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Minutes

Thursday, Oct. 15, 2009

Virginia Information Technologies Agency (VITA)
Commonwealth Enterprise Solutions Center
Multipurpose Room 1222-23
11751 Meadowville Lane, Chester, VA 23836

Attendance

Members present:

The Honorable Ric Brown
Dr. Patricia Cormier
Hiram R. Johnson
Kenneth S. Johnson Sr.
Walter J. Kucharski

Dr. Mary Guy Miller
Scott D. Pattison
The Honorable Len Pomata
Bertram S. "Bert" Reese

Members absent:

James F. McGuirk II, Chair

Others present:

Shelia Alves, VITA
George Coulter, Chief Information Officer of the Commonwealth
Peggy Feldmann, VITA
Dr. Marshall Ruffin, Chair, HITSAC
Mike Sandridge, VITA
Dana Smith, VITA
John Westrick, Office of the Attorney General
Marcella Williamson, Executive Director, ITIB
Chad Wirz, VITA

Chair's Report

Call to order

Vice Chair Pomata called the meeting to order at 10 a.m. in the Multipurpose Room at the Commonwealth Enterprise Solutions Center (CESC) in Chester. Vice Chair Pomata asked Ms. Williamson to call the roll. The presence of a quorum was confirmed. He welcomed Dr. Miller, who had been re-appointed to the ITIB.

Minutes

Vice Chair Pomata introduced the draft meeting minutes from July 24, Aug. 6 and Aug. 20, 2009, as a block. Dr. Cormier made the motion, seconded by Mr. Ken Johnson:

"I move to approve the minutes."

The minutes were approved by voice vote.

Committees

Vice Chair Pomata said the current committee structure will continue since board members wanted additional discussion on Chairman McGuirk's proposed committees and membership. He said, as a result, a couple of members are not on committees until further notice. Dr. Miller, who noted she has not yet been appointed to a committee, asked that members be notified of upcoming committee meetings so they can attend if so inclined. Mr. Westrick said ITIB members can attend any open committee meeting but can not vote at the committee meeting unless they are members of the committee. Dr. Miller asked when the new committee appointments will be made. Vice Chair Pomata said Chairman McGuirk had circulated a proposed committee structure and asked for comments. He said Mr. McGuirk could not get resolution from some board members regarding their committee appointments, and needed to defer action. He said Chairman McGuirk will address committees and committee assignments when he returns.

Mr. Ken Johnson suggested tabling committees and assignments until the board has a retreat. He made a motion, which included an amendment from Dr. Cormier, Mr. Hiram Johnson and Dr. Miller:

"I move that we have a board retreat sooner rather than later to discuss the ITIB's overall objectives, continuity of objectives for the CIO, committee assignments and any other business, and that the board engage a facilitator who can assist the board in functioning as a board."

The motion was approved on a voice vote. Vice Chair Pomata noted that the retreat will be a meeting of the ITIB and, therefore, must be held in open session. Mr. Westrick agreed that the retreat would be open unless there is a topic appropriate for a closed session.

Health Information Technology Standards Advisory Committee (HITSAC) Report

HITSAC Chair Dr. Marshall Ruffin reported on the health care evolution and importance to the Commonwealth, HITSAC background, federal initiatives that will have a major influence on the Commonwealth, the Health Information Exchange (HIE) grant, HITSAC work to date and next steps.

Dr. Ruffin said health care, like all other industries, is moving from analog to digital documents. He said hospitals, doctors, pharmacies, durable medical companies, dentists, etc., need to exchange data in electronic form. To move data in electronic form for an industry and a topic as complex as health care requires extraordinary standardization, which is both painful and enormously beneficial once implemented. There are numerous benefits to citizens: Provides data when and where needed, reduces overall cost of health care, improves privacy and security of data exchange, helps improve patient safety, and supports public health analysis and reporting. Dr. Ruffin said we are in the early stages of digital standardization in

medicine and we need inter-operability standards to allow us to move data between doctors, hospitals and others who provide care. HITSAC is reviewing and will recommend standards to the ITIB.

He said the federal government is putting \$20 billion into state efforts to adopt standards. Funding totaling \$2 billion will be for resource centers, research centers and HIEs, and Virginia has the opportunity to obtain funding. Funding totals \$18 billion as incentives to hospitals and physicians for “meaningful use” of electronic records. He explained that Virginia will receive \$11.6 million for HIE and expects more than \$8.5 million for a resource center. “Meaningful use” of electronic records for hospitals could total \$347.5 million and approximately \$40,000 - \$60,000 average per doctor.

Dr. Ruffin said members of HITSAC include Daniel Barchi, Senior Vice President and CIO of Carilion Clinic; Geoff Brown, Senior Vice President and CIO of Inova Health Systems; Dr. Alistar Erskine, Chief Medical Information Office of the VCU Health System; and John Quinn, Chief Technology Officer of HL7, an international organization that leads the way in the world in health IT standards. He shared the HITSAC charter and guiding principles, and discussed federal initiatives related to the health information technology infrastructure that allows for the electronic use and exchange of health information. He also defined meaningful use and discussed the Commonwealth’s grant application of the HIE. The COV-HIE will address governance, finance, technical infrastructure, business and technical operations, and legal/policy concerns. HITSAC’s focus includes influence on governance and business and technical operations, and leadership on the technical infrastructure.

He said it’s not enough to move information, but that it has to be moved with integrity and semantic interoperability.

To date, Dr. Ruffin said, HITSAC has invited input from state agencies and stakeholders, reviewed the health projects with VITA, reviewed activities in neighboring states, reviewed federal standards and architecture, discussed clinical research informatics, and drafted a COV-HIE technical infrastructure white paper. He provided example recommendations and the COV-HIE conceptual view.

The next steps for HITSAC, he said, is to provide an initial set of recommendations to the ITIB, work with the Office of Health IT on planning efforts for COV-HIE, and identify VITA resources to support HITSAC and the Office of Health IT tasks related to the COV-HIE technical infrastructure. He said he expects VITA will be involved, and that the ITIB will oversee the IT aspects.

Mr. Reese said this effort will help capture much-needed dollars for health care in the Commonwealth. More importantly, he said, it will improve patient care. Mr. Reese said HITSAC believes this will be a Commonwealth utility, but the planning grant will be used to determine how this will work.

CIO Report

CIO Coulter thanked the ITIB members for their confidence in him during this critical time in VITA’s and the infrastructure’s history.

He said a CIO Council has been formed of agency and locality CIOs and IT directors, who have a high competency and experience level. He said the council will be a direct link into the agencies to obtain their direct input into day-to-day operational issues. He introduced CIO Council members present and Sam Abbate, new Northrop Grumman VITA Program director.

CIO Coulter said tremendous progress has been made in the last 45 days. He said his three areas of primary focus are enhancing customer service, getting the IT infrastructure program with Northrop Grumman back on track and reducing expenses. He said he has been working with a chief technology officer from Northrop Grumman on network redundancy and re-architecting storage. He said he and Mr. Abbate are working closely together on these issues.

He said organizational changes support these priorities and also improve teamwork, empower teams and remove obstacles to their work, streamline decision making and increase responsiveness. CIO Coulter said Northrop Grumman is making similar changes to mirror the VITA organization. He shared the new VITA organizational chart.

The tower approach has been changed to an agency transformation approach. Instead of separate teams going to an agency for each transformation project, one team will oversee all transformation until it is complete at an agency.

The customer teams will mean better customer service, he said. The teams' focus will be customer satisfaction with projects, transformation, services and security. The structure will be seven integrated customer teams organized by secretariat. One of the teams successfully supported the complex move of 85+ Social Services' servers that impacted more than 120+ sites. He said he is meeting with agency business and IT leaders with Mr. Abbate.

Mr. Hiram Johnson left the meeting.

He said architecture redundancy is an issue, and work on re-architecting and having redundant carriers is underway. He said the first priority is to have redundancy for the 193 critical sites.

Since the last ITIB meeting, CIO Coulter said the corrective action plan has been received from Northrop Grumman, the RTIP Report was submitted to Governor and General Assembly, he attended the Commonwealth of Virginia Innovative Technology Symposium (COVITS) and met with Virginia Local Government IT Executives (VaLGITE) and has been meeting with agency business and IT leaders.

Mr. Hiram Johnson returned to the meeting.

CIO Coulter said the JLARC study was very thorough and very helpful to him personally. He said some recommendations regarding the IT infrastructure program were made and he will review those and give them very serious consideration in the coming weeks. He said the next JLARC briefing will be Dec. 14.

He said his first detailed dive into proposed contract changes to the Comprehensive Infrastructure Agreement with Northrop Grumman showed additional review is needed. He said changes are on hold. The CIO anticipates establishing a contract review workgroup to advise him on any proposed contract modifications. He said the proper reviews will take place before changes are made.

In addition, CIO Coulter said planned activities include: Provide IT infrastructure support to new administration, continue executive meetings with agency heads, host Commonwealth Information Security Conference and represent Virginia at National Association of State CIOs (NASCIO) conference.

He asked Mike Sandridge, VITA, for a quick update on the ITIB major IT project status reports. Mr. Sandridge said the report is very good, with no red projects, five yellow and 22 green. He said the number of red and yellow projects decreased, while the green projects

have increased. The overall portfolio has increased in size related to the RTIP and strategic IT planning at the agencies. The number of projects increased from 49 to 52, and the value increased from \$716.5 million to \$728.9 million. He said projects identified for preliminary planning include VITA Shared Service Enterprise Content Management and Business Intelligence and the Department of Corrections Electronic Healthcare Medical Records. Those approved for planning include the Virginia Department of Transportation (VDOT) Roadway Centerline (VGIN Merge) and Virginia Department of Motor Vehicles (DMV) REAL ID. Approved for Development are the VDOT Highway Performance Monitoring System, Employment Commission Unemployment Insurance Modernization, Business Assistance Business One Stop - Phase II, Virginia Community College System (VCCS) Human Resources Management System and Department of Planning and Budget Performance Budgeting Solution. The VDOT VATraffic and Forestry Integrated Forest Resource Information System projects have been completed.

Mr. Ken Johnson asked if this material is online in a dashboard. Mr. Sandridge said the full report will be posted after the meeting. Mr. Ken Johnson asked if the chart posted on the back wall and mentioned by the CIO that describes the status of transformation at each agency is online. CIO Coulter said the chart was just completed and it will be posted. Dr. Miller asked if the previous dashboard remains online for the ITIB. Mr. Sandridge said that dashboard was replaced by ProSight and access can be provided. Mr. Ken Johnson said with all the information that is being managed by VITA, transparency is critical and any opportunity to provide information online should be used.

Dana Smith, VITA, said actions were taken to alleviate a projected \$7 million loss in FY09, specifically making permanent previous withholds of \$6.3 million from Northrop Grumman for server storage and enterprise print. The loss was \$1.4 million. The E-911 fund ended the year with an \$8.8 million loss as a result of a \$6 million transfer to the compensation board at the direction of the General Assembly and planned higher grants to localities. Vice Chair Pomata asked if the budget should have been adjusted so that it did not show these planned expenses as losses. Secretary Brown said that is possible. Ms. Smith said the budget showed expenses and transfers out compared to revenues, resulting in a loss.

As of Aug. 31, revenues and expenses are about even so far this year in the internal revenue service fund. Expenses are higher in the E-911 fund because of an early payout. She noted that finance staff members are working with the former Virginia Enterprise Applications Program (VEAP) staff, now part of VITA and called the Enterprise Applications Division, so that accurate finances can be reported for the technology infrastructure fund.

Ms. Smith said the cash flow chart shows actual cash on hand. She noted that for most of the year, VITA had a \$15 million line of credit from the state but that was repaid on June 30, and VITA ended the year with \$28.5 million. She said that figure is somewhat inflated because of pre-payments from agencies using general fund monies. Mr. Hiram Johnson noted that this happens every year. Ms. Smith confirmed that it does occur each June for that very reason. Dr. Miller said she is surprised agencies are not budgeting for technology, and that VITA receives this spike in revenue each year. She said she thought this had been addressed with more anticipated funding of technology. Ms. Smith said most pre-payments are over what they plan to expend and agencies pay VITA to keep from losing the funds. Secretary Brown said with budget cuts coming in waves, some funding from agencies used for pre-payment is situational -- agencies end up with money from vacancies and other sources, and that money gives them some flexibility. They pre-pay VITA and can deal with budget cuts later. He said some agencies have built this into their budget strategies and the administration is aware of these actions. Ms. Smith said the cash on hand has been significantly depleted already, and VITA already has taken out a \$10 million line of credit. Mr. Pattison asked for Ms. Smith's

view on the amount that will be needed beyond the \$10 million. Ms. Smith said more will be needed, but that the most that has been borrowed by VITA is \$15 million.

Ms. Smith said Northrop Grumman has committed to delivering a managed services invoice in December, pending re-baselining and reviews. She said VITA and Northrop Grumman have agreed on quantities and now must agree on the price, but that will be no greater than the \$236 million cap in the contract. Mr. Hiram Johnson asked if the re-baselining will include hard and soft assets. Ms. Smith said yes. Mr. Hiram Johnson asked if this will be a bill from Northrop Grumman to VITA that includes actual costs and not estimated costs that have been billed over the past 14 months. Ms. Smith said that is correct.

Mr. Kucharski asked when VITA will go to JLARC for new rates. Ms. Smith said she expects to be before JLARC at the May or June meeting. She said from a customer perspective, VITA will be using the same rates currently approved by JLARC.

Shelia Alves reported on audits. She said there are 91 audit results being tracked. Of those 4 are blue, 82 are green and five are yellow.

Chad Wirz reported that 71 percent of service level agreements are being measured in the dashboards. He said an unexpected rise in help desk calls reduced performance slightly. That was driven by scheduled transformation activities that caused a higher number of calls from a single large agency. Reporting on transformation, Mr. Wirz projected 21 agencies will be complete in October and 37 in November – pending finalizing schedules with the agencies. Mr. Hiram Johnson asked if transformation will be complete by the end of June 2010 considering the unknowns with agency scheduling. Mr. Wirz said transformation largely will be done, but there may be a few specific instances where some issues will be pending.

Mr. Wirz reported that 30 percent of agencies have signed off on schedules for transformation. He said of the remaining 70 percent, some are simple and some are complex and that details are being worked. He said 40 percent of agencies are 90 percent or more complete. Approximately 69 percent of transformation work is done. Of 74 milestones, 69 have been accepted.

Mr. Ken Johnson asked if the progress matches the Public-Private Educational Facilities and Infrastructure Act (PPEA). Mr. Wirz said the PPEA did not contemplate how to measure completion. He said the contract stipulates services to be provided and the acceptance criteria. He said VITA is measuring against the contract.

Dr. Miller asked if the corrective action plan has been accepted and if the plan changes the interpretation of the contract. Wirz said the plan has not yet been accepted but will not be a modification to the contract. CIO Coulter said he expects to respond to Northrop Grumman regarding the corrective action plan and will provide his response to the ITIB before it goes to Northrop Grumman. Mr. Hiram Johnson said contract changes should be reviewed by the ITIB.

Mr. Hiram Johnson asked if VITA is withholding payments to Northrop Grumman. Cynthia Cordova-Edwards said there are withholds. Mr. Hiram Johnson asked if VITA paid Northrop Grumman \$14 million in full for the past month. Ms. Smith said the full amount was not paid.

Dr. Miller asked about re-baselining. David Swynford, VITA, said re-baselining is required by the contract and it is to VITA's advantage to re-baseline. He said "we are to the best point we've been since the partnership started." Dr. Miller asked that the board be kept abreast of re-baselining progress.

Peggy Feldman reported that a statewide contract has been awarded for performance budgeting and financial management, and both projects will be reviewed at the ITIB Major Projects and Enterprise Applications Committee. Mr. Kucharski asked who is responsible for these projects.

Mr. Ken Johnson left the meeting and did not return.

Dr. Miller left the meeting.

Ms. Feldmann said the projects will follow the normal project management process and have steering committees of stakeholders from the sponsoring agencies. Project managers are VITA employees, and the oversight committee provides guidance. The Department of Planning and Budget is sponsoring performance budgeting, while financial management is being sponsored by the Virginia Department of Transportation.

Ms. Feldmann said business intelligence is reporting and analytics, and that the production server was established Aug. 1. The data management project, she said, is in the process of developing standards and interfaces.

Dr. Miller returned to the meeting.

Ms. Feldmann reported on the status of the working capital advance. She said no payments on the \$30 million have been made, but noted the Governor's July letter regarding repayment being included in budget language. She said additional enhanced tax collections and procurement savings in durable medical equipment in the Department of Medical Assistance Services will provide revenue.

Mr. Kucharski asked if the financial liability is VITA's. Secretary Brown said VITA is not liable, but that the ultimate liability rests with the appropriations process. Mr. Kucharski said he believes this presentation then is not relevant to the ITIB. Vice Chair Pomata said this topic should not be on the agenda in the future unless there are questions. Mr. Hiram Johnson said he asked that this topic be on the agenda since this program has brought no money into the infrastructure fund and \$11 million has been authorized as draw down. He said he is not confident in the ability to repay the money. Secretary Brown said the line of credit is a long-term loan, and income for repayment is being ironed out in the new contracts for enhanced tax collections. Mr. Hiram Johnson said he looks forward to the revenue stream.

Mr. Pattison left the meeting.

Vice Chair Pomata said these projects represent the type of enterprise-wide programs that the board wants to see. He also asked members of the CIO Council for any advice and counsel they might have for the board, and said he would provide an opportunity for members to provide such information later in the meeting.

Mr. Pattison returned to the meeting.

Board Discussion

Mr. Hiram Johnson said he has serious concerns about personnel changes made by the new CIO without ITIB involvement. He made a motion, seconded by Dr. Miller:

"I move that the CIO is hereby directed not to make any personnel changes regarding direct reports to the CIO without first presenting the proposed changes to the board for review and approval."

Dr. Cormier said such action would tie the hands of the CIO and is a level of micro-management that is not healthy for the organization. Mr. Kucharski said the board has limited powers, such as hiring and firing the CIO, and he is not sure if the board can delve that far into how the CIO manages the organization. He said the proposed retreat may be an appropriate venue for such discussion. Mr. Kucharski added that he cannot imagine trying to run an office with that kind of restriction. Secretary Brown said he is not aware of any board that manages to that level. Mr. Hiram Johnson said he would entertain an amendment that only requires a review. Secretary Brown said he does not think such board review and approval is appropriate. Mr. Reese said the CIO works for the board and that the employees work for the CIO and to do anything different causes anarchy and chaos within the organization. Dr. Miller said the internal auditor works for the board, looking at the organizational chart, and that the CIO dismissed the internal auditor without review by the board. She said removal of the internal auditor without the board's knowledge seems inappropriate. Vice Chair Pomata said it seems Dr. Miller has a concern that the CIO acted without proper authority regarding removal of the internal auditor and she has a second concern about removal of employees without input of the board. He asked Mr. Westrick for advice. Mr. Westrick said it is a policy issue for the board as to the extent to which it wishes to direct and control the actions of the CIO. Mr. Kucharski said from a policy point of view, the board should look at whether the previous CIO should have assigned the internal auditor the additional duties of Commonwealth Chief Security Officer. Mr. Hiram Johnson said he withdraws the motion pending the board retreat. The second, Dr. Miller, agreed.

Dr. Miller made a motion, seconded by Mr. Hiram Johnson:

"I move that the CIO is directed to keep the board and all of the members apprised and up to date on a timely basis on all major developments and major anticipated actions affecting VITA or the board and to promptly supply to the board a copy of any VITA records that are requested by the members. When a major anticipated date would occur before the next regularly scheduled board meeting, the CIO shall send a full briefing to the members by e-mail so they can decide whether a special meeting is necessary to provide direction."

Mr. Hiram Johnson asked if contract modification and changes would come under this motion. Dr. Miller said she thinks the CIO would agree, since the CIO said earlier that he would not take such action without informing the board. She said she thinks any change to the CIA would be a major change and there could be others.

Mr. Reese asked if the CIO can obligate the Commonwealth. Mr. Hiram Johnson said the answer is yes. Mr. Reese said he would agree with narrower verbiage of obligating the Commonwealth. Mr. Kucharski said negotiations, if shared with the board, could be subject to the Freedom of Information Act. He said he does not want to put the agency, himself or the Commonwealth at risk. Secretary Brown said informing the board of major actions is agreeable, but that the motion is very broad. Dr. Miller said she does not want to read in the paper about an action or be told that another member is aware of an action of which she is not aware. Mr. Hiram Johnson said the board has been accused of not paying attention and has not been actively involved, and that contract changes and some members being aware of actions that others are not gives him concern. Mr. Reese said the CIO reports to the board and not to individual board members. He said the board needs to speak as one voice to the CIO. The CIO reacting to individual board members' requests is not appropriate, and some of that is occurring. Dr. Miller said she is trying to clarify and help the CIO. Mr. Pattison said he

wants to make sure information and materials, if requested by one member, go to all board members. Dr. Miller asked if there is a document in VITA that is confidential and it is provided to a board member, does confidentiality remain. Mr. Westrick said, in most cases, it does, but of course, confidentiality would be lost if the member then releases the document to the public, just as it would be lost if a VITA employee released the document.

Mr. Reese said the question is how the board wants to do business, and is something that should be discussed in the board retreat. Dr. Cormier said it is important for the board to understand how to use electronic communication and how to operate as a board. She said she does not want information on a minute-by-minute basis and to manage VITA every day. She said she gets 15-25 e-mails a day related to the ITIB and VITA. Mr. Kucharski said the board is revisiting a problem that the board has had before, which is why there is language in the appropriations bill. Vice Chair Pomata said the amount of data that this board is thinking about looking at is overwhelming. He also said he relies on the committee structure to inform the board so that members are not involved in all matters.

Dr. Miller modified her motion, which was accepted by her second.

"I move that between now and the retreat, the CIO is hereby directed to keep the board and all of its members apprised and up to date on a timely manner of major developed and major anticipated actions affecting VITA or the board and to promptly supply to the board members a copy of VITA records requested by that member."

Vice Chair Pomata asked Ms. Williamson for a roll call vote. Voting for the motion were Mr. Hiram Johnson, Dr. Miller and Mr. Pattison. Opposed were Secretary Brown, Dr. Cormier, Secretary Pomata and Mr. Reese. The modified motion failed on a 4-3 roll call vote.

Dr. Miller said she is unclear of the CIO's work group that will evaluate changes to the CIA and include some members of the board. She asked specifically who would be on the work group. CIO Coulter said the work group has not yet been formed. Dr. Miller said the board could serve as a work group for contract modifications. Mr. Reese suggested the IT Infrastructure Committee serve as that work group. CIO Coulter said he is fine with having the existing committee, in lieu of the work group, review proposed changes. He said he anticipates reviewing changes to the CIA before the committee meeting day on Dec. 17 and will need the committee to meet prior to that time. Dr. Cormier said she understands the CIO to say changes will be reviewed before making recommendations to the full board.

Dr. Miller made a motion, seconded by Mr. Hiram Johnson:

"I move that the CIO is hereby directed not to modify the CIA without first presenting any recommended modifications to the board for approval."

Dr. Cormier asked is the CIO required to present the recommendations to the board. Vice Chair Pomata said no, but the CIO said he has agreed to do so. Mr. Reese said he does not have a working knowledge of the contract, but that the IT Infrastructure Committee does have that knowledge. Dr. Miller said she wants the board to be made aware of the recommendations for review and approval. Vice Chair Pomata said the CIO has committed to do that, and he doesn't understand the need for the motion.

Vice Chair Pomata asked Ms. Williamson for a roll call vote. Voting for the motion were Mr. Hiram Johnson, Dr. Miller and Mr. Pattison. Opposed were Secretary Brown, Dr. Cormier, Secretary Pomata and Mr. Reese. The modified motion failed on a 4-3 roll call vote.

Mr. Pattison said he does not want time limitations on the meetings, and members appeared to agree. There was no additional discussion.

Committee Reports

CIO Search and Executive Evaluation Committee

Mr. Reese presented a motion regarding relocation expenses for the CIO. The motion was seconded by Dr. Cormier.

"I move as follows:

- 1. That the board hereby certifies to the Virginia comptroller that when the board hired the CIO, it was the board's understanding and desire that he would relocate to the Richmond/Meadowville area for the Commonwealth's good (and not for his convenience or request), and that accepting the position of CIO has increased his commute by at least 50 miles each way;*
- 2. That the board hereby authorizes the chair of the CIO Search and Executive Evaluation Committee to sign, on behalf of the board, the 'Tenure Agreement' that is included in your materials; and,*
- 3. That the board hereby approves and adopts the Sept. 23, 2009, e-mail from Tom Falat of VITA to Randy McCabe of the Department of Accounts, wherein a request was made to allow the above reimbursement to apply to expenses incurred on or after the hire date rather than the date of the tenure agreement; and,*
- 4. That the chair of the CIO Search and Executive Evaluation Committee shall periodically provide the board with a summary of the reimbursements made under the above authorization."*

The motion was unanimously approved on a voice vote.

Mr. Reese presented the following motion, seconded by Dr. Cormier:

"I move that the board adopt the ITIB 'CIO Evaluation Policy and Procedure that is included in your materials, and that this revised policy shall supersede the former policy by that name, which was adopted by the board on Dec. 8, 2005."

The motion was unanimously approved on a voice vote.

Finance and Audit Committee

Mr. Pattison made a motion, seconded by Secretary Brown

"I move that the board accept the audit charter and plan."

The motion was unanimously approved on a voice vote.

Other Business

Vice Chairman Pomata asked for other business. There was none.

Public Comment

Vice Chairman Pomata asked for public comment.

Murali Rao, VDOT, CIO Council member, asked that the agencies be permitted to provide input in any contract modifications to the CIA with Northrop Grumman since the agencies live the project every day. Vice Chair Pomata thanked him for his comments.

Charles Hague, who said he is a retired IT executive, said the Virginia Department of Education has lost records, including Social Security numbers, of more than 100,000 adult students. He asked if the CIO was informed of the issue as required by state security standards and what actions have been taken to ensure the security of the Commonwealth's data. Vice Chair Pomata said the incident was reported. He said a "thumb drive" was transferred from one DOE employee to another. He said all procedures were followed. He said the Secretary's Office and CIO were notified the day it occurred. He said procedures must be followed, and that VITA has asked agencies to look at data to determine how much information is necessary in doing business and to be sure if that information is needed that it is encrypted.

Mr. Hague said that in a Sept. 22 story, the Richmond Times-Dispatch reported that phone service was being switched to save money. He asked if service is being switched to Voice over Internet Protocol (VoIP). CIO Coulter said that is correct. Mr. Hague pointed out that VoIP is not included in the Northrop Grumman contract, and asked what is actually being done. CIO Coulter said it is part of the restructuring of the network. Mr. Hague said that seems to be a contract change, and said he was surprised to see it was not in the original contract. CIO Coulter said it was his understanding that does not require a contract modification.

Mr. Hague asked if everyone can agree that Verizon is a major partner with Northrop Grumman in the state's IT contract. Vice Chair Pomata said Verizon has a contract with Northrop Grumman to provide telecommunications services. Mr. Hague said he had a question for Mr. Ken Johnson regarding his ties with Verizon. Since Mr. Ken Johnson had left the meeting, Vice Chair Pomata said the question would be included in the minutes and Mr. Ken Johnson's response also would be included. (Mr. Johnson's response from later in the day on Oct. 15 – "Hello All, I send this message only because I was not in the meeting to respond to a question regarding our firm's (Johnson, Inc.) work with Verizon. Our work with Verizon predates my appointment to the VITA board and has been listed on my state of Virginia statement of interest forms related to all boards I sit on for disclosure.")

Mr. Hague said JLARC reported that attendance of members of the board was irregular. He said this location is inconvenient for many citizens and asked if the board would consider a meeting location that is more accessible. He said he drives 30 miles one way to attend. Vice Chair Pomata said more accessible is defined differently, noting that he drives 125 miles one way to the meeting. He said it can be considered, although the space at CESC lends itself to ITIB meetings.

Mr. Hague asked the status of the deputy CIO position posted on Aug. 15. CIO Coulter said the position was withdrawn.

Vice Chair Pomata thanked Mr. Hague for his comments.

Wanda Gibson, Fairfax County, CIO Council member, thanked CIO Coulter for establishing the CIO Council and inviting local participation. She said localities long have wanted a better relationship with VITA and are interested in some of its services. She said she is pleased to serve on the council and hopes it can help work through some of this process.

CIO Executive Search and Evaluation Committee

Mr. Reese said he failed to make one motion. He presented the following motion, seconded by Dr. Cormier.

"I move that the board hereby delegates to the chair of the CIO Search and Executive Evaluation Committee the authority to approve the CIO's expense reimbursement requests, provided this is done in accordance with the State Travel Regulations issued by the Department of Accounts (Commonwealth Accounting Policies and Procedures Manual Topic 20335). The chair shall periodically provide the board with a summary of the approvals granted."

Vice Chair Pomata asked about precedence. Mr. Westrick said the authority could be delegated to a member, but not to the chair. He said a statute was adopted prohibiting giving the chair any more authority than any other members. Mr. Hiram Johnson asked if the authority could be delegated to a member. Mr. Westrick said yes. Dr. Miller asked for clarification on whether the authority is being given to Mr. Reese or to the chair of the committee. Mr. Westrick clarified that it is being given to the chair of the committee.

On a voice vote, the motion was approved unanimously.

Adjourn

Mr. Hiram Johnson made a motion, seconded by Dr. Cormier to adjourn. The meeting was adjourned at approximately 1:30 p.m.