

# NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

## INFORMATION TECHNOLOGY COMMITTEE

Thursday, March 5, 1998  
Harvest Room, State Capitol  
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 8:35 a.m.

**Members present:** Senators Larry J. Robinson, Karen K. Krebsbach, Carolyn Nelson, Ken Solberg, Rod St. Aubyn; Representatives Rex R. Byerly, Eliot Glassheim, Ken Svedjan, Robin Weisz

**Member absent:** Representative Rich Wardner

**Others present:** Gary J. Nelson, State Senator, Casselton

For others present, see Appendix A

### STATUS REPORT OF ACTIVITIES

At the request of Chairman Robinson, the director reviewed the topics on the agenda for the meeting. He also reviewed the steps followed in obtaining a pool of candidates for the legislative information technology advisor position. He said the Legislative Council staff was in the process of interviewing persons for this position. He said that to attract a person with the qualifications required, it will be necessary to offer compensation that is well above the levels of current staff salaries. He noted that \$467,000 was appropriated for the Legislative Council information technology review program and that appropriation includes the cost of salary for the position, committee expenses, and consulting contracts.

### Consultant Projects

The director said at the request of legislative leaders, the Legislative Council staff had begun the process of securing outside assistance for the committee. He said inquiries were sent to local and national consulting firms regarding possible interest in providing contract services. He said representatives of three firms attended a prebidding conference in the Legislative Council office. He said two firms--GartnerConsulting and Wolfe & Associates--submitted proposals, and he distributed copies of the proposals. A copy of each proposal is on file in the Legislative Council office. He said the fees of GartnerConsulting range from \$1,453 to \$3,632 per person per day depending

on personnel used, plus expenses, and the fees of Wolfe & Associates range from \$60 to \$130 per hour, depending on personnel used.

The director said he is not recommending GartnerConsulting for general consulting work at this time, primarily because of the cost, but the avenue should be kept open for specialized reports or projects. He said the Legislative Council staff has worked with Wolfe & Associates and is recommending two studies by that firm. He distributed a work plan submitted by Wolfe & Associates for a state network definition and documentation project and for a year 2000 assessment project.

### State Network Definition and Documentation Project

The director said the initial proposal for a state network definition and documentation project was estimated to require 1,580 hours. He said Senator Gary J. Nelson, Senator Larry J. Robinson, and members of the Legislative Council staff met with Wolfe & Associates before this meeting and reduced the scope of the state network definition project in an attempt to reduce the cost. He distributed a detailed state network definition project--Phase I, which referred to 911 hours and a page that described the initial proposal, which referred to 1,580 hours. A copy of this proposal is on file in the Legislative Council office. He said the difference in the two versions is the exclusion in the revised proposal of the part of the project determining the costs and allocation of costs to state agencies. He said this part was excluded as a means of reducing costs but still retain the portion of the study which would provide an inventory of the network to find out what systems are in place.

In response to a question from Senator Solberg, the director said the estimate of hours was based on the employee size of an agency--large, medium, and small--rather than budget. Mr. Bob Pope, Wolfe & Associates, said their estimates are based on employees rather than

budgets because that appears to be a more accurate indicator of computer use. He said discussions with agency people have disclosed substantial connections and interactions between counties and that is why the state network definition project includes contact with county entities.

Senator Robinson said the concerns over network capabilities and questions local officials have with costs of obtaining access to the state network are questions that should be addressed by the committee.

Senator G. Nelson said legislators need to know the types of networks in place across the state before making decisions on a statewide network.

### **Year 2000 Assessment Project**

The director said the initial proposal for the year 2000 assessment project covered all agencies and totaled 1,371 hours. He suggested that a selective type survey could be done of agencies in each size category as a means of reducing the total hours of that project.

In response to a question from Representative Svedjan, Senator Robinson said both projects are of a priority nature. He said the year 2000 assessment project is important because legislators should know if agencies are on track and whether there will be any impact on budget requests submitted to the 1999 Legislative Assembly.

Senator G. Nelson said the problem with any assessment of year 2000 problems is that comments run the full gamut from there is no problem to the sky is falling. He said legislators need recommendations from this committee for any action to ensure that state government is prepared for January 1, 2000. He suggested two to three agencies from each size category could be surveyed on the issue to determine whether there may be a problem statewide.

Senator St. Aubyn said a question that needs to be addressed with respect to the year 2000 problem is the liability of the state, especially because of lack of sovereign immunity. The director said he had been contacted by an attorney from the Vogel law firm in Fargo with respect to liability issues for failing to address year 2000 problems.

Representative Byerly said generally, small "mom and pop" operations with relatively new personal computers probably will not have a problem. He said mainframe computers using programs older than 15 years probably will have problems and this will have a severe impact on the state. He said the year 2000 issue cannot be addressed across the board with a simple fix. He

said each program needs to be reviewed individually.

Chairman Robinson urged committee members to review the proposals and be prepared to make a decision later in the meeting.

## **INFORMATION TECHNOLOGY STRATEGIC PLANS**

Mr. Jim Heck, Director, Information Services Division, said presentations concerning the status of information technology planning by state agencies, information technology standards, and the statewide information technology strategic plan would be presented by various individuals. He introduced Ms. Nancy Walz and Mr. Dennis Klipfel, Information Services Division.

### **Status of Information Technology Planning by State Agencies**

Ms. Walz presented prepared testimony on the status of information technology planning efforts to date. A copy of her testimony is attached as Appendix B, and the exhibits referenced in her testimony are on file in the Legislative Council office. In her testimony, Ms. Walz said 61 agencies and 19 boards and commissions submitted information technology plans by the January 15, 1998, deadline. The Information Services Division has approved 36 plans, 37 plans are in review or undergoing followup with the agency, and seven plans are still outstanding. Under the procedure followed by the division, an agency submits its plan to the division, the plan is reviewed under a checklist to ensure all required items are contained in the plan, and an individual is assigned to provide followup on any changes required to be made by the agency. Once any necessary revisions are made and the plan is approved, the agency is requested to send a final copy to the Legislative Council.

Ms. Walz said each agency that has its plan approved is requested to complete a survey indicating the approximate cost for agency staff time and the hours involved in developing the plan, whether the agency used a consultant to prepare the plan, and the cost of the consultant. She said the survey results should be ready for presentation to the committee at its next meeting, along with any recommendations based on the survey results.

Ms. Walz said there will be four versions of a plan—the original plan, the budgeted plan, the appropriated plan, and the plan reflecting intermediate revisions.

Mr. Heck said one result of the planning process is that information is being collected on

technology expenditures not otherwise known about or reported, e.g., technology funded by grants or passthrough funding.

In response to a question from Senator Robinson, Mr. Heck said concerns expressed by agency personnel when the planning process first started concerned the time necessary to develop the plans. Now, he said, agencies have "bared their soul" concerning planned use of technology and the concern is more about how the information contained in plans will be used.

Representative Byerly requested the Legislative Council staff to select a representative plan of a medium-sized agency and send a copy of the plan to committee members for their review.

### **Information Technology Standards**

Mr. Klipfel distributed prepared testimony concerning information technology standards and policy development. A copy of his testimony is attached as Appendix C. In his testimony, he described the process the Information Services Division is using to develop standards and policies for information technology development. Each standard consists of three components--strategy, policy, and the standard. A standard and policy review group has been organized and each agency has been encouraged to designate one individual to represent the agency in this group. The review group reviews, discusses, and evaluates proposed standards and is meeting every two to four weeks. He said approximately 70 people were present at the first meeting and about 30 to 40 people have been present during subsequent meetings.

In response to a question from Senator Robinson, Mr. Klipfel said a number of states have standards, but their processes vary, e.g., one may require a specific computer to be used versus general parameters for computer purchases.

Senator St. Aubyn questioned what can be done to force an agency to comply with a standard. He said North Dakota Century Code Section 54-44.2-12 provides the division "may" report noncompliance with statewide policies and standards to the Legislative Audit and Fiscal Review Committee and "shall" report recurring issues of noncompliance to the Legislative Audit and Fiscal Review Committee. He suggested that a penalty for noncompliance could be refusal by the Information Services Division to provide service to that agency.

Representative Byerly said if the network services standard (contained in Mr. Klipfel's testimony) is an example of other standards being developed, the division has done a good job

because the standard is simple, clear, and easily understood. He said he particularly likes the migration chart, which indicates technology to migrate from, current technology, and emerging technology.

Senator G. Nelson urged that very few agencies be excepted from the standards. He said if several agencies or even a few large agencies receive exceptions, then the purpose of standards has been weakened. Mr. Klipfel said an agency that receives an exception has to address that exception in its year 2000 information technology plan. He said an exception would not be an ongoing or permanent exception.

### **Statewide Information Technology Strategic Plan**

Mr. Heck presented a rough draft outline of the statewide information technology plan. A copy of his written testimony is attached as Appendix D. In his testimony, he described the portions of the statewide plan as an executive summary (which would contain the vision, goals, and summary of agency plans for the next four years); 1997-99 accomplishments; project reports; agency summary; standards; coordination reports; and observations.

Mr. Heck said the review of state agency information technology plans has revealed that a lot of funding will be requested for hardware, e.g., personal computers, with various estimates of cost. He said the division plans to prepare tables indicating the number of personal computers planned for purchase. As a result of compiling this information, he said, there may be a possibility of better planning for contracts to purchase hardware.

Mr. Heck said the review of the plans also has revealed that some projects may be extending over four years. He said these projects need to be reviewed to make sure that something of value is being received, e.g., long projects need to have goals that can be attained within certain timeframes. Also, he said, feasibility studies should be used before initiating projects. If those feasibility studies are completed, he said, there should be a go/no go decision after the study, rather than just using a study as a preliminary step in going forward with a project.

### **PROPOSED CONTRACTS Year 2000 Survey**

In response to a question from Senator G. Nelson, Mr. Heck said the Information Services Division has completed 43 percent of the year 2000 work required for activities under the

responsibility of the division. He said the division has been addressing year 2000 problems for the past four to five years. Based on the rate of \$48 per hour, he said, this has been a \$2.1 million effort. After this biennium, he said, the rate should go down because the cost of the year 2000 project should be minimal. He said there is a concern over four areas with respect to any year 2000 problem:

1. Those agencies that develop their own software programs.
2. Those agencies that write their own software programs that access mainframe programs of the Information Services Division.
3. Physical alarms and systems, e.g., heating systems, cooling systems, alarm systems, and security systems.
4. Litigation issues, which are under risk management.

Mr. Heck said the Information Services Division, in consultation with Wolfe & Associates, has prepared a draft of a year 2000 assessment survey of state agencies. He said the survey would go to all state agencies, including those agencies that have their own developers or mini-systems, e.g., Job Service North Dakota, the Bank of North Dakota, the Public Service Commission, and the Attorney General's office. He said the purpose of this survey is to address software, not hardware. He said most agencies should be able to complete the form within 30 days. He said the University System may need more than 30 days to respond because of the severe year 2000 problems in their systems. He noted the proposal by Wolfe & Associates is to audit and personally contact agencies to see if they have answered the survey correctly.

### **Discussion of State Network and Year 2000 Proposals**

At the request of Chairman Robinson, the director reviewed the two proposals from Wolfe & Associates. The director said the first proposal is for a state network definition and documentation project involving approximately 911 hours at hourly rates ranging from \$60 to \$130. Under this project, he said, an inventory would be made of all current networks used for voice, data, and video communications, and an analysis and recommendations would be presented to the committee. He said the second proposal is a year 2000 assessment project involving approximately 1,371 hours at hourly rates ranging from \$60 to \$130. Under this project, he said, agencies would be interviewed to determine critical or important

projects, an estimate would be made of year 2000 costs for all agencies, including expenditures to date and estimated costs, and an analysis and recommendations would be made to the Legislative Council. Rather than interviewing every agency, he said, three agencies could be selected from the group of large agencies, three agencies could be selected from the group of medium agencies, and three agencies could be selected from the group of small agencies. He said the estimated cost of this limited-scope project is \$15,000 to \$20,000. He suggested that the agencies could be selected with the assistance of Mr. Heck.

**It was moved by Senator St. Aubyn and seconded by Senator Krebsbach that the committee recommend that the Legislative Council staff and the chairman of the Legislative Council contract with Wolfe & Associates for Phase I of the state network definition and documentation project as described to the committee and contract with Wolfe & Associates for a limited-scope year 2000 assessment project as described to the committee (a total of nine agencies to be selected).**

Representative Glassheim inquired what Wolfe & Associates would do that the Information Services Division cannot do. The director said discussions with the legislative leaders have indicated the desire for an independent review of the status of the year 2000 problems. He said the idea is that the project would include personal contact with agency personnel rather than rely on surveys. Mr. James Stepp, Wolfe & Associates, said the Information Services Division could provide the technical information on the network. He said the work envisioned by Phase I of the state network definition and documentation project would be a meticulous documentation of nodes and lines used in the network. He said the Information Services Division is gathering system information from information technology plans, while Wolfe & Associates would focus in detail on the networks.

Senator Solberg inquired as to the potential for conflict of interest if Wolfe & Associates contacts agencies for which that firm prepared information technology plans. Mr. Pope said the only use of information technology plans in the year 2000 assessment would be to review those plans to determine whether they identify year 2000 issues or projects. He said the proposed project would not involve an analysis of information technology plans.

Representative Svedjan said during discussion of welfare reform in 1997, he discovered that divisions within the Department of Human Services collect information and data on individuals and do

not communicate with one another. Mr. Stepp said the information obtained under the state network would establish the inventory of network assets and allow an analysis to be made on how to provide a common network for all state agencies.

Representative Svedjan said those discussions also involved how to better communicate and use the data within the agency between divisions. Mr. Stepp said the inventory of network resources will help in analyzing the needs and potential for providing common networks but would not address the issue of how to better share data collected.

In response to a question from Representative Glassheim, Senator G. Nelson said this proposal would not include an analysis of future network needs. He said the current proposal is the start-by getting an inventory of the network--and the committee can review that report and make its recommendation with respect to further studies or other recommendations.

Representative Byerly said he is going to vote against the motion because the year 2000 assessment project should not proceed until the Information Services Division surveys agencies and reports the results of its survey to this committee. He said we need information about network inventory. He said there is no accurate inventory of communication networks in place and there is no information on the needs of agencies for future communications.

**Senator St. Aubyn, with the consent of his second, withdrew his motion. It was moved by Senator St. Aubyn and seconded by Representative Byerly that the committee recommend that the Legislative Council staff and the chairman of the Legislative Council contract with Wolfe & Associates for Phase I of the state network definition and documentation project as described to the committee.**

In response to a question from Senator Solberg, Mr. Stepp estimated it would take from 8 to 14 weeks to complete this project, depending on the number of people assigned to the project. After this discussion, **the motion carried on a roll call vote.** Senators Robinson, Krebsbach, C. Nelson, Solberg, and St. Aubyn and Representatives Byerly, Glassheim, Svedjan, and Weisz voted "aye." No negative votes were cast.

Chairman Robinson said further action on the proposal for a year 2000 assessment project would be delayed until the results of the survey by the Information Services Division are presented to the committee.

## STATUS OF MAJOR INFORMATION TECHNOLOGY PROJECTS

Mr. Heck described the status of the training, education, employment, and management program (TEEM) and reforming and enhancing services for the people of North Dakota (RESPOND) projects of the Department of Human Services. He said the Information Services Division has taken over much of the maintenance of these projects and has six people under contract from IBM. He said the division is running into difficulty in filling staff vacancies in the division as well as in the areas needed for these projects.

Mr. Heck said Mr. Marshall Moore, Director of the Department of Transportation, would describe the status of the Motor Vehicle Division and Drivers License and Traffic Safety Division projects. Mr. Moore distributed a prepared statement, a copy of which is attached as Appendix E. In his testimony, Mr. Moore said Unisys Corporation was selected as a vendor to replace the computer system used for motor vehicle operations. The bid was awarded in June 1996, the project started in July 1996, and the project was to be completed in October 1997. Unisys has asked for a contract extension to May 31, 1998, and another contract extension to November 25, 1998. The two main reasons for delay of the project are several unforeseen technical problems and substantial computer programming staff losses to the job market. Mr. Moore introduced Mr. Scott Smith, Vice President, Unisys Corporation.

Representative Byerly asked for a description of the technical problems that caused the delay. Mr. Smith said there were unforeseen problems in maintenance of applications and in development of the system. He said Unisys subcontracted application development to RSI. He said the problem has not been with the capabilities of RSI personnel but with the fact that the project involves cutting edge technology.

Representative Byerly requested the Legislative Council staff to provide information to the committee as to the funds the state has invested in the project to this point, the portion of the contract that has been fulfilled, the portion of the contract that is left to be done, how much the state has paid to remodel local offices, and the impact on local offices of the delays.

Mr. Moore said there has been no cost to the state for local offices remodeling their operations. Representative Byerly said the Williston office has remodeled and its service has been disrupted. Mr. Moore said he has no knowledge of local

remodeling requirements, and the state provides the computers and software.

### **FUTURE MEETING TOPICS**

Representative Byerly requested that the status of the Department of Transportation motor vehicle computer system be placed on the agenda at the next committee meeting.

Senator C. Nelson requested a representative from the Vogel law firm in Fargo be contacted and invited to appear before the committee at the next meeting to discuss ramifications of year 2000 issues.

Senator Solberg inquired whether the Information Services Division has added an auditor for determining compliance with information technology plans. Mr. Heck said that position has not been filled because the focus has been on developing the plans and the issue of compliance is a step later in the process. Senator Solberg said he would prefer that the auditor be a position in the State Auditor's office in order to obtain an independent evaluation of agency compliance with information technology plans. Mr. Heck said the auditor could be hired by the division with responsibilities under the State Auditor. He said

compliance audits probably would not require a full-time position and other responsibilities could be assigned to that person within the Information Services Division.

Representative Byerly said this discussion is premature. He said the information technology plans need to be developed and the process needs to be evolved to the level at which a decision can be made as to the type of compliance audits to be made.

No further business appearing, Chairman Robinson adjourned the meeting at 2:35 p.m.

---

Jay E. Buringrud  
Assistant Director

---

John D. Olsrud  
Director

ATTACH:5