NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Tuesday, June 29, 2010
Room 124, Richard H. Barry Hall, North Dakota State University
Commons Building, Microsoft Fargo
Fargo, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 8:30 a.m. at Barry Hall, North Dakota State University (NDSU), Fargo.

Members present: Senators Larry J. Robinson, Joe Miller, Rich Wardner; Representatives Craig Headland, Corey Mock, Bob Skarphol, Lonny Winrich; Chief Information Officer Lisa Feldner

Members absent: Senators Randel Christmann, Tom Seymour; Representatives Gary R. Sukut, Robin Weisz

Others present: Jim W. Smith, Legislative Council, Bismarck

See Appendix A for additional persons present.

It was moved by Representative Skarphol, seconded by Senator Wardner, and carried on a voice vote that the minutes of the March 24, 2010, meeting be approved as distributed.

Ms. Bonnie Neas, Vice President for Information Technology, North Dakota State University, Fargo, welcomed the committee to Barry Hall.

ELEMENTARY AND SECONDARY EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Mr. Dan Pullen, Director, Educational Technology Council, Fargo, provided information (Appendix B) regarding elementary and secondary education information technology initiatives. Over the last 24 years, he said, North Dakota elementary and secondary education schools have built video classrooms to share curriculum and teachers with other cooperating schools. He said the schools are self-organized into 10 interactive television consortiums. He said the schools have made decisions regarding the upgrading of video equipment on their own or as part of a group decision at the interactive television consortium level. As a result, he said, there is a wide variety of video equipment in schools. He said some equipment is current, but most is out-of-date.

Ms. Christie Anderson, teacher, Jamestown Middle School, Jamestown, provided a demonstration of a standard definition video classroom.

In response to a question from Senator Robinson, Ms. Anderson said one of the major challenges to video classroom instruction is the differing class schedules among participating schools.

In response to a question from Senator Robinson, Ms. Anderson said her classes are recorded and may be viewed by students through the Internet.

Ms. Tracie O'Donnell, teacher, Belfield High School, Belfield, provided a demonstration of a high-definition video classroom.

Mr. Pullen said there are 290 video classrooms statewide that are used to send and receive the schools' distance education curriculum. Of the 290 classrooms, he said, 36 have equipment that meets current standards--high-definition transmission, cameras, monitors, and related peripheral equipment. He said the Educational Technology Council recommends upgrading 212 classrooms of the remaining 254 classrooms. He said the average cost per classroom upgrade is estimated to be $24,000. He said the total estimated cost for upgrading the 212 classrooms and related state-level network resources is:

Classroom upgrades	$5,088,000
State-level upgrade - Expanded scheduling and video recording	646,000
State-level upgrade - Expanded high-definition video bridging capacity	893,000
State-level upgrade - Expanded STAGEnet core resources	875,000
Total	$7,502,000

Mr. Pullen said the Educational Technology Council met with the state's interactive television coordinators to discuss the statewide video classroom upgrade. He said the coordinators recommend the classroom upgrade cost be shared between the state and local school districts with the state paying 75 percent of the cost, or $3,816,000, and local school districts paying the remaining 25 percent, or $1,272,000, of the cost. The following is a summary of the recommended funding proposal:

	State General Fund	Local School District Funds	Total
Classroom upgrades	$3,816,000	$1,272,000	$5,088,000
State-level upgrade - Expanded scheduling and video recording	646,000		646,000
State-level upgrade - Expanded high-definition video bridging capacity	893,000		893,000
State-level upgrade - Expanded STAGEnet core resources	875,000		875,000
Total	$6,230,000	$1,272,000	$7,502,000

In response to a question from Representative Skarphol, Mr. Pullen said funding for the upgrade project could be provided over two bienniums.

In response to a question from Senator Robinson, Mr. Pullen said the older video equipment will need to be upgraded at a future time.

HIGHER EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Mr. Randall Thursby, Chief Information Officer, North Dakota University System, Fargo, provided information (Appendix C) regarding higher education information technology planning, services, and major projects. He said the University System is proceeding with implementation of a data warehouse. He said three data marts--student records, student financials, and workforce profile--will be implemented with this project. He said the University System is also developing a plan to address improving data reporting capabilities, timeliness of reporting, and the accuracy of reporting and the data itself. He said the University System anticipates the data warehouse project will be completed in August 2010.

Mr. Thursby said the University System is also in the process of implementing an integrated services initiative. He said the objectives of the initiative are to:

- Improve the integration of systemwide applications.
- Provide a more consistent end-user experience for students, faculty, and staff.
- Improve coordination of resources, applications, and processes.
- Provide better support for collaborative students.

Mr. Thursby said the initiative consists of multiple projects, including:

- Project 1 - Phased migration to an active directory single forest/domain model.
- Project 2 - Implementation of a common e-mail and calendar system.
- Project 3 - Implementation of a common framework for unified communications.

Ms. Neas provided information (Appendix D) regarding the status of the Northern Tier Network project. She said the Northern Tier Network project is the implementation of an information technology network from Seattle to Chicago and from Winnipeg to Omaha. She said North Dakota's segments border Montana to the west, Minneapolis to the east, the Canadian border to the north, and a location yet to be determined in South Dakota to the south. She said segments from Montana to Minneapolis and from Fargo to Grand Forks were completed in 2009. At this time, she said, the connection to South Dakota's network and the connection to the Canadian border have not been completed.

Ms. Neas said the Northern Tier Network Consortium has been notified by the leadership of Internet2 and the National LambdaRail that the Northern Tier Network will be identified as an integral part of the national research and education broadband backbone. She said this will provide the network with increased transport capabilities and will reduce the network's total operating costs by approximately 50 percent.

Ms. Neas said the University System is in the process of developing a draft audit scope to comply with North Dakota Century Code Section 15-10-45(4), which provides that the University System submit to a biennial audit of the Northern Tier Network activities beginning with the 2009-11 biennium.

Mr. Scott Payne, Assistant Director, North Dakota State University Electron Microscopy Center, Fargo, provided information regarding the university's Electron Microscopy Center. He said the center has purchased an electron microscope. He said the Northern Tier Network and local Internet providers allow for remote operation of the electron microscope from on-campus or off-campus sites. He provided an example of an elementary and secondary education school accessing and operating the microscope.

Ms. Sharon Kilzer, Director, Theodore Roosevelt Center, Dickinson State University, Dickinson, provided information regarding the center and the center's use of the Northern Tier Network. She said the center provides scholars, tourists, and students access to digitized Theodore Roosevelt documents and online exhibits. She said the Northern Tier Network has been used to receive and digitize the documents.

Mr. Wilbur Stolt, Director, University of North Dakota (UND) libraries, Grand Forks, and Dr. Crystal Alberts, assistant professor of English, University of North Dakota, Grand Forks, provided information regarding the university's writers conference digital collection. Mr. Stolt said UND has hosted a writers conference for 40 years. He said the annual event has involved authors, poets, screenwriters, and film directors sharing their works. He said the conference has been videotaped, and UND is making the video documentation more widely available by converting the videotapes to digital format and offering the conference recordings through the Internet.

Dr. Alberts said the Northern Tier Network allows the videotapes to be viewed at a higher resolution.

Dr. Keith Henry, Assistant Professor, Department of Pharmacology, Physiology and Therapeutics,

University of North Dakota School of Medicine and Health Sciences, Grand Forks, provided information regarding the university's study of neurotransmitter transporters structure and function. He said the Northern Tier Network has assisted with his research of neurotransmitter transporters.

Mr. Aaron Feickert, North Dakota State University graduate, provided information regarding high-performance computing and its impact on student research. He said the NDSU Center for High-Performance Computing provides the faculty and students access to computational resources for completing research projects.

Mr. Craig Hansen, Education Coordinator, Knife River Indian Villages National Historic Site/National Park Service, Stanton, provided a demonstration of videoconferencing available at the Knife River Indian Villages National Historic Site.

Representative Skarphol suggested the University System inform the committee of any federal requirements regarding use of NDSU's high-performance computing center.

In response to a question from Senator Miller, Ms. Neas said the Northern Tier Network Consortium contracts with an entity in Wisconsin for administration and monitoring of the Northern Tier Network.

REPORT FROM THE CHIEF INFORMATION OFFICER

Information Technology Planning Cycle

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, provided information regarding the information technology planning cycle, including the process of prioritizing proposed major information technology projects by the State Information Technology Advisory Committee. She said Section 54-59-11 requires each executive branch state agency or institution, excluding institutions under the control of the State Board of Higher Education, unless the Chief Information Officer grants an exemption, to prepare an information technology plan and submit the plan to the Information Technology Department by August 15 of each even-numbered year unless the Chief Information Officer grants an extension. Based on the information included in the plans, she said, the department is to prepare a statewide information technology plan with emphasis on long-term strategic goals and objectives. She said the statewide information technology plan is to be distributed to members of the Legislative Assembly.

Ms. Feldner said the State Information Technology Advisory Committee reviews information regarding proposed major information technology projects for executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and the judicial and legislative branches, and ranks those projects that receive the committee's affirmative recommendation. She said the State Information Technology Advisory Committee will complete its prioritization of major information technology projects for the 2011-13 biennium in September 2010. She said the department will forward the prioritization to the Information Technology Committee and to the Office of Management and Budget for consideration in the development of the Governor's budget recommendation.

2011-13 Information Technology Rates

Mr. Mike Ressler, Deputy Chief Information Officer, Information Technology Department, provided information (Appendix E) regarding information technology rates for the 2011-13 biennium. The following is a summary of select rates for the 2011-13 biennium:

Description of Service	2009-11 Budget Rate	2011-13 Budget Rate
Architect	$79.00 per hour	$89.00 per hour
Analyst	$63.00 per hour	$67.00 per hour
Analyst II/project manager	$69.00 per hour	$75.00 per hour
Senior analyst/senior project manager	$75.00 per hour	$86.00 per hour
Technology fee	$43.50 per full-time equivalent position	$49.00 per full-time equivalent position
Wide area network access - Broadband add-on	N/A	$50 - $230 per circuit

Mr. Ressler said the increase in rates is due to:

- Providing anticipated salary and health insurance increases for department employees.
- Projected growth in services, including network bandwidth, increased Internet capacity, and additional video bridging.
- Anticipated increases in vendor contract rates.

Assuming state agencies purchase the same level of services in the 2011-13 biennium as the most recent 12-month period, Mr. Ressler said, the department estimates the fee increases for the 2011-13 biennium will generate approximately 7 percent more revenue to the Information Technology Department.

Health Information Technology

Mr. Sheldon Wolf, Health Information Technology Director, Information Technology Department, provided information (Appendix F) regarding the status of health information technology activities pursuant to 2009 Senate Bill No. 2332. He said the Health Information Technology Office and the Health Information Technology Advisory Committee is to complete a strategic plan and an operational plan for the statewide health information technology and exchange network. He said both plans are due to the federal Office of the National Coordinator for Health Information Technology by September 27, 2010, and must be approved by the Office of the National Coordinator for Health Information Technology before

implementation of the statewide network. He said the Health Information Technology Office has selected a consultant--Hielix MEDNET--for assistance in the development of the plans.

Mr. Wolf said 2009 Senate Bill No. 2332 established a health information technology planning revolving loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities improve health information technology infrastructure. He said Section 9 of Senate Bill No. 2332 provided for a transfer of $5 million from the current earnings and accumulated undivided profits of the Bank to the fund contingent upon actual general fund revenues for the period July 1, 2007, through September 30, 2009, exceeding estimates by at least $22.5 million. He said the condition was met, and the $5 million has been made available. He said the Health Information Technology Office received 14 applications requesting a total of $7.2 million in funding relating to the fund. He said the Health Information Technology Advisory Committee approved 12 applications at 90 percent of each applicant's loan request for a total of $5 million.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING

Quarterly Summary Status Report

Ms. Feldner distributed a quarterly summary status report on large information technology projects for the quarter ending March 31, 2010 (Appendix G).

Ms. Feldner said the following three projects were reported complete:

Agency	Project	Budget Variance	Schedule Variance
Department of Corrections and Rehabilitation	Electronic medical records system project	On budget	Behind schedule
State Treasurer's office	Tax distribution rewrite project	Under budget	Behind schedule
Department of Human Services	Children and family services front-end project	Within allowable budget variance	Behind schedule

Ms. Feldner said the following two projects have reported budget or schedule variances and are being monitored:

Agency	Project	Budget or Schedule Variance
State Department of Health	Electronic disease surveillance and management system	The project is behind schedule. The system went into production in December 2009; however, two exports and conversions remain incomplete.
Secretary of State	Data processing system	The project is behind schedule. The schedule impact caused by the scope addition of the campaign finance module remains under review. A second replan will be required to effectively monitor and control the project.

Project Status Reports

The Legislative Council staff presented a memorandum entitled *Summary of Project Startup and Project Closeout Reports*. The memorandum provides a summary of the project startup and project closeout reports submitted to the Information Technology Committee for its June 2010 meeting.

The Legislative Council staff distributed written testimony (Appendix H) from the Secretary of State regarding the agency's data processing project. At the end of the second quarter of 2010, the project was 35.2 percent behind schedule.

Workforce Safety and Insurance - Information Technology Transformation Project

Mr. Bryan Klipfel, Executive Director and CEO, Workforce Safety and Insurance, provided information (Appendix I) regarding the status of the agency's information technology transformation project. He said the agency continues to make changes and adjustments since its last report to the committee to increase the likelihood of success with this project. He said the agency has hired a senior adviser to the director who is responsible for objectively reviewing the project, making recommendations to senior executives, and finding solutions for project issues. He said the quality of the latest software release, which was received at the end of April 2010, was a substantial improvement over past releases. He said the agency has agreed to provide the project vendor--Aon eSolutions--additional funding of $2.677 million to complete the project. He said the $2.677 million is in addition to the $14 million appropriated for the project.

In response to a question from Senator Robinson, Mr. Klipfel said the "go live" date for the new claims system is currently anticipated to be June 2011, and the "go live" date for the new policy system is anticipated to be December 2011.

In response to a question from Senator Robinson, Mr. Klipfel said he is confident that the additional funding will result in the project being completed.

The committee recessed at 12:15 p.m. for lunch and to travel to Microsoft Fargo.

MICROSOFT FARGO

The committee reconvened at 1:15 p.m. in the Commons Building, Microsoft Fargo.

Ms. Katie Hasbargen, Senior Communications Manager, Microsoft Fargo, Fargo, welcomed the committee to the Microsoft campus. She said Microsoft Fargo employs approximately 900 team members. She said Microsoft Fargo is Microsoft's second largest field campus. She said Microsoft Fargo is one of Microsoft's eight certified executive briefing centers. She said executive briefing centers provide a professional and comfortable setting where corporate and government leaders have the opportunity to ask questions and build relationships with Microsoft executives and business experts. She said Microsoft's other certified executive briefing

centers are located in Redmond, Washington; England; Germany; India; China; Denmark; and Belgium.

The committee toured the Microsoft campus.

PROPOSED INFORMATION TECHNOLOGY BILL DRAFTS

Exchange of Information With the Health Information Exchange

The Legislative Council staff presented a bill draft [10050.0100] relating to the exchange of information with the health information exchange. The Legislative Council staff said the bill draft amends Sections 54-59-02 and 54-59-05(13) relating to the responsibilities and powers and duties of the Information Technology Department to provide that the department may connect to a wide area network service for health information exchange.

Ms. Feldner suggested the committee consider amending the proposed bill draft to include language regarding other mandated federal provisions.

Representative Skarphol suggested the Information Technology Department consult with telecommunications providers regarding the suggested language addition.

Large Information Technology Project

The Legislative Council staff presented a bill draft [10049.0100] relating to the definition of a major information technology project. The Legislative Council staff said the bill draft amends Sections 54-35-15.2, 54-59-05, and 54-59-23 to change the definition of a large information technology project from a project with a total cost of $250,000 or more to a project with a total cost of $500,000 or more.

Ms. Feldner said due to changes in the Information Technology Department's large information technology project oversight process, the proposed bill draft may not be necessary.

OTHER BUSINESS

Chairman Robinson said tentatively the committee's next meeting will be in September 2010.

The committee adjourned subject to the call of the chair at 3:10 p.m.

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Roxanne Woeste
Assistant Legislative Budget Analyst and Auditor

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Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:9