

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Tuesday, November 27, 2001
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 10:35 a.m.

Members present: Senators Larry J. Robinson, Randy A. Schobinger, Ken Solberg; Representatives Robert Huether, Keith Kempenich, Bob Skarphol, Robin Weisz; Chief Information Officer Curtis L. Wolfe

Others present: See attached appendix

It was moved by Senator Solberg, seconded by Representative Kempenich, and carried on a voice vote that the minutes of the October 8, 2001, meeting be approved as distributed.

EDUCATIONAL TECHNOLOGY COUNCIL

Mr. Wolfe introduced Mr. Dan Pullen who has been hired as the director of the Educational Technology Council established by 2001 Senate Bill No. 2251. Mr. Wolfe said Mr. Pullen started the position in October 2001 and has been working on kindergarten through grade 12 initiatives in the state for 12 years.

POWERSCHOOL APPLICATION INITIATIVE

Mr. Wolfe presented information regarding the status of the implementation of the PowerSchool application initiative. A copy of the information is on file in the Legislative Council office. He said the PowerSchool application is a web-based student information system for kindergarten through grade 12 that includes features such as student scheduling, student attendance, and student performance. He said the Information Technology Department serves as the application service provider and the cost to the school districts is on a per student per year basis. He said the PowerSchool application may be integrated with the human resources and financial components of the state's proposed enterprise resource planning (ERP) system for a complete software suite for kindergarten through grade 12.

Mr. Wolfe said the Bismarck School District was selected as the pilot school district and implemented the PowerSchool application on August 27, 2001. He said the school district encountered several implementation issues, largely associated with response time, that were addressed in a new release of the application implemented on November 26, 2001. He said the application vendor anticipates releasing another new release of the application by January 31,

2002, which will dramatically increase application functionality and response time. He said there are 45 other school districts interested in implementing the application and if all school districts were implemented, approximately 60 percent of North Dakota's kindergarten through grade 12 student population would be accounted for by the PowerSchool application.

Mr. Wolfe said the Information Technology Department is in the process of developing a statewide information reporting application for kindergarten through grade 12 to use for reporting information to the Department of Public Instruction and the State Board for Vocational and Technical Education. He said the application should be completed by the summer of 2002 and will be developed to be integrated with the PowerSchool application or to be used as a stand-alone application.

Mr. Wolfe said there are three school districts in North Dakota participating in a federally funded Tetradata pilot project. He said Tetradata is a student data warehouse application that can be used to store and analyze student achievement information.

In response to a question from Representative Kempenich regarding the PowerSchool application, Mr. Wolfe said both small and large school districts are interested in the PowerSchool application.

In response to a question from Senator Solberg regarding the PowerSchool application, Mr. Wolfe said there has been no final acceptance of the application and there will be no acceptance or payment for the application until it has been determined that the Bismarck School District is satisfied with the application.

In response to a question from Representative Skarphol regarding the Tetradata pilot project, Mr. Wolfe said the federal government is reimbursing school districts for all costs associated with the project.

Dr. Paul Johnson, Superintendent, Bismarck School District, commented on the Bismarck School District's implementation of the PowerSchool application. Dr. Johnson said the school district is confident that the application will be functioning adequately by the end of the 2001-02 school year.

Mr. Tom Decker, Director of School District Finance and Organization, Department of Public

Instruction, commented on the benefits of the PowerSchool and Tetradata applications. Mr. Decker said the PowerSchool and Tetradata applications will allow school districts to easily collect, store, and analyze student information.

ENTERPRISE RESOURCE PLANNING SYSTEM INITIATIVE

Mr. Wolfe presented information regarding the status of the department's ERP system initiative, a copy of which is on file in the Legislative Council office. The information includes copies of Mr. Wolfe's slide presentation and an ERP evaluation schedule.

Mr. Wolfe said the Information Technology Department issued an ERP system request for proposals on September 18, 2000. The department reviewed the request for proposal responses and selected three finalists--SCT, Oracle, and PeopleSoft. In April 2001 the three finalists submitted best and final proposals. Shortly thereafter, the request for proposal evaluation process was halted to reevaluate the response from Microsoft-Great Plains and to explore the possibility of entering into a joint venture partnership with Microsoft-Great Plains for development of an ERP system. The department entered into a contract with Maximus to complete a review of the functional requirements of the state's proposed ERP system and the Microsoft-Great Plains proposal for a joint venture partnership. The review process was halted on October 17, 2001, after it was determined it would take Microsoft-Great Plains up to 24 months to develop the human resources and financial components of the ERP system and approximately four to six years to complete ERP system integration.

Mr. Wolfe said the department has returned to the original request for proposal evaluation process and reduced the finalists to two--Oracle and PeopleSoft. He said the department anticipates conducting functional requirement reviews in November and December 2001 and system demonstrations in January 2002 and signing a contract with the selected vendor in February 2002. He said the department will be establishing an ERP executive committee consisting of representatives of state government, higher education, kindergarten through grade 12, and the Information Technology Committee to oversee the state's implementation of an ERP system. He said to date the department has expended approximately \$251,045 of the \$7,500,000 general fund appropriation for the ERP system initiative for consulting services (\$214,800), legal services (\$7,885), and project management (\$28,360).

In response to a question from Senator Solberg regarding the ERP implementation schedule, Mr. Wolfe said at the present time there is a possibility that some components of the proposed ERP system will be implemented by the start of the 2003 Legislative Assembly. He said in regard to the replacement of higher education's financial aid system, the federal

Department of Education has not set a firm date by which states must be in compliance with the new federal regulations, but the higher education financial aid component of the proposed ERP system could be implemented by July 2003.

In response to a question from Senator Robinson regarding efforts to reduce cost overruns, Mr. Wolfe said the department will be asking finalists for a firm price and the contract awarded for the ERP system will provide for payment according to accomplishment of implementation milestones.

The committee recessed for lunch at 11:40 a.m. and reconvened at 1:20 p.m.

STUDY OF THE TECHNOLOGICAL CAPACITY AND NEEDS OF THE STATE

Ms. Nancy Walz, Associate Director for Information Technology Planning, Information Technology Department, presented information on the department's review of the six study areas of House Concurrent Resolution No. 3057 and the development of a prioritized listing that identifies specific study issues and entities that may assist with the completion of the study issues. A copy of the information is on file in the Legislative Council office.

Ms. Walz said the Information Technology Department, after discussions with the State Information Technology Advisory Committee, business and industry representatives, and consultants, prioritized the six study areas of House Concurrent Resolution No. 3057 as follows:

1. A review of the technological capacity and needs of the state.
2. A review of the development capacity and needs in the various regions of the state.
3. An examination of the future short-term and long-term needs of the state.
4. An analysis of state, national, and global trends.
5. A review of the public policy with respect to the role of regulation and deregulation.
6. An analysis of changes in the role of communications, media, networks, and public utilities.

Ms. Walz said the Information Technology Department recommends hiring consultants to conduct an infrastructure study and a business and citizen survey to complete study priority Nos. 1 through 3. The infrastructure study would provide an inventory of network services provided in the state and an analysis of network services rates and identify plans for expansion of services or coverage. The business and citizen survey would determine the current usage and future demand for network services. She said the estimated total cost for consulting services is approximately \$100,000 to \$120,000, including approximately \$70,000 for an infrastructure study completed by E-com Ohio, \$25,000 to \$40,000 for a survey of businesses and citizens by the University of North Dakota,

and \$30,000 for an infrastructure inventory completed by Kadrmas, Lee, and Jackson.

Ms. Walz said in regard to study priority No. 4, the Information Technology Department could research issues and recommend speakers to address critical topics or present appropriate "white papers." She said due to the low priority and broad nature of study priority Nos. 5 and 6, the department recommends the areas only be studied to the extent that the Regulatory Reform Review Commission reviews related issues.

In response to a question from Senator Robinson regarding the timeframe for completing an infrastructure study, Ms. Walz said representatives of E-com Ohio suggested that an infrastructure study could be completed in approximately six months.

In response to a question from Senator Solberg regarding the benefits of an infrastructure study and a business and citizen survey, Mr. Wolfe said the infrastructure study and a business and citizen survey would document issues related to the affordability and access of network services and would gather data to assist with the marketing of North Dakota's network infrastructure. He said the results of the study would be more for the benefit of economic development than related to policy decisions of the Legislative Assembly.

Senator Solberg suggested the Information Technology Department contact the Department of Commerce regarding its position on the benefits of conducting an infrastructure study and a business and citizen survey.

Representative Skarphol suggested the Information Technology Department contact state agencies regarding their future infrastructure needs.

Mr. Wolfe said in regard to House Concurrent Resolution No. 3057 study issues, the Information Technology Department could gather and present to the committee at its next meeting information regarding network services, rates, and plans for expansion of services and coverage. He said there are other issues the committee may be interested in studying such as expanding the statewide information technology network to hospitals, cities, and all kindergarten through grade 12 schools.

It was moved by Senator Solberg, seconded by Representative Huether, and carried on a roll call vote that the Information Technology Committee request the Information Technology Department to further review the benefits of and alternatives to the hiring of consultants for accomplishing study issues included in House Concurrent Resolution No. 3057 and to provide a report to the committee at its next meeting. Senators Robinson, Schobinger, and Solberg and Representatives Huether, Kempenich, Skarphol, and Weisz voted "aye." No negative votes were cast.

LARGE PROJECT SUMMARY

Ms. Walz distributed a copy of the Information Technology Department's large project summary. A copy of the summary is on file in the Legislative Council office.

In response to a question from Senator Solberg, Ms. Walz said the summary is updated quarterly by the department.

STATUS OF THE STATEWIDE INFORMATION TECHNOLOGY NETWORK

Mr. Jerry Fossum, Associate Director for Telecommunications, Information Technology Department, presented information on the status of the new statewide information technology network. A copy of the information is on file in the Legislative Council office. Mr. Fossum said the department has selected the name StageNet for the new statewide information technology network. He said "Stage" stands for statewide technology access for government and education.

Mr. Fossum said to date there are 456 total sites connected to the new statewide information technology network, including 192 communities and 202 schools. He said the department is working closely with the State Library on developing an implementation schedule to connect approximately 60 public libraries to the statewide information technology network during the summer of 2002. He said the number of libraries to be connected is approximately 43 fewer than the original estimate of 103 made during the 2001 Legislative Assembly due to many libraries not being technically equipped or large enough to necessitate connection to the statewide information technology network.

In response to a question from Representative Skarphol regarding library connections, Mr. Fossum said the department will provide to the committee a listing of the libraries that will be connected and those that will not be connected to the statewide information technology network.

Mr. Fossum said in regard to the implementation of video, the number of video endpoints in the state has increased from 60 to 81 since implementation of the new statewide information technology network. He said in the future 80 percent of the state's population will be within 30 minutes of a video site and the entire population will be within 45 minutes of a video site.

Mr. Wolfe presented information regarding the state's e-rate reimbursement funding, a copy of which is on file in the Legislative Council office. He said the department has been notified that the state's e-rate reimbursement from the federal government will fund approximately 63 percent of related costs instead of 50 percent as estimated during the 2001 Legislative Assembly. He said to receive e-rate reimbursement funding for July 1, 2001, through June 30, 2002, the department was required to complete two forms--Form 470 and Form 471. He said Form 470

was properly filed in December 2000 and Form 471 was properly filed electronically on January 18, 2001. The state's paper filing of Form 471, however, was not postmarked by January 18, 2001, and therefore the department was notified on October 9, 2001, that its application for e-rate reimbursement funding for fiscal year 2002 was not approved. He said the department filed an appeal and a request for waiver with the Federal Communications Commission on October 18, 2001, and anticipates a ruling within 90 days.

Mr. Wolfe said the state's e-rate reimbursement funding for the second year of the 2001-03 biennium has been approved. He said if the state receives e-rate reimbursement funding for both years of the biennium, the department is estimating a balance of \$1,650,282 available on June 30, 2003. If the state only receives e-rate reimbursement funding for the second year of the 2001-03 biennium, the estimated balance will be \$281,464.

In response to a question from Senator Robinson regarding the department's appeal, Mr. Wolfe said the

department has a 50 percent chance of being successful with its appeal.

Chairman Robinson said the committee's next meeting may be in late January 2002.

The meeting was adjourned subject to the call of the chair at 2:47 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1