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February 10, 2016

Appropriations Committee
Public Hearing re Governor's Proposed Budget Adjustments

Senator Bye, Representative Walker and Members of the Appropriations Committee,
My name is Gary McMahon, I am a resident of North Haven, a State Employee and a member of CSEA SEIU

We, as IT workers at the CT Department of Labor (DOL), have very serious concerns about the "IT Revitalization" (modernization) plan being executed at the Department of Labor. We are therefore presenting reasons for abandoning the current DOL plan for modernization (joining the consortium led by the State of Mississippi). We are also presenting our own proposal.

This document contains three sections:

- REASONS FOR ABANDONING THE CURRENT DOL PLAN FOR IT "REVITALIZATION" (MODERNIZATION)
- THE PROBLEMS AT THE DEPARTMENT OF MOTOR VEHICLES
- OUR PROPOSAL.

REASONS FOR ABANDONING THE CURRENT DOL PLAN FOR IT "REVITALIZATION" (MODERNIZATION)

Reason Number 1
Consider the need to avoid this problem: Mississippi wants a UI System with data "in the Cloud". It cannot find a vendor that will bid on that. This predicament may have something to do with the fact that the federal government, specifically the U.S. Treasury (Federal Tax Information data) and the Social Security Administration (SSN's and related data) have extremely careful security rules about handling sensitive data. State Departments of Labor must interact with both of these federal agencies, and they are unlikely to approve "Cloud storage" for these data considering the current situation of greater security vulnerabilities in this environment.

Reason Number 2
Consider the need to avoid this problem: the State of Mississippi has chosen an off-shore vendor (TCS, a.k.a. "Tata") to build and maintain its modernized UI System. Imagine this scenario: a vendor who sells Mississippi's Department of Labor (or Connecticut's, or any other state's DOL) a proprietary system that the vendor will develop ***and maintain*** will have extreme leverage over the customer state. The vendor is likely to raise maintenance fees multiple times. The state, if it objects, will have no alternative but to ride out the contract period and then not

renew it – thus wasting millions of dollars. CTDOL would then have to start all over again. CTDOL should ***own*** the system it purchases.

Reason Number 3
Consider this potential problem: how will Connecticut taxpayers react when they find out that millions of public dollars are being spent to create jobs offshore for a consulting firm from India? If the State DOL IT workers are paid to do the maintenance, that will contribute to higher employment levels and consumer spending here in the state of Connecticut, which will help the state's economy. That's called wise investment. Using taxpayer money to create offshore jobs in place of Connecticut jobs is not good stewardship of tax revenue.

Reason Number 4
Consider the need to avoid this problem: the extreme difficulties related to the recent launch of only a partially redesigned and updated system at Connecticut's DMV. The associated bad publicity dealt a severe blow to the State's image as a competent deliverer of state services. (Please see a subsequent section of this document for a summary of the errors and problems that have arisen.) And yet this is a situation where, although the system was purchased through a vendor, DMV IT employees are maintaining the system. The likelihood of a worse outage and series of problems is much greater if CTDOL will not even be trained to maintain its own system! The Department of Labor will be at the mercy of the vendor for problem resolution and enhancements; presumably, the vendor will put our requests in a queue and attach a severity category or priority level. The vendor will have to do this for each state in the consortium. Lengthy turnaround times are likely.

EFFECTS ON STATE WORKERS AT CONSORTIUM MEMBERS STATES' LABOR DEPARTMENTS – a Prediction of the Effects of Consortium Membership

Mississippi DOL is down to one state IT worker who is a Database Administrator, and he is leaving his job.

Rhode Island DOL had only three IT workers; we do not know their status.

Maine has a central IT agency that assigns IT workers to the different state agencies; agencies do not maintain their own independent IT staffs. It is therefore difficult to discern the impact.

Conclusion: Rhode Island and Maine do not offer good predictors of what will happen to the CTDOL IT staff. However, Mississippi did have its own IT staff which is now no longer needed. That does not bode well for current Connecticut DOL IT workers.

THE PROBLEMS AT THE DEPARTMENT OF MOTOR VEHICLES – a Prediction of the Effects of Purchasing Outside Vendor Software

DMV's decision to purchase a vendor system, which replaced only ***part*** of their IT system, and the planning related to it, has led to many difficulties for motorists, insurance companies, law enforcement, the DMV, and the entire state government. The Department of Labor should be paying attention: there are lessons to be learned here. The following is a summary of the numerous problems and incidents.

- WTNH News 8 has reported that the wait times for walk in customers are worse than before the new system was implemented. "11 weeks after the transition to the new, $25 million computer system at the DMV, wait times are more than three times longer than they were a year ago. In October of last year, with the old outdated computer system, the average wait time

at DMV was about a half hour. According to the DMV's own numbers, the wait time now averages an hour-and-a-half."

- State lawmakers have been receiving huge numbers of complaints about problems at DMV. As a result, the ranking members of the Transportation Committee have formally requested answers to a list of more than a dozen questions about DMV service delays associated with the new computer system

- DMV Deputy Commissioner Michael Bzdyra admitted that in other states that have transitioned to the same computer system, it took months to straighten everything out. WTNH has reported that, even after 11 weeks since the launch of the new system, "DMV is not willing to give an estimate on how long the long waits are going to last."
This is a $25 million system that was created by the 3M company.

- People currently receive a number, similar to the procedure at a supermarket deli. WTNH was told that wait times do not include the time people are waiting in line to get the numbered ticket.

SOURCE: "With new computer system wait times at DMV worse than a year ago", by Mark Davis, November 5, 2015, http://wtnh.com/2015/11/05

- Many people have reported being pulled over, fined, ticketed, and towed for a suspended registration, even though they promptly responded to a letter warning them about lack of coverage by sending back proof of coverage.

- Insurance agent Katie Sartor says her agency has received a great numbers of calls from clients who received letters from the DMV indicating a lapse in insurance coverage, and warning about suspension of registration. Sartor indicated that the clients "all had continuous insurance" and that in each case the agency sent the proof to the DMV. But many clients said that their registrations were still suspended. .."and the DMV is not helping us out at all!" said Sartor.

SOURCE: "DMV Computer System Causes Big Problems", by Len Besthoff, January 5, 2016, http://www.nbcconnecticut.com/news/local

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- It is important to remember that at the beginning of the rollout the maximum waiting time was seven hours! In addition, the DMV had to close down for a week (August 11-15, 2015) for most services as a reaction to extreme difficulties with the new system.

- According to the Connecticut DMV, these problems (since August 2015) pertain to the modernization of DMV's registration database. The next phase will upgrade DMV's driver license system. So problems are likely to continue.

SOURCE: "Fact Sheet on DMV's Computer Upgrade -- Gear Up!"
http://www.ct.gov/dmv/cwp/view.asp?a=4755&q=568534

- The [Motor Vehicle] department says it will also be addressing the issues of incorrect tax towns for individuals.

SOURCE: "DMV provides update in resolution of system backlog", by Macy Corica January 13, 2016, http://wtnh.com/2016/01/13

- State Senator Toni Boucher has called for legislative hearings to find out why the wait times are still so long. She is also calling for an audit of the DMV. She says, "The audit will focus on the vendor that implemented the software upgrade...We deserve to know why this failure has occurred."

"Do we need to cut our losses now and scrap this new system entirely?" she asked.

SOURCE: "Down the Rabbit Hole with CT DMV", by "ncadvertiser", http://ncadvertiser.com/66572

OUR PROPOSAL – Put Forth by Members of P-4 Chapter 75

1. Leave the Mississippi-led consortium. Mississippi has very little money to pay for a modernized system, and the selected vendor (TCS, a.k.a. "Tata") will NOT customize the system for us; we will have to accept the same off-the-shelf system that Mississippi adopts. Conflicts with Connecticut state law would be inevitable.

2. It is important to note that Idaho's DOL did not like what the TCS Multi-State Consortium had to offer, so Idaho did not join. Take the path that the State of Idaho took: look for a vendor who will customize its system to meet our individual state's needs, including the requirement to adhere to current state law. **This vendor must also grant us ownership of the software, and thus allow us to maintain the system we purchase. The vendor must include CTDOL IT employee training for maintenance of the system *as part of the contract.*** This will avoid the requirement to pay separately for training, since state funds for such purposes are extremely depleted. This plan would minimize conflicts with state law, thus eliminating expense associated with General Assembly and State Court involvement. This plan will also be more beneficial to Connecticut's economy by preserving state employment as opposed to sending these jobs to an offshore consulting firm.

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