

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, July 20, 2005
Roughrider Room, State Capitol
Bismarck, North Dakota

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

Members present: Senators Larry J. Robinson, Randel Christmann, Randy A. Schobinger, Tom Seymour, Rich Wardner; Representatives Bette B. Grande, Keith Kempenich, David Monson, Bob Skarphol; Chief Information Officer Curtis L. Wolfe

Members absent: Representatives Eliot Glassheim, Robin Weisz

Others present: See Appendix A

Chairman Robinson welcomed Representative Matthew M. Klein, Legislative Council member, to the meeting.

COMMENTS BY THE COMMITTEE CHAIRMAN

Chairman Robinson said the 2003-04 Information Technology Committee was assigned the information technology organizational and management studies as provided for in House Bill No. 1505 (2003) along with several statutory responsibilities. He said the 2005-06 Information Technology Committee has not been assigned a major study, but the committee has several statutory and assigned responsibilities. He said the committee may want to consider reviewing the state's information technology planning process, information technology project management issues, and the monitoring of major information technology projects.

SUPPLEMENTARY RULES OF OPERATION AND PROCEDURE

Mr. Jim W. Smith, Legislative Budget Analyst and Auditor, reviewed the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Council](#).

COMMITTEE RESPONSIBILITIES

The Legislative Council staff presented a memorandum entitled [Information Technology Committee - Background Memorandum](#) relating to the committee's statutory and assigned responsibilities. The Legislative Council staff reviewed committee statutory and assigned responsibilities, previous legislative information technology studies, previous committee recommendations, related legislation from the 2005

Legislative Assembly, and information regarding the statewide information technology budget and the Information Technology Department's budget for the 2005-07 biennium.

The Legislative Council presented the following proposed study plan for the committee's consideration:

1. Review the activities of the Information Technology Department, the business plan of the department, statewide information technology standards, the statewide information technology plan, and major information technology projects.
2. Determine information technology compliance reviews to be conducted by the State Auditor and receive the results of those reviews.
3. Receive reports from the Chief Information Officer of the state regarding the recommendations of the department's advisory committee regarding major software projects for consideration.
4. Receive reports from the Chief Information Officer of the state regarding the coordination of services with political subdivisions and the Chief Information Officer and the commissioner of the State Board of Higher Education regarding coordination of information technology between the Information Technology Department and higher education.
5. Receive the following from the Information Technology Department:
 - a. A report regarding any executive branch agency or institution that does not agree to conform to its information technology plan or comply with statewide policies and standards.
 - b. An annual report regarding information technology projects, services, plans, and benefits.
 - c. Information regarding the statewide information technology budget for the 2005-07 and 2007-09 bienniums.
6. Review current information technology-related statutory provisions.
7. Receive a report from the Information Technology Department regarding the status of

implementing the recommendations included in the Pacific Technologies, Inc., report on information technology organization and information technology management.

8. Review the current status of agencies' personal computer replacement, including information on funding provided for the 2005-07 biennium.
9. Review information regarding the statewide information technology network, including information on the state's contract with Dakota Carrier Network and the future vision of the network.
10. Develop recommendations and any necessary legislation to implement the committee's recommendations.
11. Prepare a final report for submission to the Legislative Council.

INFORMATION TECHNOLOGY-RELATED STATUTORY PROVISIONS

The Legislative Council staff presented a memorandum entitled [Information Technology-Related Statutory Provisions](#) regarding statutory provisions relating to the Information Technology Committee and the Information Technology Department.

REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Curtis L. Wolfe, Chief Information Officer, Information Technology Department, presented information regarding:

- An overview of the state's information technology system, including information on where the state has been, where the state is, and where the state is going.
- The statewide information technology budget for the 2005-07 biennium, including information on the department's budget for the 2005-07 biennium.
- Information technology-related legislation from the 2005 Legislative Assembly.
- Information technology initiatives for the 2005-07 biennium, including a review of the projects ranked by the State Information Technology Advisory Committee and funded by the Legislative Assembly.
- The status of the recommendations included in the Pacific Technologies, Inc., final report.
- Future information technology issues facing the state.

A copy of the information is on file in the Legislative Council office.

In regard to an overview of the state's information technology system, Mr. Wolfe said prior to 1997 information technology in North Dakota was reactive and agency-focused with limited oversight and accountability. He said the 1997 Legislative Assembly

mandated state agency information technology planning and provided the Information Services Division of the Office of Management and Budget with the responsibility of establishing statewide information technology policies, standards, and guidelines. He said the 1999 Legislative Assembly established the Information Technology Department to assume the responsibilities of the Information Services Division of the Office of Management and Budget and mandated the department provide all wide area network services to state agencies, higher education institutions, school districts, and political subdivisions. He said the 1999 Legislative Assembly also created the statutory legislative Information Technology Committee. The 2001 Legislative Assembly combined elementary and secondary technology programs within the Information Technology Department and required the department to develop performance measures and provide an annual report regarding information technology projects, services, plans, and benefits. He said the 2003 Legislative Assembly consolidated six information technology services within the department and provided for information technology organizational and management studies. As a result, he said, information technology in North Dakota is currently proactive and enterprise-focused with significant oversight and accountability.

Mr. Wolfe said the 2005 Legislative Assembly considered four major bills relating to information technology--Senate Bill Nos. 2037 and 2250 and House Bill Nos. 1074 and 1275. He said Senate Bill No. 2037, which was defeated by the Legislative Assembly, would have cleaned up inconsistencies among North Dakota Century Code (NDCC) sections; clarified roles and responsibilities; separated higher education technology, except where collaboration is important; and changed the content of the statewide information technology plan and the department's annual report. He said Senate Bill No. 2250 relates to contracts limiting liability to the state, House Bill No. 1074 allows the State Auditor to conduct information technology security audits, and House Bill No. 1275 provides for major information technology project oversight.

In regard to the Information Technology Department budget for the 2005-07 biennium, Mr. Wolfe said the 2005 Legislative Assembly provided funding of \$108,907,227, of which \$9,972,837 is from the general fund and \$98,934,390 is from special funds, to the department for the 2005-07 biennium. He said the funding includes \$6,016,779, of which \$1,007,295 is from the general fund, for the Division of Independent Study; \$886,597 from the general fund for the Educational Technology Council; and \$2,652,348 from the general fund for EduTech.

In response to a question from Senator Wardner regarding the department's budget for the 2005-07 biennium, Mr. Wolfe said the department's special funds are primarily fees collected for services

provided. He said the department estimates that approximately one-third of the special funds received for services are from the general fund, one-third are from federal funds, and one-third are from other special funds.

Mr. Wolfe said NDCC Section 54-59-08 requires each state agency and institution that desires access to wide area network services and each county, city, and school district to obtain those services from the Information Technology Department. As a result, the department deployed the statewide information technology network--StageNet--in 2000. He said the current network includes connections to approximately 638 physical locations in 194 communities. From August to December 2004, he said, the network was used to conduct 10,617 hours of videoconferencing activity.

In response to a question from Senator Robinson regarding video usage, Mr. Wolfe said the videoconferencing activity was primarily for educational purposes by school districts and higher education institutions.

Mr. Wolfe said the state's contract with Dakota Carrier Network for the statewide information technology network expires in June 2006. Therefore, the department is in the process of issuing three separate requests for proposals relating to a new statewide information technology network. He said the department anticipates awarding contracts for the new network by December 2005 and implementing the new network by June 30, 2006. He said the new network will provide the state with more bandwidth, improved security, wireless broadband data access, and Voice over Internet Protocol technology.

In response to a question from Senator Robinson regarding the e-rate program, Mr. Wolfe said the Schools and Libraries Universal Service program, or e-rate program, was created as a provision of the Telecommunications Act of 1996 to ensure that all eligible schools and libraries in the United States have affordable access to modern telecommunications and information services. An eligible school or library who completes an application for the program may receive a discount on telecommunications services, internal connections, and Internet access. He said the state's current e-rate reimbursement funds approximately 64 percent of related statewide information technology costs for schools and libraries. He said the Federal Communications Commission suspended the e-rate payment process for a portion of 2004 due to a change in the accounting structure of the Universal Service Administrative Company, which administers the program. He said an exemption has been granted to the Universal Service Administrative Company relating to the change in the accounting structure through December 2006. He said an exemption extension or a permanent exemption will need to be granted for the program.

In response to a question from Senator Christmann regarding the requests for proposals for the new network, Mr. Wolfe said the Information Technology Department will establish teams composed of key users of the statewide information technology network to evaluate the proposals received. The department will decide which entities are awarded contracts.

Chairman Robinson said Mr. Wolfe should provide information regarding the current statewide information technology network postalized rates and the anticipated rate structure for the new network at the committee's next scheduled meeting.

Mr. Wolfe presented the following information regarding the status of the recommendations included in the Pacific Technologies, Inc., final report:

Major Recommendations	Status
<p>Workstation support and help desk services consolidation - Consolidate all workstation support and help desk services within the Information Technology Department, including:</p> <ul style="list-style-type: none"> • Initial problem reporting and resolution • Workstation environment maintenance and support • Adds, moves, and changes • Hardware replacement management • Associated performance measurement and management 	<p>State agencies are gathering information to determine which centralized services can provide measurable benefits. The need for further consolidation will be reviewed after standardized workstations have been deployed.</p>
<p>Workstation standardization - Move to a highly standardized workstation environment on a statewide basis with the Information Technology Department managing a workstation replacement program</p>	<p>Standard configurations for a single brand of workstations for all state agencies were developed through the enterprise architecture process and the Information Technology Department awarded a contract for desktop and laptop acquisition to Hewlett Packard.</p>
<p>Server consolidation - Continue to consolidate all agency-managed servers into the Information Technology Department</p>	<p>The Information Technology Department eliminated 102 servers during the information technology functional consolidation process executed during the 2003-04 interim. The department will continue to reduce the number of servers as outdated applications and servers are replaced.</p>
<p>Information technology governance - Improve the existing information technology governance processes by:</p> <ul style="list-style-type: none"> • Improving the processes and tools for information technology project evaluation • Improving mechanisms to support cost-containment • Developing meaningful statewide management and reporting views of information technology initiatives • Implementing information technology performance measures • Establishing an information technology innovation fund 	<p>The Information Technology Department has implemented an information technology project prioritization process. The department's enterprise architecture process is maturing and procurement and asset management have been strengthened.</p>

In response to a question from Representative Skarphol regarding performance measures, Mr. Wolfe

said the department continues to review and refine its performance measures.

In regard to information technology initiatives for the 2005-07 biennium, Mr. Wolfe provided a summary of the projects ranked by the State Information Technology Advisory Committee and funded by the Legislative Assembly. A copy of the summary is available in the Legislative Council office. He said major information technology initiatives for the 2005-07 biennium include the Tax Department integrated tax system, Department of Human Services Medicaid management information system replacement project, Information Technology Department mainframe migration project, Legislative Assembly legislative systems replacement, and Secretary of State AS/400 migration project. He said the Information Technology Department priorities for the 2005-07 biennium include the establishment of a second data center in Mandan, enhancement of responsibilities of the department's Policy and Planning Division, and continued development of e-government initiatives.

In response to a question from Senator Wardner, Mr. Wolfe said the department will cancel its contract with IBM for a disaster recovery "hotsite" in Boulder, Colorado, after the second data center in Mandan has been established.

Mr. Wolfe presented information regarding common myths relating to information technology. A copy of the information is on file in the Legislative Council office and is attached as Appendix B. He said one myth is information technology spending is out of control. He said the reality is that as a percentage of the total state budget, information technology spending requests in the executive budget recommendations were 4.68 percent for the 2001-03 biennium, 3.61 percent for the 2003-05 biennium, and 3.6 percent for the 2005-07 biennium. He said another myth is the legislature has no visibility into information technology projects. He said the reality is that the legislature receives information on information technology projects during the planning process through the prioritization of projects by the State Information Technology Advisory Committee and during the implementation process through status reports compiled by the Information Technology Department.

Senator Seymour requested the Information Technology Department provide the committee with information regarding the increase in the number of state government jobs available in North Dakota due to advances in information technology.

The committee recessed for lunch at 11:40 a.m. and reconvened at 1:00 p.m.

OTHER INFORMATION TECHNOLOGY INFORMATION

Mr. Jerry Fossum, Information Technology Department, provided information regarding the statewide information technology network, including information on network procurement, video challenges, and future

vision of the network. A copy of the information is on file in the Legislative Council office. He said the current statewide information technology network was deployed in 2000. The state's contract with Dakota Carrier Network for the network expires in June 2006; therefore, the department has started a procurement process for a new statewide information technology network to meet the state's needs for the next 7 to 10 years. He said goals for the new network include increased bandwidth, reliable and survivable service, higher levels of security and privacy, increased mobility, and flexible network access. He said the procurement process consists of the issuance of three separate requests for proposals relating to transport, equipment, and wireless. The following is a tentative schedule relating to the procurement process:

Date	Milestone
July 8, 2005	Release the transport and equipment request for proposals
August 15, 2005	Release the wireless request for proposal
October 21, 2005	Sign contracts relating to the transport and equipment components
November 30, 2005	Sign contract for the wireless component
January-June 2006	Implement the new network
September 2006	Migrate existing cell phones to new contract

In response to a question from Representative Skarphol, Mr. Fossum said the department works with the local telecommunications providers to establish metro fiber interconnects in the state's larger cities.

In response to a question from Senator Christmann regarding wireless technologies, Mr. Fossum said wireless technologies provide increased mobility; however, wireless technologies will not replace the need for wired networks because the levels of speed required for business activities are not available through wireless technologies.

In response to a question from Representative Skarphol regarding video challenges, Mr. Fossum said there is a large amount of aging video equipment located in the state's school districts and the state will have to decide how to fund required upgrades to that equipment.

Ms. Nancy Walz, Information Technology Department, provided information regarding the department's enterprise architecture initiative. A copy of the information is on file in the Legislative Council office. She said the mission of the enterprise architecture initiative is to provide a process that sets common goals and coordinates the delivery of information technology services to state government that are responsive and cost-effective. She said the initiative's deliverables include architecture principles; policies, standards, and guidelines; future vision determinations; and technology recommendations. She said challenges relating to the initiative include that there are limited resources available to work on enterprise architecture activities, processes are viewed as too lengthy and bureaucratic, and there are disconnects

between "business" and "technical" perspectives and between agency and Information Technology Department perspectives.

Mr. Patrick Forster, Information Technology Department, provided information regarding information technology procurement, including information on workstation standardization and an information technology procurement initiative. A copy of the information is on file in the Legislative Council office. He said the department's information technology procurement responsibilities include the review and approval of agency information technology purchases, establishment of information technology procurement standards and guidelines, collaboration with the Office of Management and Budget and the Attorney General's office for development of contract and request for proposal templates, assistance with large procurements and request for proposal development, and enterprise procurement initiatives. He said for the period January through June 2005 the department reviewed 25 contracts, 9 requests for proposals, and 5 limited or sole source procurements for 11 agencies.

Mr. Forster said in regard to workstation standardization, the department has awarded a contract for desktop and laptop acquisition to Hewlett Packard. Under the contract, state agencies, higher education institutions, and school districts are allowed to purchase a mainstream or power user desktop or a mainstream or power user laptop. The following is a summary of computer purchases through the contract from December 2004 through June 2005:

	State Agencies	Higher Education Institutions	School Districts	Total
Desktop - Mainstream (per unit price \$550)	694	45	491	1,230
Desktop - Power user (per unit price \$795)	340	37	509	886
Laptop - Mainstream (per unit price \$1,334)	292	46	101	439
Laptop - Power user (per unit price \$1,661)	37	1	1	39
Total	1,363	129	1,102	2,594

Mr. Forster said due to an ongoing need for information technology contract professionals in a variety of skill-set categories, the department has issued a request for proposal for the establishment of a pool of information technology vendors for each skill-set category. He said the information technology skill-set categories are mainframe programmer/analyst, client-server programmer/analyst, Microsoft access programmer/analyst, J2EE programmer/analyst, Microsoft.Net programmer/analyst, PeopleSoft programmer/analyst, web designer, project manager, information technology business analyst, PeopleSoft analyst/integration specialist, and desktop support specialist. The request for proposal was issued on July 11, 2005, responses are due August 18, 2005, and the department intends to announce awards on

October 3, 2005. He said a state agency using the information technology contract pool will issue a work order to the applicable vendors, including a description of the work, skill-sets required, and project schedule and deliverables. The vendors in the contract pool will respond with a project offer identifying staff and hourly rates.

Mr. Mark Molesworth, Information Technology Department, provided information regarding the department's enterprise project management office. A copy of the information is on file in the Legislative Council office. He said responsibilities of the enterprise project management office include communication; establishment of project management best practices; guidance, coaching, and consulting; training and mentoring; maintenance of related standards; and oversight of large information technology projects. He said the oversight of large information technology projects consists of the following four stages:

Stage	Responsibilities
Origination and initiation	Consult during project planning and selection Review project business cases Review project charter Provide feedback regarding request for proposal and contracts
Planning	Assist with project plan development
Execution and control	Quarterly reporting Milestone variance reporting Executive steering committee meetings Consulting
Closing	Postimplementation review

Mr. Molesworth said the department has identified 33 potential large information technology projects for the 2005-07 biennium--10 existing projects from the 2003-05 biennium and 23 new projects in the initiation or planning phase. He said the role of the Information Technology Committee is to review final project business cases, large project quarterly reports, and project postimplementation reports.

Mr. Grant Crawford, Chief Information Officer, North Dakota University System, provided information regarding higher education information technology initiatives, including information on the status of the ConnectND system and the On-line Dakota Information Network (ODIN) library system software migration project. A copy of the information is on file in the Legislative Council office. He said the North Dakota University System has completed several major information technology projects during the past three years, including the ConnectND system, a facilities management system, a parking system, and a housing system. He said the University System is also working on completing the ODIN library system software project and implementing a learning management system. He said in the coming year the University System looks to:

- Leverage knowledge of project management by working on new, smaller projects.
- Continue involvement with the Information Technology Department in the enterprise

architecture process by casting a new future for collaboration of services, including the videoconferencing and audioconferencing solutions provided by the Interactive Video Network.

- Work with chief information officers at higher education institutions to review and improve other areas of information technology infrastructure.
- Pursue the next generation of networking for the northern tier states.
- Expand work on multistate software licensing arrangements through the Midwestern Higher Education Compact.

Ms. Pam Sharp, Director, Office of Management and Budget, provided information regarding the ConnectND system, including information on the status of the system, system governance, and future system enhancements. She said the team responsible for implementing the ConnectND system for state agencies is continuing work on postproduction issues and implementing the system at Workforce Safety and Insurance and the Housing Finance Agency. The State Auditor recently completed an audit of the human resources component of the ConnectND system and will begin work on an audit of the financials component.

Ms. Sharp provided the committee a chart depicting the governance structure agreed upon by state government and the North Dakota University System for the ConnectND system. A copy of the chart is on file in the Legislative Council office. She said the governance structure consists of state and University System interfunctional teams that will meet quarterly to discuss ConnectND issues, state and University System executive oversight committees, and a ConnectND board.

In response to a question from Representative Skarphol regarding higher education implementation of the ConnectND system, Mr. Crawford said higher education institutions are able to reconcile cash on hand, the grants and contracts module is functioning satisfactorily at the affected higher education institutions, and the payroll issues experienced earlier have been corrected.

In response to a question from Representative Skarphol, Mr. Wolfe said at the present time the state and the University System have installed all patches and updates available for the PeopleSoft software system.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

In response to a request from Senator Robinson, Mr. Wolfe provided comments regarding the 2005 Managing Technology Conference. He said many of the topics covered at the conference were repeats from previous conferences.

Representative Skarphol said the Managing Technology Conference is a valuable experience for individuals new to the area of information technology. He said information presented at the 2005 Managing Technology Conference seemed to indicate that many of the states who had charged forward with information technology reform are pulling back.

Chairman Robinson said the committee's next scheduled meeting will be on Monday, October 10, 2005.

The committee adjourned subject to the call of the chair at 3:20 p.m.

Roxanne Woeste
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

[ATTACH:2](#)