

# LOUISIANA TECHNOLOGY INNOVATION FUND COUNCIL MEETING

## MINUTES

SEPTEMBER 8, 2004

B. Speer chaired the meeting in the absence of Commissioner of Administration Jerry Luke LeBlanc who was out-of-town with Governor Blanco. Members present: Butch Speer, Jerry Guillot, Dom Cali and Bob Harper. Roll was called and quorum established.

All members received agenda, and a packet of information relative to eight items listed on agenda. Mr. Speer called for motion to approve minutes from meeting of 9/26/03. Mr. Guillot made motion to approve and Mr. Harper seconded with no objections.

Mr. Speer called on Dr. Allen Doescher, Deputy CIO to discuss:

**Item 3—Funding in Fiscal Year 04-'05.** Dr. Doescher stated there is no funding for LTIF this fiscal year. He stated there would be a continuance of funds that have been appropriated in prior years and these will carry forward. There were no questions.

### **Item 4 – Proposed Changes to Standard Language in LTIF Memorandum of Understanding**

Mr. Speer called on Dr. Doescher to address this issue. Dr. Doescher stated the first part changes the process of how funds are transferred to coincide with how it is actually done at the present time. He stated the recommendation is to delete in its entirety Paragraph 4 under Section 3. He stated the reason for this is the DOA has changed the process of transferring funds to the receiving agency. Initially the entire amount of the award was transferred upon execution of the MOU. As a result, agencies could and did have residual cash balances at the end of the fiscal year. Consequently, this language gave them guidance and a requirement so that these funds would not revert to the general fund at fiscal year end. However, now the funds are no longer advanced, rather they are reimbursed. The reimbursement process leaves no residual LTIF cash balances at the agencies at the end of the fiscal year.

He stated the second change that is requested is in Section 4 of the MOU form that currently states “Any alterations of the scope of services, expenditure of funds as defined in the Project Budget, Attachment II, or any other MOU provisions must be detailed in writing and must be mutually consented to by all parties to this MOU, including the Council.” Dr. Doescher further stated that what is suggested to the Council is deletion of “**including the Council**.” The approvals would be based upon mutual consent from all parties involved in the MOU. Each MOU is signed by the agency, the Chairman of the LTIF Council and approved by the Commissioner of Administration. Requests have been received because funds have been delayed for a project to begin. The grantee of the funds is asking that the start and end date of

the project be pushed back. Currently, wording requires approval by the Council. Secondly, in some cases, an agency has been awarded a grant and will come back and ask if it is possible if some of the funds be redirected to alternate purchases within the scope of the original MOU. In those cases, any changes that are made necessitate returning to the Council. To more speedily process these requests, it should not have to go to the formal Council but basically be approved and agreed to by the Commissioner of Administration (who signs off on it) and the agency head.

B. Harper asked relative to change in **Section 3, Paragraph 4**, what happens to the unspent money that remains with the Division of Administration. Dr. Doescher stated it is in a fund that is earmarked for LTIF, which is accruing interest. He further stated there is another item on the agenda where the Council approved in the past an award to the Children's Cabinet with a cap on funding, pending availability of additional accrued interest in any other project

If a project is completed below what the grant was originally intended for, those funds revert back and potentially are available for further award, he stated. Those funds will continue to be there until the Council has awarded all of the funds.

J. Guillot stated he understood examples Dr. Doescher gave but he had concerns:

1) intent of the language is not to permit a change in any allocation of money in terms of increasing it—he stated he was concerned about the openness of the proposed language in terms of any alteration of scope of services but would hope that the parties involved would understand if that change in scope would affect the basic request of the funding the request would come back to the Council; 2) the Council was not authorizing the additional allocation of money but revision of the budget within the allocations that were originally awarded by the Council.

Dr. Doescher stated the change would be reallocation of some of the funds, in particular, any alterations or expenditures of funds. The original project budget would be the cap on what is expended. He did not see this wording allowing for changing in the actual award max, but would allow for possible reallocation.

B. Speer suggested that since all Council members are easily contacted by email, when there is a request for alteration of services, it could be easily communicated to each member through email. If anyone on the Council wants to discuss the issue, a meeting could be called. If a majority of the Council wants to have a meeting, the Council should be able to have one. He stated what is going to happen is in the proposed sign-off process you are going to have an agency of the executive branch agreeing with an employee of the Executive Branch which will be the CIO or the designated CIO, then proceed to the Commissioner of the Executive Branch to say they can change what they have received. He stated maybe there is no need for a LTIF Council since there are no more funds but since that is not being proposed, he proposed that Paragraph 4 begin with “**absent a majority of the Council requesting a meeting to review and approve.**” That would suggest that each Council member be informed. If the Council

agrees then a meeting is not needed, but if three members want to discuss the issue, he suggests there should be a meeting.

Mr. Speer stated the issue was on the floor for suggestion to the other Council members. Mr. Harper stated he believes that is a reasonable accommodation. There was no objection and Mr. Speer asked that the change be drafted in that manner. Proposed change will be emailed to all Council members.

Mr. Speer asked if there were any objections to the deletion of **Section 3, Paragraph 4**. There were no objections. Approval was given to delete as suggested to Council under Item 2 on agenda. Part 1 and Part 2 has change and been adopted.

#### **Item 5-Review of Changes to Children's Cabinet Memorandum of Understanding**

Dr. Doescher stated that the original MOU granted funds in the amount of \$334,835. The MOU is absent any clarification that this amount was a maximum. The way the MOU should be worded is they would only be allowed to spend what is available in the fund and allocated to the Children's Cabinet. The problem with this is there is nothing in the MOU that restricts them to what is currently available. When the original award was made, there was only roughly \$68,000 available. Everyone understood the limitations on the amount that could be spent, but it was not stated in the MOU. Dr. Doescher is suggesting that the MOU be modified such that it states "up to a maximum of \$334,000." Currently, there is a total of \$107,917 available and approved for expenditures. Total project expenditures in excess of \$107,917 require prior written approval from the LTIF. Included in packet given to Council members is Attachment 7 to Amendment #1 which is a document that would be signed off by the appropriate signees acknowledging that additional funds are available. As additional interest earnings became available, he stated the MOU (Attachment) would be amended.

Secondly, Dr. Doescher stated because of the limited funds, the Children's Cabinet had to delay the start of the project. They are asking that the project start date be changed to June 1, 2004 and terminate on May 31, 2006 unless terminated sooner as provided herein.

B. Speer stated that the Children's Cabinet quarterly status report that was submitted December 1, 2003, discusses obtaining budget authority from the Joint Legislative Committee on the Budget to begin the project. He wanted to know if they received any money from the JLCB for the project.

Suzu Sonnier, Executive Director of the Children's Cabinet, testified that they did receive authority to spend \$67,500. She stated they were unable to spend the money because they were unable to begin any of the contracts until they had solicited other funds to help begin the project in the absence of the total amount that the grant requested. Mr. Speer asked if the JLCB allowed going into a deficit spending position. Ms. Sonnier stated no. She had received information from the Council that there was \$67,500 that the Children's Cabinet could use at that point. They did go through the joint budget process to create a BA-7 to have the authority

to spend the money but were not able to spend the money in order to begin the project at that time. She further stated that since then they have gone out and solicited some additional money that was needed for the two primary contracts that would begin the project.

There were no further questions. J. Guillot called for adoption of the amendment. Motion seconded by B. Harper. No objections. Amendment adopted as proposed.

### **Item 6-Review of Requested Changes to Office of State Fire Marshal**

Henry Fry, Deputy Assistant Secretary addressed this item. Mr. Fry stated request is to be able to reuse savings from \$1 million award of project. Savings of \$170,206 have accrued as a result of competitive business practice and being wise relative to purchases. After beginning project, they realized there were some additional equipment and services that would benefit the project (outlined in handout #4).

Mr. Fry referred to attachment which lists acquisition of data processing equipment, purchase of additional software and addition and extension of professional services. He stated they believed they would have a million hard copies of documents that they wanted to scan and now realize it is over 4 million.

B. Speer asked if Council members had any questions. D. Cali asked if the additional equipment is for functionality not already provided or to provide additional capacity. H. Fry stated most of it was additional. A number of desktop scanners are being requested to be placed on supervisor's desks in strategic points. Large scanning equipment has also been requested to facilitate making electronic files of hard documents.

B. Harper asked a question relative to additional scanning services for \$88,273.38. He asked if this was back file conversion. H. Fry stated it was partial. Would like to use remaining funds to perform additional scanning in the manner most effective for the office.

B. Speer asked a question relative to Hewlett Packard plotter/scanner. He asked if this was an expansion of the original proposal—this was not included in the original grant. Mr. Fry stated yes. Mr. Speer further asked for clarification of the 20 desktop scanners not being used to accomplish any back file conversion—it is only for front end. Mr. Fry stated yes. He stated the 3 high-speed scanners would be used to accommodate the backlog of hard documents. Mr. Speer asked in the original proposal two years ago, how much of the \$1 million was for equipment and how much was for professional services. Mr. Fry stated original award was to purchase hardware and software and some scanning. The Office of the State Fire Marshal was to come up with \$880,000 to be responsible for consulting services require to begin the project.

B. Speer asked if the \$880,000 was spent which Mr. Fry responded no. They did spend some of the agency money—not the \$880,000. The RFP came in at \$785,000 he stated. Mr. Speer also asked for clarification whether the \$880,000 in the original request was for

co-funding for professional services. H. Fry stated yes. Mr. Speer stated that if the \$880,000 was spent they would not have a need for the \$88,000. Mr. Speer inquired about the Fujitsus wearing out that were purchased with grant money. Mr. Fry stated yes. He asked Mr. Fry if he is asking for approval to spend the grant money to continue the project that the Council originally agreed that they should start. He asked if the Office of the State Fire Marshal had any AutoCAD licenses. He stated no.

B. Speer asked if there were any further questions from the Council. There were not. Mr. Speer recommended that the award not be approved because the \$880,000 is the amount that the Office of the State Fire Marshal agreed to in their original request. He stated they under spent that amount. He stated if they had spent the entire amount, they would not need the \$88,000. He stated the money is seed money to get projects started not to continue projects once they are ongoing. The large format scanner and desktop scanners are continuations of the project funded with seed money previously awarded. If these expenses had been asked for in the original request they would have been considered and would have been part of the approval process. The Council's charge under the statutes is to provide seed money to get a project started and then it is the responsibility of the agency to pick up the cost of the project and that would include any logical extensions. If the Council were not to approve those, the remaining items would not be needed. Mr. Speer stated that the Chair make a motion to deny. He asked for any substitutes. J. Guillot referenced a memo dated July 23, 2004, referencing previous inquiry to the former Chairman of the Council regarding potential use of funding balances. Below the comment is a listing of the items. He questioned whether the reference in that one statement is applicable to the list of items being requested or was that a general comment. Mr. Fry stated he believes it was appropriate to this request. Mr. Fry asked Mr. Speer if his motion to deny the request was for partial denial or entire amount. Mr. Speer stated that everything that was asked for was inappropriate for the Council to agree to.

Mr. Harper asked if the DOA has a recommendation on this item. Dr. Doescher stated no. He stated that after reviewing the original agreement, there was \$880,000 for the professional services category which was for data migration, installation and implementation which included the portion they did not spend.

Mr. Speer recognized V. J. Bella, State Fire Marshal, who arrived late to the meeting. He advised Mr. Bella what had transpired with the request from his office. He told him that it was his opinion not to approve the request. Mr. Bella stated his office was very fortunate to qualify for this award. He wanted his office to be very conservative, not to go overspend. He did not want to ask for anything they did not need and wanted to justify spending. Mr. Speer explained to Mr. Bella that when the Council was created, it was to provide seed money for innovative uses of technology. The Council has tried over the 4 years it has existed, to be very strict in their interpretation of that and to only approve those projects and only the scope within those projects that they felt met that charge. Agencies come to the Council with a plan for the use of innovative technology when they have no chance of being funded through the normal budget process.

Mr. Fry asked for consideration for some of the equipment. He stated they are trying to create a state-of-the-art system that would set apart the State Fire Marshal's Office from any other in the country.

Mr. Harper suggested the possibility of approval after deleting the \$88,000 for professional services. Mr. Speer asked is there was second. There was no second to the motion. Mr. Speer indicated that since there was no second, his motion to disapprove (which was seconded by Mr. Cali), stood. He asked if there was any objection. Mr. Harper objected. There were no other objections. The motion to deny was approved.

#### **Item 7-Status of Projects Currently in Process**

Dr. Doescher stated that most projects are on schedule, but the two noted in red on the Initiatives Scorecard were not. The Children's Cabinet project got a late start due to lack of funding. Also, he stated the DNR, DEQ, DOTD Development of Business Continuity and Disaster Business Recovery Plan is listed in red because no project update was received as of September; however the previous update indicated it would be done in an appropriate time frame. Mr. Harper said he was not aware of this and apologized, but stated the contract was in the Office of Contractual Review for final approval. He stated the project was still on target for completion date. Mr. Speer asked if the projects listed were the only on-going funded projects. Dr. Doescher stated yes.

Mr. Speer made a motion to adjourn. B. Harper seconded. Meeting adjourned.