

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, October 23, 2002
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Larry J. Robinson, Randy A. Schobinger, Ken Solberg; Representatives Robert Huether, Keith Kempenich, Bob Skarphol, Robin Weisz; Chief Information Officer Curtis L. Wolfe

Others present: See attached appendix

It was moved by Representative Huether, seconded by Representative Skarphol, and carried on a voice vote that the minutes of the September 10, 2002, meeting be approved as distributed.

ENTERPRISE RESOURCE PLANNING SYSTEM

Ms. Pam Sharp, Deputy Director, Office of Management and Budget, presented information regarding the status of the implementation of the enterprise resource planning (ERP) system, including information on the initiative's impact on existing state agency payment systems and information on the initiative's estimated costs for the 2003-05 biennium. A copy of the information is on file in the Legislative Council office. She said the implementation of the ERP system remains on schedule and on budget with no imminent or anticipated delays identified. She said the department with assistance from the State Auditor's office has reviewed the initiative's impact on existing state agency payment systems and has determined that of the 19 existing state agency payment systems, three systems will be replaced by the ERP system, seven will be interfaced with the ERP system, one will be either replaced or interfaced with the ERP system, seven will not be impacted by the ERP system, and one system needs to be further analyzed. She said due to the anticipated limited growth in general fund revenue for the 2003-05 biennium, the Information Technology Department and the Governor are considering ways to finance the costs associated with the ERP system initiative for the 2003-05 biennium, including the issuance of 10-year revenue bonds in the amount of \$20 million. If revenue bonds are issued, the estimated debt service requirement would be approximately \$5.2 million per biennium, of which approximately 55 percent would be the responsibility of higher education institutions and approximately 45 percent would be the

responsibility of state agencies. She said the higher education institutions have instituted a student fee for paying its portion of the debt service and state agencies would be assessed a fee for their portion of the debt service beginning with the 2005-07 biennium. The following is a summary of the estimated costs to be covered by the proposed revenue bond issuance:

Refinancing of financing arrangement with PeopleSoft	\$4,864,020
Equipment for data center	1,245,000
Implementation costs (Maximus)	10,411,760
Information Technology Department programmers (for 16 months)	968,832
Allowance for miscellaneous expenses	874,481
Bond issuance costs	1,600,000
Total	\$19,964,093

In response to a question from Representative Kempenich regarding the statewide accounting and management information system (SAMIS) and the statewide integrated budgeting and reporting (SIBR) system, Ms. Sharp said the SAMIS will be replaced by the ERP system and the SIBR system will be interfaced with the ERP system. She said the SIBR system is necessary because it has the state's budget presentation software and the budget preparation module of the ERP system does not have the same capabilities.

In response to a question from Senator Solberg regarding the proposed bond issuance, Ms. Sharp said the proposed bond issuance would be a revenue bond issuance not a general obligation bond issuance, and therefore, the proposed bond issuance would not be affected by the state's debt limit.

In response to a question from Representative Skarphol regarding the proposed revenue bond issuance, Ms. Sharp said the fee that state agencies would be assessed for the agency's portion of the debt service may be allocated based on a full-time equivalent (FTE) position basis.

Mr. Grant Crawford, Chief Information Officer, North Dakota University System, presented information regarding the status of the implementation of the ERP system and provided a demonstration of the portal and student admission functions of the student administration component of the ERP system. A copy of the information is on file in the Legislative

Council office. He said higher education's implementation of the ERP system remains on schedule and in regard to the ERP system's impact on higher education payment systems, the ERP system will replace higher education's only payment system.

In response to a question from Senator Solberg, Mr. Crawford said the two pilot higher education institutions--Valley City State University and Mayville State University--are currently using the student admission and recruiting functions of the student administration component of the ERP system. He said all three components of the ERP system--financial, human resources, and student administration--will be fully functional at the two pilot institutions by April 2003.

Mr. Roch Hoedebecke, Project Manager, Maximus, provided information regarding the status of the implementation of the ERP system. He said the implementation of the ERP system is proceeding well and he is confident that the project will remain on schedule.

In response to a question from Senator Solberg, Mr. Hoedebecke said there are approximately 22 individuals from Maximus in the state working on the implementation of the ERP system.

OTHER INFORMATION

Information Technology Initiatives

Mr. Dewayne Hendricks, Chief Executive Officer, Dandin Group, and member of the Federal Communications Commission's Technological Advisory Council, presented information regarding information technology initiatives, a copy of which is on file in the Legislative Council office. He said the Federal Communications Commission can be seen as a policy roadblock because the commission's rules are based upon technologies present in the 1930s. He said the Dandin Group recently completed an advanced networking with minority-serving institutions wireless project with the Fort Berthold Community College in New Town and the Turtle Mountain Community College in Belcourt. The project developed a wireless infrastructure in each college to provide high-speed wireless services.

Statewide Information Technology Network

Mr. Jerry Fossum, Associate Director for Telecommunications, Information Technology Department, presented information regarding the department's alternatives for providing information technology services to customers in rural areas. A copy of the information is on file in the Legislative Council office. He said the standard access connection to the statewide information technology network is an ATM T-1 connection; however, the department's current effort for providing information technology services to customers in rural areas

utilizes the Internet and virtual private network (VPN) technology. He said the department's current status for providing information technology services to customers in rural areas includes 35 digital subscriber line (DSL) sites, four cable Internet sites, two pilot satellite sites, and one point-to-point wireless connection.

REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Curtis L. Wolfe, Chief Information Officer, Information Technology Department, provided information on the department's activities, including information regarding the ERP system initiative, the statewide information technology plan, the PowerSchool application initiative, and state government web site activity. A copy of the information is on file in the Legislative Council office. He said in regard to the ERP system initiative, the Information Technology Department and higher education are creating and executing a plan for the state to host the ERP system applications and are working on developing an ERP system initiative return on investment report to be presented to the 2003 Legislative Assembly.

Mr. Wolfe said the department is in the process of completing a statewide information technology plan to be presented to the 2003 Legislative Assembly. He said the plan will communicate a shared vision between state government, higher education, and kindergarten through grade 12, outline strategic initiatives, provide decisionmakers with criteria for evaluating technology projects, and establish goals and strategies that will serve as a basis for more detailed planning efforts. He said in regard to the PowerSchool application initiative, nine schools have implemented the application, three schools are in the process of implementing the application, and 40 schools are interested in implementing the application.

PROPOSED INFORMATION TECHNOLOGY BILL DRAFTS

Powers and Duties of the Information Technology Department Bill Draft

The committee reviewed a proposed bill draft [30122.0100] relating to the powers and duties of the Information Technology Department, information technology plans, and the State Information Technology Advisory Committee. The bill draft:

- Amends North Dakota Century Code (NDCC) Section 54-44.6-01 by changing the reference for the responsibility of establishing a statewide forms management program from the Office of Management and Budget to the Information Technology Department.
- Amends NDCC Section 54-59-05(4) to provide that the Information Technology Department

may purchase, finance the purchase, or lease equipment, software, or implementation services. The bill draft also removes the three-year limit on the length of financing agreements and removes the dollar limit on the financing amount.

- Amends NDCC Section 54-59-11 by changing the due date for information technology plans from March 15 to July 15.
- Amends NDCC Section 54-59-14 by removing language concerning central microfilm unit equipment and supplies purchases.
- Repeals NDCC Section 54-59-07 relating to the State Information Technology Advisory Committee.

Mr. Wolfe suggested Section 2 of the bill draft be amended to provide that the Information Technology Department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed the 10 percent of the budget appropriated to the department for that biennium.

In response to a question from Representative Weisz regarding the three-year limit on the length of financing agreements, Mr. Wolfe said a three-year time period was originally selected as the limit on the length of a financing agreement because historically the department has not entered into any financing agreements for a time period longer than three years. He said there could be unique circumstances when the department would need to enter into an agreement for a period of time longer than three years.

Information Technology Policies, Standards, and Guidelines Bill Draft

At the request of Chairman Robinson, Mr. John Walstad, Legal Counsel, Legislative Council, presented a revised bill draft [30218.0100] relating to an exemption for the Information Technology Department from the administrative hearing process. Mr. Walstad said the bill draft amends NDCC Section 28-32-01(11) to provide that the policies, standards, and guidelines adopted by the Information Technology Department under Chapter 54-59 are not considered rules under the Administrative Agencies Practice Act.

In response to a question from Representative Weisz, Mr. Walstad said the original bill draft relating to information technology policies, standards, and guidelines presented to the committee at its previous meeting exempted the Information Technology Department from the Administrative Agencies Practice Act. He said the revised bill draft provides that the policies, standards, and guidelines adopted by the Information Technology Department under NDCC Chapter 54-59 are not considered rules under the Administrative Agencies Practice Act.

Security-Related Records Bill Draft

The committee reviewed a proposed bill draft [30127.0200] relating to an exemption of security-related records from the open records requirements. The bill draft creates a new section to NDCC Chapter 44-04 providing that any portion of a record containing plans, security codes, passwords, combinations, or other security-related data used to protect electronic information and government property and to prevent access to computers, computer systems, or computer or telecommunications networks is exempt from the open records requirements.

At the request of Chairman Robinson, the Legislative Council staff distributed a copy of testimony prepared by Mr. Jack McDonald regarding the proposed bill draft, a copy of which is on file in the Legislative Council office. Chairman Robinson said Mr. McDonald was unable to be present at the meeting.

Educational Technology Council and Division of Independent Study Bill Draft

The committee reviewed a proposed bill draft [30123.0100] relating to the Educational Technology Council as the governing entity of the Division of Independent Study. The bill draft:

- Amends NDCC Section 15-19-01 relating to the Division of Independent Study's correspondence courses by changing the reference of the entity responsible for curriculum approval from the State Board of Public School Education to the Superintendent of Public Instruction. The bill draft also amends the section by removing language providing that the correspondence work must be completed in accordance with the rules established by the State Board of Public School Education and removes other references to the State Board of Public School Education.
- Amends NDCC Section 15-19-02 to provide that the director of the Division of Independent Study is to carry out the administration of the division in a manner approved by the Educational Technology Council instead of the State Board of Public School Education.
- Amends NDCC Section 15-19-04 by removing references to the State Board of Public School Education and providing that the Department of Public Instruction is responsible for ensuring the Division of Independent Study courses meet state content standards.
- Amends NDCC Section 15-19-06 by changing all references to the State Board of Public School Education to the Educational Technology Council.

Mr. Neil Howe, Director, Division of Independent Study, suggested Section 3 of the bill draft be revised

to provide that the Superintendent of Public Instruction or Assistant Superintendent of Public Instruction is responsible for ensuring that Division of Independent Study courses meet content standards instead of the Superintendent of Public Instruction or an employee of the Department of Public Instruction designated by the Superintendent.

Telecommunications Service Bill Draft

The committee reviewed a proposed bill draft [30125.0200] relating to exceptions from the definition of telecommunications service and the entities allowed use of the statewide information technology network. The bill draft amends NDCC Section 49-21-01.1 by removing the time limit that startup occupants of technology parks or business incubators may receive telecommunications services from the higher education institutions, providing that educational, governmental, and other users may use higher education's interactive videoconferencing site facilities and associated network services, and providing that institutions may not incur costs for the services provided to others when the services are provided over institution telecommunications infrastructure.

Senator Schobinger suggested the bill draft be amended to provide that individuals from the private sector may only be allowed to use higher education's interactive videoconferencing services if videoconferencing services are not available from the private sector and the offering of such services does not inhibit future private sector service.

Criminal Justice Information Sharing Bill Draft

At the request of Chairman Robinson, the Legislative Council staff presented a revised bill draft [30126.0200] relating to the criminal justice information sharing initiative. The Legislative Council staff said the bill draft was revised from the previous committee meeting by replacing language referring to the Governor, in collaboration with the Supreme Court, establishing a criminal justice information sharing board with language providing that a criminal justice information sharing board is established.

The Legislative Council staff presented a memorandum entitled *Fiscal Impact of the Criminal Justice Information Sharing Initiative Bill Draft*. The Legislative Council staff said the proposed bill draft relating to the criminal justice information sharing initiative:

- Amends NDCC Section 12-60-16.9 relating to the fee for a record check by increasing the fee from \$20 to \$25. The bill draft also amends the section by adding language providing that 80 percent of all fees collected must be deposited in a criminal justice information sharing fund, the funds deposited in the criminal justice information sharing fund

are appropriated on a continuing basis to the Information Technology Department for criminal justice information sharing activities, and the remaining 20 percent of the fees must be deposited in the Attorney General's operating fund.

- Amends NDCC Section 62.1-04-03 relating to a license to carry a concealed weapon. At the present time, the statute provides that the fee for a concealed weapons license is \$25, of which \$10 must be deposited in the general fund and the remaining \$15 must be deposited in the Attorney General's operating fund up to a total of \$75,000 each biennium with the excess being deposited in the general fund. The bill draft provides that \$10 of the fee must be deposited in the criminal justice information sharing fund instead of the general fund, and the funds in the criminal justice information sharing fund are appropriated on a continuing basis to the Information Technology Department for criminal justice information sharing activities.

The following is a summary of the estimated fiscal impact relating to the proposed bill draft:

	General Fund	Criminal Justice Information Sharing Fund	Attorney General's Operating Fund
Record checks¹			
2003-05 estimated revenue under current statutory provisions - All revenue deposited in the general fund	\$450,000		
Increase in estimated revenue assuming a fee increase of \$5, from \$20 to \$25	112,500		
Total 2003-05 estimated revenue assuming a fee increase of \$5, from \$20 to \$25	\$562,500		
Fiscal impact - Assuming a change in the allocation of the revenue from the general fund to 80 percent to the criminal justice information sharing fund and 20 percent to the Attorney General's operating fund	(\$562,500)	\$450,000	\$112,500
Concealed weapons permits			
2003-05 estimated revenue under the current statutory provisions	\$49,910		\$74,865
Fiscal impact - Assuming \$10 of the fee being deposited into the criminal justice information sharing fund instead of the general fund	(\$49,910)	\$49,910	\$74,865
Total fiscal impact of the proposed criminal justice information sharing initiative bill draft	(\$612,410)	\$499,910	\$187,365

¹ These figures do not reflect record checks being conducted on behalf of agencies that work solely with children. The fee for these record checks is \$3.

Representative Skarphol suggested the Information Technology Department seek federal funds for funding the activities associated with the criminal justice information sharing initiative.

The committee recessed for lunch at 11:55 a.m. and reconvened at 1:00 p.m.

STUDY OF THE TECHNOLOGICAL CAPACITY AND NEEDS OF THE STATE

Mr. Jeff Swank, President, Information Technology Council, provided information regarding information technology. A copy of the information is on file in the Legislative Council office. He said the Information Technology Council was formed in 2000 by North Dakota business leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in information technology. He said the Information Technology Council Public Policy Committee with assistance from information technology industry stakeholders has developed the following legislative agenda for the council:

- Continue to support broadband infrastructure rollout and utilization.
- Further refine the telecommunications service definition in order to eliminate the four-year restriction placed on higher education institutions that provide services to tenants of technology parks or business incubators and allow "as-available" private sector use of the state's videoconferencing network.
- Support taxation policies that encourage investment in information technology equipment, staff, and infrastructure.
- Consider all aspects of the Internet taxation issue.
- Support a balance between open records laws and citizen privacy and security.
- Continue to support higher education and kindergarten through grade 12 funding, especially funding pertaining to information technology and information technology curriculum.
- Support bonding for information technology initiatives that move technology forward, including the proposed revenue bond issuance for the state's ERP system initiative.
- Encourage centralized posting of state procurement opportunities for professional service providers.
- Establish a grant program for the establishment of information technology infrastructure in areas of the state not connected to the statewide information technology network.
- Support entrepreneurial and venture capital programs.

In response to a question from Representative Skarphol, Mr. Swank said he would provide the committee with a listing of the Information Technology Council membership.

In response to a question from Representative Skarphol, Mr. Swank said the council supports the elimination of the four-year restriction placed on higher education institutions that provide services to technology parks or business incubators, but the council is not opposed to the tenants of technology parks or business incubators being limited to four years of services from the higher education institutions.

OTHER INFORMATION Kindergarten Through Grade 12 Information Technology Initiatives

Mr. Dan Pullen, Director, Educational Technology Council, distributed a copy of a report regarding education technology in North Dakota schools. A copy of the report is on file in the Legislative Council office. He said kindergarten through grade 12 schools use information technology as educational applications for teaching students required content and as administrative applications to manage the business of kindergarten through grade 12 education. He said the report provides a snapshot of kindergarten through grade 12 information technology initiatives in North Dakota schools and includes:

1. A summary of major kindergarten through grade 12 technology initiatives in North Dakota supported by local, state, and federal funds.
2. A description of 2001-02 accomplishments of the Educational Technology Council, the Information Technology Department, the Division of Independent Study, and EduTech (formerly Center for Innovation in Instruction and SENDIT Technology Services).
3. A summary of the Education Technology Council's technology needs assessment.
4. Goals and strategies developed by the Educational Technology Council, Division of Independent Study, and EduTech for the 2003-05 biennium.

Higher Education Information Technology Initiatives

Mr. Crawford distributed a copy of the 2002 annual report regarding North Dakota University System common information services. A copy of the report is on file in the Legislative Council office. He said University System common information services is a working title describing the organizational units reporting to the higher education chief information officer, including the Higher Education Computer Network (HECN), Interactive Video Network (IVN), and On-line Dakota Information Network (ODIN). The common information services provide a broad-based foundation of services for the support of, and enabling of, the education mission of the University System institutions and other North Dakota educational institutions. He said the total common information

services budget for the 2001-03 biennium of approximately \$11 million includes money appropriated by the 2001 Legislative Assembly (92 percent), funds paid by the Bank of North Dakota to support student information systems for financial aid purposes (2 percent), campus levies for student information services (2 percent), and user fees assessed by ODIN (4 percent). He said the common information services strategic goals for the future are to improve the University System's information technology-enabled business processes and services, support University System infrastructure needs, improve or enhance University System collaborative efforts to increase efficiency and cost-effectiveness, and provide and manage resources to align with University System strategic goals.

Information Technology Technical Education

Mr. Wayne Kutzer, Director, State Board for Vocational and Technical Education, provided information regarding the use of funding appropriated by the 2001 Legislative Assembly for information technology technical education. A copy of the information is on file in the Legislative Council office. He said the 2001 Legislative Assembly provided a \$422,300 general fund appropriation to the State Board for Vocational and Technical Education for information technology technical education. The funds were to be expended based on an agreement between ExplorNet, a nonprofit organization based in North Carolina, and the State Board for Vocational and Technical Education. The agreement provided for \$168,300 to be given directly to ExplorNet for administrative uses and \$254,000 to be granted to North Dakota schools that started ExplorNet programs.

Mr. Kutzer said as of July 12, 2002, ExplorNet does not have a presence in the state and based on a suggestion from the Attorney General's office, he has requested the return of \$84,000 of the administrative funding that was to be used for the second year of the 2001-03 biennium. He said he has been notified by the ExplorNet headquarters that it will respond to the request during the week of October 28, 2002. He said of the \$254,000 for North Dakota schools that started ExplorNet programs, \$122,500 was distributed to schools during the first year of the 2001-03 biennium and \$131,500 has been obligated to schools for the second year of the biennium.

Geographic Information Systems Initiative

Mr. Bob Nutsch, Geographic Information Systems Coordinator, Information Technology Department, presented information regarding the department's geographic information systems (GIS) initiative and provided a demonstration of the functionality of the GIS data hub. A copy of the information presented is

on file in the Legislative Council office. He said the department received a \$750,000 general fund appropriation for the 2001-03 biennium for a GIS coordinator position and for creation of a GIS centralized data hub. The department also received a federal grant from the Division of Emergency Management and the Federal Emergency Management Agency in the amount of \$451,000 to purchase hardware and software to host GIS data for the Devils Lake region. He said the design and the development of the centralized data hub has been completed. The benefits of the centralized data hub include reduction in costs due to agencies not developing individual infrastructure, increased access to data, creation of a core component for disaster planning, security, and risk management, and improved distribution of information to the public. He said he is looking forward to making the centralized GIS data hub an integral part of daily state government business and service to the citizens of the state and continuing to improve the design, functionality, performance, and content of the hub.

In response to a question from Senator Robinson, Mr. Nutsch said a GIS Data Advisory Committee oversees the validity of the data stored on the centralized data hub.

Federal Universal Service Fund

Mr. Mel Kambeitz, Qwest, provided information regarding the federal universal service fund, including information on the methods of collecting the universal service fee. A copy of the information is on file in the Legislative Council office. He said the federal universal service fund was established to support the telecommunications needs of consumers living in high-cost areas, low-income households, schools, libraries, and rural health care providers. The federal universal service fund is supported by all telecommunications carriers that provide service between states, including long-distance companies, local telephone companies, wireless telephone companies, paging companies, and pay telephone providers. He said Qwest's contributions to the federal universal service fund are recovered from all interstate telecommunications end user revenues based on the monthly charges associated with the type of product or services. The following is a summary of the charges:

Basic per line or trunk	\$0.56
Centrex, per station line	\$0.06
ISDN-PRI, per facility	\$2.80
All other interstate telecommunications services	8.1462%

Mr. Kambeitz said at the present time, Qwest's recovering percentage of 8.1462 percent is higher than the federal universal service fund contribution factor of 7.2805 percent due to Qwest undercollecting and underpaying into the federal universal service fund in the past.

In response to a question from Representative Skarphol regarding Qwest's recovery of federal universal service fund contributions, Mr. Kambeitz said Qwest will reduce the federal universal service fees it is charging its customers once the company has made up its underpayment to the federal universal service fund.

At the request of Chairman Robinson, the Legislative Council staff distributed a copy of testimony prepared by Mr. David Crothers, Executive Vice President, North Dakota Association of Telephone Cooperatives, regarding the federal universal service fund, including information on the methods of collecting the universal service fee. Chairman Robinson said Mr. Crothers was unable to be present at the meeting. The testimony provides that North Dakota local telephone cooperatives are recovering federal universal service fund contributions through a 46-cent charge applied on a per line basis and North Dakota long-distance companies are recovering federal universal service fund contributions by collecting a fee equal to 7.2805 percent of interstate and international calls.

In response to a question from Representative Skarphol regarding the federal universal service fund, Ms. Susan Wefald, Commissioner, Public Service Commission, said telecommunications providers collect a federal subscriber line charge to ensure all Americans can afford at least a minimal level of basic telephone service and a federal universal service charge to support the federal universal service fund.

In response to a question from Representative Skarphol, Mr. Wolfe said the Information Technology Department would provide the committee with information regarding the federal universal service fees paid by the department.

Public Safety Answering Points Coordinating Committee

Mr. Terry Traynor, Assistant Director, North Dakota Association of Counties, and member of the Public Safety Answering Points Coordinating Committee, provided information on city and county fees on telephone exchange access service and wireless service pursuant to NDCC Section 57-40.6-12. A copy of the information is on file in the Legislative Council office. He said the 2001 Legislative Assembly enacted legislation to establish a Public Safety Answering Points Committee responsible for reporting information on income and expenditures of the emergency services communications systems in the state. He said all citizens of North Dakota are connected to law enforcement, fire departments, and emergency medical responders through 23 public safety answering points (PSAPs) in North Dakota and one in South Dakota. He said Chapter 57-40.6 allows city and county governing bodies to impose a 911 fee that

does not exceed \$1 per month per telephone access line and per wireless access line.

Mr. Traynor said based on survey responses from 20 of the 23 North Dakota PSAPs and 28 of the 30 contract entities representing approximately 90 percent of the state's population, the operating costs for emergency services communications systems for calendar year 2001 was approximately \$9.5 million, of which \$3.3 million was paid from revenue from wireline 911 fees and \$6.2 million was paid from other sources. He said the income and expenses for calendar year 2002 will change slightly with the addition of the collection of wireless 911 fees authorized by the 2001 Legislative Assembly.

Department of Public Instruction - Pursuit of Grant Funds

Mr. Chris Kalash, Program Administrator, Department of Public Instruction, provided information regarding the Department of Public Instruction's pursuit of grant funds for projects relating to the use of technology in elementary and secondary education, pursuant to Section 10 of 2001 Senate Bill No. 2251. A copy of the information is on file in the Legislative Council office. He said the department has continued to display grant information on its web site and to notify school districts each time the information is updated. He said the department has forwarded information regarding implementing the Intel Corporation's teach to the future program to EduTech and EduTech will decide if the program should be implemented in North Dakota.

Major Information Technology Projects

Ms. Nancy Walz, Associate Director, Information Technology Planning, Information Technology Department, distributed a draft copy of the department's large project summary for the quarter ending September 30, 2002. A copy of the summary is on file in the Legislative Council office. She said at the present time all the state's major information technology projects are on track and the department has no concerns regarding the projects.

In response to a question from Representative Weisz regarding the Department of Transportation's construction automated record system (CARS) project, Mr. Wolfe said the Information Technology Department is working with the Department of Transportation on the CARS project and the Information Technology Department is comfortable with the status of the project.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Security-Related Records Bill Draft

It was moved by Representative Kempenich, seconded by Representative Weisz, and carried on a roll call vote that the bill draft [30127.0200] relating to an exemption of security-related

records from the open records requirements be approved and recommended to the Legislative Council. Senators Robinson and Schobinger and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." No negative votes were cast.

Information Technology Policies, Standards, and Guidelines Bill Draft

It was moved by Representative Huether, seconded by Representative Kempenich, and carried on a roll call vote that the bill draft [30218.0100] relating to the exemption of policies, standards, and guidelines adopted by the Information Technology Department under NDCC Chapter 54-59 from the Administrative Agencies Practice Act be approved and recommended to the Legislative Council. Senator Robinson and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." Senator Schobinger voted "nay."

Educational Technology Council and the Division of Independent Study Bill Draft

Mr. Wolfe said the Division of Independent Study has suggested that Section 3 of the bill draft be revised to provide that the Superintendent of Public Instruction or Assistant Superintendent of Public Instruction be responsible for ensuring that Division of Independent Study courses meet content standards instead of the Superintendent of Public Instruction or an employee of the Department of Public Instruction designated by the Superintendent.

Senator Schobinger said he believes the suggested change is not necessary. Representatives Huether and Weisz also said they believe the suggested change is not necessary.

It was moved by Representative Weisz, seconded by Senator Schobinger, and carried on a roll call vote that the bill draft [30123.0100] relating to the Educational Technology Council as the governing entity of the Division of Independent Study be approved and recommended to the Legislative Council. Senators Robinson and Schobinger and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." No negative votes were cast.

Powers and Duties of the Information Technology Department Bill Draft

It was moved by Representative Skarphol, seconded by Representative Huether, and carried on a voice vote that the bill draft [30122.0100] relating to the powers and duties of the Information Technology Department, the State Information Technology Advisory Committee, and information technology plans be amended to provide that the Information Technology Department may finance the purchase of

software, equipment, or implementation services only to the extent the purchase amount does not exceed 10 percent of the budget appropriated to the department during that biennium.

In response to a question from Representative Skarphol regarding the repeal of the State Information Technology Advisory Committee, Mr. Wolfe said the State Information Technology Advisory Committee's primary function is to provide advisory information regarding the function of the statewide information technology network.

In response to a question from Representative Skarphol regarding state agencies' authority to borrow funds due to a disaster, the legislative budget analyst and auditor said NDCC Section 54-16-13 provides any board, agency, commission, or officer of the state, subject to the approval of the Emergency Commission, the authority to borrow money from the Bank of North Dakota for the purpose of responding to a disaster within the state and Section 54-16-04 allows the Emergency Commission in an extremity to authorize money to be drawn from the state treasury to meet the emergency until the Legislative Assembly can make an appropriation available.

It was moved by Representative Skarphol, seconded by Representative Kempenich, and carried on a voice vote that the bill draft [30122.0100] relating to the powers and duties of the Information Technology Department, the State Information Technology Advisory Committee, and information technology plans be further amended to continue the three-year limit on the length of financing agreements.

It was moved by Representative Skarphol, seconded by Representative Kempenich, and carried on a roll call vote that the bill draft [30122.0100], as amended, relating to the powers and duties of the Information Technology Department, the State Information Technology Advisory Committee, and information technology plans be approved and recommended to the Legislative Council. Senator Robinson and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." Senator Schobinger voted "nay."

Telecommunications Service Bill Draft

Senator Schobinger suggested the bill draft relating to exceptions from the definition of telecommunications service and the entities allowed use of the statewide information technology network be amended to provide that individuals from the private sector may only be allowed to use higher education's interactive videoconferencing services if videoconferencing services are not available from the private sector, governmental and educational users shall be given priority in the use of the services, and the offering of services to other individuals does not inhibit future private sector service.

Mr. Wolfe suggested the bill draft be amended to provide that kindergarten through grade 12 videoconferencing services may also be used by other individuals if videoconferencing services are not available from the private sector.

In response to a question from Representative Huether regarding private sector use of the statewide information technology network, Mr. Wolfe said the state's contract with Dakota Carrier Network for the statewide information technology network provides that the state may not connect a private sector entity to the statewide information technology network.

It was moved by Representative Skarphol, seconded by Representative Kempenich, and carried on a voice vote that the bill draft [30125.0200] relating to exceptions from the definition of telecommunications service and the entities allowed use of the statewide information technology network be amended to continue the four-year limit on secretarial or business startup support and to add language providing that the private sector may only be allowed to use kindergarten through grade 12 or higher education's interactive videoconferencing services if services are not available from the private sector, governmental and education users shall be given priority in the use of the services, and the offering of services to private sector individuals does not inhibit future private sector service.

It was moved by Representative Skarphol, seconded by Representative Kempenich, and carried on a roll call vote that the bill draft [30125.0200], as amended, relating to exceptions from the definition of telecommunications service and the entities allowed use of the statewide information technology network be approved and recommended to the Legislative Council. Senators Robinson and Schobinger and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." No negative votes were cast.

Criminal Justice Information Sharing Initiative Bill Draft

It was moved by Representative Kempenich, seconded by Representative Skarphol, and carried on a voice vote that the bill draft [30126.0200] relating to the criminal justice information sharing initiative be amended to change the language referring to a continuing appropriation of funding in the criminal justice information sharing fund to provide that the funding in the criminal justice information sharing fund be spent subject to legislative appropriation.

It was moved by Representative Kempenich, seconded by Representative Weisz, and carried on a roll call vote that the bill draft [30126.0200], as amended, relating to the criminal justice information sharing initiative be approved and recommended to the Legislative Council. Senator Robinson and Representatives Huether, Kempenich, and Weisz voted "aye." Senator Schobinger and Representative Skarphol voted "nay."

It was moved by Representative Skarphol, seconded by Representative Huether, and carried on a voice vote that the chairman and the staff of the Legislative Council be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Council.

The meeting was adjourned subject to the call of the chair at 4:27 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1