

**2013 SENATE APPROPRIATIONS**

**SB 2021**

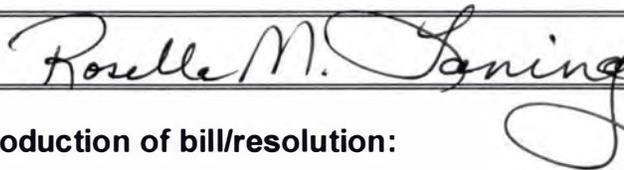
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
January 11, 2013  
Job # 17097

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department.

### Minutes:

Testimony attached # 1-3

**Chairman Holmberg** called the committee to order on SB 2021. Roll call was taken. All committee members were present.

OMB - Lori Laschkewitsch  
Legislative Council - Brittani Reim

### **Mike Ressler, Deputy CIO/Director, ND Information Technology Department**

Presented the ITD budget.

Electronically attached - # 1

<http://www.nd.gov/itd/files/publications/2013-01-11-sb2021-senate-appropriations-committee.pdf>

His presentation is an overhead slide and he commented that they figure they are saving about \$150 by not printing the colored material and presenting their budget electronically. He informed the committee of the ITD personnel.

ITD is not asking for any new positions, with the exception right before they submitted their budget, there was a decision made that they are going to take 4 software development positions from WSI and transfer those positions over to ITD. ITDs budget will go up by four and other than that, they are staying neutral on positions.

(9:25) **Senator Warner** - The software people at WSI must be WSM money now. Does that show up as special funds or is there a general fund obligation by the transfer?

**Mike Ressler:** It's all special funds for us. It's probably special funds for them to because I think they get their money via fees. When they request their funding, they request special fund dollars. We'll show it as special fund authority because we will provide service and bill them.

**Mike Ressler:** When we have a project that goes down, it unfortunately overshadows all the good projects we've got going. During the last fiscal year, we, in state government, completed 9 large projects. Large projects are \$250,000 and above. Those 9 projects had a budget of a little over \$11M. Seven of those nine projects were completed on or under budget and the other two were completed within their 20% variance that we call acceptable.

(14:18) **Senator Carlisle:** Don't we have performance bonds or some kind of insurance that we can buy?

**Mike Ressler:** We did a performance bond when we did the CONNECTND project way back. It's a very expensive process that you go through. What we've said in the past is if a performance bond needs to be procured, it has to be at the expense of the vendor. The vendor then tacks it onto the cost of their proposal. In a sense, the state is paying for it. What we see with current performance bonds - because they are very much like other lawsuits, it gets down to who contributed to the issues, to the problems. The premium on that performance bond is so high - I don't want to say it's double, but you are almost paying for the project twice, so that in the event you have a failure, you can say we got our money back, but maybe your money was double of what the original proposal would have been.

**V.Chairman Bowman** asked if we are completely out of our money if we run into a wreck and need to shut a project down. Is there anything that we've gained from the first \$3 - 4 M that we spend? Or is that totally wasted and they start over?

**Mke Ressler:** No it's not all wasted. Sometimes it's hard to quantify the dollars of value that you've gained, but in every case, the agency is going through an analysis process - a defining requirements phase, and all that information can be re-used going forward. It usually amounts to a lot of dollars because it's internal resource time. Depending on how far the project goes down, if they established or built any code, sometimes you can reuse that code. Unfortunately, if another vendor comes in, we've tried reusing the code piece and you spend more money trying to fit that code into a new system that you just start from scratch. No, you don't waste everything. It's sometimes hard for me to get up and say if we lost \$2M dollars, \$700,000 of that is reusable.

**V.Chairman Bowman:** I remember when technology first came in, and we were told how much money it was going to save us, and how much faster things were going to get done. I know in Human Services, we had a project and I'm not sure that it is done yet. And we've spent millions and millions of dollars on that project, way above what was estimated and what have we got out of it?

**Mike Ressler:** The technology that we've employed that's been successful has probably saved us real dollars. Again, it's hard to quantify to say that we would have hired 3 more people if we hadn't deployed that. I remember an individual getting in front of a committee and they said that. There was a legislator at the other end and they said, "But you wouldn't have gotten those three people." You hate to get up and be too arrogant and say here's how much money you've saved because of the technology that's being done.

One of the new things we are doing now is the executive order that the Governor implemented for all executive branch agencies. There happens to be a SB 2034 where the

legislative IT committee recommended that they take that executive order and put it into statute. It brings a lot of value and it really says that there will be five people who will make these big decisions on the IT projects, at the implementation phase as well as throughout the project. The 5 people are the CIO (**Lisa Feldner**), OMB director (**Pam Sharp**), the dept. head of agency who is doing the project - who in the past is the one who's really been responsible. That individual has really had the authority to make the decisions. And sometimes those are tough decisions when you've never been in that position before. The other two members of that executive committee are a large project oversight person from ITD because they have a lot of experience, as well as the agency sponsor - someone in the agency who really knows that business. Those 5 people have to make decisions with regard to accepting a change order, do we increase time frame, do we add money? Where in the past, only one person made that decision. No fault to the one person, but with 5 heads in the room making some of those calls, especially with some of the experience, I think those would be better decisions.

(23:45) **V.Chairman Grinberg** asked what is the status of the contract with DCN (Dakota Carrier Network) Is that a 3 year contract? Does it automatically renew? Some believe it's an exorbitant contract as far as pricing.

**Mike Ressler:** Yes, we renew that contract every three years. This contract will come due again in June of 2015. We spend about \$13M a biennium so it is substantial money that goes to DCN. They don't get it themselves; they give it to the rural telecommunications that actually provide connectivity out in the state. In our last negotiation with DCN, we lowered our cost a little bit but at the same time, we really increased bandwidth. What used to cost \$600 for a 1.5 megabit circuit, they gave us a 5 megabit circuit for that same dollar amount.

**V.Chairman Grinberg:** Is that a competitive bid process where others are having an opportunity and there's a review process?

**Mike Ressler:** That is correct. They all have that opportunity. In the past, there aren't too many people who can play in that market, because they have to be able to work with the rural telecommunication companies and that gets into regulation and de-regulation. We want to be competitive because that's the only thing that will keep DCN honest. We do comparisons with other states and we feel that in ND, we are getting a good deal. We're very fiber rich in our state.

(33:44) **Chairman Holmberg** questioned the slide on page 18 - math is wrong.

**Mike Ressler** apologized and said it's supposed to be \$1.214,609 is the general fund total. He also said that the beauty of not printing this on paper and via doing it a link, they can go back and correct that mistake and we don't have to send out another \$150 worth of paper.

(38:40) **Senator Robinson** asked if PowerSchool was available to private schools. Answer yes, but there is a fee.

**Senator O'Connell** asked about the grant programs and going paperless as part of projects.

**Darin King - Director, ND Education Technology Council** - I'd have to go back and look specifically, but that's part of our classroom transformation grants from the previous biennium. There were 11 different grants through two different pools of funding that we helped throughout the state.

#### HIT - Health Information Technology

(44:15) **Senator Robinson:** On the health exchanges, some of the hospitals are transitioning into HIT. One of the concerns we're hearing about is not only the initial cost of the ongoing maintenance. And some of the smaller hospitals are really struggling with that ongoing bill forever. Is that bill going to remain constant? Do they have any other options to offset some of those costs? We were discussing the possibility of some of the small hospitals sharing a program and working together. It is an ongoing concern.

**Sheldon Wolf, ND Health Information Technology director:** In the loan program, we've allowed them the purchase of the electronic health record system into the exchange at 1%. Some of them have the 1<sup>st</sup> years costs associated with that, so that they are able to use those. We encourage the providers to work with the big vendors. We've seen one vendor discount their costs by about 15%. One area where we worked on this with the federal government a bit was, we had vendors that when we started looking to connect them, they came in 3x higher than I had anticipated costs were going to be. Working with other states, we said that we have to come down with these costs and actually dropped their costs by 2/3. We are doing things to push the vendors down a little bit. We don't have anything within our grants or dollars to cover ongoing operating costs for the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> year. However, if they're using their system, they can get incentive payments from Medicare and Medicaid for a few years to cover some of those costs also.

**Senator Robinson:** For an average small town hospital, what kind of maintenance costs would they be looking at? What are they talking about when they say the maintenance costs are "high" for that kind of system?

**Sheldon Wolf:** I don't know exactly what their ongoing costs are. I think it's going to depend upon what they have - if they have their labs. There are so many different components and they could be different on every one, so I really can't answer that question. We have seen where they are putting in a system where they are making changes with it in the smaller facilities. We're looking at anywhere from \$500-600,000 in the costs associated with those type of things, as where we're seeing the loan program questions come in and that's the type of costs we're covering with that. That may include a little bit of their salaries for their people - especially if you have to hire somebody to be able to do it.

(51:17) **Chairman Holmberg:** You certainly got the attention of committee members when you presented your budget which was less money and came in under budget. Typically, that's not the case in the budgets we see.

**Senator Kilzer:** In regard to the medical management information systems, we have been told quarterly by the Dept. of Human Services to be patient. Would you have the authority

to say "enough is enough"? Or is that up to the Human Services Dept.? What is your involvement with the largest of projects, which is really pretty sick right now?

**(52:24) Lisa Feldner, CIO, Information Technology Department**

MMIS is one of those troubled projects. We now have an executive steering committee monitoring the project. The governor implemented an executive order in July of 2001 to put an executive steering committee in charge of these large IT projects than just having the agency people. As a result, the steering committee is the one this week that said the WSI vendor has to go. We are looking very closely at the MMIS right now. It's pretty interesting contract negotiations at this point, but they are confidential so I can't say a whole lot about it, but I completely agree with you. It's unacceptable.

**Senator Kilzer:** You answered my question very well because I was mainly interested in who will be making the decisions about that and you answered it well. Thank you.

**Senator Warner:** We're in the development process of MMIS - a project which is going to be used by a lot of states. Who's tracking the ownership of the intellectual property generated by these? Are we accumulating intellectual property which we have and which we are able to recover part of our development costs if it is used by another state? Or is it all becoming proprietary information which is retained by the vendor?

**Mike Ressler:** I don't know about the MMIS code and how that contract is written. Many times when we buy software that is developed not just for us. The idea is that it will be used by multiple parties, in this case, state governments. The owner or developer of that software retains ownership. They won't give that away. The concept behind that is that you pay a portion of what it would have cost you to develop it. They maintain it ongoing and you pay this annual maintenance fee. Whenever we get into software development products where software is being developed from scratch, we try very hard to say that if we're going to be paying for the development of that software, we want ownership of that software. I don't believe the state had ownership of the MMIS software. That was going to be a product that they were going to resell to other states, thus they would never give you ownership of it.

**(55:40) Senator Mathern:** On the executive order, and the bill making sure that state agencies coordinate with you about moving it to projects. How do you remain attentive to the benefits of creativity or competition? If it all gets so centralized, isn't there also the risk at some point, that the central entity doesn't take on new products or becomes of new ways of doing things?

**Mike Ressler:** I'm not too concerned about it and the reason is because they are called IT projects, but they are business projects. In all cases, there is a business entity that had a need and they are looking for a solution. More times than not, that group of people will have heard there are technologies that can solve our problem. They will have done that analysis before they engage ITD. I think our architects are pretty creative people. They are always looking for the next best technology to improve the process. I sometimes worry that they are so much into the technology that they forget there is a budget we have to work with.

CJIS - Criminal Justice Information Sharing  
(58:03)

**Tom Trenbeath, Chief Deputy Attorney General CJIS**

Testified in favor of SB 2021

Testimony attached # 2

Testimony attached # 3

(read from testimony)

(1:01:25) **Chairman Holmberg** asked **Lori Laschkewitsch, OMB**, for some background of the executive budget that determined that the amount would be \$2.4M versus the \$3.9M.

**Lori Laschkewitsch:** When we're recommending the budgets, we have to balance all of the requests brought to us. In looking at this budget, they do have some base projects funded in the budget - about \$500,000. They also have some carryover funding from the 2009-11 biennium of projects that they were continuing to fund. So with the \$500,000 in the base budget and additional \$200,000, we felt that was some money that they could continue to work towards completing the \$1.7M worth of projects.

**Chairman Holmberg** asked if there was any money in the department's money for CJIS or is all the money coming through ITD?

**Lori Laschkewitsch:** All of the CJIS funding is in the ITD budget and it's in one particular line, so there isn't the ability for other IT budget funding to go towards this project.

(1:03:00) **Senator Warner:** Is CJIS the agency that does background checks for gun possession or gun purchase? Should there be some changes in federal policy - or would the federal mandate carry with it additional funds to implement this?

**Tom Trenbeath:** That's anyone's guess as to whether any requirements from the fed would come with dollars attached. With respect to criminal background checks, those are done by BCI, but they are accessible through every law enforcement agent and the courts and state attorneys, etc. through the CJIS hub. That's what that hub is there for.

**Senator Warner:** The agency is just the transmittal device? Answer: Yes.

**Tom Trenbeath:** In regards to the funds that are in the existing budget is an inadvertent mischaracterization of those funds because of the lack of knowledge of where those funds are presently being expended. They are being expended on existing projects plus maintenance of past projects. There are no new dollars in there for new projects.

**Chairman Holmberg** said the subcommittee would be **Senator Wanzek, Senator Gary Lee, and Senator Robinson**. **Senator Robinson** has been involved in the ITD budget over a number of years and would be a great resource as we look at this request. .

**Senator Carlisle:** The AGs budget is in house. Is the only avenue is to look to this budget. Can you do some CJIS funding over in the House in the AGs budget?

**Tom Trenbeath:** We don't care where the money comes from. It's just that the IT budget in AGs office is developing interconnections between the crime lab and BCI. We have a series of Towers of Babel around the state and in different agencies and different law enforcement. CJIS is teaching them to talk to each other. And that would be the budget in the AGs office for IT is for developing another one of those Towers of Babel (or maybe several) and it would be up to CJIS to teach it to talk to the rest of the community.

**Chairman Holmberg** closed the hearing on SB 2021.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

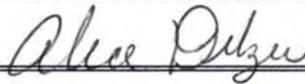
SB 2021 Subcommittee

01-31-2013

Job # 18112

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing on SB 2021 Information Technology Department

### Minutes:

You may make reference to "attached testimony."

**Chairman Wanzek** called the subcommittee to order on Thursday, January 31, 2013 at 3:30 pm in the Harvest Room. Senator Gary Lee and Senator Mathern were also present. Brittani Reim from Legislative Council and Pam Sharp from OMB were also present.

**Chairman Wanzek:** Let the record show that Senator Gary Lee is present and we also have Senator Mathern replacing Senator Robinson who is gone for the day. I had the opportunity to visit with Lisa and Mike to get a tour of the administrative offices and data centers here in the building. For me it is somewhat helpful to see to visually see what we are talking about when we are talking about numbers. One issue is the criminal justice information system is an issue we need to resolve. In testimony from the AG's office, there was a project of funds requested an optional request of 1.78 million and in the Governor's budget it was funded at two hundred thousand, how was that number arrived at?

**Pam Sharp, OMB:** Several biennium's ago Lori Laschkewitsch who is the budget analyst for ITD, made a point of putting over five hundred thousand dollars in the base budget for CJIS, Criminal Justice Sharing Initiative, and they had that since the 2009 biennium. It was our understanding that there was at least \$500,000 in the base budget for projects. Historically we have given them two hundred thousand additional, one time money on top of that but we thought the five hundred thousand would at least be in their base so they would have that all the time. In addition they have some carry over. (2:00-4:00)

**Chairman Wanzek:** In OMB perception is putting like a million dollars and there would be the three hundred plus the five hundred plus the two hundred.

**Pam Sharp:** We were not aware that they were using the five hundred thousand in their base budget for something other than projects.

**Chairman Wanzek:** Your projection for this year going into the next biennium your numbers show around three hundred thousand.

**Pam Sharp:** A spreadsheet that Lori Laschkewitsch had in her file said projected carryover. I am not sure where she got that number.

**Chairman Wanzek:** The project from the testimony we heard was like 1.78 million.

**Pam Sharp:** Of the request.

**Senator Mathern:** How would an amount that large be confusing as to whether or not it was project or operating, such a lose system of attending to dollars that we can literally miss direct five hundred thousand?

**Pam Sharp:** It was not misdirected. Our understanding was it would be used for that purpose but when we are doing the budget we don't go back into the accounting records ourselves and check and make sure they use the money for that. It was not communicated to us that it was used for something other than projects.

**Senator Mathern:** I presume it was needed elsewhere. I am not questioning that I am just surprised something wasn't labeled clear enough that we would know what the intent was.

**Mike Ressler, Deputy CIO with ITD:** There is a program called the, Statewide Automated Victims Information Notification, and when that program originated in North Dakota it came with federal funds. We were fortunate to be able to use federal funds for two or a biennium and a half. What happened is the federal funds have been used and so now we need to use general funds to support that program. The way the budget was put together with optional packages it's in the base budget. It would be easy for OMB to say they didn't see how we did that. You would almost have to see the accounting records to see how that would be overlooked.

**Chairman Wanzek:** Were you part of the CJIC project and when they arrived at the 1.78 million are you familiar with it?

**Mike Ressler:** I am not the CJIC executive committee that decided what projects to be on, Lisa is on that.

**Chairman Wanzek:** Tom can you tell us how you arrived at the 1.78 million?

**Tom Trenbeath, Attorney General's Office:** I can't directly. I am part of the board; I am the law enforcement guy. I would be here to try and bring home the importance of the projects that we designated for this next biennium for law enforcement. In helping to tie this whole octopus of law enforcement information together such that in the end law enforcement can dial up on his little laptop and know as much as he can know about the encounter they are about to have. That means you have to have access to court records, prosecution records, and to other law enforcement records. We need to teach them all to talk to each other.

**Lisa Feldner, Chairman of the CJIS Board:** We have a subcommittee on the board that does priorities. They decided the priorities that they brought to the board and then the board then voted them forward.

**Pam Schafer, Director for the CJIS Program:** We had a committee that helped plan out our future in a roadmap for the next six to ten years. So not only did we look at what we should be doing in the next two years but we looked at what the long term strategy for that roadmap to get us where we need to be. We have a good system but could further enhance it for the law enforcement for the growing state. She continues to explain the projects within the CJIS program, (12:15-20:03)

**Chairman Wanzek:** With all the bells and whistles it is 1.78 but you just told me it is roughly 1.2 if we can get you to the point where you want to be functional and be able to effectively carry out the things you need to do this next biennium. Can we assume there is already two hundred thousand appropriated in here?

**Pam Schafer:** The two hundred thousand I took out of here because I took that as it was authorized so I went with the assumption that we had that two hundred thousand already. We covered other projects already with that two hundred thousand.

**Chairman Wanzek:** You are saying to fully get to the point you want to be it would be 1.4?

**Pam Schafer:** Correct because that two hundred thousand is in addition. It is actually one million, one hundred and eighteen thousand.

**Chairman Wanzek:** So is three hundred thousand roughly where your carryover is going to be?

**Pam Schafer:** Yes we estimated that roughly we will potentially have around three hundred thousand dollars that is if we are able to get that from OMB in the time frame that we ask.

**Senator Lee:** You mentioned a prioritization process that went on and you are part of that process was CJIS in your priority list for funding up to the level you are asking for?

**Pam Schafer:** Correct we ranked the order that they are in at the 1.7 million dollar range, we ranked them from high to low.

**Senator Lee:** So this 1.7, we aren't talking about this being prioritized separately from the other lists you have here?

**Pam Schafer:** No the list you have in front of you is the subset of the 1.7, it is a scaled down version of that. We prioritized within CJIS and that was the 1.7 total million, the projects.

**Chairman Wanzek:** I am not prepared to take any action yet. I am ready to adjourn for the day.

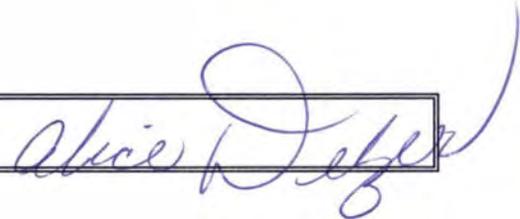
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021 Subcommittee  
02-07-2013  
Job # 18536

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing in regards to the Information Technology Department

### Minutes:

Proposed Amendment # 13.8171.01001

**Chairman Wanzek** called the subcommittee hearing to order in regards to SB 2021. All subcommittee members were present: Senator Wanzek, Senator Gary Lee and Senator Robinson. Mike Ressler from ITD was present as were Sheila Peterson from OMB and Brittani Reim from Legislative Council.

**Chairman Wanzek** handed out amendments and said the only issue they would need to address was the Criminal Justice Information System request.

Amendment #13.8171.01001 takes into consideration \$200,000 that was in the budget for CJIS and an estimation that there's going to be \$300,000 in CJIS for carryover of funds he is hoping can be used

**Senator Robinson** moved the amendment.

Seconded by Senator **Gary Lee**. Motion carried on a voice vote.

**Chairman Wanzek** said other than that they will follow the governor's recommendations. He is still learning about all the programs. He understands the 4 FTE's aren't necessarily an increase. It is transferring 4 from Workforce Safety to ITD. He understands there are four more but it is a slow gradual conversion.

**Chairman Wanzek** adjourned the subcommittee. They will let the full committee know the budget is ready to act on.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
February 8, 2013  
Job 18572

Conference Committee

Committee Clerk Signature

*Rose Lanning*

### Explanation or reason for introduction of bill/resolution:

This was a vote taken on the budget of the Information Technology Department.

### Minutes:

**Chairman Holmberg** opened the hearing on SB 2021 and said this is another big budget. He wanted to inform the committee that there are some in the House that want to reduce the executive recommendation for salary. The Senate has made its position known, but will wait to see if the House passes it.

**Senator Wanzek** presented amendments 13.8171.01001.

The only issue that we're really addressing in the budget is the Criminal Justice Information System budget. In visiting with people within ITD and OMB, there was \$200,000 put into the budget for the CJIS system for projects and the request was \$1.78M so there was a discrepancy there. In visiting with OMB and trying to understand why or how they came up with the \$200,000, I was presented with a list of carryover funds of \$300,000 and there was also carryover funds of \$500,000 for special projects that I was told was a mistake. It actually was built into the base budget for CJIS programs, so the \$500,000 was NOT carryover. What we ended up doing, we came up with a number somewhere between \$1M to \$1.2M which would accomplish what CJIS wanted to do. This would at least get them to the point where they needed to be.

When you look at the \$200,000 that's in the budget and the carryover in CJIS of \$300,000, that equals \$500,000, so we added \$600,000 to get them up to \$1.1M. Other than that, everything remains the same as it was presented in the governor's budget.

**Senator Wanzek moved amendment 13.8171.01001**  
**Senator Robinson seconded.**

**Senator Carlisle:** The CJIS system has been around for quite a while. I'm curious (for OMB) why it didn't appear in the budget. Obviously must be a good reason, but...

**Senator Robinson:** I think what happened was just confusion in the process and that was the only thing. I don't think there was any intent that they aren't doing their work or this is

an inflated budget. There was an assumption there was more money left carryover. In the analysis, we found that wasn't the case and no one is at fault here. It's one of those things that kind of fell through the cracks. The agency is very pleased with this product and they feel we'll be able to move forward. It is a marriage between ITD and the Attorney General's office. This program is working and working well. We heard from the Highway Patrol and other law enforcement agencies. This is state of the art and I think the package is worth supporting.

**Voice vote taken on the amendments. Carried.**

**Senator Wanzek moved Do Pass as Amended on SB 2021.  
Senator Robinson seconded the motion.**

**A roll call vote was taken. Yea: 13    Nay: 0    Absent: 0**

**Senator Robinson will carry the bill on the floor.**

PROPOSED AMENDMENTS TO SENATE BILL NO. 2021

Page 1, replace line 23 with:

"Criminal justice information sharing                    2,781,394                    1,087,967                    3,869,361"

Page 2, replace line 1 with:

"Total all funds                    \$172,217,340                    (\$563,393)                    \$171,653,947"

Page 2, replace line 3 with:

"Total general fund                    \$19,052,204                    \$2,310,857                    \$21,363,061"

Page 2, replace line 10 with:

"Criminal justice information sharing projects                    \$200,000                    \$800,000"

Page 2, replace line 19 with:

"Total general fund                    \$200,000                    \$1,315,000"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$54,437,801		\$54,437,801
Operating expenses	64,834,643		64,834,643
Capital assets	12,500,600		12,500,600
Center for Distance Education	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754		1,870,754
Educational Technology Council	1,814,609		1,814,609
EduTech	8,279,530		8,279,530
K-12 wide area network	4,928,177		4,928,177
Geographic Information System	1,460,294		1,460,294
Health Information Technology Office	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	600,000	3,869,361
Federal stimulus funds	<u>6,800,000</u>		<u>6,800,000</u>
Total all funds	\$171,053,947	\$600,000	\$171,653,947
Less estimated income	<u>150,290,886</u>	0	<u>150,290,886</u>
General fund	\$20,763,061	\$600,000	\$21,363,061
FTE	340.30	0.00	340.30

Department No. 112 - Information Technology Department - Detail of Senate Changes

	Adds One-Time Funding to the CJIS Projects <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses		

Capital assets		
Center for Distance Education		
Statewide Longitudinal Data		
System		
Educational Technology Council		
EduTech		
K-12 wide area network		
Geographic Information System		
Health Information Technology		
Office		
Criminal Justice Information	600,000	600,000
Sharing		
Federal stimulus funds		
Total all funds	\$600,000	\$600,000
Less estimated income	0	0
General fund	\$600,000	\$600,000
FTE	0.00	0.00

<sup>1</sup>The criminal justice information sharing line item is increased by \$600,000 from the general fund for one-time funding for the Criminal Justice Information Sharing project to complete the updating process to allow the integration and electronic sharing of criminal justice information among agencies.

Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Mathern; Miller; Oehlke; Poolman; Schaible; Sinner; Sitte; Sorvaag; Unruh; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Grindberg; Nelson

SB 2189 failed.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2186:** A BILL for an Act to create and enact section 15.1-21-02.9 of the North Dakota Century Code, relating to eligibility for North Dakota career and technical scholarships and North Dakota academic scholarships; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 15 YEAS, 30 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Miller; Murphy; O'Connell; Robinson; Schneider; Sinner; Triplett; Warner

**NAYS:** Anderson; Armstrong; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Oehlke; Poolman; Schaible; Sitte; Sorvaag; Unruh; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Grindberg; Nelson

SB 2186 failed.

\*\*\*\*\*

### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2023, SB 2118, SB 2185, SB 2211, SB 2251, SB 2294, SB 2316, SB 2322, SB 2337, SB 2361.

### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2117.

### MOTION

**SEN. KLEIN MOVED** that the absent members be excused, which motion prevailed.

### MOTION

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Tuesday, February 12, 2013, which motion prevailed.

### REPORT OF STANDING COMMITTEE

**SB 2021: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2021 was placed on the Sixth order on the calendar.

Page 1, replace line 23 with:

"Criminal justice information sharing	2,781,394	1,087,967	3,869,361"
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Page 2, replace line 1 with:

"Total all funds	\$172,217,340	(\$563,393)	\$171,653,947"
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Page 2, replace line 3 with:

"Total general fund \$19,052,204 \$2,310,857 \$21,363,061"

Page 2, replace line 10 with:

"Criminal justice information sharing projects \$200,000 \$800,000"

Page 2, replace line 19 with:

"Total general fund \$200,000 \$1,315,000"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$54,437,801		\$54,437,801
Operating expenses	64,884,643		64,884,643
Capital assets	12,500,600		12,500,600
Center for Distance Education	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754		1,870,754
Educational Technology Council	1,814,609		1,814,609
EduTech	8,279,530		8,279,530
K-12 wide area network	4,928,177		4,928,177
Geographic Information System	1,460,294		1,460,294
Health Information Technology Office	4,785,991		4,785,991
Criminal Justice Information Sharing	3,200,361	600,000	3,800,361
Federal stimulus funds	6,800,000		6,800,000
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$600,000</b>	<b>\$171,653,947</b>
Less estimated income	150,290,886	0	150,290,886
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$600,000</b>	<b>\$21,363,061</b>
FTE	340.30	0.00	340.30

**Department No. 112 - Information Technology Department - Detail of Senate Changes**

	Adds One-Time Funding to the CJIS Projects <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses		
Capital assets		
Center for Distance Education		
Statewide Longitudinal Data System		
Educational Technology Council		
EduTech		
K-12 wide area network		
Geographic Information System		
Health Information Technology Office		
Criminal Justice Information Sharing	600,000	600,000
Federal stimulus funds		
<b>Total all funds</b>	<b>\$600,000</b>	<b>\$600,000</b>
Less estimated income	0	0
<b>General fund</b>	<b>\$600,000</b>	<b>\$600,000</b>
FTE	0.00	0.00

<sup>1</sup>The criminal justice information sharing line item is increased by \$600,000 from the general fund for one-time funding for the Criminal Justice Information Sharing project to complete the updating process to allow the integration and electronic sharing of criminal justice information among agencies.

**2013 HOUSE APPROPRIATIONS**

**SB 2021**

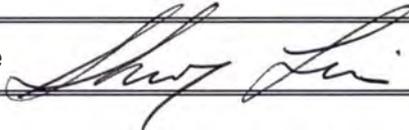
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2021  
March 15, 2013  
Recording Job# 19985

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; and to provide for various transfers.

## Minutes:

**Chairman Thoreson:** Opened the hearing on SB2021. All members were present.

**Mike Ressler, Deputy CIO, ND Information Technology Department:** Testimony see attached link [SB2021 House Appropriations Committee Presentation](#).

10:53

**Chairman Thoreson:** Why do you think that is with all the experience and knowledge we have with technology; why there's such a variance?

**Mike Ressler:** When you're doing software development, you can spend a lot of time in the analysis phase understanding exactly what the requirements are for that project. When you get into the development phase, new things always surface. You want to do things right the first time; so you spend the extra time and spend the extra money. The IT industry has said based on that we estimate 20% above is probably normal.

15:54

**Vice Chairman Brandenburg:** That's my concern as I understand this IT a little better; there's still some agencies out there that get caught in those types of situations where you have to have an experienced team that has some knowledge and understands the environment.

**Mike Ressler:** I think in all fairness to the department head; if you look at it, most of the time this is their first large IT project; so they don't have any experience with this.

**Representative Hawken:** We almost always get an outside vendor to develop these; we don't do them ourselves?

**Mike Ressler:** Usually the large IT projects, where it requires software development; our first goal is usually to go and find something already developed. There was a time where

we believed if we could get about 70% functionality; let's start there. If you're going to modify 30% of that code, you're dealing with a lot of risk. Usually on the large applications, we are going out and finding an external vendor to do that. The Information Technology Department hasn't done too many multi-million deals; the first one was really human services Vision Application a number of years ago for \$5 million. During the special session we were authorized to do the eligibility project; that's about \$48 million project.

**Representative Hawken:** I think there are an awful lot of legislators who think when we say we're bringing things in house; that means that you are doing it.

**Mike Ressler:** When we are given the project and we're the prime; we will go find contractors to supplement. In these bigger applications we've given the contract to an external vendor. We try very hard to find local developers; we're very much about creating a local environment for software. Currently we have 22 contractors on staff supplementing our team; they're not from North Dakota, we have business with people from North Dakota but they're bringing these people in from overseas.

22:24

**Representative Glassheim:** Do you have significant protective devices and people assigned to anti-hacking?

**Mike Ressler:** Yes. We have full-time staff that do nothing more than monitor that type of stuff.

24:06

**Chairman Thoreson:** Is this part of the national broad ban plan?

**Mike Ressler:** It is. The federal government gives money; all the states put together this program.

**Chairman Thoreson:** Where are the feds with the plan?

**Mike Ressler:** We believe the first phase of that program was a good phase. The telephone companies are the ones who really populate this data. We have a very good map. The federal government sees these phases continuing; First Net is a continuation of that program. First Net is first responders; they want to create a nationwide network that will have the availability for first responders to use in the event that there's a national catastrophe. We're most concerned about the cost to do this at the federal level; we're only in the planning phase where they're giving each state so much money to do that inventory.

Mike Ressler continued with his testimony.

27:03

**Representative Kempenich:** That ERate program; where is that funded at in the feds? Is that the department of education? What generates those funds?

**Mike Ressler:** The FCC.

**Representative Kempenich:** So it's part of the tax?

**Mike Ressler:** Yes.

27:45

**Representative Hawken:** The northern tier is that part of this same piece or is it a totally separate bandwidth?

**Mike Ressler:** That is separate bandwidth used just for higher education.

**Representative Hawken:** I was just curious.

**Mike Ressler:** That's total separate.

Mike Ressler continued with his testimony.

32:34

**Representative Sanford:** As I recall higher education was still in the process of getting on board. Is there an update on that?

**Lisa Feldner, Director, ND Information Technology Department:** Two sessions ago they were going to work on a data warehouse. They implemented it but they didn't finish the reporting piece. We're just starting to build that now and that's part of that \$3.9 million grant.

**Representative Hawken:** When you say all of this is reported out of one place; are you talking about specific reports or data in general?

**Lisa Feldner:** Job service has a data warehouse where all their data is stored; K-12 is the same thing. Instead of building the infrastructure for 6 different reporting engines; ITD builds it in one place and maintains it, you only have to pay for a portion of those FTE's. In the meantime, they can work on Job Service's reports or higher education's reports.

**Representative Hawken:** If they're doing the report, why would you be involved?

**Lisa Feldner:** Let's take power school as an example. Every night the data is pulled from every school district into the SLDS and then the competency center runs whatever reports are built for the SLDS.

**Representative Hawken:** What kind of report would it be?

**Lisa Feldner:** We can look at attendance rates.

**Representative Hawken:** So that's pre-decided?

**Lisa Feldner:** Yes. We build whatever reports they request.

**Representative Hawken:** The agency tells you what reports they need?

**Lisa Feldner:** Right. There's a Connect ND data warehouse for higher education. We are working with that new grant to automatically pull the data in just like we do from power school.

**Representative Sanford:** Is all of that possible with this kind of system when everyone is on board?

**Lisa Feldner:** Yes, that's where we're going. What we can do with the higher education grant is defining the data elements in the higher education system so we know what each of them means. Once we do that, we can tie that back to the K-12 piece.

**Representative Kempenich:** Higher education shouldn't be a lot different from the K-12 part of it; should it?

**Lisa Feldner:** It shouldn't be.

**Representative Hawken:** How much of the problem was utilizing PeopleSoft?

**Lisa Feldner:** PeopleSoft is pretty easy to work with. The module was purchased for the data warehouse and it wasn't implemented right away because they had other issues with their implementation.

Mike Ressler continued with his testimony.

48:44

**Representative Kempenich:** Is this your budget then or is this in other agency's anyplace?

**Mike Ressler:** Everything I'm talking about on these slides are in ITD's budget.

52:03

**Representative Kempenich:** Does the school district have to decide how they're going to do that? The school district covers the costs on that?

**Mike Ressler:** Yes. The schools pick up that cost.

**Representative Kempenich:** But they pick and choose.

**Mike Ressler:** Yes.

**Vice Chairman Brandenburg:** What are you seeing out there? Is it a slow process?

**Darren King, Director, Educational Technology Council:** Yes. That is growing. Right now we're at over 160 of our school districts across the state.

**Vice Chairman Brandenburg:** Some students are self-motivated, some don't want to do any more than they have to; how's that puzzle of it coming together?

**Darren King:** Part of the restructuring was to rebuild the ecosystem of how these courses are delivered. A big part of that is to build in systems where the teachers that are working with these kids can monitor them on a regular basis.

**Vice Chairman Brandenburg:** There's a process in place to manage it and see what's happening?

**Darren King:** Yes.

Mike Ressler continued with his testimony.

56:14

**Representative Kempenich:** Does higher education have access to the power school aspect?

**Lisa Feldner:** They can see their transcripts. What we have rolling out now is called e-transcripts. The students can electronically submit their transcripts to North Dakota university system schools or print them themselves free of charge. Higher education can't go back and look into power school. They can review reports; but we'll have public reports from the SLDS that will be available in the aggregate; but there will be no identifiable student data on anything.

**Representative Glassheim:** What is the source of the special funds that you're decreasing and adding into the general fund?

**Mike Ressler:** If they sell courses to an out of state company or entity; when they make a payment to North Dakota, which comes in via special funds. So it's probably out of state entities that are paying for those fees. Also, when the local schools make a payment portion to ITD it comes in via special funds.

**Representative Glassheim:** Are we selling less out of state? Are we not charging the locals?

**Mike Ressler:** We are selling less out of state than we used to due to other companies who are starting to do this kind of stuff. We are also selling more locally. It's just under the governor's formula; he wanted to make a good portion of that payment via general funds versus charging the school for that fee.

**Representative Glassheim:** Are we decreasing the amount the schools pay for some fees?

**Mike Ressler:** We are driving that cost down.

**Darren King:** Our goal is to get to \$50.00 per course on average.

**Representative Hawken:** As we get to the detail, you get a certain amount of revenue into to your agency; how difficult would it be to let us know what that is with the overall revenue that comes into ITD? We never look at the side of what you make us.

**Mike Ressler:** We're called an internal service fund. The only amount of money we can generate is enough our expenses; we can't make any profit.

**Representative Hawken:** I know you can't make profit; but, how much comes in?

**Mike Ressler:** Referenced slide one of presentation.

Mike Ressler continued with his testimony.

1:05:00

**Vice Chairman Brandenburg:** I see the Senate put in another \$600,000.00. Could you explain what that's about?

**Mike Ressler:** The CJIS board will determine that there are different programs. This program has been funded for about 6-8 years. The court system, attorney general's office, department of corrections will ask for money to build applications; many times those applications are standalone applications. This allows an interface to come from their application into the hub so that other entities can share that information. This \$600,000.00 was specifically for 2 initial programs. One was the for the state's attorney's office to electronically receive court information. The other one was an electronic case file system that will be used by the state's attorney's law enforcement agencies and the district courts.

**Chairman Thoreson:** The Senate made the change. Was that part of your initial budget request? How did that \$600,000.00 get added in at the Senate?

**Mike Ressler:** When we put our budget request together to OMB and the governor's office, the board had a wish list of things that they would like to accomplish over the next biennium. What the Senate determined was that we should have additional dollars; so that's where the extra \$600,000.00 came in. It was requested from the governor but not put into the governor's budget.

Mike Ressler continued with his testimony.

**Chairman Thoreson:** Recessed the hearing.

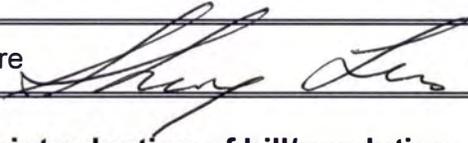
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2021  
March 15, 2013  
Recording Job# 19995

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; and to provide for various transfers.

## Minutes:

**Chairman Thoreson:** Reopened the hearing on SB2021.

Mike Ressler continued with his testimony.

1:33

**Representative Kempenich:** Who's the vendor?

**Mike Ressler:** Orion is the name of the company.

**Representative Kempenich:** When this all fits in with these exchanges, is this all the money we're spending today? I don't think the feds have put together an exchange yet have they?

**Sheldon Wolf, Health Information Technology Director, ND Information Technology Department:** Every state is building their infrastructure to their needs. To fit it into North Dakota, we've gone with Orion. We sent out the notice of intent to award yesterday to them. They build exchanges nationwide. It was originally set up to be the nationwide health information network with the federal government; they recently rolled that into a non-profit private company called Healthy Ways. Once we are done and have ours set up, we will connect into that corporation. We will have to become a member of that group and work with them.

**Representative Kempenich:** So basically Orion is going to customize?

**Sheldon Wolf:** The infrastructure that Orion is bringing doesn't have to be custom made. It is something that they have used in a lot of different states. The customization comes in where we connect to providers; the interfaces that we need to do with them, the connections into the health department, the immunization registries, and so on. The main infrastructure piece that's out there is a standard; so we utilize that standard.

**Representative Kempenich:** It all goes into the federal exchange part of it?

**Sheldon Wolf:** That's right. When you're talking PPACA; you're talking about the insurance exchange pieces of it. This is the information exchange which is clinical information. They are two different things in that respect.

**Representative Kempenich:** It all has to flow together at some point. Are we spending a bunch of here that isn't going to connect to what ultimately is going to have to happen?

**Sheldon Wolf:** With the money that we did get; part of it is to make sure that there is inter-state exchange and be able to exchange across state lines. We do need to make sure that we can do that type of thing.

**Representative Glassheim:** What kind of information is going on this? This has nothing to do with the insurance exchange is it? It's individual health information? What kind of information will be on this system?

**Sheldon Wolf:** It's your medical information. For example, if you're down here and you get sick, they don't know anything about you. They'd be able to see some of your medical information that you have in place like your lab results, medicines, if you're allergic to something.

Mike Ressler continued with his testimony.

07:37

**Chairman Thoreson:** It is to the field level?

**Mike Ressler:** It's very detailed.

**Vice Chairman Brandenburg:** That's my concern also. You have these people that are really good. There's information that really has to be protected.

**Mike Ressler:** Security is of high importance at ITD. A lot is at risk should somebody hack into these systems and get that data.

**Representative Kempenich:** We had the Supreme Court in yesterday; they indicated that they would like to get into the second site. Are we anyplace with that?

**Mike Ressler:** The reason that they are not allowed to come into our facility is that they currently own their own equipment. They use the separate branch of government as the reason. Because of all these security requirements put on ITD, we can't let other entities in our facility to have access to our hardware and software. We would have to partition that room. When we researched to see if we could break off a portion of that room so they could house their stuff in; when you look at the heating and cooling that's required in the data center, it didn't make sense. We encouraged them, if they need a facility, they could look at the new DCN building.

**Representative Kempenich:** Is there any place else in the state?

**Mike Ressler:** The offer is out there. If they ever get of that business and not own their own hardware, that would be their decision. ITD's not trying to influence them in any way.

**Vice Chairman Brandenburg:** Is it really the right way to do it? It takes a lot to stay on top of this and we're having duplication the way I see it.

Mike Ressler continued with his testimony.

14:57

**Representative Kempenich:** Those 2 bills we passed SB2033 and SB2034, dovetails in with that.

**Mike Ressler:** It all ties together; SB2033 raised the definition of a large project from \$250,000.00 to \$500,000.00. The bigger piece was the governor's executive order where the executive order only effected executive branch agencies that didn't have elected officials; you're statute included those elected officials in the executive branch governments.

Mike Ressler continued with his testimony.

16:20

**Representative Kempenich:** So you need a segregated account for federal funds?

**Mike Ressler:** OMB already has it set up. The way the century code reads today, it's said that we take those dollars and put in our fund; we never did that, we always put it in the OMB fund.

**Representative Kempenich:** Is that in your bill now?

**Mike Ressler:** It is not in the bill. It's in the bill without the underline.

**Chairman Thoreson:** So you need to have language to do that. Do you have some language?

**Mike Ressler:** I do.

17:13

**Representative Glassheim:** How many buildings or locations does ITD have? Are there any plans for additional space?

**Mike Ressler:** Currently we have 5 locations all in Bismarck. That doesn't include the Center for Distance Education and EduTech which are in Fargo. Just talking about the Bismarck locations, we're in 5 different buildings. We have signed a lease with a builder out of Fargo who's putting up a facility in Bismarck that we're going to lease; it's 85,000 square feet. We will take all 5 of our locations and put them in that building. It's right next door to the DCN building on 43<sup>rd</sup> Ave. We will keep our data center here; and during

legislative session Lisa will be housed here, so, we will keep some office space in the capitol. All 280 people will be located together which we believe will create great efficiency in our organization.

**Vice Chairman Brandenburg:** Would give enough room so that we could handle something like that?

**Mike Ressler:** We are on the first floor of the judicial wing; and we pretty much have that whole floor with the exception of what's in the middle and Indian Affairs has a corner.

**Vice Chairman Brandenburg:** The IT that's up in the judicial; do we have room to take care of that system that they have?

**Mike Ressler:** That would give them the ability to bring their staff back. Their equipment is in our agency computer room which is on the ground floor and that will stay. So their hardware is all here today.

**Representative Glassheim:** Do you need approval from us to do any of this? How is it being funded?

**Mike Ressler:** We are going to lease like we pay today; we won't own the building. In our budget we have all of our expenses in there; but it has lease rent in there. Were we're paying lease to these other entities, we'll just pay it to this new entity. There's a rate increase, but it's a 10 year guarantee rate. In 10 years those rate increases would have gone above what we're paying there. Then for the next 10 years you take the inflation index from the 9<sup>th</sup> to the 10<sup>th</sup> year and that's what the next 10 years will be locked in at.

**Representative Kempenich:** You are going up on employees; are those agency driven numbers?

**Mike Ressler:** The 4 increases are really just a transfer from WSI to ITD. We're trying to fill all of them. Because we're special funded, if we don't have a paying customer, we can't keep somebody employed because we don't have any money to pay them. In the event a project shuts down and nothing starts up, we just wouldn't fill that position.

**Chairman Thoreson:** Closed the hearing.

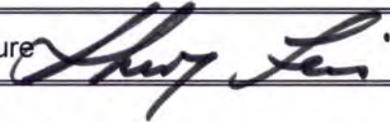
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2021  
March 25, 2013  
Recording Job# 20436

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; and to provide for various transfers.

## Minutes:

**Chairman Thoreson:** Opened the discussion on SB2021.

**Mike Ressler, Deputy CIO, ND Information Technology Department:** See attachment 1.

4:50

**Representative Glasheim:** The space rental comes out of your income?

**Mike Ressler:** When we pay rent for our five locations that we have in Bismarck, we get an appropriation from you that shows up as a revenue side. We're asking for an increase in rent because in this new building that we would be moving into, the rent is \$17/sq. ft. I believe our average rent rate is now is around \$13.50/sq. ft.

**Representative Glasheim:** You would all be out of the capitol building?

**Mike Ressler:** We would. The data center would remain and we would retain a couple of offices because the governor would like Lisa to be here during the session.

6:50

**Representative Kempenich:** What do you have left in this years budget? You don't have any turn back dollars?

**Mike Ressler:** We do get some general fund dollars. As of today we're not estimating any large amounts of turn back.

**Mike Ressler:** Continued with the green sheet and attachment 1.

8:50

**Representative Kempenich:** Is that going to help?

**Mike Ressler:** The audit that I think you're talking about is where you gave money to the state auditors so they can do a breach of security; they test the network portion of ITD. We find great value in that audit. Over the years we've been very successful in these audits.

**Representative Kempenich:** Is it doing any good?

**Mike Ressler:** I think every requirement has some basis in it.

**Vice Chairman Brandenburg:** Do you have people that are watching this every day? Are they looking for these people that are doing that?

**Mike Ressler:** Some of the hackers that we see out there are brilliant people. We have six security staff working in ITD. We have a real investment in hardware and software that's tracking things; then they spend time going through those logs and making sure the activity we're seeing is not out of the norm.

**Vice Chairman Brandenburg:** Where are they making the money from stealing all this information? Is there a price out there for the information that we have to be sold? Where are those people at?

**Mike Ressler:** I think the biggest crooks aren't in this country. In China it's not illegal to pirate software; so you can copy a Microsoft disk. Here that would be illegal; over there they can reward people for bringing in that type of information so they can duplicate it. Identity theft is a major deal.

**Representative Kempenich:** We talked to the Supreme Court about how to put something together. It's trying to figure out what their budget is going to need to do.

**Mike Ressler:** When they do IT; many times that's a duplication. There are reasons why you make decisions like that; like the separation of powers. They probably are as concerned as we are about many of the things that we're doing. I think it's more difficult for a small agency like the courts to make the investments. Wherever we can share our services, we do.

18:25

**Representative Glassheim:** What have you got in dollars or personnel or both in security?

**Mike Ressler:** We have six dedicated people in security. I believe that it's \$100,000.00/month; so about \$2.4 million/biennium is dedicated to security. It's definitely an area that we are putting more attention to in dollars and people.

**Vice Chairman Brandenburg:** You're going to be moving to new space and have all this room; when you look at trying to make the best use out of that space, wouldn't it be time to bring that into one spot?

**Mike Ressler:** One of the reasons that ITD has been looked at being a good entity to go off the capitol grounds because we're called special funded and we get a good portion of our dollars from agencies that receive federal funds as well as special funds like game and fish. We are about 1/3 of general funds. When we're paying a higher rent than somebody that's all general funded; at least some of that money is coming from other programs like federal funds and other special funds. If we were 100% general fund, ITD wouldn't be the best candidate to leave this building. When they look at replacing who's going to come in; I imagine one of the considerations they're going to look at is a funding source; because we like to keep the general funds as low as possible.

**Representative Glassheim:** The largest number here is in section 4 the \$8.6 million for equipment and replacement costs. What kind of things are we talking about?

**Mike Ressler:** That centers around buying servers, buying mainframe computers or enhancements to the mainframe computer. ITD spends about \$5 million in hardware. All 2011-2013 equipment is taken off the books and ask for new; it's really to run our data center.

**Representative Kempenich:** The compensation package. Is that all 340 FTE's that you have under you?

**Mike Ressler:** That's correct.

**Representative Kempenich:** It's really other agencies that are picking that up?

**Mike Ressler:** When the governor's compensation package comes out for ITD, that's a little over \$5 million for our 340.3 FTE. You give us the appropriation and then our rates for our services generate the actual money coming in from the other agencies.

**Representative Sanford:** Could you refresh me on #8? What was the Senate's action?

**Mike Ressler:** When we put our budget together for CJIS, we asked for a number of one-time dollars to do initiatives in the 2013-2015 biennium; OMB appropriated \$200,000.00 of one-time money to do that. When we went in front of the Senate, they asked if that was enough money and we ended up getting an additional \$600,000.00 from them. The total is \$800,000.00 in one-time money this biennium. The \$200,000.00 was what was in the governor's budget; identified separately as one-time money.

**Vice Chairman Brandenburg:** You already have connection with the Supreme Court.

**Mike Ressler:** What we've built are those central hubs; with geographical information sharing, there are these dollars set aside so that we can create hub where we can share so that department of corrections has a program; they can share that program with the court system, attorney general's office and law enforcement. This hub is the vehicle that allows that to happen. What we will get funding for is the hub stuff; and agencies like the courts or attorney general's office will come to you and ask for CJIS money to build a specific application. Our dollars are the interface programs that will take this program from the courts and give us the ability to tie it with local law enforcement.

**Vice Chairman Brandenburg:** I'm seeing duplication of what is out there.

**Mike Ressler:** Probably the only duplication you'll see is if they are buying hardware and software. There shouldn't be too much duplication when they have a specific application for the courts; but, they open it up to other agencies to access data in there; that's where the CJIS program comes in, builds this interface software program to allow data to transfer between.

**Representative Kempenich:** Are those through you or are they federal grants?

**Mike Ressler:** It's a combination of general funds that they are asking for. It's a combination of accessing federal funds if they can. I don't believe there's a duplication there because we wouldn't come before you and ask for funding to write a specific application for one of those entities. We would say that that is that entities responsibility to justify that.

**Representative Kempenich:** You have on some of your requests you have CJIS.

**Mike Ressler:** Where ever we can get federal funds we will pursue those grant dollars before we ever come and ask for general fund dollars.

**Representative Kempenich:** What's that RUS grant about?

**Lisa Feldner:** That's for schools. It stands for Rural Universal Service.

**Representative Kempenich:** Would you be able to get any information on CJIS and the different agencies?

**Mike Ressler:** That was a request that we worked on at one time. The challenge will be when it gets to the agencies, I'm not sure that they always call it Criminal Justice Information Sharing. See attachments 2 and 3.

**Vice Chairman Brandenburg:** Who should be pulling the whole load?

**Mike Ressler:** Referenced previous testimony from March 15, 2013.

**Representative Kempenich:** How are courts in other states functioning? Is everybody separate across the country for the most part?

**Mike Ressler:** We do look at that all of the time. Lisa belongs to the National Association of State Chief Information Officers. We have two conferences a year.

**Representative Sanford:** Since we're looking at a 2 year budget; what would be a couple things that you hope would make you more satisfied?

**Mike Ressler:** You just passed SB2033 and SB2034. SB2034 is the bill that created the governor's executive order and turned that into law. When we do a large IT project of

\$500,000.00 and above, there are people who will be forced to work together. I believe with what we've done with project management, with this new statute you'll see an improvement IT spends on large project dollars.

**Representative Sanford:** I believe you get a better product when the people that know their way around the issues are working on it.

**Vice Chairman Brandenburg:** When they go out to a contract or somebody else who supplies that service, they're paying that fee for the whole year. It's going to cost more than working with you.

**Mike Ressler:** Absolutely. But, if they call ITD and we don't have anybody, that is the alternative. We'd rather have them have us do the contract with the vendor; but, that's not required by law and I'm not asking that it be in statute. ITD has come up with a model that entices agencies to work with us.

**Representative Kempenich:** That's what you're doing with WSI.

**Mike Ressler:** That is the plan.

**Representative Glassheim:** Give me the defense for the \$600,000.00 for the main committee that the Senate put in? What are we getting for it? What good is it?

**Mike Ressler:** There's a board that drives criminal justice information sharing; they took a subgroup of that board and decided what it was that they wanted to accomplish for the 2013-2015 biennium. The original request was for \$1.7 million; and the governor cut that \$1.7 million to the \$200,000.00. The Senate added \$600,000.00. There are two projects that they're looking at. One is a state's attorney's office to electronically receive court information and the second is an electronic case file system that will be used by the state's attorney's office, law enforcement agencies and the district courts.

**Brittani Reims, Fiscal Analyst, ND Legislative Council:** In the Senate side, OMB had stated that historically ITD turned back about \$500,000.00. When they were coming up with the numbers for the \$200,000.00, of the request the \$200,000.00 was granted. To get those numbers they took out \$500,000.00 that they were expecting to be turned back.

**Mike Ressler:** For the current biennium there is some estimation of turn back. If you have an IT project and you haven't completed it, the funds that were appropriated for that project can be carried forward into the next biennium to finish that project. With the \$200,000.00 plus the \$600,000.00 plus an estimated turn back of \$200,000.00; there's \$1 million.

**Sheila Peterson, Fiscal Analyst, ND Office of Management and Budget:** The last spreadsheet I have there's a projected \$300,000.00 going to 2013-2015.

**Vice Chairman Brandenburg:** This money going for the court; in the Supreme Court they have technology coordinator positions. Is this some of the same money that you're talking about? Is that going into the attorney general's budget?

**Mike Ressler:** That's different money.

**Vice Chairman Brandenburg:** We're not doubling up on those people? There's money for positions in your budget; isn't there?

**Mike Ressler:** No new positions. We don't have those positions for the attorney general. If you're looking at any FTE that are involved in the courts or the attorney general's office, that is outside of our budget.

**Vice Chairman Brandenburg:** Why do you have money in your budget for those people?

**Mike Ressler:** We don't.

**Representative Sanford:** According to this, this would allow them to complete the high priority projects found in this document that rates the projects in order of priority.

**Mike Ressler:** Exactly.

**Representative Kempenich:** Are your people classified?

**Mike Ressler:** The majority are classified.

**Representative Kempenich:** Where are you at on your comp ratio?

**Mike Ressler:** We're on the higher end of that comp ratio.

**Sheila Peterson:** In ITD's testimony they have asked for a statutory change that they need relative to the depositing of federal funds; it's on page 42 of their testimony.

**Brittani Reims:** See attachment 4.

**Vice Chairman Brandenburg:** The \$2.3 million for the broad band map; is that all done?

**Mike Ressler:** It's almost done. Last biennium we received the authority to collect some federal funds. We're now in the second biennium of that and so we will finish that program.

**Representative Kempenich:** I'm assuming this is a new building?

**Mike Ressler:** It's a building that hasn't been started yet.

**Chairman Thoreson:** Closed the discussion.

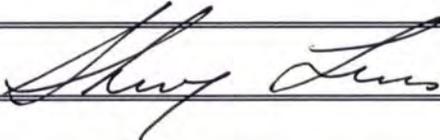
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division  
Medora Room, State Capitol

SB2021  
April 1, 2013  
Recording Job# 20704

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; and to provide for various transfers.

## Minutes:

**Chairman Thoreson:** Opened the discussion on SB2021. All members were present.

**Representative Kempenich:** Explained the amendment. See attachment 1.

**Sheila Peterson, Fiscal Analyst, ND Office of Management and Budget:** There is one more agency that has been exempted by OMB. You do have the budget and it's the industrial commission.

**Representative Kempenich:** We might have to discuss this with the industrial commission.

**Chairman Thoreson:** Would that be your intention to have that discussion with their budget?

**Representative Kempenich:** They have some issues also. I think that ITD would work in what their special needs are.

**Vice Chairman Brandenburg:** These would just address the budgets over in the Senate?

**Representative Kempenich:** It's an overall policy.

**Mike Ressler, Deputy CIO, ND Information Technology Department:** The industrial commission currently has a waiver from the governor's office. Sheila, is that an exemption?

**Sheila Peterson:** I don't know if the word is exempt or waiver; but, a waiver has been provided by the director of OMB for the public service commission, the oil and gas division of the industrial commission and the oil and gas division of the public service commission.

**Representative Kempenich:** This amendment takes away the authority of OMB. The only exemption would be outside of the legislative and judicial branches and institutions of state board of higher education.

**Vice Chairman Brandenburg:** That's my thoughts, but, you're dealing with the equipment and technology; so, I don't see why the judiciary should be left out of this.

**Chairman Thoreson:** Constitutionally they are a separate branch of government; they're responsible for their own.

**Mike Ressler:** Legislative council is also in that situation; they are a separate branch. I believe we have technology that allows audit records and information in the event somebody wants to come and see who's accessing their data; we can provide that.

**Representative Hawken:** You're saying that even though we are exempt; we are in fact under ITD for legislative council?

**Mike Ressler:** That's correct. The legislative council has trusted that ITD can provide their technology services.

**Representative Hawken:** If we're amending it; why don't we take that out also?

**Representative Kempenich:** If you were going to maintain this; it makes little or no sense to run parallel systems. You're not talking about separation of powers; it's more of the security on it.

**Representative Glassheim:** I think this should go through a policy committee and I'd like to know if the agencies we're talking about have objections or any good reason; and we should have them in. I have no idea what the judiciary needs; or if they have any good reason to be separate. Have we had discussions with these agencies?

**Representative Kempenich:** The interim technology committee has had a discussion on this. I don't think IT is making policy as far as how we're going to use it. They are basically the providers. It makes very little sense to duplicate things; especially when you're talking security. There isn't a lot of studying involved in this.

**Representative Glassheim:** I don't disagree. However, I would just like to have a hearing on this so that people present their concerns. I would like people in the room who we're making policy for. If they have some good reason why they shouldn't, then I want to know about before I vote for it.

**Representative Sanford:** If you have reluctant Lotharios, how many do you want to take on in terms of transitioning? What kind of discussion have you had with these agencies and where do you think they're at?

**Mike Ressler:** We've had multiple conversations over the years with these entities; primarily because we want them to know in the event they ever want us to host their data, or be their technology department, we would do that for them. When I testified before you,

there are customers who want to work with us; and when we get to challenging issues, we get through those very well. I believe if we had willing customers, all the entities that we're not providing services for today, with staff, we could take of that without any problem. It's not really a technology discussion; but more of a policy decision.

**Representative Sanford:** When this happens and you talk about if you had staff, what does that mean?

**Mike Ressler:** I think if we had the staff that they have working for them; we can get the job done. What I don't want to tell you is that we can do it with less staff.

**Representative Sanford:** Would you envision that as you transition, that you would then be able to consolidate somewhat?

**Mike Ressler:** In 2004 when consolidation came about, we worked with certain agencies and determined which positions would come across. We took a handful of positions and then the agencies that retained other positions inherited other responsibilities. We would have to look at this.

**Vice Chairman Brandenburg:** As we look at this study, we really should be looking at how many people do they have in these agencies for support staff; and what could we do with support staff in working with ITD.

**Mike Ressler:** My biggest fear isn't the duplication of staff; but, as this stuff is becoming more complicated and the technology is changing, I'm not sure they have enough staff to do the job they really need to do. With the large number of people we have in ITD, we feel vulnerable at times; specially in the areas of security. Things are changing so fast and things are happening; I don't know how some of these entities are doing that.

**Vice Chairman Brandenburg:** I'm thinking we're just waiting a wreck to happen in one of these agencies and we have to pick up the pieces.

**Mike Ressler:** We're not here to advocate in any way that you make these decisions. I think we have a responsibility in ITD to stand up and say where we're concerned. This is your decision not ours; but I think we are concerned and so we have to voice that because that's what you're paying us to do, is to tell you what the state of IT is in North Dakota.

**Representative Kempenich:** Made a motion to move the amendment.

**Vice Chairman Brandenburg:** Seconded the motion.

**Representative Glassheim:** I'd be more likely to vote for it if I could know that these agencies could come before the full committee to say what's on their mind in regard to this.

**Representative Kempenich:** This is public and this is what we're doing right now. Those folks work for us and the state of North Dakota. This is an internal problem and isn't going to affect the general public of how these agencies work. This isn't changing how they operate externally with the general public; this is how they're operating internally and what

the state of North Dakota thinks that should be policy of technology. The problem is that the people who want to do damage to our operations aren't probably located in this nation. I think this needs to be an issue that we keep bringing up. Separation of power is not the argument; there is not a separation when security comes into play. If you have multiple points of access to stuff; that's a security issue. What it boils down to is it's an internal issue in state government.

**Representative Sanford:** This amendment excludes judicial?

**Chairman Thoreson:** Correct.

**Representative Sanford:** What is the impact on the agency's budgets that are affected here?

**Mike Ressler:** We might have to transition some in. If they bought hardware and have a 4 year retention life, if they bought that last biennium or this current biennium; they wouldn't have anything in their budget for equipment for the 2013-2015 biennium. ITD couldn't charge what would be considered our normal hosting fee; because, in that fee includes the replacement of equipment. We would transition into that over the next 2 biennium.

**Representative Sanford:** Would that mean that those budgets would be amended to provide the authority to purchase the services from ITD?

**Mike Ressler:** If they did include some equipment dollars; when they put their budget together, they budget those under the equipment line item. Anytime you pay services to ITD, it goes in the operating line. I don't know how much change there'd have to be because it's all operating expenses.

**Sheila Peterson:** Perhaps we could look back to 2004 when the consolidation was originally enacted. We spent a summer and fall working agency by agency to determine what their needs were. I don't recall how we dealt with those items that moved to ITD.

**Mike Ressler:** Where we inherited some equipment, we took that over and put it on our books and didn't bill them for the equipment portion of the hosting fee. We did the transition that way so we didn't throw anything away.

**Representative Sanford:** I like the amendment.

**Representative Guggisberg:** Have these departments been made aware that this is happening? I think this would be easier if we had a hearing with them and listened to them. Would we be better off letting OMB decide who should be in and out?

**Representative Kempenich:** That's a discussion that's been going on since I've been here. I don't think there's anything that ITD's going to do that's going to hamper these agencies; but it is a control issue.

**Vice Chairman Brandenburg:** A perfect example is DOT and they came around and fixed it. We're trying to help them find a path.

**Representative Guggisberg:** You're helping me make my point, we're not the experts and that's why I think we should rely on these experts.

**Representative Sanford:** I'm going to support the amendment. I've been involved in a number of advancements through the years and one of the things I've learned from that was that it wasn't necessarily to save money; it was about better information, security, and those features that could enhance what we were doing.

**Representative Glassheim:** I think I'm making a simple point. We're the policy making branch of government and we ought not to be making policy without input from the people who might be affected by that policy. I want to know what their reasons would be to go along.

**Representative Kempenich:** This is going back into the late 1990's; some were exempted and the problem is that nobody knew where these numbers were at. It's more of a security issue that we're discussing. Ten or fifteen years ago nobody had a central spot of who was responsible for the technology in the state of North Dakota. The issue today is that as technology as its changed is a global situation.

**Representative Sanford:** I think this is a conversation that needs to go forward and it will be discussed with the full committee. It will be heard and discussed and I think by passing this we get it started.

**Chairman Thoreson:** I do look at this as partially a fiscal issue. I will have a discussion with Chairman Delzer about this also.

**Representative Hawken:** If I remember correctly; one of the pushbacks was; were we competing with the outside world in an improper manner? The second was were they charging too much? I think the current management within ITD has answered those questions.

Voice vote was made and carried.

**Vice Chairman Brandenburg:** Discussed the green sheet and the increase by the Senate on #8 of the green sheet.

**Representative Kempenich:** Was that \$600,000.00 part of that \$1.1 million?

**Sheila Peterson:** Yes. There was some misunderstanding on the part of OMB as to those budget dollars for new development and that's why the Senate put it in.

**Chairman Thoreson:** That was a correction?

**Sheila Peterson:** We now understand what their budget components are and are not; we had in our recommendation thought we had that level of dollars for new development of technology. In the end, it wasn't accurate.

**Vice Chairman Brandenburg:** If that issue is just a correction, then we only need to address the compensation package.

**Vice Chairman Brandenburg:** Made a motion to adjust the compensation package.

**Representative Kempenich:** Seconded the motion.

**Representative Kempenich:** Because the Senate is putting everything back the way it came forward. That doesn't necessarily mean that would go to a conference committee. Would we have to go through every bill to adjust that?

**Brady Larson, Fiscal Analyst, ND Legislative Council:** I believe that would need to be addressed in each bill. Because the money would be in each bill; so the amendments would have to be adjusted.

**Representative Glassheim:** If OMB was the last bill and the employee package is contained in that; would you have to adjust each one?

**Brady Larson:** The OMB bill contains the guidelines for the salary adjustments, language for performance pay; however, the actual funding is contained in each budget bill. If a bill that was sent to the Senate by the House had the reduction in it; that funding would have to be restored or moved to the new compensation level. There would have to be an amendment to each budget bill.

A voice vote was made and carried.

**Brady Larson:** There was one other item on the committee list for proposed amendments. That was regarding the acceptance of funds by the information technology department. There a statutory provision that requires all funds received by the department to be deposited in their IT operating account. There was committee discussion on the possibility of amending that section of statute to allow the funds to be deposited into other accounts as specified by OMB.

**Representative Glassheim:** Made a motion to move the language.

**Representative Kempenich:** Seconded the motion.

A voice vote was made and carried.

**Vice Chairman Brandenburg:** Made a motion for a "Do Pass as Amended".

**Representative Glassheim:** Seconded the motion.

Roll call vote 7 yeas 0 Nays 0 Absent.

**Representative Glassheim:** Carried the bill.

**Chairman Thoreson:** Closed the discussion.

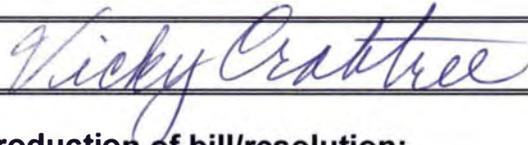
# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

SB 2021  
4/9/13  
Job #21025

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; and to provide for various transfers.

### Minutes:

Rep. Glasheim: This is the ITD bill SB 2021. He went over amendment .03002.

Chairman Delzer: ITD said the administrative portion would still be available for the Industrial Commission and the oil and gas so they would not have to work with relicensing any of what they have?

Rep. Thoreson: I believe that's correct. I don't know if we heard that in testimony, but I also had that conversation.

Chairman Delzer: That was a concern brought to me, and when I went to ITD, they said, "I want it on record that they still would have the administrative authority so they would not have to relicense any of their data information on oil and gas".

Rep. Skarphol: The intent is to move the equipment. A physical relocation of the equipment. That is the only change that this would make.

Rep. Thoreson: For security of the physical equipment, correct.

Rep. Glasheim: Resumed explanation of amendment .03002. (2:26-3:45) I move all amendments to SB 2021.

Rep. Thoresen: Second.

VOICE VOTE: MOTION CARRIED

Rep. Skarphol: I believe in the first half we talked about removing the statutory exceptions of three entities, PERS, RIO and the attorney general. Is that included in this amendment?

Min 4:50

Rep. Thoreson: If you look at the bottom of page 1 of the amendment, under Section 8 there is a line through PERS, RIO and the attorney general. That should take care of it.

Chairman Delzer: Further discussion?

Rep. Glassheim: Went through the green sheet. (5:27-6:10)

Chairman Delzer: Didn't the original budget have more than just these four?

Rep. Glassheim; It was just these four.

Rep. Thoreson: Just these four.

Chairman Delzer: Did the Senate move more for a while and then backed away?

Rep. Thoreson: I'm not certain.

Rep. Glassheim: They did not pass it over to us. (6:32 -10:40) Resumed discussion of green sheet.

10:40

Chairman Delzer: Why are all of these either the adjutant general or attorney general? Yet the operating portions are general funded. Why is IT funded in general fund?

Rep. Glassheim: I'm not sure. The general fund money is used to construct the project, and then I believe there is payment as various agencies use them.

Rep. Thoreson: OMB is checking that.

Rep. Skarphol: I believe those functions are actually located in ITD

Chairman Delzer: But we also have money for them in those other budgets.

Rep. Skarphol: That's probably to pay the cost associated with those budgets utilizing the service that is provided by ITD.

Rep. Kempenich: The CJIS portal is housed in ITD, and that consists of the licensing, bookkeeping and history records; that portal is the big piece, and the other agencies, as they use it, have to put funds back in.

Chairman Delzer: But it's interesting to me that most of these other programs are all special funds, they charge the whole operating costs back. It's not a major deal.

13:35

Rep. Glassheim: Resumed discussion of green sheet on #9.

Rep. Bellew: min 15:20 on #12, why did the funds switch from special to general?

Rep. Glassheim: That was the governor's intention to take it out of the general fund that is being heavily used by schools and he thought it should be funded by the general fund rather than have each school pay for each class.

Chairman Delzer: Is it for K-12?

Rep. Glassheim: Yes, for K-12.

Chairman Delzer: So this is another appropriation for K-12.

Rep. Glassheim: You could consider it that.

Tammy Dolan, OMB: I talked to Lori Laschkewitsch, and she said the other agencies need general fund dollars to cover their own interfaces to connect into a hub. ITD's dollars are to write the hub side of the project.

Chairman Delzer: But most agencies we charge the agencies the whole cost of running it. Is this the first time?

Dolan: I don't believe it is a new item, but this is not a budget I'm an expert in.

Rep. Kempenich: The plan is to continue funding more services into the state general funds. ND schools are using the CTE.

Chairman Delzer: I don't have a problem doing it. I'm not sure we should be shifting it all to general fund.

Rep. Glassheim: Sales of these classes outside the state have been going down with increased competition.

Chairman Delzer: Did you have any discussion about whether it might be cheaper to purchase them outside of the state compared to running our own?

Rep. Glassheim: We did not, but I do not see how it would be. I think this is \$50 a course. There was an audit finding, with a recommendation that ITD develop a security plan that provides centralized direction control over information security and systematic risk assessment framework. In response to the audit findings the department developed a formal security framework that documents ITD's security strategy and policies and are working with the Department of Home and Security and IRS on a formal national institute of standard and technology based risk assessment. In regard to security ITD is audited by 40 different federal groups and they have 6 FTEs at about \$2.6 M who are dedicated to security. I Move a Do Pass as Amended for SB 2021.

Rep. Thoreson: Second.

Rep. Skarphol: In the first half, we passed a bill to authorize more auditing of the IT aspect. Is that bill still alive?

Rep. Streyle: They killed the budget, but they reconsidered it and the last time I saw it, it was still at 250.

Chairman Delzer: Further discussion?

ROLL CALL VOTE: 17 y 4 n 1 absent

Bill Carrier: Rep. Glasheim

VIC  
4/9/13  
1063

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

Page 1, line 2, after "54-59" insert "of the North Dakota Century Code, relating to information technology project planning; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to authorize a relocation of information technology hardware"

Page 1, replace line 13 with:

"Salaries and wages	\$47,383,177	\$2,546,361	\$49,929,538
Accrued leave payments	0	2,626,084	2,626,084"

Page 2, replace lines 1 through 3 with:

"Total all funds	\$172,217,340	(\$2,445,572)	\$169,771,768
Less estimated income	<u>153,165,136</u>	<u>(4,480,000)</u>	<u>148,685,136</u>
Total general fund	\$19,052,204	\$2,034,428	\$21,086,632"

Page 3, after line 2, insert:

**"SECTION 5. INFORMATION TECHNOLOGY HARDWARE RELOCATION TO SECURE DATA CENTER.** The attorney general, public service commission, and state water commission shall relocate all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, after line 11, insert:

**"SECTION 7. AMENDMENT.** Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

**SECTION 8. AMENDMENT.** Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, and the institutions under the control of the state board of higher education, the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic

mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - House Action**

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$54,437,801	\$54,461,316	(\$4,531,778)	\$49,929,538
Operating expenses	64,834,643	64,834,643		64,834,643
Capital assets	12,500,600	12,500,600		12,500,600
Center for Distance Education	6,072,187	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754
Educational Technology Council	1,814,609	1,814,609		1,814,609
EduTech	8,279,530	8,279,530		8,279,530
K-12 wide area network	4,928,177	4,928,177		4,928,177
Geographic Information System	1,460,294	1,460,294		1,460,294
Health Information Technology Office	4,785,991	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361
Federal stimulus funds	6,800,000	6,800,000		6,800,000
Accrued leave payments			2,626,084	2,626,084
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$171,677,462</b>	<b>(\$1,905,694)</b>	<b>\$169,771,768</b>
Less estimated income	150,290,886	150,311,698	(1,626,562)	148,685,136
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$21,365,764</b>	<b>(\$279,132)</b>	<b>\$21,086,632</b>
FTE	340.30	340.30	0.00	340.30

**Department No. 112 - Information Technology Department - Detail of House Changes**

	<b>Adjusts State Employee Compensation and Benefits Package<sup>1</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Total House Changes</b>
Salaries and wages	(\$1,905,694)	(\$2,626,084)	(\$4,531,778)
Operating expenses			
Capital assets			
Center for Distance Education			
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech			
K-12 wide area network			
Geographic Information System			
Health Information Technology Office			
Criminal Justice Information Sharing			
Federal stimulus funds			
Accrued leave payments		2,626,084	2,626,084
<b>Total all funds</b>	<b>(\$1,905,694)</b>	<b>\$0</b>	<b>(\$1,905,694)</b>
Less estimated income	(1,626,562)	0	(1,626,562)
	(\$279,132)	\$0	(\$279,132)

General fund			
FTE	0.00	0.00	0.00

<sup>1</sup>This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup>A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

This amendment also:

- Provides for an authorization for relocation of the Attorney General, Public Service Commission, and State Water Commission's information technology hardware to the Information Technology Department secure data center.
- Amends Section 54-59-15, regarding acceptance of federal or other funds.
- Amends Section 54-59-22, removing agency exemptions from certain services of the Information Technology Department.

**2013 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB2021**

House Appropriations - Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8171.03001

Action Taken Do Pass as Amended

Motion Made By Vice Chairman Brandenburg Seconded By Representative Glasheim

<b>Representatives</b>	<b>Yes</b>	<b>No</b>	<b>Representatives</b>	<b>Yes</b>	<b>No</b>
Chairman Thoreson	x		Representative Glasheim	x	
Vice Chairman Brandenburg	x		Representative Guggisberg	x	
Representative Kempenich	x				
Representative Hawken	x				
Representative Sanford	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Glasheim

If the vote is on an amendment, briefly indicate intent:

Date: 4/9/13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2021

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 03002

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Glassheim Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*voice vote carries*

Date: 4/9/13  
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2021**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13. 8171. 03002

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Glasheim Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland		X
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande		X	Rep. Boe	X	
Rep. Hawken	X		Rep. Glasheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert					
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 17 No 4

Absent 1

Floor Assignment Rep. Glasheim

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2021, as reengrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2021 was placed on the Sixth order on the calendar.

Page 1, line 2, after "54-59" insert "of the North Dakota Century Code, relating to information technology project planning; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to authorize a relocation of information technology hardware"

Page 1, replace line 13 with:

"Salaries and wages	\$47,383,177	\$2,546,361	\$49,929,538
Accrued leave payments	0	2,626,084	2,626,084"

Page 2, replace lines 1 through 3 with:

"Total all funds	\$172,217,340	(\$2,445,572)	\$169,771,768
Less estimated income	<u>153,165,136</u>	<u>(4,480,000)</u>	<u>148,685,136</u>
Total general fund	\$19,052,204	\$2,034,428	\$21,086,632"

Page 3, after line 2, insert:

**"SECTION 5. INFORMATION TECHNOLOGY HARDWARE RELOCATION TO SECURE DATA CENTER.** The attorney general, public service commission, and state water commission shall relocate all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, after line 11, insert:

**"SECTION 7. AMENDMENT.** Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

**SECTION 8. AMENDMENT.** Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, and the institutions under the control of the state board of higher education, the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the

delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$54,437,801	\$54,461,316	(\$4,531,778)	\$49,929,538
Operating expenses	64,834,643	64,834,643		64,834,643
Capital assets	12,500,600	12,500,600		12,500,600
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Educational Technology Council	1,814,609	1,814,609		1,814,609
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K-12 wide area network	4,928,177	4,928,177		4,928,177
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FTE	340.30	340.30	0.00	340.30

**Department No. 112 - Information Technology Department - Detail of House Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total House Changes
Salaries and wages	(\$1,905,694)	(\$2,626,084)	(\$4,531,778)
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Capital assets			
Center for Distance Education			
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech			
K-12 wide area network			
Geographic Information System			
Health Information Technology Office			
Criminal Justice Information Sharing			
Federal stimulus funds			
Accrued leave payments		2,626,084	2,626,084
<b>Total all funds</b>	<b>(\$1,905,694)</b>	<b>\$0</b>	<b>(\$1,905,694)</b>
Less estimated income	(1,626,562)	0	(1,626,562)
<b>General fund</b>	<b>(\$279,132)</b>	<b>\$0</b>	<b>(\$279,132)</b>
FTE	0.00	0.00	0.00

<sup>1</sup>This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.

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- Removes funding for additional retirement contribution increases.

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This amendment also:

- Provides for an authorization for relocation of the Attorney General, Public Service Commission, and State Water Commission's information technology hardware to the Information Technology Department secure data center.
- Amends Section 54-59-15, regarding acceptance of federal or other funds.
- Amends Section 54-59-22, removing agency exemptions from certain services of the Information Technology Department.

**2013 CONFERENCE COMMITTEE**

**SB 2021**

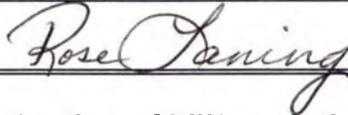
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021 conference committee  
April 18, 2013  
Job # 21249

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department;

### Minutes:

Legislative Council - Brittani Reim  
OMB - Pam Sharp

**Senator Wanzek** opened the conference committee hearing on SB 2021. Roll call was taken. **Senators Lee** and **Robinson** were present as well as **Representatives Thoreson, Sanford** and **Glassheim**.

**Senator Wanzek** said he has often wanted to start one of these meetings with the question, "What were you thinking?" We all understand the compensation differences and there's not much that we can do in that area until we have direction from leadership. The main questions are going to be in regards to section 5 and section 8 that the House added. Could someone explain the thoughts behind the changes?

**Rep. Thoreson:** Working off the .03002 version - Sections 5 & 8 deal with the securing of data and it has come to our attention that some of the hardware that is being used by these agencies is now in locations that are outside of the secure data center that is provided by ITD which is located in the building here. It was the thought by the House that it would be best if all the equipment was located in one secure center where it cannot be compromised. We all know there are a lot of people trying to steal information and compromise security. Many times it is done online, but it can also be done in the physical fashion where someone could get into that equipment and either download information or outright take it. We felt that there is a place provided by the IT Department which is a secure source for this information. It would not require a lot of other changes other than to put that hardware there. If you look in section 5, it says, "these agencies shall locate all appropriate IT hardware to the Information Technology Department's secure data center." So that was the reason for the change.

Section 8 - there is an exemption that can be given "that those agencies can be exempted by OMB" Again, we felt it was important to have that information in a secure data center.

**Senator Wanzek:** I've been contacted by some of these folks. I hope no one objects to some of them coming up for questioning.

**Rep. Thoreson:** We've talked to those agencies also and I've received some information. This is to resolve the differences between the House and the Senate and I would guess we should keep it to that. If there's a question that arises, I certainly wouldn't object. We are gathering some additional information outside of this conference committee and I'm waiting to hear back from some other sources too.

**Senator Gary Lee:** In section 5, it lists the agencies that would move their data or their hardware, but in section 8, doesn't that catch some other agencies that aren't necessarily listed? We know of - Oil & Gas, Industrial Commission - are there others involved that we know of?

**Rep. Thoreson:** The language from section 5 was brought in as a separate amendment and was added. The language in section 8 would include some others, such as Oil & Gas and maybe portions of the Industrial Commission since it does remove that exemption. It says "And any entity exempted by the Office of Management and Budget after advisement by ITD." It would catch some others other than the ones stated in section 5.

**Senator Gary Lee:** Do we know how many of those there are? Does OMB know that?

**Pam Sharp, OMB:** OMB did exempt the PSC, Oil & Gas and the Water Commission. Those were the three agencies. We have some minor waivers out there for certain applications for various reasons.

**Senator Wanzek:** I don't know enough about it to know if the move solves that problem. I'd like to hear from ITD to know what measures are needed to provide that security. Does it create a problem for those who are in charge of the agencies? Are they comfortable in addressing their needs? I'd like to have agency folks explain the security that would be provided by transferring the data centers to ITD.

**Lisa Feldner, CIO, ITD**

In the agency secure data center, we have intrusion detection devices and firewalls that are not at outside agency data centers or where other equipment is stored. We have very sophisticated equipment that keeps intrusion from happening coming in to the secure location in our data center. They're very expensive devices. We're looking at about \$100,000 a piece and we have two of them.

**Senator Wanzek:** We're talking mostly about devices and security that prevents hackers from coming in, not necessarily physical break-ins.

**Lisa Feldner:** It's secure in the sense that we have locked cabinets, locked doors. You have to have appropriate security clearance to get behind our doors. You have to have background checks done by BCI. Our contractors are not allowed behind those doors. We follow all of the IRS requirements as well Health and Human Services in Washington, DC. Their security requirements come into play because of DHS equipment that is stored in the data center. We have CJIS equipment which is criminal justice - those requirements are

followed. We are subjected to 30 security audits per year by federal agencies that we comply with.

**Senator Wanzek:** Do you feel capable of doing what Rep. Thoreson said? (Answer - yes) Do you feel that there might be times where there would be a need for an exemption?

**Lisa Feldner:** It depends on what it is. I'd like to look at the code to see exactly what taking away this exemption does. If agencies are in the ITD data center, and ITD is having to procure the services, and there might be a couple things that need to be hosted offsite, the fact that ITD approves it, then is it OK - or do we need the exemption piece? I don't know if we know the answer to that. If you take away all flexibility, that's probably not a good thing.

**Senator Gary Lee:** Are you telling us that there are efficiencies in terms of servers and personnel with consolidating all of these into the ITD area?

**Lisa Feldner:** If these agencies are moving their equipment into this secure location? They're still running their own applications in the sense that I guess it wouldn't be creating efficiencies, staffing wise, because they're still using their staff. Their servers are in a secure location behind the firewalls, behind the intrusion protection devices, behind extra cameras, locked doors, following security audits, and those kinds of things. In terms of consolidation issues, if they're going to have their equipment managed by ITD, then there are efficiencies to be gained. There are two different answers because there are two different situations.

**Senator Gary Lee:** If they're making a purchase or getting an application of some sort, there should be some sort of language saying ITD is involved in the purchase or checking the compatibility. Would that be a satisfactory approach as opposed as transferring particular items to the secure data center?

**Lisa Feldner:** If I put my security hat on, no. Just because we're looking at something their purchasing doesn't mean it has the level of security of equipment that we have. If they're spending extra dollars to secure their locations, that's duplication of service and why would we spend taxpayer money to do that? That makes no sense to me.

**Rep. Glassheim:** When you talk about a firewall, is that a firewall against hacking or is that a firewall against people physically coming in and doing something - or both.

**Lisa Feldner:** It's a little bit of both. Certainly hacking is the thing we worry about most and if you look at the logs on our firewalls, we see traffic coming in from the internet at all hours and minutes of the day from China, Russia and places. It's definitely hacking that these firewalls are preventing. Physically we have the cameras and locked doors and locked cabinets, and so on.

**Rep. Glassheim:** The people you already serve - do these machines just sit there or do you actually do work on them? Are they self-contained and in a locked room or do you physically manipulate them or change them at all?

**Lisa Feldner:** They sit there in their locked cabinets and usually the only time they're touched is when they need to be changed out.

**Senator Gary Lee:** In terms of making this happen, in addition to moving the equipment, is there fiber that you'd need to run and what kind of capital assets would you need to make this happen?

**Lisa Feldner:** If it's within the capital building, we have conductivity to all of the agencies now and in the capital tower, we have fiber up to the tower. We were looking at upgrading some of those facilities anyway. Right now we looked at the amount of traffic that is being traversed over that fiber and it's not even coming close to capacity. And that would not be a cost to agencies if we were to put additional fiber there. It's not even close to capacity now and it's not urgent so it would be non-disruptive.

**Senator Wanzek:** As chairman, I don't mean to open up a hearing, but we're being asked to settle a difference between the House and the Senate and we never got much of a chance to hear the pros and cons of why there might be a need for an exemption or not. So I'm going to ask a spokesman from each one of these agencies to come forward and give us a quick synopsis of why you might feel there's a need for an exemption.

**Tom Trenbeath, Chief Deputy Attorney, Attorney General's Office:** These amendments are about security. Our main frames, our servers are located in locked premises at the Bureau of Criminal Investigation. The security there is adequate for the FBI. They've never raised an issue with it. We continually upgrade the status of our firewalls and the one concern that we may have and it's a situation that's already begun to be discussed and moved are our back-ups. No one ever talks about back-ups. Our back-ups are presently at our crime laboratory. We would feel better if it was down here in ITDs secure room. In speaking with Ms. Feldner, she recognizes that as a situation that would be beneficial also because of the nature of the construction out there because they are constantly severing the connection. If you're talking about security, we operate under the strictest FBI security rules and they had no objection to where we are and what we do.

These amendments came in late in the process. We have objections to both section 5 and section 8, but we can't tell you that we're being complete about our objections because we haven't had the time to thoroughly analyze this. As a suggestion, it may be better to gain some more information and study the possible effects of these. We just cannot stand to run the slightest risk of ever being down in the function that we perform with the respect to public safety. We've never had a problem so I don't know why we'd need a solution.

**Brian Kalk, PSC Commissioner:** The PSC is in a similar discussion and we have a very good system upstairs with nobody challenging with security. We also work with many federal agencies to make sure that the software is any good and make sure we're doing all the things we need to do. My biggest concern is that we don't know what's going to happen if we make operational changes now. It may sound well and good, but it's a busy world and the PSC is everywhere. We don't know what the impact will be operationally. I don't see a security risk right now, but I don't know that this could happen. If we took some time and studied this, that would be something we could work with. The PSC is not against what is being laid out, but we can't say we're for it because we just don't know.

No one from the Water Commission was present.

**Lynn Helms, Director, Department of Mineral Resources, Industrial Commission**

It's a two part question - Section 5 - we are not on the list but we maintain a very high level of security on our servers that are located in our Bismarck office. They are in a locked building in a locked room with locked cabinets and there are only two people who have keys to that and I'm not one of them. We maintain the latest software, but we don't have the new anti-hacking software. Our research shows that most of the hacking problems happen with people opening links in email.

Section 8 is the one that's problematic to the Industrial Commission. When this was an issue about 8-9 years ago, the national organization that holds the license to our data base software had a very hard position on this. They would not grant licenses to consolidated systems or agencies that were consolidated. They've moderated that position to some extent. They have actually granted licenses to Utah and Ohio - both of which are consolidated or somewhat consolidated. However, their experience there has led them to the position that they will not do development on those systems because they're funded through the Department of Energy grant money. They attempted an experiment with Utah and one with Ohio on development and the DOE said they will not fund any of those projects. We have two grant requests through the DOE right now and both of them hit the hold button as a result of this. The Ground Water Protection Council was just meeting in Sarasota, FL so we have a \$735,000 grant request to do an upgrade to our software to do CO2 sequestration - a class VI for RBDMS.

The second one was to move to a new platform for production reporting called .XML. That one is placed on hold as well because they don't want to do software development in situations where it is consolidated. It has always failed. If we were willing to pay more to keep the exact same system and move it to ITD, we could do that, but it would mean no further development of our system. That's what having the flexibility to do exemptions when ITD and OMB both approve of it allows individual sort of odd situations like that to receive the exemption that they need. They are few and far between, but a one size fits all never any exemptions is, in our opinion, not good policy.

**Senator Robinson:** I think we need to be careful of this road we're on. You mentioned the issue of consolidation, but the lack of consolidation has been a problem too. It's not all or none. We have created a very strong ITD department in ND. ND is in a leadership position.

**Lynn Helms:** The vast majority of consolidation cases works, but to have an absolute prohibition of it and no opportunity to work through the two administrative agencies are a unique individual situation and to have an exemption is very valuable to the state government.

**Senator Wanzek:** I'm on WSI conference committee as well and in this budget, we moved 4 FTEs from WSI into ITD, but the WSI budget took them back, so we'll have to reconcile that as well. I asked Pam of OMB to provide more detail on the lease payments of the building.

**Senator Wanzek** closed the hearing on SB 2021.

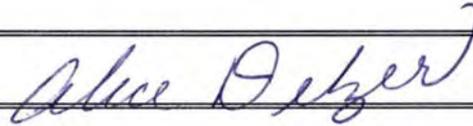
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
04--20-2013  
Job # 21368

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Conference Committee on the ITD

### Minutes:

You may make reference to "attached testimony."

Senator Wanzek called the Conference Committee to order on Saturday, April 20, 2013 at 11:00 am in regards to SB 2021. Let the record show that all conferees were present.

**SENATE: Senators: Terry Wanzek, Chair; Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glassheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and pam Sharp - OMB**

**Senator Wanzek** - It's appearing to me that the big issues are section 5 and 8. I've been approached by many people; I've been given the argument of why we should go either way. (1:16)

**Representative Streyle** - These are not unique to any of the other agencies. Its servers and desk top support. To exempt agencies, I don't think its good practice because there are multiple facets to it. The back-up, redundancy and security pieces are the 3 biggest ones in my mind. There is plenty of back-up space in the Mandan data center, all of the back-ups should be there. I don't find that argument up for the debate. The training piece and the collaborative piece of the different staff should they move into ITD which I don't know that this mandates that they move them at this time but when you are working with teams it's better for everybody on the team because everybody has an expertise. Is there additional expense? You could argue that either way because under ITD's structure they charge a flat fee for a server basically, it's a turnkey fee. (5:01)

**Senator Wanzek** - You see no need for any flexibility for any situation in your opinion?

**Representative Streyle** - Under this proposal I don't see how the staff, the staff doesn't get transferred so they would still have the staff I would assume in future biennium's you would want to start moving some of the staff but under this all you are doing basically is having the move their equipment in section 5 which I don't see any reason why you wouldn't do

that. In section 8 eventually they would take over the management of the system administration of those servers. I don't see how this moves any of the staff at this time. (7:31)

**Representative Thoreson** - Again, this portion deals with the physical equipment. The staff portion I know Representative Streyle has an opinion on that. I'm not certain that's something even at this time, we are not talking about that here in the future I suppose it could be a discussion but I'm not certain that we are unified on that but I guess the point is on the portion with holding the equipment in that secure center and as you indicated I looked into the South Carolina situation also, it's a mess they have created down there and I just want to make sure, I think it's something like 80% of the state's residents have had their social security number and other personal information exposed because of that. (8:53)

**Representative Streyle** - Some of these agencies are located off campus, they've already got the pipe to the capitol so that is not an issue. (9:22)

**Senator Gary Lee** - In terms of the, if there was a breach in security in the large server, the secure server, would that affect potentially everybody that has data in that server as opposed to where they are at today?

**Representative Streyle** - It depends, because they are all inter-connected. (10:38)

**Senator Gary Lee** - The uniqueness in some of the programs that we're told exist in each of these agencies that, is that an issue moving that data to the server that exists in the secure location?

**Representative Streyle** - The way I understand it is the equipment is there, they move it to the secure data center, they still fully manage that, this doesn't say that the staff goes. Unless they all quit I don't see how that would affect them at this time. (12:24)

**Senator Wanzek** - I respect the expertise of Streyle, I am coming to a better understanding, but I am not convinced. Even though it's IT you have to understand the nature of your business to properly apply the IT to help you in conducting your business. There are friends on both sides. I've got some pretty well respected people telling me it could potentially be problems. (15:02)

**Representative Glassheim** - I am a little skeptical of one size fits all, what happens if one bomb takes out everything? If everything is in one place and one bomb takes it out then it's all gone. Secondly, I have seen these things where federal partners of several of the agencies who have very high standards are unhappy about changing the operation. The most important thing to me is not centralization, but to do their job. I tend to think they know what they are doing; we ought to be more sensitive to that. We have one or two from other states that they have not had such good results. I would need to see some 3<sup>rd</sup> party study to evaluate the claims that it's safe there or not.

**Representative Streyle** - As far as the bomb concern, that is why there is a backup facility in Mandan. Should that probably be in Fargo, I don't know. If that building blows up, which is a big target of hackers, they don't necessarily care about the financial stuff, but the main

target these days is energy, oil and gas. If that is the same building well then you lose everything. The back-up and redundancy piece should absolutely be in Mandan for all agencies. It just doesn't make sense to me that, in the other ones, I don't know what they are doing, but we should be assured or confident that the Mandan center is our back-up for the whole state, not just 22 agencies or whatever.

**Senator Gary Lee** - I work in industry too that has integrated IT services. There is no IT staff in the particular service areas in which I am a part of. The data is stored off site and I welcome that in terms of data storage elsewhere in that that information is backed up periodically. It's stored locally for a while and then backed up periodically. I'm not making a recommendation to change it I'm just saying that it does work. In health care there is just like all the rest of these people who say they are unique. There is a very unique set of circumstances for almost every department that is in health care, plus the confidentiality of records. An integrated system does work, I'm not suggesting we do that, I'm just saying I am accustom to it. I don't always like it in the sense that I can't get somebody to fix my particular concern right now and I may have to wait a little bit longer than I would have if Roscoe worked in my particular area for example but beyond that I think it's a workable system, a reasonable process to consider. (21:12)

**Representative Streyle** - I don't mean to be mean in anyway. This is basically a territorial issue. If I was an IT guy in any of these I would fight this tooth and nail and I would say anything and everything I could possibly do, I would not want to give up control of it, period.

**Senator Wanzek** - I am not sensing we are anywhere near working this out. I appreciate and understand we should move in a direction where we can to the best of our ability eliminate duplication, consolidate efforts, save money, provide efficiencies, I don't disagree with that at all but I do have a problem with putting this in a situation where there is no flexibility to address what might be a unique situation. I'm not convinced that there aren't some unique situations out there. (23:01)

**Representative Streyle** - I wasn't here, but I guarantee you it was the same kind of on slot, of opposition to consolidation. I bet if you brought those agencies down I bet you would find very little complaint with what they ended up in the end.

Committee adjourned.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
04-23-2013  
Job # 21453

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing on information Technology Department

### Minutes:

See attached testimony.

**Senator Wanzek** called the Conference Committee hearing to order on Tuesday, April 23, 2013 at 3:00 in the Harvest Room. Let the record show that all conferees are present.

**SENATE: Senators: Terry Wanzek, Chair; Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glassheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and pam Sharp - OMB**

**Senator Wanzek** asked **Lori Laschkewitsch** to explain testimony attached # 1, Office Space Leases.

**Lori Laschkewitsch** explained the attachment #1. (3.37)

**Senator Wanzek** - To move into the one building and consolidate a number of these offices you're saying it would be \$595,000 additional rental dollars above what's up above the...

**Lori Laschkewitsch** - That is correct. As you can see we are paying an average of \$13.07 a square foot and when we were looking at the budget it was recommended by facilities that we look at about an \$18 average rental rate and for the rental space that we have secured a 10 year lease has been negotiated at \$17 a square foot. After that point the most it could go up for the next 10 year lease would be 5% on top of the \$12 base rate.

**Senator Wanzek** - So the new building is how many square feet?

**Lori Laschkewitsch** - 85,000 square feet.

**Senator Wanzek** - Which buildings are they going to replace?

**Lori Laschkewitsch** - There would be 4 or 5 of these locations. We would need to retain the computer room, DCN Power and IdeaOne, the DOT building, the MDU Mandan location and the Landmark Management Mandan location.

**Senator Wanzek** - All those above that would be replaced by the one location.

**Senator Gary Lee** - Why do we have to retain those other 5 locations if we are building additional space?

**Lori Laschkewitsch** - We need to have some of the equipment at some of these locations and the data center is in one of these locations so some of those things would not be moved to the new office space.

**Senator Gary Lee** - Just as a matter of security they should be spread out is that what you mean?

**Lori Laschkewitsch** - That is correct.

**Senator Wanzek** - Back to the bill itself. Going through the issues, I guess it comes back down to section 5 and section 8. I have taken some of my own time and I'm still learning some things. I don't know if the House has any comments, I'm not ready to move yet.

**Representative Streyle** - We aren't ready either. I've got a memo I'm putting together which I do have ready but it probably would be about 15 minutes to explain it and I think we've got an hour scheduled for tomorrow.

**Senator Wanzek** - I have an hour scheduled. I did ask Lisa and Mike with ITD to be here, just for the committee to take a tour of the area. We just want to be able to see and ask questions.

**Representative Thoreson** - I have a document here. It's a pretty thorough document, (this is on his computer) on data breach and investigations reported, it was done by Verizon Corporation and it talks about different things, especially government, how things take place. It's about 60 plus pages so I'm not going to print it, but it's a PDF document so I will go ahead and forward that to the conference committee members. It gives a little more light on what's going on, not specifically in this area so much although it does kind of touch on how there are a lot of threats out there continually, especially to government agencies.

**Senator Wanzek** - Anything else to add?

**Senator Robinson** - I look forward to the tour tomorrow. It would be an important force to travel over there. In addition to these 3 agencies I'm also serving on the water commission budget and this issue has also surfaced in that particular budget so we really have 4 agencies we are dealing with.

**Senator Wanzek** - This is an important issue. It is my hope that in the end we will find the right solution. I am not prepared to make a decision yet. I want to be sure, based on the fact that this is such an important issue, that we make the right decision.

**Representative Thoreson** - On behalf of the House, we would concur wholeheartedly on that.

**Senator Wanzek** - We will adjourn until tomorrow at 11:30 am.

Submitted but not addressed in this hearing is Testimony attached # 2 - statement from Public Service Commission regarding IT exemptions and regarding relocating servers stating neither of these changes is justified. They do not save money, improve service, streamline processes or enhance security. To effectively fulfill our responsibilities, the PSC needs to maintain our IT exemption and the physical control of our IT assets.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
04-24-2013  
Job # 21484

Conference Committee



### Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for the Information Technology Department (ITD)

### Minutes:

attachment

**Senator Wanzek** called the Conference Committee hearing together on Wednesday, April 24, 2013 at 11:30 am in the Harvest Room. Let the record show that all conferees are present.

**SENATE: Senators: Chairman Terry Wanzek, Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glassheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and Pam Sharp - OMB**

Representative Streyle distributed attachment #1 "SB 2021 Benefits to Consolidation". It covers the benefits of full consolidation which is basically Section 8. He explained his twelve bullet points on attachment #1. (01:38 to 09:40) He also covered the statistics, "What's not in Section 8", and the 4 exempt state agencies on page 2. (09:46 to 11:53)

Senator Wanzek asked if by moving the server there would be a chance to replace some people.

Representative Streyle said there would not be any people moved in this bill and they won't see any costs savings immediately. He thinks that is a flaw, but he thinks it is worth the effort to do it and then work on a long term solution to address those issues

Senator Wanzek: Could one also argue, as far as security goes, I was always told don't put all your eggs in one basket. Couldn't one argue that having it all in one location could present a different security problem?

Representative Streyle: You could argue that. They already do background checks and fingerprints. They are already very stringent. With the backup site at Mandan, you could recover, if everyone is backed up there. The team approach and the security that is in place there is better than trying to fend for yourself.

Senator Wanzek I am not saying you are not making some sense to me, but I have a conflict within me. I am hoping we can find a point where we can make this work on both sides.

Representative Glassheim: I am not sure that any centralized system is a guarantee of not being hacked.

Representative Streyle: Nothing is for certain; there are hacks all the time.

Senator Wanzek: We will adjourn this meeting.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2021  
04-26-2013  
Job # 21536

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for Information Technology Department

## Minutes:

You may make reference to "attached testimony."

**Senator Wanzek** called the Conference Committee hearing to order on Friday, April 26, 2013 at 10:00 am in the Sakakawea Room.. Let the record show that all conferees are present.

**SENATE: Senators: Terry Wanzek, Chair; Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glassheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and Pam Sharp - OMB**

**Senator Wanzek** If we can get past the issues in Section 5 and Section 8 we would have an agreement on the budget. I have visited with Representative Streyle and visited with Legislative Council. For purposes of discussion, Testimony attached # 1 Proposed Amendment to SB 2021 for Senator Wanzek. I do understand some of the thoughts behind eliminating some duplication, the efficiencies of consolidating things. A lot of that makes sense to me and it seems like a rational solution to trying to achieve those things, however, as it's being presented to me, it is my understanding to me these amendments were added on to the budget late in the session. There was not a hearing, and I personally have a lot of respect for the folks on the front line doing their work. I take a lot of consideration in people I hire whether this piece of equipment is working or not. I have respect for the concerns that are being too me, since we are in the 11<sup>th</sup> hour, I am questioning the urgency of forcing or pushing us into the consolidation. I want to try to address the concerns of the House, I don't think I am ready to push it this session. Before you is a study allowing OMB to contract with a private consultant to conduct an IT relocation study in the next biennium.

**Representative Streyle** I would have a different amendment or proposal to offer. I appreciate the study, but I think this has been a discussion for biennium upon biennium, since the consolidation started so and especially on the relocation. I guess the Section 5 I don't see why that should be an automatic because it makes good sense to have everything in a secure location with redundancy and stuff. So I don't know if studying that

would accomplish much because I think we know that it does make sense to do that. I would have a further idea to discuss to throw out there is you would so allow?

**Senator Wanzek** I certainly would allow it, I mean we're not going to get anywhere if we don't throw out ideas and options. If you notice, my study is not a legislative study per say, in thinking of how I would manage my own business, I feel that I am at a point where I am looking for an independent, maybe a third party opinion is what I guess this study is attempting to do.

**Representative Streyle** Testimony attached # 2. Proposed Amendment to SB 2021 for Representative Streyle. It would add \$600,000 to the operating line, \$150,000 for each entity basically and that could be used to conduct a review; anyone can do the review; but that is in conjunction with the exempt agencies of course in the review. They would be reviewing the architecture, the set-up, different servers etc, and then that would be done prior to June 14, so they would have over one year to do it, and then assist in defraying the costs that would be associated with that. \$600,000 may not be the right number, it may be too high. Then based on that review, the CIO or whoever, may grant a partial exemption, so the intent would still be to consolidate, but they could grant an exemption to the FBI servers that are linked in at the AG's which I don't have any problems with it. That would make sense. Or for example the Apple systems on the Water Commission, they could exempt those. Servers, application, business processes, or data would be exempted from consolidation. The second part is we would proceed forward with the full consolidation with the exception of any of the partial exemptions that would be determined in the review and but it could not proceed until June 30, 2015, therefore going through another legislative session but that session would have to vote not to consolidate.

**Senator Wanzek** Any comments? I am still absorbing it.

**Senator Wanzek** So you are saying that the review needs to be completed by 2014, but the actual effective date of consolidation or implementing the end result would not start until June 30, 2015.

**Representative Streyle** That is correct. Those dates could be moved but the intent was to give them a year, three months essentially, for each agency to work with ITD and or a private contract, I don't care how the review is done. It can be done by a team as far as he is concerned. Then from that, they make the determination should an exemption be needed for like the AG. There is some there I don't disagree that is fine that they would be exempted. But as far as the actual network environment I don't see why that would need to be exempted, but if they determined if the OMB, CIO, Governor's office would all be working towards this, that is fine grant them the partial exemption for that specific piece of equipment or that specific business process, or application or data set. Then for the next year you could up with a plan on how you would do that. That date could say June 5 of the next biennium too that's fine. But then full consolidation couldn't begin until the next legislature had a chance to look at what the plan would be going forward. So, they could come in next session and say no, we don't think it's appropriate for the Water Commission and put them back in to code. So there still would be flexibility not to do it a full consolidation but yet it would be the intent that we would and should something come up.

**Senator Gary Lee** So you are saying in this language that nothing would happen until June 30, 2015.

**Representative Streyle** Yes, they wouldn't start any consolidation until then.

**Senator Gary Lee** If there was voluntary movement to move something that could happen anytime after they begin to look at what made sense to do, but the intention would be they would move but if the information provided during the study said no, that doesn't make any sense to move, this one or that one, that's the part that would go into code. The others would move if the information showed it, they should move or could move.

**Representative Streyle** That's basically what, we may need to change the language on that if they optionally wanted to go in because some of them I just really think they could move in rather quickly. But they wouldn't have to under this. I think a review is appropriate and like I said I don't care what the team if its independent, ITD, and the agency all collaborating on a 2-4 months on each agency to come up a plan and evaluate should something be exempted, but as far as exempting the whole agency, I just don't think that is appropriate. I don't have a problem with a partial exemption, a piece of it because it does make sense if there is a circumstance that warrants it.

**Senator Gary Lee** The way I read this if PSC, in the review of the information said they shouldn't move because of whatever the reason is, and they would stay where they are. Their information systems would stay where they are. But what I hear your saying is well maybe we should move their server because to you that makes sense.

**Representative Streyle** The physical location, in Section 5, no need to review that. But as far as the full consolidation of all the other agencies, it would be appropriate to do a review, and then if the CIO or the Governor's office would ever determine that yes, that server or that business unit or practice, it's appropriate and they could grant that exemption then a single item exemption. But they couldn't say PSC you're totally exempt like they are now.

**Senator Wanzek** The delayed effective date is that in line with the conversation we had earlier today?

**Representative Streyle:** Yes, I put that language in and it's probably not worded correctly. That would give you another session, so you would go through the 201502017 assembly session and then that body could say all right we had the review, it doesn't make sense to put it in, they could vote to put that back into an exemption.

**Senator Wanzek** But it does allow one more legislative opportunity to intervene if there was a compelling reason to intervene.

**Representative Streyle** Yes, but they would have to vote to allow full exemption. But they would have the authority in the next session should they determine it is not appropriate.

**Senator Robinson** We have a combination of what you have and what Representative Streyle does take some of the angst out of the issue that we would revisit it, in the 2015-

2017 session. You're calling for a study, Representative Streyle's proposal calls for a review, it does force some things to happen over the next 13-14 months which is probably good news and for that to be finished by July of 2014, provides for an discussion at the agency level in terms of budgetary implications if there are any, in preparation for the Governor's Executive Budget proposal. One question I would have, out of curiosity I don't know if you would allow us to ask our CIO regarding the \$600,000 that we're looking in this study or this review, what that might require, what that would entail, because is there some further work that needs to be done on that I don't know.

**Representative Streyle** Why I picked that number. That number was in before and what the intent was, to proceed forward with a full consolidation and not do some of these things so they would have additional expenses these agencies its clear, you could argue the numbers but they would have additional expenses. It is very clear in this biennium. That would allow them then to defray those expenses that ITD would charge them back, because there not in there budget right now. That number could actually fluctuate down because under this language there would be no charges because we wouldn't be forcing the consolidation if that makes sense.

**Senator Wanzek** I would allow Lisa to come forward and that question would be presented.

**Representative Glassheim** I don't understand why you have a review or study when you have conclusions before the review or study. I like to see the result of the 3<sup>rd</sup> party study, is there a reason or not, how extensive should it be or shouldn't be, should they all come in or should none of them come in, I would like to see the results of a 3<sup>rd</sup> party study a adjudicate the claims that either, it makes no difference or it makes a lot of difference.

**Senator Wanzek** We have to come to some point of compromise and I am doing my best to try to find that middle area. Lisa, you hear Senator Robinson's question, or re-ask it or rephrase it?

**Senator Robinson** We have two proposals, there are some similarities can we mesh them together, refine the language a bit, but in terms of cost, maybe just a reaction on the monies and working with the IDT committee over the interim, and we could be maintained contact with this process and how's it going, but what is your reaction to this?

**Lisa Feldner**, Director, IDT The study idea is a good one, if they are not moving anything, and incurring expenses in that regard, I think \$600,000 is high for a study. I am not sure what the number is, without going back and looking at some of our other studies that were done. But, understanding he was moving in the costs of moving equipment. That would make sense. But if you're just doing the study, then it is too much.

**Senator Wanzek** I'll go up and schedule one for this afternoon. Hopefully, between now and then we can compromise.

**Senator Robinson** This would provide us 2 years, with the next year some pressure to get some things done, if we follow Representative Streyle's proposal. We need some time to mull it over.

**Representative Streyle** What is the Senate's position on Section 5, is that still a contentious issue?

**Senator Wanzek** I still have concerns about Section 5. I don't know how the other two feel yet.

**Representative Streyle** As we saw, they have complete control of the room there. Of course with the full consolidation, should they go into the next room, so that section I guess we feel isn't really that big of a deal as they are just moving it down into a secure location

**Senator Wanzek** The hearing was closed on SB 2021.

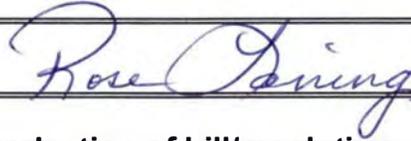
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2021 conference committee  
April 26, 2013  
Job # 21566

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department.

## Minutes:

Testimony attached # 1

**Legislative Council - Brittani Reim**  
**OMB - Lori Laschkewitsch**

**Senator Wanzek** called the conference committee hearing to order on SB 2021. **Senators Lee** and **Robinson** were present as well as **Representatives Thoreson, Streyle** and **Glassheim**.

**Senator Wanzek** handed out a 2021 Draft Amendment (attached # 1) to study the relocation of the IT hardware. He's asking the committee to consider it and then we'll compile them all together in one motion. Trying to understand the urgency and seeing why we may consolidate. I don't like to bring people in kicking and screaming. I visited with Mr. Hardmeyer from BND and he said he resisted it intensely. He had the bank hire a private consultant to help them make the transition. This way we could have someone take everyone's concerns into account and then bring people in willingly and have this done smoothly. Get some input and if I'm back next session, then we'll talk about consolidation and exemption issue at that time.

**Senator Gary Lee** What about Mineral resources, are they included in here to? You don't list them but if you remove Section 8, what does that do?

**Senator Wanzek** This study removes Section 5 and Section 8 from the current bill. It's current language, but by removing section 8, we're leaving the law as it is. By removing section 5, that removes the new language from the law. The exemptions would stay in place. We're actually excluding the legislature from ITD, and then OMB could take away this exemption at their call at any time. I think they have that authority now if I am reading it right.

**Representative Streyle** The biggest threat isn't even on this list, oil and gas. I can't imagine why that wouldn't be in this study.

**Senator Wanzek** It wasn't my intent to exclude them. It might have been an oversight.

**Representative Glassheim** I think you'd want to study and you specify 3 agencies and you want to have it added to be studied. We want that included so we can study that.

**Senator Wanzek** This was done between conference committees. I was thinking by removing Section 8 that allows us to keep the exemption. I didn't intend to keep them out on purpose to leave them out.

**Senator Robinson** If the committee would approve the amendment for our final report on 2021. What else would we include; I am just trying to follow what you see as being part of a package?

**Senator Wanzek** The other issues, the changes in that that we haven't gotten around to being addressed. We haven't addressed the compensation package. We're not going to introduce 5 different amendments to the bill, we're going to have one final amendment, but maybe we could take some of these on individual votes to take them off the table so to speak, and then work on the next issue.

**Senator Gary Lee** moved the amendment plus oil and gas to what is written.

**Representative Streyle** The language is good, but without the consolidation piece going through another biennium I just can't support the motion.

**Representative Glassheim: seconded motion**

**Senator Wanzek** Rep. Streyle you would still prefer to actually like to implement and put in an effective date and still do the study? I am not quite following you.

**Representative Streyle** With the amendment idea, I had offered that it would go through consolidation, it wouldn't happen until June 30, 2015, so therefore that next legislative assembly after this study is done they could say well, we would like to exempt x,y,z, agencies. Then in that language like I indicated prior, it would give them the ability to do a partial exemptions on certain sectors or certain applications, so they would still be able to come back next session and say well its determined that one section should not be consolidated. They can come back next section and say oil & gas should be exempted.

**Senator Wanzek** If we do the study and it shows they shouldn't be consolidated then the next legislative session would be able to intervene and not do that.

**Representative Streyle** Yes, that was the intent of the amendment that I brought forward before is, Section 8 stay the same, remove the exemption and do the study and then next session can exempt them out. I think we should proceed forward with consolidation. Next session can say, it doesn't work, so they can exempt them.

**Senator Wanzek** It seems like putting the cart before the horse. I think the study might show what we need to do a full consolidation and that the next legislative session would do

that. It's kind of putting the conclusion on before we have the study. It's not for the agency but for folks like me who have to make this decision and next session, it will really help facilitate my decision to see an independent analysis of the situation.

**Representative Thoreson** We talked about South Carolina and Utah and Texas have now each also had their identities breached. I think we saw the level of security here and want to take advantage of that.

**A roll call vote was taken.**

**Senators:**

**Wanzek - Yes**

**Lee - Yes**

**Robinson - yes**

**Representatives:**

**Thoreson - No**

**Streyle - No**

**Glassheim - Yes**

**Motion fails.**

**Senator Wanzek** motion fails and we'll meet again next week.

**Representative Glassheim:** It seems to me there are two aspects to safety. One is physical safety of the machines and cyber safety. If the machines stay in one place, they can be patched through the protections of the data center without being moved into that room. I don't the answer to that.

**Senator Wanzek** There is cyber security but there is still physical security issue.

**Representative Streyle** The answer is typically yes. The physical security can be through the internet or a flash drive theft. We get a lot of phishing emails. That should be an automatic Section 5. To me it doesn't make sense that it scattered all over the place.

**Senator Wanzek** Maybe sleeping on it will help us all.

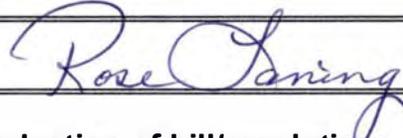
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021 conference committee  
April 29, 2013  
Job # 21594

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department.

### Minutes:

Testimony attached # 1 - 3

**Legislative Council - Brittani Reim**  
**OMB - Lori Laschkewitsch and Pam Sharp**

**Senator Wanzek** called the conference committee to order on SB 2021. **Senators Lee** and **Robinson** were present as well as **Representatives Thoreson, Streyle** and **Glassheim**.

**Senator Wanzek:** we're basically hung up on the consolidation of IT equipment and the exemption area. At the last meeting I presented an amendment to contract with a third party, outside private consultant, to provide us some direction. I think we forgot one of the agencies in the original amendment. We changed that language to include all current exempted agencies under the study. There is still more language needed there

Proposed Amendment to SB 2021 for Senator G. Lee - attachment # 1, Senator Wanzek read the amendment. If the study indicates that relocation is to be done, the agency would have to start implementing a plan to be completed by June 30, 2015. We are waiting for the study to make the conclusion and if that is the conclusion then we would recommend a plan be put together.

**Rep. Streyle:** Passed out additional language- see attached #2, addressing what you are saying plus another section. To come to the study, we're trying to come to the middle. (He read the amendment.) During the study period it is important state agencies shall not purchase the equipment they need, there will be duplication.(continued reading the amendment) This is a fair compromise, and tightens the window on the study, adding few pieces as far as the hardware and software purchases. In the House version, we scratched out the PERS and the other is meaningless and is removed. OMB grants that exemption removing attorney general from a line item in the Code. Nothing would change with them there. It's not even close to where we were at.

**Pam Sharp, OMB:** I'm looking at the time frame of 10/01/2013 I think that would be a little tight for OMB to go thru the RFP process and have them complete the study by that date because it might take a couple of months just to get the RFP process done- and if we don't

need to report until December maybe we don't need to have the study done until middle of November.

**Rep. Streyle:** I'm amenable to that. I don't know how the grant process works. Change that date too. We had full consolidation; no exemptions and full hardware and we're not getting any of that, we are getting a study with triggers.

**Senator Wanzek:** we're asking what's the urgency if we can be convinced by an outside independent opinion. We want to be sure we are doing the right thing. We've gotten by this long; I don't think another biennium will be the end of the world if the end result is: that it should be done, and then it will be done. This will take time to absorb. There is a question: In some of the other budgets, there are agreements worked out - if we leave the language, by striking out the exemptions, would that take precedence over any other agreements? Would it create such a situation where there would be no opportunity for a workable agreement between ITD and an agency? What I am saying: overstrike all the exemption language. It appears there are only a few specific entities like the legislature, judicial branch and the board of higher ed that would be exempted then, with no other opportunities for other exemptions or agreements.

**Pam Sharp:** I think it's important that we still have the opportunity to do some exemptions.

**Senator Wanzek:** It **appears** to me we are going to remove the option of ever having any other exemptions if we keep (unintelligible) the way it is.

**Rep. Streyle:** I'm proposing not to leave that in there. Different entities would be fully consolidated for the most part. Handed out attachment #3 - Information Technology Desktop Support/Help Desk Study (Read the proposal for a study) this is a study of all agencies' IT desktop.

**Senator Wanzek:** ITD would conduct that study?

**Rep. Streyle:** Yes, what is your cost, how many staff on desktop, throw in report and do an analysis and then go to a bigger team. It's common practice, they don't put IT staff in every branch. You can remotely access.

**Senator Wanzek** adjourned the meeting.

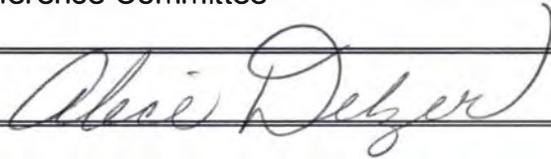
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2021  
04-29-2013 4:00 pm  
Job # 21613

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing on the Information Technology Department (ITD)

## Minutes:

You may make reference to "attached testimony."

**Senator Wanzek** called the Conference Committee hearing together on Monday, April 29, 2013 at 4:00 pm in the Harvest Room. Let the record show that all conferees are present.

**SENATE: Senators: Chairman Terry Wanzek, Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glassheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and Pam Sharp - OMB**

**Senator Wanzek** I actually had some amendments that others had talked to me about and were proposing and I worked with them, to consider at least in my opinion it lays out the position that I am in with the other side, the reasonableness of our offer as far as a study goes. I am not sure we are any further along at the moment, those amendments are not done. In comment to create some discussion, I am looking at Representative Streyle's proposal, I am not quite sure of the necessity of "shall not purchase ", IT hardware or software unless the budget section approves it.

**Representative Streyle** I did strike all that language in the amendments that is coming now. All it says now is "state agencies included in the study, shall report all hardware, software purchases to OMB budget section until the study is completed and presented". This is pretty straight forward, no restrictions. Changed the date to coincide with what OMB indicated by March 31, 2014 and I could pass out the document.

**Senator Wanzek** I do have some other amendments that I am working on. I am hesitating to hand them out.

**Representative Streyle** I did strike out the "as soon as possible" to say by 2015. So there is plenty of time in there to complete that. In theory it might not be done and it will go through another session anyway. Some should or should not be in there. To me, it is a

reasonable compromise, we went from full consolidation, full hardware to a study, that will allow for partial or full consolidation. This partial is important because some of them aren't for example BND has one server, more than likely they will have partial exemptions based on the study anyway but it's not a server here or there, to us this is very reasonable, we have come all the way to a study that may or may not lead to consolidation. **Testimony attached # 1. Information Technology Study from Representative Streyle.**

**Senator Wanzek Testimony attached # 2. Proposed Amendments to SB 2021 for Senator Wanzek (Draft 2, 4-29-13)** This language might reveal that we are coming together in that same direction. I did work with the dates here. (Read from his proposed amendment) It is somewhat similar to the language on the study, the dates are off a little bit.

**Representative Streyle** The dates are not an issue those seem reasonable.

**Senator Wanzek** I never asked by why under current law 54:59-22 why do we exclude the Legislative branch, Judicial and the State Board of Higher Education? If consolidation is the way to go, why are we not including them in it?

**Senator Robinson** I think it goes back to history, certainly the Judicial Branch is a complete and separate branch of government. So is the Legislative Assembly. The Board of Higher Education is actually governed by the State Board of Higher Education, and not the Executive Branch or the Legislative Branch so that's the rationale and I think it's constitutional. We divide the various agencies, branches of government. We struggled with this over the years in particular when it comes to the Board of Higher Education. There has always been this should or should we not, we have ruled on the side of not including them, based on their administrative oversight structure. They are governed by the State Board of Higher Education and we provide funding but that's the rationale.

**Senator Wanzek** I can understand that, but what the rationale that consolidating is just moving the servers, under that rationale there would still be the control and I understand it with the FTE's. One might argue to that the Attorney General, is not appointed he is elected, the Public Service Commissioners are not appointed, they are elected, there is some autonomy or independence to a degree there as well.

**Representative Streyle** In the Legislative Council, part of their system is in the full consolidated piece. So it is a little bit of both. There is some in room #1, and some in room #2. So, we are technically intertwined, the separation is what the rationale is and that's what I got from the Judicial Branch and I asked them that question too.

**Senator Wanzek** Little bit by little bit. I am not sure there is much more to discuss. I think we are getting close. If we could agree to the study, I think we would have a done deal from this person, from the Chairman's standpoint. I am not sure that I can support, but you did remove that other language as I said.

**Representative Streyle** This is simply a reporting mechanism, basically, I mean if nothing else, I could just request it through Legislative but I think it would be easy just to do that because I don't want them going out and spending hundreds of thousands of dollars buying

equipment they should have to protect their networks already, and then say well we don't really need you because of this and that. That is what my strategy would be if I was in their shoes. I would hope that wouldn't happen, that would just cost a bunch of money.

**Senator Wanzek** There were some other amendments that I going to present that was brought up to my attention, they weren't ready, we'll just adjourn the meeting. This is the only issue that we really see we have to solve. We are slowly getting there.

**Representative Streyle** I did change that as I heard some concerns about ITD too on the help desk study, that the Office of Management and Budget shall conduct it. This has nothing to do with ITD, the help desk support one.

**Senator Wanzek** I am not sure yet, we haven't discussed that.

**Senator Robinson** If we are close on these two documents, would we be wise between now and the next meeting to try to mesh the two documents, and we can settle this thing. We could vote and hopefully approve a revised drafting incorporating the best of two documents and then we would be done.

**Senator Wanzek** I will visit with Representative Streyle and hope we can come to an agreement.

**Representative Streyle** We are fairly close, I don't care about the dates, all the language in the first part seems to meet where we are at. PERS and RIO are fully consolidated, so that is just a technical and they shouldn't be in there. If we want to argue, we would agree to have OMB have that exemption immediately anyway. I just don't think it's appropriated to have it listed, the only state agency to have that.

**Senator Wanzek** We were at full consolidation. We were in a proposed bill but actually where we're at today is it's independent. It's within the agency, we are being asked to consider full consolidation. There are too many qualified people that we didn't have a hearing, and I don't feel comfortable that's why I proposed the study. That is about as far as I really want to go. So we can get some independent answers so we can make a credible decision.

**Representative Streyle** I take their opinion with a grain of salt and I respect it, but yet we make the decisions not the Executive Branch.

**Senator Wanzek** You and I are not attorneys or hydrologists, or electrical engineers that have to use this equipment in conducting their business. I just feel very comfortable that we need this independent opinion.

**Representative Streyle** I whole heartedly agree on that.

**Representative Glassheim** I like Wanzek's page and I like the last four items from Representative Streyle's page.

**Senator Wanzek** we are adjourned.

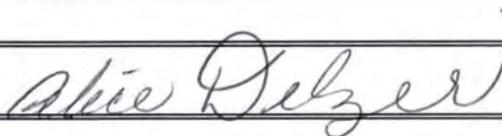
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2021  
04-30-2013 11:00 am  
JOB # 21628

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing for Information Technology Department

### Minutes:

You may make reference to "attached testimony."

**Senator Wanzek** called the Conference Committee hearing together on Tuesday, April 30, 2013 at 11:00 am in the Harvest Room. Let the record show that all conferees are present.

**SENATE: Senators: Chairman Terry Wanzek, Gary Lee, Larry Robinson**  
**HOUSE: Representatives: Blair Thoreson, Roscoe Streyle, Eliot Glasheim**

**Brittani Reim - Legislative Council**  
**Lori Laschkewitsch and Pam Sharp - OMB**

**Senator Wanzek:** There are amendments being prepared. What I've got here is still the study by a 3<sup>rd</sup> party. OMB could contract with a private entity to complete a study and some of the same areas the issues of cost, physical security, cyber security, redundancy, impact on services to stakeholders, review of staff and impact on contractual relationships for software and hardware with federal partnerships. All that is still included in the study. If you recall in the previous amendment a study would have indicated a partial or full consolidation was feasible, and OMB shall recommend an implementation of a plan. The change here is the OMB along with ITD shall recommend and assist the exempted agencies that were involved in the study in developing a plan within their budgets to be presented in the next legislative session. . So the next legislative session would have that information available to them. Also Included in the amendments would include the request for information technology desks, desktops support and help desk study. It would include the removal of Section 8 and Section 5. However, that might be problematic, I understand with Representative Streyle, part of it yet. (2.42)

**Representative Streyle:** On the PERS and RIO, which are fully consolidating, we're just removing the AG from the specifically listed and then direct OMB so that they grant the exemption immediately. So nothing changes. They just fall under the exempted agencies done by OMB. Pam could talk on whether or not that's my indication I got was it's very easy to do. Nothing would change for that agency whatsoever.

**Senator Wanzek:** So you're proposing that in the statute we remove PERS and RIO and Attorney General's reference.

**Representative Streyle:** Correct. But then whatever language we need to direct OMB to grant that exemption so nothing changes whatsoever with the Attorney General.

**Senator Wanzek:** And you want to include language requiring them to exempt the Attorney General?

**Representative Streyle:** Yes, just like they did the other three. Just during this study process, because if we take them out they have to consolidate which isn't the intent of this committee, I don't think without the study. If they are exempted like the other three, then it goes through the study, and will make recommendations, etc, implementation, a little bit different language, we'll see what comes out at, but basically get to the same point as you did in your language.

**Pam Sharp:** It's not a big deal to exempt an agency until the study is done. We'd be happy to do that.

**Senator Wanzek:** I don't have a problem with PERS or RIO because none of them have indicated to me that it would be a problem. I guess I knew what the Attorney General, just wondering why we can't wait until the study is finished. If you offered an exemption it would be the same?

**Ms. Sharp:** Everything would remain as is.

**Senator Wanzek:** We are not going to base it on a promise, we're going to base it on the actual language.

**Representative Streyle:** I have full faith that they are going to do it.

**Senator Wanzek:** We will have another meeting. We are so close. I went over and reviewed some of the other things, compensation, is there anything else we might get hung up on?

**Representative Thoreson:** In all the other ideas we are in total agreement.

**Senator Wanzek:** We will get the final amendments before we meet this afternoon. The meeting was adjourned until this afternoon.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee

Harvest Room, State Capitol

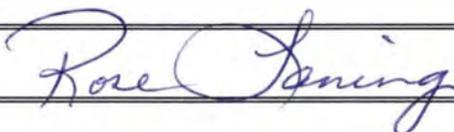
SB 2021 conference committee

April 30, 2013

Job # 21641

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

This is the 2<sup>nd</sup> conference committee hearing for the Information Technology Department

### Minutes:

Testimony attached # 1 - 2.

Legislative Council - Brittani Reim  
OMB - Lori Laschkewitsch & Pam Sharp

**Senator Wanzek** called the conference committee hearing to order on SB 2021.  
**Senators Lee and Robinson were present as well as Representatives Thoreson, Streyle and Glasheim**

Amendment 13.8171.03008 was handed out and **Brittani Reim** explained them.

**Senator Wanzek** said that all the issues they talked about were incorporated into this one amendment. The study as indicated will require the study to be completed by the end of this year and to report the findings to the Legislative Management Information Technology Committee and the budget section for informational purposes by March 31, 2014. If the findings indicate a partial or full consolidation of ITD services or re-location is feasible and desirable, the OMB and ITD department shall assist any affected agency in developing an implementation plan as part of the agencies 2015-17 budget request.

Additional language was added to strike out the public employees retirement system and the retirement investment income. They've already been consolidated and not been part of the discussion. He said he was reluctant to include the Attorney General because he felt they should wait until the study is completed. If the study indicates that something should be done, then they will take it into consideration next session.

If its determined that we need consolidation in some of these agencies, I would prefer that we bring them along in a fair manner that allows for input in the study and a determination and legislative opportunity to reveal them. I don't like bringing people in kicking and screaming and forcing them to do things that they may have legitimate arguments to.

**Rep. Streyle:** The only additions that I'd ask to accept is under bullet point 2 - on page 2, the 4<sup>th</sup> line down - "the study indicates that a partial or full" and change the words "partial and full" with "any". According to Council, that means "partial or full".

And also in bullet point b - remove last sentence. That's not necessary. We already know which one is more secure and it would be part of the cyber security anyway. In the amendment I drafted, it says the OMB shall submit a proposed legislation necessary to implement or re-locate to the ITD committee, so that would get your legislative involvement in there too. It doesn't remove any of the intent of the language in your amendment. It gets the ball rolling should there need to be any legislative thing beforehand instead of rushing at the last minute. We'd be willing to have the AG be the only state agency that is line itemed out. I have an amendment - with those two changes word for word. He handed out amendment # 13.8171.03009 - attached # 2.

Discussion followed on language clarity.

**Senator Wanzek:** When I think of my first legislative session when I was in judiciary. It was an eye-opener when I watched two attorneys argue between whether willingly committed a crime, willfully or knowingly. I thought, it didn't matter to me, he did it. I'm wondering what the significance of changing "partial and full" to "any" and if there's any legal significance.

**Pam Sharp, OMB:** I believe that any consolidation would mean a full or partial consolidation. We sometimes give a waiver for one tiny small application. We don't call that a partial consolidation, it's just any. I think "any" would cover it.

They agreed to the changes but the new amendments would be subject to the opportunity to review the final version.

**Senator Robinson moved that they agree to the changes but the final version would be subject to review.**

**Rep. Thoreson seconded the motion.**

**Rep. Glassheim** expressed a concern between the two amendments on consolidating services and hardware and said it needs to be left open to recommendation in either services and/or hardware.

**Rep. Streyle:** I would agree with that. If we want to go back to your amendment, on the partial or full, it means the same things anyway. But just adding the one sentence about the legislative involvement and then striking "the study relating to cyber security must".

**Senator Wanzek** asked **Brittani Reim** to clarify the changes.

**A roll call vote was taken. Yea: 6 Nay: 0 Absent: 0**

**The House recesses from the House amendments and further amends.**

**Senator Wanzek** said this is all subject to approval after they see the final amendment.

*JB*  
5-1-13  
lots

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

That the House recede from its amendments as printed on pages 1249-1251 of the Senate Journal and pages 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$47,383,177	\$4,170,074	\$51,553,251
Accrued leave payments	0	2,626,084	2,626,084
Operating expenses	69,218,477	(4,383,834)	64,834,643
Capital assets	15,035,666	(2,535,066)	12,500,600
Center for distance education	6,649,238	(780,847)	5,868,391
Statewide longitudinal data system	1,869,243	1,511	1,870,754
Educational technology council	1,075,403	739,206	1,814,609
EduTech	7,926,447	125,647	8,052,094
K-12 wide area network	5,206,992	(278,815)	4,928,177
Geographic information system	1,112,065	348,229	1,460,294
Health information technology office	13,959,238	(9,208,515)	4,750,723
Criminal justice information sharing	2,781,394	1,087,967	3,869,361
Federal stimulus funds	0	6,800,000	6,800,000
Total all funds	\$172,217,340	(\$1,288,359)	\$170,928,981
Less estimated income	153,165,136	(3,490,583)	149,674,553
Total general fund	\$19,052,204	\$2,202,224	\$21,254,428
Full-time equivalent positions	336.30	4.00	340.30"

Page 3, after line 11, insert:

**"SECTION 6. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

**SECTION 7. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office,~~ the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

**SECTION 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
  - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
  - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
  - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014, and submit any proposed legislation necessary to implement the consolidation or relocation to the legislative management's information technology committee by July 1, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

**SECTION 9. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION.** Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third-party information technology contractors, and a cost benefit comparison of current state agencies' desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim information technology committee prior to January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
<b>Office of Management and Budget</b>						
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
<b>Information Technology Department</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$748,481)	\$170,928,981	\$169,771,768	\$1,157,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	(\$111,336)	\$21,254,428	\$21,086,632	\$167,796
<b>Bill total</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$548,481)	\$171,128,981	\$169,771,768	\$1,357,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	\$88,664	\$21,454,428	\$21,086,632	\$367,796

**Senate Bill No. 2021 - Office of Management and Budget - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$200,000	\$200,000		\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes**

	Provides Funding for an IT Study <sup>1</sup>	Total Conference Committee Changes
Operating expenses	\$200,000	\$200,000
	\$200,000	\$200,000

4 of 5

Total all funds		
Less estimated income	0	0
General fund	\$200,000	\$200,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides an appropriation to the Office of Management and Budget in the amount of \$200,000, all of which is from the general fund, to contract with a private consultant for an information technology study to determine the feasibility and desirability of relocating appropriate information technology equipment and providing agencies full or partial exemptions from consolidation with the Information Technology Department services.

**Senate Bill No. 2021 - Information Technology Department - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$54,437,801	\$54,461,316	(\$2,908,065)	\$51,553,251	\$49,929,538	\$1,623,713
Operating expenses	64,834,643	64,834,643		64,834,643	64,834,643	
Capital assets	12,500,600	12,500,600		12,500,600	12,500,600	
Center for Distance Education	6,072,187	6,072,187	(203,796)	5,868,391	6,072,187	(203,796)
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754	1,870,754	
Educational Technology Council	1,814,609	1,814,609		1,814,609	1,814,609	
EduTech	8,279,530	8,279,530	(227,436)	8,052,094	8,279,530	(227,436)
K-12 wide area network	4,928,177	4,928,177		4,928,177	4,928,177	
Geographic Information System	1,460,294	1,460,294		1,460,294	1,460,294	
Health Information Technology Office	4,785,991	4,785,991	(35,268)	4,750,723	4,785,991	(35,268)
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361	3,869,361	
Federal stimulus funds	6,800,000	6,800,000		6,800,000	6,800,000	
Accrued leave payments			2,626,084	2,626,084	2,626,084	
Total all funds	\$171,053,947	\$171,677,462	(\$748,481)	\$170,928,981	\$169,771,768	\$1,157,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	(\$111,336)	\$21,254,428	\$21,086,632	\$167,796
FTE	340.30	340.30	0.00	340.30	340.30	0.00

**Department No. 112 - Information Technology Department - Detail of Conference Committee Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total Conference Committee Changes
Salaries and wages	(\$748,481)	(\$2,159,584)	(\$2,908,065)
Operating expenses			
Capital assets			
Center for Distance Education		(203,796)	(203,796)
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech		(227,436)	(227,436)
K-12 wide area network			
Geographic Information System			
Health Information Technology Office		(35,268)	(35,268)
Criminal Justice Information Sharing			
Federal stimulus funds			
Accrued leave payments		2,626,084	2,626,084
Total all funds	(\$748,481)	\$0	(\$748,481)
Less estimated income	(637,145)	0	(637,145)
	(\$111,336)	\$0	(\$111,336)

SofS

General fund			
FTE	0.00	0.00	0.00

- <sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:
- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
  - Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
  - Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Agency Division	General Fund	Special Funds	Total
Salaries and Wages	(\$24,553)	(\$2,135,031)	(\$2,159,584)
Center For Distance Education	(202,760)	(1,036)	(203,796)
EduTech	(132,181)	(95,255)	(227,436)
Health Information Technology Office	(13,593)	(21,675)	(35,268)
Accrued Leave Payments	373,087	2,252,997	2,626,084

This amendment also:

- Amends Section 54-59-15, regarding acceptance of federal or other funds, same version as the House.
- Amends Section 54-59-22, removing selected agency exemptions from the certain services of the Information Technology Department. The House removed exemptions for the Public Employees Retirement System, Attorney General, State Water Commission, and any entity exempted by the Office of Management and Budget.
- Provides for an information technology study.
- Provides for an information technology desktop support study.

Date 4-26-13

Roll Call Vote # 1

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2021 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

**Unable to agree**, recommends that the committee be discharged and a new committee be appointed  
*language in W<sup>ang</sup> amendment plus oil & gas (attachment 1)*

Motion Made by: Lee Seconded by: Glasheim

Senators				Representatives			
		Yes	No			Yes	No
<i>Wang</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<i>Thomson</i>			<input checked="" type="checkbox"/>
<i>Lee</i>		<input checked="" type="checkbox"/>		<i>Styke</i>			<input checked="" type="checkbox"/>
<i>Robinson</i>		<input checked="" type="checkbox"/>		<i>Glasheim</i>		<input checked="" type="checkbox"/>	
Total Senate Vote				Total Rep. Vote			
3				1 2			

Vote Count Yes: 4 No: 2 Absent: 0 *fails*

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Date 4-30-13

Roll Call Vote # 1

### 2013 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2021 as (re) engrossed

Senate Approps Committee

- Action Taken
- SENATE accede to House Amendments
  - SENATE accede to House Amendments and further amends
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amends as follows

Unable to agree, recommends that the committee be discharged and a new committee be appointed *Subject to committee approval*

Motion Made by: Robinson Seconded by: Thoreson

Senators	Am PM			Yes	No	Representatives	Am PM			Yes	No
	4/29	4/30	4/30				4/29	4/30	4/30		
Senators Wangk	✓	✓	✓	✓		Rep. Thoreson	✓	✓	✓	✓	
Lee	✓	✓	✓	✓		Stuebe	✓	✓	✓	✓	
Robinson	✓	✓	✓	✓		Glassheim	✓	✓	✓	✓	
Total Senate Vote				3		Total Rep. Vote				3	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Wangk House Carrier Thoreson

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2021, as reengrossed:** Your conference committee (Sens. Wanzek, G. Lee, Robinson and Reps. Thoreson, Streyle, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1249-1251, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1249-1251 of the Senate Journal and pages 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$47,383,177	\$4,170,074	\$51,553,251
Accrued leave payments	0	2,626,084	2,626,084
Operating expenses	69,218,477	(4,383,834)	64,834,643
Capital assets	15,035,666	(2,535,066)	12,500,600
Center for distance education	6,649,238	(780,847)	5,868,391
Statewide longitudinal data system	1,869,243	1,511	1,870,754
Educational technology council	1,075,403	739,206	1,814,609
EduTech	7,926,447	125,647	8,052,094
K-12 wide area network	5,206,992	(278,815)	4,928,177
Geographic information system	1,112,065	348,229	1,460,294
Health information technology office	13,959,238	(9,208,515)	4,750,723
Criminal justice information sharing	2,781,394	1,087,967	3,869,361
Federal stimulus funds	0	<u>6,800,000</u>	<u>6,800,000</u>
Total all funds	\$172,217,340	(\$1,288,359)	\$170,928,981
Less estimated income	<u>153,165,136</u>	<u>(3,490,583)</u>	<u>149,674,553</u>
Total general fund	\$19,052,204	\$2,202,224	\$21,254,428
Full-time equivalent positions	336.30	4.00	340.30"

Page 3, after line 11, insert:

**"SECTION 6. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

**SECTION 7. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office,~~ the attorney general, and any entity exempted by the office of management and budget

after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

**SECTION 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
  - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
  - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
  - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014, and submit any proposed legislation necessary to implement the consolidation or relocation to the legislative management's information technology committee by July 1, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

**SECTION 9. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION.** Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third-party information technology contractors, and a cost benefit comparison of current state agencies' desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim information technology committee prior to

January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
<b>Office of Management and Budget</b>						
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
<b>Information Technology Department</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$748,481)	\$170,928,981	\$169,771,768	\$1,157,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	(\$111,336)	\$21,254,428	\$21,086,632	\$167,796
<b>Bill total</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$548,481)	\$171,128,981	\$169,771,768	\$1,357,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	\$88,664	\$21,454,428	\$21,086,632	\$367,796

**Senate Bill No. 2021 - Office of Management and Budget - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$200,000	\$200,000		\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes**

	Provides Funding for an IT Study <sup>1</sup>	Total Conference Committee Changes
Operating expenses	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	0	0
General fund	\$200,000	\$200,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides an appropriation to the Office of Management and Budget in the amount of \$200,000, all of which is from the general fund, to contract with a private consultant for an information technology study to determine the feasibility and desirability of relocating appropriate information technology equipment and providing agencies full or partial exemptions from consolidation with the Information Technology Department services.

**Senate Bill No. 2021 - Information Technology Department - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$54,437,801	\$54,461,316	(\$2,908,065)	\$51,553,251	\$49,929,538	\$1,623,713
Operating expenses	64,834,643	64,834,643		64,834,643	64,834,643	
Capital assets	12,500,600	12,500,600		12,500,600	12,500,600	
Center for Distance Education	6,072,187	6,072,187	(203,796)	5,868,391	6,072,187	(203,796)
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754	1,870,754	
Educational Technology Council	1,814,609	1,814,609		1,814,609	1,814,609	
EduTech	8,279,530	8,279,530	(227,436)	8,052,094	8,279,530	(227,436)
K-12 wide area network	4,928,177	4,928,177		4,928,177	4,928,177	
Geographic Information System	1,460,294	1,460,294		1,460,294	1,460,294	
Health Information Technology Office	4,785,991	4,785,991	(35,268)	4,750,723	4,785,991	(35,268)
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361	3,869,361	
Federal stimulus funds	6,800,000	6,800,000		6,800,000	6,800,000	
Accrued leave payments			2,626,084	2,626,084	2,626,084	
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$171,677,462</b>	<b>(\$748,481)</b>	<b>\$170,928,981</b>	<b>\$169,771,768</b>	<b>\$1,157,213</b>
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$21,365,764</b>	<b>(\$111,336)</b>	<b>\$21,254,428</b>	<b>\$21,086,632</b>	<b>\$167,796</b>
FTE	340.30	340.30	0.00	340.30	340.30	0.00

**Department No. 112 - Information Technology Department - Detail of Conference Committee Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total Conference Committee Changes
Salaries and wages	(\$748,481)	(\$2,159,584)	(\$2,908,065)
Operating expenses			
Capital assets			
Center for Distance Education		(203,796)	(203,796)
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech		(227,436)	(227,436)
K-12 wide area network			
Geographic Information System			
Health Information Technology Office		(35,268)	(35,268)
Criminal Justice Information Sharing			
Federal stimulus funds			
Accrued leave payments		2,626,084	2,626,084
<b>Total all funds</b>	<b>(\$748,481)</b>	<b>\$0</b>	<b>(\$748,481)</b>
Less estimated income	(637,145)	0	(637,145)
<b>General fund</b>	<b>(\$111,336)</b>	<b>\$0</b>	<b>(\$111,336)</b>
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.

- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Agency Division	General Fund	Special Funds	Total
Salaries and Wages	(\$24,553)	(\$2,135,031)	(\$2,159,584)
Center For Distance Education	(202,760)	(1,036)	(203,796)
EduTech	(132,181)	(95,255)	(227,436)
Health Information Technology Office	(13,593)	(21,675)	(35,268)
Accrued Leave Payments	373,087	2,252,997	2,626,084

This amendment also:

- Amends Section 54-59-15, regarding acceptance of federal or other funds, same version as the House.
- Amends Section 54-59-22, removing selected agency exemptions from the certain services of the Information Technology Department. The House removed exemptions for the Public Employees Retirement System, Attorney General, State Water Commission, and any entity exempted by the Office of Management and Budget.
- Provides for an information technology study.
- Provides for an information technology desktop support study.

Reengrossed SB 2021 was placed on the Seventh order of business on the calendar.

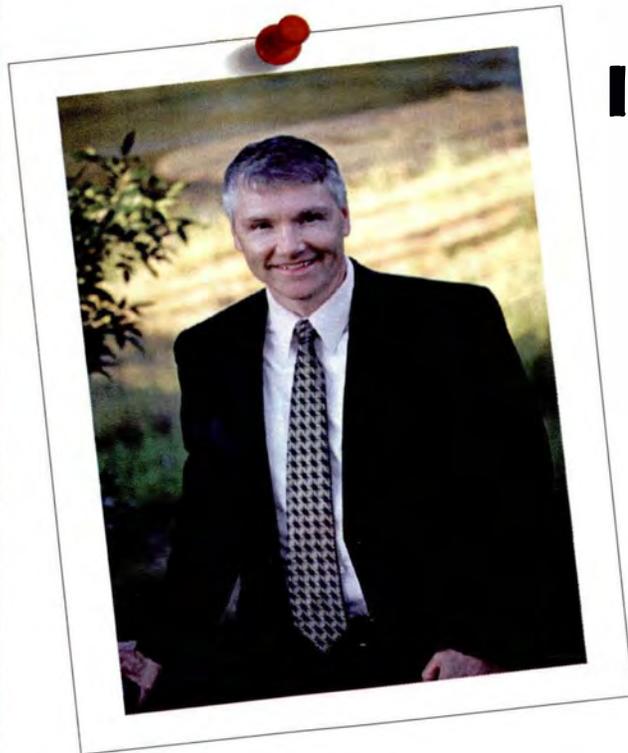
**2013 TESTIMONY**

**SB 2021**

1-11-13 #1



North Dakota  
Information Technology Department



# **SB 2021 Information Technology Department**

## **Presentation to the Senate Appropriations Committee**

**Mike Ressler**

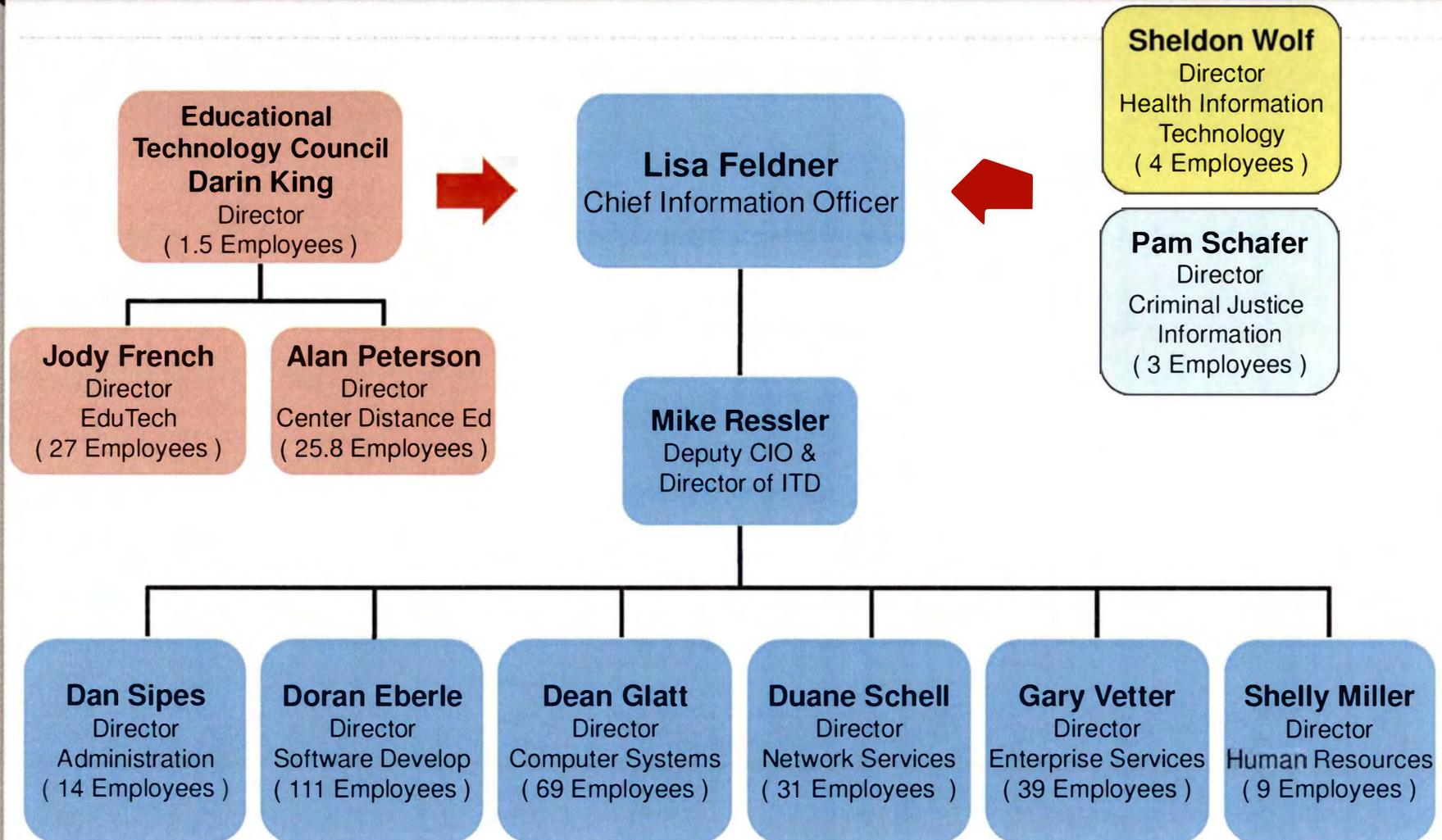
**Deputy CIO / Director**

January 11, 2013

Harvest Room



January 2013





**ITD 2011-13 Budget**

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>705,020</b>	* <b>130,932,300</b>	<b>4,400,000</b>	<b>136,037,320</b>
K-12 Network	<b>4,798,992</b>	<b>408,000</b>		<b>5,206,992</b>
Geographic Information System	<b>1,037,065</b>		<b>75,000</b>	<b>1,112,065</b>
Longitudinal Data System	<b>5,555,867</b>			<b>5,555,867</b>
Educational Technology Council	<b>1,000,403</b>	<b>75,000</b>		<b>1,075,403</b>
Center for Distance Education	<b>2,625,395</b>	<b>4,023,843</b>		<b>6,649,238</b>
EduTech	<b>3,044,096</b>	<b>4,882,351</b>		<b>7,926,447</b>
Criminal Justice Information Sharing	<b>2,498,974</b>	<b>180,000</b>	<b>750,000</b>	<b>3,428,974</b>
Health Information Technology	<b>362,972</b>	<b>13,596,266</b>	<b>5,100,000</b>	<b>19,059,238</b>
<b>Total</b>	<b>21,628,784</b>	<b>154,097,760</b>	<b>10,325,000</b>	<b>186,051,544</b>

\* Includes \$19,346,077 added to ITD's budget during Special Session HB 1475 in November 2011



## ITD Operations

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>1,383,036</b>	<b>128,390,008</b>	<b>4,300,000</b>	<b>134,073,044</b>
2011 – 13 Budget	<b>705,020</b>	<b>130,932,300</b>	<b>4,400,000</b>	<b>136,037,320</b>
Difference	<b>678,016</b>	<b>- 2,542,292</b>	<b>- 100,000</b>	<b>- 1,964,276</b>



## ITD Operations

### Federal Fund Appropriation

#### Broadband Mapping Grant

<http://broadband.nd.gov/mapping/map.htm>

From the Department of Commerce – ARRA

Requesting 2013-15 \$2,300,000 Authority

Awarded \$3,664,087 – December 2009

Expires December 2014

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#### FirstNet (First Responder Network) Federal Grant

From the Department of Commerce - NTIA

Requesting 2013-15 \$2,000,000 Authority

Award Date – 2014



## K-12 Network

ITD provides network bandwidth to the schools and Internet access services

Ethernet (10MB to 50MB) circuits

Approximately 65% or \$ 3,800,000 is paid by the Federal E-rate program each biennium

ITD procures these services from Dakota Carrier Network (DCN) and the ND Teleco's



## K-12 Network

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
K-12 Network	<b>4,828,177</b>	<b>100,000</b>		<b>4,928,177</b>
2011 – 13 Budget	<b>4,798,992</b>	<b>408,000</b>		<b>5,206,992</b>
Difference	<b>29,185</b>	<b>- 308,000</b>		<b>- 278,815</b>



## Geographic Information Systems (GIS)

- GIS is the use of computer systems for storing, assembling, manipulating, and displaying geographically referenced material.
- Prior to the creation of the GIS hub State government agencies were creating and storing data separately with numerous versions. Data sharing was problematic.



## Geographic Information Systems (GIS)

### 2013-15 Budget Request

Staffing & Operations (staffing, supplies, training)	\$ 237,911
Data Hosting (Hub) (software / hardware / data)	<u>\$ 1,147,383</u>
<b>Total General Funds</b>	<b>\$ 1,385,294</b>
Federal Funds (spending authority)	\$ 75,000
Total Budget Request	----- \$ 1,460,294 =====

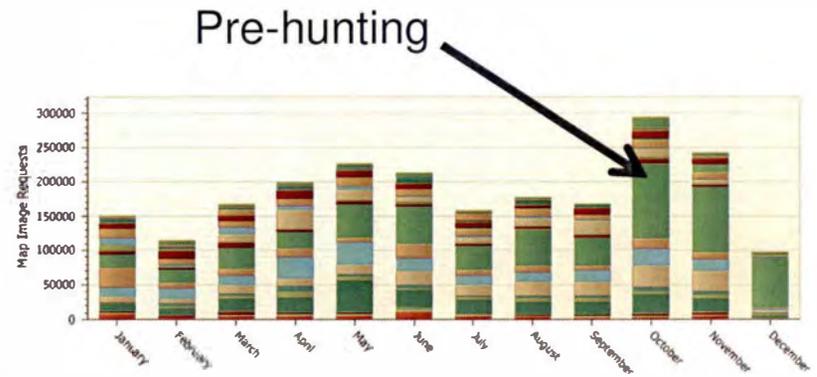


# GIS Program Value



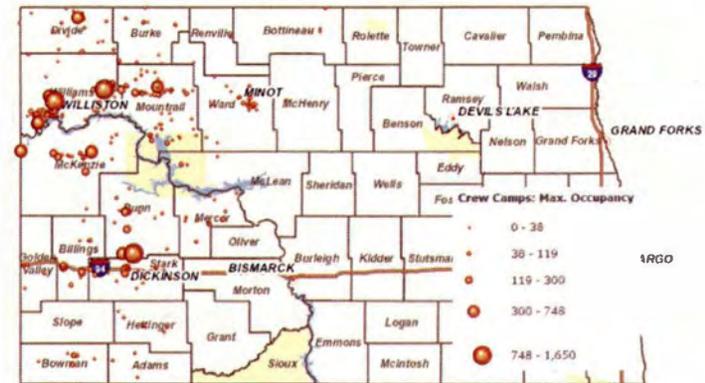
ND DES Base Map Project

GIS Hub map services



Missouri River Flood Viewer

Workforce Lodging





## Geographic Information Systems (GIS)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Geographic Info System (GIS)	<b>1,385,294</b>		<b>75,000</b>	<b>1,460,294</b>
2011 – 13 Budget	<b>1,037,065</b>		<b>75,000</b>	<b>1,112,065</b>
Difference	<b>348,229</b>		<b>0</b>	<b>348,229</b>



## State Longitudinal Data System (SLDS)

### Committee Membership

- Higher Education
- Dept. of Public Instruction
- Chief Information Officer
- Career & Technical Education
- Job Service
- Commerce Dept.
- Human Services
- Educational Technology Council
- ND Council of Educational Leaders
- Workforce Development Council
- 2 Members of Legislative Assembly



## Business Intelligence Competency Center

**\$ 1,870,754**  
**General Funds**

### Statewide Longitudinal Data System (SLDS)

P-20  
ITD  
**\$ 5,572,624**  
**General Funds**

Workforce  
Job Service  
\$1,005,000  
Federal Funds

K-12  
DPI  
\$ 6,723,090  
Federal Funds

Higher Ed  
\$ 3,900,000  
Federal Funds

### Other State Initiatives

OMB  
Human Services  
Treasurer  
DOT  
DHS Eligibility  
K-12 Identity Mgmt  
**Special Funds**



## State Longitudinal Data System (SLDS)

### Project Status

#### ➤ Capabilities

- Establish daily integration of school data from PowerSchool
- Establish regular integration of testing data
- Conducted training for K-12 administrators across the state
- Baseline measurements for Succeed 2020 – Hess Grant
- Replaced FINDET (per the 2011 legislation)
- Needed to fulfill the State Fiscal Stabilization Funds requirements by December 2013
- Provides reporting for workforce, K-12, higher education, and human services



## State Longitudinal Data System (SLDS)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
State Longitudinal Data System	<b>1,870,754</b>			<b>1,870,754</b>
2011 – 13 Budget	<b>5,555,867</b>			<b>5,555,867</b>
Difference	<b>- 3,685,113</b>			<b>- 3,685,113</b>



## ND Educational Technology Council (ETC)

### Mission

Develop technology systems and coordinate their use to enhance and support educational opportunities for elementary and secondary education.



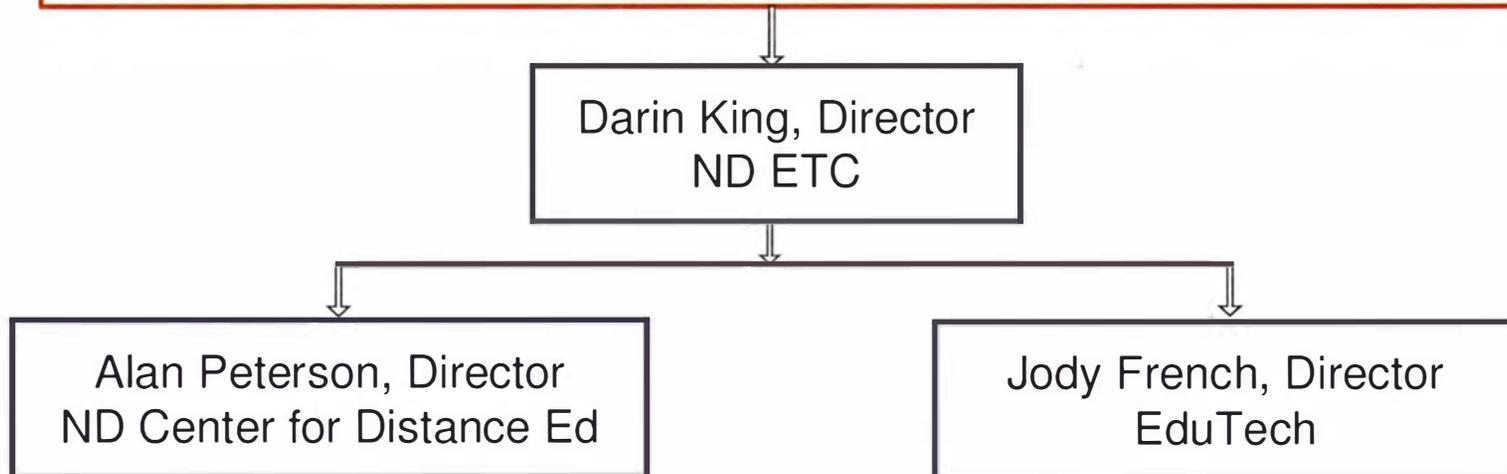
## ETC Membership

### Voting Members

ND Chief Information Officer  
NDUS-Chief Information Officer  
ND Assn. of Technical Leaders  
ND Career & Technical Education  
ND Council of Education Leaders  
ND School Board Assn.  
ND Special Education Directors  
State Assn. of Non-Public Schools  
Two School District Reps (one teacher)  
Two Dept. of Public Instruction Representatives

### Non-Voting Members

Director of ND ETC  
Director of the ND CDE  
Director of the EduTech





## Educational Technology Council

### 2013-15 General Funds

Staffing & Operations (staffing, supplies, training)	\$ 1,014,609
Grants for Schools	<u>\$ 200,000</u>
Total General Funds	\$ 1,214,609



## Educational Technology Council

### 2013–15 Budget Request

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Educational Technology Council	<b>1,214,609</b>	<b>100,000</b>	<b>500,000</b>	<b>1,814,609</b>
2011 – 13 Budget	<b>1,000,403</b>	<b>75,000</b>		<b>1,075,403</b>
Difference	<b>214,206</b>	<b>25,000</b>	<b>500,000</b>	<b>739,206</b>

**\$ 200,000 is one-time**



## Mission

Ensure that all North Dakota middle and high school students, regardless of location, have equal access to educational opportunities that meet or exceed all expectations for the quality of student learning.



**ndCDE** North Dakota  
CENTER FOR DISTANCE EDUCATION

- Plan is to continue funding more of CDE services with State General Funds ( + \$1,358,386 in 2013-15)
- ND Schools are increasing usage of CDE services (so far in 2012/13 enrollment is up 42%)
- Students from the smaller schools do not have the curriculum opportunities of those in the larger schools  
( the average number of courses available to 9-12 students in ND schools )
  - 185** = the average number of courses available in schools with >1,000
  - 58** = the average number of courses available in schools with <1,000
  - 178** = the potential number of courses available to <1,000 schools combining the schools' courses and ND CDE courses



- Schools in western ND have been struggling to find qualified teachers – CDE provides elective, credit recovery, and advanced placement classes needed for graduation
- CDE continues reducing the cost of delivering classes – 2013-15 budget request would fund approx. 75% of this cost
  - 2009–11 CDE course costs = \$195 to \$400 per student per semester
  - 2011–13 CDE course costs = \$95 to \$250 per student per semester



## Center for Distance Education

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Center for Distance Education	<b>4,094,660</b>	<b>1,977,527</b>		<b>6,072,187</b>
2011 – 13 Budget	<b>2,625,395</b>	<b>4,023,843</b>		<b>6,649,238</b>
Difference	<b>1,469,265</b>	<b>- 2,046,316</b>		<b>- 577,051</b>



# EDUTECH

education technology services

## Mission

Provide North Dakota educators and students with opportunities that extend learning in the classroom and beyond focusing on the use of technology to improve student achievement.



# EDUTECH

education technology services

## Services to Schools:

**Professional Development** for PK-12 educators to use software/hardware and to integrate technology into classroom instruction

**Regional IT Specialists** to deliver customized professional development and instructional coaching to educators in their regions

**Videoconference Enrichment Events** to offer students and teachers the opportunity to participate in national/international collaborations, content programs and professional development



# EDUTECH

education technology services

## Services to Schools:

**PowerSchool Services** to provide training, implementation and support to schools that use PowerSchool – all public schools will be live by Feb '13

**IT Services** to provide e-mail, web hosting, internet filtering, desktop anti-virus and blogging/podcasting services

**E-rate Support Services** to provide training and information for compliance with the E-rate program

**Helpdesk Services** to support customers in the use of EduTech's services such as PowerSchool, EduSocial and internet filtering



## EduTech

### *2013–15 Budget Request*

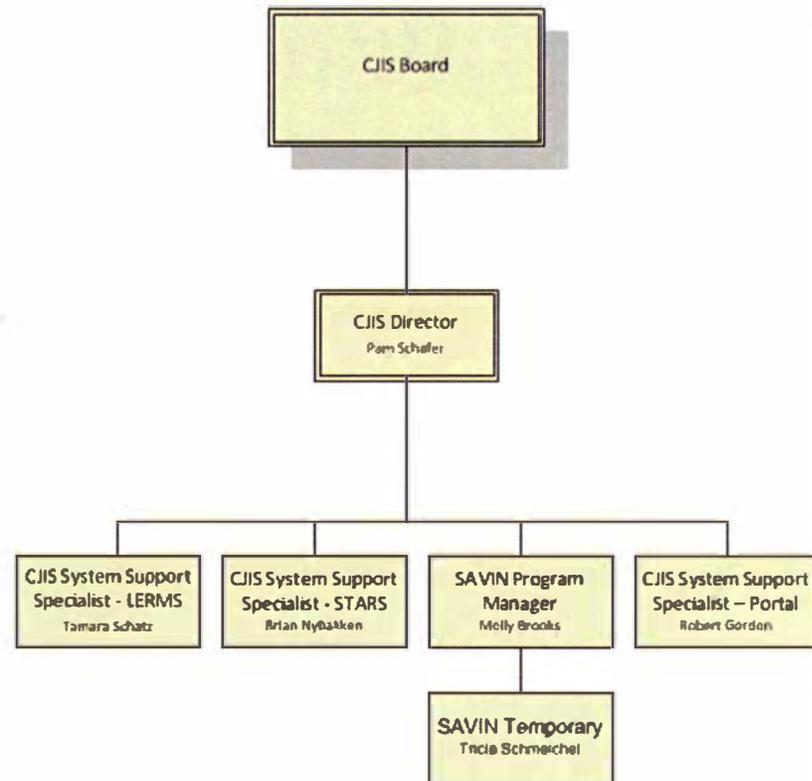
<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
EduTech	<b>3,186,901</b>	<b>5,092,629</b>		<b>8,279,530</b>
2011 – 13 Budget	<b>3,044,096</b>	<b>4,882,351</b>		<b>7,926,447</b>
Difference	<b>142,805</b>	<b>210,278</b>		<b>353,083</b>



## Criminal Justice Information Sharing (CJIS) Governance

### CJIS Board (sets policy and provides oversight)

- CIO of State of North Dakota  
Lisa Feldner
- Office of Attorney General  
Thomas Trenbeath
- Judicial Branch  
Sally Holewa
- Chiefs of Police Association  
Keith Schroeder
- Bureau of Criminal Investigation  
Dallas Carlson
- Department of Corrections  
Amy Vorachek
- Highway Patrol  
Dave Kleppe
- ND State's Attorney Association  
Kara Schmitz-Olson
- ND Sheriffs and Deputies Association  
Kelly Janke
- Department of Transportation  
Russ Buchholz
- Department of Emergency Services  
Mike Lynk
- Member at Large  
Jerod Tufte





## Criminal Justice Information Sharing Program (CJIS)

- **PORTAL:** is a statewide system where authorized criminal justice users are able to search information in a one stop system. Current information includes Booking records, Criminal History records, Protection Orders, Parole and Probation information, DNA, Offender Registration, Concealed Weapons, CWIS, Motor Vehicle, Drivers License information, Watercraft Licenses, and multiple law enforcement incident records. In addition to the search functionality, the system includes notification capabilities that facilitates the tracking of an individual or event.
- **STARS:** is a statewide records management system offered to State's Attorneys to automate business process, enable work flows, and allow information sharing with other agencies.
- **LERMS:** is a statewide records management system offered to law enforcement to automate business process, enable workflows, and allow information sharing with other agencies.
- **ND SAVIN:** is the Statewide Automated Victim Information Notification system. Victims may register to receive important offender status notification.



## Criminal Justice Information Sharing

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Criminal Justice Info Sharing (CJIS)	<b>2,427,361</b>	<b>192,000</b>	<b>650,000</b>	<b>3,269,361</b>
2011 – 13 Budget	<b>2,498,974</b>	<b>180,000</b>	<b>750,000</b>	<b>3,428,974</b>
Difference	<b>- 71,613</b>	<b>12,000</b>	<b>- 100,000</b>	<b>- 159,613</b>



## ND HIT Advisory Committee

- **Governor's Office** – representing state government interests
- **North Dakota Legislature** – representing state legislature
- **Center for Rural Health** – representing rural healthcare facilities/communities & academic institutions
- **ND State CIO** – representing state government interests
- **ND Department of Health** – representing the Department of Health
- **ND Department of Human Services** – representing the Department of Human Services
- **North Dakota Health Care Review** - representing Quality Improvement Organization (QIO)
- **ND Medical Association** – representing physicians
- **ND Healthcare Association** – representing hospitals
- **ND BlueCross BlueShield** - representing third-party payer
- **ND Health Information Management Association (HIMA)** - representing health information management workforce
- **Local Public Health Unit** – representing local public health units
- **AARP** – representing consumers
- **Large tertiary and small rural hospitals** – representing hospitals
- **Long Term Care Association** – representing long term care
- **EMS Association** – representing EMS



## Health Information Technology (HIT) Program

**\$ 372,269**  
General Funds

Health  
Information  
Exchange  
Fund

**\$ 8,913,722**

Special Funds  
Federal Funds

Health  
Information  
Exchange Loan  
Fund

**\$ 10,000,000**

Bank of ND Funds



## **Health Information Technology (HIT)**

<b>Health Information Technology Office</b>	<b>\$ 372,269</b>
<b>Operations</b> ( Provides authority for billing stakeholders )	<b>\$ 4,413,722</b>
<b>Federal Health Info Exchange Grant</b> ( ARRA funds )	<b><u>\$ 4,500,000</u></b>
<b>Total 2013-15 Budget Request</b>	<b>\$ 9,285,991</b>



## State HIE Cooperative Agreement

- Establish a Statewide Health Information Exchange (HIE)
  - Governance, policies & network services
  - Improve the Coordination, Efficiency and Quality of Care
  - Ability to Connect to the National Health Information Network (NHIN)
  
- Federal Grant
  - Cooperative Agreement Date – March 15, 2010 thru March 15, 2014
  - Four Year Grant Award \$5,343,733 Spent approximately \$996,675
  - State Match Required = \$1 State for every \$3 Federal
  
- Project Status
  - Phase I – implemented secure direct e-mail system
  - Phase II – in the process of implementing query based services



## Health Information Technology (HIT)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Health Information Technology (HIT)	<b>372,269</b>	<b>4,413,722</b>	<b>4,500,000</b>	<b>9,285,991</b>
2011 – 13 Budget	<b>362,972</b>	<b>13,596,266</b>	<b>5,100,000</b>	<b>19,059,238</b>
Difference	<b>9,297</b>	<b>- 9,182,544</b>	<b>- 600,000</b>	<b>- 9,773,247</b>



## ITD 2013–15 Budget Request

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>1,383,036</b>	<b>128,390,008</b>	<b>4,300,000</b>	<b>134,073,044</b>
K-12 Network	<b>4,828,177</b>	<b>100,000</b>		<b>4,928,177</b>
Geographic Information System	<b>1,385,294</b>		<b>75,000</b>	<b>1,460,294</b>
Longitudinal Data System	<b>1,870,754</b>			<b>1,870,754</b>
Educational Technology Council	<b>1,214,609</b>	<b>100,000</b>	<b>500,000</b>	<b>1,814,609</b>
Center for Distance Education	<b>4,094,660</b>	<b>1,977,527</b>		<b>6,072,187</b>
EduTech	<b>3,186,901</b>	<b>5,092,629</b>		<b>8,279,530</b>
Criminal Justice Information Sharing	<b>2,427,361</b>	<b>192,000</b>	<b>650,000</b>	<b>3,269,361</b>
Health Information Technology	<b>372,269</b>	<b>4,413,722</b>	<b>4,500,000</b>	<b>9,285,991</b>
<b>Total</b>	<b>20,763,061</b>	<b>140,265,886</b>	<b>10,025,000</b>	<b>171,053,947</b>



## ITD 2013–15 Budget Changes

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>678,016</b>	<b>- 2,542,292</b>	<b>- 100,000</b>	<b>- 2,073,185</b>
K-12 Network	<b>29,185</b>	<b>- 308,000</b>		<b>- 278,815</b>
Geographic Information System	<b>348,229</b>			<b>348,229</b>
Longitudinal Data System	<b>- 3,685,113</b>			<b>- 3,685,113</b>
Educational Technology Council	<b>214,206</b>	<b>25,000</b>	<b>500,000</b>	<b>739,206</b>
Center for Distance Education	<b>1,469,265</b>	<b>- 2,046,316</b>		<b>- 577,051</b>
EduTech	<b>142,805</b>	<b>210,278</b>		<b>353,083</b>
Criminal Justice Information Sharing	<b>- 71,613</b>	<b>12,000</b>	<b>- 100,000</b>	<b>- 159,613</b>
Health Information Technology	<b>9,297</b>	<b>- 9,182,544</b>	<b>- 600,000</b>	<b>- 9,773,247</b>
Difference	<b>- 865,723</b>	<b>- 13,831,874</b>	<b>- 300,000</b>	<b>- 14,997,597</b>



### *ITD 2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>	<b>FTE's</b>
2013 – 15 Budget	<b>20,763,061</b>	<b>140,265,567</b>	<b>10,025,000</b>	<b>171,053,947</b>	<b>340.3</b>
2011 – 13 Budget	<b>21,628,784</b>	<b>154,097,760</b>	<b>10,325,000</b>	<b>186,051,544</b>	<b>336.3</b>
Difference	<b>- 865,723</b>	<b>- 13,831,874</b>	<b>- 300,000</b>	<b>- 14,997,597</b>	<b>4.0</b>

**\$ 715,000 is one-time**



## **SB 2021 Section 5. Information Technology Project Planning**

Executive branch agency, excluding Higher Ed, planning an IT project of \$100,000 or more needs to work with Information Technology Department to get recommendations on state standards and technology products before proceeding with the project.



North Dakota  
Information Technology Department

**THANK YOU!!!**

SB 2021  
1-11-13

2

SB 2021 ITD BUDGET

SENATE APPROPRIATIONS

TESTIMONY OF THOMAS L. TRENBEATH

Mr. Chairman, Members of Senate Appropriations. My name is Tom Trenbeath and I have the continuing honor of being the Chief Deputy Attorney General for this great state.

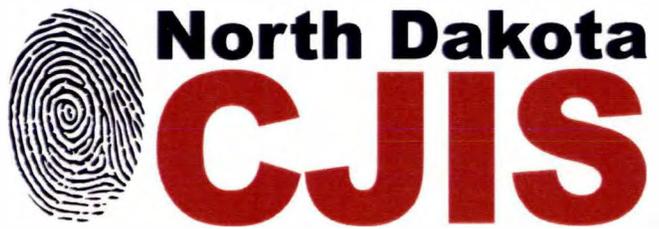
CJIS, that is Criminal Justice Information Sharing, is a hybrid element of state government formed to provide common, instant, interconnected information to those associated with public safety. Each of two agencies (ITD & AG) provide staffing and its budget exists as one line item in the budget you are currently considering.

The governing board consists of representatives of all elements of government for which public safety is the primary concern – Corrections, Highway Patrol, States Attorneys, the courts, BCI, police chiefs, sheriffs, DOT, Emergency Management, ITD, and the Office of Attorney General.

CJIS is a hub and spoke information sharing method by which each of the spokes is able to gain access to information contained in other spokes through access to the hub which is CJIS. A nice schematic of that relationship is shown on the last page of the handout. As such,

CJIS has spent years developing those interrelationships and in updating existing ones. This occurs in accordance with a biennial plan. The biennial plan for the '13-'15 biennium was developed by a committee of the board, adopted by the full board and submitted for budget consideration.

Of the total budget request of \$3,989,345; \$2,427,361 was recommended for funding; only \$200,000 of which reflects forward progress against a plan of \$1,779,630 of planned interconnections, developments and updates. Mr. Chairman, members of the committee, we're a million five short of our plan to stay current and move forward on this crucial effort. We'll need your assistance.



SB 2021  
1-11-13

3

**CJIS Budget – Key Project Request  
January 11, 2013**

## 1 Background

The 2012 Strategic Planning Vision was developed by a subcommittee<sup>1</sup> of the CJIS Board to guide the budget request for the 2013-2015 Biennium. This plan laid out the strategic roadmap for criminal justice improvement projects over the next several biennia. It was based on the recommendations of the Justice Information Framework Study (JIFS), a joint effort of the Office of Attorney General and CJIS, which was conducted in 2011 and identified six key strategies for improving criminal justice processes and information sharing. These included:

- 1) Automated Reporting of Court Information
- 2) Improved Access to Information
- 3) Subject Identification
- 4) Electronic Charging Automation
- 5) Common Statute Table
- 6) New Criminal History Repository

The 2012 Strategic Planning Vision was used to develop the 2013-2015 CJIS Budget request for staffing, operations, and projects. CJIS requested \$3,989,345 in general funds (see section 4 CJIS Budget Summary). The staffing and operations of CJIS comprised the status quo base budget of \$1,866,739 leaving any additional funding requests to be considered Optional Packages. Projects needed to fulfill the 2012 Strategic Planning Vision during the 2013-2015 Biennium totaled \$1,779,630. Of this requested budget, OMB recommends funding of only \$200,000 of the \$1,779,630 requested project pool. This reduced the total CJIS budget from the requested amount of \$3,989,345 to \$2,427,361. The reduction of the project pool to \$200,000 does not allow the CJIS Board to carry out the vision set out in the development of the roadmap.

The CJIS Board has distilled the original product pool request to the key strategic projects (see section 2 Projects and section 3 CJIS Projects Roadmap) it believes are critical to accomplishing its mission, which is to enhance public safety through timely sharing of information through automated means. Although this request will not allow CJIS to fulfill its 2012 Strategic Planning Vision, it will help ensure that CJIS has the resources needed to accomplish recommended key projects to allow the integration and sharing of criminal justice information from one agency to another in electronic means instead of manual paper process. Without these funds, CJIS will likely only be able to maintain the status quo. Stagnation is especially detrimental given the growing needs of law enforcement and other criminal justice professionals across the state. Additionally, many of the projects CJIS already has in place, including the publication subscription services of the CJIS Broker and the usage of the Common Statute Table, will not be utilized to their full potential.

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<sup>1</sup> Dallas Carlson-Office of Attorney General, Sally Holewa-Supreme Court, Mike Lynk- Department of Emergency Services, Jim Page-Integration Architects, Pam Schafer-CJIS, and Keith Witt-Bismarck Police Department

North Dakota is seeing times of record growth in a diverse population base in the western half of the state due to the oil activity and associated boom efforts, with this growth comes issues of public safety. The need for law enforcement to have the ability to share criminal justice information by electronic means is more critical than ever before. In the past manual processes sufficed in this area or other less densely populated rural areas due to the small population base, people knowing each other, and low crime rates. The public and Law Enforcement had relied on knowing who was in their community and did not have a dire necessity to rely on automation of information. With the increase in diversity of population and the need to do more work with less; technology is a key solution to help with the sharing of information amongst criminal justice agencies.

## 2 Projects

### Priority Definition

High Priority – Considered extremely valuable to stakeholders, high impact on CJIS program, and very important to meeting mission

Medium Priority – Considered valuable to stakeholders, medium impact on CJIS program, and important to meeting mission

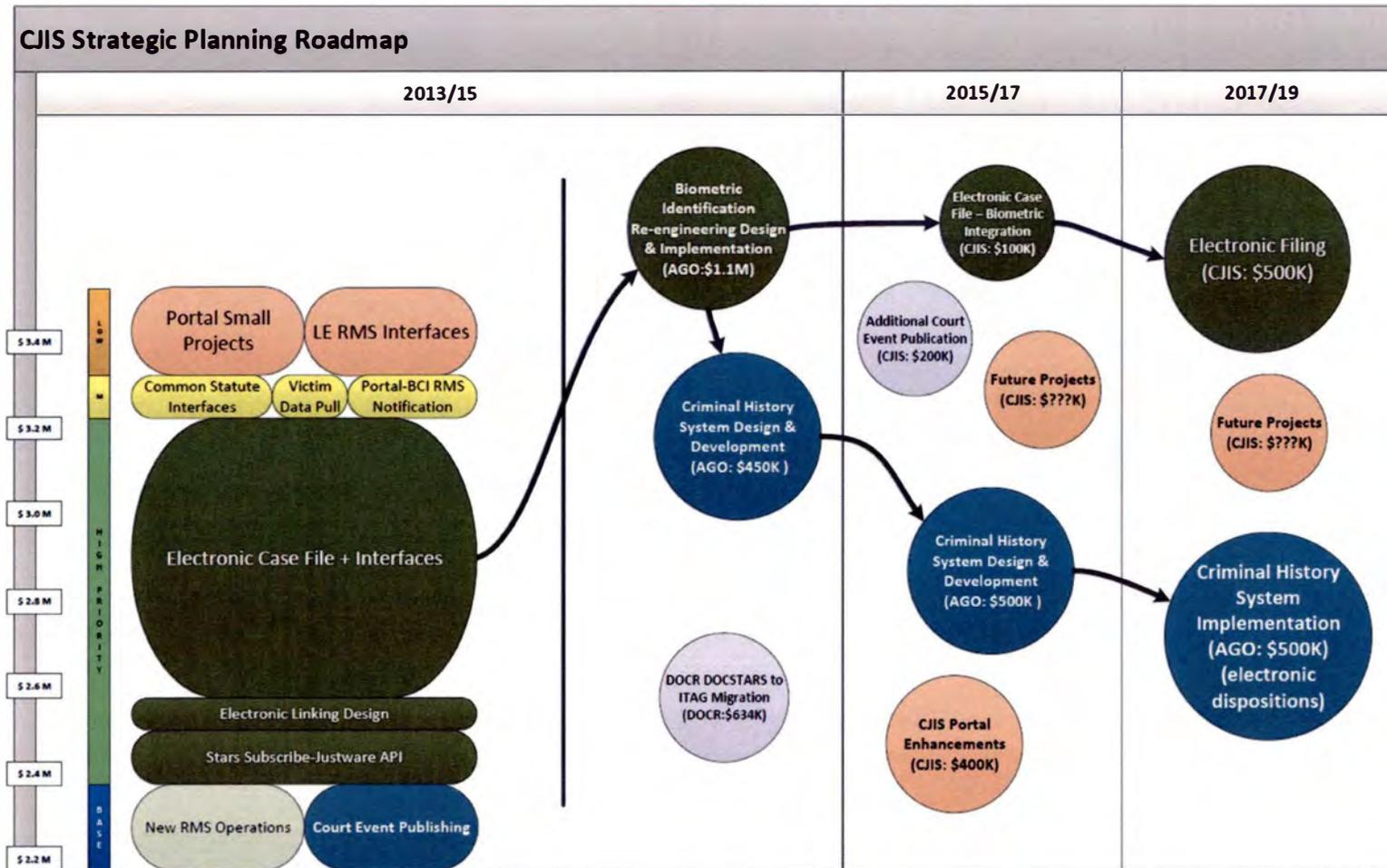
Low Priority – Considered valuable to stakeholders, low impact on CJIS and important to meet mission

High Priority Projects	Description	Interaction/Benefits	Budget Request
STARS Subscription	Modifications to STARS to consume electronic court event information. Purchase of a JustWare API component that will enable information to be uploaded and extracted.	This will allow State's Attorneys' offices to electronically receive Court Information. Currently, this is a manual paper process. Some of this information for prosecution is beneficial to the Office of Attorney General for timeliness of receiving information in an automated fashion, so they are able to disseminate information more accurately.	\$114,540
Electronic Linking Design	Design of end-to-end scheme for ensuring reliable electronic links among law enforcement, prosecution, court, criminal history, and corrections case records.	The core fit of tying all criminal justice information data throughout the criminal justice system in order to have a common method of relating people to case events. * Predecessor for Ag's Criminal History Design in order to understand how the Courts, a key stakeholder, will operate in order to best receive the information.	\$37,800

Electronic Case File Project	Develop document management and workflow system to support creation and sharing of electronic case file information between law enforcement and prosecution, including interfaces for CJIS RMS and STARS.	The Electronic Case File Project is a component of an overall vision of end-to-end automation of the people and paper-intensive criminal charging process. The filing of criminal charges is a multi-step process involving law enforcement agencies, State's Attorneys, and the District Courts.	\$640,360
		<b>Total High Priority Budget Request</b>	\$792,700
<b>Medium Priority Project</b>	<b>Description</b>	<b>Interaction/Benefits</b>	<b>Budget Request</b>
Common Statute Table Interfaces	Develop interfaces to support populating CJIS RMS and STARS offense lists with data from Common Statute Table.	This will allow the State's Attorneys RMS and Law Enforcement RMS to subscribe to the Common Statute Code Table that was developed to achieve commonality of charge information amongst criminal justice entities.	\$24,750
Victim Data Pull	Modifications to ND SAVIN's correctional facilities' interfaces to enable ND SAVIN to pull victim information and automatically register victims for notification.	This save jails time of not having to sign up victims for ND SAVIN as this is automated registration. Increase usage and save time.	\$60,000
Portal-BCI RMS Notification	Integration between Portal and BCI RMS	Allows the BCI to be able to provide notifications through the CJIS Portal for a one-stop location of receiving vital information.	\$22,440
		<b>Total Medium Priority Budget Request</b>	\$107,190
<b>Low Priority Project</b>	<b>Description</b>	<b>Interaction/Benefits</b>	<b>Budget Request</b>
Law Enforcement RMS Interfaces	Develop additional interfaces to connect Law Enforcement RMS's to the CJIS Portal.	Provide ongoing additional criminal justice information through Portal to stakeholders.	\$40,000
VPO Partnership	Project with NDCAWS to enhance ND SAVIN's Protection/Restraining Order victim notification service	Critical partnership to establish the Protection order service for victims.	\$24,000

	and train critical stakeholders to maximize its effectiveness.		
Portal - Scan Driver License & Registration	Portal enhancement to allow the scan of Driver's License barcode.	Time saving of keying for law enforcement, particularly mobile.	\$47,190
Portal - Death Certificates	Portal Enhancement to allow search of death certificates.	Time saving of stakeholders in need of information.	\$12,000
Photo Interface-SAVIN-Portal	Expansion of Cass and Ward County's interface and additional agency with ND SAVIN to enable ND SAVIN and the Portal to pull offender photographs for victim and law enforcement use.	Photo identification is made available for victim and law enforcement use electronically.	\$34,000
Portal - G&F Suspended Boaters License	Portal Enhancement to allow search of suspended boater's license.	Information on suspended boaters would be made available for use electronically.	\$3,960
Portal - User Directory	Portal Enhancement to allow users to search the "user directory.	Time savings for Portal users to be able to efficiently find directory information.	\$21,618
Portal - Weapon Restrictions	Portal Enhancement to display weapon restriction criteria in the Portal	Information is not available in the Portal and would be of significant use for law enforcement in the field.	\$15,840
Vine Custody to include YCC	Expansion of ND SAVIN's DOCR interface to enable automated notifications for victims of juvenile offenders.	Expand victim notification services to juvenile victims.	\$20,000
		<b>Total Low Priority Budget Request</b>	\$218,608
		<b>Total Project Budget Request</b>	\$1,118,498

### 3 2013 Projects – Roadmap

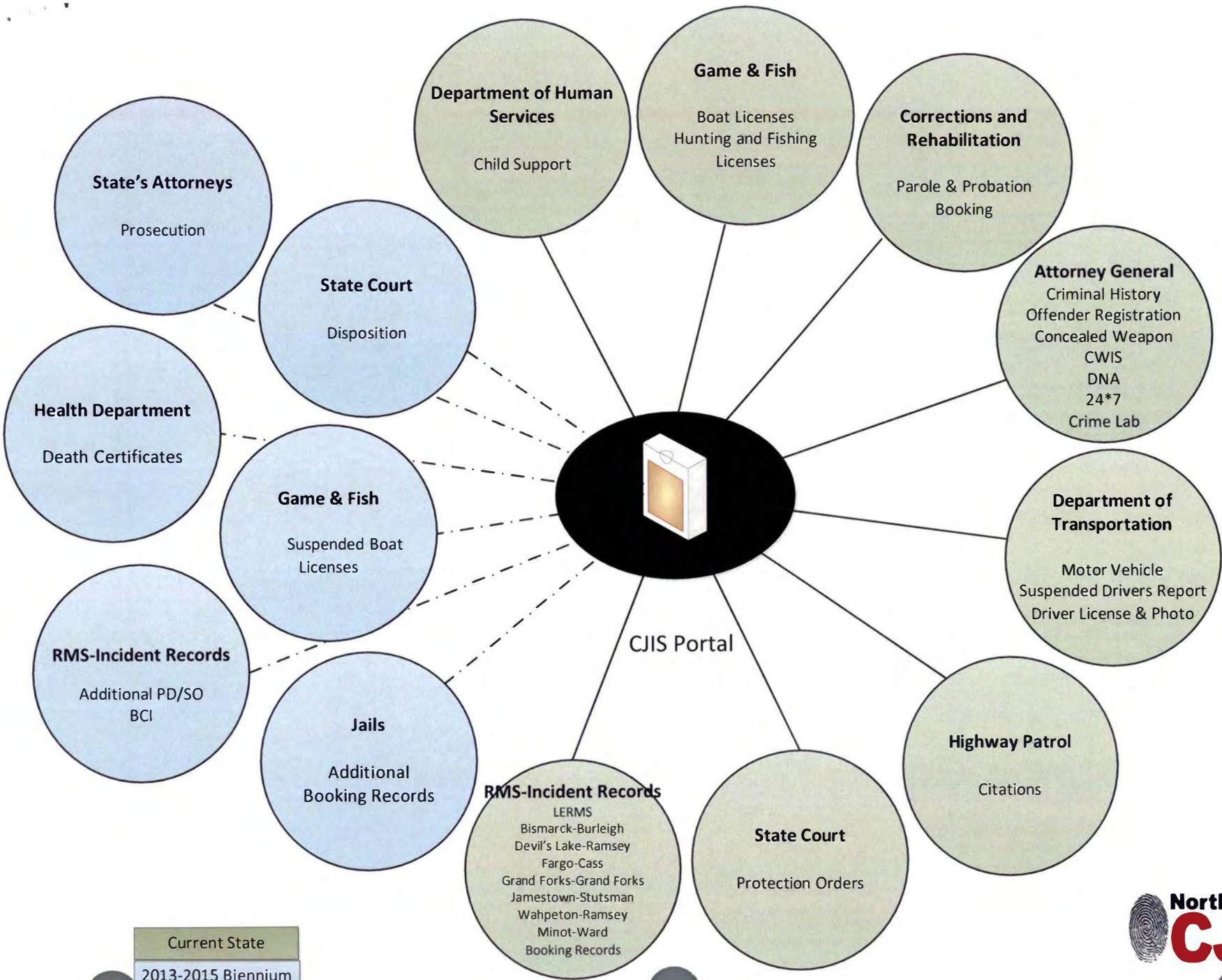


## 4 CJIS Budget Summary

CJIS Line 78 Appropriation Summary				
	11-13 General Fund Final	13-15 General Fund Requested	Requested Increase/ (Decrease)	13-15 General Fund Governor
SAVIN Staffing	\$ 170,538	\$ 165,120	\$ (5,418)	\$ 168,650
SAVIN Staffing - Optional		50,240	50,240	50,240
SAVIN Operations	549,040	495,281	(53,759)	495,281
SAVIN Operations - Optional		292,736	292,736	292,736
SAVIN Project Pool	16,458	-	(16,458)	-
SAVIN Project Pool - Optional	-	203,000	203,000	200,000
CJIS Staffing	627,845	656,199	28,354	670,315
CJIS Operations	503,971	550,139	46,168	550,139
CJIS Project Pool - Base	183,542	-	(183,542)	-
CJIS Project Pool - Optional	-	1,576,630	1,576,630	
<b>Total General Fund Budget</b>	<b>\$ 2,051,394</b>	<b>\$ 3,989,345</b>	<b>\$ 1,937,951</b>	<b>\$ 2,427,361</b>
OMB GF Hold Even		\$ 2,051,394		
Payroll CTC		15,345		
Back out Projects		(200,000)		
Total OMB Hold Even		\$ 1,866,739		\$ 542,976
				Optionals Funded
Total 13-15 Base from Above		\$ 1,866,739		

OMB Funded \$200,000 out of \$1,779,630 in our projects. It could be split anywhere between CJIS and SAVIN. Effectively did not fund the CJIS large project.

"This change package is requesting \$1,779,630 in general funds in Line 78 for continued development surrounding the Criminal Justice Information Sharing (CJIS) initiative."



Current State  
2013-2015 Biennium

2/9/13  
 TD

PROPOSED AMENDMENTS TO SENATE BILL NO. 2021

Page 1, replace line 23 with:

"Criminal justice information sharing                    2,781,394                    1,087,967                    3,869,361"

Page 2, replace line 1 with:

"Total all funds                    \$172,217,340                    (\$563,393)                    \$171,653,947"

Page 2, replace line 3 with:

"Total general fund                    \$19,052,204                    \$2,310,857                    \$21,363,061"

Page 2, replace line 10 with:

"Criminal justice information sharing projects                    \$200,000                    \$800,000"

Page 2, replace line 19 with:

"Total general fund                    \$200,000                    \$1,315,000"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$54,437,801		\$54,437,801
Operating expenses	64,834,643		64,834,643
Capital assets	12,500,600		12,500,600
Center for Distance Education	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754		1,870,754
Educational Technology Council	1,814,609		1,814,609
EduTech	8,279,530		8,279,530
K-12 wide area network	4,928,177		4,928,177
Geographic Information System	1,460,294		1,460,294
Health Information Technology Office	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	600,000	3,869,361
Federal stimulus funds	6,800,000		6,800,000
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$600,000</b>	<b>\$171,653,947</b>
Less estimated income	150,290,886	0	150,290,886
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$600,000</b>	<b>\$21,363,061</b>
FTE	340.30	0.00	340.30

Department No. 112 - Information Technology Department - Detail of Senate Changes

	<b>Adds One-Time Funding to the CJIS Projects'</b>	<b>Total Senate Changes</b>
Salaries and wages		
Operating expenses		

Capital assets		
Center for Distance Education		
Statewide Longitudinal Data System		
Educational Technology Council		
EduTech		
K-12 wide area network		
Geographic Information System		
Health Information Technology Office		
Criminal Justice Information Sharing	600,000	600,000
Federal stimulus funds		
<b>Total all funds</b>	<b>\$600,000</b>	<b>\$600,000</b>
Less estimated income	0	0
<b>General fund</b>	<b>\$600,000</b>	<b>\$600,000</b>
FTE	0.00	0.00

The criminal justice information sharing line item is increased by \$600,000 from the general fund for one-time funding for the Criminal Justice Information Sharing project to complete the updating process to allow the integration and electronic sharing of criminal justice information among agencies.

Date: 2-8-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2021

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8171.01001

Action Taken Do Pass

Motion Made By Wanzek Seconded By Robinson

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Vote Carried*

Date: 2-8-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2021

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as Amended

Motion Made By Wanzek Seconded By Robinson

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Robinson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2021: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2021 was placed on the Sixth order on the calendar.**

Page 1, replace line 23 with:

"Criminal justice information sharing 2,781,394 1,087,967 3,869,361"

Page 2, replace line 1 with:

"Total all funds \$172,217,340 (\$563,393) \$171,653,947"

Page 2, replace line 3 with:

"Total general fund \$19,052,204 \$2,310,857 \$21,363,061"

Page 2, replace line 10 with:

"Criminal justice information sharing projects \$200,000 \$800,000"

Page 2, replace line 19 with:

"Total general fund \$200,000 \$1,315,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Information Technology Department - Senate Action**

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$54,437,801		\$54,437,801
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EduTech	8,279,530		8,279,530
K-12 wide area network	4,928,177		4,928,177
Geographic Information System	1,460,294		1,460,294
Health Information Technology Office	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	600,000	3,869,361
Federal stimulus funds	<u>6,800,000</u>		<u>6,800,000</u>
Total all funds	\$171,053,947	\$600,000	\$171,653,947
Less estimated income	<u>150,290,886</u>	0	<u>150,290,886</u>
General fund	\$20,763,061	\$600,000	\$21,363,061
FTE	340.30	0.00	340.30

**Department No. 112 - Information Technology Department - Detail of Senate Changes**

	Adds One-Time Funding to the CJIS Projects <sup>1</sup>	Total Senate Changes
Salaries and wages		
Operating expenses		
Capital assets		
Center for Distance Education		
Statewide Longitudinal Data System		
Educational Technology Council		

EduTech		
K-12 wide area network		
Geographic Information System		
Health Information Technology		
Office		
Criminal Justice Information Sharing	600,000	600,000
Federal stimulus funds		
Total all funds	\$600,000	\$600,000
Less estimated income	0	0
General fund	\$600,000	\$600,000
FTE	0.00	0.00

<sup>1</sup>The criminal justice information sharing line item is increased by \$600,000 from the general fund for one-time funding for the Criminal Justice Information Sharing project to complete the updating process to allow the integration and electronic sharing of criminal justice information among agencies.

1-15-13 #1



North Dakota  
Information Technology Department



**SB 2021  
Information Technology  
Department**

**Presentation to the  
House Appropriations  
Government Operations  
Division**

**Mike Ressler**

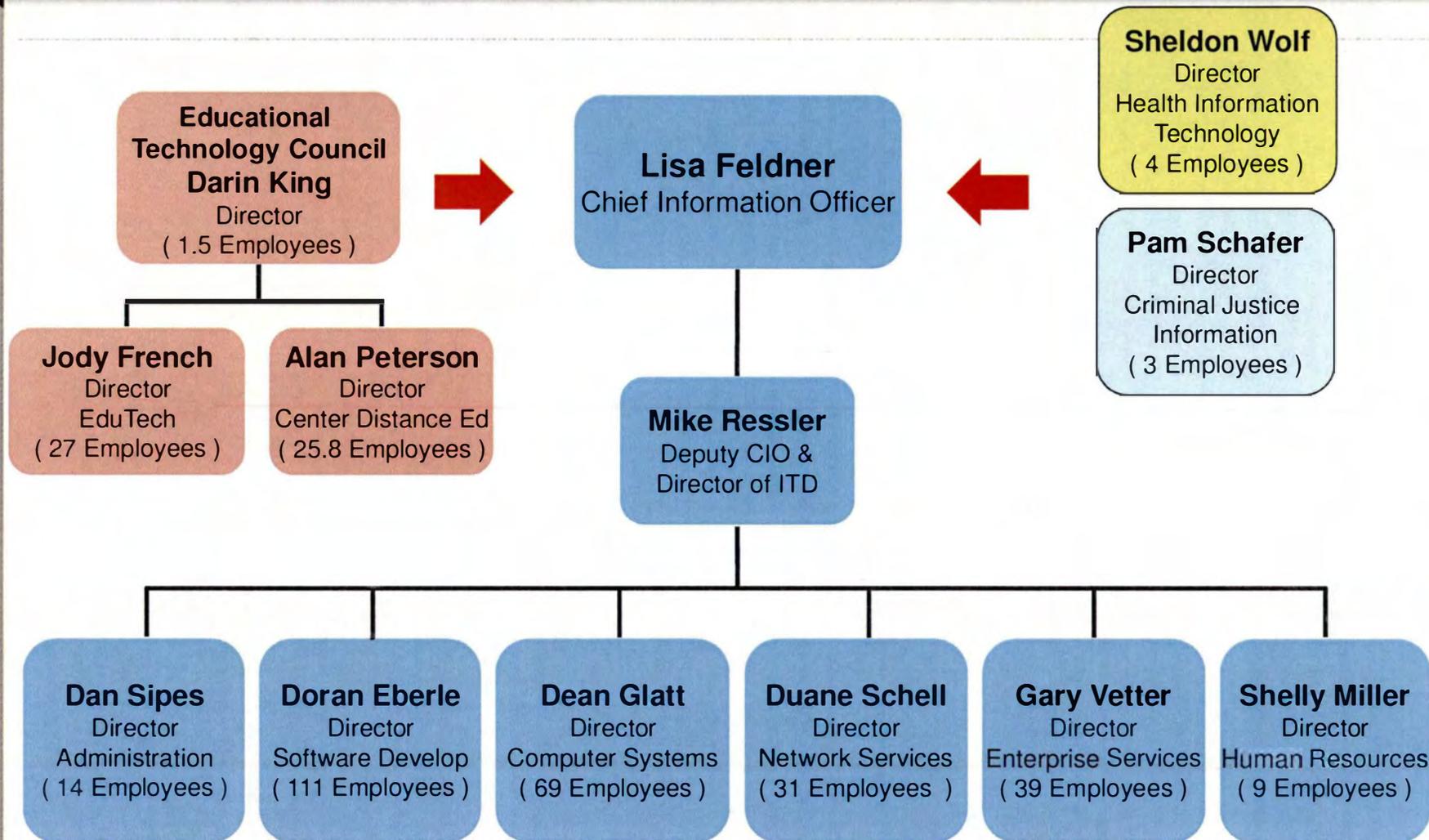
**Deputy CIO / Director**

**March 15, 2013**

**Medora Room**



January 2013





## ITD 2011–13 Budget

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>705,020</b>	<b>* 130,932,300</b>	<b>4,400,000</b>	<b>136,037,320</b>
K-12 Network	<b>4,798,992</b>	<b>408,000</b>		<b>5,206,992</b>
Geographic Information System	<b>1,037,065</b>		<b>75,000</b>	<b>1,112,065</b>
Longitudinal Data System	<b>5,555,867</b>			<b>5,555,867</b>
Educational Technology Council	<b>1,000,403</b>	<b>75,000</b>		<b>1,075,403</b>
Center for Distance Education	<b>2,625,395</b>	<b>4,023,843</b>		<b>6,649,238</b>
EduTech	<b>3,044,096</b>	<b>4,882,351</b>		<b>7,926,447</b>
Criminal Justice Information Sharing	<b>2,498,974</b>	<b>180,000</b>	<b>750,000</b>	<b>3,428,974</b>
Health Information Technology	<b>362,972</b>	<b>13,596,266</b>	<b>5,100,000</b>	<b>19,059,238</b>
<b>Total</b>	<b>21,628,784</b>	<b>154,097,760</b>	<b>10,325,000</b>	<b>186,051,544</b>

\* Includes \$19,346,077 added to ITD's budget during Special Session HB 1475 in November 2011



## ITD Operations

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>1,385,739</b>	<b>128,410,820</b>	<b>4,300,000</b>	<b>134,096,559</b>
2011 – 13 Budget	<b>705,020</b>	<b>130,932,300</b>	<b>4,400,000</b>	<b>136,037,320</b>
Difference	<b>680,719</b>	<b>- 2,521,480</b>	<b>- 100,000</b>	<b>- 1,940,761</b>

Includes Senate  
Amendment

**+ 2,703**

**+ 20,812**



## Information Technology Projects over \$250,000

During July 2011 - June 2012

State agencies completed **9** projects.

Total budget of all projects was \$11,178,290.

**7** of the **9** projects were completed on or under budget.

**None** of the projects exceeded the 20% negative variance threshold.

Aggregated variance to total budget was + \$571,276 or 5.1% under budget.

**5** of the **9** projects were completed on or ahead of schedule.

**2** projects completed within the 20% negative variance threshold.

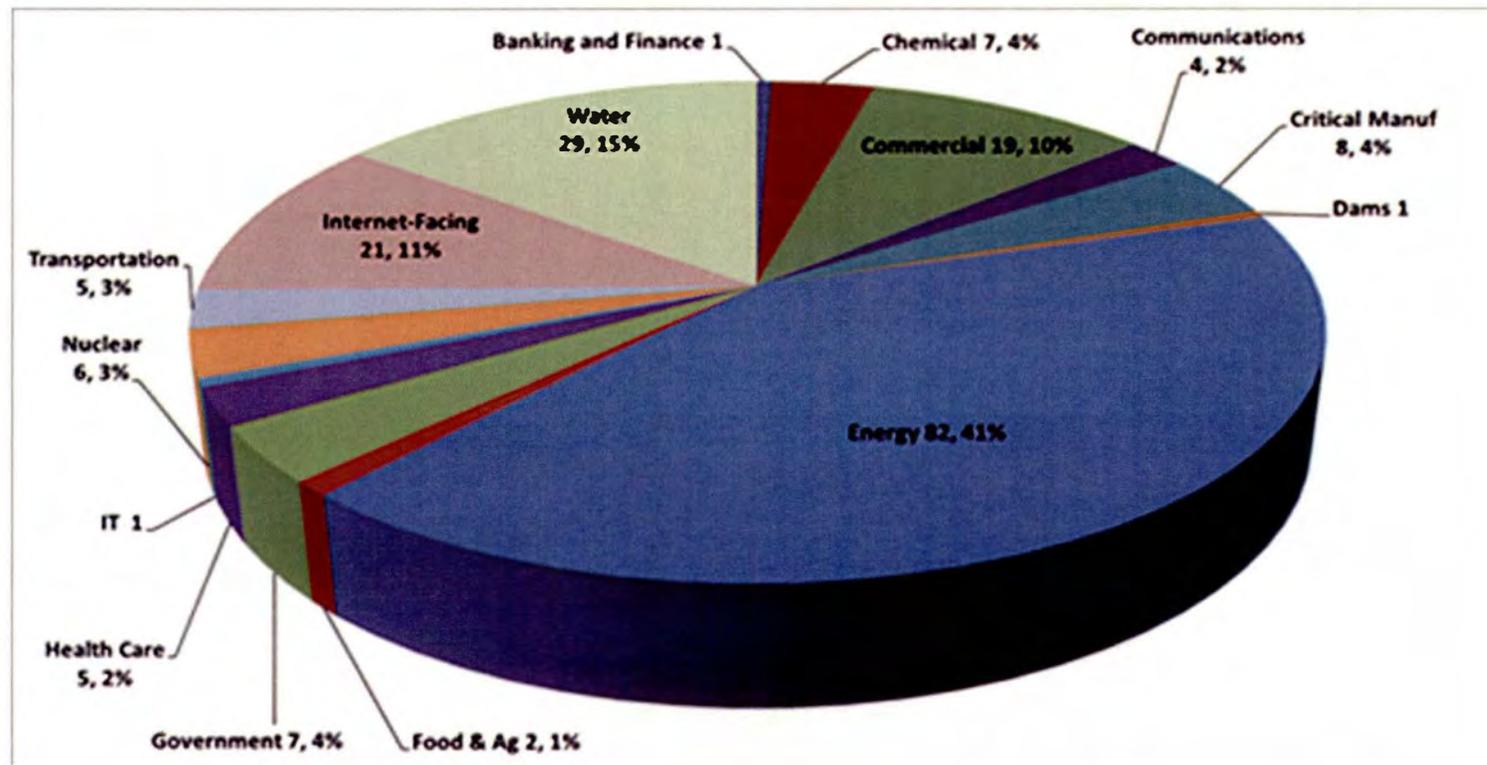
**2** projects exceeded the 20% negative variance threshold.

**1** project was terminated after expending \$613,010.



## Cyber Attacks

### US Department of Homeland Security FY 2012 Reported Cases





## ITD Operations

### Federal Fund Appropriation

#### Broadband Mapping Grant

<http://broadband.nd.gov/mapping/map.htm>

From the Department of Commerce – ARRA

Requesting 2013-15 \$2,300,000 Authority

Awarded \$3,664,087 – December 2009

Expires December 2014

---

#### FirstNet (First Responder Network) Federal Grant

From the Department of Commerce - NTIA

Requesting 2013-15 \$2,000,000 Authority

Award Date – 2013



## K-12 Network

ITD provides network bandwidth to the schools and Internet access services

Ethernet (10MB to 50MB) circuits

Approximately 65% or \$ 3,800,000 is paid by the Federal E-rate program each biennium

ITD procures these services from Dakota Carrier Network (DCN) and the ND Teleco's



## K-12 Network

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
K-12 Network	<b>4,828,177</b>	<b>100,000</b>		<b>4,928,177</b>
2011 – 13 Budget	<b>4,798,992</b>	<b>408,000</b>		<b>5,206,992</b>
Difference	<b>29,185</b>	<b>- 308,000</b>		<b>- 278,815</b>



## Geographic Information Systems (GIS)

- GIS is the use of computer systems for storing, assembling, manipulating, and displaying geographically referenced material.
- Prior to the creation of the GIS hub State government agencies were creating and storing data separately with numerous versions. Data sharing was problematic.



## Geographic Information Systems (GIS)

### 2013-15 Budget Request

Staffing & Operations (staffing, supplies, training)	\$ 237,911
Data Hosting (Hub) (software / hardware / data)	<u>\$ 1,147,383</u>
<b>Total General Funds</b>	<b>\$ 1,385,294</b>
Federal Funds (spending authority)	\$ 75,000
Total Budget Request	----- \$ 1,460,294 =====

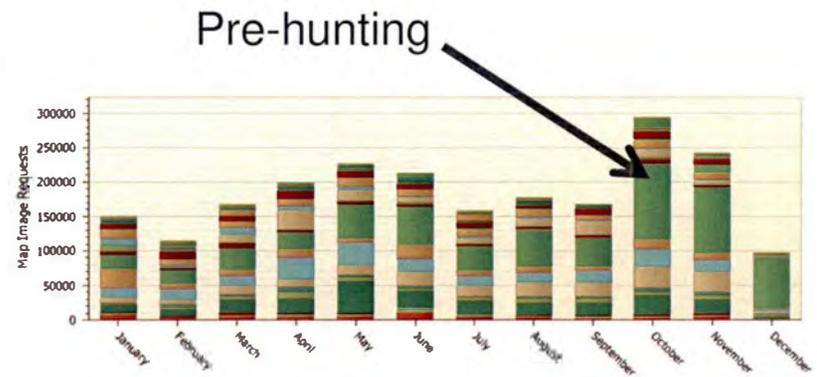


# GIS Program Value



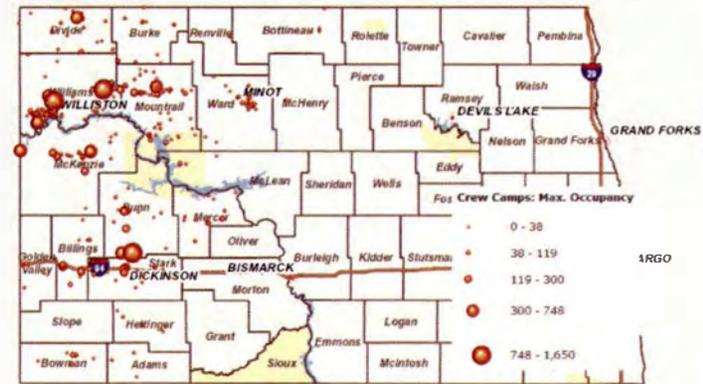
ND DES Base  
Map Project

GIS Hub  
map services



Missouri River  
Flood Viewer

Workforce  
Lodging





## Geographic Information Systems (GIS)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Geographic Info System (GIS)	<b>1,385,294</b>		<b>75,000</b>	<b>1,460,294</b>
2011 – 13 Budget	<b>1,037,065</b>		<b>75,000</b>	<b>1,112,065</b>
Difference	<b>348,229</b>		<b>0</b>	<b>348,229</b>



## State Longitudinal Data System (SLDS)

### Committee Membership

- Higher Education
- Dept. of Public Instruction
- Chief Information Officer
- Career & Technical Education
- Job Service
- Commerce Dept.
- Human Services
- Educational Technology Council
- ND Council of Educational Leaders
- Workforce Development Council
- 2 Members of Legislative Assembly



## Business Intelligence Competency Center

**\$ 1,870,754**  
**General Funds**

### Statewide Longitudinal Data System (SLDS)

P-20  
ITD  
**\$ 5,572,624**  
**General Funds**

Workforce  
Job Service  
\$1,005,000  
Federal Funds

K-12  
DPI  
\$ 6,723,090  
Federal Funds

Higher Ed  
\$ 3,900,000  
Federal Funds

### Other State Initiatives

OMB  
Human Services  
Treasurer  
DOT  
DHS Eligibility  
K-12 Identity Mgmt

Special Funds



## State Longitudinal Data System (SLDS)

### Project Status

#### ➤ Capabilities

- Establish daily integration of school data from PowerSchool
- Establish regular integration of testing data
- Conducted training for K-12 administrators across the state
- Baseline measurements for Succeed 2020 – Hess Grant
- Replaced FINDET (per the 2011 legislation)
- Needed to fulfill the State Fiscal Stabilization Funds requirements by December 2013
- Provides reporting for workforce, K-12, higher education, and human services



## State Longitudinal Data System (SLDS)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
State Longitudinal Data System	<b>1,870,754</b>			<b>1,870,754</b>
2011 – 13 Budget	<b>5,555,867</b>			<b>5,555,867</b>
Difference	<b>- 3,685,113</b>			<b>- 3,685,113</b>



## ND Educational Technology Council (ETC)

### Mission

Develop technology systems and coordinate their use to enhance and support educational opportunities for elementary and secondary education.



## ETC Membership

### Voting Members

ND Chief Information Officer  
NDUS-Chief Information Officer  
ND Assn. of Technical Leaders  
ND Career & Technical Education  
ND Council of Education Leaders  
ND School Board Assn.  
ND Special Education Directors  
State Assn. of Non-Public Schools  
Two School District Reps (one teacher)  
Two Dept. of Public Instruction Representatives

### Non-Voting Members

Director of ND ETC  
Director of the ND CDE  
Director of the EduTech

Darin King, Director  
ND ETC

Alan Peterson, Director  
ND Center for Distance Ed

Jody French, Director  
EduTech



## Educational Technology Council

### 2013-15 General Funds

Staffing & Operations (staffing, supplies, training)	\$ 1,014,609
Grants for Schools	<u>\$ 200,000</u>
Total General Funds	\$ 1,214,609



## Educational Technology Council

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Educational Technology Council	<b>1,214,609</b>	<b>100,000</b>	<b>500,000</b>	<b>1,814,609</b>
2011 – 13 Budget	<b>1,000,403</b>	<b>75,000</b>		<b>1,075,403</b>
Difference	<b>214,206</b>	<b>25,000</b>	<b>500,000</b>	<b>739,206</b>

**\$ 200,000 is one-time**



## Mission

Ensure that all North Dakota middle and high school students, regardless of location, have equal access to educational opportunities that meet or exceed all expectations for the quality of student learning.



- Plan is to continue funding more of CDE services with State General Funds ( + \$1,358,386 in 2013-15)
- ND Schools are increasing usage of CDE services (so far in 2012/13 enrollment is up 42%)
- Students from the smaller schools do not have the curriculum opportunities of those in the larger schools  
( the average number of courses available to 9-12 students in ND schools )
  - 185** = the average number of courses available in schools with >1,000
  - 58** = the average number of courses available in schools with <1,000
  - 178** = the potential number of courses available to <1,000 schools combining the schools' courses and ND CDE courses



- Schools in western ND have been struggling to find qualified teachers – CDE provides elective, credit recovery, and advanced placement classes needed for graduation
- CDE continues reducing the cost of delivering classes – 2013-15 budget request would fund approx. 75% of this cost
  - 2009–11 CDE course costs = \$195 to \$400 per student per semester
  - 2011–13 CDE course costs = \$95 to \$250 per student per semester



## Center for Distance Education

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Center for Distance Education	<b>4,094,660</b>	<b>1,977,527</b>		<b>6,072,187</b>
2011 – 13 Budget	<b>2,625,395</b>	<b>4,023,843</b>		<b>6,649,238</b>
Difference	<b>1,469,265</b>	<b>- 2,046,316</b>		<b>- 577,051</b>



## Mission

Provide North Dakota educators and students with opportunities that extend learning in the classroom and beyond focusing on the use of technology to improve student achievement.



# EDUTECH

education technology services

## Services to Schools:

**Professional Development** for PK-12 educators to use software/hardware and to integrate technology into classroom instruction

**Regional IT Specialists** to deliver customized professional development and instructional coaching to educators in their regions

**Videoconference Enrichment Events** to offer students and teachers the opportunity to participate in national/international collaborations, content programs and professional development



# EDUTECH

education technology services

## Services to Schools:

**PowerSchool Services** to provide training, implementation and support to schools that use PowerSchool – all public schools will be live by Feb '13

**IT Services** to provide e-mail, web hosting, internet filtering, desktop anti-virus and blogging/podcasting services

**E-rate Support Services** to provide training and information for compliance with the E-rate program

**Helpdesk Services** to support customers in the use of EduTech's services such as PowerSchool, EduSocial and internet filtering



## EduTech

### *2013–15 Budget Request*

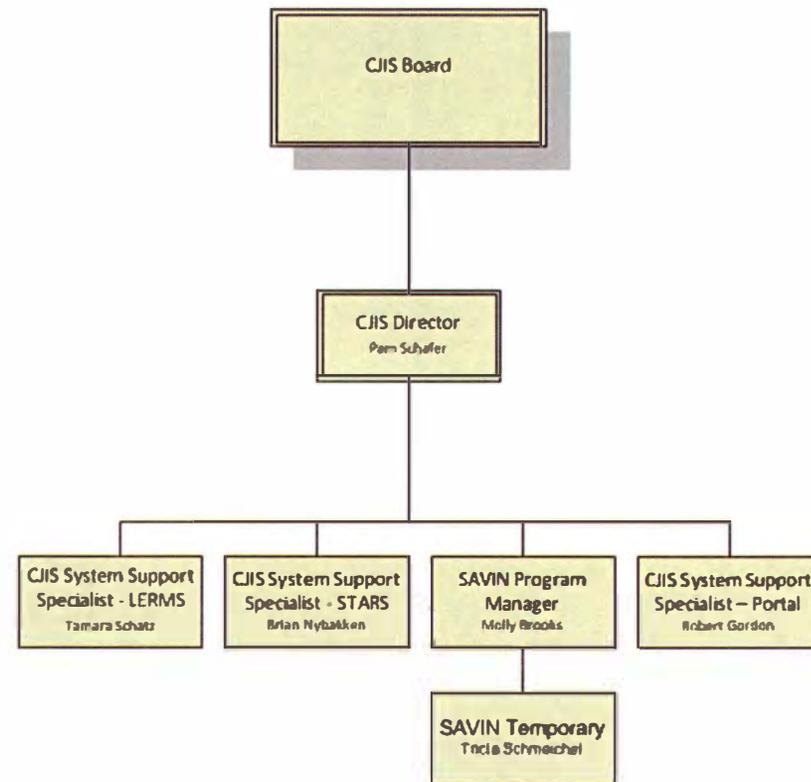
<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
EduTech	<b>3,186,901</b>	<b>5,092,629</b>		<b>8,279,530</b>
2011 – 13 Budget	<b>3,044,096</b>	<b>4,882,351</b>		<b>7,926,447</b>
Difference	<b>142,805</b>	<b>210,278</b>		<b>353,083</b>



## Criminal Justice Information Sharing (CJIS) Governance

### CJIS Board (sets policy and provides oversight)

- CIO of State of North Dakota  
Lisa Feldner
- Office of Attorney General  
Thomas Trenbeath
- Judicial Branch  
Sally Holewa
- Chiefs of Police Association  
Keith Schroeder
- Bureau of Criminal Investigation  
Dallas Carlson
- Department of Corrections  
Amy Vorachek
- Highway Patrol  
Dave Kleppe
- ND State's Attorney Association  
Kara Schmitz-Olson
- ND Sheriffs and Deputies Association  
Kelly Janke
- Department of Transportation  
Russ Buchholz
- Department of Emergency Services  
Mike Lynk
- Member at Large  
Jerod Tufte





## Criminal Justice Information Sharing Program (CJIS)

- **PORTAL:** is a statewide system where authorized criminal justice users are able to search information in a one stop system. Current information includes Booking records, Criminal History records, Protection Orders, Parole and Probation information, DNA, Offender Registration, Concealed Weapons, CWIS, Motor Vehicle, Drivers License information, Watercraft Licenses, and multiple law enforcement incident records. In addition to the search functionality, the system includes notification capabilities that facilitates the tracking of an individual or event.
- **STARS:** is a statewide records management system offered to State's Attorneys to automate business process, enable work flows, and allow information sharing with other agencies.
- **LERMS:** is a statewide records management system offered to law enforcement to automate business process, enable workflows, and allow information sharing with other agencies.
- **ND SAVIN:** is the Statewide Automated Victim Information Notification system. Victims may register to receive important offender status notification.



## Criminal Justice Information Sharing

### 2013–15 Budget Request

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Criminal Justice Info Sharing (CJIS)	<b>3,027,361</b>	<b>192,000</b>	<b>650,000</b>	<b>3,869,361</b>
2011 – 13 Budget	<b>2,498,974</b>	<b>180,000</b>	<b>750,000</b>	<b>3,428,974</b>
Difference	<b>528,387</b>	<b>12,000</b>	<b>- 100,000</b>	<b>440,387</b>

Includes Senate  
Amendment

**+ 600,000**



## ND HIT Advisory Committee

- **Governor's Office** – representing state government interests
- **North Dakota Legislature** – representing state legislature
- **Center for Rural Health** – representing rural healthcare facilities/communities & academic institutions
- **ND State CIO** – representing state government interests
- **ND Department of Health** – representing the Department of Health
- **ND Department of Human Services** – representing the Department of Human Services
- **North Dakota Health Care Review** - representing Quality Improvement Organization (QIO)
- **ND Medical Association** – representing physicians
- **ND Healthcare Association** – representing hospitals
- **ND BlueCross BlueShield** - representing third-party payer
- **ND Health Information Management Association (HIMA)** - representing health information management workforce
- **Local Public Health Unit** – representing local public health units
- **AARP** – representing consumers
- **Large tertiary and small rural hospitals** – representing hospitals
- **Long Term Care Association** – representing long term care
- **EMS Association** – representing EMS



## Health Information Technology (HIT) Program

**\$ 372,269**  
General Funds

Health  
Information  
Exchange  
Fund

**\$ 8,913,722**

Special Funds  
Federal Funds

Health  
Information  
Exchange Loan  
Fund

**\$ 10,000,000**

Bank of ND Funds



## Health Information Technology (HIT)

<b>Health Information Technology Office</b>	<b>\$ 372,269</b>
<b>Operations</b> ( Provides authority for billing stakeholders )	<b>\$ 4,413,722</b>
<b>Federal Health Info Exchange Grant</b> ( ARRA funds )	<b><u>\$ 4,500,000</u></b>
<b>Total 2013-15 Budget Request</b>	<b>\$ 9,285,991</b>



## State HIE Cooperative Agreement

- Establish a Statewide Health Information Exchange (HIE)
  - Governance, policies & network services
  - Improve the Coordination, Efficiency and Quality of Care
  - Ability to Connect to the National Health Information Network (NHIN)
  
- Federal Grant
  - Cooperative Agreement Date – March 15, 2010 thru March 15, 2014
  - Four Year Grant Award \$5,343,733 Spent approximately \$996,675
  - State Match Required = \$1 State for every \$3 Federal
  
- Project Status
  - Phase I – implemented secure direct e-mail system
  - Phase II – in the process of implementing query based services



## Health Information Technology (HIT)

### *2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
Health Information Technology (HIT)	<b>372,269</b>	<b>4,413,722</b>	<b>4,500,000</b>	<b>9,285,991</b>
2011 – 13 Budget	<b>362,972</b>	<b>13,596,266</b>	<b>5,100,000</b>	<b>19,059,238</b>
Difference	<b>9,297</b>	<b>- 9,182,544</b>	<b>- 600,000</b>	<b>- 9,773,247</b>



## ITD 2013–15 Budget Request

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>1,385,739</b>	<b>128,410,820</b>	<b>4,300,000</b>	<b>134,096,559</b>
K-12 Network	<b>4,828,177</b>	<b>100,000</b>		<b>4,928,177</b>
Geographic Information System	<b>1,385,294</b>		<b>75,000</b>	<b>1,460,294</b>
Longitudinal Data System	<b>1,870,754</b>			<b>1,870,754</b>
Educational Technology Council	<b>1,214,609</b>	<b>100,000</b>	<b>500,000</b>	<b>1,814,609</b>
Center for Distance Education	<b>4,094,660</b>	<b>1,977,527</b>		<b>6,072,187</b>
EduTech	<b>3,186,901</b>	<b>5,092,629</b>		<b>8,279,530</b>
Criminal Justice Information Sharing	<b>3,027,361</b>	<b>192,000</b>	<b>650,000</b>	<b>3,869,361</b>
Health Information Technology	<b>372,269</b>	<b>4,413,722</b>	<b>4,500,000</b>	<b>9,285,991</b>
<b>Total</b>	<b>21,365,764</b>	<b>140,286,698</b>	<b>10,025,000</b>	<b>171,677,462</b>



## ITD 2013–15 Budget Changes

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>
ITD Operations	<b>680,719</b>	<b>- 2,521,480</b>	<b>- 100,000</b>	<b>- 1,940,761</b>
K-12 Network	<b>29,185</b>	<b>- 308,000</b>		<b>- 278,815</b>
Geographic Information System	<b>348,229</b>			<b>348,229</b>
Longitudinal Data System	<b>- 3,685,113</b>			<b>- 3,685,113</b>
Educational Technology Council	<b>214,206</b>	<b>25,000</b>	<b>500,000</b>	<b>739,206</b>
Center for Distance Education	<b>1,469,265</b>	<b>- 2,046,316</b>		<b>- 577,051</b>
EduTech	<b>142,805</b>	<b>210,278</b>		<b>353,083</b>
Criminal Justice Information Sharing	<b>528,387</b>	<b>12,000</b>	<b>- 100,000</b>	<b>440,387</b>
Health Information Technology	<b>9,297</b>	<b>- 9,182,544</b>	<b>- 600,000</b>	<b>- 9,773,247</b>
Difference	<b>- 263,020</b>	<b>- 13,811,062</b>	<b>- 300,000</b>	<b>- 14,374,082</b>



### *ITD 2013–15 Budget Request*

<b>Program</b>	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>	<b>Total</b>	<b>FTE's</b>
2013 – 15 Budget	<b>21,365,764</b>	<b>140,286,698</b>	<b>10,025,000</b>	<b>171,677,462</b>	<b>340.3</b>
2011 – 13 Budget	<b>21,628,784</b>	<b>154,097,760</b>	<b>10,325,000</b>	<b>186,051,544</b>	<b>336.3</b>
Difference	<b>- 263,020</b>	<b>- 13,811,062</b>	<b>- 300,000</b>	<b>- 14,374,082</b>	<b>4.0</b>

**\$ 715,000 is one-time**



## **SB 2021 Section 5. Information Technology Project Planning**

Executive branch agency, excluding Higher Ed, planning an IT project of \$100,000 or more needs to work with Information Technology Department to get recommendations on state standards and technology products before proceeding with the project.



## Proposed Statute Change

### 54-59-15. Acceptance of Funds

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the Office of Management and Budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.



**THANK YOU!!!**

000021  
March 25, 2013  
Stachurski

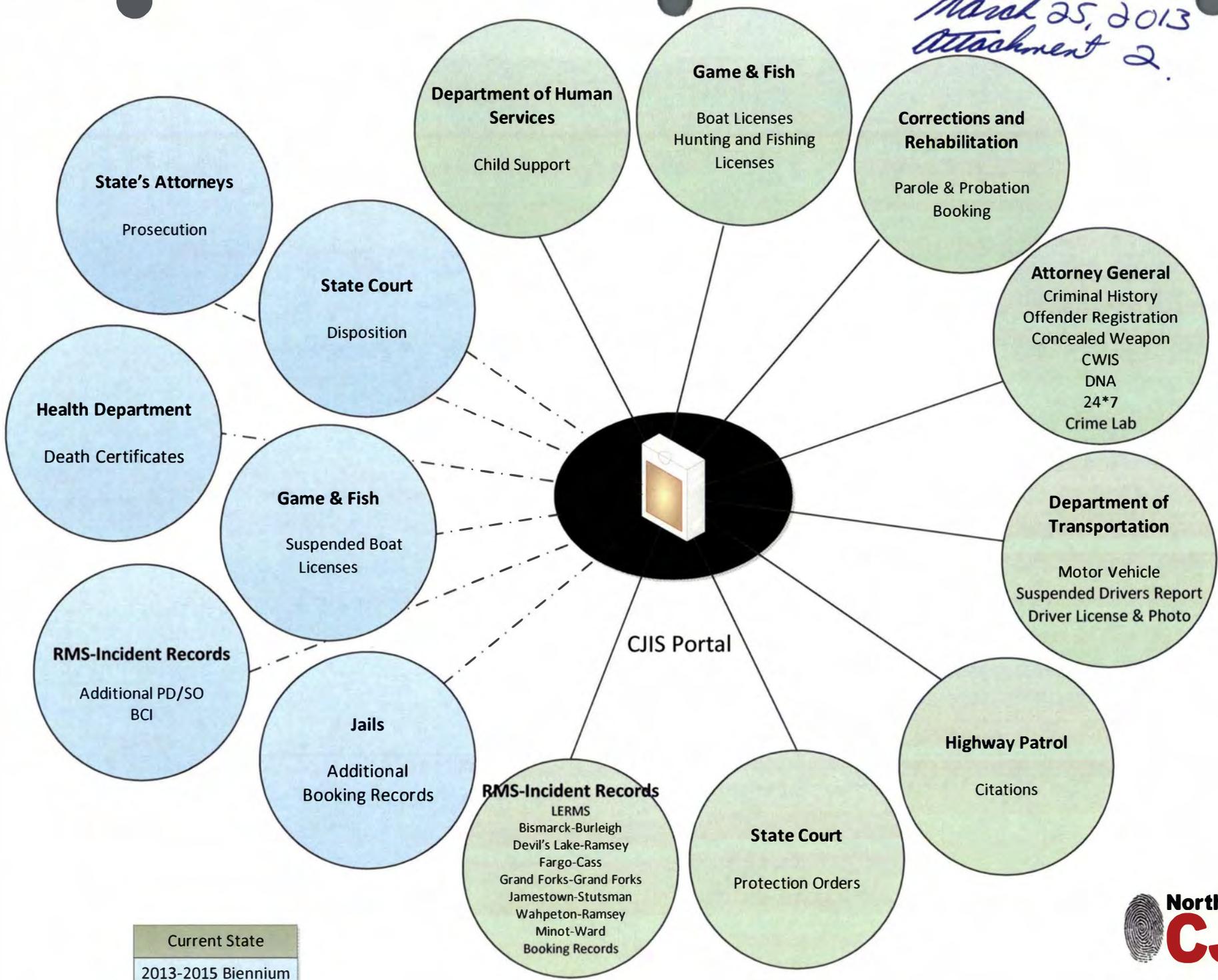
**Information Technology Department**  
**SB 2021 – Appropriation Bill**  
**House Appropriations Government Operations Division**  
**March 18, 2013**

The 2013-15 budget request is a decrease of \$14,374,082 from the 2011-13 budget.

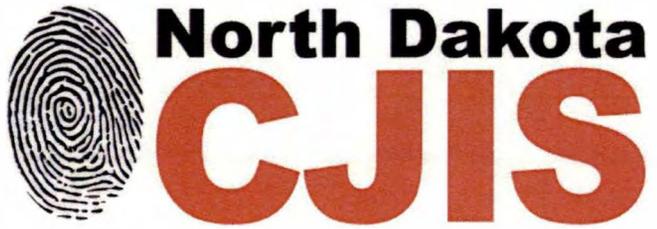
The 2013-15 general fund budget request is a decrease of \$263,020 from the 2011-13 budget.

- 1) Increase of 4 FTE – moving 4 programmer positions from WSI to ITD – increase special fund appropriation \$768,232. ITD will bill WSI for these people.
- 2) Operating Expense Adjustments:
  - a. Removes all one-time funding.
  - b. Increases spending authority for space rent. Provides federal fund authority to receive a First Responder Network grant. Provides one-time funding to create a State strategy for maintaining electronic records (primarily historic records).
- 3) Removes funding for all capital assets from 2011-13 (need to request new equipment in 2013-15 budget request).
- 4) This is the new capital assets request for 2013-15 (consists of the final ConnectND bond payment - \$2,504,100, new servers, network equipment and furniture).
- 5) \$125,000 for additional disk storage and computer processing for the Geographic Information Sharing (GIS) central hub provided at ITD.
- 6) \$215,000 for acquiring additional data used by various agencies and stored on the GIS hub.
- 7) \$342,976 for increased disk storage and computer processing to run the Criminal Justice Information Sharing program on ITD's central computers.
- 8) \$200,000 one-time dollars for continuing projects agreed to by the CJIS board. \$600,000 was added by the Senate for this same purpose. Projects proposed are a system for the State's Attorneys' Office to electronically receive Court information and an electronic case file system that will be used by the State's Attorneys, Law enforcement agencies, and the District Courts.
- 9) North Dakota's broadband map will be completed in the 2013-15 biennium. This federal fund appropriation is necessary to accept the funds used to pay for this initiative. This \$2,300,000 is an ARRA grant and is 75% federal funds and 25% state funds.
- 10) North Dakota received a federal health information exchange grant and this is the requesting the federal fund authority to accept the money. The exchange will be deployed in the 2013-15 biennium. This \$4,500,000 is an ARRA grant.
- 11) This is the Governor's compensation package for ITD.

JD JOP  
March 25, 2013  
Attachment 2.



Current State  
2013-2015 Biennium



SB 2028  
March 25, 2013  
Attachment 3

**CJIS Budget – Key Project Request**  
**January 11, 2013**

## 1 Background

The 2012 Strategic Planning Vision was developed by a subcommittee<sup>1</sup> of the CJIS Board to guide the budget request for the 2013-2015 Biennium. This plan laid out the strategic roadmap for criminal justice improvement projects over the next several biennia. It was based on the recommendations of the Justice Information Framework Study (JIFS), a joint effort of the Office of Attorney General and CJIS, which was conducted in 2011 and identified six key strategies for improving criminal justice processes and information sharing. These included:

- 1) Automated Reporting of Court Information
- 2) Improved Access to Information
- 3) Subject Identification
- 4) Electronic Charging Automation
- 5) Common Statute Table
- 6) New Criminal History Repository

The 2012 Strategic Planning Vision was used to develop the 2013-2015 CJIS Budget request for staffing, operations, and projects. CJIS requested \$3,989,345 in general funds (see section 4 CJIS Budget Summary). The staffing and operations of CJIS comprised the status quo base budget of \$1,866,739 leaving any additional funding requests to be considered Optional Packages. Projects needed to fulfill the 2012 Strategic Planning Vision during the 2013-2015 Biennium totaled \$1,779,630. Of this requested budget, OMB recommends funding of only \$200,000 of the \$1,779,630 requested project pool. This reduced the total CJIS budget from the requested amount of \$3,989,345 to \$2,427,361. The reduction of the project pool to \$200,000 does not allow the CJIS Board to carry out the vision set out in the development of the roadmap.

The CJIS Board has distilled the original product pool request to the key strategic projects (see section 2 Projects and section 3 CJIS Projects Roadmap) it believes are critical to accomplishing its mission, which is to enhance public safety through timely sharing of information through automated means. Although this request will not allow CJIS to fulfill its 2012 Strategic Planning Vision, it will help ensure that CJIS has the resources needed to accomplish recommended key projects to allow the integration and sharing of criminal justice information from one agency to another in electronic means instead of manual paper process. Without these funds, CJIS will likely only be able to maintain the status quo. Stagnation is especially detrimental given the growing needs of law enforcement and other criminal justice professionals across the state. Additionally, many of the projects CJIS already has in place, including the publication subscription services of the CJIS Broker and the usage of the Common Statute Table, will not be utilized to their full potential.

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<sup>1</sup> Dallas Carlson-Office of Attorney General, Sally Holewa-Supreme Court, Mike Lynk- Department of Emergency Services, Jim Page-Integration Architects, Pam Schafer-CJIS, and Keith Witt-Bismarck Police Department

North Dakota is seeing times of record growth in a diverse population base in the western half of the state due to the oil activity and associated boom efforts, with this growth comes issues of public safety. The need for law enforcement to have the ability to share criminal justice information by electronic means is more critical than ever before. In the past manual processes sufficed in this area or other less densely populated rural areas due to the small population base, people knowing each other, and low crime rates. The public and Law Enforcement had relied on knowing who was in their community and did not have a dire necessity to rely on automation of information. With the increase in diversity of population and the need to do more work with less; technology is a key solution to help with the sharing of information amongst criminal justice agencies.

## 2 Projects

### Priority Definition

High Priority – Considered extremely valuable to stakeholders, high impact on CJIS program, and very important to meeting mission

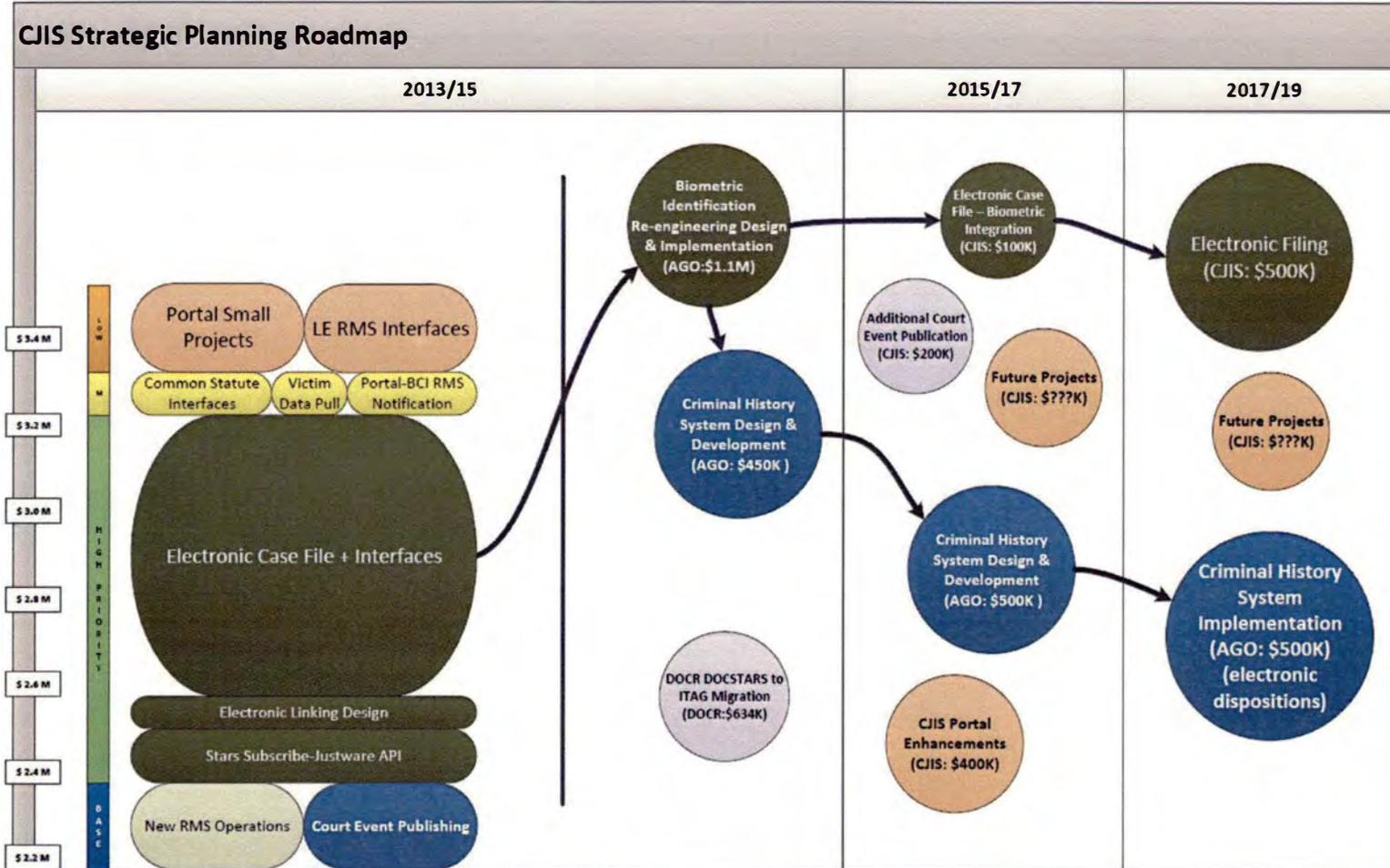
Medium Priority – Considered valuable to stakeholders, medium impact on CJIS program, and important to meeting mission

Low Priority – Considered valuable to stakeholders, low impact on CJIS and important to meet mission

High Priority Projects	Description	Interaction/Benefits	Budget Request
STARS Subscription	Modifications to STARS to consume electronic court event information. Purchase of a JustWare API component that will enable information to be uploaded and extracted.	This will allow State's Attorneys' offices to electronically receive Court Information. Currently, this is a manual paper process. Some of this information for prosecution is beneficial to the Office of Attorney General for timeliness of receiving information in an automated fashion, so they are able to disseminate information more accurately.	\$114,540
Electronic Linking Design	Design of end-to-end scheme for ensuring reliable electronic links among law enforcement, prosecution, court, criminal history, and corrections case records.	The core fit of tying all criminal justice information data throughout the criminal justice system in order to have a common method of relating people to case events. * Predecessor for Ag's Criminal History Design in order to understand how the Courts, a key stakeholder, will operate in order to best receive the information.	\$37,800

Electronic Case File Project	Develop document management and workflow system to support creation and sharing of electronic case file information between law enforcement and prosecution, including interfaces for CJIS RMS and STARS.	The Electronic Case File Project is a component of an overall vision of end-to-end automation of the people and paper-intensive criminal charging process. The filing of criminal charges is a multi-step process involving law enforcement agencies, State's Attorneys, and the District Courts.	\$640,360
		<b>Total High Priority Budget Request</b>	\$792,700
<b>Medium Priority Project</b>	<b>Description</b>	<b>Interaction/Benefits</b>	<b>Budget Request</b>
Common Statute Table Interfaces	Develop interfaces to support populating CJIS RMS and STARS offense lists with data from Common Statute Table.	This will allow the State's Attorneys RMS and Law Enforcement RMS to subscribe to the Common Statute Code Table that was developed to achieve commonality of charge information amongst criminal justice entities.	\$24,750
Victim Data Pull	Modifications to ND SAVIN's correctional facilities' interfaces to enable ND SAVIN to pull victim information and automatically register victims for notification.	This save jails time of not having to sign up victims for ND SAVIN as this is automated registration. Increase usage and save time.	\$60,000
Portal-BCI RMS Notification	Integration between Portal and BCI RMS	Allows the BCI to be able to provide notifications through the CJIS Portal for a one-stop location of receiving vital information.	\$22,440
		<b>Total Medium Priority Budget Request</b>	\$107,190
<b>Low Priority Project</b>	<b>Description</b>	<b>Interaction/Benefits</b>	<b>Budget Request</b>
Law Enforcement RMS Interfaces	Develop additional interfaces to connect Law Enforcement RMS's to the CJIS Portal.	Provide ongoing additional criminal justice information through Portal to stakeholders.	\$40,000
VPO Partnership	Project with NDCAWS to enhance ND SAVIN's Protection/Restraining Order victim notification service	Critical partnership to establish the Protection order service for victims.	\$24,000

	and train critical stakeholders to maximize its effectiveness.		
Portal - Scan Driver License & Registration	Portal enhancement to allow the scan of Driver's License barcode.	Time saving of keying for law enforcement, particularly mobile.	\$47,190
Portal - Death Certificates	Portal Enhancement to allow search of death certificates.	Time saving of stakeholders in need of information.	\$12,000
Photo Interface-SAVIN-Portal	Expansion of Cass and Ward County's interface and additional agency with ND SAVIN to enable ND SAVIN and the Portal to pull offender photographs for victim and law enforcement use.	Photo identification is made available for victim and law enforcement use electronically.	\$34,000
Portal - G&F Suspended Boaters License	Portal Enhancement to allow search of suspended boater's license.	Information on suspended boaters would be made available for use electronically.	\$3,960
Portal - User Directory	Portal Enhancement to allow users to search the "user directory.	Time savings for Portal users to be able to efficiently find directory information.	\$21,618
Portal - Weapon Restrictions	Portal Enhancement to display weapon restriction criteria in the Portal	Information is not available in the Portal and would be of significant use for law enforcement in the field.	\$15,840
Vine Custody to include YCC	Expansion of ND SAVIN's DOCR interface to enable automated notifications for victims of juvenile offenders.	Expand victim notification services to juvenile victims.	\$20,000
		<b>Total Low Priority Budget Request</b>	<b>\$218,608</b>
		<b>Total Project Budget Request</b>	<b>\$1,118,498</b>



CJIS Line 78 Appropriation Summary				
	11-13 General Fund Final	13-15 General Fund Requested	Requested Increase/ (Decrease)	13-15 General Fund Governor
SAVIN Staffing	\$ 170,538	\$ 165,120	\$ (5,418)	\$ 168,650
SAVIN Staffing - Optional		50,240	50,240	50,240
SAVIN Operations	549,040	495,281	(53,759)	495,281
SAVIN Operations - Optional		292,736	292,736	292,736
SAVIN Project Pool	16,458	-	(16,458)	-
SAVIN Project Pool - Optional	-	203,000	203,000	200,000
CJIS Staffing	627,845	656,199	28,354	670,315
CJIS Operations	503,971	550,139	46,168	550,139
CJIS Project Pool - Base	183,542	-	(183,542)	-
CJIS Project Pool - Optional	-	1,576,630	1,576,630	
<b>Total General Fund Budget</b>	<b>\$ 2,051,394</b>	<b>\$ 3,989,345</b>	<b>\$ 1,937,951</b>	<b>\$ 2,427,361</b>
OMB GF Hold Even		\$ 2,051,394		
Payroll CTC		15,345		
Back out Projects		(200,000)		
<b>Total OMB Hold Even</b>		<b>\$ 1,866,739</b>		<b>\$ 542,976</b>
				<b>Optionals Funded</b>
<b>Total 13-15 Base from Above</b>		<b>\$ 1,866,739</b>		

OMB Funded \$200,000 out of \$1,779,630 in our projects. It could be split anywhere between CJIS and SAVIN. Effectively did not fund the CJIS large project.

"This change package is requesting \$1,779,630 in general funds in Line 78 for continued development surrounding the Criminal Justice Information Sharing (CJIS) initiative."

SB 2007  
March 25, 2013  
Attachment 4

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the Office of Management and Budget and which may be spent subject to legislative appropriation.

The department may apply for any public or private grants available for the improvement of information technology.

SB2001  
April 1, 2013  
13.8171.03001  
Title  
Attachment 1

Prepared by the Legislative Council staff for  
Representative Kempenich  
March 29, 2013

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

Page 1, line 2, after "54-59" insert "of the North Dakota Century Code, relating to information technology project planning; to amend and reenact section 54-59-22 of the North Dakota Century Code, relating to agencies exempted from certain services of the information technology department; to authorize a relocation of information technology hardware;"

Page 3, after line 2, insert:

**"SECTION 5. INFORMATION TECHNOLOGY HARDWARE RELOCATION TO SECURE DATA CENTER.** The attorney general, public service commission, and state water commission shall relocate all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, after line 11, insert:

**"SECTION 7. AMENDMENT.** Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, and the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department,~~ shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Renumber accordingly

**Department 112 - Information Technology Department - Detail of House Changes**

	<b>Adjusts State Employee Compensation and Benefits Package<sup>1</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>2</sup></b>	<b>Total House Changes</b>
Salaries and wages	(1,905,694)	(2,626,084)	(4,531,778)
Operating expenses			
Capital assets			
Center for Distance Education			
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech			
K-12 wide area network			
Geographic Information System			
Health Information Technology Office			
Criminal Justice Information Sharing			
Federal stimulus funds			
Accrued leave payments		2,626,084	2,626,084
<b>Total all funds</b>	(\$1,905,694)	\$0	(\$1,905,694)
Less estimated income	(1,626,562)	0	(1,626,562)
General fund	(\$279,132)	\$0	(\$279,132)
<b>FTE</b>	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

This amendment also:

- Provides for an authorization for relocation of the Attorney General, Public Service Commission, and State Water Commission's information technology hardware to the Information Technology Department secure data center.
- Amends Section 54-59-15, regarding acceptance of federal or other funds.
- Amends Section 54-59-22, removing agency exemptions from certain services of the Information Technology Department.

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Funding Summary**

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
<b>Information Technology Department</b>				
Salaries and wages	\$54,437,801	\$54,461,316	(\$4,531,778)	\$49,929,538
Operating expenses	64,834,643	64,834,643		64,834,643
Capital assets	12,500,600	12,500,600		12,500,600
Center for Distance Education	6,072,187	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754
Educational Technology Council	1,814,609	1,814,609		1,814,609
EduTech	8,279,530	8,279,530		8,279,530
K-12 wide area network	4,928,177	4,928,177		4,928,177
Geographic Information System	1,460,294	1,460,294		1,460,294
Health Information Technology Office	4,785,991	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361
Federal stimulus funds	6,800,000	6,800,000		6,800,000
Accrued leave payments			2,626,084	2,626,084
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$171,677,462</b>	<b>(\$1,905,694)</b>	<b>\$169,771,768</b>
Less estimated income	150,290,886	150,311,698	(1,626,562)	148,685,136
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$21,365,764</b>	<b>(\$279,132)</b>	<b>\$21,086,632</b>
FTE	340.30	340.30	0.00	340.30
<b>Bill Total</b>				
Total all funds	\$171,053,947	\$171,677,462	(\$1,905,694)	\$169,771,768
Less estimated income	150,290,886	150,311,698	(1,626,562)	148,685,136
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$21,365,764</b>	<b>(\$279,132)</b>	<b>\$21,086,632</b>
FTE	340.30	340.30	0.00	340.30

**Senate Bill No. 2021 - Information Technology Department - Senate Action**

	<b>Executive Budget</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$54,437,801	\$23,515	\$54,461,316
Operating expenses	64,834,643		64,834,643
Capital assets	12,500,600		12,500,600
Center for Distance Education	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754		1,870,754
Educational Technology Council	1,814,609		1,814,609
EduTech	8,279,530		8,279,530
K-12 wide area network	4,928,177		4,928,177
Geographic Information System	1,460,294		1,460,294
Health Information Technology Office	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	600,000	3,869,361
Federal stimulus funds	6,800,000		6,800,000
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$623,515</b>	<b>\$171,677,462</b>
Less estimated income	150,290,886	20,812	150,311,698
<b>General fund</b>	<b>\$20,763,061</b>	<b>\$602,703</b>	<b>\$21,365,764</b>
FTE	340.30	0.00	340.30

**Department 112 - Information Technology Department - Detail of Senate Changes**

	Adds one-time funding to the CJIS Projects <sup>1</sup>	Corrects Executive Compensation Package <sup>2</sup>	Total Senate Changes
Salaries and wages		23,515	23,515
Operating expenses			
Capital assets			
Center for Distance Education			
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech			
K-12 wide area network			
Geographic Information System			
Health Information Technology Office			
Criminal Justice Information Sharing	600,000		600,000
Federal stimulus funds			
<b>Total all funds</b>	<b>\$600,000</b>	<b>\$23,515</b>	<b>\$623,515</b>
Less estimated income	0	20,812	20,812
General fund	\$600,000	\$2,703	\$602,703
FTE	0.00	0.00	0.00

<sup>1</sup> The Criminal Justice Information Sharing (CJIS) line item is increased by \$600,000 from the general fund for one-time funding for the Criminal Justice Information Sharing project to complete the updating process to allow the integration and electronic sharing of criminal justice information among agencies.

<sup>2</sup> Funding is added due to a calculation error in the executive compensation package.

**Senate Bill No. 2021 - Information Technology Department - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$54,437,801	\$54,461,316	(\$4,531,778)	\$49,929,538
Operating expenses	64,834,643	64,834,643		64,834,643
Capital assets	12,500,600	12,500,600		12,500,600
Center for Distance Education	6,072,187	6,072,187		6,072,187
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754
Educational Technology Council	1,814,609	1,814,609		1,814,609
EduTech	8,279,530	8,279,530		8,279,530
K-12 wide area network	4,928,177	4,928,177		4,928,177
Geographic Information System	1,460,294	1,460,294		1,460,294
Health Information Technology Office	4,785,991	4,785,991		4,785,991
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361
Federal stimulus funds	6,800,000	6,800,000		6,800,000
Accrued leave payments			2,626,084	2,626,084
<b>Total all funds</b>	<b>\$171,053,947</b>	<b>\$171,677,462</b>	<b>(\$1,905,694)</b>	<b>\$169,771,768</b>
Less estimated income	150,290,886	150,311,698	(1,626,562)	148,685,136
General fund	\$20,763,061	\$21,365,764	(\$279,132)	\$21,086,632
FTE	340.30	340.30	0.00	340.30

#1  
 SB 2021  
 4-23-13  
 Conf Com

## Office Space Leases - Bismarck-Mandan Area 2011-13 Biennium

Location	Total Square Feet	Estimated Cost per Square Ft	Lease Payments	
			General Funds	Special Funds
State Capitol J-Wing	13,723	10.21	0	280,223.66
State Capitol Basement	3,585	1.42	0	10,181.40
State Capitol Computer Rm	4,705	10.21	0	96,076.10
Northbrook Mall				
- Suite I	4,006	14.84	0	118,898.08
- Suites U, MM, BB	5,529	13.48	0	149,097.23
- Suite HH	1,102	13.48	29,716.97	-
- Suites K, Y, Z	4,583	12.36	0	113,288.09
- Suite EE	1,857	13.48	0	50,064.72
Dakota Carrier Network	4,630	13.30	0	123,185.78
DCN - Power & IdeaOne				146,730.00
ND Association of Counties	12,000	14.50	0	348,000.00
DOT Building	1,763	10.77	0	37,975.02
MDU - Mandan	1,815	12.60	0	45,738.00
Landmark Mgmt - Mandan	202	15.60	0	6,303.40
	<u>59,500</u>	<b>Average</b>	<u>29,716.97</u>	<u>1,525,761.48</u>
		13.07		

Normal rent Increase if ITD stays in current locations	334,000.00
Additional rent for IT Project Contractors (i.e. DHS Eligibility Project)	540,000.00
Rent increase to consolidate offices at one location	595,000.00
Retained building space (i.e. - Data Center)	245,000.00
Moving expenses	100,000.00
<b>2013 - 2015 Budget</b>	<u><u>3,339,761.48</u></u>



Public Service Commission  
State of North Dakota

# 2  
SB 2021 conf.

4-23-13

600 East Boulevard, Dept. 408  
Bismarck, North Dakota 58505-0480  
Web: www.psc.nd.gov  
E-mail: ndpsc@nd.gov  
Phone: 701-328-2400  
ND Toll Free: 1-877-245-6685  
Fax: 701-328-2410  
TDD: 800-366-6888 or 711

COMMISSIONERS

Brian P. Kalk  
Randy Christmann  
Julie Fedorchak

Executive Secretary  
Darrell Nitschke

To: SB 2021 and HB 1008 Conference Committee Members

From: Commissioners <sup>BPK</sup> Brian Kalk, <sup>RCC</sup> Randy Christmann and Julie Fedorchak <sup>JF</sup>

Date: April 22, 2013

Re: Maintaining PSC's IT Exemption and Physical Control of IT equipment

The PSC is a constitutional agency and as such needs to maintain both physical control of IT assets and operational responsibility for them.

Regarding IT Exemptions:

- Three commissioners are elected to fulfill specific duties which include delivering the coal regulatory and reclamation program.
- Involving ITD staff – who are responsible to a different elected official – in the regulatory function of the coal program isn't good policy. The Governor's office could have an entirely different agenda, and ITD is not familiar with or accountable for the program.
- IT functions are *central* to the regulatory operation, not an ancillary service. With extensive use of GIS and other scientific programs, technology services in many ways *are* the program. Involving a third party, not familiar with the regulatory functions or the programs and *not accountable* to the customer could slow down our currently smooth processes.

Regarding Relocating Servers:

- Moving the servers into the central server room takes the equipment out of PSC physical control and is the first step toward broader consolidation of IT functions with no added benefit. Advocates of consolidation have been transparent about these intentions.
- The current location on the 13<sup>th</sup> floor can provide the same or better physical and cyber security.

Neither of these changes is justified. They do not save money, improve service, streamline processes or enhance security. To effectively fulfill our responsibilities, the PSC needs to maintain our IT exemption and the physical control of our IT assets.

SB 2021 Benefits to Consolidation

#1  
SB 2021  
4-24-13  
Comp Comm  
(Steyle)

- 1) Redundancy of Servers and Data – Never lose data, power or performance
  - a. Redundant servers and data
  - b. Redundant electrical connection to servers
  - c. Redundant power supply into the data center
  - d. Redundant network paths
- 2) Improved Network Security – 24/7 Monitored
  - a. Exempt agencies don't have 24/7 staffing
- 3) Physical Security/Location – 24/7 Monitored Data Center
  - a. Motion Detection/Temperature/Humidity/Camera/Fire Suppression/Door Security
  - b. No need to have servers physically located at agencies - Ex: ITD is moving to new building off campus.
  - c. Rogue employee using USB flash drives to obtain data from servers.
- 4) Employee Concentration of Duties
  - a. Exempt agencies have single point of failure with staff, ITD has teams of staff.
  - b. Agency servers managed by ITD reduces concentration of duties risk.
- 5) Backup/Recovery Process
  - a. Disk to Disk – Mandan Data Center (Increase speed of backup and recovery)
  - b. Tape backups should NOT be used (Not secure, slow and employee time)
  - c. Secure backup equipment - Mandan Data Center
- 6) Duplication of Equipment
  - a. ITD Managed Server – Hardware is replaced on a cycle.
- 7) Increased Server/Web Site Performance
  - a. Performance improvements when consolidated.
- 8) Cost Savings – ITD Server Rate
  - a. One monthly fee per server (VM/Physical) for complete server solution.
  - b. Rate includes: Data Center, Service Desk, Security, Equipment, Overhead, Operating & Staff
- 9) Utilities Savings - Agencies would see reduction of power expenses, ITD fee includes utilities.
- 10) Network Security Strengthen – Reduce from multiple points of entry to one
  - a. Security team is monitoring 24/7 with state of the art equipment and tools.
- 11) Consistent and uniform standards for network architecture, security, policy, design, procedures, etc.
- 12) Agencies do what they were created to do and not be fully involved in IT. By moving to ITD the risk to agency heads and Governor's office is reduced dramatically. The CIO is in a very bad spot by not having or knowing fully what is going on at the exempt agencies.

ITD Statistics - Source - 2011-2012 Annual Report

1,200+ virtual servers managed, 160+ physical servers

<sup>14,098</sup>  
4,098 Computers, 1,733 Printers

878,000 Inbound Email Messages

10,000+ Phones, 1,000+ Smart Phones

Internet Uptime 99.996%

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ITD Server Management Charges

\$390/month - 1 CPU, 4GB Memory, \$10/GB/Month Additional

\$450/month - 2 CPU, 4GB Memory, \$10/GB/Month Additional

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What's NOT in Section 8

- 1) NO staff is moving from agencies.
  - 2) Agencies still manage all the content and applications on the servers, just not the security, patching, active directory (System Administrator duties), but can request changes be made at any time.
- 

Only 4 state agencies are exempt from ITD consolidation.

ITD = Scalability/ - Indian Affairs to DHS/BND/Adjutant General/Tax Dept.

The exempt agencies aren't unique from any other non-exempt agencies.

Proposed Amendment to SB 2021 for Senator Wanzek:

**SECTION \_\_. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION**

**TECHNOLOGY STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$\_\_\_\_\_, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation study for the biennium beginning July 1, 2013, and ending in June 30, 2015. The study must include a review of the feasibility and the desirability of relocating information technology hardware of agencies currently exempted by the office of management and budget under section 54-59-22 to the information technology department's secure data center.

A /  
SB 2021  
4-26-13  
CMT

Proposed Amendment to SB 2021 for Representative Streyle:

#2

**SECTION \_\_. INFORMATION TECHNOLOGY STUDY.** The operating expenses line item in section 1 of this Act includes \$600,000 for the information technology department to conduct a review of currently exempted agencies information technology environments prior to June 30, 2014 and to assist the agencies defray the transition costs relating to the relocation of information technology equipment during the consolidation phase. Based on the review, the chief information officer may grant an agency partial exemption for specific servers, applications, business processes, or data from consolidation.

SB 2021

4.26.15

Cond

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It is the intent of the 63rd Legislative Assembly that full consolidation with the exception of any partial exemptions that were determined during the review process that consolidation start after June 30, 2015.

Senator Waazek # 1  
SB 2021  
4-26-13

**2021 Draft Amendments – Study of IT Hardware relocation and consolidating IT services**

SECTION 5: STUDY OF INFORMATION TECHNOLOGY HARDWARE RELOCATION TO SECURE DATA CENTER AND CONSOLIDATING IT SERVICES: There is appropriated the sum of \$200K to the Office of Management and Budget to contract with a private consultant to study the relocation of information technology equipment operated by the attorney general, public service commission and state water commission for the biennium beginning July 1, 2013 and ending in June 30, 2015. The study shall involve input from the agencies and include a review of the feasibility and the desirability of relocating information technology hardware and consolidating IT services. The issues of cost, physical security, cyber security, impact on service to stakeholders and impact on contractual relationships for software and hardware with federal partners shall be address in the study. OMB shall report the findings of the feasibility study to the 2015 Legislature.

*Section 5: Remove*  
SECTION 8: ~~Restor~~ language that eliminates the exemptions.  
*Remove*

Senator Lee #1  
SB 2021  
4-29-13

Proposed Amendment to SB 2021 for Senator G. Lee:

**SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY**

**HARDWARE RELOCATION AND CONSOLIDATION STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by agencies currently exempted under section 54-59-22 for the biennium beginning July 1, 2013, and ending in June 30, 2015. The study must include input from representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of agencies currently exempted by the office of management and budget to the information technology department's secure data center. The study must address the issues of cost, physical security, cyber security, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships. The study shall be completed prior to June 30, 2014, and the office of management and budget shall report its findings and recommendations to the budget section and to the sixty-fourth legislative assembly.

Rep Streyle # 2  
SB 2021  
4-29-13

There is appropriated the sum of \$200,000 to the Office of Management and Budget to contract with a private consultant to study the information technology environments operated by the attorney general, public service commission, industrial commission, and the state water commission. The study shall involve input from the agencies and information technology department and include a review of the feasibility and the desirability of relocating the information technology hardware and full or partial consolidation of IT services. The issues of costs, physical security, cyber security, redundancy, impact on service to stakeholders, review of staff and the impact on contractual relationship for software and hardware with federal partners shall be addressed in the study. The study shall be completed by 10/1/2013 and the finding reported to OMB, ITD, budget section and the interim information technology committee no later than December 31, 2013.

State agencies included in the study shall not purchase any information technology hardware or software unless approved by OMB and budget section until the completion and presentation of the study results.

It is the intent of the 63<sup>rd</sup> Legislative Assembly that should the study validate partial or full consolidation of IT services is feasible and desirable that OMB remove the exemption from the agency or agencies and direct ITD to develop a project plan to complete the consolidation and/or relocation of hardware as soon as possible or by June 30, 2015.

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Include this language in the bill as well.

Each state agency and institution, excluding the legislative and judicial branches and the institutions under the control of the state board of higher education, the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department.

-It would be the intent of the legislative assembly that the office of management and budget exempt the attorney general until the study is completed.

Rup Streygle  
SB 2021  
4-29-13

#3

**INFORMATION TECHNOLOGY DESKTOP SUPPPORT/HELP DESK STUDY**

The information technology department shall conduct a study of all state agencies information technology desktop/help desk support staff, associated costs to the agencies, use of third party contractors, costs benefit analysis of ITD provided services versus agencies provided and the desirability and feasibly of centralization of desktop/help desk services. The findings are to be presented to office of management and budget, budget section and the interim information technology committee. The study shall be completed by 1/1/2014.

# J.  
4-29-13  
pm  
Comp  
SB 2021  
(grey le)

## INFORMATION TECHNOLOGY STUDY

There is appropriated the sum of \$200,000 to the Office of Management and Budget to contract with a private consultant to study the exempt state agencies. The study shall involve input from the agencies and information technology department and include a review of the feasibility and the desirability of relocating the information technology hardware and full or partial consolidation of IT services. The issues of costs, physical security, cyber security, redundancy, impact on service to stakeholders, review of staff and the impact on contractual relationship for software and hardware with federal partners shall be addressed in the study. The study shall be completed by 12/1/2013 and the finding reported to OMB, ITD, budget section and the interim information technology committee by March 31, 2014.

~~State agencies included in the study shall not purchase any information technology hardware or software unless approved by OMB and budget section until the completion and presentation of the study results.~~ State agencies included in the study shall report all information technology hardware and software purchases to OMB and budget section until the study is completed and presented.

It is the intent of the 63<sup>rd</sup> Legislative Assembly that should the study validate partial or full consolidation of IT services is feasible and desirable that OMB remove the exemption from the agency or agencies and direct ITD to develop a project plan to complete the consolidation and/or relocation of hardware ~~as soon as possible or~~ by June 30, 2015.

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### Section 8 - Updated

Each state agency and institution, excluding the legislative and judicial branches and the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office, the attorney general,~~ and any entity exempted by the office of management and budget after advisement by the information technology department.

-It would be the intent of the legislative assembly that the office of management and budget exempt the attorney general until the study is completed.

Proposed Amendments to SB 2021 for Senator T. Wanzek (draft 2. - 4/29/13)

# 2  
4-29-13  
pm  
conf  
SB2021  
(Wanzek)

SECTION 5: APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY  
HARDWARE RELOCATION AND CONSOLIDATION STUDY:

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$ 200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by agencies currently exempted under section 54-59-22 for the biennium beginning July 1, 2013 and ending June 30, 2015. The study must include input from representatives of the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of agencies currently exempted by the office management and budget to the information technology department's secure data center. The study must address the issues of cost, physical security, cyber security, redundancy, impact on service to stakeholders, review of staff and impact on contractual relationships for software and hardware with federal partnerships.

The study shall be completed prior to December 31, 2013, and the office of management and budget shall report the study findings and recommendations to the budget section and interim information technology committee no later than June 30, 2014. If the study indicates that partial or full consolidation of IT services is feasible and desirable, then office of management and budget shall recommend an implementation plan to be completed by June 30, 2015.

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PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

That the House recede from its amendments as printed on page(s) 1249-1251 of the Senate Journal and page(s) 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to budget section"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$47,383,177	\$4,170,074	\$51,553,251
Accrued leave payments	0	2,626,084	2,626,084
Operating expenses	69,218,477	(4,383,834)	64,834,643
Capital assets	15,035,666	(2,535,066)	12,500,600
Center for distance education	6,649,238	(780,847)	5,868,391
Statewide longitudinal data system	1,869,243	1,511	1,870,754
Educational technology council	1,075,403	739,206	1,814,609
EduTech	7,926,447	125,647	8,052,094
K-12 wide area network	5,206,992	(278,815)	4,928,177
Geographic information system	1,112,065	348,229	1,460,294
Health information technology office	13,959,238	(9,208,515)	4,750,723
Criminal justice information sharing	2,781,394	1,087,967	3,869,361
Federal stimulus funds	0	6,800,000	6,800,000
Total all funds	\$172,217,340	(\$1,288,359)	\$170,928,981
Less estimated income	<u>153,165,136</u>	<u>(3,490,583)</u>	<u>149,674,553</u>
Total general fund	\$19,052,204	\$2,202,224	\$21,254,428
Full-time equivalent positions	336.30	4.00	340.30"

Page 3, after line 11, insert:

**"SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
  - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology

hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.

- b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships. The study relating to cybersecurity must include information technology security levels within the agency's domain compared to security levels in the information technology department's secure data center.
  - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

**SECTION 7. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION.** Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third party information technology contractors, and a cost benefit comparison of the current state agencies desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim technology committee prior to January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study.

**SECTION 8. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-15. Acceptance of funds.**

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

**SECTION 9. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:**

**54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.**

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office,~~ the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2021 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
<b>Office of Management and Budget</b>						
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
<b>Information Technology Department</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$748,481)	\$170,928,981	\$169,771,768	\$1,157,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	(\$111,336)	\$21,254,428	\$21,086,632	\$167,796
<b>Bill total</b>						
Total all funds	\$171,053,947	\$171,677,462	(\$548,481)	\$171,128,981	\$169,771,768	\$1,357,213
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
General fund	\$20,763,061	\$21,365,764	\$88,664	\$21,454,428	\$21,086,632	\$367,796

**Senate Bill No. 2021 - Office of Management and Budget - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes**

Provides Funding for an IT Study <sup>1</sup>	Total Conference Committee
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Operating expenses	\$200,000	Changes \$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	0	0
General fund	\$200,000	\$200,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides an appropriation to the Office of Management and Budget in the amount of \$200,000, all of which is from the general fund, to contract with a private consultant for an information technology study to determine the feasibility and desirability of relocating appropriate information technology equipment and a full or partial exemption from consolidation with the Information Technology Department services.

**Senate Bill No. 2021 - Information Technology Department - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$54,437,801	\$54,461,316	(\$2,908,065)	\$51,553,251	\$49,929,538	\$1,623,713
Operating expenses	64,834,643	64,834,643		64,834,643	64,834,643	
Capital assets	12,500,600	12,500,600		12,500,600	12,500,600	
Center for Distance Education	6,072,187	6,072,187	(203,796)	5,868,391	6,072,187	(203,796)
Statewide Longitudinal Data System	1,870,754	1,870,754		1,870,754	1,870,754	
Educational Technology Council	1,814,609	1,814,609		1,814,609	1,814,609	
EduTech	8,279,530	8,279,530	(227,436)	8,052,094	8,279,530	(227,436)
K-12 wide area network	4,928,177	4,928,177		4,928,177	4,928,177	
Geographic Information System	1,460,294	1,460,294		1,460,294	1,460,294	
Health Information Technology Office	4,785,991	4,785,991	(35,268)	4,750,723	4,785,991	(35,268)
Criminal Justice Information Sharing	3,269,361	3,869,361		3,869,361	3,869,361	
Federal stimulus funds	6,800,000	6,800,000		6,800,000	6,800,000	
Accrued leave payments			2,626,084	2,626,084	2,626,084	
	\$171,053,947	\$171,677,462	(\$748,481)	\$170,928,981	\$169,771,768	\$1,157,213
Total all funds						
Less estimated income	150,290,886	150,311,698	(637,145)	149,674,553	148,685,136	989,417
	\$20,763,061	\$21,365,764	(\$111,336)	\$21,254,428	\$21,086,632	\$167,796
General fund						
	340.30	340.30	0.00	340.30	340.30	0.00
FTE						

**Department No. 112 - Information Technology Department - Detail of Conference Committee Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total Conference Committee Changes
Salaries and wages	(\$748,481)	(\$2,159,584)	(\$2,908,065)
Operating expenses			
Capital assets			
Center for Distance Education		(203,796)	(203,796)
Statewide Longitudinal Data System			
Educational Technology Council			
EduTech		(227,436)	(227,436)
K-12 wide area network			
Geographic Information System			
Health Information Technology Office		(35,268)	(35,268)
Criminal Justice Information Sharing			

Federal stimulus funds		2,626,084	2,626,084
Accrued leave payments			
Total all funds	(\$748,481)	\$0	(\$748,481)
Less estimated income	(637,145)	0	(637,145)
General fund	(\$111,336)	\$0	(\$111,336)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Agency Division	General Fund	Special Funds	Total
Salaries and Wages	(\$24,553)	(\$2,135,031)	(\$2,159,584)
Center For Distance Education	(202,760)	(1,036)	(203,796)
EduTech	(132,181)	(95,255)	(227,436)
Health Information Technology Office	(13,593)	(21,675)	(35,268)
Accrued Leave Payments	373,087	2,252,997	2,626,084

This amendment also:

- Amends Section 54-59-15, regarding acceptance of federal or other funds, same version as the House.
- Amends Section 54-59-22, removing selected agency exemptions from the certain services of the Information Technology Department. The House removed exemptions for the Public Employees Retirement System, Attorney General, State Water Commission, and any entity exempted by the Office of Management and Budget.
- Provides for an information technology study.
- Provides for an information technology desktop support study.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

That the House recede from its amendments as printed on pages 1249-1251 of the Senate Journal and pages 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to provide for a study by the office of management and budget; to provide for an information technology department study; to provide for reports to the budget section and legislative management"

Page 3, after line 11, insert:

**"SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
  - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
  - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
  - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014. If the findings of the study indicate that any consolidation or relocation of information technology services is feasible and desirable, the office of management and budget shall submit any proposed legislation necessary to implement the consolidation or relocation to the information technology committee by July 1, 2014, and the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 proposed budget.

**SECTION 7. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION AND LEGISLATIVE MANAGEMENT.** Before January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of support staff, associated costs to each agency, use of third party information technology contractors, and a cost-benefit comparison of the current state agencies' desktop support self-services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the legislative management's information technology committee before January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings and recommendations of the study and any legislation required to implement the recommendations."

Renumber accordingly