will be considered for the Agency's strategic plan, as well as possibly being implemented in the specific divisional operational plans, so that we can continue the very positive momentum of TOAP.

MR. PREWITT: Yes.

MS. BREWSTER: So in closing, if I may, I would really like to thank the -- those that have been involved in the TOAP process. Unfortunately, Noelle Bell is not here. She's in our Project Management office. She is on a vacation, so that's very good.

But I also wanted to thank Thomas Beckley for his work. He leads the Project Management office. They're done a great job of trying to coordinate all of these efforts. I also want to express my sincere appreciation for the members of TOAP.

They have set some pretty aggressive timelines for accomplishing a great deal, but they're making outstanding progress, so I want to very much thank those that are part of the TOAP working groups, and that's pretty much almost everyone in that area over there.
But I do want to just thank them for all of their hard work on these items. And with that, Mr. Chairman, members, I'd be happy to answer any questions that you have.

MR. PREWITT: Are there any questions?

MS. WASHBURN: I have one question. This is a pretty aggressive list of things, that, combined with the management actions from the Sunset. How do you prioritize?

MS. BREWSTER: So one of the -- that's a great -- that's a very good question. One of the things that we are doing is trying to, as an Agency, do exactly what you're referencing, member Washburn.

We are looking at the strategic planning process and starting that process earlier so that we can establish what the priorities are up front, and have those -- so that we don't have a number of initiatives going on all at the same time, that they all kind of feed into each other. So that we don't have initiatives under the operational plans, initiatives under Sunset, initiatives under the strategic plan, so that we can streamline that process and make it as efficient as possible, while not burning out Agency staff.

So actually, Dr. Tom Shindell will be going into the strategic planning process and will be providing
more information around that. So if you don't mind, I
will defer to --

MS. WASHBURN: Absolutely.

MS. BREWSTER: -- him to go into that a little
bit further.

MS. WASHBURN: No problem. Thank you.

MS. BREWSTER: Thank you.

MR. PREWITT: Are there any other questions?
(No response.)

MR. PREWITT: Great job. We look forward to
hearing about the six work groups and I know that y'all
have a full stack of work ahead of you.

MS. BREWSTER: Thank you.

MR. PREWITT: Thank you, Ms. Brewster. I'd
like to now call on Matthew Levitt to present an update on
the workforce update.

MR. LEVITT: Good afternoon, Chairman Prewitt,
members. My name is Matthew Levitt. Excuse me. I'm the
Human Resources director. This is a briefing only. And
you -- this is information about our workforce.

You heard a lot about all the great things that
the Agency is accomplishing, all of the outcomes. These
are done by the people, the dedicated staff across the
state. I just want to give y'all sort of a brief overview
of what our workforce looks like very quickly.
The -- I'm starting on page 13. The slides are going to not follow directly with the same information you have. You will see basically the same information as you were getting on screen.

So I want start talking about turnover. So I'm -- not necessarily the lunch kind of turnover, but the employee turnover. So when we lose employees, it's a cost to the Agency in both the dollar cost and the retraining cost and the work not getting done.

And overall, we have a fairly low turnover compared to other state agencies in Texas. And again, you have all of this detail in the slide -- in the handout on pages 13 through 19. When we look at other Texas state agencies across the state, the overall turnover when we consider both the voluntary and involuntary turnover, has been between about 17-1/2 and 19.3 percent over the last five years.

If we look at how the turnover rate for all employees at TxDMV, you'll see that it's significantly lower. This includes everybody who's leaving, whether it's voluntary or involuntary, including those people who are terminated, who are resigned in lieu of, you know -- in lieu of termination.

So if we could look at just the voluntary turnover, if we look at all Texas state agencies, you're
going to find a much lower rate between about 10 and 11 percent. Again, however, you'll see that at TxDMV, our turnover rate is still significantly below that.

So we have much lower turnover compared to other Texas state agencies as a whole. We have a fairly significantly, you know, long tenure compared to Texas government. People are wanting to work here. People are not leaving in droves.

People are happy to stay and generally are fairly -- I mean, in a broad sense, pleased with the, you know -- with the Agency. Fifty-two percent of the employees have been here at least five years, and 149 days, we'll have reached 10 years as an Agency.

There's about a quarter of the Agency that has been here since the beginning of the Agency, when the Agency broke off from TxDOT in 2009. So again, you have fairly significant tenure of people who have been here for quite a while.

I'm in one of the 48 percent, so I'm not one of those, but you have a fairly lengthy tenure of many of our staff. To discuss a few of the other demographics, 70 percent of our employees are in Austin. We don't have quite the same view out of our windows for where we are.

Of the remaining staff, we have 200 employees in regional offices around the state. The -- of those
regional staff outside of Austin, the majority of them are in the Vehicle Titles and Registration Division, about three-quarters of them.

Nearly all the rest are in the Enforcement and Compliance and Investigation Division, with a couple in the Administrative Services Division. So again, a couple hundred employees in offices throughout the state.

Shifting gears a little bit, just to talk about some of the demographics, about two-thirds of our workforce is female, which is a little bit more, compared to other state agencies and compared to the available in the overall workforce. Our racial makeup is fairly comparable to the state of Texas. Fifty-four percent white, 28 percent Hispanic, 14 percent African-American, and 4 percent Asian and other races. So we have a fairly diverse workforce that represents the -- you know, the ethnic diversity of this state.

We have a fairly older workforce. Three-quarters of our staff are over 40. We don't have too many on the far right over there with the bright hair and ribbons in our hair, that -- again, some of the detail is in the handout that you have.

And the majority of our employees are older. This is older compared to the state workforce overall and compared to the general civilian workforce. So one of our
challenges is as our workforce ages and as people come, you know, eligible for retirement, make sure we're continuing to recruit, able to recruit and fill those positions and to be able to maintain a -- you know, the knowledge transfer for those employees who are retiring and moving on.

Shifting gears a little bit -- let me just pause for a little bit. I want to talk about training. Any questions from any of y'all so far of the sort of overview of the demographics and what our workforce looks like?

(No response.)

MR. LEVITT: So just to talk about training, there's a number of things that are mandatory training that are required -- excuse me -- by the state. We're required to have EEO training for all employees within the first 30 days of employment.

We're required to have human -- you know, opposing human trafficking -- you know, the anti-human trafficking, you know, training that all employees are going through. We have the computer security training that all employees take.

We have an AAMVA training for fraud that every employee is required to take. We also have our internal fraud, waste and abuse training required for all
employees. Again, these are things that all employees are
taking within their first 30 days to make sure that we've
got a consistent, trained, knowledgeable, you know,
workforce operating with integrity and principles.

MR. PREWITT: Please.

MS. BREWSTER: Matthew referred to AAMVA fraud
training. AAMVA is the American Association of Motor
Vehicle Administrators. It's our national association and
they have fraud training to member jurisdictions, which we
are one of them. Thank you.

MR. LEVITT: As a relatively new employee, I
know about three acronyms. I'm still learning, and so
that was one of them. So the -- thank you. One other
piece that Whitney referred to earlier is that we've been
conducting supervisory training for all supervisors.
We want to make sure that all supervisors are
up to speed on what can you ask in an interview? What
happens if someone has a disability? What happens if
someone has a medical condition? If someone is asking for
leave -- to make sure that these things are handled
consistently and accurately and fairly and legally across
the board for all of our supervisors.

We're in the process of doing that now, and the
next training is going to, you know, happen again in July
for this, and wrap this up in September. We're in the
process of developing leadership training to the next stage for all of our staff.

And so as Whitney mentioned, we really want to make sure that we've got opportunities for people to advance. So we're really looking at making sure that we're developing several levels of leadership training for people to advance and promote through the Agency.

One of the issues that I know, you know -- as a relatively new employee -- I know it's been discussed for a while -- is making sure that there's training and there's opportunities that we have ways in which to develop our staff.

In our operational plan, one of the pieces we have for HR is to make sure we are developing leadership training. So this is a piece that's in process right now. We're in the process of developing. This is something that's going to be rolled out in the fall, you know, available to all employees, required for some, still in the works for what that's going to look like.

And again, we really want to focus on the opportunity for internal promotion and internal advancement by gaining skills for our staff. That was a really quick review.

MR. PREWITT: It was.

MR. LEVITT: I can answer any questions that
y'all might have.

MR. PREWITT: Are there any questions?

(No response.)

MS. WASHBURN: Thank you.

MR. LEVITT: Thank you.

MR. PREWITT: Great job, Matthew. Thank you.

Next, Sandra Menjivar-Suddeath. If you'd come up and talk to us about the Enterprise Project Management Advisory Service?

MS. MENJIVAR-SUDDEATH: Good afternoon. For the record, Sandra Menjivar-Suddeath, Internal Audit director, and I'm presenting Item 7, which is on page 22, which is the Enterprise Project Management Advisory, and this is a briefing item only, so no action is required.

To give you some information about the Enterprise Project Management process in the Department, the Enterprise Project Management process is what governs any large initiative or project we do in the Agency. For example, the refactoring of the registration and title system, webLIEN, webDEALER, and even the county refresh of equipment that we did a few years ago, were governed with the Project Management -- Enterprise Project Management process.

Now, previous to this fiscal year, the Enterprise Project Management process was governed and
That office was dissolved and put into the Information Technology Service Division this fiscal year and now is the Project Management Office within the Information Technology Service Division.

Now, as part of that transition, the chief information officer, Mike Higginbotham, requested that Internal Audit do an advisory service to evaluate the Project Management process. And an advisory service is a bit different than an audit.

As an audit, actually, we're doing testing. We're reviewing controls, things to that regard. The Advisory Service is information-gathering. We get information. We have specific objectives that we've discussed with the Division or the Division director on what we need to collect, and we provide that information to help them plan for the future.

Since the Project Management process was something new for Information Technology Service Division, they wanted us to evaluate the government structure and specifically identify potential roles and responsibilities for the staff.

In addition, they wanted information about the potential governance structures that could be used instead of the one we have right now. So the project was led by
Jason Gonzalez, who's the senior audit next to me, and Jacob Geray, who's in the audience.

And I'm going to transition to Jason to talk about the results and give you a little bit more information about the Project Management process.

MR. GONZALEZ: For the record, Jason Gonzalez, senior internal auditor. Can you hear me now? All right.

So the first thing I want to touch base is just what defines an enterprise project. Right now, we define that as a project with 5,000 hours, $500,000 in expenditure of our budget, if it affects the -- if the project affects the Department as a whole, or if it specifically involves two or more divisions.

The current governance structure consists of a project team, leadership teams, the executive steering committee, and the governance team, where the project team -- the subject matter experts. The leadership team are the project -- the level of project teams management.

The executive steering committee is the oversight of daily budget expenditures, and they vote on project -- general project decisions. And the governance team is -- votes on specifically the budget, the project hours, and then they also make decisions on how that project is going to impact the Department as a whole, so the portfolio management.
This current model provides a level of transparency on each level of management for the project. The current governance team is composed of four advisors, a governance chair, which is the executive director, and then voting members, which is the deputy executive director and all division directors.

And here's the model for the executive steering committee. Currently the business analyst provides business needs, and the project manager -- they manage project risk and provide project status updates to the ESC team.

MS. MENJIVAR-SUDEATH: And the project manager and the business analyst are part of the Project Management Office, so the executives, the advisors, business owners, those are divisional staff as well as potential division directors that will get involved in it.

But the project manager does come from the Portfolio Management Office.

MR. GONZALEZ: In order to communicate, the project manager utilize project dashboards. Oh, I'm sorry. I skipped over. So first, I'm going to talk about the structure and roles and responsibilities.

So we looked at roles and responsibilities and structure, and we identified that the way the current structure -- the current governance model is structured --
you can have duplicate members between governance and ESC teams, and found up to five, where division directors are members of both the ESC and the governance team.

We found some concerns with the governance and ESC roles not being defined. They weren't always listed in project charters, and the project charter defines the project scope. So roles and responsibilities weren't defined.

We also found where project manager description using key industry competencies -- the organizational skills of the project manager weren't clear. Like, that wasn't a key component that we identified as being necessary.

MS. MENJIVAR-SUDDEATH: And the reason we focus on the structure and the overlap is because the governance team is really responsible for the overall portfolio management, and the executive steering committee is for each project. And when you have potential overlap between the two of them and not clearly defined roles, that line can get blurred, and the big picture on the portfolio management can be missed because of that.

And so that's why we specifically call out the structural concern of having members on both of them. That said, as Mr. Gonzalez mentioned, it does create significant transparency, so -- which is a very positive
thing in our model.

    MR. GONZALEZ: And the way we communicate, project managers communicate, is with project dashboards.
    So the project dashboard standardizes communications about the ESC and governance teams. It provides specific information on milestones, remaining budget, and level of effort.

    However, it may also include some information such as trend lines that may not be critical. Our project management dashboard contains 14 communication elements. The industry standards that we looked at usually contained up to six, so we more than doubled the elements that we're trying to communicate, which I think you can lose some of the information with having too much information.

    We also found that the way the presentations occur within meetings isn't always as timely as it should be, where we have -- if an item is escalated, sometimes we only have three days to review. It may not be, for our governance teams and ESC teams, enough time to process what they'll be voting on, and sometimes it's project status and risk, which are pretty key components to what we're trying to communicate, and they're listed on the bottom of the presentation, rather than the top of the dashboard.

    So we thought that, if it's that -- those are
two critical components. They should probably be listed further up in the dashboard.

MS. MENJIVAR-SUDEATH: And we have provided this information to the Information Technology Service Division, as we found it, and you will see, later in the presentation, they've already made updates to their dashboard to better represent the information.

Something else that we noted in the report -- this dashboard was developed several years ago with input from the Board. So there was a lot of relevant information that the Board may want on that.

We did make a suggestion that if there's something that the Board wants, we should maybe use a dashboard for the Board, and then a dashboard internally for our own management of the project, because there may be two separate things that we're trying to achieve on one.

MR. GONZALEZ: So we provided some alternative governance frameworks. We looked at industry standards. We looked at different government agencies, and these are the four models that are being used right now. And so we looked at a streamlined model or a streamlined framework.

We looked at an information technology investment management framework, a technology business management framework, and a principle-based agile
The information technology investment management framework is where all projects operate out of an IT budget, where decisions can be made at a divisional level. The technology business management framework is basically -- it's operating where you apply budget, so it's IT costs. It's costs associated, and it's all based on projects. And then the principle-based is just this approach where we complete projects in smaller -- within smaller components.

MS. MENJIVAR-SUDEATH: And just to kind of give some clarification, agile is a term used for project development. So right now in our Agency we traditionally use what we call system life development cycle, which is Waterfall.

So you would see some massive projects that we do, and we have, you know, build-in dates, and we build the whole, entire system. Agile takes a more functional base, so instead of having one big project, you break it up into smaller components, and so it's more of an iterative process.

So agile is more used in the private sector. Public sector is slowly transitioning to that, which is
why we incorporated those into the governance models that we provided information to IT on.

MR. GONZALEZ: And these models have some key benefits. With the streamlined version, it keeps the current transparency that we have. It also allows us to have, like, a stepping stone to using other agile principles or to adopting other agile principles.

It's a first step. The IT management -- investment management framework, one of the key benefits of that is it's really flexible, and it provides us a roadmap, so we can start establishing a mature environment.

The technology business management framework, it's set up in a way that business owners and finance understand. It's a cost language. It's a -- it allows for understanding and cost tradeoffs. So if a project has to change, it's all set budget, so you -- it allows you to identify using your budget elsewhere.

It's easy to see. And agile principles, it just develops faster life cycles. That's the benefit of that. The next one to talk about, potential components that we can implement. For streamlined, DIR already has a PM-wide or agile model that we could adopt, and use that as a basis to adopt.

The management framework, we already have
boards in place. It would just give them a different focus, and it would allow us to strengthen our project selection. The technology business management framework -- our model exists.

We would just have to adopt cost codes, and assign all budget to IT. The agile framework -- or principles framework, we have the same principles. We would just -- we have some of those principles that are written here.

We would just have to -- such as scrum meetings. We already have those in place. We would just continue that. Some of the gaps to implementation -- for streamlined, we don't have enterprise-wide data. We'd also have to change our expectations.

Right now, we have -- everything's really broad. We'd have to change it to doing everything more compartmentalized. As far as IT investment, we'd also have to define -- we'd have to further define an IT -- our architecture and how our systems interact.

For the technology business management model, we don't have real-time budget information usually, so that model requires that, or that framework requires that.

And then for agile principles framework, it's basically -- we have incremental functional base requirements that we would have to establish.
MS. MENJIVAR-SUDDEATH: That's pretty much our Advisory Service and the information we provided. With the governance models, we wanted to make sure that the information that IT had, they had a roadmap for whatever they chose to use, if they chose to use any of it, so that's why we went a little bit more in-depth on the implementation gaps and things like that.

Are there any questions?

MR. PREWITT: If you -- so as from a go-forward basis on the different governance models, it sort of remains to be seen if they'll adopt any of the four?

MS. MENJIVAR-SUDDEATH: Right. It's up to the Information Technology Division if they're going to change any governance models. I think, based on previous discussions, there's probably going to be some changes they will.

Changing it holistically and going to a new model will probably take several years, because we have projects that in-flight already. So --

MR. PREWITT: Right.

MS. MENJIVAR-SUDDEATH: -- this is going to be probably a long-term project.

MR. PREWITT: And the intent is to adopt one governance model overall, versus different versions of the different four models? In other words, would they adopt
over time -- adopt one comprehensive model of governance?

MS. MENJIVAR-SUDEATH: Yeah. The goal would be eventually to adopt one governance model. Now, like I said, the industry is moving to agile principle framework. Because of some of the state regulations, that would be very difficult for the Agency to do as a whole.

That's why the Department information has what they call a "PM Lite" which is basically some of the agile principles, taking some of our state regulations, and putting them together. But yes.

MR. PREWITT: Okay. Great. Are there any questions, Committee members?

(No response.)

MR. PREWITT: Thank you guys very much. Thank you. Mike Higginbotham will be next, talking to us about technology projects and roadmap.

MR. HIGGINBOTHAM: Good afternoon. For the record, I'm Mike Higginbotham, chief information officer, and here today to provide you with an update on our projects, project status, and then also kind of an introduction to our new Technology Roadmap.

So you have materials that have been provided, and we'll be kind of walking through those materials. Those start, I believe, on page 40 of your materials booklet, and so we'll give you an update, just kind of --
first of all, there's going to be a lot of acronyms here, so I'm going to try to go through and explain these, because even when I was kind of -- was new, it was a lot for me to take on, even though I've got the prior experience.

But the State experience -- there were some acronyms thrown in there. So we'll kind of walk through those together as we move through these slides here. So we'll just go ahead and start on page 43 of your booklet. That is the TxDMV portfolio trend overview.

And in that overview, there's really a few things that I want to kind of start off with. So there's -- in the upper right -- upper left-hand corner there, you've got the portfolio overall project trend. So that chart is really trying to show, you know, what are our different statuses, red, yellow, green.

So -- and there's also, back on page 55 of your booklet -- there's a very detailed description of what all of those different statuses mean. But the good news is that right now, in terms of an overall perspective of our projects, we have no red projects right now.

So that's the good news. We do have green and yellow. And the trend there -- you can see that trend over time as it kind of, you know -- has progressed, going back to fiscal year '18, and then going through, forward,
for the last few months, coming up with the current version of FY'19 -- or sorry -- of May 2019.

We also have on this same page a review of the portfolio budget trend and the schedule trend. Again, most projects there are in a green status. We do have some that are kind of in yellow, and we'll talk a little bit more about those as we move forward here.

And then we also have the portfolio change request. So this is when there's some sort of, you know, schedule change or scope change or budget change. Sandra mentioned earlier that there's a governance team that meets and those changes are brought forward to the governance team, and so we try to reflect those on here too, in terms of just a high-level overview.

The dashboards that we're about to go through will get into a little more detail on that. So moving along to kind of our next page here, which really kind of gets into the QAT report. So here's the beginning of the first acronyms, the first set of acronyms. Right?

So QAT, what is that? So that's the Quality Assurance Team. And so that is -- the Quality Assurance Team is responsible for reviewing and approving all Major Information Resources Projects in the State of Texas. So Major Information Resources Projects, that's going to be another acronym called MIRP that you may hear.
That sounds almost as good as TOAP. Right?

MIRP? Anyway so they'll review those. And you're, like, well, which ones -- what makes it a Major Information Systems Project? Well, so it's -- first of all, the Legislature can dictate that any of them are Major Information Resources Projects.

So of course, we're going to follow that. But there's also some other criteria there, that it's got to be, you know, greater than a million dollars' worth of development costs that really kind of put that over into the major category.

In addition to that, you'll also have, you know -- are these, you know, functions? Are you materially changing the functions of the Agency? Are there multiple agencies and departments that are impacted?

So those are some of the things that help qualify something as a MIRP, or a Major Information Resources Project.

We've got a couple of those that are currently open. So this page here talks about kind of what the statuses of those look like, and actually the slide will talk about that too. You've heard about -- or we've got listed here webDEALER.

So this is webDEALER. It's specifically -- webDEALER has been a multi-phase, multi-year project. It
started back in 2012, and we are on the final phase of webDEALER right now, and we'll talk a little bit more about that final phase, which is eTITLE.

We'll talk about coming up here. That project, when you look at the QAT version -- so if you go out and talk with the folks at QAT, they'll say, well, that project is in a yellow status. Well, it's a yellow status because we've gone longer on the duration, on the scheduled duration, than what we had originally predicted.

So -- but we're looking to wrap that one up later on this month. So that's the good news. So as part -- when you have these projects that you're going through that are QAT projects, we have to provide status reports to the QAT folks periodically.

And that QAT board, just to clear it up, they are also -- they are made up of representation from the Department of Information Resources, the State Auditor's Office, the Legislative Budget Board, and also the Comptroller's Office.

So lots of representation there that make up the QAT group that is reviewing these projects. And we provide status reports -- they're also called monitoring reports -- on a periodic basis. For webDEALER, eTITLE, we've been providing those updates on a monthly basis.

We also self-selected to, you know, give those
updates more frequently. Instead of the quarterly updates, we've been giving them on a monthly basis, and the status of those are here. We've submitted both of those.

When this material was presented, it wasn't quite to the end of May yet, but we have presented and made the update for April 2019 as well. So blank on your materials, but it's actually been provided and updated. And that goes into another system that's called SPAR, the Statewide Project Automated Reporting system.

That's something that's been fairly newly developed with the State. And some of the folks in QAT that use these -- this information are still kind of getting plugged into SPAR, so we had kind of a little bit of maybe some hiccups with information being communicated to all bodies in a timely manner, but that's been worked out now, which is good news.

This is something that will help improve communication going forward. The other thing that we do when we've got these major implementations is, we want to go back and look at the business outcomes. Were they recognized?

And so there's -- here's another one -- PIRBO, that's the Post-Implementation Review of Business Outcomes. And so that is a look-back, after the project
has been implemented, to see -- are we realizing the
benefits of what we initially set out to do?

So we've got a few projects that are kind of
coming up for a PIRBO review. Two of those go back to --
we're kind of at the two-year mark of when they were
implemented. One of those is the LACE replacement --
which LACE was the Licensing Administration Consumer
Affairs and Enforcement system.

It was replaced by something that you may have
heard of, called eLICENSING. That's really kind of
improved customer service, kind of, you know, online
access to these kinds of materials 24-7, which we didn't
have before. So that was -- it's coming up on the 24-
month or two-year review, so we're on-target. We actually
submitted that one. That was done back in April.

And then AMSIT, that was the Application
Migration and Server Infrastructure Transportation
project. That was us moving away from TxDOT
infrastructure as part of the separation there. And that
also took place -- it was completed back in 2017, and
we're coming up on that two-year review that we'll be
doing later on this calendar year.

And the RTS, the Registration and Titling
System, that project was again another multi-year project,
multi-million-dollar project, north of $70 million overall
when it was complete. That was started back in 2012, and we were moving off of the mainframe.

So you hear refactoring. What we really did was kind of move off the mainframe into a more client server, more modern technology infrastructure, multiple years, multiple phases. That wrapped up at the end of the 2018, so now we're at the six-month review for RTS.

So that's coming up. That's on target. We'll be providing those updates to QAT shortly. All right. Moving along, I kind of touched on this one a little bit already. This is on page 45 of your booklet there. QAT project status.

I mentioned webDEALER, yellow, and that's because we are over duration of the original plan. In fact, you see here 124 percent over duration. With QAT, we have provided them updates as to what our revised timeline is and we'll talking about this with the webDEALER dashboard in just a few minutes.

But our revised end date is now the end of this month, and teams are actively testing our applications right now. So we'll talk a little bit more about that in a minute. And then another one that is again a Major Information Resources Project, webLIEN, that one is -- well, it's dependent on webDEALER, eTITLE.

So it's been delayed because we've got to get
webDEALER, eTitle to go first. That's kind of the first
domino that we've got to get in place. So that one is
green at the moment, but the schedule will go longer than
what we had originally planned because of that dependency
back to webDEALER, eTitle.

So we're going to look at what that revised
schedule is going to look like, and then once we get that,
we'll publish that and of course let you all know and also
let QAT know. Okay. So moving right along, we'll go into
kind of the individual project dashboards now.

And so one of the things, you know, that was
mentioned earlier by the Internal Audit Division is that
we had our review, our kind of assessment that we
partnered with them on for ways to improve our governance
processes.

And one of those was -- how do we communicate
the information? You saw that dashboard that was there.
It was pretty busy. It had a lot of information on it.
So one of the things that we've done to already start
taking into action some of the recommendations from that
review is -- how do we make these dashboards look a bit
more cleaner and straightforward and kind of get to the
main topics up front?

So what you have in your materials is a revised
version of these project status dashboards. So webDEALER,
eTITLE is the first one here. And so just to kind of give you a little bit of background about eTITLE -- what this will do is, this will allow us to, you know, have a vehicle title to be created, stored and transferred electronically, which improves the accuracy of that titling process.

So we've got, kind of, the overview of that, kind of, across the top, and then we've got, kind of, your status updates, risks and issues, kind of, more front and center up at the top, and key achievements as well. So you've got, kind of, like, the four squares there of key achievements and status, risks and issues, upcoming activities and upcoming milestone, and then down the left side of your page there, you've got the project status, kind of, a budget viewpoint, and kind of, the project schedule.

And that's the same format that you'll see as we move through these different pages here. This is a recent revision that we've made. So we're certainly open to feedback and input and suggestions. And like Sandra mentioned before, you know, this is one way of doing this.

We could also have two versions where we have a version that you would like to, kind of, have more information on, more detailed, and then a different version that's got different materials that's provided.
So we're open to that, but this is, kind of, our first stab at making some improvements here.

So for webDEALER, eTITLE, the good news is, yes, the project overall is yellow, and that's because of our duration, our time, our schedule delay, but we are still working towards a deployment date of June 30 of this year, so this month, and that will -- we're currently in testing.

So we're going through testing cycle, and we're wanting to make sure that everything is thoroughly tested and thoroughly vetted before we give the green light to move that to production. Okay.

MS. BREWSTER: Mr. Chairman --

MR. HIGGINBOTHAM: The risks here --

MS. BREWSTER: -- if I may real quick?

MR. PREWITT: Just a minute, Mike.

MS. BREWSTER: I'm sorry. On webDEALER, I think it's important to just let the Projects and Operations Committee know a little more about the context as to why that project was delayed. There were great efforts by the Department to better ensure the usability of that system, so there were -- without going over-budget, we were able to add additional phases to that project --

MR. PREWITT: Uh-huh.
MS. BREWSTER: -- so that it would have greater usability, but also there were a number of stakeholders who saw how well the system used -- was used and wanted to be able to utilize the system as well. So we added additional phases to address the need and desire of stakeholders of the webDEALER system.

And also there was this little thing called Single Sticker that was passed by the Legislature that had a significant impact on the webDEALER project. There were significant changes that needed to be made. So there were a number of factors that went into us going over-schedule, but we were able to do that within the budget, and also improve the usage of the investment of time and money into that IT system.

MR. HIGGINBOTHAM: Right. And thank you for pointing that out. And one of the things too is, you know, we actually took what the eTAG system that had been kind of separate, and those -- one of the releases that we did was to merge that into webDEALER.

So now, you're in one place using webDEALER. You don't have to go between two different systems, and it helped streamline, you know, the usage and operations. So yes, there was increase in scope, which led to the increase in time delay, but it was for good reasons, and as Whitney pointed out, we're still under the original
budget, so that's actually a really good testimony to what we've been doing here.

MR. PREWITT: Yes. Substantially under. Yeah.

MR. HIGGINBOTHAM: Yes.

MR. PREWITT: Yeah. Congratulations on that.

MR. HIGGINBOTHAM: It was -- you know, it's really a team effort. I mean, this is, you know, a project that's, you know, really owned by Jeremiah Kuntz, who is director of Vehicle Titles and Registration, and you know, my predecessor, Eric Obermier, had a lot to do with bringing things forward and making the successes here.

So it's been a project that's been ongoing since, you know, I think back to 2012, with multiple phases, so there's been a lot of folks that have been involved, and it's really been a team effort.

MR. PREWITT: That's great.

MR. HIGGINBOTHAM: Now, webLIEN, going on to the next page, this is, you know, moving on here to our next deck, slide deck, is -- you know, webLIEN is going to be one of those other things that kind of gives us an improved ability for web-enabled self-service alternatives for the removal of liens.

WebLIEN is -- we've done some work with it. We've done requirements-gathering and looked at design,
but in order to kind of really start, kind of, going
towards the implementation, we've got to get webDEALER,
eTITLE done and out of the way first.

So as I mentioned before, this one is delayed,
and you know, we will come back with a revised schedule
very soon. But some work has been done here, and we're
looking forward to starting the next step of work with
webLIEN.

And this is another -- so both of these are
your top two Major Information Resources Projects, or
MIRPs, that we report out to QAT. The other projects,
even though they're not MIRPs, they're still important.
So we've got the Call Center upgrade.

The Call Center upgrade is looking to take our
existing Call Center infrastructure -- it's on some
equipment that is behind in terms of, you know, currency,
and so we're looking to bring those up to current
standards in terms of software support, so that way we
have -- you know, we're at the latest revision levels.

And this is really kind of part of helping to
shore up our foundation. And that's been a lot of work
that we've been working on in the last, I'd say, you know,
12 to 18 months here, is shoring up our technology
foundation, because if you've got a solid foundation, then
it helps to extend -- it makes it easier for you to extend
what you want to do going forward, adding new
enhancements, but also it makes it easier to maintain.

And when you've got different versions that are
older and antiquated, it makes it difficult to add new
features and functions, and it makes it difficult to
maintain. So this project is really about upgrading the
infrastructure, so that going forward we can start adding
additional functionality.

Once we've got that base foundation that's
upgraded, now we can move on to adding more value, adding
business functionality for --

MR. PREWITT: Right.

MR. HIGGINBOTHAM: -- you know, our Contact
Centers, and you know, Consumer Relations, and Motor
Carrier and Vehicle Titles, so that we can start, kind of,
taking it to the next level. So this is kind of the
foundational exercise, and then we'll be going from there.

I'm moving along to the kiosk pilot. So this
is really kind of another opportunity for us to make it
easier to do business with TxDMV. So with the kiosk you
can -- it gives kind of customers the option to, you know,
purchase and print vehicle registration stickers, you
know, by just going up to a machine.

And so we're looking at a pilot for this, and
this is something that we've been kind of assessing over
the last few years, and we're getting to the point now
with this one where we're looking at moving forward with a
new solicitation.

There's -- the executive steering committee has
been meeting on this on a regular basis, taking into
consideration information about credit card payments and
different options that are there and really trying to
match that up to what did we see with our initial
solicitation and the folks that responded and how that
looks?

After reviewing that with ESC, we've really
decided kind of the next best step is to pursue a new
solicitation. So that's what we'll be looking at in terms
of upcoming activities. The project schedule -- you know,
yes, there may be some impact there, because, you know, we
are kind of going and taking another look at this, and
going out with a new solicitation, but really, the way to
kind of -- the way that we've mitigated that is being
transparent on the schedule, and got that approval through
the executive steering committee.

So this is still, you know, really exciting in
terms of the opportunities that this presents, because
it's another way to reach the citizens of Texas. It's
another way to kind of help out, you know, to have another
channel to renew your registration or other services,
instead of just being, you know, kind of relegated to, you
know, maybe standing in a line, or going online.

This is another channel, if you will. Okay.

So then moving on to the external website. External
website project, this is a project that's really looking
to -- I call it a renovation, of making the current
website, the public-facing website improved in terms of
appearance and functionality, and so that project is in a
good state right now.

We are engaged with a vendor that is working
with us. They have already begun to show proof of
concepts, of kind of what the revisions and renovations
would look like. There's also some focus groups feedback
that is going to be solicited very shortly, and there will
be kind of an outreach there to talk to the different
stakeholder groups that are involved, because we want to
make sure that if we're going to do these renovations
that, really, you know, we're making improvements, and
having that stakeholder feedback, I think, is critical for
that so -- it's also helpful if I didn't hit the
microphone like that.

But anyway, that's what we're looking at doing
there. The upcoming activities, focus group feedback
exercises, proof of concepts actually presented to the
executive steering committee, and then also we've got kind
of an item there about website hosting.

This is something where we're looking to actually leverage cloud infrastructure. And you hear a lot about that. The Agency has been kind of dipping our toe into that. You know, we've got some functions such as eLICENSING that are leveraging some cloud operations through Salesforce.

But really, we have another opportunity to leverage some of that infrastructure here. So -- and that also helps align with kind of the direction that I think most agencies and the Legislature would like folks to start looking into, as moving more towards cloud infrastructure and leveraging that.

So kind of like agile, like Sandra mentioned, you can't kind of flip it -- flip the switch overnight, but if we can start making incremental improvements there, that will be good, when the opportunities present themselves.

Going on to enterprise reporting, this is on page 52 of your book, this was a set of reports and dashboards for Finance and Administrative Services, and specifically for Finance, some reports such as titles statistics, and active registrations, and some dashboards around funds collected and fee revenues, to kind of help with our visibility into what we're processing, and what
our statistics look like.

So reporting is something that there's -- I think that Linda has said before that we are data-rich, but report-poor, I think, if I said that correctly. So there's going to be several initiatives here that you see and projects that start talking about improving reporting. Enterprise reporting is one of them for finance.

We've also got some work on county reporting improvements that we'll be looking to do, and we'll talk a little more about that when we get to the Roadmap. And then we've also, over time -- we've recently developed some fraud data dashboard reporting that has helped with identification of fraud and helping our CID group with identifying potential patterns.

So reporting is something that we have to look at. I think we've got a lot of data, but now we're just starting to get into the processes of improving how we report on that, and making that data available so that can help us with decision-making as well.

So this is one that helps go along those lines. Last, but certainly not least, is another project about another upgrade. This is Windows 10. So Windows 7 is kind of where we've been, and kind of been the standard for a while for folks, but that one's coming to an end of life.
In the middle of January 2020, Windows 7 will no longer be supported. So we are working to migrate off of Windows 7 and migrate to Windows 10. In terms of status there, we are mostly done with Headquarters. There's just a couple of divisions that are left, and the we'll be reaching out to the Regional Service Centers.

We've got some that we've already started with, but we've got most of those that are still needing to be upgraded, about 65 percent. And then next -- and this would be a very critical component of this project -- is upgrading in the county offices.

And so we're working to put together what that plan will look like, because that will obviously have to involve, you know, the county offices directly. We don't want to have any affected -- any downtime affected there.

And so we'll be -- we're working right now to put together what that plan and strategy looks like in terms of actually upgrading the individual offices and workstations.

We're kind of taking an approach of -- where if you're -- if it's a smaller office with, you know, less than two RTS workstations, we're going to partner with our vendor to help us out, and if it's more than that, we can actually do some pushing out of the updates through the infrastructure and using some of the equipment that's
already there to do those upgrades, so that it's less impactful that way as well.

So more to come on that one. But we've got a time certain that we have to be off of Windows 7, and we're marching towards that right now. So a lot of information there about projects. And as I mentioned before, page 55 has kind of the project category dashboard indicators that kind of gives more detail about the green, yellow and red indicators.

But I will pause here for a moment before we go into talking about the Technology Roadmap and see if there are any questions.

MR. PREWITT: Are there any questions from the Committee members?

MR. SCOTT: Just a couple questions on kiosks.

MR. HIGGINBOTHAM: Yes?

MR. SCOTT: So where do you -- where do we think those kiosks would go? I'm sorry. Where do you think those kiosks would actually go?

MR. HIGGINBOTHAM: So right now, I think we are still kind of determining what that would look like in terms of where these would be deployed, and I'm going to see here. Jeremiah, would you mind coming up?

Jeremiah Kuntz is our director of Vehicle Titles and Registration, and I think you may be able to --
MR. KUNTZ: Yeah. So for the record, Jeremiah Kuntz, Director of Vehicle Titles and Registration Division. The Agency was looking at partnering with the county tax assessor-collectors for locations to locate those kiosks, either in their offices themselves or potentially, if they had a subcontractor location, like an HEB or something like that, that would potentially have those.

We do have some limitations. We had actually sent out some surveys to the county assessor-collectors to try and gauge, one, their interest in having a kiosk in their county or in their location. There are some requirements.

They've got to be bolted to the floor. These are similar to an ATM machine. They're going to have cash in them, so there would be some impact on their office, if you will, drilling into the floor, making sure they're hard-mounted, making sure they've got power, network connectivity, those kind of things, and so we had gathered that information from them.

We have some counties that are interested in partnering with the Agency. Based on kind of what ends up coming out of the solicitation will drive kind of where we go with those, and the reason I say that is, certain machines have more hand-touching that has to occur with
them, filling them up with the paper, getting the cash out of them, replenishing the change, those kind of things, and so there's a lot of those details that needed to be worked out.

That's one of the things that we needed to get back from the vendor is kind of -- what is -- what does it look like? What does the support around that look like, so that we could figure out the best location to put them in.

MR. SCOTT: Do you think it would be more like a more rural or urban?

MR. KUNTZ: So we did not have a specific county selected. I will tell you, this is kind of -- what generally you see is, you need high traffic. So that's your first thing.

MR. SCOTT: Okay.

MR. KUNTZ: When we went out and kind of looked at transactions, it is pretty interesting, because you would think, you know, large counties, high volume, high traffic. Not always the case.

We have some mid-sized counties that don't have lots of locations to spread the transactions out over many locations within their county, and so we definitely identified there were some medium-sized -- I would call them -- counties that had offices with very high
transaction volume, walk-in transaction volume, that went through their office, because that may be the only office in the county.

And so all walk-in transactions are going to go through that office. We also saw very clearly in your very large metropolitan areas, every one of them had some kid of high-volume office in their office, regardless of how many locations they had within their county.

So it wouldn't be just limited to your large metropolitan areas. There are opportunities in other counties. It's really based on volume for a particular location. You've got to have lots of foot traffic going through in order for these, you know -- to really be worth the while to put them in place.

MR. SCOTT: Now, would there be like a user surcharge to pay for the --

MR. KUNTZ: That is all still really up in the air. What we had really looked at was the processing/handling fee, and how that would be used to cover those costs, but I don't know that anything has been definitively set on that at this point.

If any fees had to be charged, we would have to come before this Board --

MR. SCOTT: Yeah.

MR. KUNTZ: -- and seek guidance on any fee
changes.

MR. SCOTT: And when you say that you're -- get a solicitation. That's not a term that I'm familiar with. What does that mean?

MR. HIGGINBOTHAM: So that is going out to -- putting it kind of back out for new vendors --

MR. SCOTT: Okay. That's what I thought.

MR. HIGGINBOTHAM: -- so new vendor solicitation.

MR. SCOTT: Okay. All right.

MR. KUNTZ: Asking for bids.


MR. SCOTT: Yeah. Okay.

MR. KUNTZ: So --

MR. SCOTT: Credit cards. Right? So I just --

MR. HIGGINBOTHAM: The credit cards was more about making sure that we are also compliant with the, you know, current rules with the chips and swiping. I know that that was some of the discussion as part of that. But in terms of looking at really the next -- you know, in terms of additional features, I don't think it really more about that.

MR. KUNTZ: And -- I'll just give a more general, kind of -- because I think your question really is really kind of about process, is what it's sounding
like --

MR. SCOTT: Yeah.

MR. KUNTZ: -- so with state government, when we put a procurement out, we actually have to solicit for bids. We post something on the street that says, here's all the requirements we're looking for. Vendors come in and provide us their proposal.

They'll give us -- you know, here's what my machine can do. Here's, you know, the fees I charge. This is what it costs. And so we would evaluate all of those bids as they come in and make a determination -- did they meet the requirements of the solicitation, or did they not meet them?

And so what I believe happened on this, and I don't want to get too much into the details, but basically, through our process, we determined we need to go back out to the market and we need to ask that same question again. We need to tweak our requirements and put those back on the street to have vendors provide us their bids on those.

MR. SCOTT: Okay, okay. Thank you.

MR. KUNTZ: Sure.

MR. PREWITT: So is that RFO or an RFP?

MR. KUNTZ: RFP.

MR. PREWITT: RFP? Okay.
MR. KUNTZ: Request for proposal.

MR. PREWITT: Proposal. Right. It's not on the glossary. I'm just -- I'm trying to catch up.

MR. KUNTZ: I'm sorry, I'm sorry.

MR. PREWITT: It's all good. I'm learning, and so I want to understand.

MR. KUNTZ: So am I.

MR. HIGGINBOTHAM: I'm going to add RFP.

MR. KUNTZ: Every day.

MR. PREWITT: Thank you.

MR. HIGGINBOTHAM: Any other questions?

MR. PREWITT: Any other questions?

(No response.)

MR. PREWITT: Thank you so much, guys.

Appreciate it.

MR. HIGGINBOTHAM: Okay. So --

MR. PREWITT: Thank you.

MR. HIGGINBOTHAM: -- and I'll just kind of talk about, I guess, next the Technology Roadmap, kind of --

MR. PREWITT: Yeah.

MR. HIGGINBOTHAM: -- introduction to the Technology Roadmap. So when we were talking earlier about the Sunset Commission and the recommendations and the management items, one of the thing that Whitney mentioned
was that we need to look at improving how we manage our technology.

And for me, one of the key pieces of managing your technology is having kind of a high-level vision or roadmap of kind of what are the types of things that we want to be working on? And so what we've got here is a Technology Roadmap that we developed late in 2018, and this is a multi-year roadmap.

It is intended to be high-level and notional, so it's also intended to be living and breathing. So that means that, as business needs change, or as new requirements come from the Legislature, things can be moved around and adjusted and added and deleted.

So -- but if we don't have an idea of kind of what we're wanting to do and don't kind of memorialize it, it makes it more difficult to manage, and when you start thinking about things going out to -- in this case, we're going out to fiscal year 2023 -- you can really start to kind of get an idea of how we need to start planning in advance, instead of waiting till we get right there for those certain projects and then kind of scramble around.

So it's -- this is something that's been helpful, I think, for me and my past experience of having a roadmap, and so we've got something here that we've put together over the next few slides, starting on page 59 of
your materials.

And on page 59, this is kind of our current fiscal year view, where we are right now. Some of these things that are listed on here, we already talked about at our project update that we just went through, but there's a few items on here that I also wanted to kind of draw your attention to, that we have already been looking at.

For example, we have implemented the technology reorganization. That was something that Whitney mentioned earlier in her comments. We assessed our technology organization, and wanted to see how we could improve the operations there.

Things that belonged in IT, we wanted to make sure we focused on those, and things that maybe are better suited in other areas, we wanted to align those in other areas within the Agency, and so that's what we did. We were also able though through that reorganization to set up a function that's also critical to planning, not only the Project Management office that we talked about earlier, but also enterprise architecture.

Enterprise architecture is something that is intended to be strategically-looking, strategic thinking, big-picture thinking, around what our technology needs to look like, what our designs need to look like, and also enforcing that we stay in line when we're developing these
various different initiatives, that we're staying in line with that technology, because otherwise, if you've got something built over here like this and different over here, it makes it more difficult to maintain.

That also makes it more expensive to maintain.

So enterprise architecture was a new section that we developed in our reorganization, and with any reorganization, once you implement it, you also kind of take a step back to see how things are working.

And as Whitney mentioned with the TOAP project, that's one of the things that we're looking at there, is to see, you know -- it's been about six months now since the reorganization was kind of effective, and so how is it looking?

Do we need to make some tweaks? So that's something that we're looking at as part of TOAP as well. But the initial reorganization, that's one of the things that we can check off the list there. I mentioned -- I'm sorry. Member Washburn, yes?

MS. WASHBURN: I just wanted to bring up the reorganization.

MR. HIGGINBOTHAM: Yes?

MS. WASHBURN: Are you having trouble finding people?

MR. HIGGINBOTHAM: So that is a great question.
In this city, we, you know, are competing with the private sector. This is a very tech-savvy city, and there's a lot of resources here, but there's, you know, a lot of dollars that go along with those resources to demand, you know -- those skill sets demand those kinds of salaries.

We do have that struggle with competing with the private sector. We also do struggle competing with other state agencies, you know, where because as -- once you get into state government and you do have your -- there's a very, you know, nice benefits package that comes around, but we've found with folks is that they've moved around to other agencies to advance further in their career, versus staying here to further develop their career.

So one of the things that we've been trying to do, and I think Whitney mentioned this earlier is, how do we develop our staff and offer career ladders and paths so that they can continue to grow here and stay with the Agency?

But getting back to your original question, we do have a struggle with getting, you know -- getting and retaining staff, and so we're trying to take measures to help with that. One of the things that we've done with our most recent legislative appropriations request is, we
did ask for 12 additional resources.

    And you might say, well, how is that really going to help? Well, if you've got more resources to tackle the work, folks that are here won't get burned out and then try to leave and go somewhere else. So that will help stabilize things and help cover the work that we need to do.

    The other things that we've worked on is, when we did the reorganization, we built the various verticals in such a way that you could move -- you could see a way that you could move up the ladder, and that really wasn't as apparent before.

    We created additional lead and management opportunities that really weren't there previously. And so what that means now is that you can try to continue your career here, and that's one of the ways that we're trying to address that staffing challenge.

    Did that answer your question?

MS. WASHBURN: Yes. In Austin --

MR. HIGGINBOTHAM: Yes, ma'am.

MS. WASHBURN: -- you've got a lot of competition here.

MR. HIGGINBOTHAM: Yes, yeah. It is challenging, but we are trying to -- we are working through that challenge, sure.
Kind of moving along here to reporting, there's
the Fraud Data Dashboard Project, also, that we completed
this year. That's something that our partners in Criminal
Investigations Division can use to help identify potential
trends with fraud through reporting.

That was a project that we implemented earlier
this year. And then also, in terms of shoring up our
foundation, I mentioned that earlier, that we're --
there's a lot of work that we've been focusing on in terms
of foundational improvement.

Part of that is also monitoring, making sure
that we're monitoring our systems so that we can be more
proactive instead of reactive. You know, we've had, just
to be very, you know, transparent -- we've had challenges
with system availability over the years here.

And so one of the things that we have
implemented with the RTS system specifically is a new
monitoring tool. We've implemented Dynatrace here, and
what that does is, that allows us to see potential
performance issues developing before they become an issue
that shuts everything down, and then the teams can start
responding to those more proactively, instead of
reactively once the system is down.

Now, will that cover us 100 percent? No, but
this is a step in the right direction, to add more
monitoring around our systems so that we can be more proactive. So that's kind of some of the things that we've tackled so far this year.

There's a few items on here that I wanted to point out on fiscal year '19. We continue to work on the governance model, and we talked about that earlier. I think there were some questions about -- do we want to, you know, centralize around one governance model?

And yes, that is where we're heading. I think when we were talking about agile earlier -- again, that's not something that you can just kind of flip to overnight. There's actually, you know, a lot of not just technology education that has to happen to become an agile organization, but really across the entire Department, because it requires different time involvement of the different business areas.

So while that's something that I think the agile software development methodology would allow us to deliver things, add more value sooner, I also think that it is something that we have to gradually work towards. And so I think one of the options we had there was streamlining with agile principles, and so that's kind more similar to something that the Department of Information Resources already has in line.

And so I think that's something that's been
proven with other state agencies to work well within state. So it will move away from Waterfall, but move us more toward something that is more dynamic and more incremental in terms of delivery.

So that's an important project that's still underway, still kind of going through the rest of this fiscal year. And then in terms of foundation, adding some automated testing tools for the Registration and Titling System.

Today, we have quite a bit of manual testing activity that's done with our resources, and what we're looking to do here is, in an effort to improve the quality of those testing activities and to improve throughput, is adding automated testing tools, bringing those to bear, with -- starting with RTS, since that's our main system, but eventually, we'll be looking to expand that across to our other systems.

And you may recall that, with our recent legislative request, we did have an exceptional item that we were looking at getting some additional funding to help with these automated testing tools, and thankfully, that has made it through.

Now, we still have the veto period, but we do look like we'll be getting that funding, so that will be good to help us kind of going forward there. Moving on to
fiscal year '20 -- and I'm not going to go through every single one of these. There's several topics on there and several initiatives.

I'm just going to kind of highlight some of the -- some of these items. One of them is kind of at the bottom there. I call it, RPA, or Robotic Process Automation.

We -- Whitney talked about chat bots and those kinds of efficiency gains. So that's something that we're going to be looking at kind of later on towards -- currently slated. We could always change this, but later on in the next fiscal year.

And the -- also, our county network. We're looking at ways that we can improve that county network. There's been -- I don't know if you guys got a chance to see some of our hearings this past legislative session, but there was a lot of talk around a lot of outages, and specifically, a lot of those outages are at the county with the county network, with a circuit going down.

And some of that is related to, you know, when the weather comes through, it goes down, or if someone cuts a fiber line, then you're not able to -- but some of it is also the state of the network in terms of -- is it the most current and most modern?

We're still operating on some older technology
there, some T-1 technology, which is about two decades old. So we're looking to really see what can we do to upgrade that. So that's a project that we're looking to see about coming up in the next fiscal year.

So I think that will help us in terms of improving the reliability, and again, foundational improvements, and I think that will have a direct impact to our county stakeholders. One other thing, too, is increasing the throughput.

So I mentioned we had our legislative exceptional item request for additional testing tools, but we also asked for additional funding to set up additional environments, additional development environments, so that we can move more software through the software development life cycle and into production sooner and faster.

That infrastructure improvement was also a -- also brings with it the ability to have a testing environment for RTS for the counties to use instead of having to test and train in production. So a training environment. We already have testing environments.

I misspoke. They're training environments, so that you can train outside of production. So that comes along with that exceptional item request, and that's on deck for next fiscal year.

Moving along to fiscal year '21 -- and you'll
see this kind of over the next few years, '21, '22, and '23, there's kind of various things that we're looking at in terms of improving RTS. There's -- you know, yes, we had a major infrastructure project, to move off of the mainframe.

That was a big lift, and now it's time to kind of take a look at -- how can we further improve the efficiencies there, starting with our batch cycle? The system is still very heavily dependent on batch operations, and so there are ways that we can streamline those operations and change that architecture to cut down the time that it takes for a batch cycle to run.

And when you have fewer hours of batch cycle use, that means you can have more online available hours. So that's one of the things that we're looking at there. Over the years, you know, '22 and '23, we'll continue to look at how do we improve RTS further.

Some of the things that we've talked about is -- some of the items that you do today with RTS require it to go through that batch process, as I just mentioned. Could some of those things be moved to real-time processing?

So that will be something -- again, this is notional, but these are some of the things that we're looking at, considering as we move further on throughout
the rest of the roadmap here. Finally, in fiscal year '23, we do have a couple of other things out there that we're looking at.

We talked earlier about the strategic planning process, and one of the things that we mentioned was the Customer Management System. Planning for that is going underway right now with the TOAP project. However, we're kind of in the planning states now, and that will likely require, you know, some additional appropriation to set up will probably be a Major Information Resources Project.

So that will require us to get that into the next legislative cycle, and then we can start -- if we're successful and we get those funds, then we can start looking at that, kind of out -- in the out years of fiscal year '23.

So that's kind of tying that back together to something that you -- that we were talking about earlier today. So this is certainly intended -- not intended to be the only time that you're going to hear about this roadmap.

I think it's something that, you know, we definitely welcome the feedback and input from you, from our stakeholders, from our division directors, and so this will be something that, while it's evolving, living and breathing, it's also going to be a key part of our
strategic planning process going forward, and it will help us to manage our technology resources better.

So are there any questions?

MR. PREWITT: Any questions?

MR. SCOTT: Yes.

MR. PREWITT: Member Scott?

MR. SCOTT: I'm going to go back to the county on the equipment and the outages and so forth. The equipment that's in the county offices, is that ours or is it -- it's ours? Okay.

MR. HIGGINBOTHAM: Yeah. So the -- when they access -- when the counties access the RTS network, that is on -- the RTS system, that is TxDMV infrastructure, TxDMV workstations connected to the TxDMV network. Yes.

MR. SCOTT: So the workstations, that's kind of ours?

MR. HIGGINBOTHAM: Yes, for RTS.

MR. SCOTT: And they're not the counties. Right?

MR. HIGGINBOTHAM: For RTS. Yes.

MR. SCOTT: Okay. So now what about the connection, the fiber or whatever? We maintain that? We're responsible for the -- for that?

MR. HIGGINBOTHAM: We have vendors that we --

MR. SCOTT: Right.
MR. HIGGINBOTHAM: -- different telecom carrier that we use throughout the different parts of the state. But yes, we are the ones that are ultimately owning that relationship.

MR. SCOTT: Okay. So we don't have to go back to the county level, and say, hey, we need to do this, and then -- we work directly with that vendor.

MR. HIGGINBOTHAM: Yes.

MR. SCOTT: We don't have to go back to the county and have the county work for the vendor. Right?

MR. HIGGINBOTHAM: No. In fact -- so if there is an outage, for example, the way this usually works is a county will call into us, and say I've got this outage, and then we will work with the vendor, whether it's AT&T or Verizon or whoever it is for that particular area to -- on the resolution.

MR. SCOTT: Okay. So when we're talking about migrating Windows 10 in the county level --

MR. HIGGINBOTHAM: Yes.

MR. SCOTT: -- we're -- that migration occurs on our machine.

MR. HIGGINBOTHAM: Yes, sir.

MR. SCOTT: Right?

MR. HIGGINBOTHAM: That's --

MR. SCOTT: That's our responsibility?
MR. HIGGINBOTHAM: Yes, sir.

MR. SCOTT: Okay. All right. That's --

MR. HIGGINBOTHAM: Does that answer your question?

MR. SCOTT: Yeah. Thank you.

MR. PREWITT: Is there any other questions?

(No response.)

MR. PREWITT: Thank you, Mike.

MR. HIGGINBOTHAM: Great. Thank you.

MR. PREWITT: Next, I'd like to call on Tom Shindell to talk to us about strategic planning and Balanced Scorecard.

MR. SHINDELL: Good afternoon, Committee. Good afternoon, Committee, Chairman Prewitt, executive director Brewster, and distinguished Board members. For the record, my name is Tom Shindell, and I am the Department's innovation and strategy analyst.

And I'm providing a briefing only to update you on the Projects and Operations Committee -- to update the Projects and Operations Committee on the Department's Balanced Scorecard strategic initiatives, and also on the upcoming strategic planning process that you've heard mentioned a couple of times already.

On page 64 of your briefing book, you will find my briefing memo. First, the Balanced Scorecard
initiatives update. To refresh your memories or to share the information with new Board members, TxDMV developed a Balanced Scorecard which was finalized in March 2018.

And for your reference, you have a copy of the Balanced Scorecard up there on the dais for your use if you would like it. A part of the Balanced Scorecard includes Strategy Map initiatives. These initiatives are Department-wide projects to strengthen and support the Department in its implementation of the TxDMV Strategy Map.

TxDMV identified three separate initiatives in our initial Balanced Scorecard: the training alignment initiatives by Human Resources -- and Matthew has already talked about that a little bit, the policy and procedure review initiative led by the Office of General Counsel, and the organizational survey alignment initiative led by the Office of Innovation and Strategy.

I will provide a brief description of each initiative and the current status of each one. The first one is the training alignment initiative, and the goal is to ensure that employees have the knowledge they need to do their jobs and to support the Department and the objectives in the Balanced Scorecard.

The current status is the training --
supervisors, managers, and directors to attend, which consists of four half-day, interactive, participatory training sessions -- and Matthew went over that with you guys a little bit earlier. Two cohorts have completed this training, and the remaining staff will complete the training by June or July. Human Resources will also be developing additional higher-level leadership training.

And finally, an RFP was distributed in the first week of May soliciting proposals for the production of the DMV 101 video, and that video would be shown to our new employees as part of the onboarding process, to have a greater idea of the breadth and scope of the Department's responsibility, and also see how they fit into the Department.

That DMV 101 video is a coordinated effort between Human Resources Division and the Government and Strategic Communications Division, and the scheduled completion date for that is August 31, 2019. The policy and procedure review. The goal is to ensure that employees have clear policies, procedures and guidelines to ensure progress towards the Balanced Scorecard goals of accountability, customer service, and consistency in customer treatment or response.

The current status is that all divisions have conducted an inventory to identify their current policies
that they already have developed and those that they need to develop. Policy and procedure development training was provided to the executive team and selected staff members in March of this year.

The next steps include completing all policies by August 30, 2019, and then completing all procedures by February 1, 2020. And the goal is to have all this completed by February 1, 2020. The last Balanced Scorecard initiative is the organizational survey and alignment initiative, and the goal is to ensure consistent customer satisfaction data collection to provide accurate, meaningful infrastructure on the progress towards our Balanced Scorecard goals, as well as to provide legislative stakeholders with improved Department data.

This was also a management suggestion included in our Sunset Advisory Commission report. The current status is several iterations of standardized surveys have been reviewed and discussed by the executive team.

A final survey design was adopted by the executive team at a meeting on April 29, and then after we got our surveys all settled and ready to go, the Legislature subsequently passed House Bill 2110, which provides for state agencies to survey their customers in key areas including facilities, staff, communications, the internet site, our complaint-handling process, ability to
timely serve customers, and our printed information.

They have a long list of things they want us to look at. HB2010 also directs the Legislative Budget Board and the Governor's Office of Budget and Policy to provide guidance to state agencies on a standardized method to collect the customer satisfaction data and to create standardized performance measures for state agencies.

The next steps are to revise the surveys that we just got done developing, based on the guidance we receive, and implement the new surveys beginning September 1, 2019. Do you have any questions on the first part of my briefing around the Balanced Scorecard initiatives?

MR. PREWITT: Any questions?

(No response.)

MR. PREWITT: I guess not.

MR. SHINDELL: Okey-doke. Great. Then I will move on to the strategic planning update. The Department has redesigned its strategic planning process to align all the planning activities in a more logical process. For example, in previous years, we've created divisional operational plans prior to developing the Department's strategic plan.

And part of that is, when we get the directions to do that, and it just was not in a good order, kind of
the cart before the horse kind of a thing. So the new process was developed by the entire executive team, and we'll begin using the new 11-step strategic planning process this fiscal year.

It will begin in August 2019, and will be completed by August 2020. The 11 strategic planning steps are as follows, and they're also included in a flowchart that's been provided to you, that you will also have up there on the dais.

MR. PREWITT: Uh-huh.

MR. SHINDELL: And I want to point out that the Board has a vital role in our strategic planning process. You all start it. The first step is for the Board to review our vision, mission, philosophy and strategic goals and values.

We are hoping this will be completed by the next Board meeting in August.

MR. PREWITT: Uh-huh.

MR. SHINDELL: And you have an additional handout, and it's also at the end of your Board books, if I'm not mistaken, containing all these items. The second step is for the TxDMV executive team to identify the strategic goals and activities for the next two to three years or longer, depending on how we talk about them, because sometimes when you do strategic planning, you're
thinking a long ways out, and so sometimes it's more than three years.

The next step is for the executive team to prioritize the strategic goals and activities. Then the next step is to review our Balanced Scorecard for alignment with the strategic goals and activities. For example, the customer satisfaction survey alignment project was completed, so a new initiative can take its place, as an example.

And then the training initiative will be pretty close to being done. We may want to swap that one out as well. So it's looking at those. Then the next step for the executive to review the divisions' initiatives and their projects.

And the next step is for the executive team to review the Information Technology Roadmap that Mike just went over with y'all --

MR. PREWITT: Uh-huh.

MR. SHINDELL: -- yeah -- in detail as well.

We'll also review, in the next step, our performance measures and our key performance indicators. And then the next step is all the previous steps, we're going to conduct a quality check to make sure that all of those things are aligned and integrated and fall into place.

As you've heard in -- from of the previous
presenters at this meeting today, we have a lot of
different projects going on, and sometimes there's some
replication or duplication of effort, and we want to be
more sophisticated, integrated, and streamlined in our
approach to strategic planning and implementing these.

So that's why we're going to do the big quality
check, for lack of a better way to describe it, to make
sure all of that is integrated. Those first eight steps
are really what forms the foundation to us then, doing the
next couple of steps, which is actually developing the
Agency's strategic plan for the Legislature, and also
preparing our legislative appropriations request, better
known as an LAR.

And you'll see those are the next couple of
steps: that we will develop the strategic plan, we will
finalize it, and then we will develop our legislative
appropriations request. It's not readily apparent unless
you look at the flowchart, but basically, we get
everything done by the end of February, ending with our
quality check.

And we usually get the directions for
developing the strategic plan for the Legislature in
March. So we've tried to design it and implement it so
that we're ready to go before we even get those
directions. Sometimes they don't come out till April. It
just depends.

But we wanted to be ready and have everything in place. That was a lot of individual fairly quickly. Do y'all have any questions I could answer?

MR. PREWITT: Any questions?
(No response.)

MR. SHINDELL: Okay. Great. Thank you.

MR. PREWITT: Is QC a new acronym? Quality check, is that a new acronym?

MR. SHINDELL: I don't believe it's new; I believe it's recycled.

MR. PREWITT: Okay, okay.

MR. SHINDELL: It would be the --

MR. PREWITT: Just checking. Yeah. Thank you so much.

MR. SHINDELL: Thank you.

MR. PREWITT: Next, Linda Flores and Ann Pierce to discuss the facilities update.

MS. FLORES: Good afternoon. For the record, Linda Flores, chief financial officer for the Texas Department of Motor Vehicles. And sitting to my right is Ann Pierce. She's the assistant division director, and she is -- she's over facilities as well as mail room, fleet, license plate production --

MS. PIERCE: Safety.
MS. FLORES: -- safety --

MS. PIERCE: There's more.

MS. FLORES: Anyway --

MS. PIERCE: Anything no one else does, we do.

MR. PREWITT: Right.

MS. FLORES: We're here to provide a quick briefing on the facilities, and there's no action required at this time. This material is found on page 71 of your Board material. We do not have a PowerPoint today. And I'd like to give you a brief background about the state of our facilities.

As you can look around, our facilities are not very modern. They were built in the mid-1950s. This particular building was built in 1955. Some of the other buildings, like where IT sits, and we call that Building 5, was a little bit more modern than this one. Building 6 is where Jimmie Archer, Motor Carrier, resides on the top floor. He's got the nicest view. But our facilities were -- have always been maintained by TxDOT. This is TxDOT land. They own it. They've been our landlord for the very expensive price of zero dollars.

And so we've had a very unique relationship with TxDOT. They maintain and control the property. They maintain the facilities. And we've had some very
interesting discussions with TxDOT to get to the point we're at.

In the 85th -- and you'll hear numbers when it comes to legislative sessions -- the 85th legislative session was '18-'19, which is the current biennium. So in that legislative session, we had a bill passed, Senate Bill 1349, that allowed TxDOT to transfer ownership of this campus to DMV, once their new property was established.

So they're building a huge complex out in south Austin. I don't believe it will be in place until probably '23. So in the meantime, they do have a presence on this campus. It's in Building 6, the first four floors.

So that bill allowed them to transfer property to the DMV. It allowed us to own and sell property as well. So the session before that, we actually had been appropriated a building, but it did not make it out of the veto period.

So in the 84th, we had a building appropriated -- we had funding appropriated, over $60 million, and that was quickly vetoed by the Governor. So at the time that that was going on, Jimmie's property was -- had been sold to Milestone.

And they're the ones who are building the
Grove. So we had a time certain that we needed to get out of Bull Creek. So after the 84th, in the '18-'19 biennium, we had to identify where Jimmie's area was going to be relocated.

We had money appropriated for rent, but with discussions with State leadership, they wanted to make sure that we had the best cost-effective approach for relocating Motor Carrier. So we ended up working out with TxDOT the one floor in Building 6.

So at their cost, they renovated the floor for Jimmie's area, and that's why I say he has the nicest view, because it is the most modern, renovated area in this campus.

MS. PIERCE: He earned it.

MS. FLORES: And he earned it, as Ms. Pierce is whispering to me. His old property on Bull Creek was -- yeah -- it was infested with all kinds of stuff, mold, rats, you name it. He had it. But with that, we did work out a process with TxDOT to slowly assume taking over the maintenance and repairs for the campus where we reside.

We spent year one in '18 actually coming up with a process. Who from the two agencies would represent this work group? And that took a year, as well as coming up with a list of projects that we needed to take on. We have a list of over 43 projects and they go anywhere from
replacing the roof to the smallest thing, such as replacing light bulbs, you know, when they go out.

So that is just a quick overview of where we are today. I'm going to turn it over to Ann, and she's going to go on into some of the more detailed projects that we have on our table today.

Tomorrow, you're going to hear more about the appropriations and the eventual outcome of the 86th legislative session.

MS. PIERCE: For the record, I'm Ann Pierce. I'm the deputy division director of the Finance and Administrative Services Division, and I'm very pleased to share with you all the exciting things that we're doing, because we actually do have a facilities team that we're building.

We are working on large projects. We're working on small projects. We're taking over some contracts from TxDOT so that we can be self-sufficient, and that's kind of our final break from TxDOT -- is going to be the property and things associated with the property.

And so we've got a lot going on. We're really excited about it. So let me tell you about a few of them. We've got four really large projects that we consider large, if it's over 250,000. So one of the initial
projects we're working on, we're trying to give Whitney and Shelly a little nicer home, since they kind of are the flagship of the Agency, and the first thing that people see when they arrive here at our campus.

Besides just remodeling their area and kind of upgrading the carpet, upgrading the paint, getting them some modernized modular furniture, and just kind of getting them better equipped that way, we're also trying to build them a conference room and adding another office so that they have some privacy for meetings and such that they have in that suite.

When you do a remodel like that in a building that's as aged as this building is, you also have to handle other areas, like shared areas, like restrooms in projects like that, and that means you need to upgrade them to ADA standards.

So besides the remodel itself, it also includes the restrooms that we'll be making much nicer for when we do have Board meetings for the public's use as well. We're also working on a campus security and badging system.

Right now, this campus is on TxDOT's badging. Over the last couple of years, we were able to transition our Regional Service Centers to our own badging system, so we have the core of the system, and we're going to be
moving that over to our facilities team from the IT and technology group.

And while we're doing that, we're also going to be converting the campus here to that same system, so that we can be self-sufficient. So that instead of us getting our badges from TxDOT, we'll have our own system and we'll be in charge of our own security.

Another of our larger projects which I'm sure several of the people over in Building 5 will appreciate, that building has a very aged roof system, and we do have some leaks that I hope we didn't experience too much from today.

So we're going to be replacing it. That roof is about 16 years old, and it was on TxDOT's plans to upgrade, but we're in a position to take that on, and they're really not, so rather than waiting, we want to get that fixed and repaired.

We're also doing some weatherization on this building. Much like Building 5, it's an older building, and there's some things that just -- they weren't able to get to, and it seemed like maintenance, and after a while, it ceases to be maintenance and it becomes more of a necessity.

So we want to get to that as well. Those projects -- those are our large projects. They're going
to start this fiscal year, but they're going to carry over
into the next fiscal year and biennium because they're
much larger, much more time-consuming projects.

We do have several projects that are going on,
so those are the ones that are under $250,000. We do hope
to accomplish all of these by or before the end of this
fiscal year, so by or before August 31. We're working on
the Austin Room, which we're actually wrapping up.

That's a conference room on our fourth floor.
We just tried to do a refresh. We improved the outlets by
putting them in the floor, adding a conduit so it's less
messy with cords everywhere. It just makes it a nicer
room with that.

We put a new conference table in there that
lets the cords come up through pop-ups that are in the top
of the table. It makes it easier to access, and it's just
much safer for people coming in, going from that room. We
updated their carpet, gave them some new paint, and just
kind of gave a refresh to the room.

Another one that we're working on is at this
building. At the rear of the building, we've got a
forklift and we've got a charging station for our electric
vehicle, and it's not adequately meeting our needs, and
it's kind of spread out over a couple different areas.

And we really need to get these pieces of
equipment in a covered area. So we're building a small shelter and we're moving the charging stations to that area so that it will be more secure, and it's still going to give us what we need, and it's going to be more convenient for the Agency as a whole.

The dock is also having some other issues. We've got two other smaller projects. There's a door back there that's rusting, so for safety and security, we're replacing that. And then the stairwell that's back there, it's made out of wood, and when you step on it, it kind of creaks, and you're not sure if it's going to stay there and be stable or not.

So we're already been meeting with vendors so that we can change that to something that's a little more safe for people that are coming and going, not just staff, but we have a lot of vendors that come over there, because it's right next to the dock where we get deliveries.

So we're going to change that to something like cement or something like that, something more stable that's going to have a longer life. We're also doing an installation of a Chair Room wainscoting actually for the area right behind you.

MR. PREWITT: Great.

MS. PIERCE: If you'll notice our lovely wall -- thank you, Whitney -- we already have it on order.
It's being made by the same group at TCI that made the
dais. So it's actually going to match that very nicely,
and we're looking for installation to be set up in August.

So that's already set up to be input.

MS. FLORES: For the record -- so if I could
just interject? There is another acronym, TCI, is
Texas --

MS. PIERCE: Technologies?

MS. FLORES: -- Correctional Industry.

MR. PREWITT: Very good.

MS. FLORES: So the folks from criminal
justice.

MR. PREWITT: Yeah.

MS. PIERCE: Then we've got two other smaller
projects. We're going to be doing a pressure wash on the
sidewalks to just kind of clean up all the years of grime
that have come into play, and after we have somebody come
in and professionally clean that area up, we're going to
get our equipment, now that we have staff that can
maintain the area, and so we'll start maintaining it
ourselves after that.

And then we've also had a couple of incidents
with visitor parking being where it is, and some of our
unfortunate directors -- there have been some car-backing
incidents that have caused some heartburn, so we're -- and
some damage.

So we're going to be relocating some parking spots and we're going to restructure that area and try to make it a little more safe. We're also working to be proactive. We're requesting some information through assessments.

We've got seven different assessments that we've requested, and we're partnering with the Texas Facilities Commission. They can give us kind of a group discount, so to speak, by putting a lot of these efforts together and speaking on our behalf and helping us, especially since they do handle this stuff more routinely than we have in the past. And by gaining these assessments, we're going to have a lot of information available to us, so it's going to help us as we move forward with larger projects.

They're going to be helping us with getting mechanical, electrical and plumbing assessments and plans. These buildings being older and requirements that TxDOT have or don't have -- we didn't have an updated set of plans.

So over the years, as work as been done since 1955, there's not one set of plans that kept carrying forward with these updates. So we're kind of asking for -- let's start from scratch. Tell us what we have so
that we know before we start knocking walls out and trying to mess with the electricity.

Tell us what we've got, and then we can keep that updated from here on out. We also want to know what sort of requirements do we need to worry about as we're doing these projects? And they do affect, like, the restrooms or that -- you know, the lobbies and accessible areas, and how that's going to affect the Americans with Disabilities Act and what we might be required to update from there.

We also want to make sure that the space that we've got, that we're using it wisely, and that we're putting divisions that need to conduct business on a more routine basis next to one other so they're not just having to walk building to building.

So we're asking for a space utilization assessment and an adjacency study. We also want to ensure that our staff and our visitors have clean air. So we're doing an indoor air quality assessment.

MR. PREWITT: Uh-huh.

MS. PIERCE: These are very important aspects, so that as we do these projects, we know if we need to put those aspects in the projects, and what it might do the costs of those projects and how long they're going to take.
We're doing the arc flash study. That will tell us what sort of power system we have throughout the different areas of the buildings, so that when our electrician goes to work on something, he's got the right personal protective equipment, because you can't prevent the arc flash, but you need to know where it is so you don't get hurt.

And then we want to keep other employees safe if they're not wearing that protective equipment. We're also looking at some signage upgrade assessment, so they can tell us what sort of signage we might need for notifying the public of different things and visitors of different things, how we can best direct traffic, whether it be our staff or visitors to the various conference rooms, and to just make it a more clean, kind of, path to get to the different areas of the buildings.

And then we're also having a fire marshal assessment, because unlike TxDOT, we're not exempt, so we want to get ahead of that, and if there's any areas that we wouldn't pass, we would like to go ahead and get that fixed before they turn the key over to us, and then we have a violation that we could have avoided.

We've also -- we were granted three FTEs, full-time equivalent employees during the 86th session --

MS. FLORES: 85th.
MS. PIERCE: -- 85th. Excuse me. Thank you.

So we were just now able to start hiring those positions. We really didn't know what we needed until we started putting the projects together. So we've hired a master electrician that's our electrical coordinator, and he's also going to be over our security system project.

And we've hired a plumbing coordinator. And we are in the process of hiring our own HVAC mechanic. So we're very pleased. We're in the building stages, but as you can tell, we have quite a bit going on. We've also developed a steering committee that is -- we're very pleased to have several of the directors on that team with us, Linda being one of them and Shelly being our sponsor.

We're meeting with these folks and we're letting them be the voice of the whole Agency and staff, and they're kind of telling us, we'd really like to see this kind of item fixed or repaired, or you know, paint here, things like that.

So we're starting to build that list, so that as we finish up some of these other projects, we can prioritize and some others waiting in the wings.

MS. FLORES: I think it's more about self-preservation. That's why they volunteered to be --

MR. PREWITT: Right.

MS. FLORES: -- on the steering committee.
MS. PIERCE: I don't know. Jimmie's on there, and he's got pretty good digs.

MS. FLORES: He's trying to protect his digs.

MR. PREWITT: Right, right.

MS. PIERCE: Does anyone have any questions? 
(No response.)

MR. PREWITT: Well, commendations to y'all for the whole Agency, doing more with less, and I know you're being constrained with the physical plant and making the best of it, so thank you.

MS. PIERCE: Thank you.

MR. PREWITT: It's great.

MS. FLORES: And that concludes our presentation. Thanks.

MR. PREWITT: Okay. Moving forward, Item C, any items needing actions regarding the Government Code, Chapter 551, going into executive session. So there will be none. As far as public comment, I have not received any sheets for public comment.

So if there are none, then we'll go to the next item on the agenda, which is -- I would like to entertain a motion to adjourn. Do I hear motion?

MS. WASHBURN: So moved.

MR. PREWITT: Motion by member Washburn. Do I have a second?
MS. MCRAE: I second.

MR. PREWITT: Second by member McRae. All in favor, by raising your right hand?

(A show of hands: Members McRae, Prewitt, Scott, Washburn.)

MR. PREWITT: Let the record reflect that the vote was unanimous. It is now 4:17 p.m. We are adjourned. Thank you.

(Whereupon, at 4:17 p.m., the meeting of the Projects and Operations Committee of the Board of the Texas Department of Motor Vehicles was adjourned.)
CERTIFICATE

MEETING OF: Projects & Operations Committee
LOCATION: Austin, Texas
DATE: June 5, 2019

I do hereby certify that the foregoing pages, numbers 1 through 106, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

DATE: June 11, 2019

/s/ Adrienne Evans-Stark
(Transcriber)

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