

# NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

## INFORMATION TECHNOLOGY COMMITTEE

Tuesday, August 16, 2011  
Harvest Room, State Capitol  
Bismarck, North Dakota

Representative Robin Weisz, Chairman, called the meeting to order at 10:00 a.m.

**Members present:** Representatives Robin Weisz, Randy Boehning, Gary Paur, Roscoe Streytle; Senators Donald Schaible, Margaret Sitte, Rich Wardner; Chief Information Officer Lisa Feldner

**Members absent:** Representatives Keith Kempenich, Corey Mock; Senators Joe Miller, Larry Robinson

Representative Mock informed the staff he was unable to attend the meeting because he was out of state on other legislative business, attending the Bowhay Institute for Legislative Leadership Development Conference in Madison, Wisconsin.

**Others present:** Jason J. Steckler, Legislative Council, Bismarck

Senator Joan Heckaman, member of the Legislative Management, was also in attendance.

See attached [Appendix A](#) for additional persons present.

### SUPPLEMENTARY RULES OF OPERATION AND PROCEDURE

The Legislative Council staff reviewed the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

### COMMENTS BY THE COMMITTEE CHAIRMAN

Chairman Weisz welcomed the members to the Information Technology Committee. He said the 2011-12 interim Information Technology Committee has several statutory and assigned responsibilities.

### COMMITTEE RESPONSIBILITIES

The Legislative Council staff presented a memorandum entitled [Information Technology Committee - Background Memorandum](#) relating to the committee's responsibilities. The Legislative Council staff reviewed committee statutory and assigned responsibilities, previous committee recommendations, related legislation from the Legislative Assembly in 2011, and information regarding statewide information technology funding and the Information Technology Department's legislative appropriation for the 2011-13 biennium.

The Legislative Council staff 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 (North Dakota Century Code Section 54-35-15.2).
2. Determine information technology compliance reviews to be conducted by the State Auditor and receive the results of those reviews (Section 54-35-15.4).
3. Receive a report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues (Section 54-35-15.2).
4. Receive reports from the Chief Information Officer 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 (Section 54-59-12).
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 (Section 54-59-13).
  - b. An annual report regarding information technology projects, services, plans, and benefits (Section 54-59-19).
  - c. Information regarding the statewide information technology budget for the 2011-13 and 2013-15 bienniums.
6. Review current information technology-related statutory provisions.
7. Receive reports from the State Board of Higher Education regarding higher education information technology planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).

8. Receive a report from the Statewide Longitudinal Data System Committee on the status of the statewide longitudinal data system, including recommendations for further development, cost proposals, proposals for legislation, and data sharing governance (Section 15.1-02-18).
9. Receive periodic reports from the Health Information Technology Office and the Health Information Technology Advisory Committee on the status of the health information technology activities.
10. Develop recommendations and any legislation necessary to implement the committee's recommendations.
11. Prepare a final report for submission to the Legislative Management.

**It was moved by Senator Wardner, seconded by Senator Sitte, and carried on a voice vote that the Information Technology Committee approve the proposed study plan for the 2011-12 interim.**

**REPORT FROM THE CHIEF INFORMATION OFFICER**

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, and representatives of the Information Technology Department provided information on:

- The department's divisions and services.
- The department's legislative appropriation for the 2011-13 biennium.
- Related legislation from the 2011 regular legislative session.
- Implementation of Executive Order 2011-20.
- The department's enterprise architecture initiative, including information on the department's process of establishing information technology policies, standards, and guidelines and a summary of current policies, standards, and guidelines.
- Initiatives for the 2011-13 biennium, including a review of the projects ranked by the State Information Technology Advisory Committee and funded by the 2011 Legislative Assembly.
- The status of the Statewide Longitudinal Data System Initiative.

Mr. Mike Ressler, Deputy Chief Information Officer, Information Technology Department, provided an overview ([Appendix B](#)) of the department's divisions and services, the department's legislative appropriation for the 2011-13 biennium, related legislation from the 2011 regular legislative session, and implementation of Executive Order 2011-20. He said the department consists of the following divisions:

Divisions	Responsibilities
Administration Division	Responsible for accounting and billing, security, contingency planning, and state records management
Software Development Division	Responsible for developing computer software applications, providing project management services, and providing quality assurance reviews and business analysis services
Computer Systems Division	Responsible for computer application hosting, electronic data storage, disaster recovery, database analysts, desktop computer support, and the centralized e-mail system
Telecommunications Division	Responsible for network connectivity for state government, county government offices, higher education, and elementary and secondary schools; telephone systems for state government; and video services for state government and elementary and secondary schools
Enterprise Services Division	Responsible for coordinating the department's employees, processes, and technology in a way that promotes customer-centric services; fostering customer relations and aligning the department's services with customer expectations; and providing leadership and coordination of enterprise initiatives, including the geographic information system, the electronic document management system, business intelligence, enterprise architecture, information technology planning, and information technology procurement
Human Resources Division	Responsible for recruitment, selection, and retention of qualified employees; strategic planning assistance; job classification maintenance; employee and manager relations; benefits; compensation; training and development; and risk management and workplace safety
Elementary and secondary education programs	Includes the Educational Technology Council, Center for Distance Education, and EduTech
Other programs	Includes the Health Information Technology Office and the Criminal Justice Information Sharing Initiative

Mr. Ressler provided the following summary of the department's legislative appropriation for the 2011-13 biennium:

	Full-Time Equivalent Positions	General Fund	Special Funds	Federal Funds	Total
Information Technology Department operations (salaries and wages, operating expenses, and capital assets)	252.00	\$705,020	\$111,586,223	\$4,400,000	\$116,691,243
Wide area network	4.00	4,798,992	408,000		5,206,992
Geographic information system	1.00	1,037,065		75,000	1,112,065
Statewide Longitudinal Data System Initiative	5.00	3,626,867			3,626,867
Educational Technology Council	1.50	1,000,403	75,000		1,075,403
Center for Distance Education	28.80	2,625,395	4,023,843		6,649,238
EduTech	27.00	3,044,096	4,882,351		7,926,447
Criminal Justice Information Sharing Initiative	3.00	2,051,394	180,000	750,000	2,981,394
Health information technology	4.00	362,972	13,596,266	5,100,000	19,059,238
<b>Total</b>	<b>326.30</b>	<b>\$19,252,204</b>	<b>\$134,751,683</b>	<b>\$10,325,000</b>	<b>\$164,328,887</b>

In response to a question from Representative Streyle, Mr. Ressler said the department has a financial audit, an information technology audit in compliance with Statement on Auditing Standards No. 70, and a vulnerability assessment completed each biennium.

In response to a question from Representative Streyle, Mr. Ressler said the department believes the location of its disaster recovery site in Mandan is appropriate.

Mr. Ressler said Section 11 of 2011 Senate Bill No. 2015 provides that during the 2011-13 biennium each executive branch state agency, excluding entities under the control of the State Board of Higher Education, considering the development of an information technology project with an estimated cost of \$100,000 or more is to involve the Information Technology Department in the planning and study of the project. He said a state agency must receive a recommendation from the department prior to proceeding with any study relating to the project.

Mr. Ressler said on July 6, 2011, Governor Jack Dalrymple signed Executive Order 2011-20 relating to large information project contracting and monitoring. For the purposes of the executive order, he said, a large information technology project is a project with an estimated total cost of at least \$1 million. He said the executive order provides that:

- Before an executive branch state agency, excluding entities under the control of the State Board of Higher Education and an agency of an elected official, issues a request for proposal or enters a contract for a large information technology project, a committee of subject matter experts must review the request for proposal or contract. The committee of subject matter experts consists of an information technology contract attorney from the Attorney General's office, an Information Technology Department procurement officer, an Information Technology Department project management subject matter expert, the project sponsor, and one optional member at large from the

procuring agency. At least three votes in favor of a recommendation of approval are needed before the request for proposal or contract may be forwarded to an executive steering committee for the project.

- An executive steering committee for each large information technology project must include the agency head of the contracting agency, the director of the Office of Management and Budget (OMB), the Chief Information Officer, the project sponsor, and a large project oversight analyst. Four affirmative votes are required to make any project decisions relating to contracts, budgets, or scope changes deemed by any one member to be a major project decision.
- The contracting agency head and the Chief Information Officer must both sign all contracts, amendments, and scope changes as directed by the executive steering committee.
- Quarterly meetings at a time to be determined by the Governor's office will be held to review the status of all pending large information technology projects.

Mr. Gary Vetter, Director, Enterprise Services Division, Information Technology Department, provided information ([Appendix C](#)) regarding:

- The department's enterprise architecture initiative, including information on the department's process of establishing information technology policies, standards, and guidelines and a summary of current policies, standards, and guidelines.
- Information technology plans and information technology initiatives for the 2011-13 biennium.

Mr. Vetter said enterprise architecture is a process that sets common goals and coordinates the delivery of information technology services to state government. He said the enterprise architecture governance structure consists of the following components:

Components	Responsibilities
State Information Technology Advisory Committee	Responsible for advising the Information Technology Department regarding statewide information technology planning and budgeting, services of the department, and statewide information technology initiatives and policy
Architecture Review Board	Responsible for recommending approval of enterprise standards, best practices and guidelines, and collaborating on enterprise architecture design principles
Architecture team	Responsible for facilitating the enterprise architecture process for their respective disciplines, creating and maintaining deliverables, communicating architecture standards to all interested parties, and reviewing technology projects for compliance with the architectures
Technical domain teams	Responsible for defining technical standards, standard configurations, and collaborating on enterprise architecture design principles
Business domain teams	Responsible for defining standards, best practices, and guidelines regarding enterprise business processes and collaborating on enterprise business architecture design principles

Mr. Vetter said Section 54-59-09 requires the Information Technology Department and OMB to develop statewide information technology policies, standards, and guidelines based on information from state agencies and institutions. He said the policies, standards, and guidelines must recognize the uniqueness of certain agencies and identify which agencies are included or exempted from the policies, standards, and guidelines. He said each executive branch state agency, excluding the institutions under the control of the State Board of Higher Education, is to comply with the policies, standards, and guidelines unless granted an exemption by the Chief Information Officer.

Mr. Vetter said the Information Technology Department has adopted policies, standards, and guidelines in a variety of areas and continues to update and adopt new policies, standards, and guidelines as necessary. He said the policies, standards, and guidelines are categorized as follows:

Category	Number of Policies, Standards, and Guidelines
Application software	3
Communications	2
Data and information	5
Desktop	6
Document management	6
E-government	7
Project management	1
Security	13
Servers and storage	1
<b>Total</b>	<b>44</b>

Mr. Vetter said beginning in February of each even-numbered year, state agencies develop information technology plans. He said state agencies then prioritize proposed information technology projects and submit their information technology budgets into OMB's budget analysis and reporting system. He said the State Information Technology Advisory Committee reviews information regarding proposed major information technology projects for executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and the judicial and legislative branches, and ranks those projects that receive the committee's affirmative recommendation. He said the department forwards the prioritization to the Information Technology Committee and OMB for consideration in the development of the Governor's budget recommendation. He said funding for 17 large information technology projects was provided by the Legislative Assembly for the 2011-13 biennium. He said the appropriations for the 17 projects totaled \$35 million, of which \$9.7 million is from the general fund.

Ms. Feldner provided information ([Appendix D](#)) regarding the status of the Statewide Longitudinal Data System Initiative. She said Section 15.1-02-18 establishes a Statewide Longitudinal Data System Committee consisting of:

- The chancellor of the State Board of Higher Education.
- The Superintendent of Public Instruction.
- The Chief Information Officer.
- The director of the Department of Career and Technical Education.
- The director of Job Service North Dakota.
- The Commissioner of Commerce.
- The executive director of the Department of Human Services.
- The director of the Educational Technology Council.
- The director of the North Dakota Council of Educational Leaders.
- The director of the North Dakota Workforce Development Council.
- Two members of the Legislative Assembly.

Ms. Feldner said the committee is to set policy and adopt rules relating to access to and the collection, storage, and sharing of information and the systems necessary to perform those functions. She said a statewide longitudinal data system is required of states that accepted elementary and secondary education federal stimulus funds. She said the Department of Public Instruction, Job Service North Dakota, higher education, and the Information Technology Department have received funding to implement components of the system. At the present time, she said, the system is under budget and ahead of schedule.

## ELEMENTARY AND SECONDARY EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Mr. Dan Pullen, Director, Educational Technology Council, provided information ([Appendix E](#)) regarding elementary and secondary education information technology initiatives. He said the Educational Technology Council is responsible for developing technology systems and coordinating their use to enhance and support educational opportunities for elementary and secondary education. He said the council's activities for the 2011-13 biennium include:

- Classroom transformation grants - Competitive grants to support school adoption of digital content to replace traditional textbooks and the use of 1-to-1 student devices and online or blended teaching and learning methods.
- Video classroom grants - Grants designed to upgrade video classrooms.
- North Dakota kindergarten through grade 12 educational technology plan - Update of the plan for 2009 through 2012.

Mr. Pullen said EduTech provides information technology service and professional development to North Dakota elementary and secondary schools. He said all elementary and secondary education schools are required to use the PowerSchool application as their student information system. He said EduTech staff is in the process of deploying the application to all schools. He said EduTech staff is also working on an active directory pilot project with the Beulah Public School District.

Mr. Pullen said the Center for Distance Education is North Dakota's online distance education high school. He said the center is partnering with groups of small North Dakota schools to help them meet their needs for additional high school curriculum offerings and to fill a growing teacher shortage in critical areas.

In response to a question from Representative Weisz, Mr. Pullen said funding for the PowerSchool application is distributed to schools through the state school aid funding formula.

In response to questions from Senator Sitte and Senator Heckaman, Mr. Pullen said Native American elementary and secondary schools are using a different student information system. He said the Statewide Longitudinal Data System Committee is working on strategies to include data from Native American schools in the statewide longitudinal data system.

## LEGISLATIVE APPLICATIONS REPLACEMENT SYSTEM COMPUTER PROJECT

Mr. Jason J. Steckler, Information Technology Director, Legislative Council, provided information regarding the status of the legislative applications replacement system computer project--LEGEND. He said the project is a joint venture between the project vendor, Propylon, and the Information Technology Department. He said the LEGEND system was used

successfully during the 2011 legislative session. He said the final payment to the project vendor will be completed in the next few weeks. He said the Legislative Council staff has received several enhancement suggestions from legislators and the staff. He said the staff will be evaluating the suggestions and determining which can be implemented before the 2013 legislative session.

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

## HIGHER EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Mr. Randall Thursby, Chief Information Officer, North Dakota University System, Fargo, provided information ([Appendix F](#)) regarding higher education information technology initiatives. He said the North Dakota University System has established an information technology strategic plan with the following goals:

- Support University System infrastructure needs.
- Improve University System information technology-enabled business processes and services while providing and managing resources to align with strategic goals.
- Improve and enhance student learning and customer focus.
- Improve and enhance student collaborative efforts.

Mr. Thursby said the University System is in the process of implementing an integrated services initiative. He said the objectives of the initiative are:

- Improve the integration of systemwide applications.
- Provide a more consistent end user experience for students, faculty, and staff.
- Improve coordination of resources, applications, and processes.
- Provide better support for collaborative students.

In response to a question from Senator Sitte, Mr. Thursby said the Information Technology Department will be responsible for the security of data included in the statewide longitudinal data system.

Ms. Bonnie Neas, Vice President for Information Technology, North Dakota State University, provided information ([Appendix G](#)) regarding the status of the Northern Tier Network. She said the Northern Tier Network is the implementation of an information technology network from Seattle, Washington, to Chicago, Illinois, and from Winnipeg, Manitoba, to Omaha, Nebraska. She said the network consists of 10 optical waves capable of transferring about 10 gigabytes of information per second per wave. She said North Dakota's segments border Montana to the west, Minneapolis, Minnesota, to the east, the Canadian border to the north, and Sioux Falls, South Dakota, to the south. She said segments from Montana to Minneapolis and from Fargo to Grand Forks were completed in 2009. At this time, she said, the connection to South Dakota's network is in

deployment phase, and the connection to the Canadian border is in investigation phase. She said Section 15-10-45 provides that the University System may use the network infrastructure only for the purpose of supporting the research and education missions of the University System.

In response to a question from Representative Streyle, Ms. Neas said the indefeasible right of use--the long-term lease of the network capacity--is held by the University of Washington Pacific Northwest Gigapop.

**HEALTH INFORMATION TECHNOLOGY**

Mr. Sheldon Wolf, Director, Health Information Technology Office, Information Technology Department, provided information ([Appendix H](#)) regarding the status of health information technology activities. He said Section 54-59-25 establishes a Health Information Technology Advisory Committee consisting of the Chief Information Officer, the State Health Officer, the Governor, the executive director of the Department of Human Services, the chairman of the House Human Services Committee, the chairman of the Senate Human Services Committee, and individuals appointed by the Governor and the State Health Officer to represent a broad range of public and private health information technology stakeholders. He said Section 54-59-26 establishes a Health Information Technology Office in the Information Technology Department.

Mr. Wolf said the Information Technology Department has received a \$5,343,733 grant from the Office of the National Coordinator for Health Information Technology for implementing a statewide health information technology and exchange network. He said the grant is for four years and will be used for planning activities (10 percent), intrastate implementation (55 percent), and interstate implementation (35 percent). He said the grant's match requirements are:

Year 1	\$0 of state funds for each federal dollar
Year 2	\$1 of state funds for each \$10 of federal dollars
Year 3	\$1 of state funds for each \$7 of federal dollars
Year 4	\$1 of state funds for each \$3 of federal dollars

Mr. Wolf said the Information Technology Department issued a request for proposal for a statewide health information technology and exchange network in December 2010. He said the department received proposals from six qualified vendors. He said the department is currently conducting contract negotiations with the successful vendor and is preparing to start the implementation phase.

In response to a question from Representative Weisz, Mr. Wolf said Section 6-09-43 establishes a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. He said 12 applicants received loans from the fund in

the 2009-11 biennium. He said applications for loans in the 2011-13 biennium are due in August 2011.

**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.

**INFORMATION TECHNOLOGY LARGE PROJECT REPORTING**

The Legislative Council staff presented a memorandum entitled [Major Information Technology Projects](#). The memorandum provides a summary of the project management life-cycle processes, executive and legislative branch activities, and statutory provisions relating to planning and executing major information technology projects.

Mr. Mark Molesworth, Project Manager, Information Technology Department, provided information ([Appendix I](#)) regarding the information technology large project reporting process, including a copy ([Appendix J](#)) of the most recent quarterly summary status report on large information technology projects. He said each calendar quarter the department prepares a large project summary report that summarizes the performance of large information technology projects and submits the report to the Information Technology Committee. He said the cover letter attached to the quarterly summary status report includes:

- Graphic depiction of North Dakota's project success as compared to the CHAOS 2009 report.
- Status summary of projects with a budget in excess of \$5 million.
- Status summary of projects being monitored closely due to budget or schedule variance concerns.

**Department of Human Services - Medicaid Management Information System Replacement Project**

Ms. Jennifer Witham, Director, Information Technology Services Division, Department of Human Services, provided information ([Appendix K](#)) regarding the status of the department's Medicaid management information system replacement project. She said the project continues to be impacted by delays in the completion of the Affiliated Computer Services (ACS) base enterprise Medicaid management information system, which is the foundation upon which the North Dakota system will be constructed. Due to these delays, she said, the June 2012 implementation date is no longer viable. She said the department is working with ACS regarding the revised schedule.

In response to a question from Representative Weisz, Ms. Witham said a revised implementation date may be June or July 2013.

In response to a question from Representative Streyle, Ms. Witham said she is confident that North Dakota's system will meet state and federal requirements.

### **Project Startup and Project Closeout Reports**

The Legislative Council staff presented a memorandum entitled [Summary of Project Startup and Project Closeout Reports](#). The Legislative Council said the memorandum summarizes the project startup and project closeout reports completed between October 2010 and June 2011.

### **OTHER**

Senator Sitte suggested the Information Technology Committee consider a bill draft to implement the provisions included in Executive Order 2011-20 for all executive branch state agencies.

Chairman Weisz asked the Legislative Council staff to prepare a bill draft for the committee's consideration which would implement the provisions of Executive Order 2011-20 for all executive branch state agencies.

No further business appearing, Chairman Weisz adjourned the meeting at 3:27 p.m.

---

Roxanne Woeste  
Assistant Legislative Budget Analyst and Auditor

---

Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:11