MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

Minutes

Technology Committee Meeting
Wednesday, March 18, 2009
Nashville, Tennessee

I. Welcome and Introductions

Steve Wilson, Committee Chair, called the meeting to order at 8:41 a.m. Central Time. The following people participated:

Name	State
Steve Wilson, Chair	Idaho
Darrell Engen	North Dakota
Chris Lane	MTC
Joe Huddleston	MTC
Harold Jennings	MTC
Sheldon Laskin	MTC
Greg Matson	MTC
Sabrina Worthington *via telephone*	MTC

II. Public Comment Period

There were no members of the public present.

III. Approval of Minutes of the February 17, 2008, Teleconference

Upon a motion duly made, the minutes of the February 17, 2008, teleconference were approved.

IV. IT Systems Report with Security Architecture Focus

The Chair invited Mr. Lane, the Commission's Network Administrator, to report on the IT systems, as well as describe the security architecture in place. Mr. Lane referred to the diagram that had been distributed to the committee, and provided a general overview of the security architecture. He noted that the diagram did not reflect existing connectivity with the Chicago, New York, or remote employees.

The Chair said that he had someone on his staff review the diagram and that the architecture looked solid. There was a discussion regarding the firewalls; the Chair stated that Idaho had had some issues with theirs, and wondered if the MTC had had any issues. Mr. Lane said that there hadn't been any significant issues. In response to a question by the Chair, Mr. Lane said that the firewalls would be replaced, as in the past, when they reached the end of their useful life.

The Chair asked whether the Commission had though about implementing an intrusion prevention system, to which Mr. Lane responded that they had not. The Chair noted that while such a system was nice to have, it needed someone to monitor it. He added that in addition, an overarching management system would almost be needed to support it. He said he did not think it was necessary for the Commission to implement one. Mr. Lane said that consolidating logging software would be good to have. The Chair said that Idaho uses consolidated logging and it is very helpful.

V. Website Report

The Chair invited Ms. Worthington, the Commission's Website Manager, and Mr. Matson, the Commission's Deputy Director, to discuss the current state of the website. Mr. Matson directed the committee's attention to the reports that Ms. Worthington had prepared. After hearing a brief overview of the recent activity reports, the committee then reviewed the analytical statistical information available on the Internet. The website continues to see a steady level of activity, as well as some modest international attention.

Mr. Matson noted that the two remaining significant issues, online registration and the state contact look up, are being worked on. He pointed out that Ms. Worthington was able to use Ektron to generate online registration forms that will be used for training and future events; this does not provide for online payment processing, however. She attended Ektron training in February and made some connection to the wider Ektron development community. The Commission is considering using the services of an Ektron developer she has been in contact with for some minor work, including getting some advice on the registration and contact lookup piece.

VI. Automated Audit Program Software Project

The Chair invited Mr. Jennings, the Commission's Senior Audit Supervisor, to discuss developments on this project. Mr. Jennings discussed the Joint Audit Program nominating process, and raised the issue whether the nominating process was something that should be planned into any automated audit software that gets implemented. The Chair said that the Audit Committee would need to decide if the nominating process should be a business requirement for this project, and that the committee should solicit their input. He added that a nominating process module could be written up as a separate item in the RFP that could be added later if need be,

Mr. Jennings referred to a handout on audit case histories that had been distributed to the committee and discussed the requirements that would be needed in the proposal to secure and allow use of this legacy data.

Mr. Jennings also noted that RSI would be demonstrating its Tax Master software to MTC audit staff in Chicago during April. He added that Tax Master is field audit support oriented, as opposed to case management oriented. It is used in Alabama, and he arranged to get a look at it there; while he thinks it has potential, he said that it is geared toward audits for a single state.

The Chair though that an RFI (Request for Information), as opposed to an RFP, may be a better way to proceed on this project and offered to provide a sample format that they use in Idaho. He said that an RFI maps out the business process and responses provide a good idea of the costs that will likely be incurred, without committing to a more formal RFP and the concomitant detailed requirements that must be laid out. The consensus of the committee was that using an RFI should be considered.

VII. Review 2009-2010 Budget for Technology Projects & Strategic Planning Session

The Chair directed the committee's attention to the project spreadsheets with the budget information, as well as the project roadmap, both of with had been distributed to the committee. The Chair noted that the budget for network backup was pretty small; Mr. Lane pointed out that this was mainly for tape replacement at the end of the year. The Chair suggested that the committee work on a hardware replacement plan that included more that just laptops – the Commission currently just has a three-year laptop replacement schedule.

During the committee's discussion about the project roadmap, Mr. Matson stated the Commission is considering, and making initial preparation for, hosting the website internally rather than using the current hosting vendor once the hosting agreement expires in December of this year. The Chair cautioned that all the services provided by the external hosting vendor be considered, and whether the Commission is prepared to invest the resources for internal hosting that may be required. He also suggested that the Commission could consider changing hosting providers to one that was located closer to the D.C. office.

During the committee's discussion about strategic planning, Mr. Matson pointed out that one of the things that he and Mr. Lane would be working on was setting up whatever would be required for safeguarding federal taxpayer information. He added that he and Mr. Lane were having a meeting with representatives from the IRS Office of Safeguards and the Office of Governmental Liaison in April.

The Chair invited Mr. Huddleston, the Commission's Executive Director, who had joined the meeting, to make remarks. Mr. Huddleston expressed his appreciation for

the work of the committee, noting that the committee's impact was disproportionate to its size. He noted the current budget and economic issues afflicting the states and the derivative affect on the Commission. In particular, he noted that plans for internally hosting the website would not include adding staff positions.

VIII. Vice Chair Vacancy & Membership

The Chair suggested that he could draft something to send out to the committee list and the top tax administrators to bolster membership. He invited any suggestions or volunteers for the committee's currently vacant vice-chair position.

IX. Other items relevant to the work of the Technology Committee

The Chair invited Mr. Laskin, of the Commission's legal staff, who had joined the meeting, to bring an issue before the committee for discussion. A memorandum discussing information exchange among the states during Commission meeting had been prepared by Mr. Laskin and distributed to the committee. Mr. Laskin referred to the memorandum, and noted that the concern was ensuring that confidential taxpayer information that was distributed or discussed by the MTC committees remain confidential. While the recently deployed secure messaging system provided rigorous security for electronic discussion or transmission of documents, Mr. Laskin requested advice and input on how best to ensure confidentiality at physical meetings.

The Chair was not certain there was a technology solution for this issue, but noted that a process of ensuring that people attending committee meetings where confidential taxpayer information would be discussed were authorized was key. He said the committee would take the issue under advisement, and that he would also check with colleagues in Idaho about possible solutions or processes.

On another matter, Mr. Matson noted that the committee needed to consider how many in-person meetings per year the committee would need to fulfill its charter. The consensus of the committee was that one in-person meeting, during the week of the Commission's annual meeting, would be sufficient, given the number of teleconferences the committee holds.

X. Adjournment

Upon a motion duly made, the committee adjourned at 2:30 p.m.