



## NEBRASKA STATE RECORDS BOARD

### MINUTES

Meeting of December 16, 2021

**Agenda Item 1. CALL TO ORDER, ROLL CALL.** The meeting of the Nebraska State Records Board (“NSRB”) was called to order by Chairperson Robert B. Evnen at 9:06 a.m. on December 16, 2021.

A Roll Call was taken. The following NSRB members were present:

Robert Evnen, Secretary of State, State Records Administrator and Chairperson  
Lt. Governor Mike Foley, representing the Governor  
Jason Jackson, the Director of Administrative Services  
Leslie Donley, representing the Attorney General  
John Murante, representing the State Treasurer  
Russ Karpisek, representing the Auditor  
Walter Weir, representing the General Public  
Tony Ojeda, representing the Insurance Industry  
Angela Stenger, representing the Media  
Bob Sullivan, representing the Legal Profession

Vacant member positions:

Representative of the Libraries  
Representative the Banking Industry

Staff in attendance:

Libby Elder, Executive Director, Nebraska State Records Board  
Ashley Elledge, Recording Clerk  
Colleen Byelick, Chief Deputy Secretary of State and General Counsel

**Agenda Item 2. ANNOUNCEMENT OF OPEN MEETINGS ACT.** After confirming that a quorum was present, the Chairperson announced that in accordance with the Nebraska Open Meetings Act, reproducible written materials to be discussed at the open meeting and a copy of the Nebraska Open Meetings Act were located to the left of the Chairperson or to the right of the public seating area.

**Agenda Item 3. NOTICE OF MEETING.** The Chairperson announced that public notice of the meeting was duly published in the Lincoln Journal Star on November 15, 2021, and on the State’s public meeting calendar website. The public notice and proof of publication relating to the meeting would be attached to and made a part of the meeting minutes.

**Agenda Item 4. ADOPTION OF AGENDA.** The Chairperson brought the NSRB’s attention to the adoption of the agenda. Mr. Foley moved to approve the Agenda as presented. Mr. Sullivan seconded the motion.

Voting For: Evnen Donley Weir Ojeda Foley  
Stenger Karpisek Murante Jackson Sullivan

Voting Against: None

Voting Abstain: None

Absent: None

The motion carried.

**Agenda Item 5. APPROVAL OF MINUTES.** The Chairperson asked for a motion to approve the minutes of the October 5, 2021 meeting. Mr. Ojeda moved to approve the minutes as presented. Mr. Foley seconded the motion. There was no further discussion.

Voting For: Evnen Donley Weir Ojeda Foley  
Stenger Karpisek Murante Jackson

Voting Against: None

Voting Abstain: Sullivan

Absent: None

The motion carried.

**Agenda Item 6. APPROVAL OF FINANCIAL REPORT.** Libby Elder, Executive Director for the NSRB provided a summary of the September 30, 2021 Cash Fund Balance Report. Mr. Foley moved to approve the report. Mr. Karpisek seconded the motion. There was no further discussion.

Voting For: Evnen Donley Weir Murante Ojeda  
Stenger Karpisek Jackson Foley Sullivan

Voting Against: None

Absent: None

The motion carried.

**Agenda Item 7. PUBLIC COMMENT.** The Chairperson asked if anyone wished to provide public comment to the NSRB. No public member indicated a desire to provide public comment.

**Agenda Item 8. EXECUTIVE DIRECTOR’S REPORT**

**Agenda Item 8.a. Review of Template Agreements:** Ms. Elder provided a list of the Electronic Government Service Level Agreements (“EGSLA”), Event Registration and PayPort Addendums, and Statements of Work (“SOW”) and SOW amendments that were signed pursuant to NSRB authority.

**Agenda Item 8.b. Review of Project Status Report:** Ms. Elder presented information related to the status of various active projects based upon feedback from local and state agency partners. Discussion took place regarding projects Nebraska Interactive, LLC (“NIC”) is working on for the Administrative Office of the Courts. The Chairperson emphasized the importance of the Office of the Courts’ projects and advised NIC to complete the projects by the end of January. Mr. Sloan provided information on the projects and work being done. Mr. Ojeda encouraged review of the communication between NIC and the Office of the Courts to be sure there is effective communication occurring. Mr. Hoffman explained that when a project starts, NIC doesn’t have all specifications and that can impact the timeline. Additionally, both sides have been working diligently to accomplish these projects, and they will collaborate with the Office of the Court’s to do everything in their power to complete the projects by the end of January. Mr. Weir inquired whether there are any resources that Tyler Technologies can provide to assist with the project. Mr. Hoffman indicated that an employee that previously worked at NIC on Office of the Court’s projects had been promoted to work on federal projects, is coming back over to NIC to assist with the completion of the Court’s projects.

**Agenda Item 9. NEW BUSINESS**

**Agenda Item 9.a. Nebraska Brand Committee:**

Ms. Elder provided a summary of Addendum Four as it relates to a new project NIC is working on for the Nebraska Brand Committee. NIC is creating a system to allow individuals to renew their brands online. The portal fee for online renewals will be a flat rate of \$3.75 regardless of the method of payment selected by the individual (credit card or electronic check), and the portal fees will be paid by the Nebraska Brand Committee. The standard Business Payment Processing Addendum rate is \$3.00 for electronic check, and \$3.00 plus three percent for credit card. The brand renewal fee is \$50.00. The Chairperson explained that the Executive Director of the Brand Committee planned to be present at the meeting but was unable to attend. There was discussion regarding the order in which the NSRB should take action, before or after a partner commission or board takes action on an issue. Mr. Hoffman explained that he attended the most recent Nebraska Brand Committee meeting in Kearney, and at that meeting, the Executive Director of the Nebraska Brand Committee informed the Nebraska Brand Committee of the project and the negotiations between NIC and the Brand Committee. Lt. Governor Foley stated that regardless of the negotiation between NIC and a partner, the NSRB has the authority to determine and approve the appropriate fee. The Chairperson stated that the NSRB would be relying on NIC’s representation of the Nebraska Brand Committee’s position, and if that representation was incorrect, the issue would be revisited by the NSRB. Ms. Stenger moved to approve Addendum Four, which was seconded by Ms. Donley.

Voting For:	Evnen	Donley	Weir	Murante	Ojeda
	Stenger	Karpisek	Jackson	Foley	Sullivan
Voting Against:	None				

Absent: None  
The motion carried.

**Agenda Item 9.b. Discussion Regarding Nebraska Interactive Technical Infrastructure Upgrades:**

The Chairperson requested that NIC begin the discussion regarding NIC's technical infrastructure upgrades. Mr. Hoffman stated that in early 2020 or late 2019, information began to come out regarding the sunseting of software. Soon after, NIC was transitioning to a new Director of Operations. Mr. Hoffman asked the new Director of Operations to review the issue and offer the best course of action.

Mr. Sloan, NIC Director of Operations, stated that NIC has three vital pieces of software that are coming to an end of life. These pieces of software are open source. When a version reaches end of life, there is no more support. The three pieces of software are (1) Grails, which is a framework that applications are built on; (2) Drupal which is a website platform, and (3) CentOS which is an operating system. These are all sunseting in a very close timeline, and are not backwards compatible, so the older version does not flawlessly move to the newer version. There is a significant amount of work to be done in order to move to the new versions, and NIC has explored various options to accomplish the work.

Mr. Sloan indicated that NIC has attempted to have their team complete the work along with regular daily development work, but with demands of both tasks, this was not effective. NIC considered use of third-party contractors, but this is not efficient or cost effective, and NIC has concerns about contractors working in systems NIC will be maintaining. NIC considered hiring, but there would be a ramp up time of at least three months for new employees, and in the current hiring market, this is not effective. After reviewing these options, NIC determined that they would assign one of their two teams working on new development projects to solely work on completing the upgrades. The other development team will work on projects in progress, updates that are required by statutory changes, and other projects that must be worked on for partners. As a result, NIC will not be accepting new development in 2022. Mr. Sloan further indicated that NIC has a thorough plan for approaching these upgrades (what is being upgraded, how it is evaluated, how to communicate with partners, how to test, and how to communicate testing opportunity to partners).

Mr. Hoffman added that NIC has worked on application rationalization and has identified services that they can make minor modifications to, and move over to a product, which will prevent making unnecessary upgrades. These determinations will be on a case-by-case basis and in collaboration with partners. This will be evaluated based on several key factors: (1) amount of revenue generated by the application (2) satisfaction with application (3) transaction volume and (4) cost savings to the agency. This will allow NIC to sit down with partners when they request a service and use data to evaluate whether an enhancement is valuable. Mr. Sloan indicated that NIC has not always evaluated the cost-effective nature of a project or enhancement to a partner, and instead has generally agreed to complete the work. This is now a part of the regular questions asked in partner meetings.

There was discussion regarding NIC's confidence in having the three major upgrades completed in 2022. Mr. Hoffman indicated that the upgrades will likely go into 2023, and if not half the year, the whole year. Mr. Sloan indicated that the CentOS upgrade will go into 2023.

The Chairperson stated that customers are bearing the burden of these upgrades. There was discussion regarding options for NIC to bring in assistance to complete the upgrade work and tools and options to make the process easier for NIC.

Mr. Ojeda inquired as to whether there are partners that want to do new projects, and if so, what are their options now that NIC will not be available for new projects in 2022. Mr. Sloan indicated that they have begun discussing with partners that certain projects will have to be delayed and or put off for

a period of time. Those partners have options to talk with the OCIO office or pursue a procurement process. Mr. Hoffman stated that NIC revenue limits NIC's ability to invest in new staff.

There was discussion regarding whether an agency could hire a contractor to do work on a website created and maintained by NIC. Mr. Hoffman stated that there is a development team funded wholly by a grant, and that team works solely on State Patrol and Office of the Courts projects, and that funding a specific team would be an option for agencies. The Chairperson asked if agencies could hire independent contractors. Mr. Hoffman indicated that NIC would have to hire the independent contractors. Mr. Hoffman discussed the challenges of operating on revenue from being transactionally funded, NIC's growth, and the limited resources compared to the demand for NIC's services.

Mr. Jackson asked if the NSRB could anticipate a report on the prioritization of projects. Mr. Sloan explained he has been working with the Executive Director to develop a new method for scoring and prioritizing projects, which will be brought to the NSRB. Mr. Jackson asked what type of downtime will occur for the upgrades, and if the projects are being sequenced by vulnerability. Mr. Sloan indicated there will be no downtime, and all work will be done behind the scenes. However, if there was a vulnerability in existence that they could not efficiently patch, that application could be taken out of production. Mr. Jackson inquired as to whether it is correct that the duration of the project may be 18 to 24 months, but the service level degradation will only be in 2022. Mr. Sloan indicated that is correct. Mr. Jackson inquired what the contract requires regarding security and service levels and degradation of services like what will be occurring with the technical infrastructure upgrades. Mr. Hoffman stated that the contract requires NIC to keep things up and running and abide by NITC standards, and this will only affect new development outside of statutory and regulatory changes. Mr. Jackson inquired as to what the contract requires regarding who should bear the cost of these upgrades, and that from the discussion today it sounds as though the customers will bear the cost of the upgrades either in terms of paying for services while these upgrades are being made or suffering a degradation of services until upgrades are complete. Mr. Jackson then asked what the contract requires in relation to such upgrades. Mr. Hoffman reported on some of NIC's contractual responsibilities and indicated that the NSRB has responsibility for making sure that whoever is operating the portal is adequately funded to support it.

The Chairperson indicated that the contract requires both for the provider keep its infrastructure in proper condition, and to engage in new development for partner agencies. The Chairperson stated that he is in the process of appointing an ad hoc committee to review this matter, be aware of progress in real time, and hold NIC accountable for what they are proposing.

Mr. Ojeda stated that there is a guarantee of performance in the contract that provides that NIC's parent company guarantees the performance of NIC, and that the parent company may have to provide some resources to ensure NIC's compliance with the contract.

Seeing no further discussion, the Chairperson declared a five-minute break, and the meeting was again called to order.

## **Agenda Item 10. NEBRASKA INTERACTIVE REPORTS.**

### **Agenda Item 10.a. Nebraska Interactive, LLC Business Plan for 2022:**

Mr. Hoffman provided a summary of the Business Plan for 2022. Mr. Hoffman indicated that NIC's number one risk factor is staffing, but they are exploring many options, including, but not limited to, participating in job fairs and onboarding interns. NIC anticipates employee expenses increasing in 2022 and 2023. NIC workforce has been stable. NIC has identified a new customer service manager role and has added that position to NIC's budget. This position would monitor customer requests, progress on fixes, and track metrics. The 2022 Business Plan is a living document and that may need to

adjust as the year goes forward. Mr. Hoffman indicated that the acquisition by Tyler Technologies offers access to new products and services. Tyler presents new revenue opportunities and will not be a demand on NIC staff time and will allow NIC to avoid some of the challenges that are being faced with pending infrastructure upgrades. Mr. Hoffman indicated that the DMV, the Office of the Courts, and the Secretary of State’s office are the high revenue generating agencies for the portal. Forty-eight percent of NIC customers generate less than \$1,000 a year.

NIC has a suite of products, which are represented by pre-approved template addendums. NIC would like to “productize” some of Tyler Technologies services to fit a smaller market that fits Nebraska. Mr. Ojeda reviewed the staffing plan and inquired about how NIC establishes the metrics on employees, which are contained in the Business Plan. Mr. Hoffman stated that the metrics are based upon skills with NIC and are not representative of all skills a person may have from working somewhere else. Additionally, all developers are given a test when they are hired.

Mr. Ojeda moved to approve the Business Plan for 2022, which was seconded by Mr. Sullivan. There was no further discussion.

Voting For:	Evnen	Donley	Weir	Murante	Ojeda
	Stenger	Karpisek	Jackson	Foley	Sullivan

Voting Against: None

Absent: None

The motion carried.

**Agenda Item 10.b. Project Priority Report:** Mr. Sloan provided an overview of work completed in quarter three. Mr. Sloan provided an overview of a project completed for the motor vehicle industry licensing board, and a complaint management project completed for the Attorney General’s Office. There was discussion regarding the information included in the Project Priority Report and how projects are prioritized. Mr. Sloan clarified that a higher number is a higher priority, and that scores are determined based upon responses to a number of questions. Mr. Sloan indicated that there will be a meeting between NIC and the NSRB Executive Director in the near future to discuss options for the format of the Project Priority Report. There was discussion regarding authority of the NSRB to modify the priority of projects. Mr. Hoffman explained that the priority score is based on the priorities of the agency rather than on NIC’s priority.

Ms. Stenger moved to approve the Project Priority Report, which was seconded by Ms. Donley. There was no further discussion.

Voting For:	Evnen	Donley	Weir	Murante	Ojeda
	Stenger	Karpisek	Jackson	Foley	Sullivan

Voting Against: None

Absent: None

The motion carried.

**Agenda item 10.c. General Manager’s Report:** NIC reported on the following:

- (1) NIC received two awards for the Nebraska Department of Veterans’ Affairs website project.
- (2) NIC’s financial growth is steady. The growth pattern was affected by 2020 being an anomaly, in which NIC saw an increase in instant access services (motor vehicle renewals, driver’s license renewals, etc.), but a decrease in business records services. Business records services have not recovered to pre-pandemic levels.
- (3) Expenses have increased regarding technology, and the increasing number of developers. NIC would generally expect higher increases in Merchant and Processing fees than the eight percent reflected in the report.
- (4) The Identity Theft Research Center (ITRC) has reported in increase in data breaches, and it is important for NIC to have its own security teams.
- (5) There was an increase in downtime, but that was due to an OCIO issue, as NIC could not connect to the state network because the state network was down.
- (6) NIC’s overall satisfaction rating is 4.66 out of 5. Some services are receiving an engagement rate over fifty percent.
- (7) The Department of Motor Vehicles had a driver license printing issue, as their system was delayed and down. NIC was asked to assist DMV and extend drivers licenses for individuals. NIC was able to do that work for the DMV with short notice.
- (8) The Juneteenth federal holiday has required NIC to adjust every application that involves a calendar or deadline, and this has had a large impact on staffing resources.
- (9) NIC has hired two more Quality Analysts and a new developer has accepted an offer from NIC with a start date in January. NIC has two remaining open positions on their grant funded team. There was discussion regarding whether NIC hires straight out of college, and what the market salary is for an individual coming out of college.

**Agenda Item 11. DATE FOR NEXT MEETING.** The Chairperson announced the next NSRB meeting date is to be determined, but the meeting will be held at the 1221 N Street location.

**Agenda Item 12. ADJOURNMENT.** Mr. Ojeda moved to adjourn the meeting, which was seconded by Mr. Sullivan. There was no further discussion.

Voting For:	Evnen	Donley	Weir	Murante	Ojeda
	Stenger	Karpisek	Jackson	Foley	Sullivan

Voting Against: None

Absent:

The motion carried, and the meeting adjourned at 11:30 AM.



Robert B. Evnen  
Secretary of State  
State Records Administrator  
Chairperson, State Records Board



Date

