

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1461

2007 HOUSE APPROPRIATIONS

HB 1461

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1461

House Appropriations Committee
Government Operations Division

Check here for Conference Committee

Hearing Date: 1/22/07

Recorder Job Number: 1604

Committee Clerk Signature

Minutes:

Chairman Carlson opened the meeting on House Bill 1461. A bill for an act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to higher education information technology; and to amend and reenact sections 54-35-15.2, 54-59-05, 54-59-09 and 54-59-11 of the North Dakota Century Code, relating to powers and duties of the information technology committee and the information technology department, information technology standards, and information technology plans.

Representative Skarphol spoke in support of bill 1461. What this bill does is creates a parallel system in higher education of what we have in state government for the CIO (Chief Information Officer) of higher education. It would also remove what amounts to be some conflicting authority in statute on who actually has control over what in the areas of cooperation or coordination between the state CIO and the higher education authority. It would remove the state CIO from having any control over higher education. It removes higher education from being accountable to the state CIO.

Representative Kempenich: Who does the CIO answer to then? The board?

Representative Skarphol: The CIO would answer to the Chancellor then the board.

Chairman Carlson: How does this bill make them parallel?

Representative Skarphol: In the requirements that are expected of higher education entities.

Representative Skarphol referred to page one of the bill to list the duties and requirements of the CIO.

Representative Williams: The state CIO is answerable to?

Representative Skarphol: The Governor.

Chairman Carlson: Was this something you worked on during the interim?

Representative Skarphol: We have worked on this several interims.

Representative Kroeber: As of right now higher education is not doing the duties listed on page one?

Representative Skarphol: I would not say that they are not doing it. It is just not formalized in statute that they should be taking care of these responsibilities.

Rich Lehn, Assistant to the CIO of the ND University Systems, spoke in support of the bill. See attached testimony 1461.1.22.07A.

Chairman Carlson closed the hearing.

It was moved by Representative Skarphol, seconded by Representative Thoreson to recommend a DO PASS vote to the House Appropriations Full Committee. The bill will be carried by Representative Skarphol.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB1461**

House Appropriations Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2093

Committee Clerk Signature

Shelby N. Sand

Minutes:

Chairman Svedjan opened the hearing on HB 1461.

Rep Skarphol motioned to adopt amendment .0101. **Rep. Thoreson** seconded the motion.

Rep Skarphol: What the bill is designed to do is create a parallel system in higher education to what we have in state government with regard to the CIO of Higher Education. Under the current law there are some conflicting statutes and arbitrary reference to the statutes with who has the regard to who has the authority over what.

In section 1 it puts into statute the Higher Information Technology duties for the State Board of Higher Education and I would suspect that they would be the duties of Higher Education of the CIO. Those duties parallel those duties of the state CIO, it says to develop standards and policies and guidelines for the process and project management. It goes on to require the State Board to present information to the Information Technology Dept.

What the amendment does, in section 2, is it deletes everything in section 2 with the exception of lines 10 and 11 on page 3. The reason for that change is the Senate has a bill on their side

that does some work to that particular section that we are deleting and we do not want any effort on our part to add or detract to what the Senate is doing.

Rep. Skarphol reviewed Section 3, Section 4 and Section 5.

Rep Wald: Could we hear what the Board's thoughts are on this and the amendments?

Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System:

I have not seen the amendment yet, but I believe I am familiar with the bill that Rep. Skarphol suggested with the bill that is working its way through the Senate side. I am not quite sure of the status. I believe that they were going to add some amendments that we suggested and pass that out as amended.

We supported a similar draft.

Rep Klein: So we will have two systems: the State System and the Higher Ed System cooperating with each other?

Rep Skarphol: Yes that is in actuality what is transpiring today. We are just putting it into statute and giving it a better definition and description.

The motion to adopt amendment .0101 carried by a voice vote and the amendment was adopted.

Rep Skarphol motioned for a Do Pass as Amended. Rep. Wald seconded the motion.

The motion carried by a roll call vote of 22 ayes, 0 nays and 2 absent and not voting.

Rep. Skarphol was designated to carry the bill.

Date: 1/22/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1401

House Appropriations- Government Operations Committee

Check here for Conference Committee

Legislative Council Amendment Number 1

Action Taken Do Pass

Motion Made By SKARPHOL Seconded By THORESON

Representatives	Yes	No	Representatives	Yes	No
Chairman Al Carlson	X		Vice Chairman Ron Carlisle	X	
Rep Keith Kempenich	X		Rep Bob Skarphol	X	
Rep Blair Thoreson	X		Rep Eliot Glassheim	X	
Rep Joe Kroeber	X		Rep Clark Williams	X	

Total Yes 8 No 0

Absent _____

Floor Assignment SKARPHOL

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1461

Page 1, line 1, after "15-10" insert "and a new subsection to section 54-35-15.2"

Page 1, line 2, after "technology" insert "and powers and duties of the information technology committee"

Page 1, line 3, remove "54-35-15.2,"

Page 1, line 4, remove "powers and duties of the information technology committee and"

Page 2, line 8, replace "**AMENDMENT. Section**" with "A new subsection to section"

Page 2, line 9, replace "amended and reenacted" with "created and enacted"

Page 2, remove lines 10 through 31

Page 3, remove lines 1 through 9

Page 3, line 10, remove "13."

Renumber accordingly

Date: 1/29/07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1461

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 70796.0101

Action Taken Adopt amendment 0101

Motion Made By Shayler Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1/29/07
 Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1461

House Appropriations Full Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Confirm →

Action Taken Do Pass As Amended

Motion Made By Skarphol Seconded By Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich					
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson			Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 0

Absent 2

Floor Assignment Skarphol

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1461: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1461 was placed on the Sixth order on the calendar.

Page 1, line 1, after "15-10" insert "and a new subsection to section 54-35-15.2"

Page 1, line 2, after "technology" insert "and powers and duties of the information technology committee"

Page 1, line 3, remove "54-35-15.2,"

Page 1, line 4, remove "powers and duties of the information technology committee and"

Page 2, line 8, replace "**AMENDMENT. Section**" with "A new subsection to section"

Page 2, line 9, replace "amended and reenacted" with "created and enacted"

Page 2, remove lines 10 through 31

Page 3, remove lines 1 through 9

Page 3, line 10, remove "13."

Renumber accordingly

2007 SENATE APPROPRIATIONS

HB 1461

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1461

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-26-07

Recorder Job Number: 3886, 3887

Committee Clerk Signature

Alice Delger

Minutes:

Chairman Holmberg opened the hearing early on HB 1461 as Representative Skarphol was in the committee room and had just finished testifying on another bill. He stated that we will hear his testimony now and leave the hearing open as it is not scheduled to start for 15 minutes or so. He stated this bill was an original appropriations bill in the House and it came directly from House Appropriations to the floor then to Senate Appropriations.

Representative Skarphol, District 2, introduced the bill and gave oral testimony in support of HB 1461. He gave explanation of the bill. It addresses the issue of the lack of authority of the CIO of Higher Education and the conflicts within the statute as he had what authority over what.

Senator Robinson made comments about the board being present and issues concerning money going into technology. As far as I know everyone is on board here.

Chairman Holmberg recessed the hearing on HB 1461 until 3:45 p.m.

The hearing was reopened at 3:45 p.m.

Laura Glatt, North Dakota University System (NDUS) presented written testimony (1) and oral testimony in support of HB 1461.

Senator Christmann had questions concerning the bill, a research institution, the Northern Tier Network, and if all universities in North Dakota are considered Research Institutions.

There was discussion that followed regarding the research Institutions, the Northern Tier Network, the #2 and #3 Internet, and the risks of lack of federal funding if our state does not get involved in the Northern Tier Network, grant money that may be available from the federal government and who benefits concerning the Research Institutions.

Senator Bowman asked the difference in cost between #2 and #3 Internet, can part of a federal grant be used for these expenses, who makes the decision to invest in these plans and who benefits from it.

Chairman Holmberg suggested that there may be a way that the bigger campuses could work together in cost sharing on some of these projects.

Senator Robinson suggested a do pass, however more discussion followed and a second was never done.

Senator Christmann indicated he thought we should wait to pass out on this bill until we have the university system budget in hand and address these issues then. We need to address perimeters.

Chairman Holmberg stated that makes logical sense. We will close the hearing on HB 1461.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1461

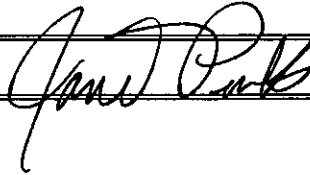
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 03-23-07

Recorder Job Number: 5543

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on HB 1461.

Senator Grindberg distributed amendment 0202 discussing what it is about. He indicated it is regarding the Internet 2, the northern tier network infrastructure and their restrictions.

Senator Grindberg moved do pass on the amend 0202, Senator Bowman seconded. Discussion was held.

Senator Grindberg further explained the amendment indicating the northern tier network is going to use fiber. Internet 2 is a private dedicated system that can run over the northern tier network and other broadband facilities. The question is that the lines be limited to the research activities and cannot compete, or allow counties, cities, school districts or medical providers to use it.

Senator Mathern indicated he had hopes that the amendments would be defeated because this limits creativity. He would feel bad if we said before this gets going that we will be closed to ideas that make sense. The internet system is one of the most important things for the future. Right up front we would be telling people not to do certain things; we need to have people figure out what works and what doesn't. This says we will not consider options.

Senator Grindberg indicated he appreciates Senator Christmann's efforts in this but I won't support the amendment either. This got compressed at the end, but we have good thing going with the creation of these two engines in the valley. It is a trust factor with the university system that they realize the big

picture. I believe someday that if the northern tier is a valuable component, the private sector will have access to it to sell it. If the university system ties into larger companies and partners with them this would restrict their use of the system. There are so many scenarios we have to be careful with.

Senator Christmann indicated he thinks Senator Grindberg hit the nail on head with trust factor. The utilities that serve us now had a representative working today with the university system to resolve this. When they got up there, we were told to kill the amendment. On the ITD budget today and the wide area network system and a rural telephone system was able to carry that system. This biennium, the cost of that network is going down almost 50 percent. The new system will cost substantially more. With negotiations broken off today, I believe the sky is the limit.

Senator Seymour indicated that historically the University System has created their own telephone system but the advancement officers will come to the local telephone company and want money after creating their own business. I see the same thing coming here. The private sector creates the real economy and they should be supported.

Senator Robinson indicated his campus is not one of the two major research institutions but we do have a grant working with one of the research institutions on a portion of it and when the e-mail went out yesterday, I received a call and the encouragement was sit tight because there will be a resolution to it. I would hope the discussions are resurrected and brought back together and a resolution reached. Senator Mathern stated that in light of the question of trust, is that related to item 3, would there be a way to eliminate all the wording after follows except for number 3 so we have a biennial audit and have the detail of the consequence. That may be what would help with the trust.

Senator Christmann indicated this is some pretty high level negotiations and he knows that private providers were there to do that and the University system pulled out. I am not sure that anyone at this table is in a position to negotiate for the University system.

Senator Mathern indicated we set the policy and this basically states we will keep this information.

Senator Robinson indicated it's late and he doesn't think this will be resolved tonight. What do we need to do to get this on to the conference committee? Hopefully we will resolve this before we adjourn.

An oral vote was taken and a raise of hands was taken. The motion failed.

Senator Wardner moved do pass on HB 1461, Senator Lindaas seconded. A roll call vote was taken resulting in 10 yes, 3 no and 1 absent. The motion passed. Senator Robinson will carry the bill.

Chairman Holmberg closed the hearing on HB 1461.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1461

Page 1, line 1, replace the first "a" with "two" and replace "section" with "sections"

Page 2, after line 10, insert:

"**SECTION 2.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Telecommunications and information services competition prohibited - Audit.

1. The state board of higher education may not exercise its powers and duties in a manner that competes or otherwise interferes with the provision of telecommunications service to a private, charitable, or nonprofit entity by a privately or cooperatively owned telecommunications company. The board may not resell any portion of the northern tier network infrastructure or internet2 facilities. The northern tier network infrastructure or internet2 facilities may not be used by university or nonuniversity entities except for the sole purpose of conducting university research.
2. The state board of higher education may not allow any county, city, school district, or medical provider to use the northern tier network.
3. The state board of higher education shall arrange for a biennial audit of the expense and income related to the northern tier network."

Renumber accordingly

*Blended
0202
Su.*

Date: 3/23/07
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1461

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP

Motion Made By Wardner Seconded By Lindaas

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter		✓
Senator Bill Bowman, V Chrm		✓	Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann		✓	Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Robinson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 23, 2007 6:48 p.m.

Module No: SR-55-6139
Carrier: Robinson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1461, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed HB 1461 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1461

NORTH DAKOTA UNIVERSITY SYSTEM

HB 1461, House Appropriation Government Operations Committee

Rich Lehn, January 22, 2007

*Some
yes to
to Senate*

The North Dakota University System (NDUS) supports HB1461.

The Bill provides authority to the State Board of Higher Education to manage and regulate information technology planning and services for the institutions under their control. In many ways the legislation is consistent with recent practice, which has grown out of a mutually productive and trustful relationship with the Information Technology Department and the Interim Information Technology Committee.

It is important to the success of a project, that a single entity, such as the State Board of Higher Education, have the responsibility, and accountability, for management and ownership of a project. However, it is equally important that the NDUS keep others involved in and informed of the status of major projects, both to ensure the most efficient and effective system for not only higher education, but for the State of North Dakota, and we know that nobody likes surprises. The legislation continues to require this kind of ongoing collaboration.

Although the NDUS has been very fortunate to work with excellent partners at the state level, there are major differences between IT services at the state level and IT services in higher education. While the NDUS does have administrative type projects, areas of primary focus in higher education are on the delivery of academic programs and research activities. These activities are unique to higher education and require different tools, policies and procedures from those of state government, other than at the most fundamental levels, such as the use of the statewide network. It is important to put into place a structure that recognizes and supports these differences, where it makes sense.

Steps have been taken over the past few years to prepare the NDUS for management of IT projects within the NDUS. Some of these steps include:

- Restructuring within the NDUS IT organization to put into place a framework that will support the project management methodology and assigning resources to this end.
- Have begun building on the NDUS Enterprise Architecture governance which is modeled after that of the State.
- NDUS staff have been working with ITD staff in the development of project management methodology and standards. Additionally, an NDUS staff person is a member of the State's Enterprise Project Management Advisory group. This group has worked together on several IT project management projects including the creation of the North Dakota Project Management Guidebook which is being used by both the State and Higher Education on current projects.
- NDUS staff have developed a close working relationship with ITD staff over the years which has been beneficial in developing guidelines that work for both entities.

Enacting this bill will provide clear lines of responsibility, and corresponding accountability, for IT management within the NDUS. In doing so, we commit to continuing our positive and productive working relationship with the State Information Technology Department and the Legislative Interim IT Committee.