

**MINUTES OF THE MEETING OF THE  
INTERIM FINANCE COMMITTEE=S  
SUBCOMMITTEE ON PROJECT GENESIS/DOIT  
LEGISLATIVE COUNSEL BUREAU  
Carson City, Nevada**

A meeting of the Interim Finance Committee=s Subcommittee on Project Genesis/DoIt was called to order by Chairman Bob Beers, on October 5, 1999, at 3 p.m., in Room 4412 of the Grant Sawyer Office Building, 555 E. Washington, Las Vegas, Nevada. For members of the public who wished to observe the meeting and provide testimony, a simultaneous video conference was conducted in Room 3137 of the Legislative Building, 401 South Carson City, Carson City, Nevada.

**SUBCOMMITTEE MEMBERS PRESENT – LAS VEGAS:**

Assemblyman Bob Beers, Chairman  
Senator Joseph M. Neal, Jr.  
Assemblywoman Vonne Chowning

**SUBCOMMITTEE MEMBERS PRESENT – CARSON CITY:**

Senator William R. O'Donnell

**LEGISLATORS PRESENT – CARSON CITY:**

Assemblywoman Sharron Angle  
Assemblyman Don Gustavson

**LEGISLATIVE COUNSEL BUREAU STAFF:**

Scott Wasserman, Chief Deputy Legislative Counsel  
Gary Ghiggeri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division  
Debra King, Program Analyst, Fiscal Analysis Division  
Jim Rodriguez, Program Analyst, Fiscal Analysis Division  
Yhvona Martin, Secretary

**I. Opening Remarks and Introductions – Assemblyman Bob Beers, Chairman.**

Chairman Beers called the meeting to order. After calling the roll, Chairman Beers announced that a quorum was present and that Senator O'Donnell would be arriving later in Carson City.

**II. Approval of September 20, 1999, Meeting Minutes:**

**MRS. CHOWNING MOVED TO APPROVE THE MEETING MINUTES OF  
SEPTEMBER 20, 1999. SECONDED BY SENATOR NEAL AND MOTION  
CARRIED UNANIMOUSLY.**

**III. Report on Implementation of Project Genesis – Department of Motor Vehicles and Public Safety (DMV).**

Ms. Ginny Lewis, Deputy Director, DMV&PS, said her opening remarks should cover a number of the issues. Ms. Lewis said she regretted to report to the subcommittee that the long lines being experienced by customers at

DMV field offices statewide were in the headlines more often than she would care to admit. She said, however, technical and state staff had continued to fix the “bugs,” test the solutions, and two new builds were being implemented every week to address those “bugs.” According to Ms. Lewis, the transaction volumes continue to increase and transaction times continue to improve. Also, the number of interrupts and the number of “bugs” recorded each day continue to decrease. She characterized those factors as positive signs that DMV was progressing in the right direction. In addition, system performance continues to become more stabilized as expert staff closely monitor and fix the transactions that are demonstrated to be a stress on the system. She also thought DMV employees were continuing to become more familiar with the application and more efficient in their jobs as “bugs” were fixed and work-arounds eliminated.

In continuing her testimony, Ms. Lewis said she was acutely aware of two critical problems facing DMV; namely: the long lines in the field offices and the backlog of registration renewals. Since DMV staff recognized that the design of this process was cumbersome and inefficient, Deloitte has designed an “Express Screen“ for registration renewals that should make the process much faster, especially in the batch environment where the majority of transactions are processed. The “Express Screen” is being tested today and will be in production tomorrow. DMV will continue to dedicate additional resources to this backlog.

Since DMV had anticipated long lines, Ms. Lewis indicated that staff had been very proactive prior to “go live” in getting this message to the public. Although the reports generated by the system indicate that transaction times are continuing to improve, Ms. Lewis said the lines in the major field offices remain very long. It was Ms. Lewis’ belief that the surge of customers early in the morning had been difficult for staff to recover from due to less coverage at that time. Additional window coverage is available when the second shift comes on duty between 10 to 10:30 a.m., which allows staff to reduce the wait times. In order to find immediate relief for the long lines, Ms. Lewis said that DMV was reassessing how customers are routed to the various windows for processing. By directing customers to different areas, whenever possible, DMV may be able to see improvement in how fast the lines move. In order to minimize wait times of some of the customers, DMV plans to isolate and route to another window single-driver or single-registration transactions or other express functions from complicated or dual transactions. When the Service Center concept was implemented in the field offices for “go live,” Ms. Lewis said DMV did not expect it to have an adverse effect on customer wait times. While DMV continues to work on the problems, Ms. Lewis suggested that some people may have lost sight of the “big picture,” which is, a new computer system was needed in order to bring new technology to customers so they could transact their DMV business other than at a DMV office. She also thought people had forgotten that the Legacy system was fragile, difficult to maintain, impossible to enhance when new legislation was passed, and difficult, if not impossible, to integrate into the Internet digitized licensing, emissions, station renewals, and telephone transactions. Ms. Lewis stated further:

Our progress is steady, perhaps not as rapid as we would like, but I continue to be confident that we are headed in the right direction. There is nothing that I view as alarming to jeopardize our success. In retrospect, the department would have made the same decision, knowing what we now know, when we went “live.” What has occurred over the past four weeks could only have been learned in a live environment. We knew that there would be “bugs” pushed out of the system when we went “live” but we also knew that we had to be responsive as problems were detected and that is what we have done. Deloitte, Department of Information Technology (DoIT), and DMV’s Information Services (IS) staff have been an outstanding team and have fixed system problems as they have arrived. And our field offices and employees in the back-office functions have demonstrated incredible commitment to taking care of the customers and dedication to making this new system a success.

In reiterating the basic criteria that was used in making the “go” or “no go” decision over the Labor Day weekend, Ms. Lewis told the subcommittee that DMV had evaluated the state of the application after pilots, dry runs, testing, and debugging, and determined there were zero critical “bugs” and 32 high “bugs” with reasonable work-arounds, which was better than DMV had anticipated. In addition, DMV needed a 55-hour window for data conversion. In order to minimize the impact to customer services, a three-day weekend was needed.

Through data cleansing, the database contained fewer than 1,000 known errors. The mental state of DMV employees was very important. Although training and familiarization with the application was provided to the best extent possible, Ms. Lewis acknowledged that the DMV employees could have been better trained. She said, however, that after receiving the Labor Day training, the employees indicated they were ready to “go live.” It was Ms. Lewis’ belief that DMV would have faced similar problems regardless of whether it had gone “live” on September 7 or two months later. In concluding her testimony, Ms. Lewis stated that:

Going back and saying ‘should have’ and ‘what if’ is not where our energies should be. This project has been a partnership with the Governor’s Office, the Legislature, vendors, DoIT, state staff, and many stakeholders. We are committed to fixing the problems and proving that this project is a success and one that will greatly benefit DMV customers.

Mrs. Chowning thought it was a favorite past time these days for many people to bash DMV because DMV was probably one of the most common interactions between people and government. Since people are usually in a hurry, they expect to have speedy service from DMV. Although the DMV employees, the Governor’s Office, the Legislature, and others had high expectations for Project Genesis, Mrs. Chowning said those expectations had not been met. Mrs. Chowning wanted to know the transaction time for obtaining a driver’s license and a registration pre-Genesis, when DMV was operating with the Legacy system, and the current transaction time for each of those functions. It was Mrs. Chowning’s belief that funding for Project Genesis was approved by the Legislature because the Legislature had been convinced DMV would be able to provide faster and better service. Mrs. Chowning expressed concern about how the employees were handling this situation. Mrs. Chowning wondered whether Project Genesis should be scrapped or whether DMV should revert back to the Legacy system until the “bugs” could be fixed and employees could receive additional training. Mrs. Chowning thought it was important that some type of a solution be advanced during the meeting today.

To respond to Mrs. Chowning’s questions, Ms. Lewis noted that the DMV employees were exhausted because they were working long hours as well as working in a new and stressful environment. DMV employees are also having to deal with frustrations from customers which adds to the fatigue factor. Ms. Lewis directed the subcommittee’s attention to a handout entitled “Project Genesis, October 5, 1999, Index,” a copy of which is included in the meeting minutes as Exhibit A. The “Transaction Status Tracking Matrix” on page 1 of Exhibit A has captured seven common transactions that have been identified since “go live” on September 7, 1999, through Thursday, September 30, 1999. According to Ms. Lewis, transaction times have steadily improved. The report indicates that employees are more comfortable with the application and there are fewer work-arounds because staff has fixed some of the “bugs.” Ms. Lewis thought the transaction times under Project Genesis when compared to those under Legacy were reasonable at this point in time. For example, a driver’s license renewal took about 3 minutes at the counter under Legacy and was taking about 4 minutes under Project Genesis.

After directing attention to the supplementary material in Exhibit A provided by DMV, Chairman Beers said he found it difficult to compare transaction times listed under the caption “Transaction Status Tracing Matrix” on page 1 with the information provided under caption “Q-Matic Comparison to Management Reports” on page 12 because they were consistently higher than the transaction times to which Ms. Lewis previously referred. Chairman Beers explained that the Q-Matic system automatically tracks those DMV customers who take a number when they walk into the DMV office until they reach the counter and then tracks the length of time before the transaction starts until the time the transaction is completed. Since he had been told that the transaction time currently being generated by Project Genesis was actually measuring the duration between screens, Chairman Beers said he was not sure it was an accurate measure, especially since the Q-Matic report indicates that a renewal takes 12 minutes and 40 seconds on average the week of 9/30/99. He said he had personally observed that it had taken about 17 minutes for a customer at DMV’s North Las Vegas branch office on West Carey to complete an old plate to new car transaction; however, he thought about 5 minutes could be shaved off of that time once the operator becomes more proficient with the system.

Chairman Beers suggested that citizens were only interested in the time that it takes for them to get out of their car until when they get back into their car. He also pointed out that the Q-Matic report indicates that it had taken at least a 1-hour wait on average, with a maximum 2-hour wait, to complete a renewal transaction last week at

DMV's branch office in Henderson that used to take 15 to 30 minutes pre-Genesis. In addition, original registrations were requiring a 5-1/2 hour average wait and a 20 minute average transaction time, for a total average transaction time of 6 hours. He said, however, it was unfortunate that one the individuals who had experienced a 6-hour wait had written about it yesterday for her employer, The Las Vegas Sun. As a representative of the public, Chairman Beers said he did not believe the transaction times were at acceptable levels. While he would agree with Ms. Lewis that finger pointing and laying blame would not fix the problems, Chairman Beers said he would disagree that knowing what DMV now knows, it was a wise move to "go live" on September 7, 1999, since he thought "go live" could easily have been delayed for another month or two to allow for additional testing.

Chairman Beers inquired about the current "bug" count. Ms. Lewis indicated that her memorandum dated October 5, 1999, which includes a report on "Bugs by Functional Area – Friday, October 01, 1999," a copy of which is included in the meeting minutes as Exhibit B, indicates a total of 1,871 unique "bugs" have been identified since "go live" on September 7, 1999. She referred to a more current report, dated Monday, October 4, 1999, which indicates that the total tickets for all functional areas that had been recorded into the system since "go live" was 1,926. In evaluating the status of the 1,926 "bugs," Ms. Lewis indicated that 66 percent of those "bugs" have been resolved and she thought this was a good indicator that DMV was steadily addressing this issue. Ms. Lewis recalled that when Project Genesis went "live," DMV employees were logging into the system between 100 to 150 tickets each day. Many of those tickets were duplications, she said, because they came in from field offices statewide. By contrast, this past week employees have logged into the system less than 20 tickets per day. Ms. Lewis stated that "In my mind we have made that corner where we are fixing more than we are receiving."

After listening to Ms. Lewis' report on the current status of the 1,926 "bugs," Chairman Beers said he had quickly calculated that there were about 675 active "bugs" right now. Ms. Lewis estimated that the current number of active "bugs" was more like 600 since 1,277 "bugs" had been fixed. Ms. Lewis pointed out that DMV's focus at this point in time was on the critical and high "bugs." When a technician calls in a problem to the "Help Desk" in Carson City, Ms. Lewis said the "bug" was evaluated based upon its criticality. A medium "bug," for example, could be cosmetic to make the process better and more efficient.

Chairman Beers thought it would be helpful if the subcommittee were to hear from the contractor, Mr. Jon Lemelin, Deloitte and Touche Consulting, regarding how many of the 649 "bugs" were critical. Mr. Lemelin estimated that there were currently between 250 and 300 critical "bugs," approximately 300 high "bugs," and about 30 medium "bugs." In reviewing the preparations that were made prior to "go live," Mr. Lemelin apprised the subcommittee that the 14-month project had included work on requirements, design, specifications, and coding. In addition, he estimated that at one point in the process about one-third of the user community was involved either with the Joint Application Development (JAD), design review, or other processes. During this process, Mr. Lemelin said that over 500 different business scenarios were identified. System testing was performed on about 150 of the 500 different business scenarios as part of the normal project approach to make sure those business transactions worked. Pilots were then conducted and approximately 750 pilot scenarios were collected and run through the system as part of the system testing process. Also, two dry-run exercises were done on Saturdays where a Genesis computer terminal was setup next to a Legacy computer terminal and transactions were run on each system.

Even with the system testing, the pilot testing, and the two dry runs, Mr. Lemelin pointed out that the system continued to accumulate "bugs" and tickets for field-identified enhancements. Throughout the testing process, the tickets were prioritized as critical, high, medium, and low. When the decision was made to "go live," Mr. Lemelin recalled that there were zero outstanding critical tickets and 32 outstanding high priority tickets; however, each of the 32 high priority tickets had a reasonable work-around. After "go live," Mr. Lemelin recalled that the system initially generated approximately 150 tickets per day; whereas, the system is currently generating 20 to 40 tickets per day. Mr. Lemelin maintained that Project Genesis had crossed the threshold where more "bugs" were being fixed than were being identified. He also contended that staff had expected to find additional "bugs" once Project Genesis went "live" because of the variety of the users that would be using the system.

Since his calculations indicate that the system has been generating approximately 300 “bugs” every two weeks, Chairman Beers said he would assume that the threshold to which Mr. Lemelin previously referred had been attained only recently. Ms. Lewis recalled that she saw the dramatic decrease in the number of “bugs” last Wednesday, September 29, 1999.

It was Chairman Beers’ belief that there were currently 300 critical “show stoppers” that were missed in the testing. After listening to Mr. Lemelin’s prior testimony, Chairman Beers said he would assume that it was Deloitte rather than Best Consulting who had been the Quality Assurance (QA) leader on Project Genesis. Mr. Lemelin apologized for not making himself clear. Mr. Lemelin explained that Deloitte had worked as part of the state team to develop scenarios, prioritize “bugs” and fix “bugs,” and prioritize enhancements, but it was not responsible for the QA on Project Genesis.

Senator Neal said it was his understanding that Best Consulting was acting as a consultant to the prime contractor, Deloitte and Touche, who was supposed to deliver the system. Ms. Lewis explained that Best Consulting had been involved with Project Genesis from the beginning, when the Business Processing Re-engineering (BPR) study was done. Ms. Lewis apprised the subcommittee that Deloitte and Touche was responsible for the technology piece, which was the newly implemented software.

Senator Neal inquired about the responsibilities of DoIT. As the software was developed, Mr. Lemelin explained that Deloitte Consulting had relied on DoIT to provide the mainframe for the development work, which includes hardware, software, database, and network. In other words, DoIT is responsible for providing the network connectivity between the personal computers (PCs) and the mainframe plus the mainframe itself. DoIT is also responsible for the development environment, which are the tools and the system Deloitte needs to develop the software.

If DoIT is providing all of the aforementioned services, Senator Neal wondered what Deloitte and Touche was responsible for. Mr. Lemelin indicated that Deloitte Consulting was responsible for the requirements, the design, and the construction of the software. Deloitte also assisted the state in testing the software that is now running on DoIT’s mainframe, using DoIT’s database.

In responding to a question from Senator Neal, Ms. Lewis said the computer system previously used by DMV was called the Legacy system.

Senator Neal said he would be interested to learn how much time was being utilized on the Legacy system at this time. Ms. Lewis responded that for all intents and purposes the Legacy system was not being utilized by DMV today.

It was Senator Neal’s understanding that the Legacy system was being accessed at this time by 100,000 hits per day. Ms. Lewis said she was unable to validate Senator Neal’s statement because the data on the Legacy system was obsolete when all of the data was converted to Project Genesis over the Labor Day weekend.

Senator Neal said it had been his experience that once the conversion of data had been completed, the system should operate smoothly. Senator Neal asked Ms. Lewis if DMV staff was utilizing the Legacy system at this time and Ms. Lewis responded that the DMV staff no longer depends on the Legacy system.

Senator Neal posed the question as to how many “bugs” were being identified in the system each day since the conversion. Mr. Lemelin responded that there were approximately 30 to 40 “bugs” or tickets being entered into the system each day through the “Help Desk” from field offices on issues, concerns, and errors that were being created by the system.

Senator Neal wanted to know how many of the 30 to 40 “bugs” were being corrected each day. While he could not provide the exact number, Mr. Lemelin said they were currently correcting more “bugs” than were being identified.

Senator Neal asked Mr. Lemelin if he could provide the subcommittee with a projected date as to when the “bugs” would be manageable. Mr. Lemelin said he could do a straight-line extrapolation that would indicate when the number of “bugs” being identified intercepts with the number of “bugs” being fixed. He said, however, when a system of this size was introduced in the field, he would expect to continually see a certain number of tickets coming in as a result of the creation of new “bugs,” or as policies change and new laws are passed, or, more importantly, as employees become more familiar with the system.

Senator Neal asked Mr. Lemelin if he had developed a flowchart for each division within DMV that would describe both input and output. Mr. Lemelin explained that Deloitte had provided two sets of documentation; namely: (1) one set for every major screen or major program in the system which shows what goes in, what does it do, and what goes out; and (2) business transaction oriented documentation which shows from the pilot scenarios and from the system’s integration test scenarios the basic information that the customer comes to the window with, what the system is supposed to be doing, and which screen is supposed to be hit.

After listening to Mr. Lemelin’s response to his question, it was Senator Neal’s belief that a flowchart had not been developed for each division within DMV. Although Deloitte does not have one single comprehensive flowchart that shows every potential input and every potential output, Mr. Lemelin reiterated that there was documentation for each program and documentation for approximately 1,000 business transactions of the DMV.

Senator Neal wanted to know whether Mr. Lemelin would agree that by not having a flowchart would result in the use of trial and error to figure out the problems and Mr. Lemelin said he would not agree that Deloitte must resort to trial and error to fix the “bugs.”

It was Chairman Beers’ belief that the medium “bugs” were enhancements; thus, not of major importance. Chairman Beers thought the focus should be on the critical “bugs,” of which there were zero at “go live,” 32 at the subcommittee’s last meeting two weeks ago, and between 250 to 300 today. Assuming no new ones are identified, Chairman Beers wanted to know when the critical “bugs” would be fixed. Mr. Lemelin said he did not have a specific date for when the critical “bugs” would be fixed because he expected more tickets to be entered into the system of which some could be critical and some could be high. Mr. Lemelin said he did not have a sense of whether to stop looking for “bugs” today and concentrate on fixing those “bugs” that had already been identified.

Chairman Beers asked Mr. Lemelin to be more specific. Mr. Lemelin reiterated that he could do a straight-line extrapolation of the number of “bugs” today and the number of “bugs” that were being fixed.

Chairman Beers wanted to know when that information would be available and Mr. Lemelin said he would have it ready by 8 a.m. tomorrow morning.

Senator Neal asked Mr. Lemelin if there was a non-performance clause in Deloitte’s contract. Mr. Lemelin said he was not a lawyer and he did not understand what Senator Neal meant by a non-performance clause. It was Senator Neal’s understanding that Deloitte Consulting had signed an \$8-plus million contract which included the provision of certain deliverables that would put a new computer system in place.

Chairman Beers said that legislative Fiscal Analysis Division staff had advised him there was an \$8,144,280 performance bond in Deloitte’s contract.

Since it has been determined that Deloitte’s contract contains a non-performance clause and the system is not operating as it was supposed to, Senator Neal asked Ms. Lewis at what point in time did she think DMV would consider exercising the non-performance clause. Ms. Lewis said she had no reason to consider such an option at the present time since she thought all of the problems were being worked on. She also stated that Deloitte was not leaving the project until after the warranty period expires because the contract stipulates that all high and critical “bugs” must be fixed prior to Deloitte leaving the project.

Senator Neal pointed out that the cost of the original contract had increased to about \$8.7 million. Chairman Beers interjected that another \$1 million had been approved by the Board of Examiners last month and the request had been submitted to the Interim Finance Committee at the September 21, 1999, meeting.

Ms. Lewis pointed out that the Board of Examiners had approved \$1 million for the amended Deloitte contract. According to Ms. Lewis, this funding was approved by the 1999 Legislature for additional technology support.

Senator Neal asked Ms. Lewis once again if she intends to consider exercising the non-performance bond. Ms. Lewis stated that:

The system is working. It has problems, but nothing that we have not been able to work through. The staff is continuing to bring in new versions of the software twice a week and in every one of those builds “bugs” are fixed and this is just the process that, I believe, you go through to get a system stabilized.

Chairman Beers said he would agree with Ms. Lewis’ prior statement about bringing in new versions of software and fixing the “bugs” until the system was stabilized, except that this process ordinarily happens before the system goes “live.”

#### **IV. Report on Status of Back-Office Functions (titles, mail-in renewals, verification of insurance and other functions) – DMV.**

In addressing the long lines, Chairman Beers inquired about the possibility of DMV hiring additional staff and whether there were any current vacancies within DMV. Ms. Lewis apprised the subcommittee that there were current vacancies in Field Services and Central Services. The last vacancy report indicated 39 vacant positions in Field Services. Ms. Lewis said that jobs had been offered to 12 people in southern Nevada, where the branch offices have been experiencing longer lines. Although she thought that additional staff would help, Ms. Lewis reminded the subcommittee that DMV’s training period was at least eight weeks. Ms. Lewis said she had been working with branch managers as recent as this morning to discuss possible solutions to the long lines. Ms. Lewis called attention to the fact that the long lines were isolated to a few offices in Las Vegas. She said the field offices in northern Nevada were experiencing some normality and, although Mondays and Fridays were very busy, the workload levels off during the week. Ms. Lewis pointed out that DMV staff had been able to take care of the customers within a reasonable time frame in the branch offices before the close of business. The Carson City office, as an example, has consistently been able to conclude transactions by 6 p.m.

Since southern Nevada has been experiencing longer lines, Ms. Lewis apprised the subcommittee that a Service Center concept had been implemented in branch offices in Las Vegas. She said, however, several of the branch offices noticed that one or more of the lines were moving slowly and impacting the customers. To immediately address this situation, the branch managers have agreed to have staff check the lines and start pulling out customers with single driver’s license transactions, single registration transactions, and other express-type functions; i.e., a renewal or change of address, and isolating the customers with more complex combination transactions for whom longer transaction times are expected. Ms. Lewis said that DMV’s primary focus was to fix the renewal-by-mail program that was handled in a batch environment in the Carson City office. Ms. Lewis suggested that customers were coming into the field offices because of the slow turnaround times for renewal-by-mail, which was compounding the line length.

Chairman Beers wondered if the new hires could be trained in less than eight weeks to handle express transactions. Ms. Lewis agreed that new hires could be trained to handle renewals since they were not complex transactions and that would provide immediate relief in the field offices. In addition, Ms. Lewis pointed out that DMV believes that the Express Screen that goes into production tomorrow, along with those DMV employees who were working overtime in the evenings and on Saturdays, would be able to bring the mail-in backlog back down to the pre-Genesis 5- to 7-day turnaround time. Once this has been accomplished, Ms. Lewis thought that customers would trust the mail-in process and would no longer bring their renewals to field offices.

Chairman Beers said he would be interested to learn where the Express Interface would register on a scale of 0 to 10, 10 being the most complex of the Genesis programs that have been written. Mr. Lemelin explained that the Express Interface was a modification of what is currently in production for vehicle registration transactions so it would change several of the screens. Mr. Lemelin said it would be difficult for him to assess the complexity of the Express Interface, but he said it was not a new function. To respond to Chairman Beers' questioning whether he thought the Express Interface would work, Mr. Lemelin explained that the Express Interface had been designed and coded very quickly based on the need that was found in the field. It was moved into the testing environment last night and resources had been dedicated to one full day of testing that screen before a commitment was made to move it into production tonight.

Chairman Beers said he would be interested in learning more about the mail-in backlog for registrations and driver's licenses. Regarding mail-in renewals for registrations, Ms. Lewis told the subcommittee that there were approximately 70 trays of mail with some of the mail postmarked back to September 8 or September 9.

Chairman Beers wanted to know how many items were in each tray. Since it is a manual transaction, Ms. Lewis estimated that there were approximately 700 to 800 items in each tray. Ms. Lewis noted that she had provided information on the backlog for mail-in renewals in the meeting packet (See Exhibit B – "Project Genesis Implementation Back-Office Functions"). Since the renewal notices are mailed 90 days in advance, Ms. Lewis noted that DMV employees were pulling out those that were due to expire and processing them immediately. Mail-in registrations are handled as they are received by DMV.

Chairman Beers noticed that the backlog information provided by Ms. Lewis (Exhibit B) indicated that there was a backlog of 15 trays in mail-in registrations prior to implementation. Chairman Beers said he was not sure whether Ms. Lewis had previously stated that the mail-in renewals were not working at all or were not working quickly. Since the mail-in renewals were not working quickly, Ms. Lewis indicated that the Express Interface had been designed to address this critical problem. According to Ms. Lewis, the process was cumbersome before and even the fastest technicians could not meet pre-Genesis standards.

Chairman Beers inquired as to whether the mail-in renewals were done in Central Services. Ms. Lewis responded affirmatively and she added that there were three vacancies in Central Services.

Chairman Beers wanted to know how many people would it take to return to pre-Genesis transaction processing levels. Ms. Lewis apprised the subcommittee that there were currently two shifts for the renewal-by-mail program, six employees during the day and six employees on swing shift, with some of this staff opening the mail. Ms. Lewis suggested that five new employees could be hired whose sole purpose would be to open and prepare the mail for data entry. With an additional 10 employees, Ms. Lewis thought it would be possible to very quickly eliminate the backlog. If the Express Interface goes into production tomorrow, Ms. Lewis thought it would be possible to get a fair assessment of how many renewals one employee could enter per day on their shift by Friday. With this information in hand, Ms. Lewis told the subcommittee that an honest prediction could be made on how fast the backlog could be eliminated.

It was Senator Neal's understanding that DMV employees handling registrations and renewals were able to enter approximately 2,000 transactions per day under the Legacy system, but they were now limited to approximately 500 transactions per day under the Genesis system. Ms. Lewis thought 2,000 transactions per day under the Legacy system were very high.

Chairman Beers recalled seeing a report from DMV that shows 41,369 mail-in renewal transactions per month all clerks in the Carson City office. Ms. Lewis noted that there were 12 employees in the mail-in program in Carson City, but some of those employees were opening mail that takes them away from the actual data entry process.

Chairman Beers wondered whether 30 to 40 percent of the normal volume was getting through the system at this time.

Mrs. Chowning cited the following statistics: 873 renewal transactions per day last year compared to 410 since “go live;” 1,955 title transactions per day last year compared to 597; and 1,873 vehicle renewal mail-in transactions last year compared to 933. Mrs. Chowning thought those statistics were indicative of a huge problem because in every single instance the numbers were down about 50 percent. Mrs. Chowning wondered when the subcommittee was going to hear how bad the problem really is.

In speaking to Mrs. Chowning’s concerns, Ms. Lewis said she had previously addressed the mail-in renewal program. Ms. Lewis told the subcommittee that she had every reason to believe the solution that goes into production tomorrow, with committed staff and overtime, would resolve the mail-in problem. Ms. Lewis indicated that the solution or fix to the driver’s license renewal program would be the bar code that would be included on the mail-in renewal notices to customers. When the document comes back to DMV, the scanner will bring up the individual’s record and the information will be validated; thereby, reducing the processing time.

Chairman Beers wanted to know when the bar code was going to be implemented. Although he did not believe the bar code had actually been scheduled, Mr. Lemelin estimated that it would be ready some time next week.

Chairman Beers wondered how many numbers would be encoded in the bar code. While he did not know the exact number, Mr. Lemelin thought a unique number containing approximately 20 to 30 digits would identify the customer and the transaction. While he thought it would simplify the work of the data entry clerk, Chairman Beers said he was not very enthusiastic about a bar code being a major improvement to the system because it was simply a mechanical device that gets the number of digits into the computer.

Chairman Beers said he would like to hear from Ms. Lewis about the title process at the present time. Ms. Lewis explained that the title process since “go live” had changed. Prior to “go live,” technicians in the field were taking paperwork from customers and then transmitting the paperwork to Carson City. Currently, the technicians in the field review the paperwork and do the actual data entry at their workstations. The following day, that information, along with any title information that was processed in Carson City in the batch environment, is printed out at headquarters. Since this is a new process, Ms. Lewis indicated that the titles were being reviewed for quality control at headquarters in Carson City until the technicians reach a level of proficiency.

Mrs. Chowning opined that the length of the transaction time for registrations was 60 percent worse than it was a year ago. Mrs. Chowning expressed her dismay that DMV staff had told the subcommittee that it was going to take awhile to improve the transaction time because it was a new system and more data was being collected. Mrs. Chowning wanted to know when DMV was going to be able to provide customers the type of service to which they were entitled. Ms. Lewis said she regretted that she could not provide Mrs. Chowning with a date certain. She said, however, as long as the transaction time steadily improves she was confident that DMV would be able to return to the 14-day turnaround that was achieved prior to “go live.” While she acknowledged that the statistics show that fewer titles were being mailed out than a year ago, Ms. Lewis said the reason for that was assurance that those documents were accurate before being mailed out because she did not want to compromise a title if the information on it was incorrect.

Chairman Beers wanted to know if it would be feasible for DMV to temporarily fall back to the Legacy system. In looking at the report in Exhibit B, Chairman Beers noted that 11,410 titles had been processed since September 7, 1999, compared to a typical monthly volume of 39,100 in 1998. In responding to Chairman Beers’ comments, Ms. Lewis stated:

I do not believe that accessing the Legacy system is an option for this or for any piece of our process. When you start putting data on to another system, I believe we are risking data integrity. I am not sure having data in two places is wise.

Chairman Beers said he would suggest erasing the data in the Genesis system and using the historic data at the point of conversion on Legacy. According to Chairman Beers, a data conversion process should not be

disruptive since it would simply read the Legacy data and create a record populated with the Legacy data in the new data format so DMV should have the Legacy system as it appeared on September 6, 1999. DMV would then have to reenter into Legacy one-third to one-half of the transactions that should have been processed during the month of September and then do the other one-half to catch up. In the meantime, DMV would not be subjecting the citizens to an average 5-1/2 hour wait on an original registration, which does not include the time to complete the transaction. While he could understand that DMV would not want to use the Legacy system for an indefinite period of time, Chairman Beers said he was suggesting that DMV fall back to the Legacy system as a temporary solution to get the transaction times back to some semblance of normalcy and to give the designers of the system and the QA consultants the opportunity to get the current 300 “show stopping” critical “bugs” resolved.

When the system went “live” on Labor Day, Mr. Lemelin indicated that all of the data was converted over to the new database. Since all updates to that data have been done on the Genesis application, Mr. Lemelin told the subcommittee that it would be a complex and risky endeavor to reconvert that data back to Legacy in a form that would continue the transactions. Chairman Beers told Mr. Lemelin that he was recommending DMV fall back to the Legacy system at “go live” and manually reenter the transactions that have been done on the Genesis application.

Senator O’Donnell asked Mr. Lemelin if the converted system were integrated so that it could be queried by other people within DMV; i.e., law enforcement, for title information such as Vehicle Identification Number (VIN), names and addresses. It was Senator O’Donnell’s belief that falling back to Legacy would require terminals to be upgraded or changed to allow technicians to use both the Legacy and the Genesis systems. Mr. Lemelin said he thought that Senator O’Donnell had provided an example of the type of complications that would need to be addressed.

Chairman Beers said he was not suggesting running two different systems, but rather that Genesis be taken off line temporarily while the “bugs” were being fixed and that DMV fall back on the Legacy system as it existed. Since he did not believe that the Legacy system had disappeared in four weeks time and exists as it did on September 6, 1999, Chairman Beers said the Legacy system could be picked up and run with for the next two months. This would give DMV time to resolve the staggering number of problems in the system and it would also give DMV the opportunity to catch up with the backlog by utilizing the additional manpower, and then DMV would reconvert, say, over the four-day Thanksgiving weekend. Chairman Beers wondered if DMV had a fallback position.

In responding to Chairman Beer’s comments, Ms. Lewis stated:

I hesitate because, yes, we have backlogs, but we have never had this discussion that reverting back to the Legacy is an option. I think we are steadily improving. I know that people are impacted. I believe we are responding and reacting to the issues as fast as is humanly possible. We are committed to making this work. I am not convinced that going back to the Legacy is the answer.

While he could appreciate Ms. Lewis’ position, Chairman Beers said he would like to know if DMV had a fallback plan. Ms. Lewis said DMV’s fallback position was to stay the course by fixing the problems, improving transaction times, increasing the volume, and coming up with an Express Screen for the renewal-by-mail program to resolve backlogs.

Senator Neal inquired as to whether the system had a database corruption problem and was incorrectly reading uncommon names such as Florence Vandenberg as Van Florence. Although he could recall a problem with hyphenated names, which he thought had been fixed, Mr. Lemelin said he was not aware of a problem with the system recognizing uncommon names. If this should occur, Mr. Lemelin said he would expect it to be ticketed as a “bug” and fixed in the normal process.

Senator Neal said he was looking at a document dated 9/22/99 for Debra Vandenberg and the system printed the

name as Van Debra. He also had a document for Margo MacLeod that the system printed as Mac F. Margo. Mr. Lemelin said he would appreciate Senator Neal sharing the two documents with him and he would check into the matter during a break in the meeting. Mr. Lemelin pointed out that he had seen similar problems, but they were a display problem, not a database corruption.

It was Senator Neal's recollection that during the subcommittee's last meeting, Mr. Lemelin had discussed having to add an index to correct a name identification problem, but he would now assume the index had not corrected the problem. Mr. Lemelin indicated that the previous solution would not address a display problem.

Senator Neal wanted to know whether DMV had corrected the problem it was having with calculating the correct amount customers should pay in privilege tax when they register their vehicles. Ms. Lewis said the solution to this problem would go into production tomorrow. In clarifying the issue, Ms. Lewis explained that if an individual purchased a 1984 vehicle in 1983, the system calculated the privilege tax based on the year of the model. Under the Legacy system, the privilege tax was calculated based on the first time it was registered. To correct that problem, a field is being read into the database that will now capture the first registration. The problem has been isolated to individuals who have had continuous ownership of a vehicle. If it is sold, then that calculation is based on the year of the vehicle. Once the fix has been implemented into the system tomorrow, DMV plans to run an error report that will identify every registration transaction where there could have been an erroneous calculation and print a refund check to the customer for that transaction.

It was Chairman Beers' understanding that DMV had hired 11 new people. Ms. Lewis pointed out that DMV had offered employment to fill some of the 35 vacancies in Field Services. The new hires are scheduled to start on October 18, 1999. While 35 may seem like a large number of vacant positions, Ms. Lewis said it was not unusual to have that number of vacancies in a budget with 500 employees. Ms. Lewis said it was DMV's intention to fill all of the vacant positions, knowing full well that within a week 20 people could resign.

Chairman Beers expressed concern about the impact on DMV's budget with so many people working overtime. During the 1999 Legislative Session, Ms. Lewis explained that DMV had received a one-shot appropriation in the amount of approximately \$679,000 for Project Genesis to cover training costs prior to "go live," travel for staff during training, and anticipated overtime after "go live." Ms. Lewis said she did not know how much of the funding remains.

Chairman Beers wanted to know how long it would take for Ms. Lewis to get that information. Ms. Lewis indicated that DMV staff had been attempting to access that information from a report generated by the new Integrated Financial System (IFS). She thought the coding for Project Genesis was 49. Although there were employees in other budgets who have worked on Project Genesis in an overtime capacity, Ms. Lewis thought she could retrieve most of the overtime expenditures from budget account 4735 since that budget contains the majority of employees assigned to Project Genesis.

Without having any hard numbers, Chairman Beers said it would appear to him that the funding allocated for training and overtime would have been exceeded by now as a result of the anticipated training, the Labor Day weekend training, and both the expected and unanticipated overtime as a result of the system having 300 critical "show-stopping bugs" in the last four weeks.

Chairman Beers said he was also concerned about the revenue impact as a result of DMV processing one-third to one-half of the normal volume of transactions and he wondered whether DMV had analyzed this revenue impact. Ms. Lewis said she did not view the fewer number of transactions as an impact to revenue, but rather as a delay in the collection of revenue.

Chairman Beers suggested that the timing for collections was critical because a large part of the privilege tax goes into the Distributive School Fund (DSF) to fund school districts. It was Chairman Beers' recollection that when collections at DMV had fallen behind in previous years, it had impacted the school districts.

Senator O'Donnell said that some of his constituents had been waiting between 4 and 5 hours to complete their

transactions at DMV branch offices in Las Vegas. It was his understanding that since there were usually no long lines at the Sahara office, people have been leaving the Flamingo office and going to the Sahara office where they have to wait about 4 hours. Senator O'Donnell said he wanted to know what DMV intends to do for the people who were waiting in long lines. It was also Senator O'Donnell's understanding that people have been going to the branch offices to get a key master number and then they go home. They return to the office three or four hours later, when the length of the lines has diminished, to conduct their transactions.

Senator O'Donnell wondered about the possibility of DMV working with local radio stations or putting its telephone number on the Internet so that people could go to one of DMV's branch offices in the morning, get a key master number, and then know, either by turning on the radio or logging on to the Internet, when they should return to the branch office. While he thought that pulling people out of the lines who have simple transactions would be very helpful during the next few weeks, Senator O'Donnell wanted to know if there was some way people with complicated transactions could log onto a Web Site to find out what the next number at a DMV branch office was going to be.

Senator O'Donnell said he did not want to see DMV return to the Legacy system, but rather he wanted DMV to fix all of the "bugs" so the customers could be served faster. Since he had been involved with the legislative process for a number of years, Senator O'Donnell suggested that it would require an astronomical amount of taxpayers' money to fund DMV to the level with which people would be satisfied and comfortable. According to Senator O'Donnell, the legislature funded Project Genesis so the DMV functions that were being done manually could be automated. Senator O'Donnell said he would like Ms. Lewis to respond to his prior suggestions.

Ms. Lewis thanked Senator O'Donnell for his suggestions. Ms. Lewis pointed out that there was already a ticket taking process called Q-Matic at the DMV branch office in Las Vegas on Sahara and the Henderson office. Ms. Lewis told Senator O'Donnell that DMV would be happy to pursue his ideas of contracting with the radio stations and pursuing the Internet.

Since he thought the "bugs" would eventually be fixed, Senator O'Donnell told Ms. Lewis that it was imperative that more emphasis be placed on reducing the length of the lines so people would not be inconvenienced. Ms. Lewis reiterated that the long lines and the renewal-by-mail program were DMV's major concerns. Ms. Lewis said staff had been "brain storming" creative ways to keep the customers distracted while they wait in line, for example, a musical group volunteered to entertain the customers standing in line at DMV's branch office on Galetti in Reno. In addition, she indicated that DMV staff would continue to walk the lines to be sure people have the necessary documents before they reach the window. Ms. Lewis stated further:

The customers of this state have been outstanding for the past month. Yes, there are people who have gone to the media and there are people who have complained about the lines, but I would say that the majority of the people have been very understanding and they have been patient.

While he was happy to hear that the customers have been polite and appreciative to DMV staff while waiting in line, Chairman Beers said he wished to point out that when those customers leave the DMV offices, they have been venting their frustration to their elected officials.

Senator Neal wanted to know the name of the contractor that had designed the old Legacy system. Ms. Lewis said that although she had been employed with DMV for 20 years she did not know the name of the contractor that had designed the Legacy system. Ms. Debra King, Program Analyst, Fiscal Analysis Division, advised Senator Neal that DMV had developed the Legacy system on a Honeywell-Bull computer system.

Since he thought it might be a method to reduce the lines at DMV branch offices, Chairman Beers wanted to know whether DMV had an implementation schedule for a Web Interface to renew driver's licenses over the Internet with a credit card. Ms. Lewis apprised the subcommittee that DMV had been funded for three technologies. Ms. Lewis said that DMV recognizes that Internet transactions for renewals to registrations,

driver's licenses, and changes of address would have a huge impact on the field offices; thus, it plans to accelerate implementation of Internet transactions, which was originally planned for June of 2000. According to Ms. Lewis, DMV was currently in the process of developing a Request for Proposals (RFP) and hopes to have the enabling technology in place within 90 days. Ms. Lewis also indicated that the second technology, telephone transactions, was funded by the legislature for this fiscal year and the RFP was being developed at this time. According to Ms. Lewis, the third technology, which she thought would probably provide the greatest impact, would be the implementation of renewing registrations at smog stations in Washoe County and in Clark County. Funding for this technology was requested in the one-shot appropriation for the second year of the biennium. She said, however, it was DMV's intention to return to the subcommittee and the Interim Finance Committee to ask permission to accelerate that technology and pursue it during the current fiscal year.

In addressing his question to Mr. Lemelin, Senator Neal wanted to know whether Deloitte and Touche has a consulting relationship with IBM on Project Genesis. Mr. Lemelin explained that Deloitte and Touche has a contractual arrangement with IBM Global Services to work as one of the subcontractors on Project Genesis. According to Mr. Lemelin, IBM's expertise was being used for some of the IBM-specific hardware and IBM-specific products.

Since it was her recollection that the Legislature had approved funding for Project Genesis in order to provide DMV customers with all of the state-of-the-art technologies previously cited by Ms. Lewis, Mrs. Chowning said she was concerned that it would push implementation of those technologies farther out in the future if a decision were to be made for DMV to fall back temporarily to the Legacy system. Ms. Lewis agreed with Mrs. Chowning that DMV would not be able to implement those technologies with the Legacy system.

Chairman Beers wondered if it would be possible for DMV to implement those technologies with 300 critical "bugs." Ms. Lewis said she would not recommend bringing the technologies into place until the system had been stabilized.

Chairman Beers questioned how the Internet Interface was going to be implemented within 90 days when he had heard no date certain as to when the 300 critical "bugs" were going to be resolved. Ms. Lewis explained that the completion of the fixes for the urgent, critical and high "bugs" was part of the maintenance in DMV's contract with Deloitte. According to Ms. Lewis, the "bugs" would be fixed before the Deloitte contract expires. Although she was not a technical person, Ms. Lewis said she would not advise bringing in enabling technologies until there was a stable environment to do so.

Chairman Beers asked Ms. Lewis to clarify her prior statement pertaining to the implementation of enabling technology within 90 days. Ms. Lewis said she had been referring to the time needed to develop the RFP and put it out to bid. She said, however, she was not sure of the exact design time that would be needed to have the technology implemented by a vendor.

Senator O'Donnell wondered about the possibility of Ms. Lewis contacting one of the Internet vendors, such as Cox Cable, or Las Vegas.com, to see if they would allow DMV to interface with that group. Senator O'Donnell also suggested having a phone message, which could be updated, so customers could call and get the latest number being served. Ms. Lewis apprised the subcommittee that since DMV already has an automated telephone system that rings both in the Flamingo and Carson City offices, it would be possible to implement a phone message that would advise people of the number that was being served.

Chairman Beers suggested installing a chalk board in the lobby, which could be changed on a daily basis, that shows yesterday's results; i.e., we processed 50 an hour yesterday, then people could get a ballpark idea of when their ticket might be coming up.

To accommodate the large number of citizens who wished to testify before the subcommittee, Chairman Beers opened the meeting to public testimony. (Please refer to Item VII for Public Testimony).

Upon completion of public testimony, the subcommittee returned to its discussion of the Status of Project

## Genesis Implementation

Since he thought the subcommittee could make recommendations to the Governor based upon its findings, Senator Neal viewed the subcommittee's role as advisory because it was hearing testimony from the public and trying to glean what needs to be done. Senator Neal said he would like Mr. Lemelin to respond to the previous argument advanced by Mr. Hunt during the public hearing process about DMV having one server for 200 users compared to NDOT which has eight servers for 500 users.

Mr. Lemelin explained that the architecture of the Genesis application was a three-tier client server system, which means that it uses PCs, a server, and the mainframe. Although he was not sure of the architecture of NDOT's computer system, it was Mr. Lemelin's belief that the servers being used in Genesis had been sized adequately. According to Mr. Lemelin, the software does not rely very much on the local office servers. The system uses those servers to bring down new versions of the software that are coming out twice a week and pushes the software to the local servers. When DMV technicians log on to their Local Area Network (LAN) in the morning, they receive the new packet of software that was developed in Carson City. Mr. Lemelin admitted that this was a performance problem that has been drastically improved.

Senator Neal asked Mr. Lemelin if there was a need for additional servers. Mr. Lemelin said he was not aware of the need for additional LAN servers. Mr. Lemelin thought it was important to understand that once the software gets down to the PCs, it communicates with a central server. There are two central servers that sit in front of the mainframe. He also noted that the two servers have backup and recovery capabilities so that if one drops out the other one can continue. According to Mr. Lemelin, such an event actually happened during production and there was no noticeable difference in performance. To answer specifically Senator Neal's question about the need for additional servers, Mr. Lemelin said that he was not aware of any significant or "show stopper" performance issues regarding the number of servers.

Senator Neal wanted to know whether the system was currently experiencing a decrease in response time whenever there was an increase in workload. Mr. Lemelin explained that DMV staff had identified a number of performance issues since the application went "live" on September 7, 1999, but each one of those problems had been fixed. Mr. Lemelin said he was aware that the performance in some of the field offices had become slower when transactions required a significant amount of mainframe resources. It was Mr. Lemelin's contention that any system that uses a LAN, or any kind of interface, would be faster with one person on it than, say, 600. He maintained, however, that based on the design of the application the servers had been sized correctly. He also noted that there were T-1 lines to all major offices. In addition, he pointed out that a performance enhancement would be going into production tomorrow. Mr. Lemelin said the Deloitte staff was paying very close attention to improving the performance of the system. As the contractor, Mr. Lemelin said he viewed addressing the long lines in the field offices as a major portion of Deloitte's responsibility in this project.

Senator Neal wanted to know what was causing the decrease in performance if the servers were not to blame. Mr. Lemelin suggested that the performance problems being experienced today were more related to capacity challenges on the mainframe that might coincide when more people were on the system, but he was not aware of any systematic server-related performance problem at this time.

Since the telephone company provides a directory that allows immediate access to names and numbers, Senator Neal suggested that their system was better than DMV's because at least one could get a call through without waiting in line. Senator Neal said he was surprised that Mr. Lemelin could not state definitively to the subcommittee what was causing the input and output problem. Although he acknowledged that the backlogs, the back-office functions, and the long lines in the field offices were clearly a challenge, Mr. Lemelin suggested that there were a number of extenuating circumstances surrounding some of the backlogs. As a contractor developing the software, Mr. Lemelin said he thought it was his duty and responsibility to work on system performance issues pertaining to the applications and fixes as many problems as possible. In addition to fixing "bugs," Mr. Lemelin thought it was important to implement field-identified enhancements, such as the Express Screen, as quickly as possible.

Senator Neal asked Mr. Lemelin how many computer systems had Deloitte and Touche designed prior to designing Project Genesis. Mr. Lemelin explained that Deloitte Consulting, which was a branch of Deloitte and Touche, had developed between 20 to 30 large-scale statewide application systems in the public sector alone.

Senator Neal said he would be interested in learning how many DMV systems Deloitte Consulting had designed. Mr. Lemelin indicated that Deloitte Consulting had never designed a client-server DMV application. In providing background information, Mr. Lemelin noted that the state had published an RFP for vendors to bid on solutions for the state and Deloitte and Touche offered a solution, including "Big Bang," an approach he admitted had been controversial. Three other vendors also bid. The state asked the vendor community to build a client-server that was Windows compliant with an integrated database system. Mr. Lemelin said he was aware of only one other client-server system in the country and it was developed in-house by a community in New York. Mr. Lemelin pointed out that Deloitte's proposal, including "Big Bang," was evaluated by the state and Deloitte scored the highest in every category of the evaluation. Deloitte's qualifications included a significant amount of large-scale statewide systems' integration experience.

Senator Neal questioned why DMV had decided to have an outside contractor design a system rather than purchasing a system from one of the states that had been operating a successful system. Ms. Lewis said she was not prepared to respond to Senator Neal's question, but she was sure the information had been well documented by the team responsible for that assessment and she would provide a response at a later time.

Chairman Beers said he would be interested in seeing that documentation as well. Chairman Beers said he would also like to see documentation from Best Consulting which would confirm a recent newspaper report that Best Consulting staff had expressed their concern to DMV about going "live" on September 7, 1999. Ms. Lewis said she did not have that documentation, but she would be happy to check with Best Consulting and provide that documentation, if it exists, to the subcommittee at a later date. Ms. Lewis said the last documentation that she had seen from Best Consulting was their Project Status Report for the month of July 1999.

Chairman Beers asked Ms. Lewis whether payments to Best Consulting were keyed to the Project Status Report. Ms. Lewis indicated that Best Consulting does not receive payment until a deliverable has been signed off. Ms. Lewis also stated that the last deliverable from Best Consulting was included in the Project Status Report for the month of July 1999, and Best Consulting should not have received any funding past that date.

Chairman Beers said he would assume the next Project Status Report for the month of August of 1999, was due by September 15, 1999. Ms. Lewis said she would have to consult with Ms. Donna West, Project Manager, who was out of town today, about the transitioning of Best Consulting out of the project.

To respond to an earlier question from Senator Neal, Senator O'Donnell said he would like to clarify why DMV did not purchase software from another state. According to Senator O'Donnell, DMV has approximately 21 chapters of NRS that need to be coded specifically for the State of Nevada. Although the state considered purchasing a system from another state, Senator O'Donnell said someone remembered that the state had previously purchased a computer system for \$8 million from the State of Illinois. This system is called NOMADS and Senator O'Donnell said that the state would have spent about \$100 million when that system has been completed.

While he appreciated Senator O'Donnell's historical information, Senator Neal said he still wanted DMV to provide the information he requested earlier.

To address some of the concerns expressed during the public hearing, Mr. Lemelin said he wished to reiterate that it was Deloitte's commitment to do everything possible to help alleviate the long lines and that Deloitte would continue to look at system performance and continue to make modifications to the software to speed up the transaction time. He also pointed out that the screens were currently operating at about every 3 to 5 seconds, which he thought was well within the industry's standards. It was Mr. Lemelin's belief that the Express Screen, which goes into production tomorrow, would be most helpful. It was Mr. Lemelin's contention that the detailed reports generated by the application provide absolute evidence that transactions were speeding up in the field

every day or so, partially because of biweekly releases of new software. In addition, he thought that staff's familiarity with the system was improving on a daily basis.

In addressing the question about the NT Windows platform posed earlier by Mr. Brian Hunt during the public hearing, Mr. Lemelin explained that Deloitte was building custom software for the State of Nevada and had used tools to develop that software that were certified by Microsoft to work in the Windows NT environment. Mr. Lemelin indicated that Deloitte was using Windows and Microsoft approved products on the client server and IBM tools on the mainframe.

Senator Neal wondered when the next meeting would be scheduled. Chairman Beers said the subcommittee should be getting additional information tomorrow regarding the number of letters that have been issued asking residents to renew their driver's licenses. This number will be compared to the annual number of people eligible for mail-in renewals, divided by 12. He said he also expects to receive a date certain when the 300 high-level "bugs" would be fixed. He thought it would probably take longer than one day for DMV to respond to Senator Neal's request for an explanation as to why a decision had been made for the state to write its own program from scratch rather than adapt a system that another state was operating.

Mrs. Chowning said she had asked for a solution to the mail-in renewal backlog. It was Mrs. Chowning's understanding that DMV was going to allocate additional staff to assist with mail-in renewals and a progress report should be available by this next Friday. Mrs. Chowning said she was dismayed that no solution had been offered for the title issue. In addition, Mrs. Chowning said she had asked for a solution to the renewal of driver's licenses and DMV indicated that the bar code, which was expected to be implemented next week, would help. Mrs. Chowning said she would like to point out that on March 26, 1999, the Assembly Committee on Transportation was told that there would be no significant impact to the back-office mail-in renewal process for driver's licenses or registrations because of Project Genesis. Furthermore, it was Mrs. Chowning's recollection that the Legislature and the Executive Branch had made a decision to move forward with Project Genesis based on DMV being able to provide a significant increase in customer satisfaction. Mrs. Chowning thought it would be important to have this documentation available at the subcommittee's next meeting so the public might understand that it was never the intention of the Legislature and the Executive Branch to spend taxpayers' money unwisely. Mrs. Chowning was also disappointed that DMV staff had always provided rosy projections to the subcommittee but those results had not materialized to date. Since DMV customers are dissatisfied on a daily basis, Mrs. Chowning said she could not support DMV continuing in the present direction.

Mrs. Chowning told Chairman Beers that she was prepared to make a motion to temporarily fall back to the Legacy system, a system that has worked for 20 years, in order to address the backlogs. In addition, Mrs. Chowning suggested that Chairman Beers call another meeting in two weeks because she did not believe the progress that had been made during the past two weeks had been very satisfactory. It was Mrs. Chowning's understanding that the Governor was going to announce a plan of attack on Friday and she commended the Executive Branch for doing that. Although she thought it was commendable that DMV plans to hire additional staff to address the backlogs, Mrs. Chowning pointed out that it was going to require a large expenditure of money and she did not know from where that money was coming. Mrs. Chowning said she was disappointed today that there had not been better results. Mrs. Chowning indicated that she receives calls from her constituents on a daily basis urging her to ask for a 30-day extension of time.

In light of some of the testimony that was provided today, Senator Neal said he would suggest inviting the person in charge of NDOT's computer system to attend the next meeting to provide information on how that system operates.

Chairman Beers thought Senator Neal's suggestion had merit. Chairman Beers suggested that it would be helpful if the person in charge of NDOT's computer system were to provide a brief written report to the subcommittee describing the computer system prior to the next meeting. This would allow the subcommittee time to read the report and prepare questions.

Mrs. Chowning said she would be pleased to incorporate Senator Neal's and Chairman Beers' suggestions into

her motion.

**MRS. CHOWNING MOVED THAT THE SUBCOMMITTEE RECOMMEND THAT DMV FALL BACK TO THE LEGACY SYSTEM ON A TEMPORARY BASIS IN ORDER TO ADDRESS THE BACKLOGS; THAT THE NEXT MEETING BE SCHEDULED FOR TWO WEEKS; AND THAT THE PERSON IN CHARGE OF NDOT'S COMPUTER SYSTEM BE INVITED TO ATTEND THE NEXT MEETING AND BE REQUESTED TO PROVIDE A BRIEF WRITTEN REPORT TO THE SUBCOMMITTEE IN ADVANCE OF THE NEXT MEETING DESCRIBING THE COMPUTER SYSTEM. SECONDED BY SENATOR NEAL AND THE MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.**

Chairman Beers expressed concern about the loss of revenue. It was Chairman Beers' belief that although the loss of revenue did not appear to be very important to DMV, there was no hesitation on DMV's part to ask for an acceleration of money to pay for the enhancements. Chairman Beers said the loss of cash flow was a real concern to the state and to the school districts because they were the primary recipients of those dollars. It was Chairman Beers' opinion that all of the school districts would suffer if the revenue issue does not get back on track.

Chairman Beers said the heart of the problem in his mind was the fact that DMV had zero critical "bugs" at "go live;" there were 32 "bugs" two weeks ago; and there are 300 "bugs" today. Chairman Beers said those numbers were indicative of the problems. He said, however, those numbers do not mean that Genesis was a system that should be thrown away, but rather that a fallback position needs to be exercised. It was Chairman Beers' belief that there was only one fallback position; that being, going back temporarily to the Legacy system while the product stabilizes, unless DMV could tell him by 8 a.m. tomorrow that the time line to fix the 300 "bugs" was two weeks. While he thought the subcommittee had heard some excellent ideas on how to alleviate the long lines, Chairman Beers said the subcommittee had heard no solution to the title situation. He opined that only one-quarter to one-third of the state's monthly total number of titles had been issued since "go live." Although an Express Interface was going to be implemented tomorrow, Chairman Beers said he did not know whether it would be successful because many things that have been tried the first time have not worked on this project and other projects as well. Chairman Beers said it was his opinion that there should have been an extensive period of testing and/or parallel operation prior to implementation of Genesis, which was a major new computer system. Chairman Beers thought it made sense to exercise a fallback position while the product was stabilizing, with the full intention of going back to Genesis and implementing the pieces that would greatly assist citizens during their annual visit to one of the DMV offices or smog stations.

Ms. Lewis told the subcommittee that DMV would look at the alternative suggested by the subcommittee and a position paper would be submitted to the subcommittee on the impact of falling back to Legacy or continuing on with Genesis.

Senator Neal interjected that he was not ready to give up on Genesis.

Chairman Beers recognized Mrs. Sonja Pack, who testified earlier. Mrs. Pack said it was her understanding that it was not possible to make changes to registrations or titles on the Legacy system at this time and also that there was a turn-off date for Legacy. Mrs. Pack said she would also like to know the status of Best Consulting because no one from that company had testified at the meetings. Mrs. Pack also inquired about the status of the stakeholders' list. Mrs. Pack said she would appreciate having an answer to her questions.

Chairman Beers told Mrs. Pack that DMV would be examining the fallback position alternative. Chairman Beers said he was unable to respond to her question regarding the status of Best Consulting. Chairman Beers apologized to Mrs. Pack for concentrating specifically on the status of the system today, but he promised to look at the stakeholders' issue at the next meeting. Chairman Beers said he did not intend to schedule the next meeting today and he suggested that she contact the Legislative Counsel Bureau within the next two or three days for the next meeting date.

Chairman Beers recognized Mrs. Angle, who apprised the subcommittee that she went to a DMV office yesterday and asked the technician to run her personal vehicle on the Legacy system and the Genesis system and she received a printout from both systems. Mrs. Angle said she wanted to assure Mrs. Pack that the Legacy system was still up and running and that it would be possible for DMV to fall back to that system, which she thought was an excellent idea. Mrs. Angle added that she had discussed this alternative with the Governor.

**V. Report on Anticipated Project Genesis Activity for FY 2000 – DMV.**

There were no comments or questions from the subcommittee on this item.

**VI. Report on Status of Project Genesis Reorganization of DMV.**

There were no comments or questions from the subcommittee on this item.

**VII. Public Testimony.**

Chairman Beers recognized Mrs. Sonya Pack, and Mr. Brent Pack, Motor Vehicle Title Services, Carson City. Mrs. Pack said that although many of her questions had already been answered, her main concern was would Legacy be able to run the titles and take care of the backlog if a decision were to be made for DMV to use Legacy on a temporary basis. Mrs. Pack said that somebody needs to be accountable for the title issue because it was costing the automobile dealers and the title service companies a great deal of money. Mrs. Pack said she had been listening to DMV's testimony for the last 2-1/2 hours without getting closure on the problem.

Mr. Pack said he had heard a great deal of discussion today about being able to advise people through the Internet what the next number was going to be so they would have a sense of when they should go to the branch office to wait in line for their transaction, but he did not believe this was doing anything to alleviate the long lines. Rather, it was Mr. Pack's belief that Project Genesis, in its present form, would never be as fast as the old system and additional backlogs would be created.

Mrs. Pack expressed concern about the comfort level of DMV employees with Project Genesis. Since her business takes her to DMV in Carson City every day, Mrs. Pack said she had observed employees being trained only on two different days. It was Mrs. Pack's belief that DMV employees would not be experiencing as many problems if they were comfortable with Project Genesis.

Mr. Pack said he had observed a number of experienced registration technicians who were able to produce only about one-quarter of the volume they were producing under the Legacy system because they were having to wait for multiple screens to change and other time-consuming technical aspects of Project Genesis.

Mrs. Pack cited an example of how paperwork was being matched under the Genesis system. Title information is entered from Las Vegas and batched in Carson City. If the information on the title were to be flawed, Mrs. Pack wondered how Carson City would know whether they had the correct paperwork to go with that title so that a legal document could be issued. Mrs. Pack also indicated that it takes several days for titles to get from Las Vegas to Carson City where they are checked and mailed out. In addition, Mrs. Pack said she had read in the minutes that DoIT had suggested running Legacy up to 2 years after "go live" until Genesis was completely operational. About 4 years ago, Mrs. Pack recalled that she and her staff had to train DMV technicians how to read titles and they were having to train DMV technicians once again. It was also Mrs. Pack's understanding that DMV technicians were only processing titles batched in the branch offices and they were not doing mail-in renewals, which she said was causing additional backlogs.

Mr. Pack said it was his understanding that DMV technicians had processed very few of the mail-in titles from automobile dealers since Genesis went on line. Mr. Pack also cited another problem where people, who purchased a vehicle prior to September 7, 1999, and decided to sell that vehicle, were unable to get a title because it was in Carson City lost in the paperwork shuffle.

Mrs. Pack suggested that it might be interesting for members of the subcommittee to visit the back-office in Carson City to see how the paperwork was matched and how the titles were processed. Mrs. Pack characterized this operation as a “nightmare” compared to how it was done under Legacy. It was Mrs. Pack’s recollection that from the beginning Senator O’Donnell was opposed to having a private contractor from out-of-state design Project Genesis, recommending instead that this work be done in-house by personnel from DMV’s Information Services. Mrs. Pack expressed dismay that nothing had been resolved since the subcommittee’s last meeting two weeks ago. Mrs. Pack also expressed concern that Deloitte and Touche had been given additional funding by the subcommittee in spite of all of the problems that have occurred since Genesis went “live.”

Chairman Beers said he wished to correct for the record a misstatement Mrs. Pack had made during her previous testimony; that being, the contract amendment for Deloitte and Touche was approved by the Board of Examiners, prior to being presented to the Interim Finance Committee.

Chairman Beers thanked Mr. and Mrs. Pack for their testimony and he recognized Mr. Ken Harden, who said he had moved to Las Vegas last March and had been able to compare how DMV operated under Legacy with how it was currently operating under Genesis. Since he had traveled across the country extensively and had observed a number of DMV offices from state to state, Mr. Harden opined that one of those 50 states had a system that was operational which Nevada either could have copied or purchased that would have been more effective and more useful to the needs of the citizens of Nevada than Genesis. Although he realizes a lot of finger pointing has been going on, Mr. Harden said DMV must be functional because it provides services to the people, especially those people like himself who are handicapped. As a handicapped person, Mr. Harden said he was unable to come into a branch office to register his cars or get his new handicap sticker changed from California to Nevada because he was unable to sit in a chair for 3 or 4 hours. Mr. Harden said he feared he would get ticketed and, if he does, he thought he might send the ticket to Deloitte and Touche for payment since the system does not operate as it should. Mr. Harden said he appreciated Senator Neal trying to get a straight response from the representative from Deloitte and Touche since he thought his responses to questions had been ambiguous. Speaking as a citizen, Mr. Harden said it would be his recommendation to restore the Legacy system and for the state to exercise the performance bond with Deloitte and Touche because DMV has not yet acquired a fully working system. In addition, Mr. Harden suggested obtaining generic-proven software. He also pointed out that the State of Arizona has instant title service. While he realized that many people were upset, including him, Mr. Harden said recriminations would serve no purpose and the problems need to be solved.

Chairman Beers thanked Mr. Harden for his testimony and recognized Mr. Jim Sallee, in Las Vegas, who said he had mailed in his registration on August 31, 1999. When his old registration was about to expire, Mr. Sallee said he called DMV in Carson City to inquire about the status of his registration renewal. Mr. Sallee said he was told that his registration renewal had not been processed and that he should go to the information line at one of the branch offices in Las Vegas and get a letter that would give him a 10-day grace period. According to Mr. Sallee, the information line was as long as the renewal line, with one person taking care of everybody in that line. Mr. Sallee said he left the office in frustration and called his Assemblyperson because he wanted to be assured that a law enforcement officer was not going to give him a ticket for an expired registration. Mr. Sallee apprised the subcommittee that he had received his registration renewal yesterday, three days past the expiration date.

Since he thought there were many other people, through no fault of their own, who were facing the same dilemma, Mr. Sallee suggested that the Legislature or the Governor suspend the rules for mail-in registration renewals and if the envelope is postmarked prior to the date of the expiration, it would be acceptable. This would give DMV personnel in the Carson City office an opportunity to catch up with the backlogs and the personnel in the Las Vegas branch offices an opportunity to concentrate on other types of transactions. Mr. Sallee suggested that this would reduce some of the stress on DMV personnel and also allow the contractor to make the necessary modifications to get the system going in the right direction. In concluding his testimony, Mr. Sallee said he wished to assure the subcommittee that group singing in DMV branch offices was not the solution.

Senator O’Donnell recalled that he had made a recommendation about 4 years ago for DMV to suspend the rules

for 30 days on new transactions, but DMV did not agree with that recommendation.

Chairman Beers thanked Mr. Sallee for his testimony and recognized Mr. Michael DiFiore, in Las Vegas, who said he had been a resident of Las Vegas for 35 years. When he first moved to Las Vegas, Mr. DiFiore said he could not believe how much money was being spent on flood control and nothing was being accomplished. In 1981, he started keeping track of the money that was being wasted for flood control in Clark County and it totaled \$2.25 billion. Mr. DiFiore pointed out that there were 25,000 government employees in Nevada and he did not believe that Nevada needs consultants, lobbyists, or experts. It was Mr. DiFiore's recollection that Nevada had always had problems getting automobiles registered. Mr. DiFiore reminded the subcommittee that 6,000 new people were moving to Clark County each month. Regarding how other states handle vehicle registration, Mr. DiFiore said his son, who lives in Texas, had registered his car at the nearest supermarket. When DMV remodeled its branch office on East Sahara, Mr. DiFiore said he had observed that all 20 computer stations were manned. He visited the office this afternoon and noticed that only about half of those 20 computer stations were manned. Mr. DiFiore wondered why Governor Guinn was not involved in DMV's problems. Mr. DiFiore also wanted to know who was responsible for approving funding for Project Genesis and who had approved the contract with Deloitte and Touche. Mr. DiFiore said he was able to register his car in 10 minutes on September 1, 1999. In concluding his testimony, Mr. DiFiore said he would be happy to supply a copy of his report on the money being wasted on flood control in Clark County to anyone who requested it.

Chairman Beers thanked Mr. DiFiore for his testimony and recognized Ms. Kathleen Bissell, in Las Vegas, who said she was Assistant Vice President, American Insurance Association, Western Region Office in Sacramento, California. Ms. Bissell said her membership had brought to her attention the concerns they have with data transference from the insurance companies to DMV for insurance verification, which had resulted in numerous policyholders getting their licenses suspended by DMV when they should not have. Ms. Bissell pointed out that at least 200 suspensions were identified at the conversion date and additional suspensions have occurred since the conversion date. While she would agree with Ms. Lewis that the initial "melt down crisis" had subsided, Ms. Bissell said that her membership had identified a number of "bugs" in the new system. Ms. Bissell told the subcommittee that there were a number of technical people in her insurance membership who would be willing to work with DMV to resolve the present issues. Since it was her understanding that approximately one-half dozen states have a similar verification reporting system for uninsured motorists of which a few work very well, Ms. Bissell suggested that there were examples of successful Insurance Verification Programs (IVPs) available that should be checked out by DMV.

At the subcommittee's last meeting, Senator O'Donnell recalled that he had asked Mr. Lemelin to look into the ability of DMV to query Internet-wise and at least get a read-back as to whether an individual had insurance. Senator O'Donnell said he would like to have Mr. Lemelin provide a status report on DMV's IVP.

While waiting for Mr. Lemelin to come to the witness table, Chairman Beers recalled that the subcommittee had learned at the last meeting the insurance verification problem had not changed very much pre- and post-Genesis and he asked Ms. Bissell if she saw a direct relationship to the severity of this problem in Genesis or something outside of Genesis. Although the number of suspensions reached a crisis at September 7, 1999, Ms. Bissell responded that her membership had told her the number of suspensions had diminished over the last month. She said, however, Firemen's Fund had a serious problem when suspension notices were mailed to a number of its policyholders with the subsequent impoundment of their cars. It was her understanding that this particular problem had been resolved. Ms. Bissell said the focus of her membership today was how best to work with DMV to resolve some of the "bugs" with respect to suspensions and then implementing in Nevada some of the procedures that work very well in other states.

Chairman Beers recognized Mr. Lemelin, who said he was aware of some outstanding "bugs" in the Genesis system associated with the IVP. To answer Senator O'Donnell's request, Mr. Lemelin said the internal workings would need to be operating correctly before DMV would be able to post on the Internet or pursue some of the ideas advanced by Senator O'Donnell. He said, however, one of the challenges in this area was the difficulty in understanding exactly how the system is supposed to work. It was Mr. Lemelin's understanding that there were issues associated with the IVP processing prior to the Genesis application going "live," but he was not aware that

DMV had inappropriately suspended anyone after September 7, 1999. Mr. Lemelin said he would be happy to check out any specific examples of such suspensions.

Ms. Bissell said she was aware of two specific examples. Ms. Bissell noted that one of her insurance members had indicated to her that suspensions had been issued post-Genesis. When the insurance agent contacted DMV, he was told the “bugs” were still being fixed and that any suspensions that had been issued would not result in the assessment of a penalty. Ms. Bissell said she did not believe that was a good solution because suspensions were still being released. Ms. Bissell also pointed out that a commercially insured individual reported a suspension notice to his insurance agent on September 29, 1999. According to her insurance member, the insurance was verified in a tape that was submitted to DMV on September 22, 1999. Ms. Bissell said she would work with Mr. Lemelin after the meeting toward resolving the issues.

Chairman Beers thanked Ms. Bissell for her testimony and recognized Ms. Juanita Cox, in Carson City, representing Citizens In Action, who apprised the subcommittee that she was formerly a systems analyst employed by the State of Nevada and the City of Sparks; thus, she had personal knowledge of some of the current problems. Ms. Cox said she did not believe that any organization in private industry or in government would have changed their computer system in such a drastic manner. It was Ms. Cox’s personal opinion that it was inexcusable for the state to allow DMV to inconvenience the public by making people wait 6 to 8 hours in line to complete their transactions. If this type of thing were to occur in private industry, that company would be out of business. Speaking on behalf of DMV employees, Ms. Cox said she was dismayed to hear that Deloitte and Touche and the Project Genesis management team had not been able to resolve the problems. Ms. Cox recalled that several years ago about 7,000 people received suspensions under the Legacy system because of one small computer glitch, but the problem was fixed fairly rapidly. It was Ms. Cox’s belief that the citizens of Nevada were going to experience additional inconveniences when Y2K arrives. Since she did not believe that the citizens should experience additional inconveniences, Ms. Cox urged the subcommittee to do take some type of action today so the problems could be resolved. Ms. Cox said she had renamed the new computer system Genocide because she thought it should be terminated and the old system placed back on line. According to Ms. Cox, the two systems should have been run on parallel platforms until all of the “bugs” in Genesis were resolved.

In providing historical information, Senator O’Donnell said there were two major reasons why Project Genesis was funded by the legislature; namely: the Legacy system was not Y2K compatible and Honeywell-Bull, the contractor for Legacy, was having difficulty getting parts for the Legacy system; thus, the time had come to move on and get to another platform. If anyone would care to read the minutes of prior meetings of this subcommittee, Senator O’Donnell said they would know that he was disappointed about the way this project had unfolded since he had visualized a more systematic approach in transitioning from the old to the new; however, he was overruled.

Chairman Beers said it was his understanding that the 1997 Legislative Session had allocated \$1/2 million to make the Legacy system Y2K compatible and that the work had been completed.

Chairman Beers recognized Mr. Robert Smith, in Carson City, who indicated that he operated a towing company in Reno. Mr. Smith said his firm perfects lien sales on abandoned vehicles, both from local police agencies and from private parties, and information was purchased from DMV in order to perfect those lien sales. As a result of DMV experiencing backlogs from 30 to 45 days, Mr. Smith said it would appear to him that the information purchased from DMV for the purpose of perfecting lien sales was going to be flawed. Mr. Smith also thought the backlogs were going to create a tremendous impact to this small industry because the livelihood of many of the companies were dependent upon being able to perfect lien sales. He pointed out that if the situation were not resolved, the tow companies would not be able to pickup abandoned vehicles on the city streets for various agencies. Mr. Smith estimated that about one-third of his income was derived from lien sales and he added that this was a serious far-reaching problem.

Chairman Beers thanked Mr. Smith for his testimony and recognized Mr. Gary Harwalsh, in Carson City, who represents the Motorcycle Dealers Association of Nevada. As a result of the backlogs that DMV has been

experiencing, Mr. Harwalsh said he wished to recommend that law enforcement agencies be asked to cease citing vehicles for expired registrations because people might not be able to register their vehicles before the 10-day permit provided by dealers expires.

It was Senator O'Donnell's understanding that if a person makes an attempt to register their vehicle at DMV and is unable to do so, DMV would issue a letter verifying that fact.

Chairman Beers asked Ms. Lewis how long it would take to get such a letter. Ms. Lewis indicated that the issuance of a temporary registration letter had been in place since "go live," which essentially tells law enforcement agencies that the recipient of the letter had attempted to transact business with DMV. In addition, DMV has been issuing a 10-day permit for those customers who either could not wait in line or who were caught up in a system glitch. Ms. Lewis admitted that a number of 10-day permits had been issued when the system first went "live," but the situation had improved since that time. Ms. Lewis stated that DMV would do everything possible to make either a letter or a 10-day permit available to customers who were unable to complete their transactions.

Chairman Beers inquired as to whether Nevada's no grace period was a function of law that would require legislative action to change or whether there was some mechanism that would provide, say, a 15-day or 30-day automatic temporary grace period. Ms. Lewis responded that Nevada's no grace period was a provision included in the Nevada Revised Statutes (NRS).

Chairman Beers recognized Mrs. Debra Taylor, in Las Vegas, who said she had been to a DMV branch office on two occasions. Two weeks ago she took her son to a branch office to get an identification card and they stood in line for about 4 hours before leaving. Several people standing in front of her had been in the line 6 or more hours. She and her son returned to the branch office this week without success because the line extended outside of the building. Mrs. Taylor said she viewed time as money and she did not believe people could afford to spend 6 to 8 hours of their time waiting in line at DMV. Prior to this experience, Mrs. Taylor recalled that she had been able to renew her driver's license and registration simultaneously at the new branch office on Flamingo in 15 minutes. Mrs. Taylor said she had talked to several DMV employees while she was waiting in line and she felt badly for them because they were under so much pressure. To make matters worse, they told her that there had been a high rate of absenteeism since "go live" because many of the employees could not handle the stress level. In concluding her testimony, Mrs. Taylor urged the subcommittee to try to arrive at some answers today because people's lives were at stake.

Since he thought being able to get a driver's license was more important than getting a vehicle registered, Senator Neal asked Ms. Lewis whether the driver's license function could be prioritized so people could get their licenses processed faster. Ms. Lewis reiterated that DMV staff would be checking the lines and picking out single transactions, such as a driver's license or other express type function, that could be processed faster than others could. While she would agree with Senator Neal that the issuance of a driver's license was very important in order to ensure that only safe drivers were on the highways, Ms. Lewis said she thought that from a customer's perspective, a legal registration was important as well. Ms. Lewis said her goal was to prioritize both functions.

Senator Neal said it was not clear to him whether the driver's license function was going to be prioritized. Although DMV had never prioritized one transaction over another in the past, Ms. Lewis thought it would be possible to put some fixes in place and route the customers in the branch offices so everybody would be able to get their transactions processed.

Senator Neal said he had suggested prioritizing the driver's license function on a temporary basis in order to take care of the problems now being experienced in DMV branch offices. Ms. Lewis said she would be glad to take Senator Neal's suggestion to the branch managers for their consideration.

Senator Neal said he was disappointed to hear that Ms. Lewis could not inform the subcommittee as to whether the driver's license function could be prioritized until she conferred with the branch managers and the Director

of DMV. That being the case, Senator Neal suggested that those people be invited to attend the subcommittee's next meeting to respond to his question. Ms. Lewis said she did not mean to imply that she could not make that decision, but rather she thought the branch managers were the experts on the programs and could provide ideas on how best to prioritize the functions.

Chairman Beers inquired about the status of the mail-in renewal notices for driver's licenses and registrations. Ms. Lewis reported that the renewal notices for registrations were going out as they historically have 45 days prior to expiration. Although she could not provide the exact number, Ms. Lewis said the number of renewal notices that had been mailed out for driver's licenses had decreased because there was a 90-day notification window.

Chairman Beers suggested that theoretically DMV did not have to mail any renewal notices for driver's licenses since "go live" and would still remain within the 90-day notification window. Ms. Lewis indicated that DMV could have mailed out renewal notices this past month to customers whose driver's licenses were due to expire in 90 days.

Chairman Beers wanted to know whether the mail-in renewal notices for driver's licenses had actually been mailed out. Ms. Lewis apprised the subcommittee that there had been some slippage of time because of the 90-day window and because DMV did not want to print the notices and not be able to process them in a timely manner. Ms. Lewis said that some of the mail-in renewal notices for driver's licenses had been mailed, but she could not tell the subcommittee today whether those licenses would expire in 60 or 90 days.

Chairman Beers directed a question to Mr. Owen Ritchie, a staff member of DMV sitting in the audience in Carson City. Chairman Beers wanted to know the monthly volume of mail-in renewal notices for driver's licenses that had been mailed out prior to Genesis and since Genesis was implemented. Mr. Ritchie said he was not involved with the driver's license renewal program prior to Genesis and he would have to research the number that had been mailed out since Genesis was implemented.

Chairman Beers wanted to know how long it would take Mr. Ritchie to get the information. Mr. Ritchie said he would be unable to provide the information until 8 a.m. tomorrow because the Carson City office was closed.

Ms. Lewis directed the subcommittee's attention to Exhibit B and the schedule entitled "Project Genesis Implementation – Back-Office Functions," which indicates that 1,442 extension certificates for driver's license mail renewals had been processed since September 7, 1999.

Chairman Beers said he was trying to find out how many invitations to mail in a driver's license renewal had been mailed out. Chairman Beers said he had received in the mail 6 or 7 weeks ago a notification that he had an opportunity to mail in his driver's license renewal and he wondered how many of those documents had been mailed out. Since that particular question had not been asked before, Ms. Lewis said the information was not provided in the "Back-Office Functions" matrix in Exhibit B and that she would have to research the information and report back.

Chairman Beers wondered whether there had been any problems or "bugs" with this functionality since Genesis was implemented and Ms. Lewis said she was not aware of any problems in this area.

Senator Neal wondered if it would create a problem for DMV if people were given a 90-day registration renewal. Ms. Lewis said she could see no problem in sending out the registration renewal notices further in advance because there was no statutory limit that would prevent DMV from doing so and it would give customers more time.

Chairman Beers recognized Mr. Brian Hunt, in Carson City, who said he had been listening to the testimony for the past 2-1/2 hours with a great deal of interest because he had recently stood in line at DMV's branch office in Henderson but left because of the long lines. He also stood in line for about 5 hours in the Sahara office in Las Vegas; about 1-1/2 hours in the Tonopah office; and about 6 to 7 hours in the Carson City office. As an

employee of the Nevada Department of Transportation (NDOT), Mr. Hunt said his work requires a lot of traveling and he has had the opportunity, both before and after Genesis, to observe the lines and how the system works. In his capacity as an electrician with NDOT, Mr. Hunt said he had worked on numerous wide-area networks (WAN) and local-area networks (LAN) to allow communication with Las Vegas, Tonopah, Ely, and all of the other satellite stations.

In continuing his testimony, Mr. Hunt suggested that a number of the questions today had been targeted toward the software of the Genesis system. Mr. Hunt said he had observed during the process of transacting his personal business at various DMV offices that the system would speed up after hours because the amount of traffic utilized on the system had decreased. While he was not exactly sure what type of system DMV was using, Mr. Hunt said he would assume it was a 10-megabyte, Ethernet system running off a T-1 communication system. After listening to the testimony, it was Mr. Hunt's understanding that there was only one server and 200 terminals piped through the Genesis system. By contrast, NDOT has eight servers and approximately 500 users throughout the state. According to Mr. Hunt, NDOT's system was very efficient. In addition, Mr. Hunt said he did not know whether the software was entirely to blame for DMV's problems, but the hardware needs to be looked at to determine whether more servers are needed. NDOT's system operates off Windows NT4.0, which stands for new technology. Mr. Hunt said he had observed that DMV operates off the same system. According to Mr. Hunt, a number of glitches could occur if the software has not been licensed and authorized by Microsoft.

About two weeks ago, Mr. Hunt pointed out that a deputy with the Storey County Sheriff's Office pulled him over for a minor traffic violation. Mr. Hunt said that since his driver's license was issued prior to Genesis and the new driver's licenses issued through Genesis have fewer numbers, the deputy could not access his driver's license in the new computer system. Also, the deputy questioned his new registration. It was Mr. Hunt's belief that law enforcement was not aware of DMV's new format for registrations. Mr. Hunt also pointed out that his fiancée's ex-husband had not paid child support. The Washoe County Family Support Division wanted to suspend his driver's license, which ordinarily takes about 10 days, but had been unable to do so because it was unable to access his driver's license in the new computer system. Mr. Hunt said he was concerned that law enforcement would not be able to track the record of a convicted felon if they were to be involved in a traffic accident or other motor vehicle violation in Nevada.

Senator O'Donnell told Mr. Hunt that the state had another multi-million dollar program called Nevada Operations Multi Automated Data Systems (NOMADS) that was supposed to track "deadbeat dads."

Mr. Hunt thought that the software issue was only one of Genesis' problems. Mr. Hunt told the subcommittee that although the vehicle that drives NDOT's network system, which was called Asynchronous Transfer Mode (ATM), had been implemented for a period of time, NDOT was also running the old system, which was called Token Ring. According to Mr. Hunt, the Token Ring system was faster than the slowest Ethernet system. NDOT is in the third generation of Ethernet and the backbone of the present Ethernet is 100 megabytes per second. According to Mr. Hunt, NDOT had elected to implement a 100-megabyte-per-second system because of the cost factor rather than purchase a 10-gigabyte-per-second system, which would operate 1,000 times faster. Mr. Hunt said it was not feasible for DMV to run 200 workstations on one server and he suggested having servers in Las Vegas and other populated areas and down load the information every evening back to Carson City.

Chairman Beers thanked Mr. Hunt for his testimony and recognized Assemblywoman Sharron Angle, in Carson City, who told the subcommittee that she had received numerous complaints about Genesis. Although she thought the testimony had been informative and several of the suggested solutions had merit, Mrs. Angle said she wanted to know when a decision was going to be made that Genesis had been a failure. Mrs. Angle also wanted to know whether falling back to Legacy was an option and, if so, who would make that decision. Mrs. Angle said she was concerned that a \$1 million amendment to Deloitte and Touche's contract had been approved by the Board of Examiners rather than the Legislature.

Chairman Beers apprised Mrs. Angle that exercising contracts was the domain of the executive branch of government. Chairman Beers thought that the money committees had made all of the hard decisions they could

during the legislative session and that, during the interim, it was the subcommittee's goal to keep the Interim Finance Committee apprised on the progress of Project Genesis. It was Chairman Beers' understanding that the subcommittee's role was more fact-finding than decision-making and that Governor Guinn has indicated that he plans to make an announcement relative to Project Genesis within the next 72 hours. Chairman Beers said he would be remiss if he did not point out that Governor Guinn and the 1999 Legislature had inherited Project Genesis. Chairman Beers thanked Mrs. Angle for her testimony. Mrs. Angle said she would look forward to hearing Governor Guinn's statement on Thursday.

Chairman Beers recognized Ms. Modesta Stewar, in Las Vegas, who said she was currently a DMV employee who had served as one of the trainers with Project Genesis for the past six months. Ms. Stewar said she had personally observed what Project Genesis has accomplished and what it has not accomplished since September 7, 1999. Ms. Stewar said she had been given the opportunity today to work with an employee from Deloitte and Touche and she felt more comfortable working on the system afterwards. Instead of having to call the "Help Desk" when problems arise, Ms. Stewar said she would suggest having a Deloitte and Touche employee stationed at each one of the branch offices to work with the "merlins" and the "wizards" and observe what DMV employees have to deal with on a daily basis.

Ms. Lewis thought Ms. Stewar had an excellent suggestion since Deloitte and Touche staff could evaluate and talk with DMV employees in the field offices from a technical perspective. Although there were "wizards" on site who were trained on the application, Ms. Lewis thought it would be beneficial to have DMV employees in the field offices communicate their issues to someone who had been part of the design and programming of the application.

Since there were no other people who wished to testify before the subcommittee, Chairman Beers closed the public hearing.

There being no further business to come before the subcommittee, Chairman Beers adjourned the meeting at 7 p.m. and he announced that the next meeting would be at the call of the chair.

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Assemblyman Bob Beers  
Chairman, Subcommittee on Project Genesis/DoIT