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☞ Details: Department of Veterans Affairs information on Division of Enterprise Technology Shared Information Services project

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)

Department of Veterans Affairs
Server Consolidation Concerns

Objectives of the Department of Administration (DOA), Division of Enterprise Technology (DET) Shared Information Services project: provide cost savings while delivering more effective information services across the State of Wisconsin. While there are opportunities to be gained from centralization of some IT services, DVA believes that this centralization must be done in the right manner, and only if it delivers upon the two basic objectives.

As DET devotes efforts to enterprise IT consolidation, there are trends developing that don't demonstrate the concepts of better service, at a lower cost.

- **New or increased costs for the services being consolidated by DET:**
 1. Current DVA email costs are \$2.10/mailbox/month. This includes server and client email software, server hardware costs, anti-virus and anti-spam software and staff salaries relating to email support. While DET's rates haven't been set yet, they estimate that their costs will be between \$3 - \$18 per mailbox/month.
 2. DVA's current BadgerNet costs are \$51,222/year. Based upon preliminary figures from DOA, DVA's costs for the new BadgerNet Converged Network will increase to \$66,240/year.
 3. Internet usage charges for the past two years have averaged \$4,519/year.
- **Agency FTE Assessment for Server Consolidation:**
DVA's FTE assessment for server support consolidation was set at 3.30 FTE; however, this assessment was determined before the scope of services was finalized. This change of scope sees a number of email and server support functions remaining with agencies. Most of these functions are the labor-intensive support functions. With this FTE assessment and loss of staff, DVA will no longer have the staff with the skill set in the server support area to perform these functions.
- **Remote Site Exemption:**
Uncertainties exist in how remote sites will be involved in consolidation. The Wisconsin Veterans Homes in King and Union Grove are nursing home environments with highly automated member care work processes that are reliant upon technology. In this type of environment, not only is access to medical data necessary but it's also critical that this data is accessible in a timely manner for the health and safety of our members. The quality of service in a consolidated environment is in question which prompts DVA to request an exemption for remote site participation in this project. In turn, we also request that the above Agency FTE Assessment for Server Consolidation Support Roles be reduced from 3.30 FTE positions to 1.30 FTE positions reflecting the non-participation of our remote sites in this initiative.
- **HIPAA Legal Concerns:**
At DVA, veterans' personal and medical information is captured and shared with our business partners. There are very stringent HIPAA security criteria and requirements that must be met relating to who has access to this data, how the data is shared and stored. In order for DVA to participate in the enterprise email consolidation project and subsequent server consolidation processes, it's imperative that DOA addresses the following HIPAA concerns.
 1. State law limits access that individuals have regarding the records we receive.
 2. DD214 documents and other veteran papers are also privileged by federal privacy laws.
 3. Applications, appeals and inquiries are all confidential.
 4. Legal email communications are confidential documents.
 5. The Wisconsin Veterans Homes at King and Union Grove are covered by HIPAA privacy rules.
 6. DVA has confidential communications with County Veterans Service Officers.
 7. DVA is integrated with the U.S. DVA at the Milwaukee Claims Office, as well as with various hospitals and clinics, involving email and other electronic communications.

DVA has repeatedly identified the HIPAA legal concerns and requirements that DET must address before DVA can participate in the enterprise email and server consolidation project. No direction or response has been received from DOA on this critical issue.

DVA feels that IT consolidation shouldn't be done for the sake of consolidation when it potentially risks the business processes of the agency. Enterprise services should be offered to agencies with optional participation based upon a lower cost, more efficient service being offered.

Department of Veterans Affairs Server Consolidation Concerns

Executive Summary

The Department of Administration (DOA), Division of Enterprise Technology (DET) Shared Information Services project has two basic objectives. The objectives are to provide cost savings while delivering more effective information services across the State of Wisconsin. While there are opportunities to be gained from centralization of some IT services, DVA believes that this centralization must be done in the right manner, and only if it delivers upon the two basic objectives.

As DET devotes efforts to enterprise IT consolidation, there are trends developing that don't demonstrate the concepts of better service, at a lower cost. The following are trends and concerns that DVA sees developing in the consolidation project:

- Increase in costs for the services being consolidated by DET.
- The agency FTE assessment for consolidation was determined before the scope of services was finalized. This change of scope sees a number of email and server support functions remaining with agencies. However, due to the FTE assessment and loss of staff, DVA will no longer have the staff with the skill set in the server support area to perform these functions.
- Uncertainties exist in how remote sites will be involved in consolidation. The quality of service is in question which prompts DVA to request an exemption for remote site participation in this project.
- DVA has repeatedly identified the HIPAA legal concerns and requirements that DET must address before DVA can participate in the enterprise email and server consolidation project. No direction or response has been received from DOA on this critical issue.

Consolidation shouldn't be done for the sake of consolidation when it potentially risks the business processes of the agency. Enterprise services should be offered to agencies with optional participation based upon a lower cost, more efficient service being offered.

Shared Information Services Objectives

The following information is on the Enterprise Shared Information Services web site and provides some background information on this project.

"The Shared Information Services (SIS) Initiative is part of Governor Doyle's **ACE Initiative: the Accountability, Consolidation and Efficiency Initiative**. Ace is a series of coordinated efforts designed to deliver cost savings to Wisconsin residents by leveraging the full weight of the state's purchasing power, identifying administrative efficiencies, and improving the way state agencies conduct business".

"SIS is an information technology focused effort designed to deliver information services more effectively across the State of Wisconsin while improving or maintaining service levels. SIS will reduce capital acquisition costs and ongoing operational costs associated with supporting information services. It will produce enhanced strategies for business continuance and enterprise security and result in a more agile IT environment for serving agency business needs. SIS includes centralizing both server and local area network (LAN) services throughout executive-branch state agencies."

At this time, the following enterprise services are being consolidated under SIS:

Email Services
Network Services (BadgerNet)
Security
Server Support
Administrative Database Support

Application Hosting
Web Hosting
Support Tools

Costs

The consolidation of the above services are in various stages of implementation. A trend I see developing is the increase in costs associated with these services that are being passed on to agencies. The following examples illustrate the cost increases for two of these services as well as new costs that are being passed along to agencies.

Enterprise email services

Currently, email is hosted internally at DVA. Our cost for this is approximately \$2.10 per user, per month, regardless of the size of the user's mailbox. This cost includes DVA's staff salaries directly related to email service support; email software costs to include Exchange Server 5.5, Exchange Client licenses, Surf Control, and Norton Anti-Virus software; hardware costs, to include, a 5-year replacement cycle for two network servers to support email services; and, backup and restore functions.

The final cost for enterprise email services is still being determined, however, DET has stated that costs will range from \$2.00/mailbox/month to \$18.00/mailbox/month, depending upon the size of a user's mailbox. Because the final cost for enterprise email has yet to be determined, we can't gauge the full fiscal impact of this initiative, however, I believe it's safe to say that we will be paying more for email services in the future. In addition, certain services, such as, restores of user mail boxes will be on a billable basis.

BadgerNet Converged Network

Currently, network bandwidth is provided through BadgerNet T1 communication lines. DVA has the following dedicated and shared T1 communication lines at a monthly cost of \$4,268.50, annualized to \$51,222.00.

- Shared T1 line at Central Office with costs shared with the Secretary of State's office (10th floor).
- Shared T1 line at Central Office with WVH – King and WVH – Union Grove sharing the cost for Firewall security purposes.
- Dedicated T1 line to the Northern Wisconsin Veterans Memorial Cemetery in Spooner.
- Shared T1 line to WVH – Union Grove with costs shared with the Department of Health and Family Services.
- Shared T1 line to WVH – King with costs shared with the Department of Administration.

Due to the need for additional network bandwidth required for enterprise email services, we're estimating that DVA's communication line monthly charges will increase to \$5,520.00, annualized to \$66,240.00. One reason for the cost increase is that DOA will no longer allow shared communication lines. Currently, where DVA is sharing communication lines with DHFS, Secretary of State, DOA and with the Veterans Homes, we will now be required to have our own dedicated lines. It should also be noted that as server consolidation continues and DOA potentially hosts agencies' print and file services, application hosting, web hosting, and other enterprise services, we will most assuredly have to increase our bandwidth even more to provide even remotely acceptable response time for our users. We won't be able to gauge the full impact of these fiscal increases until we enter into bandwidth capacity meetings with DOA but we anticipate at least a doubling of these network communication costs.

Internet Usage Charges

For the past two years, DOA has also been assessing agencies an annual Internet usage charge. DVA has been averaging \$4,519.05 per year for this DOA charge back. This charge is for all agency Internet traffic (access and usage) that goes through DOA. In the past, this charge was bundled into DOA's mainframe charge back but it is now broken out so billing is for the actual service received.

The trend that agencies are seeing is that enterprise services will be costing agencies more money than we're currently paying. As more services are offered, I believe we'll see the fiscal impact to agencies increase significantly.

Agency FTE Assessment for Server Consolidation Support Roles

In 2004, agencies were required to identify all positions that provide server and network support within their agency, as well as the percentage of the position dedicated to this support. This was to include not only support staff but also managers who directly supervise these staff.

DVA self-identified 11 positions, remote sites included, who provide some degree of server support, network support, security and administrative database functions in their positions. The FTE equivalency of these support functions totaled 3.30 FTE positions. In a subsequent server consolidation appraisal inventory, DET reduced this FTE equivalency from 3.30 FTE down to 3.0 FTE.

The issue is that agencies were required to identify staff who performed any of the services being consolidated, such as, email support, network, server support, security, admin DBA, etc. and this is how agency FTE assessments were determined. The rationale behind this assessment was that DET will be performing these support functions so agency staff would no longer be needed for these roles. In reality, what we see happening is that DET will be performing some of the support functions for these services but not all of them. A case in point, is the DET defined roles and responsibilities for enterprise email services.

DOA's responsibilities in the enterprise email environment:

- Email system administration
- Back-end administration and configuration
- Backups
- Timely application of upgrades
- Ownership of Client, back-end mail system compatibility issues
- All server and OS support
- Training agency trainers
- Creation of initial set of agency mailboxes and accounts
- Conversion of mail, contact lists, calendars, etc.

Agency IT staff responsibilities in the enterprise email environment:

- Ongoing (post-cutover) user account administration
- Creation and management of agency distribution lists
- Creation and management of agency resources in email
- Activities related to investigations of improper email use
- End-user support on use of client software and desktop issues
- End-user training
- Basic report generation
- Management of mailbox size limits for agency

While DOA will be maintaining the email server with responsibility for software upgrades and patches, the agency will retain the labor-intensive tasks of on-going user account administration and other daily email support functions. In essence, DOA will be taking our server support staff while a number of the on-going server support functions will remain with the agency. As DOA formalizes the roles and responsibilities for other server support functions, I believe we'll see the same scenario, which is, staff will be lost but a large degree of support functions remain within the agency. The bottom line is that if DOA's plan is fully implemented, the agency will not have the support staff with the necessary skill set to maintain these remaining server support functions.

Remote Site Exemption

The Wisconsin Veterans Homes in both King and Union Grove are nursing home environments. The vast majority of the member health care work processes are automated and reliant upon information technology. In this type of environment, not only is access to medical data necessary but also it's also critical that this data is accessible in a timely manner for the health and safety of the members. The following are issues that must be resolved before DVA's remote sites can participate in the SIS server consolidation project:

- HIPAA requirements – before DVA can implement enterprise email and server consolidation services, HIPAA legal issues need to be resolved.
- Telecommunication bandwidth requirements in a consolidated environment need to be assessed. This assessment is necessary to determine whether the response time requirements for the automated member health care applications will be sufficient for remote sites to participate in the SIS server consolidation project. The increased telecommunication costs to support the bandwidth requirements are also a concern.
- Some DVA applications and databases require a dedicated server located locally at the sites. The databases for CBORD, the dietary application and QS/1, the Pharmacy software, can't co-exist with other database servers. This also holds for the Wisconsin Veterans Museum Store software, CounterPoint.
- Data availability – medical data for members must be easily accessible and timely to ensure their medical needs are met.

Due to the program nature of our two largest remote sites, the WVH – King and the WVH – Union Grove, DVA requests exemption of these sites from the SIS server consolidation project. In turn, we also request that the Agency FTE Assessment for Server Consolidation Support Roles be reduced from 3.29 FTE positions to 1.29 FTE positions reflecting the non-participation of our remote sites in this initiative. These server support positions will be needed at the sites to continue to support our network environment.

HIPAA Requirements

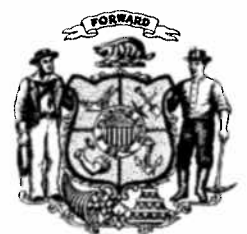
At the Veterans Homes, member personal and medical information is captured and shared with our business partners. There are very stringent HIPAA security criteria and requirements that must be met relating to who has access to this data, how the data is shared and how the data is stored. In order for DVA to participate in the enterprise email consolidation project and subsequent server consolidation processes, it's imperative that DOA addresses these HIPAA concerns and agrees to the DVA prepared MOU that was sent to DOA. This MOU identifies DVA's and DOA's roles and responsibilities regarding consolidated services as they relate to HIPAA requirements.

DVA has taken every opportunity to stress the urgency of addressing these HIPAA concerns. These concerns have been voiced at every meeting that DVA has had with DET. The following are just a few of the interactions initiated by DVA:

- On December 16, 2004, DVA held a video conference meeting to include Central Office management, legal and IT staff; WVH – King management and HIPAA staff; and, DET server consolidation and email services staff. DET was not able to offer any guidance on the HIPAA issue.
- On February 10, 2005, DVA Legal staff drafted a Memorandum of Understanding between DVA and DOA identifying responsibilities to meet HIPAA requirements. This MOU demonstrates DVA's proactive stance in meeting the HIPAA requirement in the enterprise environment. The MOU was sent to Marc Marotta, Gina Frank-Reece, Sachin Chheda, and Raffi Mesdjian, however, DVA hasn't received a response from DOA yet.
- On February 25, 2005, in a meeting with Crowe Chizek and a Server Consolidation Project member, DVA again voiced our concerns regarding HIPAA requirements. DET said that we should again go on record with our concerns at the upcoming SIS Agency Review meeting.
- On February 28, at a Public Records Board Meeting, Seth Perelman discussed the HIPAA MOU with State CIO, Matt Miszewski. The proposed MOU was emailed to Miszewski.
- On March 16 – 17, 2005, DVA officially identified our HIPAA concerns requesting either an enterprise solution to our HIPAA concerns or grant DVA an exemption from enterprise server and email consolidation. DET made note of our concerns and said they would forward through the appropriate channels.
- On April 5, the MOU and HIPAA requirements were retransmitted to DOA Deputy Secretary, Gina Frank-Reece.



WISCONSIN STATE LEGISLATURE





Jim Doyle, Governor
John A. Scocos, Secretary

STATE OF WISCONSIN, DEPARTMENT OF VETERANS AFFAIRS

30 West Mifflin Street, P O. Box 7843, Madison, WI 53707-7843
PHONE: (608) 266-1311 1-800-947-8387 (WIS VETS)
WEB SITE: <http://dva.state.wi.us>
E-MAIL: Headquarters@dva.state.wi.us
FAX: (608) 267-0403

Marc J. Marotta, Secretary
Department of Administration
101 E. Wilson Street, 10th Floor
P.O. Box 7864
MADISON WI 53707-7864

July 18, 2005

RE: Department of Veterans Affairs exemption from the Shared Information Systems (SIS) initiative.

Dear Secretary Marotta:

As you may realize, I sent you a memorandum on February 10, 2005 requesting your agreement to a memorandum of understanding that I proposed to manage the difficulties that the Health Information Portability and Accounting Act of 1996 (HIPAA) presented for implementation of the SIS initiative. I had hoped to initiate discussions that would solve these difficulties. Since I received no response to my proposal and since further, broader consideration of the matter revealed more intractable legal privacy issues concerning the sharing of veterans' records, I sent you another memorandum on May 17, 2005 in which I requested exemption from SIS in its entirety. This also received no response. (Both memoranda are attached.)

Accordingly, I urgently request a response to my memoranda. Failing to receive a substantive reply by July 25, 2005, I will have no recourse but to present this issue to the Legislature.

I look forward to hearing from you at your earliest convenience.

Sincerely,
DEPARTMENT OF VETERANS AFFAIRS

JOHN A. SCOCOS
Secretary

enclosures



STATE OF WISCONSIN, DEPARTMENT OF VETERANS AFFAIRS

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Jim Doyle, Governor

John A. Scocos, Secretary

May 17, 2005

Marc J. Marotta, Secretary
Department of Administration
101 E. Wilson Street, 10th Floor
P.O. Box 7864
MADISON WI 53707-7864

RE: Department of Veterans Affairs exemption from the planned enterprise email migration/server consolidation project.

Dear Secretary Marotta:

I am requesting that this agency be exempted from the email migration and associated programs relating to information services. Further, participation in subsequent phases of server consolidation will be evaluated to determine if there's a value-added component to the business processes of the Department of Veterans Affairs consistent with our legal obligations.

The Department of Veterans Affairs has been working with the Department of Administration and the Division of Enterprise Technology on the planned migration of agency email services to a centralized process. While our agency supports your efforts to reorganize these services with respect to the many benefits identified by your staff, the individual agencies must also ensure they continue to manage their resources according to state and federal laws, and the policies established by each agency's governing body. Our staff has raised numerous operational and legal issues with your staff over the past six months of planning. Unfortunately, we have not been given solutions to the problems identified. Some of these problems are addressed below.

1. State Law limits the access individuals have regarding the records we receive from our federal partners, as well as limiting access to individual information. [s.45.36, Stats.]
2. The Separation from Military Duty documents (DD-214) and other veteran papers are also covered by federal laws relating to privacy and restricting access. [38 CFR 1.500 et. seq.]
3. Applications, appeals and inquiries from other agencies all have confidentiality components. [45.36, Stats., and 38 CFR 1.500 et. seq.]
4. Legal email communications are confidential documents and aren't amenable to shared email services. [SCR 20:1.6]

Secretary Marc Marotta

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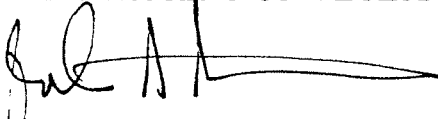
May 17, 2005

5. The Wisconsin Veterans Homes at King and Union Grove are covered by HIPAA privacy rules and have strict requirements regarding email record keeping and record transfers. [45 CFR 164 and Public Law 104-191]

Our agency has attempted to gain resolution on these problems for the past six months. In February of this year, we sent a Memorandum of Understanding that might have covered some of the HIPAA issues raised during this evaluation period. Further review of both the HIPAA laws, as well as the obligations we owe to federal and county agencies sending us confidential information under various state and federal laws, have left us convinced that there is no practical way to legally address the confidentiality requirements we are mandated to maintain under state and federal laws.

In addition to the above-cited legal ramifications, we have not been assured that the consolidation will meet the state and federal requirements regarding access to records relating to our skilled nursing facilities. Your staff indicated at our April 28th meeting that these issues had not been addressed. The operation of our nursing facilities, our claims office and our department cannot be compromised.

Sincerely,
DEPARTMENT OF VETERANS AFFAIRS



JOHN A. SCOCOS
Secretary



STATE OF WISCONSIN, DEPARTMENT OF VETERANS AFFAIRS

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Jim Doyle, Governor
John A. Scocos, Secretary

February 10, 2005

Mr. Marc Marotta, Secretary
Department of Administration
101 E. Wilson St, 10th Floor
P.O. Box 7864
MADISON WI 53707-7864

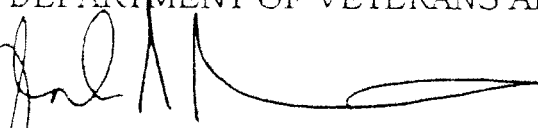
Dear Secretary Marotta:

I have enclosed a Memorandum of Understanding (MOU) intended to govern relations between our agencies under the proposed e-mail server consolidation and with respect to mandatory compliance with the provisions of the Health Information Portability and Accounting Act of 1996 (HIPAA).

This initiative has emerged from discussions held by representatives of our agencies on this subject on December 16, 2004. As those representing me at that meeting stated, we fully support your objective of providing better service at less cost through shared information systems. That worthy goal notwithstanding, we are obligated to assure the safeguards that HIPAA requires. I believe that this MOU will satisfy that obligation.

I look forward to signing this agreement with you at your earliest convenience. Should you or your staff have any questions about the terms of the MOU, please contact Attorney James Stewart at 266-3733.

Sincerely,
DEPARTMENT OF VETERANS AFFAIRS

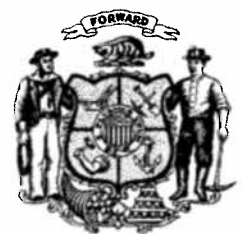


JOHN A. SCOCOS
Secretary

Cc: Gina Franke-Reece
Sachin Chheda
Rafi Mesdjian



WISCONSIN STATE LEGISLATURE





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Jim Doyle, Governor

John A. Scocos, Secretary

February 22, 2006

Senator Ron Brown, Chair
Senate Committee on Veterans, Homeland Security,
Military Affairs, Small Business and Government Reform
State Capitol 409 South
Madison, WI 53708

RE: WDVA Support for 2005 Senate Bill 613 (and companion AB 1034)

Dear Chairman Brown and Committee Members,

On behalf of the Wisconsin Department of Veterans Affairs, thank you for the opportunity to testify today in support of 2005 Senate Bill 613 a companion bill to Assembly Bill 1034.

Last year, the Legislature passed a Budget that provided for significant improvements to the way we serve veterans. Together with the support of our statewide veterans organizations and Veterans Board, we consolidated and streamlined some programs in order to ensure the long term solvency of our Veterans Trust Fund. And with the support of the members of this committee, the Budget Act also included a number of new programs to better serve our veterans – veterans both young and old.

The Wisconsin GI Bill provides 50% tuition remission for all qualified veterans at UW System and State Technical Colleges and also provides 100% tuition for all surviving spouses and children of disabled veterans. The Budget Act also created a property tax credit for 100% disabled veterans, age 65 or older, and their surviving spouses.

In addition to providing additional nursing positions at our flagship Veterans Home at King, the Budget also fully funded the staffing of a new 120 bed skilled nursing home at Union Grove – scheduled to open in May. And we'll also see a new donation line, or "check off" on our state tax forms this year enabling citizens to contribute to veterans programs.

It has been a successful year for Wisconsin veterans, and on their behalf, we thank you for your support.

We are in full support of this bill. SB 613 proposes a number of internal fixes for us at WDVA, and also proposes a few changes that help the agency to remain as financially self-sufficient as possible, while at the same time providing top quality services and benefits to our veterans.

The bill proposes to do three things. First, it permits WDVA to transfer what has been defined as "excess revenue" from the Home at King to the Veterans Trust Fund. "Excess revenue" is best described as Medical Assistance and federal VA per diem grants exceeding total costs.

As part of his 06-07 Budget proposal, the Governor requested that \$25M be transferred from the King Home to the state's general fund. Joint Finance rejected the request, and instead asked WDVA to review alternative ways to use the surplus generated at the King Veterans Home to better serve veterans.

The bill therefore permits the transfer of up to a maximum of \$16M of revenue "in excess of the operational needs at the King Home" to the Veterans Trust Fund where we would use the money to expand our revenue generating personal loan program and prolong the life of the Veterans Trust Fund. The bill also requires that the transfer occur prior to the end of fiscal year 2007.

And while it is true that \$16M will likely be available for transfer, I can assure you that the Department will take a very cautious and prudent approach to any possible transfer.

WDVA anticipates requesting increased staffing levels at King in the upcoming Budget. Additionally, we intend to confirm the occupancy rate at the new skilled nursing facility in Union Grove prior to deciding on any amount to transfer. Thus, while it appears at this time that we would be able to safely transfer some of any surplus, it remains indeterminate at this time as to the actual amount of any transfer. We are fully supportive of using excess Homes revenue to generate more revenue for the Veterans Trust Fund, but would prefer to wait until the end of the fiscal year – sometime in the spring of 2007 – and make a final decision at that time.

The second major provision of SB 613 proposes to restore 3.29 positions to our computer and information technology division – and therefore exempt us from the proposed server consolidation.

In exactly the same way that DOJ and the Public Defender were exempted, we'd like to have our 3.29 positions – positions funded by PR and SEG – to be restored.

Why do we want the exemption? Three reasons:

First, and based on preliminary estimates, DOAs current consolidation plan will cost WDVA – and the Veterans Trust Fund – an additional \$290,000 per year or approximately \$1M over three years. Second, we remain uncertain as to whether the current proposal will satisfy federal privacy laws that cover our handling of loan applications, student records, and medical files.

Third, the entire consolidation effort does not adequately address the necessary support and coordination required to manage large servers and systems at King and Union Grove. DOA's proposal is also inadequate for our 72 counties – and the 72 county veterans service officers who must handle the transfer of electronic data for loans, grants, and medical information. Given our experiences in working with DOA during their current server consolidation efforts, we are not convinced that DOA has an adequate plan to address all of our concerns.

The last major provision of SB 613 expands the current WI GI Bill from 50% tuition remission to 100% tuition remission – and also makes a couple of small common sense corrections to the original program.

It makes a minor change to the eligibility requirement – still requiring WI residency, but permitting a service member to receive their disability rating while still on active duty or living in another state. It also expands eligibility to include dependents of disabled veterans where the veteran died of his service connected disability, to include cases where the service connected condition was not known until death.

February 22, 2006

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Recent data also shows that the new proposed expansion to 100% would save the Veterans Trust Fund approx. \$2.3M in the first two years and significantly improve the solvency and services provided by the Trust Fund. Also of note, Illinois has a similar program that provides free tuition for veterans.

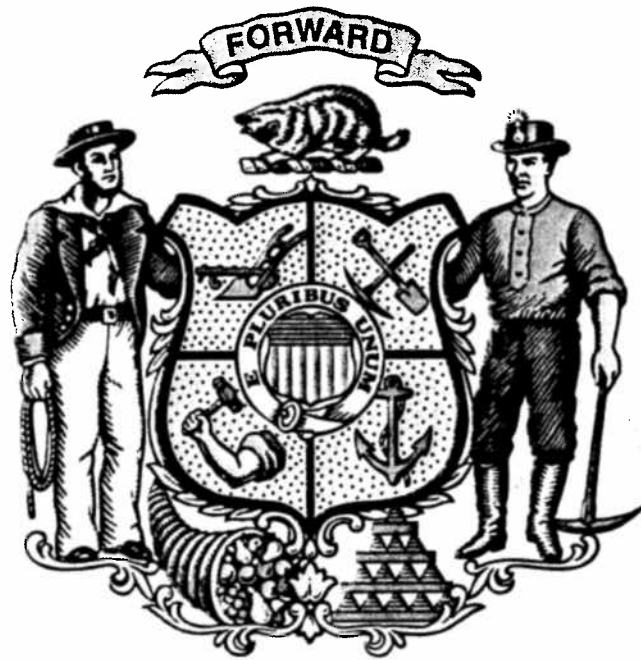
As an example, here in Madison, we estimate that 60 students will be eligible for the full tuition remission program – or approximately 60 full time students out of a total student population of more than 40,000 students at UW-Madison.

Our Department is undertaking a review of all eligibility requirements – across the board – in preparation for our Budget submission this September. In fact, one of our process action teams is already underway.

Again, thank you for the opportunity to speak in favor of SB 613, and for your continued advocacy on behalf of Wisconsin's nearly half-million veterans.

Sincerely,
DEPARTMENT OF VETERANS AFFAIRS

JOHN A. SCOCOS
Secretary



SB 613

Server consolidation – and WDVA exemption

LRB 05-3628/2

Two reasons for WDVA to oppose server consolidation:

- 1. **Increased Cost.** DOA's proposal will cost WDVA \$290,522 more per year.

The consolidation of servers and staff will significantly increase WDVA's costs -- we estimate a 90% increase in annual costs. Using DOAs estimated figures on the costs that will be "billed" back to WDVA, we estimate the following:

| | |
|---------------------|---|
| DOA/DET est. costs: | \$649,905 (not including additional HIPPA compliance costs) |
| WDVA current costs: | <u>\$359,383</u> |
| | \$290,522 per year |

Note:

- a. All additional costs (and charges) will come out of the Veterans Trust Fund, the fund used to subsidize loans, grants, and programs for veterans.
- b. DOA admits that they may not be able to accommodate our computer needs at our two Veterans Homes at King and Union Grove.

***** Server consolidation will cost WDVA approximately \$290,522 more per year under the plan.**

- 2. **Federal privacy law and HIPPA requirements** – will likely not be met.

DOAs current proposal will not likely meet federal privacy laws nor federal medical record laws under the Health Information Portability and Accounting Act of 1996 (HIPAA). We have requested a recommendation from the federal VA on this matter.

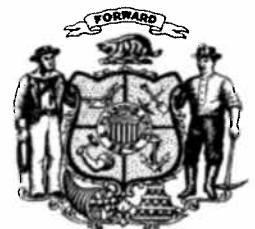
Seriously undermines our ability to properly handle educational records, medical records, and personal financial records (for our loan programs).

Fiscal effect: Restoring servers to WDVA -- No GPR.

Bill proposes to restores \$99,600 PR and \$124,900 SEG in the second year of the biennium.



WISCONSIN STATE LEGISLATURE

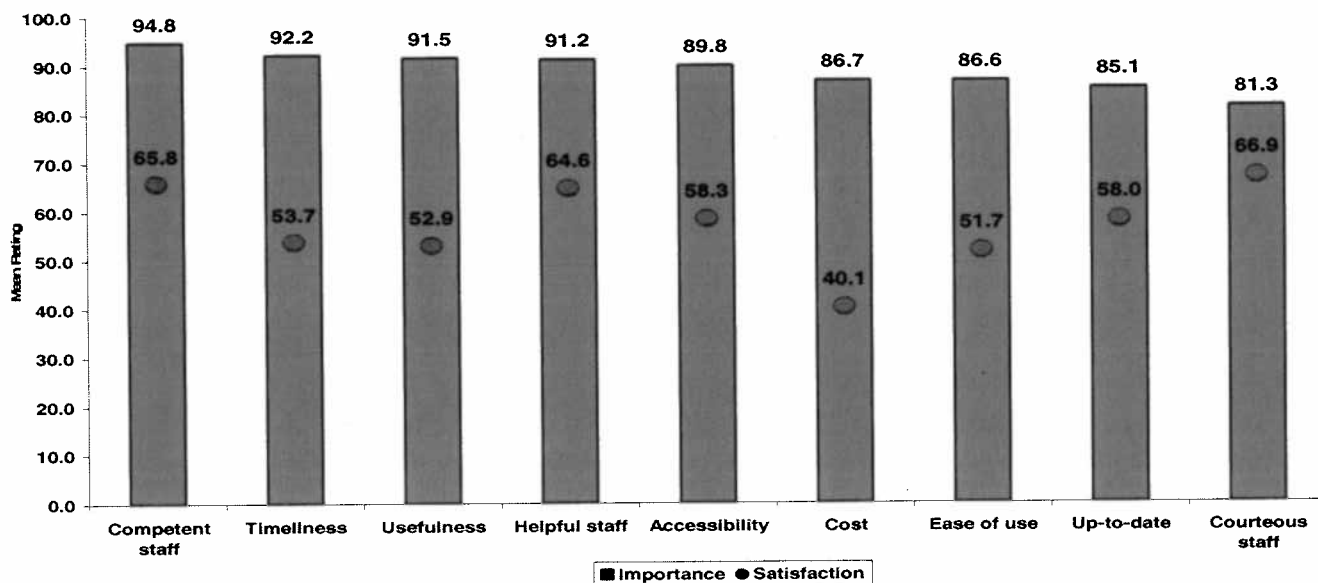


2005 CUSTOMER LOYALTY SURVEY SUMMARY

DEPARTMENT OF ENTERPRISE TECHNOLOGY

DET Leadership staff met with Gene Kroupa and Associates on February 6, 2006 to discuss the findings of the 2005 Customer Loyalty Survey. The main purpose of the survey was to get feedback from customers so that DET could improve its service to them. Approximately 65% of the recipients of the questionnaire provided responses. This is an extremely high return rate and indicated a strong agency interest in providing feedback to enterprise services.

One of Dr. Kroupa's opening remarks in his presentation was: "Perception is the flip side of performance." He also noted that "Perception is always tied to performance." In other words, if DET is committed to improving the perception of its services, it must improve its performance. The following graphic provides the results from the gap analysis of agency importance ratings (expectations) for service metrics vs. actual perceived performance (satisfaction).



As you can see, the metrics that have the largest gaps and are most directly related to performance include:

- Timeliness
- Usefulness
- Cost
- Ease of Use

The methodology DET used to further evaluate the survey information also involved:

- Reviewing all the customer comments and suggestions related to each metric,
- Identifying common themes related to the metric, and
- Developing suggestions for addressing metric concerns as they relate to the identified themes.

Before finalizing its action plan to improve performance, DET is looking for validation from customers on its selection of metrics and interpretation of comments. We want to be sure that we have a clear understanding of the performance issues that agencies want addressed. Please review the items that are included under each area of attention, and then answer the survey questions to provide your reaction, additions and suggestions. Thank you.

AREAS OF MOST NEEDED ATTENTION

Timeliness

Communication

- Timely response to issues, problems and needs.
- Clearer information is needed more quickly.
- Streamline processes to be more responsive.
- Getting services needs to be less time-consuming.

Timeframes

- Make valid estimates of savings, time, and effort.
- Allow more customer say in establishing timeframes.
- Meet established timeframes.
- Communicate realistic timeframes for services.

Hiring/training Staff

- Too many projects and not enough resources to support and successfully complete projects in a reasonable timeframe.
- Better staffing to address issues accurately and in a more timely manner.
- Be more prompt.
- Need clearer information more quickly.

Usefulness

Agility

- Ability to provide services based on customer business needs without making business decisions for them.
- Ability for DET to understand the unique characteristics of agencies and provide services that are flexible enough to support these differences.

Partnership

- Working with agencies as partners rather than dictators.
- Only asking for feedback if there's an honest effort to use it.
- Make decisions with agency input.
- Have broader agency representation on decision making teams.
- Understand agency business.

- Be less bureaucratic.
- Organization uses DET services because we are business partners working toward common goals – only 24% of respondents agreed with this statement.

Needs

- Current inability to meet needs.
- Listen to agency needs and make business/technology decisions based on those needs.
- Listen – listed separately because it was repeated so frequently.
- Consistency of service, reliability.
- Customer driven vs. technology oriented.

Cost

Sharing of Detailed Cost Information

- Document costs and benefits for each service.
- Create an understandable charge method that is fair to agencies.

Communication

- Communicate the costs for services in an understandable format.
- Communicate any up front costs for services.
- Communicate cost information timed to synchronize with the state budget.

Value and Lower Costs

- Focus on the creation of enterprise services that agencies can plug into and generate savings within their operating budgets.
- Each agency needs a more customized approach. Be able to provide or approve special needs and requests.
- Agencies clearly indicated that they want reasonable costs for the services.
- Overhead costs assigned to services should be reasonable and be related to the service.
- Be more attuned to customer's needs and ability to pay.
- Monitor the performance of the outside IT vendor contract.

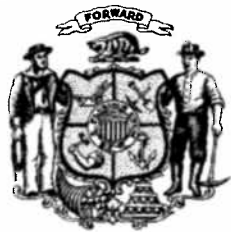
Ease of Use

Accurate and Timely Communications

- Overall, customers indicated a basic lack of honest, complete and timely communications from DET in all areas.
- Some respondents indicated that “communications were not received by those that need to know.”



WISCONSIN STATE LEGISLATURE





Department of Veterans Affairs • Consolidation Summary

Current Server Environment

Wisconsin's Department of Veteran Affairs (DVA) currently has 48 servers located at 3 locations: the agency headquarters and two remote locations (King and Union Grove).

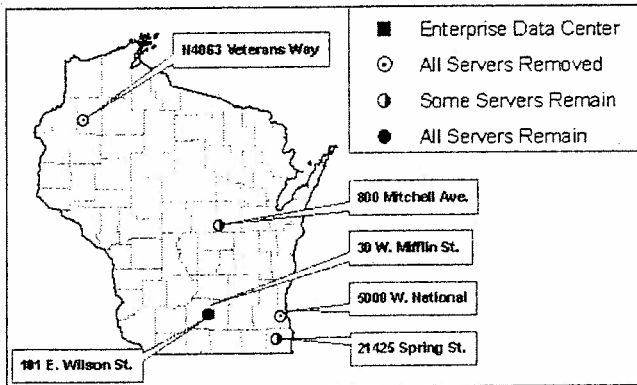
DVA runs the following operating systems: Windows (2000 and 2003) and NT4.0 for Domain Controllers only.

Table with 7 columns: Current Location Classification, Street Address, City, State, Zip Code, Number of Users, Server Count. Rows include Headquarters (Madison, WI), Remote Site (King, WI), Remote Site (Union Grove, WI), and a Total row.

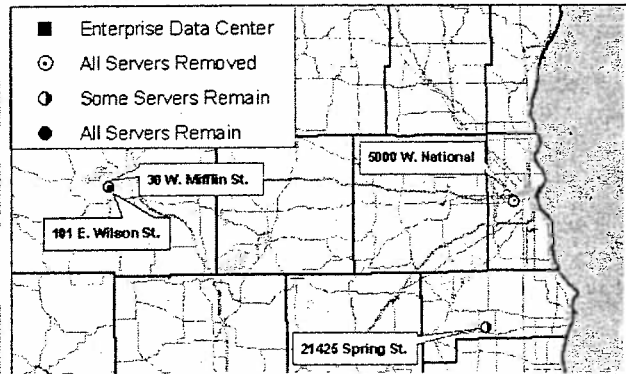
Current and Future Location of Servers

The majority of DVA servers will be consolidated into the new data center. Some servers will remain at the remote sites of King and Union Grove to provide essential functions.

State View



County View



Key DVA Consolidation Challenges

The following considerations were identified and will be addressed during the migration planning with DVA.

- Remote support. DVA's largest remote site, the 700 resident King location, will require a high level of support. It will be difficult for the future DET organization to provide responsive support because King is not located near a major city.
Satisfaction Measurement. The most important metric for the existing DVA support team is customer satisfaction.
HIPAA. DVA is required to follow HIPAA guidelines, and the security officers currently facilitate compliance. The safety of DVA residents and the requirements of HIPAA may require local servers.
Integrating Applications. Many of the applications used by DVA do not interact with other applications well. Updates to the DVA web applications currently require rebooting the servers and registering the Dynamic Link Libraries (DLL).
Bandwidth and Redundancy. As applications are migrated, the future DET organization must accommodate the related increases in bandwidth and redundancy to protect the DVA business users.

Critical Applications/Databases

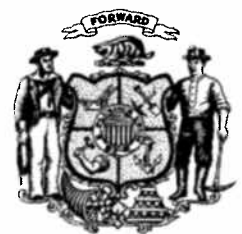
The following were identified as critical applications by DVA during the Agency Review. It is particularly important to ensure consolidation occurs smoothly for these critical business systems.

- Electronic Charting System (ECS)
The Pharmacy System (QS1)
Resident Information System
C-Bord (Dietary Planning System)
Wandering Member System

The approach for critical applications and databases is to consolidate onto dedicated servers at the new data center or agency remote sites, using existing hardware or new hardware.



WISCONSIN STATE LEGISLATURE



Shared Information Services - Agency Rollout Plan
Movement of Servers from Current Environment to Shared Services

Overview:

Agency migration information, including timing, number of servers and number of locations with servers are initial drafts, as presented in agency profiles and will be updated when profiles are finalized. The number of servers targeted for migration each month are estimates, leveling the total number of servers per agency over the targeted timeframe. Actual number of servers migrating per month will be determined in collaboration with agencies during detailed migration planning, to begin after profiles are complete.

Table with columns: Agency Type, Agency, Current Server Count, # Locations w/Servers, Updated Rollout Plan Presented to Agency?, Plan Updated with Agency Feedback?, Enterprise Rollout Schedule Final?, Wave 1: Current DOA Data Center (2005-2006), Wave 2: New Data Center (2007), # in Wave 1, # in Wave 2, % in Wave 1, % in Wave 2, Total Planned.

Prelim Schedule
Legend:
Prepared (white)
Rollout (black)
Completed (grey)
Agencies not updating schedule (cross-hatched)

(1) Updated rollout plan preliminary draft, based on initial agency profiles and schedule shift (as updated in December 2005).

(2) Rollout plan updated with agency feedback, incorporating updates from working sessions

(3) Rollout plan finalized, adjusting overall schedule as needed based on feedback from all agencies