

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

**INFORMATION TECHNOLOGY COMMITTEE**

Thursday, October 30, 2014  
Harvest Room, State Capitol  
Bismarck, North Dakota

Representative Robin Weisz, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Robin Weisz, Corey Mock, Mark S. Owens, Roscoe Streyle, Nathan Toman; Senators Randall A. Burckhard, Richard Marcellais, Joe Miller; Citizen Member Mike Ressler

**Members absent:** Representative Blair Thoreson; Senators Larry J. Robinson, Donald Schaible

**Others present:** See [Appendix A](#)

**It was moved by Senator Burckhard, seconded by Senator Marcellais, and carried on a voice vote that the minutes of the September 25, 2014, meeting be approved as distributed.**

**MEDICAID MANAGEMENT INFORMATION SYSTEM**

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, presented information ([Appendix B](#)) regarding the status of the Medicaid management information system. She said the Department of Human Services is in the process of negotiating with the project vendor, Xerox, to determine a revised completion date. She provided the following schedule regarding project expenditures through September 2014:

	<b>Budget</b>	<b>Expenditures</b>	<b>Remaining</b>
General fund	\$7,533,297	\$5,225,768	\$2,307,529
Federal funds	78,043,573	53,347,428	24,696,145
Other funds	2,968,137	2,193,526	774,611
<b>Total</b>	<b>\$88,545,007</b>	<b>\$60,766,722</b>	<b>\$27,778,285</b>

In response to a question from Representative Streyle, Ms. Witham said the Medicaid management information system project is anticipated to be completed in the summer of 2015.

In response to a question from Chairman Weisz regarding the status of the eligibility systems modernization project, Ms. Witham said the department issued a request for proposal (RFP) related to additional project assistance in order to accelerate the project's schedule and maximize the availability of federal funds for the project. She said the department is in the process of evaluating responses received from the RFP.

**HIGHER EDUCATION INFORMATION TECHNOLOGY ACTIVITIES****Higher Education Records Retention Policies**

Dr. Larry Skogen, Interim Chancellor, North Dakota University System, provided written testimony ([Appendix C](#)) regarding the University System's record retention policies.

**North Dakota University System**

Mr. Darren King, Deputy Chief Information Officer, North Dakota University System, presented information ([Appendix D](#)) regarding the status of the server breach at the University System data center. He said the University System's Core Technology Services is in the process of implementing the following security enhancements:

- Desktop management, including full disk encryption;
- Enterprise vulnerability scanning;
- Security training and awareness for employees;
- Multi-factor authentication;
- Password expiration process;
- Governance, including a data classification policy and security audits; and
- Intrusion detection and prevention system.

In response to a question from Senator Miller regarding the source of the server breach, Mr. King said forensic analysis was able to identify a broad geographic region from which the server breach originated. He said the exact country is unknown.

In response to a question from Chairman Weisz, Mr. King said the University System is not aware of any negative effects reported by individuals with personal information on the breached server.

In response to a question from Representative Streyle regarding collaboration between the University System and campuses, Mr. King said discussions regarding security concerns and the implementation of security enhancements are ongoing.

### **North Dakota State University**

Mr. Marc Wallman, Vice President, Information Technology Division, North Dakota State University, presented information ([Appendix E](#)) regarding the status of a security attack at North Dakota State University related to targeted spear-phishing emails. He said at least 50 employees received the targeted spear-phishing emails on August 12, 2014. He said approximately 50 employees visited the fictitious website linked to the email. He said the user credentials for eight employees were compromised resulting in fraudulent changes to the employees' direct deposit information. He said North Dakota State University's servers and applications were not compromised in the attack.

In response to a question from Representative Streyle regarding the security procedures at North Dakota State University, Mr. Wallman said North Dakota State University has its own intrusion detection and prevention system. He said North Dakota State University has 2 FTE positions for information technology security.

In response to a question from Representative Streyle regarding records retention policies, Mr. Wallman said North Dakota State University has adopted its own records retention policies. He said North Dakota State University is in the process of training employees related to records retention policies.

In response to a question from Representative Streyle regarding email, Mr. Wallman said the advantages for North Dakota State University to maintain its own email system include faster responses to open records requests and better integration with the university's applications and software.

In response to a question from Senator Miller regarding the security attack's impact on proprietary data, Mr. Wallman said the proprietary data was not compromised in the attack. He said the University System implemented enhanced security measures prior to the attack to protect proprietary information.

### **North Dakota State College of Science**

Dr. Cloy Tobola, Chief Information Officer, North Dakota State College of Science, presented information ([Appendix F](#)) regarding the status of a security breach at North Dakota State College of Science. He said the intrusion detection and prevention system at North Dakota State University detected malware on 150 computers at North Dakota State College of Science on September 2, 2014. He said personal information for 15,600 students, including social security numbers, was on 68 of the 150 computers. He said the public was notified of the security attack on October 9, 2014. He said North Dakota State College of Science is in the process of conducting forensic analysis on the computers, changing administrative passwords, installing malware detection software, installing a new firewall, and reviewing information technology security plans.

In response to a question from Representative Streyle about the length of time between infection and detection, Mr. Tobola said the malware was present on the computers since the middle of August 2014.

In response to a question from Senator Burckhard, Mr. Tobola said forensic analysis showed no evidence that data was copied or transferred from the computers related to the security attack.

In response to a question from Representative Mock, Mr. Tobola said North Dakota State College of Science contracted with AllClear ID to mail letters, to provide call center services, and to provide identity theft protection for one year for every individual with personal information on the computers involved in the security attack.

### **Bill Drafts**

The Legislative Council staff reviewed bill drafts [[15.0207.01000](#)], [[15.0208.01000](#)], [[15.0209.01000](#)], and [[15.0256.01000](#)] previously discussed by the committee related to higher education information technology, including email accounts, records retention policies, and information technology reports. He said bill draft [[15.0207.01000](#)] requires systemwide email for the institutions under the control of the State Board of Higher Education. He said bill draft [[15.0208.01000](#)] clarifies that the State Board of Higher Education and the institutions

under the control of the State Board of Higher Education are included in the state's records retention policies. He said bill draft [15.0209.01000] requires the State Board of Higher Education and the institutions under the control of the State Board of Higher Education to retain emails for five years. He said bill draft [15.0256.01000] relates to information technology reports from the State Board of Higher Education.

Mr. King said the University System's Core Technology Services supports the bill drafts.

In response to a question from Representative Mock regarding the Interim Chancellor's written testimony, Mr. King said he was not aware of the details of the records retention policies under consideration by the State Board of Higher Education.

In response to a question from Chairman Weisz, Mr. Mike Ressler, Chief Information Officer, Information Technology Department, said the state's record retention policies provide a schedule for the retention periods for documents. He said the retention period depends on the nature of the document regardless of whether the document is in paper or electronic format. He said state employees are responsible for retaining business-related documents including emails. He said a retention policy based on a specific number of years simplifies the retention process.

Representative Streyle said storing all employee emails for a specific time eliminates the employee's responsibility to determine a document's retention. He said storing the emails will result in increased data storage costs, but creates more transparency.

Representative Mock said bill draft [15.0209.01000] relating to retaining emails for five years only applies to the University System and may cause confusion if it conflicts with the state's policies.

In response to a question from Representative Mock, Mr. King said the amount of storage capacity needed to store all University System emails is unknown.

**It was moved by Representative Streyle, seconded by Senator Miller, and carried on a roll call vote that bill draft [15.0209.01000] be amended to require the retention of all electronic mail messages and be consolidated with bill drafts [15.0207.01000] and [15.0208.01000] into a single bill draft related to higher education information technology email systems, email retention, and records retention policies and that the consolidated bill draft be approved and recommended to the Legislative Management.** Representatives Weisz, Mock, Owens, Streyle, and Toman, and Senators Burckhard, Marcellais, and Miller voted "aye." No negative votes were cast.

**It was moved by Representative Streyle, seconded by Representative Mock, and carried on a roll call vote that bill draft [15.0256.01000] related to information technology reports from the State Board of Higher Education be approved and recommended to the Legislative Management.** Representatives Weisz, Mock, Owens, Streyle, and Toman, and Senators Burckhard, Marcellais, and Miller voted "aye." No negative votes were cast.

**It was moved by Representative Owens, seconded by Senator Marcellais, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee and to present the report and the recommended bill drafts to the Legislative Management.**

No further business appearing, Chairman Weisz adjourned the meeting at 10:00 a.m.

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Adam Mathiak  
Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

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