

2013 SENATE GOVERNMENT AND VETERANS AFFAIRS

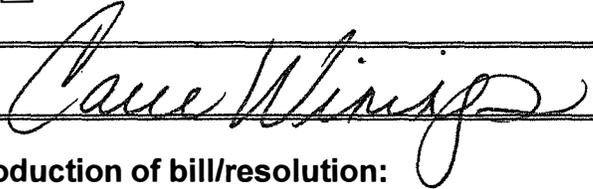
SB 2033

2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee
Missouri River Room, State Capitol

SB 2033
01/11/2013
Job Number 17112

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to amend and reenact section 54-35-15.2, subsection 8 of section 54-59-05, and section 54-59-23 of the North Dakota Century Code, relating to the definition of a large information technology project.

Minutes:

Representative Weisz, District 14: Testifying as a sponsor of the bill, Chair of the interim Information and Technologies Committee, and explaining the purpose of the bill. It is a simple bill and all we are doing is changing the dollar limits on where we determine what are considered large technology projects. We are changing them from \$250,000 to \$500,000 or more (page 2, line 3 and 4, page 3, lines 22 and 23). The rational for it is like everything, inflation. What used to be considered a fair size project at \$250,000 is now nothing when we are looking at 20, 30, 80 million dollar projects in IT. It was felt that raising that limit that requires that type of oversight was not necessary. Also, other things are in place, and that will be covered in SB 2034. We have done a better job in maintaining technology projects, particularly the smaller ones. We are not seeing issues with the small projects. We don't generally find that projects under one million dollars have issues with budget or time. It was felt that this would make things a little more efficient and easier so the interim committee approved the change from \$250,000 to \$500,000.

(2:25) Senator Cook: What are the consequences / benefits of making the change?

Representative Weisz: In most cases it won't make any difference. They are probably going to follow all of the steps they already are depending on the agency and if they think they need additional assistance. It will allow in some cases for streamlining the process on some of these smaller projects so they don't necessarily have to go through all the steps that you see listed starting on page 9. All of these things would not need to be done on all of these projects. I think in a lot of cases agencies will anyway because they want that additional outside oversight depending on the project. We do projects that are merely that are additions or reprogramming of a current project and are considered quite minor in nature but they still cost \$300,000 or whatever the number might be; there is not any reason to have to go through all these steps. I do think it will have a substantial change but it will in a few instances. We thought these changes made sense in the interim committee.

Chairman Dever: How long has it been \$250,000?

Representative Weisz: Since 1999.

Senator Nelson: Has there been some creative book keeping to keep it within \$250,000?

Representative Weisz: I am not aware that any agency has ever split up a project to try and make it come under the \$250,000. Again in a lot of cases the agencies like the changes we have made over several bienniums because they resisted them at first but they found it does make for better projects that get done on time and on budget. I have not noticed any issues. Frankly the agencies did not come to us and ask for the higher number. It was discussions by the IT department and interim committee.

(6:03) Lisa Feldner, TIO for ITD: See Attached Testimony #1 in support.

(8:55) Chairman Dever: This has to do with oversight and it doesn't really change procurement procedures correct?

Lisa Feldner: Correct.

Chairman Dever: Any other testimony? **Closed hearing on SB 2033.**

2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee
Missouri River Room, State Capitol

SB 2033
01/17/2013
Job Number 17319

Conference Committee

Committee Clerk Signature



Minutes:

Chairman Dever: Opened discussion for SB 2033.

Senator Nelson: Moved a Do Pass.

Senator Marcellais: Seconded.

Chairman Dever: Any discussion? You may recall that I think the only thing this bill does is changes the definition of a major project from \$250,000 to \$500,000.

A Roll Call Vote Was Taken: 7 yeas, 0 nay, 0 absent.

SB 2033 Passed.

Senator Schaible carrier.

Date: 1/17/13

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. : 2033

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Senator Nelson Seconded By Senator Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Dick Dever	✓		Senator Carolyn Nelson	✓	
Vice Chairman Spencer Berry	✓		Senator Richard Marcellais	✓	
Senator Dwight Cook	✓				
Senator Donald Schaible	✓				
Senator Nicole Poolman	✓				

Total (Yes) 1 No 0

Absent 0

Floor Assignment Senator Schaible

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

REPORT OF STANDING COMMITTEE

SB 2033: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
SB 2033 was placed on the Eleventh order on the calendar.

2013 SENATE APPROPRIATIONS

SB 2033

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2033
3/12/13
Jobs 19738 and 19750

Conference Committee

Committee Clerk Signature

Meredith Tracholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 54-35-15.2, subsection 8 of section 54-59-05, and section 54-59-23 of the North Dakota Century Code, relating to the definition of a large information technology project.

Minutes:

You may make reference to "attached testimony."

Hearing begins minute 08:05 of recording job 19738.

Chairman Delzer: We'll open the hearing on SB 2033.

08:50

Lisa Feldner, ND Chief Information Officer: See Attachment 1.

Min 10:30

Rep. Skarphol: How do you know that you will get to look at all the projects under \$500,000?

Feldner: In SB 2021, our budget bill, there is an amendment that says all agencies must report anything, any IT projects, over \$100,000 to ITD so we can track them. We had that in our budget bill last session, but we didn't codify it.

Rep. Skarphol: What would make you decide that a project between \$100,000 and \$500,000 would warrant additional scrutiny?

Feldner: We require all these projects to do project management, and they still have report their progress to us, even though we might not have an oversight analyst assigned to it. If we see their schedule start to slip, or their budget numbers start to increase, we get engaged right away.

Rep. Skarphol: Projects over \$500,000 have to have a project manager that is being paid for the services; for those projects under \$500,000, there can be an agency person functioning as that project manager? Then if you see it getting in trouble, there may be a requirement that they bring in an outside project manager?

Feldner: That's correct.

Chairman Delzer: The ones under \$500,000, do they normally work through ITD or go out to the public and get their program?

Feldner: It varies; most under \$500,000 come to ITD. It might be updates to their existing system. But if it's web development, for example, a lot of those are outside vendors.

Chairman Delzer: Further questions by the committee? Thank you.

Rep. Robin Weisz, District 14: The IT committee took a look at this, and because of escalating costs, etc., we thought changing the numbers from \$250,000 to \$500,000 made sense. That doesn't mean we can't review projects smaller than that if there are issues. The committee agreed that it made sense from the practical standpoint that we should raise that limit; that limit's been in place for a long time. That's the reason the bill is in front of you.

Chairman Delzer: If an agency wanted to, they could hire ITD to be the program manager on the under-\$500,000 projects?

Rep. Weisz: Absolutely.

Chairman Delzer: Further questions? Thank you. Further testimony in support of the bill? Opposition? Seeing none, the hearing on SB 2033 was closed.

Second recording job 19750

Chairman Delzer: We had the hearing on SB 2033 earlier today.

Rep. Kempenich moved Do Pass on SB 2033, seconded by **Rep. Thoreson**.

Chairman Delzer: Discussion on 2033? Seeing none, a roll call vote was done. The motion carried 21 Yes, 0 No, 1 Absent. **Rep. Streyle** will be the carrier.

Date: 3/12/13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2033**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Kempenich 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			Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 21 No 0

Absent 1

Floor Assignment Rep. Streyle

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

REPORT OF STANDING COMMITTEE

SB 2033: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS**
(21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2033 was placed on the
Fourteenth order on the calendar.

2013 TESTIMONY

SB 2033

**Testimony in Support of Senate Bill 2033
Government and Veterans Affairs Committee
January 11, 2013 – Lisa Feldner**

ITD supports SB 2033.

This bill changes the definition of major IT projects from \$250,000 to \$500,000.

Below are listed the current and future IT projects.

Proposed projects for 2013-15

There were 13 total projects ranked by SITAC
Seven (7) projects are over \$1 million = 54%
Three (3) projects between \$500,000 and \$1 M = 23%
Three (3) projects were under \$500,000

Current Projects

Sixteen (16) total active projects
Nine (9) over \$1 million = 56%
Five (5) projects between \$500,000 and \$1 M = 31%
Two (2) projects are under \$500,000 = 13%

Governor Dalrymple's Executive Order requires more oversight of major IT projects, as does SB 2034 if enacted, which essentially codifies the order. We feel it would be beneficial to have the legislation apply to all major IT projects of \$500,000 and above. However, in order to balance the workload of our procurement and large project oversight teams and not add staff, we'd like to forego oversight on projects under \$500,000. We are seeing fewer projects under \$500,000 but in the event the department determines a project in that range needs oversight, NDCC 54-59-05 allows us to do so.

Additional information related SB 2033 & SB 2034 provided by Information Technology Department. Point of Contact: Lisa Feldner 328-3193

IT monitoring performed by the Information Technology Department

Colored items indicate the impacts of SB 2021, SB 2033 & SB 2034

IT Plans N.D.C.C. §54-59-11	Executive branch agencies excluding Higher Ed, must submit their IT plans to ITD by August 15 th of each even numbered year.
Regardless of dollar amount N.D.C.C. §54-59-22	ITD must approve all equipment related to network services (data, voice, video), servers (applications, electronic mail, file and print, database, server storage), and for hosting services outside of ITD.
0-\$25,000 ITD Policy STD-ITD-001	ITD does not generally perform any regulatory activity for information technology purchases under \$25,000.
\$25,000 and Over ITD Policy STD-ITD-001	ITD approves agencies bid documents and contracts for equipment, software licensing, and services.
\$100,000 & Over 62 nd Session SB 2015	Executive Agencies excluding Higher Ed must involve ITD in the planning and study of projects over \$100,000. ITD recommendation is required prior to proceeding.
63 rd Session SB 2021	SB 2021 creates this as a new section in NDCC 54-59
\$100,000 - \$250,000 N.D.C.C. §54-59-05 (8)	Allows ITD to perform Large Project Oversight on projects within this dollar range.
63 rd Session SB 2033	SB 2033 would change the range to \$100,000 – \$500,000 to align with the new Large Project Oversight Minimum
\$250,000 and over N.D.C.C. §54-35-15.2 N.D.C.C. §54-59-05 (7)	Requires ITD to perform Large Project Oversight on all major IT Projects and present reports to the Legislative Information Technology Committee & State Information Technology Advisory Committee
63 rd Session SB 2033	SB 2033 would change the bottom range to \$500,000
\$500,000 and above 63 rd Session SB 2034	<ul style="list-style-type: none"> • Requires all procurements to be approved by the Agency, OMB, ITD, and the Attorney General's Office. • Sets minimum qualifications for the Procurement Officer and Project Manager • Establishes the Executive Steering Committee and defines their roles • Requires the agency head and ITD CIO to sign major IT contracts

Testimony in Support of Senate Bill 2033
House Appropriations Committee
March 12, 2013 – Lisa Feldner

SB 2033
3/12/13
Attachment 1

ITD supports SB 2033.

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59-54-05.8. May request and review information regarding any information technology project of an executive branch agency between one hundred thousand and ~~two~~ five hundred ~~fifty~~ thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.