



INFORMATION TECHNOLOGY COMMITTEE

Wednesday, September 30, 2020
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Corey Mock, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Corey Mock, Glenn Bosch, Shannon Roers Jones, Nathan Toman, Don Vigesaa, Robin Weisz; Senators Kyle Davison, Merrill Piepkorn, Larry J. Robinson, Shawn Vedaa, Terry M. Wanzek; Citizen Member Shawn Riley

Members absent: None

Others present: Allen H. Knudson, Legislative Council, Bismarck
See [Appendix A](#) for additional persons present.

It was moved by Representative Vigesaa, seconded by Representative Bosch, and carried on a voice vote that the minutes of the September 2, 2020, meeting be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER Annual Report

Mr. Shawn Riley, Chief Information Officer, Information Technology Department, presented information ([Appendix B](#)) regarding the Information Technology Department (ITD) annual report pursuant to North Dakota Century Code Section 54-59-19. He said the fiscal year 2019 report includes an executive summary, accomplishments, financial metrics and financial statements, and performance measures. He said the fiscal year 2020 report likely will be available in the fall of 2020.

Strategic and Business Planning

Mr. Riley presented information ([Appendix C](#)) regarding ITD's strategic and business continuity planning, including the ITD business plan pursuant to Section 54-35-15.2(3). He said the ITD strategic and business plan includes goals of automating 20 percent of all state government work; decreasing full-time equivalent (FTE) requirements by 20 percent and reallocating salaries and training for staff; building new architecture to secure data and allow for comprehensive transformation of state information technology (IT); reinventing processes; exploring alternate funding and operating models so ITD does not need funding from state agencies or the general fund; and unifying all IT services to the extent possible in state and local government.

Mr. Riley said ITD's strategic and business plan goals would result in estimated salary, benefits, and retirement savings of \$640 million each biennium due to automation and process redesign efficiencies. He said the goals would result in a different work experience for state and local government employees and a different experience for citizens interacting with state and local government. He said the successful implementation of these goals would eliminate the need for multi-year, multi-hundred million dollar IT projects and systems in state and local government.

In response to a question from Chairman Mock, Mr. Riley said certain ITD automation projects have resulted in budget savings and allowed agencies to keep FTE positions vacant or resulted in hiring fewer temporary employees. He said the contact tracing application developed by ITD allowed the State Department of Health to save \$6 million that would have been spent on salaries and wages for additional temporary employees. He said the Minnesota Department of Health hired approximately 2,200 individuals for contact tracing work while the State Department of Health hired approximately 300.

In response to a question from Chairman Mock, Mr. Riley said ITD has identified more than 200 process automation opportunities in the Department of Human Services (DHS). He said there are automation opportunities in other agencies as well. He said these opportunities have not been pursued due to the Coronavirus (COVID-19) pandemic.

Statewide Information Technology Plan

Mr. Justin Data, Director, Project Management Office, Information Technology Department, presented information ([Appendix D](#)) regarding the statewide IT plan pursuant to Section 54-35-15.2(7). He said due to the COVID-19 pandemic, several agencies were given extensions for submitting agency IT plans to ITD. He said the longest agency extension was granted until November 2020, at which time ITD will finalize the 2021-23 biennium statewide IT plan. He said ITD is reviewing information submitted by agencies.

State Information Technology Advisory Committee

Mr. Riley presented information ([Appendix E](#)) on State Information Technology Advisory Committee (SITAC) recommendations regarding large software projects for consideration pursuant to Section 54-59-02.1 and recommendations of SITAC regarding prioritization of proposed major IT projects for the 2021-23 biennium pursuant to Section 54-35-15.2. He said due to the COVID-19 pandemic, many agencies continue working on 2021-23 biennium budget requests; therefore, SITAC has not prioritized major IT projects for the 2021-23 biennium. He said ITD and SITAC have received information regarding ITD, Department of Transportation (DOT), and Workforce Safety and Insurance (WSI) major IT projects expected to be requested for the 2021-23 biennium. He said SITAC intends to prioritize major IT projects in November 2020 and publish a report in December 2020. He said the list of nonprioritized IT projects received as of September, 30, 2020, includes:

Agency	Project Name	General Fund Request	Other Funds Request	Total Request
ITD	Cybersecurity forensic laboratory	\$750,000		\$750,000
ITD	Cybersecurity process automation	500,000		500,000
ITD	Technical debt reduction	60,000,000		60,000,000
ITD	Business process improvement / Organizational change management / Automation	40,000,000		40,000,000
DOT	Automate vehicle location hardware and software expansion	1,745,000	\$1,745,000	3,490,000
DOT	Construction and materials management system	3,800,000		3,800,000
DOT	Agency website Drupal uplift and enhancements		500,000	500,000
DOT	Roadway inventory management system replacement	5,860,000		5,860,000
DOT	Traffic counting program modernization		3,000,000	3,000,000
DOT	Traffic data estimating and analysis replacement		500,000	500,000
WSI	Claims and policy system (CAPS) Release 9 - Policy stabilization		912,285	912,285
WSI	CAPS Release 10 - Claim registration		1,906,630	1,906,630
WSI	CAPS Release 11 - Claim parties and claim maintenance - Part 1		1,905,090	1,905,090
WSI	CAPS Release 12 - Claim parties and claim maintenance - Part 2		2,045,010	2,045,010
WSI	CAPS Release 13 - Wages and reserves		1,510,465	1,510,465
WSI	myWSI Release 5 - Site reorganization/Employer dashboard/Enterprise identify management integration		923,450	923,450
WSI	myWSI Release 6 - Employer online application/Provider dashboard/Forms foundation		923,450	923,450
WSI	myWSI Release 7 - Provider forms submission/Medical records/Safety and ergo refactor		858,331	858,331
WSI	myWSI Release 8 - Injured employee dashboard/Claim file access/Forms submission		655,213	655,213
Total		\$112,655,000	\$17,384,924	\$130,039,924

Mr. Riley said 2021-23 biennium large IT project requests from ITD, DOT, and WSI total \$112.66 million from the general fund and \$17.38 million from other funds. He said the Department of Corrections and Rehabilitation anticipates requesting funding for a large IT project and DHS anticipates requesting funding for multiple large IT projects for the 2021-23 biennium.

Statewide Longitudinal Data System Committee

Mr. Tracy Korsmo, Enterprise Information Technology Architect, Information Technology Department, presented information ([Appendix F](#)) regarding a Statewide Longitudinal Data System (SLDS) Committee report pursuant to Section 54-35-15.2. He said a new SLDS educators' portal has been developed. He said the portal includes multiple interactive dashboards, application presentations, and reports. He said the SLDS Committee received federal funding of \$200,000 which will allow the SLDS e-transcript system to publish high school transcripts to a website and mobile wallet for each student to view. He said the e-transcript system will allow students to share transcripts with schools and employers.

Ms. Jane Hovda, Student Information Technology Specialist, Information Technology Department, provided a demonstration of the SLDS educator portal, student portal, and insights.nd.gov.

MAINFRAME

Mr. Duane Schell, Chief Technology Officer, Information Technology Department, presented information ([Appendix G](#)) regarding ITD's plans to transition state agency programs and applications from mainframe technology, including agencies and applications using the mainframe, estimated transition dates for each agency's applications, fixed costs of maintaining the mainframe, and training needs to maintain the mainframe.

Mr. Schell said the state has four mainframes, including an AS/400 model, an AIX model that hosts the DHS Medicaid management information system, the Job Service North Dakota (JSND) Unisys mainframe, and the primary IBM mainframe that hosts several large applications, the largest of which are for DHS and DOT. He said nearly all state agencies have expenditures related to use of a mainframe.

Mr. Schell said ITD employs 3 FTE core system administrator positions and contracts with a vendor to maintain mainframe technology. He said an additional 18.5 FTE positions assist with mainframe work when needed. He said the cost to maintain state mainframe technology is approximately \$7.8 million each biennium, of which \$1.6 million is for salaries and wages and \$6.2 million is for operating expenses. He said these costs do not include any costs for developers to work on the mainframes.

Mr. Schell said the first attempt to transition state applications and systems off mainframe technology was during the 2005-07 biennium. He said ITD intends to transition all state agency applications off the primary IBM mainframe by the end of the 2025-27 biennium. He said the total estimated cost of transitioning all applications off the IBM mainframe is \$100.7 million, of which \$82.7 million would be from the general fund and \$18 million would be from federal funds.

Mr. Schell said of the \$100.7 million estimated total, \$53 million may be requested for the 2021-23 biennium, including \$35 million from the general fund and \$18 million from federal funds. He said the estimated 2023-25 biennium and 2025-27 biennium general fund totals are \$36.6 million, and \$22.2 million, respectively. Of the \$100.7 million estimated total, he said \$88.4 million is related to DHS applications, \$8.3 million is related to DOT applications, and \$4 million is related to other state agency applications. He said the DOT driver's license program will be removed from mainframe technology during the 2019-21 biennium.

In response to a question from Chairman Mock, Mr. Schell said the estimated costs relate to moving agency applications from mainframe technology to a new data platform but do not include costs of rewriting or modernizing the applications. He said not all applications will require modernization. He said even if an application is not rewritten or modernized, the application will function properly.

In response to a question from Chairman Mock, Mr. Schell said if state agency applications are transitioned from mainframe technology to other data platforms, ITD staff working on mainframe technology will have opportunities to work in other ITD areas.

Mr. Riley said colleges do not educate students on mainframe technology. He said finding vendors to work on mainframe systems is difficult and JSND contracted with a vendor based in Latvia because there were no vendors located in the United States capable of working on a Unisys mainframe.

In response to a question from Representative Vigesaa, Mr. Riley said the United States Department of Labor has provided funding to JSND for two separate consortiums to replace the unemployment insurance system and the Unisys mainframe, but those consortiums have failed. He said it is unlikely additional federal funding will be made available to JSND for this purpose.

It was moved by Representative Vigesaa, seconded by Senator Robinson, and carried on a roll call vote that the committee encourages ITD to transition all state agency applications off the primary IBM mainframe by the end of the 2025-27 biennium. Representatives Mock, Bosch, Roers Jones, Toman, and Vigesaa and Senators Davison, Piepkorn, Robinson, Vedaa, and Wanzek voted "aye." No negative votes were cast.

2021 LEGISLATIVE SESSION

Information Technology Department Budget Request

Mr. Greg Hoffman, Director of Administrative Services, Information Technology Department, presented information ([Appendix H](#)) regarding ITD's 2021-23 biennium budget request, including proposed budget reductions to comply with the Governor's budget guidelines and any optional adjustment requests. He said ITD's 2021-23

biennium budget will focus on IT unification, cybersecurity, modernization of technology, and the health information network.

Mr. Hoffman said ITD's 2021-23 biennium base budget request totals \$211.3 million, of which \$15.4 million is from the general fund, \$193.8 million is from special funds, and \$2.1 million is from federal funds. He said the request includes a 10 percent reduction from the 2021-23 biennium base budget to comply with the Governor's budget guidelines. He said ITD's 2021-23 biennium budget request, including optional requests, totals \$377.8 million, of which \$155.6 million is from the general fund, \$220.1 million is from special funds, and \$2.1 million is from federal funds.

Mr. Hoffman said the optional requests are \$166.8 million more than the 2021-23 biennium base budget, of which \$140.5 million is from the general fund and \$26.3 million is from special funds. He said the optional requests include a \$25.9 million general fund increase for 29 new FTE cybersecurity positions. He said an optional request totaling \$137.8 million will be included for additional ITD operations and project costs, of which \$105.9 million is from the general fund and \$31.9 million is from special funds. He said the \$137.8 million request includes funding for the transfer of 66 FTE IT positions in other state agencies, including 50 FTE positions in the governor's cabinet agencies and 16 FTE positions from the Bank of North Dakota as part of ITD's 2021-23 biennium IT unification initiative.

In response to a question from Senator Davison, Ms. Shila Blend, Director, Health Information Technology Office, Information Technology Department, said federal funding available for health IT initiatives is anticipated to be reduced for the 2021-23 biennium. She said the federal matching funds percentage for health IT was scheduled to decrease from 90 to 75 percent, but the federal match will be reduced to 20 percent due to a new federal funding model being adopted based on state population. As a result, she said, ITD will be requesting a general fund appropriation of \$6.8 million for health IT during the 2021-23 biennium.

In response to a question from Senator Davison, Mr. Hoffman said the 2017 Legislative Assembly appropriated \$43.6 million for the North Dakota Health Information Network expansion project, of which \$40.5 million was from federal funds. He said the funding was used for the operation and expansion of the network. He said ITD's base budget includes a \$1.7 million special fund appropriation for the 2021-23 biennium for the operations of the network, which is funded by fees collected from providers utilizing the network. He said ITD's optional general fund request of \$6.8 million is to continue the expansion of the network.

After the meeting, Mr. Riley provided the committee with information ([Appendix I](#)) regarding fees paid by providers to ITD for use of the North Dakota Health Information Network.

Federal Relief Funds Expenditures

Mr. Hoffman presented information ([Appendix J](#)) regarding actual and planned expenditures during the 2019-21 biennium related to initiatives implemented with federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and estimated ongoing costs for the 2021-23 biennium. He said ITD was authorized to spend \$67.6 million from the state's allocation from the federal Coronavirus Relief Fund. He said the 2021-23 biennium ongoing costs of this funding is \$13.4 million, an increase of \$1.5 million from ITD's June 2020 estimate. Of the \$13.4 million, he said, \$5.6 million is for cybersecurity initiatives, \$5.6 million is for telework initiatives, and \$2.2 million is for digital government initiatives.

After the meeting, Mr. Riley provided the committee with information ([Appendix K](#)) regarding federal relief fund expenditures, including funding committed through September 2020 and estimated ongoing expenditures for the 2021-23 biennium.

Professional Service Contracts

Mr. Hoffman presented information ([Appendix L](#)) regarding professional service contracts entered by ITD during the 2019-21 biennium, including the vendor, purpose of the contract, amount, and duration. He said ITD professional service contracts entered during the 2019-21 biennium can be classified as data architecture, strategy, and technology consulting service contracts; operation assessment contracts; digital and innovation service contracts; enterprise service management solution contracts; Microsoft Dynamics 365 professional service contracts; robotic process automation contracts; IT security professional service contracts; and strategic assessment contracts.

Mr. Hoffman said most contracts include terms of 2 years with options to renew the contract for 3 to 12 months or 3 to 24 months. He said the enterprise service management solution contract is for 3 years with an option to renew the contract for 5 to 12 months. He said the information provided does not include contracts for staff support services.

In response to a question from Representative Bosch, Mr. Hoffman said contracts entered by ITD related to the COVID-19 pandemic include contracts with Ernst & Young, LLP, Ness USA, Inc., Microsoft Professional Services, Catapult, CATCH Intelligence, and Da Vinci Software Solutions.

In response to a question from Representative Bosch, Mr. Hoffman said the contract entered with Ernst & Young, LLP is for consulting services to evaluate how state agencies can work differently due to the COVID-19 pandemic.

Cybersecurity

Mr. Kevin Ford, Chief Information Security Officer, Information Technology Department, presented information ([Appendix M](#)) regarding ITD's cybersecurity architecture and plans for the 2021 legislative session. He said ITD's goals for cybersecurity for the 2021 legislative session are for the approval of IT unification, authority to hire 29 new FTE cybersecurity professionals, and the passage of proposed legislation related to cybersecurity incident reporting requirements.

Mr. Ford said cybersecurity prevention is considered inexpensive to moderately expensive while cybersecurity response efforts are very expensive. He said cybersecurity prevention includes proper firewalls on the statewide technology access for government and education network (STAGEnet), training employees and having appropriate cybersecurity policy awareness, and maintaining adequate cybersecurity hardware and software.

Mr. Ford said agencies not included in IT unification with ITD may benefit from STAGEnet firewalls but may have to respond to cybersecurity incidents rather than be protected from cybersecurity incidents before the incidents happen. He said the number of school districts, cities, and counties supported by ITD has doubled since the beginning of the COVID-19 pandemic. He said ITD supports 120 school districts.

2021 Proposed Legislation

Mr. Ford presented information ([Appendix N](#)) regarding legislation ITD may request during the 2021 legislative session, including any changes necessary for STAGEnet standards. He said ITD may introduce legislation to request state and local government agencies be required to report major cybersecurity incidents to ITD. He said ITD may introduce legislation to allow the Information Technology Committee to meet in a closed session to receive and review sensitive cybersecurity information.

Mr. Levi Kinnischtzke, Fiscal Analyst, Legislative Council, presented a bill draft [[21.0198.01000](#)] related to cybersecurity incident reporting requirements. He said the bill draft would require executive branch state agencies and political subdivisions to disclose to ITD all cybersecurity incidents that affect the confidentiality, integrity, availability, or ownership of computer systems or data upon discovery. He said the bill draft provides the legislative and judicial branches may disclose cybersecurity incidents to ITD. He said ITD would be required to provide consultation services and other resources to assist state agencies and political subdivisions in responding to and remediating cybersecurity incidents. He said ITD would be required to report to the Legislative Management all disclosed cybersecurity incidents, including the status of the cybersecurity incident and any response or remediation to mitigate the cybersecurity incident.

In response to a question from Chairman Mock, Mr. Ford said the Century Code requires public and private entities to disclose cybersecurity incident information to the Attorney General but not to ITD. He said state agencies and political subdivisions may voluntarily disclose cybersecurity incident information to ITD. He said the bill draft would require all executive branch state agencies and political subdivisions to disclose cybersecurity incidents to ITD, including political subdivisions not required to use STAGEnet. He said the bill draft would not require private sector businesses to report cybersecurity incidents to ITD.

Mr. Riley said sensitive cybersecurity incident information disclosed to ITD would not be made available to the public unless required for specific circumstances, such as complying with law enforcement investigations.

In response to a question from Representative Vigesaa, Mr. Ford said some state agencies and political subdivisions have withheld cybersecurity incident information from ITD while other agencies were not aware of the cybersecurity incidents they experienced, furthering the need for the proposed legislation.

In response to a question from Senator Wanzek, Mr. Ford said the bill draft would not establish a penalty or fine for state agencies or political subdivisions for not reporting cybersecurity incidents to ITD.

In response to a question from Representative Toman, Mr. Ford said some political subdivisions may not be aware of ITD's cybersecurity services, but ITD is trying to inform all political subdivisions of the services available.

In response to a question from Representative Vigesaa, Mr. Ford said ITD established a cybersecurity collaboration committee that includes representatives from the North Dakota Association of Counties and North Dakota League of Cities. He said ITD is seeking additional cities and school districts to work with the cybersecurity collaboration committee.

In response to a question from Chairman Mock, Mr. Allen H. Knudson, Legislative Budget Analyst and Auditor, Legislative Council, said due to the separation of powers, state statutes generally do not require the legislative branch or judicial branch to report to an executive branch agency.

In response to a question from Chairman Mock, Mr. Riley said ITD has statutory authority to establish minimum standards for the use of STAGEnet, including the ability to deny services if minimum standards are not followed. He said ITD does not have the ability to financially penalize a state agency or political subdivision for not following minimum STAGEnet standards. He said ITD can report noncompliance of STAGEnet minimum standards to the State Auditor.

It was moved by Senator Wanzek, seconded by Representative Bosch, and carried on a roll call vote that the 2021 Legislative Assembly favorably consider legislation that may be introduced requiring executive branch agencies and political subdivisions to report cybersecurity incidents to ITD. Representatives Mock, Bosch, Roers Jones, Toman, and Vigesaa and Senators Davison, Piepkorn, Robinson, Vedaa, and Wanzek voted "aye." No negative votes were cast.

STUDY OF INFORMATION TECHNOLOGY UNIFICATION

Mr. Kinnischtzke provided a summary of information the committee has received regarding the study of IT unification during the 2019-20 interim. He said the 2019 Legislative Assembly authorized the transfer of 96 FTE IT positions from the Department of Trust Lands, DHS, DOT, Department of Emergency Services, and Parks and Recreation Department to ITD for the 2019-21 biennium. He said the committee received testimony from ITD, the Department of Trust Lands, DHS, and DOT regarding the 2019-21 biennium IT unification initiative. He said the committee received testimony in support of future IT unification initiatives from the State Department of Health, JSND, Workforce Safety and Insurance, and Bank of North Dakota. He said the committee received testimony in opposition of future IT unification initiatives from the Attorney General, Public Service Commission, Department of Public Instruction, and State Water Commission.

Chairman Mock said the 2019-21 biennium IT unification pilot project was implemented in July 2019, which does not give the committee sufficient time to evaluate whether the pilot project was successful or if there have been cost-savings for the state.

Representative Vigesaa said it will be ITD's responsibility to prove IT unification provides cost-savings for the state when presenting to the 2021 Legislative Assembly.

It was moved by Senator Davison, seconded by Representative Roers Jones, and carried on a roll call vote that the 2021 Legislative Assembly continue the 2019-21 biennium IT unification pilot project and continue evaluating the advantages and disadvantages of potential future IT unification initiatives. Representatives Mock, Bosch, Roers Jones, Toman, and Vigesaa and Senators Davison, Piepkorn, Robinson, Vedaa, and Wanzek voted "aye." No negative votes were cast.

STUDY OF BLOCKCHAIN IN STATE GOVERNMENT

Mr. Kinnischtzke provided a summary of information the committee has received regarding the study of blockchain in state government. He said the committee received testimony from ITD, the Insurance Department, the Securities Department, and the Department of Financial Institutions. He said the Department of Financial Institutions indicated federal legislation may be approved related to virtual currencies and distributed ledger technology regulations that may require companion state legislation, but no other legislation is necessary related to blockchain securities fraud or other distributed ledger technology regulatory concerns. He said ITD indicated no state legislation is necessary to allow ITD to pursue blockchain-related projects for state agencies and political subdivisions.

STATEWIDE INTEROPERABLE RADIO NETWORK

Mr. Schell presented information ([Appendix O](#)) regarding the statewide interoperable radio network (SIRN) project. He said the SIRN project includes three phases. He said Phase 1 is for the SIRN core and public safety answering points (PSAP), Phase 2 is for SIRN network and towers, and Phase 3 is for SIRN devices and radios. He said \$76.9 million has been obligated for the SIRN project, of which \$71.4 million is from the state and \$5.5 million is from local agencies. He said since August 2017, ITD has collected telecommunication tax revenue of \$13.4 million, which has been deposited in the SIRN fund.

Mr. Schell said the COVID-19 pandemic has slowed progress of the SIRN project. He said the estimated project completion date is in the 2nd quarter of 2024.

Mr. Schell said through September 2020, seven political subdivisions have been reimbursed \$320,000 from the state for the purchase of personal and vehicular radios. He said ITD may introduce legislation to clarify which political subdivisions may receive radio reimbursement from the state.

In response to a question from Chairman Mock, Mr. Schell said many counties and cities planned to use funding from state oil and gas tax revenue allocations to pay for the local cost of SIRN radios. He said due to the decrease in oil and gas tax revenue collections during the 2019-21 biennium, those revenues likely will not materialize. He said Motorola is offering counties and cities a 3- to 4-year, 0 percent interest loan to pay for the local cost of SIRN radios.

In response to a question from Senator Piepkorn, Mr. Schell said ITD anticipates using state owned and privately owned towers for SIRN rather than constructing new towers. He said some state owned towers will be replaced due to age but not because of SIRN.

EMERGENCY SERVICES COMMUNICATIONS COORDINATING COMMITTEE

Mr. Jason Horning, Next Generation 9-1-1 Program Manager, North Dakota Association of Counties, presented information ([Appendix P](#)) regarding an Emergency Services Communications Coordinating Committee (ESC3) report ([Appendix Q](#)) pursuant to Section 57-40.6-12. He said ESC3 is a statutory committee composed of two state and two local government representatives. He said the ESC3 report summarizes the state's transition to and use of Next Generation 9-1-1 initiatives, which is intended to improve access to and interoperability of 911 services between PSAPs and the public. He said ESC3 began Next Generation 9-1-1 initiatives in 2014.

Mr. Horning said of the 53 counties and 1 city charging a telecommunication tax on assessed communication services, 19 local agencies are charging \$1.50 and 35 are charging \$2.00. He said the telecommunication tax totaled \$17.7 million in 2019, which is 64 percent of the \$27.5 million needed annually to support emergency communications in the state. He said the remaining amount needed for emergency services is collected primarily from property taxes.

Mr. Horning said ESC3 is required by statute to provide recommendations regarding emergency services communications. He said ESC3 is suggesting certain amendments to the Century Code for the 2021 Legislative Assembly to consider.

Mr. Kinnischtzke presented a bill draft [[21.0193.01000](#)] related to emergency services communication systems. He said the bill draft provides technical corrections and updates terminology in Chapter 57-40.6 regarding emergency services communication systems. He said the bill draft would require, rather than allow, a county or city to use proceeds of telecommunication fees assessed on communication services in accordance with guidelines established by ESC3. He said the bill draft would require a PSAP to dispatch the quickest emergency medical service as predetermined by the emergency services communications system coordinator and if the medical service is not available, the PSAP must dispatch a secondary emergency medical service based on the best available information at that time. He said the bill draft would require PSAPs to have written policies for establishing dispatch procedures for text-initiated communications. He said the bill draft would remove the requirement for the Attorney General's Bureau of Criminal Investigation to obtain contact information from all wireless service providers and to distribute the contact information to each PSAP. He said the bill draft would remove outdated language regarding prepaid wireless fee revenue collections from providers and allow prepaid wireless sellers to retain 3 percent of prepaid wireless fees revenue.

In response to a question from Representative Bosch, Mr. Horning said the requested amendments in Section 2 of the bill draft were recommended because ESC3 believes statutory language regarding use of emergency services communication fees is too broad. He said ESC3 policies provide specific guidance regarding these fees and the amendments were recommended to be consistent with ESC3 policy. He said the specific guidelines reduce the likelihood of political subdivision misinterpretation regarding how fee revenue may be used.

It was moved by Representative Bosch, seconded by Senator Wanzek, and carried on a roll call vote that the 2021 Legislative Assembly favorably consider legislation that may be introduced updating terminology relating to emergency services communications. Representatives Mock, Bosch, Roers Jones, Toman, and Vigesaa and Senators Davison, Piepkorn, Robinson, Vedaa, and Wanzek voted "aye." No negative votes were cast.

LARGE PROJECT REPORTING
Information Technology Department

Mr. Data presented information ([Appendix R](#)) regarding large IT project reporting, including the most recent quarterly summary status report on large IT projects ([Appendix S](#)) and project startup and closeout reports ([Appendix T](#)) completed since May 2020. He said the only project startup report was for a DHS electronic visit verification system project and the only project closeout report was for a DHS budget planning and forecast system project. He said the budget planning and forecast system project was completed 14 percent behind schedule and 3 percent under budget. He said all large IT projects in process are within 20 percent of expected schedules and budgets, except the JSND Internet unemployment system program and the North Dakota Health Information Network expansion project.

Mr. Data presented information ([Appendix U](#)) regarding large project funding projected to not be spent during the 2019-21 biennium and continued into the 2021-23 biennium, including the amount approved, amount to be continued, and funding source for each project. He said eight projects are expected to need 2019-21 biennium funding to continue into the 2021-23 biennium. He said the total budget for the eight projects was \$195 million during the 2019-21 biennium, of which \$11.7 million was from the general fund, \$55.7 million was from federal funds, and \$127.6 million was from special funds. He said the estimated funding needed to be continued into the 2021-23 biennium for these projects is \$105.6 million, of which \$9.9 million is from the general fund, \$3.6 million is from federal funds, and \$92.1 million is from special funds. He said the projects are for DHS, ITD, the Department of Public Instruction, and the Retirement and Investment Office.

Department of Human Services

Ms. Michele Gee, Economic Assistance Director, Economic Assistance Policy Division, Department of Human Services, presented information ([Appendix V](#)) regarding Phase 3 of the self-service portal and combined eligibility system, related to the age, blind, and disabled components of the Medicaid program. She said development of the self-service portal and combined eligibility systems (SPACES) began in 2013. She said SPACES Release 1 was completed in February 2016, which transitioned 68,000 federal Affordable Care Act-related Medicaid cases to SPACES. She said SPACES Release 2 was completed in March 2019, resulting in 50,000 temporary assistance for needy families, supplemental nutrition assistance program, and child care assistance program cases being transitioned into SPACES.

Ms. Gee said SPACES Release 3 was completed in August 2020, resulting in 24,000 Medicaid cases not related to the Affordable Care Act, including age, blind, and disabled based Medicaid cases, being transitioned into SPACES. She said SPACES Release 4 is expected to be completed in August 2021, which will result in 13,000 low-income home energy assistance program cases being transitioned into SPACES. She said all eligibility cases will be processed in SPACES by October 2021.

Ms. Gee said the actual cost of Release 1 and Release 2 and the budgeted cost of Release 3 is as follows:

	Release 1 Actual	Release 1 Percentage	Release 2 Actual	Release 2 Percentage	Release 3 Budget	Release 3 Percentage	Total	Total Percentage
General fund	\$10,703,713	21.5%	\$10,676,341	10.4%	\$1,083,786	11.5%	\$22,463,840	13.9%
Federal funds	38,989,872	78.2%	81,935,863	79.7%	8,317,544	88.5%	129,243,279	79.8%
Special funds	149,154	0.3%	10,130,964	9.9%	0	0.0%	10,280,118	6.3%
Total	\$49,842,739	100.0%	\$102,743,168	100.0%	\$9,401,330	100.0%	\$161,987,237	100.0%

Ms. Caprice Knapp, Medicaid Director, Department of Human Services, presented information ([Appendix W](#)) regarding the DHS Medicaid IT architecture assessment of the Medicaid management information system. She said the Centers for Medicare and Medicaid Services (CMS) released the Medicaid information technology architecture (MITA) 3.0 framework in March 2020, which is an initiative to establish national guidelines for technologies and processes that improve state Medicaid enterprise program administration. She said CMS requires state Medicaid agencies to perform a MITA 3.0 state self assessment of the Medicaid enterprise system and to perform annual updates.

Ms. Knapp said in December 2019, DHS contracted with BlaineRobison Consulting to conduct the MITA 3.0 self assessment. She said the assessment revealed the majority of the state's MITA 3.0 business, information, and technical architecture components are equal to or below the desired technology maturity levels. She said DHS intends to adopt a CMS MITA approach to transition the state's MITA 3.0 framework to a modular system to better reflect the state's Medicaid priorities.

Workforce Safety and Insurance

Mr. Tim Schenfisch, Information Technology Director, Workforce Safety and Insurance, presented information ([Appendix X](#)) regarding the agency's claims and policy system (CAPS) replacement project. He said the

CAPS project is being developed to replace WSI work manager, claims, and policy systems. He said CAPS will provide enhanced reporting and access to information. He said the CAPS project contains 20 releases, each of which are considered a large IT project. He said Release 0 through Release 7 were completed under budget. He said the releases were completed as follows:

Release(s)	CAPS System Component	Completion Date
0-1	Forms and database consolidation	April 2016
2	Work management core functionality	September 2016
3	Work management part 2	February 2017
4	Policy registration	November 2017
5	Policy maintenance part 1	June 2018
6	Policy maintenance part 2	July 2019
7	Policy maintenance part 3	August 2020

Mr. Schenfisch said Release 7 was completed in August 2020 at a cost of \$2,389,227, or 5 percent under the release budget of \$2,502,194. He said Release 8, related to payroll reporting, began in May 2020 and is expected to be completed in June 2021 at an estimated cost of \$2,658,946.

EDUCATION-RELATED INFORMATION TECHNOLOGY

Mr. Darin King, Vice Chancellor for IT/Chief Information Officer, North Dakota University System, presented information ([Appendix Y](#)) regarding the most recent quarterly status report on large IT projects and new large IT projects for the 2021-23 biennium, including estimated project costs and completion dates. He said the Online Dakota Information Network, or "ODIN", replacement project, also known as the academic library management system, was completed during the 3rd quarter of 2020 on schedule and 13.7 percent under budget.

Mr. King said the Novelution electronic grants administration project was in green status during the 3rd quarter of 2020. He said the project was 31.4 percent under budget and 0.1 percent behind schedule compared to the project revised baseline.

Mr. King said the University of North Dakota is deploying a new facilities management software to replace the current facilities asset management information system. He said the project is in the planning stage and a contract has been signed with a vendor.

OTHER

It was moved by Senator Robinson, seconded by Representative Vigesaa, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and to present the report to the Legislative Management.

No further business appearing, Chairman Mock adjourned the meeting at 4:10 p.m.

Levi Kinnischtzke
Fiscal Analyst

ATTACH:25