

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1022

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Yolanda Rickford  
Operator's Signature

10/2/03  
Date

2003 HOUSE APPROPRIATIONS

HB 1022

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Operator's Signature

*10/2/03*  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1022

House Appropriations Committee

Conference Committee

Hearing Date 01-07-03

Tape Number	Side A	Side B	Meter #
1		X	50
2	X		0.00-End
Committee Clerk Signature			

Minutes:

**Chairman Svedjan** called meeting back to order after brief recess. All Representatives were present excluding Rep. Carlson and Rep. Bellew.

**Curt Wolf** Chief Information Officer for the State

Gave written testimony.

**Chairman Svedjan** How does STAGENet relate to ERP?

**Wolf** is an acronym for the state broad band network, ERP is the software to replace the financial, HR, and student administration system for higher ed that will ride on top of STAGENet.

**Chairman Svedjan** How many of the 157 video classroom sites are K-12?

**Wolf** The bulk of it is higher education.

**Rep. Delzer** What percentage of students using the video sessions are ND residents?

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**Wolf** Deferred that question do Dan Poe. A bulk of the students are from outside the state of ND.

**Rep. Delzer** So out of state students use our video classroom services because we are cheaper for them? Please justify why we have video classrooms at all if we could have the ND students take these classes from other vendors outside the state. That would cost the state less money.

**Wolf** DIS is cheaper than any other program. DIS is coming up with a program to be away from any general fund dollars by 2010.

**Chairman Svedjan** When you calculate the 63,000 dollar savings in regard do EDMS, is that due to space and storage? And to what extent is there FTE savings?

**Wolf** Referred the FTE savings to Rick Clayburg of the Tax Department. Technology significantly saves time and space/storage.

**Rep. Carlisle** How did that 20 Million dollar bonding in the IT initiative issue come around? And has bonding ever been used for anything except capital construction projects?

**Wolf** I know of no other organization of state government in ND to use bonding to fund an IT initiative.

**Rep. Koppelman** 7 million dollars were appropriated last time, when the request was 19 million. Now with this 20 million dollars it would bring the total up to 27 million. Please explain.

**Wolf** I always said it was a 30-40 million dollar project. The cost to the software partner is 5 million dollars. The cost to Maximus, the implementation partner, is 16 million and that is a direct cost. The rest of the cost relate to the data center, training costs, and reallocation of staff members.

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**Rep. Brusegaard.** How many applications for drivers licenses were reduced online?

**Wolf** We had 11,291 online renewals.

**Rep. Delzer** Were the retirement numbers you gave just for your department or is that for state government as a whole.

**Wolf** That is for state government as a whole.

**Rep. Delzer** What role does ERP play in HIPAA compliance?

**Wolf** Those are two completely separate issues.

**Rep. Delzer** Isn't ConnectND supposed to consider all agencies, and shouldn't we make it HIPAA compliant?

**Wolf** Jennifer Kunz will speak on HIPAA compliance, ERP is not a replacement for MMIS.

**Rep. Skarphol** Please get the number of computer systems in state government and how they will be affected by the ERP roll out so we can see replacements and other effects.

**Wolf** We do have those compilations. There are over 200 systems through higher ed. and state government combined. We will get that available to you tomorrow.

**Chairman Svedjan** Is data storage at ITD another area you will charge areas for that service?

**Wolf** We believe that we should not charge for this.

**Chairman Svedjan** What if the users are other than state government?

**Wolf** That area of constituents are not being served now, so it has not been addressed yet.

SB 2042 is being deliberated and will limit the incubation time for a company can reserve low cost services from the campus. 4 years is the limit.

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**Rep. Koppleman** New companies won't be interested in coming to rural areas with only dial-up access. Are there any issues in the private sector that we should be aware of as far as new developments?

**Wolf** A study was conducted and it was found that dial-up access to the Internet was sufficient for the rural community, however there is a definite need for broad band access. 90% of state cooperatives offer DSL services. I recommend that we should look at this in 2 years.

**Rep. Koppleman** New technology dependent companies will not want to establish themselves in a rural area that does not have the necessary technological infrastructure. So we need to look at the state's capabilities to allow hitchhiking. We can't wait 2 years to start thinking along these lines.

**Wolf** The state should draw a line as far as using technology as an economic development factor. We do not own our infrastructure, it is rented from providers. We should not compete with them.

**Dan Poe** State Director of the Education Technology Council.

Gave a power point presentation and handed it out as well.

About 23 percent of students using the video classroom are in state students.

**Grant Crawford** CIO for the University System

The goal is to increase use of IT in the school system. It will happen in ConnectND and it is a unique program. There is a definite demand for video services.

**Rep. Skarphol** Gave analogy for software being an actual building. ERP represents a building with 388 rooms in it full of books. The system has many levels. The goal of the ERP bonding

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program allows for the replacement of 200 of 388 systems. The cost of the software is no different than the cost of a new building.

Chairman Svedjan Adjournment.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1022

House Appropriations Committee

Conference Committee

Hearing Date 01-08-03

Tape Number	Side A	Side B	Meter #
3	X		0

Committee Clerk Signature

Minutes: All representatives present.

**Mike Ressler** Deputy CIO with ITD. Gave written testimony.

**Jennifer Kunz** State Government HIPAA Coordinator. Spoke on HIPPA, which stands for Health Insurance Portability and Accountability Act.

**Rep. Warner** Could you please explain more on the conversion of older legacy accounts in the Department of Human Services?

**Kunz** I'm not the best person to answer that question.

**Vice Chair Timm** Is every medical facility included in HIPAA?

**Kunz** Yes, unless the provider is not equipped to do electronic transactions, then they do not have to be HIPAA compliant.

**Rep. Timm** Can Blue Cross/Blue Shield require electronic transactions to be made possible?

**Kunz** Not at this time.



