

**2019 SENATE POLITICAL SUBDIVISIONS**

**SB 2110**

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB2110  
1/4/2019  
Job Number 30422

- Subcommittee  
 Conference Committee

Committee Clerk: Mary Jo Wocken

### Explanation or reason for introduction of bill/resolution:

Relating to cybersecurity

### Minutes:

Written testimony #1 Dan Sipes  
Written testimony #2 Blake Crosby  
Written testimony #3 Larry Zubke

**Chairman Burckhard** opened the hearing on SB2110. All senators are present.

**Mr. Dan Sipes**, Chief Operating Officer ITD department. He spoke in favor of the bill. Written testimony #1. (1:26-6:15)

**Chairman Burckhard:** So up to now, has it been like 400 different strategies for cybersecurity or hasn't it been calculated?

**Mr. Dan Sipes:** I think there has been a state strategy and then I think each person that connects with the state network whether that be a school district, fire station, whether it be a county sheriff, they are each right now individually responsible to set their strategy on how they want to do it. I think the hope of this bill, is that we take the collaborative work we've been doing and extend that to a broader set of people and try and create common standards, guidelines, tool sets, practices. We kind of want to have a singular strategy where everybody can grab onto and then figure out how they get to meeting that standard and that strategy.

**Chairman Burckhard:** So just for a little editorial purposes we have two thousand one hundred political subdivisions in our state, so that is a lot of strategy you've got to figure out. Thirteen hundred townships, 357 cities, of which 74% have only 500 populations and we have 53 counties, 180 school districts and we have a plethora of park districts.

**Mr. Dan Sipes:** I think that is a good counting so we could see there could be a variety there. I think the approach is to sell the security though universal as we get people kind of marching to a shared vision. I think it allows us to leverage shared knowledge's and practices so that we have more people reinventing the wheel. That synergy of here trying to solve our problem where we witnessed this as we partnered with K-12, how well we've witnessed it for years as we had state agencies in your architecture and you think you've solved the problem and then somebody comes and raises an issue and says hey that is not going to work exactly like that

so how do we morphed this picture of the future to allow us to get there with you. So a lot of different attitudes but I think I mentioned towards we want to be secure and would be better together than pursuing singular strategies.

**Sen. Larson:** Do you consult at all with the federal government cybersecurity?

**Mr. Dan Sipes:** We have existing relationships with the Multi-States Information Sharing and Analysis Center. We also have relationships with the Department of Homeland Security. Shawn's team, he is our chief information security officer has a representative that sits out at the State Law Enforcement Intelligence Center and so we collaborate with both the federal government, we collaborate with other states. It is a multitude of jurisdictions that we collaborate with.

**Sen. Larson:** What I was thinking of is you don't have to invent everything if the federal government is already knowing how to provide cybersecurity in certain ways if you're working collaboratively with them like you would at this level with like the townships, for example.

**Mr. Dan Sipes:** Yes, that is correct. Collaborating with the federal government allows us to leverage the same; as a matter of fact we have some tools that they allow us to use to help provide the network threatened intelligence.

**Sen. J. Lee:** What has been the resistance if any from any of the political subdivisions with whom you worked? Have you been able to resolve the questions in your opinion?

**Mr. Dan Sipes:** I believe in the conversations that we've had and most of these conversations to date have been with the Association of Counties and the League of Cities. I believe that for the most part they are on board as far as I know, but there could be somebody that we haven't talked too yet that may be here today and express whatever concerns they have. So far, for the most part everybody says yes we have the issue and we would like to ride on this shared wagon and raise all boats if you will. So I believe we have support I could be wrong.

**Sen. J. Lee:** I am not opposed to having good cybersecurity, but we also have to respond to others, so do you have implied you have good communication with K-12 and the Department of Public Instruction, with park districts, with those other entities you didn't mention those so you said you have been collaborating with counties.

**Mr. Dan Sipes:** Let me divide your comment into two parts. So from a K-12 perspective I believe we have good support for that. We've been heavily coordinating with the Department of Public Instruction and Ms. Baesler on both this strategy in a larger education strategy if you remember my testimony we talked about prepare tomorrow workforce, well this is a very complimentary thing. We have parts of our ed-u-tech shop is closely tied to K-12, and we've been talking about this for the last 2 years really, about where we're going here, so we believe that they are on board, and we understand the nuances there. The Park districts being specific were not on our specific radar until I received a phone call from one of the park district here in the state yesterday, and we were talking about when we include them. I feel like we haven't talked to the body. I spoke to Mr. Hegland who I believe represents park districts, who was on a board of some sort and was expressing the need for them to be a part of this.

I believe we would have our support even though it's been a short phone conversation and 3 emails.

**Sen. J. Lee:** I just sent emails to our county auditor and our business manager and superintendent of schools and our park district director to ask that question because I want them to be aware of what's going on because there is no way that 2100 has been informed about what's going on and I want them to be informed. We might be interested in hearing what they have to say about this. Everybody is gung-ho about transparency, and this is going to be one.

**Sen. Dotzenrod:** The bill really has just two sections, and in the first section you're just adding one definition for the word cybersecurity. Everything else is existing law. Then in Section two, you've taken existing law and you just divided it into two parts. The first part that is effective through July 31, 2023 and then the second part on page 4, line 20, that's effective after that date. I am trying to look through this and see what is the difference between what the law would read before that date, compared to what the law would read after that date. I am having some trouble figuring out what is different. Could you explain that?

**Mr. Dan Sipes:** We expected this question because our existing Century Code is kind of confusing. So, look at the section on page 2, of the bill, its number 4, and it talks about our ability as a department to fund this. In the last legislative session there was a project, the state wide interoperable radio network, and in this specific language about how we could finance for that project which was inserted into number 4 on page 2. So you will see that towards the very end that says "with the exception of financing for the state wide interoperable radio network the department may finance". So that exception was in, that was a temporary exception to our financing bill. If we look at the rest of the bill, that part of number 4 is removed so that the citing exception for financing is removed after that date because that project at that time wasn't intended to have any additional financing. So, there is two portions in our bill today and that is the only difference in Section 4, was specifically to the financing of the cellular network.

**Sen. Dotzenrod:** What you're telling me that there are some difference in the words, but I am looking for the specific overstrike or underlining that would show me what words are different. I don't see that in here.

**Mr. Dan Sipes:** That's because this bill is reflecting the Century Code as it exists in our Century Code today. So when you look at that has both sections where it reads "all these 15 duties" in number 4 reads like this, and in our Century Code so there is no strike out. The Legislative Council wrote that this is the changes before this date, and the changes after this date. It's not related to cybersecurity but I believe these are good questions because if I were you it's like "What are we changing, what's going to slip through the cracks" when we have these two different pieces of what looks like new code, but is existing code.

**Chair Burckhard:** So we have an analog Century Code and a digital world.

**Sen. J. Lee:** I think what Sen. Dotzenrod that the phrase which is left out of his section 4 is just the phrase with just the exception on page 2, line 16 and 17. We all understand that

something that isn't underlined is existing code. We get that. But that phrase I see that makes it different. Am I correct?

**Mr. Dan Sipes:** Just that phrase with the exception of financing for the statewide interoperable radio network.

**Sen. J. Lee:** It would be page 2 line 16 and 17 that is the only thing that I see that is any different.

**Mr. Dan Sipes:** Replied yes that is the difference.

**Sen. Anderson:** Is it true that ITD charges everybody for what they do, and they don't really finance it with their own money? When you say finance, it gives the impression that you're going to pay for it with your budget but that isn't what happens in the practical sense is it?

**Mr. Dan Sipes:** You are correct. So, I believe your question is how do we operate as a state agency and how are we funded? We have a combination of charge back mechanisms. This particular language that we've been talking about with the signing is only related to financing for signing on other projects. When we talk about the larger cybersecurity ask, there are actually, ask emergency budgets on cybersecurity, and so there is a complimentary budget ask in our budget to staff up additional staffing, but it's not related to this particular law change in bill but there is that and so those funds are on cybersecurity this session, general funds and some SIFF funding and that's in our budget bill and not related to this.

**Sen. D. Larson:** So if for example you are mentioning park districts, does each park district get to opt in to those services to have to pay for them or is everybody then going to be billed that the information is available?

**Mr. Dan Sipes:** So this particular bill would be about setting a vision and a strategy. It's a shared vision of where are we all going too. I think you've asked what I called a hundred thousand question. You can set a strategy which I believe the state of North Dakota needs where we are all headed, we all want to head the same place. We still have when you look at the breath of this bill, a lot of different entities right. We have a multitude of entities and we're going to have to figure out as we set the picture of the future what are the individual entities funding challenges to reach that future state. Now, there could be some things to join state services where Senator Anderson talked about which typically are funded via a chargeback mechanism, or the legislature could choose at a future date to say hey there is a certain baseline of security for people who ride the network and I would like to run general funds but that would be a legislative distinction. We would march to a level of what the legislature wants us to do when people choose to participate in state services. So there could be other services where we say, hey this is the type of practice you need to have in place and you would say we are perfectly capable of adopting that practice and were glad we don't have to reinvent the wheel so we'll just start marching to this standard.

**Sen. Anderson:** Its seems to me that terminology that we use in here and advise, oversee and regulate, isn't that a little bit contradictory terms. You're going to advise that's one thing, oversee is another thing, but regulate means that once that you've decide what I have to do with it, have to do it, and I have to pay for it. Is that my interpretation correct?

**Mr. Dan Sipes:** I think we chose those words because they were similar to some existing part of our bill in 54:59:05.1, both where it talks about, provides and regulate information technology. When we think about regulate I think we think about it as where there could be services that we provide that people choose to join that they might be central services and so we would be the administrative shared of those central services. I think a good example of that could be, so today we have some advanced trunk protection that we run inside of state government, that we've allowed school district and the agencies to participate in at their choice and then we would then kind of administer those shared solutions where agents of political subdivisions would choose to join and they wouldn't have to use that service but for those things that would be, you're going to make a single state of ND kind of purchase we would envision that the information technology department would act as the administrator for those shared services. You would choose options to whether to use them or not, but that's where the word "regulate" because I think we believe everybody seemed voluntary participation. There would be tools that set the state invests in, but other people would say we want to participate in that even if we have to pay for that because we cannot achieve it by ourselves or it raises our poster or releases our FTE commitment to reach that standard whereas. That was our vision of regulate. But I believe we've had some questions from some of our partners about some in trepidation about that exact word. What does regulate mean, are we going to be commune in the approach to that which I think is a fair conversation that wouldn't be all intent. That was our vision behind regulate.

**Sen. J. Lee:** I have a similar question to what Sen. Anderson was raising because the word shall is what caught my attention. So it said "shall" I am getting that I am not saying it ought to be specific around here. But would that mean that the odds of finding one single individual system or that you will I get the advise; I get the oversee; the regulate is where it doesn't meet the road for me on that one too. So if I were a different system in my park district for example if I am in the community of 500 people, compared to the system in the park district like Fargo or West Fargo, or Bismarck that has much bigger operations than twice becoming a community size, will that small park district if he opts in, will they be required to opt into a system that maybe overkill for what their situation is and then maybe it's not overkill? But tell me what latitude there is going to be for based on size and functions of these various political subdivisions, whether or not they are going to have to step in. I realize we are all marching in the same direction, but some people have longer legs than others. So, can you tell me I can do versus what I have to do that is really the question?

**Mr. Dan Sipes:** That is a good question and I think that is the in trepidation that some people will have about it. I believe that our picture of this is that when we see the word "shall" it's speaking right to what ITD shall do right and so we are going advise, oversee and regulate shared services. When I think about if I am on the recipient end of this, if I am a political subdivision or some other agency or if its Higher Education or whatever that is, what is the expectation for those people? I believe it would be to participatory in setting helping us guide the vision set to vision, we would expect them to try to march toward that singular vision of what the future is and here's how we're going to approach cybersecurity and here's the big things we all have to agree on doing from a vision perspective. How you get there I believe is going to be up to each agency. So at the state we're using this system, it's here for your use but if you can get to that kind of picture of the future in a different way you have the choice to do that because we're just trying to make sure everybody adheres to a strategy, how they get

there may be a little different. Mr. Sipes consulted with Shawn who was in the gallery to confer if his comments reflected his thoughts.

**Mr. Blake Crosby**, Executive Director, North Dakota League of Cities spoke in favor of SB 2110. Written testimony #2. (27:00-32:08)

**Sen. Anderson:** If the cities want to participate in this can't they voluntarily do that without saying that we have to have somebody regulate us to do that? It seems like advising, set up a standard would be good enough for you.

**Mr. Blake Crosby:** The entity that Dan talked about that brought up some concerns about the word regulate that was the League of Cities. We've had a number of discussions with ITD and we have a couple of options as I see it. We can take the word regulate out, we can have legislative testimony that provides intent as Mr. Sipes just did and what their intention is for the word "regulate" or we can add a separate sentence in there that specifies that removes cities, counties, etc, from the regulate sentence and puts them into another sentence that says, "advise and assist" so we have some options there. I am going to trust ITD and they have no reason to come in and beat us with a stick because the risk is not just us, the risk is them and the risk is the state. We all are going to play nice in this as we have no choice.

**Mr. Larry Zubke**, Director of Technology for the Judicial Branch, who spoke in opposition of SB2110. Written testimony #3 (34:10-36:20)

**Chair Burckhard:** Would you repeat those words?

**Mr. Larry Zubke:** If the wording is left as it is, I would like to follow it up with saying, "with consultation and approval from the agency who owns the systems and information".

**Sen. J. Lee:** Especially, we don't want the Executive Branch managing the Legislative Branch information, but anyway I was wondering and I understand the need for coordination and we can't have one bad, or somebody left out because it screws up everybody else's technical terms, but anyway if we use a word different from regulate, coordinate, find a word that is satisfactory to Mr. Sipes, and to Mr. Zubke, because I think we are all kind understanding that one size doesn't always fit all and I think there is more than one person who might share in your thought there. Since you have what you have and it is, and Mr. Sipes is assuring us that he tells us all we all have to be in the same system as long as we are trying to accomplish the same thing and we aren't violating something that moves that direction forward. If we are looking at a word that would be better and maybe coordinate is but if any of you have a suggestion for something else in addition to the language that is offered. We might think about it and move this forward. We all want the same thing is my impression.

**Mr. Larry Zubke:** I would agree. It was the word regulate that really caught me off guard. It seemed to be to controlling.

**Mr. Terry Traynor**, Association of Counties (39:22-) As Mr. Sipes mentioned we have a technology team in our office that is really the point of contact from most of the counties and in some cases all of the counties between ITD and the local county IT systems and they meet weekly with ITD and talk about that kind of activity issues, password issues, security issues, so we work with them very closely. We as the legislature is aware, we are required by statute

to ride the network. That's part of all working together thing. As was pointed out, the weakest link is what we're all dealing with and we've had situations where we've had counties that have infected themselves and others because of being a weak link and we work with ITD to try and strengthen that. Yes, the word regulate does cause some concern among some of our members and our history with ITD however has been of cooperation and coordination and they historically have recognized the funding challenges that local government has so when they want to upgrade something that is going to increase local costs we have discussions about how we can phase that in, how we can work with those costs so I am comfortable with our relationship. I am comfortable with the management of ITD and how we've operated in the past. I am pleased that they are willing to take the mantle of cybersecurity on, because it's an overwhelming thing and I think that the counties in generally felt that ITD has been their role. It is just making it clear in statute. If regulating becomes something onerous I would suspect we would be back here in front of Political Subs again and say way a minute they are coming too far, but history wouldn't suggest that they will. They operate in a cooperative manner. I recognize the Judiciary is a separate branch of government and that is a little bit different animal. Political subdivisions are a creature of the state. You created us, we operate as you see fit and if word is a problem we'll come back and talk to you. Our relationship with ITD has been solid and in this area we have a lot of confidence in them. They have the resources that counties generally do not.

**Chairman Burckhard** closed the hearing on SB2110.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB2110  
1/10/2019  
Job number 30658

- Subcommittee  
 Conference Committee

Committee Clerk: Mary Jo Wocken

### Explanation or reason for introduction of bill/resolution:

Relating to cybersecurity

### Minutes:

**Chairman Burckhard** opened the committee up for discussion on SB2110.  
All senators are present.

**Senator Diane Larson:** The funding for that program will be done if the language that would move to be followed that date. Because currently they are spending the money for the siren project which is State Interoperable Network. That's the reason for the difference in the dates is the way I interpreted the answer the way it was asked.

**Senator Judy Lee:** It was on page 2 lines 16, 17, that tell the differences between them.

**Senator Anderson:** I heard that ITD probably can come up with a better word than regulate. Maybe we should let them do that and bring that to us something which we talk about and I think it's the regulate thing. His speech to some of us last night when we listened to him sounded like it wasn't really going to get a better word. He could get by much better and lets put it that way.

**Chairman Burckhard:** I agree I think we should wait. The committee would like to wait for more information from the ITD people.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB2110  
2/1/2019  
Job #31977

- Subcommittee  
 Conference Committee

Committee Clerk Signature Mary Jo Wocken

### Explanation or reason for introduction of bill/resolution:

A Bill for an Act to amend and reenact sections 54-59-01 and 54-59-05 of the North Dakota Century Code, relating to cybersecurity

### Minutes:

Written attachment #1-3,5 Dan Sipes  
Written attachment # 4 Grant Larson

**Chairman Burckhard** gathered the committee for discussion on SB2110. We heard this bill quite a while ago, but we were needing some amendments. All senators are present.

**Mr. Dan Sipes**, (1:40-4:24) **Chief Operating Officer of ITD**. I've given you 3 handouts (**written attachments #1, 2, 3**). The top handout, the 2<sup>nd</sup> one is the amendment and then the staple page is something you should already have is the full bill. The last time we got together we were talking about 2110, and we had the original language and since then we've have various stakeholders who have expressed some concerns. What we've done in the amendment and you see on that first page, is the original definition of cybersecurity. Now the stakeholders had an issue with the definition of cybersecurity. But in the original bill language we had some concerns. What we've done from the original bill language is that we removed the word "regulates" as most every party may have some concerns about that. I think Senator Lee when we were talking, you talked about that as well. It might be a word of concern. So we removed that. There were a couple of political subdivisions that were in the original language and the way it was written felt that they actually might inadvertently be excluded, and so we added some language at the end that said "Or other political subdivisions". We could have other people like this particular political subdivision was in ND Parks and Rec Association. Due to some CJIS data concerns the EOC where it talks with respect to the Attorney General, the department shall advise on cybersecurity strategy, that's because they have special language around their role for administering CJIS data. We work with them and so we just changed that to advise and they are comfortable with that. We do have a representative here that can speak to that if you would like to hear from them. There was some concern about the separation of powers. They say that the way we had it written working with the judicial branch and with the legislative branch, you can see we've now pulled them out of Section 16 and added a separate duty Section 17, which just says "shall advise and consult with the Legislative and Judicial Branches regarding cybersecurity strategy for

the Judicial and Legislative branches". I think we have a good amendment. Just to clarify, everybody that we've talked to is all on board with cybersecurity being an important thing. No one was ever not on board with the vision. It was just as we were putting things in code let's make sure that we don't inadvertently put in something that doesn't work and creates the wrong, wrong thing.

**Senator Judy Lee:** I may have misunderstood the testimony at the time and thank you for including the park districts, potential for park districts. I have two questions, first they are not required to participate but they may participate, and secondly is just the state office of Parks and Rec or may local park districts be involved in this or do they have to make their own arrangements?

**Mr. Dan Sipes:** I think the intent of the language would be that our development of the strategy would cover all political subdivisions. They can then elect as we come up with enterprise solutions. There are certain parts of those things where they can elect to participate on those. But the strategy we would develop for schools, political subdivisions, state agencies, in consultation with the right people.

**Senator Judy Lee:** Because I know at home there are a lot of support for that because it is such a huge thing for everybody to be able to manage and we know that. I am glad to hear that it isn't just a state office. But if Cass County wanted to be a part of it, they could also. The recreational areas could be a part to if they wanted it. Yesterday, I presented a bill to the GVA committee about license law which doesn't sound like it necessarily applies to you except somebody who is a lay member of a board brought this to my attention at the end of the day after the hearings were over. She is concerned because she understands what we do here. She thinks there is an issue that we need to be talking about which hasn't occurred to any of us I don't think. She has a g-mail personal account, she gets background reports on the candidates for various things in this Licensure Board and she is just almost scared to have them and deletes them as soon as she reads them. But I don't know if you all thought about that, and if you did I would like to know if we are safe the way we are? But she is just wondering if they could be part of the ND government system or if they could be? Some little side bar that they could be a part of while their board members and then that whole thing goes away when they are no longer on the board or some such thing. So I am just wondering if you had considered these licensing and occupational boards, in the fact that they are getting personal background information which is different of course from the idea that they are going to threaten our water systems and all that?

**Mr. Dan Sipes:** When we talk about boards and commissions our department is able to serve boards and commissions but they would have to pay. She would be correct if she was concerned about transferring background information over email as a channel. That would be a security cyber risk that we would advise any department not to use that as the medium. There are other ways you can collaborate that are more secure that are encrypted and we could work with those boards and commissions. Often times not everybody has the same legs to run at the same pace. Often times cost becomes one of the impediments to try and make it to the right security model. But, we'd be happy to visit with those boards about better ways to collaborate on information that might be confidential.

**Chairman Burckhard:** The proposed amendment that you have here, this is not been done by Legislative Council, this has been done by whom?

**Mr. Dan Sipes:** We've consulted with Legislative Council but I made the amendments myself and so when they go to the staff that might tweak it up a bit. But I tried to work with them to get it this close to the way it should be.

**Mr. John Bjornson:** (8:24-10:52) Director of Legislative Council. I am going to visit with you regarding the amendments. We have no dog in the fight here. We are neither for nor against the bill. But with respect to the amendments Mr. Sipes was kind enough to include us in the discussions and gave us the opportunity to weigh in which we did. We asked that it be drafted in a manner that they be available to us to consult with and to work with on cybersecurity. We always want to work with the Executive Branch and we use our services and we understand the need for us to be a part of that team. We ask that the language be clearer that we wouldn't be subject to their regulations or their oversight due to separation of powers but that we'd be a part of the process. They were agreeable to that and all we asked was the amendment exclude the Legislative Branch from that initial language in Subsection 16 and then recreate a new Subsection 17 that states that the Legislative Branch would consult and advise with us in the Judicial Branch in developing that cybersecurity strategy. Just so you know when you get several e-mails from Kyle Forester saying take this cybersecurity course. It's because he was trying to push everybody to be aware of the problems that you can encounter and we participate in that with ITD, will continue to do that but we also would reserve the right if we find something that we believe is better for you, more easily done for you and accessible for you that we would use that option and so we are open to whatever works best. It is difficult when we have 141 users who are not on site, so we can't pull you all into a room one day and sit down and do this but we do what we can. We will continue to do that, work with ITD and we appreciate them including us in the discussions on the amendments.

**Chairman Burckhard:** So have you seen this amendment?

**Mr. John Bjornson:** If it hasn't changed since yesterday yes I have.

**Ms. Sally Holewa:** State Court Administrator. I am only coming forward on SB2110 because initially it was our branch of government that raised concerns about the language and I just thought to make the record clear, we have worked with ITD on the proposed changes and we are in favor of those changes.

**Chairman Burckhard:** I am glad we had the opportunity to have this follow up because there has been a lot of discussion in the hallways.

**Chairman Burckhard:** What do we want to do? Any thoughts?

**Senator Judy Lee:** I move do pass on the amendments.

**2<sup>nd</sup> Senator Diane Larson – proposed amendments to SB2110**

**Senator Anderson:** The amendments show the good effort by everybody and I think they allay all of our concerns which was expressed not by some testifiers but the committee as well.

**Senator Dotzerod:** What is CGIS data?

**Mr. Dan Sipes:** I should never use acronyms. CGIS is Criminal Justice Information Sharing Data.

**Roll call vote: 6 Yea, 0 No, 0 Absent That motion passes.**

**Senator Judy Lee: I move do pass as amended**

**2<sup>nd</sup> Senator Kannianen**

**Roll call vote: 6-0-0**

**Carrier: Senator Judy Lee**

See attachment #4 for additional testimony provided to the committee by Grant Larson  
See attachment #5 for additional testimony provided to the committee by Dan Zipes.

February 1, 2019

SAC  
1861

PROPOSED AMENDMENTS TO SENATE BILL NO. 2110

Page 4, line 17, replace the first underscored comma with "and"

Page 4, line 17, remove ", and regulate"

Page 4, line 17, after "all" insert "executive branch"

Page 4, line 19, remove "and"

Page 4, line 19, replace "in the state" with ", or other political subdivision"

Page 4, line 19, after the underscored period insert "For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy."

Page 7, line 5, replace the first underscored comma with "and"

Page 7, line 5, remove ", and regulate"

Page 7, line 5, after "all" insert "executive branch"

Page 7, line 7, remove "and"

Page 7, line 7, replace "in the state" with ", or other political subdivision"

Page 7, line 7, after the underscored period insert "For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy."

Renumber accordingly

Date: 2.1.2019  
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2110**

Senate Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: Summary of Changes: Proposed Amendments to 2110. Written by Sen. Lynn & L.C. 19-8091.01001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Senator Judy Lee    Seconded By Senator Diane Larson

Senators	Yes	No	Senators	Yes	No
Chair Randy Burkhard	X		Sen. Jim Dotzenrod	X	
Vice chair Howard Anderson	X				
Sen. Diane Larson	X				
Sen. Judy Lee	X				
Sen. Jordan Kannianen	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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



**REPORT OF STANDING COMMITTEE**

**SB 2110: Political Subdivisions Committee (Sen. Burckhard, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2110 was placed on the Sixth order on the calendar.

Page 4, line 17, replace the first underscored comma with "and"

Page 4, line 17, remove ", and regulate"

Page 4, line 17, after "all" insert "executive branch"

Page 4, line 19, remove "and"

Page 4, line 19, replace "in the state" with ", or other political subdivision"

Page 4, line 19, after the underscored period insert "For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy."

Page 7, line 5, replace the first underscored comma with "and"

Page 7, line 5, remove ", and regulate"

Page 7, line 5, after "all" insert "executive branch"

Page 7, line 7, remove "and"

Page 7, line 7, replace "in the state" with ", or other political subdivision"

Page 7, line 7, after the underscored period insert "For purposes of this subsection, the department shall consult with the attorney general on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy."

Renumber accordingly

**2019 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**SB 2110**

# 2019 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union Room, State Capitol

SB 2110  
3/8/2019  
33465

- Subcommittee  
 Conference Committee

Committee Clerk: Carmen Hart

## Explanation or reason for introduction of bill/resolution:

Relating to cybersecurity

## Minutes:

Attachments 1-4

**Chairman Kasper** opened the hearing on SB 2110.

**Sean Wiese, Chief Information Security Officer, Information Technology Department,** appeared in support. Attachment 1. (:55-5:15)

**Vice Chair Steiner:** Page 7, Line 9 it states shall advise and oversee cybersecurity strategy. Does oversee mean telling school districts that they are mandated to buy certain technology platforms that you referenced in your testimony? They are actually concerned about that and are asking to be amended out of the bill.

**Mr. Wiese:** No. This is not intended to get down into that level of what products to buy and what ways to deploy it. It is more high level, the strategy standpoint. It is more along the lines of that we must protect our infrastructure, the data, and the students, not necessarily the products that would be used to do so. They are free to choose any product that they would want to utilize including free software that exists to accommodate that.

**Rep. Louser:** You say regular cadence with university system standing meetings with the association of counties and collaborating with the school districts. Do those three things mean something different?

**Mr. Wiese:** No. We have regular interaction with them as we discover threats that may come at the network level, because with our visibility at the network level, with STAGEnet and the tools that are there, we interact with them if there was a threat to arise or how to remediate those things as well as how we better position ourselves ahead of the time attacks would have a chance to take place.

**Rep. Louser:** Are there different internal policies for communicating with these different entities, or is the policy the same for all?

**Mr. Wiese:** To my knowledge, there is nothing different among the three.

**Rep. Rohr:** In the event that there is a cybersecurity threat, are you the person that would be in charge of the instant command center where they would have to go through and look at all the entities and where the attacks or threats are coming from?

**Mr. Wiese:** Yes. Due to the fact that we have that statewide network, STAGEnet, it gives us a visibility today to identify threats that are coming at us, that is the 5.7 million. If there is an attack or a successful compromise of a system, then we do reach out and engage, and it is the team, the operation center, that we facilitate.

**Rep. Rohr:** Where you say that there is 400+ organizations and 400+ approaches, has that already been initiated? Have you ever had an incident where it allowed everybody get together and discuss that?

**Mr. Wiese:** For this piece of legislation, we are talking about strategically. When you are talking about threats coming at us, types of attacks, that is more at an operational standpoint. We want to make sure from a strategic level we are getting those votes raised up so we can better defend.

**Rep. Hoverson:** Would this also have built in security for potential internal attacks?

**Mr. Wiese:** Yes, both inside and outside.

**Chairman Kasper:** The definition of cybersecurity means processes or capabilities, wherein, systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation. That seems to give almost unlimited power to ITD. Can you explain how you see the limits of the ITD?

**Mr. Wiese:** We are talking strategically of how we would address these, and it would be an open collaborative method that we would use to talk through what it is we are proposing. This is not meant to come down as a hammer coming down at that detail level. It is to set the cadence, things that may not be thought of already, because maybe the cybersecurity experts don't exist in these organizations today. It is a leadership role as well to help set that strategy and make them aware of the things that are out there.

**Chairman Kasper:** Is there other places in the bill or the statute that provides these other entities a process to have a discussion and to appeal and make other recommendations than what your department would be proposing?

**Mr. Wiese:** The legislation we are putting forward is in conjunction with the legislative branch as well as the judicial branch as a provision for the attorney general's office as it relates to criminal justice information.

**Chairman Kasper:** I am talking more about who you are going to work with. He read Line 17, Page 4. That is covering almost every branch of government. When dealing with these entities and they begin to disagree, what is the process for disagreement to be resolved?

**Mr. Wiese:** It will be an open dialogue. We will not impose things that we don't feel that they are going to be able to meet.

**Chairman Kasper:** Have you been in discussion with these entities before the bill was drafted and introduced?

**Mr. Wiese:** Yes, we have and has gone through revisions with the legislative branch, judicial branch, and school board association.

**Rep. C. Johnson:** Does the executive branch agency include the department of emergency services?

**Mr. Wiese:** Yes.

**Blake Crosby, Executive Director of the ND League of Cities,** appeared in support. Attachment 2. (14:30-16:33)

**Rep. Karls:** You are not part of their network as this point? If you were to be included, would there be a fee?

**Mr. Crosby:** We are just coming into the pool. As far as any fees associated, I do believe they have some endpoint software that my cities need to use, and the cost is very inexpensive.

**Chairman Kasper:** I assume we are dealing with entities—cities, counties, etc. I would assume the same risk is out there for individual citizens who don't have the ability to have this type of security. Do you agree?

**Mr. Crosby:** Yes. This is a brand new arena, and I am an old guy. Some of this is way beyond my capacity to even think about, but we need to get ready for this. This is one of those situations where it's not if, it is a matter of when?

**Chairman Kasper:** Our citizens of ND have the same individual potential attacks as the institutions do. Obviously, we can't set up a program to cover 750,000 people in ND, but there may be some things we can do to help protect them in other ways.

**Mr. Crosby:** Correct. As we roll this out, we are dealing with individuals that work for cities, counties, and schools, so some of this they will carry back to their own personal use when they are on their family or personal computer.

**Chairman Kasper:** Your organization has looked at potential cost, and it is really negligible compared to what the benefits will be to be part of this effort/

**Mr. Crosby:** Correct.

**Dan Sipes, Chief Operating Officer, ITD** appeared in support. When we talk about this bill, I think a lot of people think that somehow as part of this bill that people are somehow joining a service that we are going to offer. That isn't the intent of the bill. There are no costs that

you would have to incur. We would just be setting a strategy and say the best practices in the cybersecurity area would be these best practices. We would have a singular strategy that would recognize the nuance of the schools and cities and the customer base that they have, and we would just be setting standards. As part of that, we might be offering services at the enterprise level to drive discounts, but your participation in those cybersecurity services would be at a city's, county's, and school board's discretion if that provides a better economic avenue for them to take advantage and improve their posture. That would be great. They could participate in services, but that is the operational part of cybersecurity and is not the intent of this bill.

**Rep. Hoverson:** Is there a deterrent potential as well besides just outsmarting them and stay ahead of the bad guys?

**Mr. Sipes:** Having a singular approach doesn't necessarily deter the attacks, but I think what it does is it puts you in a better position to defend that.

**Rep. Louser:** Several times it says in the bill advise and consult with the legislative branch. What does that look like?

**Mr. Sipes:** Legislative reporting includes the interim committee. We also have a \_ committee that has state agencies and higher ed. representation reporting to them. If this bill would pass, part of that would be to define what is it we want to build out to try to get the input and what type of committees do we want to have, and who compromises those committees so that, as we are building off the best security practices, we are getting input from the cities, counties, and schools. We would have to build those committees.

**Rep. Louser:** To me this issue is the biggest threat to our state. We as legislators sit in interim committees, receive reports, and get research. As legislators, I think we need to participate more than just receiving a report. I would like some direction from you to tell us how to do that.

**Mr. Sipes:** We could come back with ideas about what that might look like beyond just the report. I do believe as we are building it, we would be looking for legislative input. We would want legislators that have an interest in this to participate. We would also look for people like Kyle Forster, the ITD director, etc.

**Rep. Rohr:** We have done a lot with cybersecurity. Are we simply codifying what you are already doing, or are you getting a directive to be more inclusive in your role?

**Mr. Sipes:** We are looking to codify some of what we are doing. Every one of these communities has been very collaborative. We have had this legacy informal cooperation where we have shared information, but I don't believe that we have had a whole of government single approach saying how are we going to do this in a more singular fashion so that we take all of our various expertise and \_that into a single strategy that we believe will raise everybody's posture.

**Rep. Karls:** This all sounds wonderful. However, as legislators sometimes we are a little uncomfortable with forming mega departments, and that is kind of what this seems like. Are

all the agencies, boards, and commissions going to have to be under your ITD umbrella, or will they be able to maintain some of their in-house ITD people?

**Mr. Sipes:** There is no intent to bring any of these entities under ITD's control.

**Chairman Kasper:** Have you had a process in effect that you are already doing some of these things, and if so, what is it?

**Mr. Sipes:** Today inside of the executive branch state agencies of which the judicial branch and the legislative branch already kind of participate in, we have something called enterprise architecture where we have representatives from various state agencies and branches of government where we talk about it. That is a little more policy driven than higher level strategy, but I think we would look to model that same thing. The enterprise architecture process is what we have used, and that is probably what I would initially default to as the basis for what we would do. We already have a security domain team that exists inside of enterprise architecture, and I think we could look at those practices and say how do we then make it more to this larger set of stakeholders.

**Chairman Kasper:** The bill does not require any of that, however. What you are sharing with us now is your thinking, your supposition, but the bill doesn't outline any process. Is it such a huge job that we could not outline some type of processes that would have to be followed? Was there a reason why the bill was not more specific about reporting and some of these things?

**Mr. Sipes:** We have been reporting back to the legislature on cybersecurity at almost every Habit to report to interim IT committee. We are in the habit of doing that, and that would have just been an expectation.

**Chairman Kasper:** It is not statutory?

**Mr. Sipes:** Right. When we thought about it, we probably didn't want to, from our perspective, over prescribe in legislation what we were doing as we were going to build something out. We could visit with stakeholders and probably with legislation input and say what might that look like and come back to this committee with some framework if that is something this you would like us to look into.

**Chairman Kasper:** The discussion seems to center on cybersecurity from a relationship of hackers. There is another area of attack and that is with the many huge companies out there that have had their data hacked or stolen such as Target, Marriott, etc. How do you engage those technology companies to be part of solutions?

**Mr. Sipes:** Are you asking to help us solve the problem, or as we use those services, how we might engage with them to insure that they are helping to protect state data?

**Chairman Kasper:** It is more engaging with those tech companies.

**Mr. Sipes:** Part of the strategy is doing effective vendor management.

**Rep. Schauer:** We are too slow. Can you give us an idea how quickly things change and how we have to be on top of it or risk serious issues?

**Mr. Sipes:** We are in an exponential attack. The hope is to speed up all of the different stakeholders' abilities to say can we get to a strategy quicker, and we don't have people potentially trying to do that 400 different times. We want to get to a strategy so we can all agree on that and we are able to spot our gaps quicker.

**Terry Traynor, ND Association of Counties,** appeared in support. We feel this is a good structure to move forward. The language was softened a little bit in the senate, and we are very comfortable with that. We are very comfortable with the interaction between ITD and the counties. I heard the concern that it might force costs that local government may not be able to afford. We may not be able to not afford to invest more in cybersecurity. I think this is a good step in the right direction.

### **Opposition**

**Russ Ziegler, NDCEL,** appeared in opposition. Attachment 3. (45:27-47:57)

**Rep. Rohr:** Did you bring up these same concerns at the senate?

**Mr. Ziegler:** I am not sure. I wasn't at that particular senate hearing.

**Chairman Kasper:** You are indicating about requiring members would be imposed to a guideline that said all devices on the state network will be required to use a vendor specific antivirus solution prescribed by ITD. Where does the bill say that?

**Mr. Ziegler:** That is where the definition of oversee comes in. Oversee means to watch over and direct and undertaking a group of workers, etc. in order to insure a satisfactory outcome of performance; to supervise. If somebody is overseeing something, they are responsible for what happens under them. Since they have that responsibility of what happens under them, then they can prescribe items to make sure that they are covered.

**Rep. B. Koppelman:** The network is only as good as the weakest link. If the most expensive vendor is required like in your example, that may be prohibitive. Is it worse if that is necessary and a school district chooses not to spend money on that and taking some computers out of classrooms, or putting the entire state's network at risk?

**Mr. Ziegler:** I do understand your point. Taking computers out of the classroom to protect the state network would be the overall goal. I also think that in consultation we could address that situation and work with ITD instead of having something prescribed onto the schools.

**Rep. B. Koppelman:** If a product was prescribed that was unaffordable or unattainable to do right now, do you believe that ITD would not work with some of your districts that were in that position to come up with a plan on getting them there or some other method to ease into that?

**Mr. Ziegler:** I think what actually would happen would be that there would be consultation with ITD, but in the end there would have to be a decision. The way the bill is written here does not give school boards a method to appeal.

**Rep. Schauer:** Would it be your opinion that the IT people in the school districts would have the expertise to be able to do the kind of cybersecurity necessary given the threats that are out there?

**Mr. Ziegler:** Absolutely not in every school district. Every school district is different.

**Rep. Schauer:** Wouldn't your organization endorse having this opportunity to have that expertise? I know on the private side, security experts on the IT side have salaries that are probably \$150,000 to \$200,000 a year. Not too many school districts are going to pay that. Would it be better if the word is partnership rather than oversee, because I think the intent here is to help you?

**Mr. Ziegler:** I would completely agree with partnership.

**Rep. Rohr:** Why wasn't this brought up in the senate?

**Dr. Aimee Copas, Executive Director for the NDCEL,** appeared to answer Rep. Rohr's question. In the first version of the bill on the senate side the word was regulate, and we had conversations about an uncomfortable nature there as well. It was amended to state oversee, and we didn't have an opportunity to comment on the oversee amendment. We are just continuing to express our concerns. We think that partnership or in consultation is a beautiful term and reflects nicely. We just want to make sure that their intent carries forward in the future.

**Rep. Louser:** Is everybody in agreement with that idea?

**Chairman Kasper:** We will have that discussion when the hearing is closed.

**Rep. B. Koppelman:** I think it might be risky to move the school districts from subsection 16 to 17 because they don't possess those people. In 16 it says shall advise and oversee. The way I read it before some of the concerns were brought up was that advice would be given to the school districts and especially those school districts that couldn't figure out what to do with that advice, maybe there would be more consultation in how to get there. I do believe these small districts wouldn't need to be on the state network in its entirety either. You wouldn't have to update every computer to that level if they had limited budgets. They could have their own internal network that was not tied in with the state network for internet purposes and classroom purposes. I think the point being made of if this was forced on us, we would have get rid of all computers for students, might be a stretch. Does that seem to make sense to you?

**Dr. Copas:** I see your point with moving to sections. Perhaps a better resolution is just finding an amiable term that reflects ITD's intent a little bit better and gets rid of the boogeyman behind the word oversee. In regard to the part about getting rid of computers in our schools, in today's environment, probably one of the last approaches that we want to

look at is eliminating opportunities for our kids to live in today's very global and technological world, so we really do not want not to get to that point. If an easier and more readily resolution is to find a term that this committee could agree upon as we work with ITD to get at their intent, I would perhaps underscore that might be the easier approach so we don't see those negative consequences.

**Rep. B. Koppelman:** Do you recognize at some point, there has to be a black and white line where either you get to this point, or you can't be on the network? There needs to be a minimum standard to be on the network. Eventually somebody is going to have to make a decision on what that line is, and that's probably going to have to be ITD.

**Dr. Copas:** I believe that is what has been happening. What we are attempting to do is ensure that we are seeing ahead for future roadblocks that we could run into and smooth them out now rather than having to re approach this at a future session.

**Rep. Rohr:** Partnership would have to be defined. All of these schools fall under DPI so we would have to coordinated effort.

**Dr. Copas:** You are right. I get to rely on your expertise to come up with the right term.

**Rep. Rohr:** There is a little bit of a trust factor with regarding the words oversee versus partnership.

**Dr. Copas:** You are right. I think the schools have a really great partnership with ITD. We are always just concerned about what happens when leadership changes.

**Rep. Hoverson:** What about the word consult?

**Chairman Kasper:** We are going to do something about the wording after the hearing is done.

**Neutral**

**Darin King, Vice Chancellor for IT for the North Dakota University System,** appeared. We need to support a strategy across the state for cybersecurity. Yet, at the same time after having spent 20 years in K-12, I certainly understand the \_of my colleagues in K-12 regarding some of the language and the potential for the language.

**Chairman Kasper** closed the hearing.

**Chairman Kasper** formed a subcommittee of Rep. Louser, Koppelman, P. Anderson, and Laning. We have concerns about what is the process. We have concerns about legislators not being involved. Should we add a legislative study or should there be a task force? There is no report requirement. Should there be an emergency clause? Then there is the word correction.

Attachment 4 was given out by the law intern.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Fort Union Room, State Capitol

SB 2110  
3/18/2019  
33894

- Subcommittee  
 Conference Committee

Committee Clerk: Carmen Hart

### Explanation or reason for introduction of bill/resolution:

Relating to cybersecurity

### Minutes:

Attachment 1

**Chairman Louser** opened the subcommittee meeting on SB 2110. The other subcommittee members in attendance were Rep. Laning, Rep. P. Anderson, and Rep. B. Koppelman.

**Sean Wiese, Chief Information Security Officer, ITD**, presented a proposed amendment which is Attachment 1. The main reason for putting this piece in was to clearly identify the operational components when it comes to cybersecurity is not the intent of what SB 2110 is all about. It is entirely about setting strategy across all entities.

**Rep. P. Anderson:** It is not overseeing their security system. It is overseeing a strategy. I like your amendment. I think it says that this is a strategy. I don't know if we need another word other than oversee.

**Mr. Wiese:** This is outlining the definition for cybersecurity strategy as a whole. The other part of the legislation that was in there before talks about the advise and oversee component. It is meant to say that it is only related to strategy, so if we put those two pieces together it should work.

**Rep. P. Anderson:** Don't you have a plan of doing some kind of consolidation or some other plans in IT that may have been confused with the strategy of cybersecurity?

**Shawn Riley, Chief Information Officer for the State of ND**, spoke. Certainly, there is a lot of confusion with all of the different IT initiatives that are going on, so it is certainly understandable. In this case, our unification efforts are specifically only with the executive cabinet, and that is what ours is intended for our pilot organizations with our IT coming together as a single organization. We are looking to ensure that we can determine what is happening within this strategy.

**Rep. Laning:** Last time we talked about cybersecurity with the national guard. How are these two going to interact?

**Mr. Riley:** The national guard would be partnered with us with the cybersecurity resources they have when that is an accessible option. That means there are certain things from a cybersecurity strategy standpoint we can work together on, but it depends on when the national guard is legally allowed to be able to work in an event.

**Rep. B. Koppelman:** How do we get to the point where school districts, cities, etc. are in compliance at least to a minimum standard so that we can block attacks on a state system from coming through these entities? How does that all fit together beneath this strategy as far as implementation goes?

**Mr. Riley:** We need to start with an assessment of where are all of these organizations and entities. Once we have an idea, we can set a stage of this is what is likely to happen as a national institute of \_ technology with the cyberwarfare center on the federal side.

**Chair Louser:** Phase 1 would be the assessment. Phase 2 would be recommendation based on the assessment.

**Mr. Riley:** Recommendation based on the assessment and determining on who can get to where. That's likely going to take us up to this next session. When we get to the next session, we can determine what those risks are at that point.

**Chairman Louser:** What is phase 3?

**Mr. Riley:** At phase 3 we want to be able to have a defined strategy where every organization can look at this strategy and say here is the number of things that are expected of us. They can either use services that are offered through the shared service, or they can use their own services. Either way they would be attempting to attain to a certain cybersecurity level. The real idea of this is that you have to be this tall to get on the ride in Disney world, and you would have to be this tall to be relatively secure here in the state of ND.

**Chairman Louser:** What happens when they are not this tall?

**Mr. Riley:** There will be a lot of those organizations that are not this tall, and we have lots of different tactics to work with them. We just have to determine what is the most appropriate tactic.

**Chairman Louser:** What are your thoughts on the language advise and oversee instead of advise and consult?

**Mr. Riley:** Oversee gives us the capacity to verify. If regulate was still a word there, then we would have that ability to go and do something with that.

**Rep. P. Anderson:** We can't let one or two organizations impact the entire system.

**Mr. Riley:** This is the reality of today's world. As an example, last September we talked about 64 different school districts all hit with one attack. They are using one of the largest school systems to be able to pivot to one of the other larger school systems and then again to the larger school system and used the three of them to attack the entire platform of our

schools. This has happened to the cities and counties. The reality is that since we are on one network, we have to defend ourselves differently. A single platform is more cost effective, but it does mean that some organization has to have that oversee authority to ensure that we are defending each other from each other as much as from our adversaries.

**Rep. B. Koppelman:** As you go through this process and working with those political subs, do you believe ITD could be providing that service as one option to those political subs at a market, competitive rate?

**Mr. Riley:** For the desktop, chromebook, or ipad style defense, we have been able to negotiate a vastly better price than anybody else in the state is able to pay, because we have been able to do a consolidated price. We are vastly changing our service model so that we can be much more competitive. I don't want to mandate our service.

**Rep. B. Koppelman:** How do you feel about the amendment, Aimee?

**Aimee Copas:** We support this amendment. This definitely separates the operational from the strategic.

**Rep. P. Anderson:** Are you okay with oversee?

**Aimee Copas:** Yes, with this amendment.

**Chairman Louser:** Everybody can work together in the interim except the legislators that are not going to be assigned to any committee, and then you are going to report to us and consider that consulting?

**Mr. Riley:** When it comes to the consult component, we want to ensure that everyone is informed as possible on this.

**Rep. Laning:** What do you see as a manpower requirement to do this? Do you think you can handle it with your present sources?

**Mr. Riley:** We actually have this within our current budget structure. We have asked for \$11.4 million in expanded tool sets and 17 FTEs to be able to expand our resources so that we can cover the entirety of the 252,000 people that sit in STAGnet on a daily basis. That allows us to be vastly more efficient in resources, so we compare ourselves to other organizations. Starbucks is 254,000. They are a fortune 30 company. That makes us about the same size as a fortune 30 organization. Starbucks hired over 400 cybersecurity professionals last year, and that doesn't include the team they already had. Our encompassing team would be 28 with this extended 17.

**Rep. B. Koppelman:** Are those 17 moving from somewhere else by consolidating the cabinet level IT?

**Mr. Riley:** We have taken efficiencies within our operational areas and redistricted those FTEs so our biennial to biennial number will be flat.

**Chairman Louser:** I would entertain a motion to accept the amendment if everybody likes it.

**Rep. B. Koppelman moved to accept the amendment.**

**Rep. P. Anderson seconded the motion.**

**Voice vote to accept the amendment. Motion carries.**

**Chairman Louser:** Everybody is comfortable with the 2023 date? You are suggesting that you are probably going to complete phase 2 two years from now?

**Mr. Riley:** It is our hope.

**Rep. B. Koppelman moved to recommend do pass with this amendment to the full committee.**

**Rep. P. Anderson seconded the motion.**

**A roll call vote was taken. 4-0, 0 absent.**

**Rep. Louser** closed the meeting.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Fort Union Room, State Capitol

SB 2110  
3/21/2019  
34103

- Subcommittee  
 Conference Committee

Committee Clerk: Carmen Hart

### Explanation or reason for introduction of bill/resolution:

Relating to cybersecurity

### Minutes:

Attachment 1

**Chairman Kasper** opened the meeting on SB2110.

**Rep. Louser:** He handed out Attachment 1. The subcommittee met on Monday and passed this amendment unanimously. It seemed to be agreeable to everybody including the schools.

**Shawn Riley, Chief Information Officer for the state of ND,** appeared to do some more explaining. 2110 provides the authority for the central shared service to be able to advise and oversee across all aspects of government in regard to cybersecurity defense. In today's world we are taking 5.7 million attacks per month against the state of ND assets. In February 2018, we had an attack that hit 64 school districts across the state of ND. They were able to use one of our largest districts as a launching point to be able to go and attack 63 other districts. They used those districts as pivot points to attempt to go after the department of emergency services with the intent of being able to move toward the air force bases and other facilities across the state. We also indicated publicly about attacks that had been tracked to North Korea and other nation state actors with those nation state actors working across the world trying to get to different materials, but here in ND using one particular school district as a launching point to attack other very specific infrastructure components across the state. This amendment defines cybersecurity strategy. We wanted to avoid an aspect where school systems, cities, or counties felt that they had an unfunded mandate. What we are avoiding in that sense is defining strategy, ensuring that strategy is kept at a higher level, and operations are separate from that. What is happening in the meantime? To do something about the problem is actually part of our HB 1021 which is the appropriations bill for ITD that has within it a request for cybersecurity defense technology and cybersecurity FTEs. The technology component that we asked for was \$11.4 million that would expand all 252,000 people that are on our network on a comprehensive basis for defense. The FTE aspect also allows us to be able to manage that technology and operationalize that technology on a day to day basis. We had \$8.1 million approved for that technology. There were FTEs approved across the base, but they were unfunded FTEs. That is a concern for us that we are continuing to work through with the senate side.

**Chairman Kasper:** I appreciate the update. (09:30) I am concerned that a lot of the school districts in our state are inadequately protecting their data, and in some cases I believe they have no security whatsoever. From my perspective I think there ought to be a mandate. In today's opportunity to purchase some of this protection, in your investigation why haven't these schools acted already? (10:28)

**Mr. Riley:** The reality is that in today's world all organizations have to make their own risk assessment. They have to determine what they personally understand their risk to be. That risk assessment is, of course, informed by what they know and sometimes what they don't know is a big impact. In this case, most school districts within the state do not have any local cybersecurity trained staff. Every entity across the state has finite resource but infinite demand. Within that finite resource and infinite demand, they have to pick and choose. If I have to pick and choose between the school bus and the software, I know I have to have the school bus. I might be able to live without the software. The unfortunate part in today's world I don't believe that all of our entities across the state really understand the global nature of risk. They also have a challenge understanding really how much all of us endanger each other. Flathead Valley, Montana had a very serious incident this past year. Their entire school system was hit with a ransomware. A ransomware locks down all of the devices and data. What it did across their district was it made it that a senior would not be able to get a transcript to get to college. The ransomers went to the school district and said they owed them \$1 million to get their data back. The school said no and refused to pay that. When the ransomers didn't get any money, they started going to the parents by phoning them and stating if you don't do this, your child doesn't get to go to college, etc. Between homeland security and FBI and other organizations, they were able to help manage that and, frankly, it becomes very public. Whenever this becomes public, the bad guys get out very quickly, because they can ransom small things, but the second it becomes a big deal, all of a sudden every law enforcement organization looks at them. Do we have the ability to help a school the day after tomorrow versus are we waiting for two years? The reality is within our powers of 54-59-05.2 we have regulate capacity for STAGEnet for the defense of other organizations, so any organization that is currently in a security incident, we have the ability to step in and be able to aid them in whatever capacity necessary along with whatever resources we need to bring to bear whether that would be homeland security, national guard, cyber, etc.

**Chairman Kasper:** At this time, you have not been able to complete assessments of these various entities?

**Mr. Riley:** Our ability today is to ask, but we have no ability to ensure. We can advise, but we haven't had the ability to check.

**Chairman Kasper:** With your ability to check, do you also have the ability to require that the protective software become installed?

**Mr. Riley:** We want to be able to create a standard that you have to be this secure to be able to be on the network.

**Rep. Karls:** You want to put all of these agencies, departments, and school districts on STAGEnet? Doesn't that pose kind of a risk itself? If it fails, a lot of things fail.

**Mr. Riley:** Today all of those environments are on STAGEnet. The problem is that in the evolution of cybersecurity that environment was designed for connectivity; it was not designed for connectivity and security. What we are doing is we are evolving into security.

**Rep. Laning:** Does a school have the ability to know when they have been attacked?

**Mr. Riley:** It depends on the type of attack. Ransomware is very easily apparent. There are other types of attacks that are intended to be malicious and are not intended to be hidden. The university system was hit with what is called a denial of service attack. They used a whole bunch of machines to centrally attack one system. It was able to knock down websites and disrupt people being able to get services. The attacks that we deal with that are much more painful would be an attack that is meant to be hidden. Some examples were given. (20:52-23:14)

**Rep. Johnston:** Any system could be compromised. Is that correct?

**Mr. Riley:** The models that we have to use today is what is called defense in depth. The easiest thing to picture in your mind is an onion layer after layer. There is no single layer that absolutely works. Today a huge amount of our technology is online and it has direct access to the internet. The new world looks a lot more like a Bismarck. Everybody is in their car. You can drive everywhere and go anywhere you want. How do you secure yourself in that environment? You don't have a wall. We lock our car and our house. We have a safe in our house, and that defense in depth model is what we are applying to cybersecurity as well. The attackers that are coming at us are very well funded, knowledgeable, very good at what they are doing, and they are using artificial intelligence to attack us. Today most of our defense is very much machine versus machine. That is how we stay ahead of the game right now, because we are using that same artificial intelligence defense model.

**Rep. Rohr:** You said it is important that the assessment occurs. Is this part of the reason why the movement is to move all of the IT guys under one centralized system?

**Mr. Riley:** That is part of the scenario. This bill allows us to use that authority across all aspects without managing the rest of the IT, so higher ed. and local school districts keep their IT. Our capacity to see and manage specifically cybersecurity is what we are looking at doing here.

**Rep. Schauer:** Tell us about the assessment process.

**Mr. Riley:** The assessment process is a standardized list that comes from the national institute of standards and technology. They have what is called NIST 800 and NIST 860. Those two components garner cybersecurity across the entire nation and is kind of a baseline for cybersecurity. They have 16 categories of cyber defense. We start with a survey that we can send out to all these organizations. The first thing we will find is that many organizations don't have an IT person at all, so if they cannot fill out the survey, their risk score drops very low. If they can do the survey themselves, that is awesome. If they can't, we will have help within our organization to be able to help for that. From the risk score, then we determine do we send the big team or small team or do they not need a team to continue an evaluation? Then we get into what is called an ISA, an information security assessment.

**Rep. Schauer:** Do you fear the local school districts or other entities may just rely on you instead of getting the necessary help that they need?

**Mr. Riley:** At this point, I think it may be in their interest to rely on us and may be on the state's interest to help that happen. Cybersecurity today has a 0% unemployment rate. The national average salary is \$116,000 a year, and that rate is going up really fast. When you look at 400 organizations out there, there is no way the state of ND is going to be able to fund individual cybersecurity for all of these organizations. The only feasible way we are going to be able to pay for this is in a centralized shared service and manage those costs down to be able to have as tight of a team as we can have.

**Rep. Rohr:** Aren't you worried about a double agent?

**Mr. Riley:** I came from that world a little bit. I was trained by the US Army as a civilian to go and determine the validity of certain DOD sites, and I worked with DOD contractors and those type of things. One of the reasons you have to have defense in depth is because there are instances of your biggest threat being somebody inside the environment. Frankly, in the late 90s and early 2000s, the number one problem was what we loosely called industrial espionage or in some cases national espionage. We make sure there is no one who has universal access across the environment.

**Chairman Kasper:** With this bill plus the amendment, do you feel you will have the tools if you get the funding through 1021 to be able to move forward in the way that is in the best interest for our entities in our state?

**Mr. Riley:** We have all of these things conjoined with each other. We have SB 2110 giving us the authority. We have our appropriation for FTEs and software within 1021. We also have our unification efforts. As long as those three things are moving forward, we will have the capacity to be able to really improve the overall defense strategy of the state. (35:10)

Some students from St. Mary's Central High School had a representative come to the podium and expressed his thoughts on what had just been presented. (37:37)

**Rep. Louser moved to adopt the amendment.**

**Rep. Rohr seconded the motion.**

**Rep. Rohr:** We had one member from the NDCEL group in our meeting that had the most concern about the language. Were they present and okay with this.

**Rep. Louser:** Yes. They were there.

**Voice vote. Motion carries.**

**Rep. Louser made a motion for a DO PASS AS AMENDED.**

**Rep. B. Koppelman seconded the motion.**

House Government and Veterans Affairs Committee

SB 2110

3/21/19

Page 5

**A roll call vote was taken. 11-0, 3 absent.**

**Rep. Louser will carry the bill.**

## PROPOSED AMENDMENTS TO SENATE BILL NO. 2110

Page 1, after line 12, insert the following definition “ “Cybersecurity strategy” means a vision, plan of action or guiding principles. Unless otherwise defined in this chapter, it does not mean the associated operational plan.”

Reorder accordingly

DP 3/21/19

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2110

Page 1, after line 12, insert:

"3. "Cybersecurity strategy" means a vision, plan of action, or guiding principles. Unless otherwise defined in this chapter, the term does not mean an associated operational plan."

Page 1, line 13, replace "3." with "4."

Page 1, line 14, replace "4." with "5."

Page 1, line 17, replace "5." with "6."

Renumber accordingly





Date: 3-21-19  
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2110**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: Rep. Louser's amendment

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep. Louser Seconded By Rep. Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper			Rep. Pamela Anderson		
Vice Chair Vicky Steiner			Rep. Mary Schneider		
Rep. Jeff Hoverson					
Rep. Craig Johnson					
Rep. Daniel Johnston					
Rep. Karen Karls					
Rep. Ben Koppelman					
Rep. Vernon Laning					
Rep. Scott Louser					
Rep. Karen Rohr					
Rep. Austen Schauer					
Rep. Steve Vetter					

*Vote  
 Motion  
 Carries*

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 3-21-19  
 Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2110**

House Government and Veterans Affairs Committee  
 Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Louser Seconded By Rep. B. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Pamela Anderson	A	
Vice Chair Vicky Steiner	X		Rep. Mary Schneider	X	
Rep. Jeff Hoverson	A				
Rep. Craig Johnson	X				
Rep. Daniel Johnston	X				
Rep. Karen Karls	X				
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Karen Rohr	X				
Rep. Austen Schauer	X				
Rep. Steve Vetter	A				

Total (Yes) 11 No 0  
 Absent 3  
 Floor Assignment Rep. Louser

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

**REPORT OF STANDING COMMITTEE**

**SB 2110, as engrossed: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2110 was placed on the Sixth order on the calendar.

Page 1, after line 12, insert:

"3. "Cybersecurity strategy" means a vision, plan of action, or guiding principles. Unless otherwise defined in this chapter, the term does not mean an associated operational plan."

Page 1, line 13, replace "3." with "4."

Page 1, line 14, replace "4." with "5."

Page 1, line 17, replace "5." with "6."

Renumber accordingly

**2019 TESTIMONY**

**SB 2110**

**SB 2110 TESTIMONY**  
**SENATE POLITICAL SUBDIVISIONS COMMITTEE**  
**BY: DAN SIPES, CHIEF OPERATING OFFICER**  
**INFORMATION TECHNOLOGY DEPARTMENT (ITD)**  
**JANUARY 4, 2019**

Mr. Chairman and members of the committee, my name is Dan Sipes. I am the Chief Operating Officer at the Information Technology Department (ITD). I am here to express ITD support for Senate Bill 2110.

This bill adds a definition for cybersecurity to NDCC 54-59 and clarifies ITD's cybersecurity responsibilities by adding a duty to NDCC 54-59-05.

Addressing cybersecurity threats continues to be a top priority for ITD and for the Governor's office. In today's world, virtually every North Dakota citizen faces cyber threats on a daily basis. On average, the state of North Dakota defends against ~5.7 million attacks per month. In addition, more than 400 organizations across the state are individually responsible for their own cybersecurity and to defend against sophisticated cyber-attacks. This also means that there are 400+ approaches to cybersecurity strategy, execution and measurement, each varying in level of capability and maturity. Making this change to NDCC 54-59-05 will allow ITD to aid in the development of cybersecurity strategy across each of these organizations raising the collective security posture for the state of North Dakota as a whole.

While current legislation tasks ITD with the security of the network (STAGEnet) in NDCC 54-59-05.2 and NDCC 54-59-05.14, network security is simply one component in an overall, comprehensive security strategy. Today's cyber-attacks go beyond the network and aim to compromise a broader range of state targets, including computer systems, data and the users themselves. A comprehensive cybersecurity program should include, but is not limited to, security for networks, applications, computing infrastructure, data, end-user computing devices and user identities. This strategy is founded upon four core pillars: Defend against threats to North Dakota's citizens and critical infrastructure; Deliver world-class, highly automated and intelligent cybersecurity services; Adopt a whole-of-government approach to cybersecurity; and Prepare today's students and workforce for tomorrow's threats. This approach aligns with the K-12 and Higher Ed cyber-education strategies.

1.4.2019

SB 2110

W.T.#1

P. 2

The proposed language in 54-59-05.16 formalizes ITD's responsibility to develop and oversee a whole-of-government cybersecurity strategy for North Dakota state agencies, higher education institutions, counties, cities, and school districts.

State agencies have been collaborating on cybersecurity standards and guidelines for several years by way of the Enterprise Architecture program facilitated by ITD. This program includes representatives from various state agencies including participation from the judicial and legislative branches of government.

ITD has a regular cadence of communication on cybersecurity issues with the North Dakota University System Chief Information Officer and his staff. We also have standing meetings with the North Dakota Association of Counties technology staff on cybersecurity threats and practices impacting county government and their use of state systems. ITD also has staff dedicated to collaborating with North Dakota school districts on cybersecurity practices and the growing threats to their data and technology platforms.

The intent of this bill is that formalizing ITD's responsibility for cybersecurity coupled with the collaborative efforts of the partners noted above will allow us to leverage shared practices and tools and develop a singular shared cybersecurity strategy. A whole-of-government approach to cybersecurity is the most efficient and effective way to address the significant risks and challenges facing North Dakota networks, systems and data.

This concludes my remarks. I would be happy to answer any questions.

Dan Sipes  
Chief Operating Officer  
Information Technology Department  
(701) 328-4317  
dsipes@nd.gov

1.4.2019  
LB2110  
Written Testimony  
#2

January 4, 2019

Senate Political Subdivisions  
SB 2110

CHAIRMAN BURCKHARD AND MEMBERS OF THE COMMITTEE:

For the record, I am Blake Crosby, Executive Director of the North Dakota League of Cities representing the 357 incorporated cities across the State.

I am testifying in favor of SB 2110. As you have heard from ITD there is an incredible number of attacks on a monthly basis and the persons engaging in this "digital extortion" are relentless. Why, because they can and there is money involved. My cities, regardless of size, are no exception. We need the security and expertise that ITD can provide with this bill.

These criminals even have their own lingo...I am sure most of us have heard of viruses, phishing, DDoS (denial of service), ransomware, spoofing, the dark web and the alphabet goes on. This is not petty theft any longer; it has crossed over into the felony arena because of the amount of money involved.

The League, with services and guidance offered by ITD, will ramp up our communication and education platforms to continue to educate our cities on not becoming a victim.

I urge a do-pass on SB 2110.

Thank you for your time and consideration. I will try to answer any questions.

1.4.2019  
J.B. 2110  
Written Testimony  
#3

Good morning.

Chairman Burkhard and members of the committee. For the record my name is Larry Zubke.

For the past 10 years I have served as the Director of Technology for the Judicial Branch.

I am here today to express my opposition to the proposed amendments on this bill.

During the past 10 years, I feel that the Courts shared a good working relationship with ITD. While it may not have always been a perfect marriage, we've worked diligently as partners to setup and configure the existing network switches, firewalls, etc. that the court's use today statewide. And we've collaborated with them to maintain these networks on a daily basis.

We've worked with ITD on other security matters such as applying security patches to the court servers and PCs in a timely manner.

We've also worked with them to institute annual mandatory cybersecurity training for all judicial personnel.

I like to say we take the security and safety of our judicial data very seriously.

My issue with these amendments is with the wording in Paragraph 16. I believe it is written somewhat vague. And that the words,

"Shall advise, oversee, and REGULATE CYBERSECURITY STRATEGY for all STATE AGENCIES" could be interpreted to mean that the Judicial Branch's data would be owned and controlled by the executive branch. I don't feel this is correct.

This appears to take away the Court's ownership of their own data.

If this wording was left in the statute as is, I believe it would be best to add additional wording to the paragraph such as, "With consultation and approval from the agency who owns the systems and information."

This concludes my testimony. Thank you for your time.

SB 2110  
2.1.2019  
Written attachment  
#1 p.1

## SENATE BILL NO. 2110 – Summary of Changes

- NDCC 54-59-01 Adds a Definition of Cybersecurity:
  - 2. "Cybersecurity" means processes or capabilities, wherein, systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.
  - The amendments make no change to the this portion of the bill.
- NDCC 54-59-05 Adds cybersecurity duties for the department
  - Original Bill Language:
    - 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state.
  - Revised Bill Language:
    - 16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education and for all counties, cities, school districts, or other political subdivision. With respect to the attorney general the department shall advise on cybersecurity strategy.
    - 17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy for the judicial and legislative branches.
- Summary of changes the amendment makes to the bill
  - Removes the word "regulate" since multiple parties had concerns with that particular word.
  - Adds "or other political subdivision" to address concerns from some political subdivisions that they may be inadvertently excluded by the original language in the bill.
  - Adds language to only advise the office of attorney general due to potential conflicts with the FBI regarding the word "oversee" used in conjunction with the office of attorney general's responsibilities surrounding CJIS data.
  - Moves cybersecurity collaboration with the judicial and legislative branch into duty 17 with "advise and consult" language which better reflects the stakeholders desire to continue to collaborate on cybersecurity without adding language that might infringe on the separation of powers for the separate branches of government.

SB 2110  
2.1.2019  
#1.P.2

**NDLA, S PSD - Wocken, Mary Jo**

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**From:** Burckhard, Randall A.  
**Sent:** Monday, January 28, 2019 9:18 AM  
**To:** NDLA, S PSD - Wocken, Mary Jo  
**Subject:** FW: Amendment to SB 2110  
**Attachments:** SB 2110 Bill Amendment-20190126.docx

**From:** Sipes, Daniel E.  
**Sent:** Saturday, January 26, 2019 2:39 PM  
**To:** Burckhard, Randall A. <raburckhard@nd.gov>  
**Cc:** Wiese, Sean P. <swiese@nd.gov>; Goebel, Molly B. <mgoebel@nd.gov>; Holewa, Sally <sholewa@ndcourts.gov>  
**Subject:** RE: Amendment to SB 2110

Good afternoon Senator Burckhard,

Thank you for allowing us more time last week to visit with additional stakeholders about their concerns. I believe we have an amendment that addresses the concerns that have been brought to our attention.

The original version of SB 2110 added a definition for cybersecurity to NDCC 54-59-01 and added a duty to NDCC 54-59-05 which reads as follows:

- 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state.

The revised language reflected in the proposed amendment would read as follows:

- 16. Shall advise and oversee cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivision of this state. With respect to the office of attorney general, which is the designated North Dakota criminal justice agency for CJIS information, the department shall only advise on cybersecurity strategy.
- Here is a version showing which portions of SB 2110 the amendment proposes to remove and what it proposes to add:  
16. Shall advise, and oversee, and regulate cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts, in the or other political subdivision of this state. With respect to the office of attorney general, which is the designated North Dakota criminal justice agency for CJIS information, the department shall only advise on cybersecurity strategy.

The following is a summary of the changes proposed in the amendment:

- We are removing the word "regulate" since multiple parties had concerns with that particular word.
- The judicial branch suggested adding the phrase "in consultation with the legislative and judicial branches".
- We added "or other political subdivision of this state" to address the Recreation and Park Association concern that they and other political subdivisions may be inadvertently excluded by the original language in the bill. The phrase we are adding is also found in NDCC 54-59-05.13.

SB 2110  
2.1.2019 #.1  
P3

- We added language to only advise the office of attorney general due to potential conflicts with the FBI regarding the word "oversee" used in conjunction with the office of attorney general's responsibilities surrounding CJIS data.

Thank you for the additional time to collaborate with the stakeholders. We would be happy to discuss the proposed changes and answer any questions you or other committee members may have regarding the amendment.

Dan Sipes

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*Chief Operating Officer*  
*State of ND Information Technology Department*  
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 701.328.4317  
 -----

**From:** Sipes, Daniel E.  
**Sent:** Monday, January 21, 2019 5:25 PM  
**To:** Burckhard, Randall A. <[raburckhard@nd.gov](mailto:raburckhard@nd.gov)>  
**Cc:** Wiese, Sean P. <[swiese@nd.gov](mailto:swiese@nd.gov)>  
**Subject:** RE: Amendment to SB 2110

Good evening Senator Burckhard,

Just a quick note to let you know we may want to defer one more week to have the follow-up hearing on SB 2110. We have been having conversations with the Attorney General's office regarding concerns about how this language might impact their responsibilities for CJIS data. We are scheduled to have more conversations with them this week about another potential amendment to the language in this bill.

I will let you know how the conversations are going after our meetings later this week.

Dan

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 701.328.4317  
 -----

**From:** Sipes, Daniel E.  
**Sent:** Monday, January 14, 2019 7:57 PM  
**To:** Burckhard, Randall A. <[raburckhard@nd.gov](mailto:raburckhard@nd.gov)>

LB2110  
2.1.2019  
#1 p.4

Cc: Wiese, Sean P. <[swiese@nd.gov](mailto:swiese@nd.gov)>

Subject: Amendment to SB 2110

Good evening Senator Burckhard,

As we discussed last week, we have been working on an amendment that would address the concerns of the various stakeholders who have provided valuable feedback on SB 2110.

The original version of SB 2110 added a definition for cybersecurity to NDCC 54-59-01 and added a duty to NDCC 54-59-05 which read as follows:

- 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state.

The revised language reflected in the proposed amendment would read as follows:

- 16. Shall advise and oversee cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivision of this state.
- Here is a version showing which portions of SB 2110 the amendment proposes to remove and add:  
16. Shall advise, and oversee, ~~and regulate~~ cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, ~~and~~ school districts, in the or other political subdivision of this state.

The following is a summary of the changes proposed in the amendment:

- We are removing the word “regulate” since multiple parties had concerns with that particular word.
- The judicial branch suggested adding the phrase “in consultation with the legislative and judicial branches”.
- We added “or other political subdivision of this state” to address the Recreation and Park Association concern that they and other political subdivision may be inadvertently excluded by the original language in the bill. The phrase we are adding is also found in NDCC 54-59-05.13.

Thank you for the extra time to collaborate with the stakeholders who expressed some initial concerns with the bill. We would be happy to discuss the proposed changes and answer any questions you or other committee members may have regarding the amendment.

Dan Sipes

-----  
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SB 2110  
2.1.2019  
Att # 2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2110

Page 4, line 17, after "advise" remove the underscored comma and insert "and"

Page 4, line 17, remove ", and regulate"

Page 4, line 17, after "all" insert "executive branch"

Page 4, line 19, remove "and"

Page 4, line 19, replace "in the" with ", or other political subdivision" and remove "state"

Page 4, line 19, after "state." insert "With respect to the attorney general the department shall advise on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy for the judicial and legislative branches."

Page 7, line 5, after "advise" remove the underscored comma and insert "and"

Page 7, line 5, remove ", and regulate"

Page 7, line 5, after "all" insert "executive branch"

Page 7, line 7, remove "and"

Page 7, line 7, replace "in the" with ", or other political subdivision" and remove "state"

Page 7, line 7, after "state." insert "With respect to the attorney general the department shall advise on cybersecurity strategy."

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy for the judicial and legislative branches."

Renumber accordingly

LB 2110  
2.1.2019  
#3  
p.1-7

19.8091.01000

Sixty-sixth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2110**

Introduced by

Political Subdivisions Committee

(At the request of the Information Technology Department)

1 A BILL for an Act to amend and reenact sections 54-59-01 and 54-59-05 of the North Dakota  
2 Century Code, relating to cybersecurity.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-59-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-59-01. Definitions.**

7 As used in this chapter:

8 1. "Agency" or "entity" does not include any agricultural commodity promotion group or  
9 any occupational or professional board.

10 2. "Cybersecurity" means processes or capabilities, wherein, systems, communications,  
11 and information are protected and defended against damage, unauthorized use or  
12 modification, and exploitation.

13 3. "Department" means the information technology department.

14 ~~3.4.~~ "Information technology" means the use of hardware, software, services, and  
15 supporting infrastructure to manage and deliver information using voice, data, and  
16 video.

17 ~~4.5.~~ "Network services" means the equipment, software, and services necessary to  
18 transmit voice, data, or video.

19 **SECTION 2. AMENDMENT.** Section 54-59-05 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **54-59-05. Powers and duties of department. (Effective through July 31, 2023)**

22 The department:



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- 1 education, shall submit to the department, in accordance with guidelines established  
2 by the department, a written request for the lease, purchase, or other contractual  
3 acquisition of information technology. The department shall review requests for  
4 conformance with the requesting entity's information technology plan and compliance  
5 with statewide policies and standards. If the request is not in conformance or  
6 compliance, the department may disapprove the request or require justification for the  
7 departure from the plan or statewide policy or standard.
- 8 6. Shall provide information technology, including assistance and advisory service, to the  
9 executive, legislative, and judicial branches. If the department is unable to fulfill a  
10 request for service from the legislative or judicial branch, the information technology  
11 may be procured by the legislative or judicial branch within the limits of legislative  
12 appropriations.
- 13 7. Shall request and review information, including project startup information  
14 summarizing the project description, project objectives, business need or problem,  
15 cost-benefit analysis, and project risks and a project closeout information summarizing  
16 the project objectives achieved, project budget and schedule variances, and lessons  
17 learned, regarding any major information technology project of an executive branch  
18 agency. The department shall present the information to the information technology  
19 committee on request of the committee.
- 20 8. May request and review information regarding any information technology project of  
21 an executive branch agency with a total cost of between one hundred thousand and  
22 five hundred thousand dollars as determined necessary by the department. The  
23 department shall present the information to the information technology committee on  
24 request of the committee.
- 25 9. Shall study emerging technology and evaluate its impact on the state's system of  
26 information technology.
- 27 10. Shall develop guidelines for reports to be provided by each agency of the executive,  
28 legislative, and judicial branches, excluding the institutions under the control of the  
29 board of higher education, on information technology in those entities.

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- 1 11. Shall collaborate with the state board of higher education on guidelines for reports to  
2 be provided by institutions under control of the state board of higher education on  
3 information technology in those entities.
- 4 12. Shall perform all other duties necessary to carry out this chapter.
- 5 13. May provide wide area network services to a state agency, city, county, school district,  
6 or other political subdivision of this state. The information technology department may  
7 not provide wide area network service to any private, charitable, or nonprofit entity  
8 except the information technology department may continue to provide the wide area  
9 network service the department provided to the private, charitable, and nonprofit  
10 entities receiving services from the department on January 1, 2003.
- 11 14. Shall assure proper measures for security, firewalls, and internet protocol addressing  
12 at the state's interface with other facilities.
- 13 15. Notwithstanding subsection 13, may provide wide area network services for a period  
14 not to exceed four years to an occupant of a technology park associated with an  
15 institution of higher education or to a business located in a business incubator  
16 associated with an institution of higher education.
- 17 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies,  
18 including institutions under the control of the state board of higher education, counties,  
19 cities, and school districts in the state.

**Powers and duties of department. (Effective after July 31, 2023)**

21 The department:

- 22 1. Shall provide, supervise, and regulate information technology of all executive branch  
23 state entities, excluding the institutions under the control of the board of higher  
24 education.
- 25 2. Shall provide network services in a way that ensures the network requirements of a  
26 single entity do not adversely affect the functionality of the whole network, facilitates  
27 open communications with the citizens of the state, minimizes the state's investment in  
28 human resources, accommodates an ever-increasing amount of traffic, supports rapid  
29 detection and resolution of problems, protects the network infrastructure from damage  
30 and security breaches, provides for the aggregation of data, voice, video, and

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- 1 multimedia into a statewide transport mechanism or backbone, and provides for the  
2 network support for the entity to carry out its mission.
- 3 3. May review and approve additional network services that are not provided by the  
4 department.
- 5 4. May purchase, finance the purchase, or lease equipment, software, or implementation  
6 services or replace, including by trade or resale, equipment or software as may be  
7 necessary to carry out this chapter. An agreement to finance the purchase of software,  
8 equipment, or implementation services may not exceed a period of five years. The  
9 department shall submit any intended financing proposal for the purchase of software,  
10 equipment, or implementation services under this subsection, which is in excess of  
11 one million dollars, to the budget section of the legislative management or the  
12 legislative assembly before executing a financing agreement. If the budget section or  
13 the legislative assembly does not approve the execution of a financing agreement, the  
14 department may not proceed with the proposed financing arrangement. The  
15 department may finance the purchase of software, equipment, or implementation  
16 services only to the extent the purchase amount does not exceed seven and one-half  
17 percent of the amount appropriated to the department during that biennium.
- 18 5. Shall review requests for lease, purchase, or other contractual acquisition of  
19 information technology as required by this subsection. Each executive branch agency  
20 or institution, excluding the institutions under the control of the board of higher  
21 education, shall submit to the department, in accordance with guidelines established  
22 by the department, a written request for the lease, purchase, or other contractual  
23 acquisition of information technology. The department shall review requests for  
24 conformance with the requesting entity's information technology plan and compliance  
25 with statewide policies and standards. If the request is not in conformance or  
26 compliance, the department may disapprove the request or require justification for the  
27 departure from the plan or statewide policy or standard.
- 28 6. Shall provide information technology, including assistance and advisory service, to the  
29 executive, legislative, and judicial branches. If the department is unable to fulfill a  
30 request for service from the legislative or judicial branch, the information technology

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- 1           may be procured by the legislative or judicial branch within the limits of legislative  
2           appropriations.
- 3        7.    Shall request and review information, including project startup information  
4           summarizing the project description, project objectives, business need or problem,  
5           cost-benefit analysis, and project risks and a project closeout information summarizing  
6           the project objectives achieved, project budget and schedule variances, and lessons  
7           learned, regarding any major information technology project of an executive branch  
8           agency. The department shall present the information to the information technology  
9           committee on request of the committee.
- 10       8.   May request and review information regarding any information technology project of  
11        an executive branch agency with a total cost of between one hundred thousand and  
12        five hundred thousand dollars as determined necessary by the department. The  
13        department shall present the information to the information technology committee on  
14        request of the committee.
- 15       9.    Shall study emerging technology and evaluate its impact on the state's system of  
16        information technology.
- 17       10.   Shall develop guidelines for reports to be provided by each agency of the executive,  
18        legislative, and judicial branches, excluding the institutions under the control of the  
19        board of higher education, on information technology in those entities.
- 20       11.   Shall collaborate with the state board of higher education on guidelines for reports to  
21        be provided by institutions under control of the state board of higher education on  
22        information technology in those entities.
- 23       12.   Shall perform all other duties necessary to carry out this chapter.
- 24       13.   May provide wide area network services to a state agency, city, county, school district,  
25        or other political subdivision of this state. The information technology department may  
26        not provide wide area network service to any private, charitable, or nonprofit entity  
27        except the information technology department may continue to provide the wide area  
28        network service the department provided to the private, charitable, and nonprofit  
29        entities receiving services from the department on January 1, 2003.
- 30       14.   Shall assure proper measures for security, firewalls, and internet protocol addressing  
31        at the state's interface with other facilities.

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- 1        15.    Notwithstanding subsection 13, may provide wide area network services for a period  
2            not to exceed four years to an occupant of a technology park associated with an  
3            institution of higher education or to a business located in a business incubator  
4            associated with an institution of higher education.
- 5        16.    Shall advise, oversee, and regulate cybersecurity strategy for all state agencies,  
6            including institutions under the control of the state board of higher education, counties,  
7            cities, and school districts in the state.

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## NDLA, Intern 02 - Carthew, Alexandra

---

**From:** Lee, Judy E.  
**Sent:** Thursday, January 31, 2019 11:18 AM  
**Subject:** NDLA, Intern 02 - Carthew, Alexandra  
Re: Fargo Cass Public Health - Environmental Health Division

Would you please print this for Pol Subs members? My iPad tells me that my earlier message went to Samantha Kramer.

Judy Lee  
1822 Brentwood Court  
West Fargo, ND 58078  
Phone: 701-282-6512  
e-mail: [jlee@nd.gov](mailto:jlee@nd.gov)

On Jan 31, 2019, at 11:06 AM, Lee, Judy E. <[jlee@nd.gov](mailto:jlee@nd.gov)> wrote:

Would you please print this message from Grant Larson for members of the Pol. Subs committee?

Judy Lee  
1822 Brentwood Court  
West Fargo, ND 58078  
Phone: 701-282-6512  
e-mail: [jlee@nd.gov](mailto:jlee@nd.gov)

Begin forwarded message:

**From:** Grant Larson <[GLarson@FargoND.gov](mailto:GLarson@FargoND.gov)>  
**Date:** January 31, 2019 at 8:53:36 AM CST  
**To:** Senator Judy Lee <[JudyLee@cityoffargo.com](mailto:JudyLee@cityoffargo.com)>  
**Cc:** Desi Fleming <[DFleming@FargoND.gov](mailto:DFleming@FargoND.gov)>  
**Subject:** RE: Fargo Cass Public Health - Environmental Health Division

Good morning and thank you for your response,

The evolution story of the septic code is quite long, but you are correct, the end goal would be a ND universal septic code that would be administered by a state entity to provide consistent regulation for industry as well as homeowners.

Currently, the septic code and associated training is a "grass roots" program where the local health units, to include Fargo Cass Public Health, have agreed to utilize a universal code which is based on administrative septic code 62-03.1. However, there is currently no state department that administers or enforces the code to support the local health units. If there was state entity that took ownership and oversight of a universal septic code it would provide consistent administration, regulation, and education.

Since there is no state administration, local health departments/units have had to present/persuade individual county commissions or boards of health to approve/adopt the "grass roots" universal code and education. This has been a lengthy process which

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is not always successful especially when politics are involved. Case in point, Ransom County Board of Health initially adopted our universal code, but then the Ransom County Commission was politically influenced to retract the septic code, which is within their scope of authority. I am not sure if you have had a chance to review the attached onsite septic map, but as you can see, Ransom County is now gray or has chosen to not enforce/implement the "grass roots" universal septic code or any associated code.

We envision a ND universal septic code to be administered similar to the current FDA food program. The State Department of Health, Division of Food and Lodging, enforces the food code through MOU's with local health departments/units (see my second attachment). We strongly believe this state administrative model of enforcement would work well for the septic code. All septic inspections, licensing, and education would be conducted at the local level, not to tax state entities or resources.

Once again, I hope to have the chance to talk with you more about this topic next week at the Public Health Day, Feb. 6, 2019, in the great hall.

We appreciate your time, cooperation, and support with this matter.

Grant Larson

**From:** Lee, Judy E. <jlee@nd.gov>  
**Sent:** Monday, January 28, 2019 10:11 PM  
**To:** Grant Larson <GLarson@FargoND.gov>  
**Subject:** RE: Fargo Cass Public Health - Environmental Health Division

The idea of uniform rules, rather than enabling public health units to develop their own rules, based on soil conditions, etc., was part of our committee discussion.

How are you going to have uniform rules for the whole state?

Senator Judy Lee  
1822 Brentwood Court  
West Fargo, ND 58078  
home phone: 701-282-6512  
e-mail: [jlee@nd.gov](mailto:jlee@nd.gov)

**From:** Grant Larson <GLarson@FargoND.gov>  
**Sent:** Monday, January 28, 2019 11:48 AM  
**To:** Senator Judy Lee <JudyLee@cityoffargo.com>  
**Cc:** Desi Fleming <DFleming@FargoND.gov>  
**Subject:** Fargo Cass Public Health - Environmental Health Division

Good morning Senator Lee,

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My name is Grant Larson, I am the Director of Environmental Health at Fargo Cass Public Health.

Our division administers the current Onsite Sewage Treatment System (OSTS) "septic" program for the SE ND Public Health Collaborative, which is made up of Cass, Richland, Sargent, Ransom, Traill, and Steele counties.

I heard you spoke to Keith Johnson about SB 2241, associated with the potential study to examine the implementation of a statewide septic code.

For the record, our Division, in direct collaboration with industry partners, supports SB 2241.

If you have any questions, or need additional information, please feel free to contact me directly at (701) 241-1388.

Sincerely,

Grant Larson

PS – I thought I would also take this time to remind you that we will be at the capital, February 6, to support the legislative Public Health Day. Please feel free to stop by if you wish to discuss the septic or any other Public Health related program.

<LPHU On-site Sewer map.pdf>

<NDDoH MOU Public Health Practices Food.pdf>

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## NDLA, S PSD - Wocken, Mary Jo

---

**From:** Burckhard, Randall A.  
**Sent:** Monday, January 28, 2019 9:18 AM  
**To:** NDLA, S PSD - Wocken, Mary Jo  
**Subject:** FW: Amendment to SB 2110  
**Attachments:** SB 2110 Bill Amendment-20190126.docx

**From:** Sipes, Daniel E.  
**Sent:** Saturday, January 26, 2019 2:39 PM  
**To:** Burckhard, Randall A. <raburckhard@nd.gov>  
**Cc:** Wiese, Sean P. <swiese@nd.gov>; Goebel, Molly B. <mgoebel@nd.gov>; Holewa, Sally <sholewa@ndcourts.gov>  
**Subject:** RE: Amendment to SB 2110

Good afternoon Senator Burckhard,

Thank you for allowing us more time last week to visit with additional stakeholders about their concerns. I believe we have an amendment that addresses the concerns that have been brought to our attention.

The original version of SB 2110 added a definition for cybersecurity to NDCC 54-59-01 and added a duty to NDCC 54-59-05 which reads as follows:

- 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state.

The revised language reflected in the proposed amendment would read as follows:

- 16. Shall advise and oversee cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivision of this state. With respect to the office of attorney general, which is the designated North Dakota criminal justice agency for CJIS information, the department shall only advise on cybersecurity strategy.
- Here is a version showing which portions of SB 2110 the amendment proposes to remove and what it proposes to add:  
16. Shall advise, and oversee, and regulate cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts, in the or other political subdivision of this state. With respect to the office of attorney general, which is the designated North Dakota criminal justice agency for CJIS information, the department shall only advise on cybersecurity strategy.

The following is a summary of the changes proposed in the amendment:

- We are removing the word "regulate" since multiple parties had concerns with that particular word.
- The judicial branch suggested adding the phrase "in consultation with the legislative and judicial branches".
- We added "or other political subdivision of this state" to address the Recreation and Park Association concern that they and other political subdivisions may be inadvertently excluded by the original language in the bill. The phrase we are adding is also found in NDCC 54-59-05.13.

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- We added language to only advise the office of attorney general due to potential conflicts with the FBI regarding the word “oversee” used in conjunction with the office of attorney general’s responsibilities surrounding CJIS data.

Thank you for the additional time to collaborate with the stakeholders. We would be happy to discuss the proposed changes and answer any questions you or other committee members may have regarding the amendment.

Dan Sipes

-----  
*Dan Sipes*  
 Chief Operating Officer  
 State of ND Information Technology Department  
 4201 Normandy Street  
 Bismarck, ND 58503-1324  
[dsipes@nd.gov](mailto:dsipes@nd.gov)  
 701.328.4317  
 -----

**From:** Sipes, Daniel E.  
**Sent:** Monday, January 21, 2019 5:25 PM  
**To:** Burckhard, Randall A. <[raburckhard@nd.gov](mailto:raburckhard@nd.gov)>  
**Cc:** Wiese, Sean P. <[swiese@nd.gov](mailto:swiese@nd.gov)>  
**Subject:** RE: Amendment to SB 2110

Good evening Senator Burckhard,

Just a quick note to let you know we may want to defer one more week to have the follow-up hearing on SB 2110. We have been having conversations with the Attorney General’s office regarding concerns about how this language might impact their responsibilities for CJIS data. We are scheduled to have more conversations with them this week about another potential amendment to the language in this bill.

I will let you know how the conversations are going after our meetings later this week.

Dan

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*Dan Sipes*  
 Chief Operating Officer  
 State of ND Information Technology Department  
 4201 Normandy Street  
 Bismarck, ND 58503-1324  
[dsipes@nd.gov](mailto:dsipes@nd.gov)  
 701.328.4317  
 -----

**From:** Sipes, Daniel E.  
**Sent:** Monday, January 14, 2019 7:57 PM  
**To:** Burckhard, Randall A. <[raburckhard@nd.gov](mailto:raburckhard@nd.gov)>

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Cc: Wiese, Sean P. <[swiese@nd.gov](mailto:swiese@nd.gov)>

Subject: Amendment to SB 2110

Good evening Senator Burckhard,

As we discussed last week, we have been working on an amendment that would address the concerns of the various stakeholders who have provided valuable feedback on SB 2110.

The original version of SB 2110 added a definition for cybersecurity to NDCC 54-59-01 and added a duty to NDCC 54-59-05 which read as follows:

- 16. Shall advise, oversee, and regulate cybersecurity strategy for all state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state.

The revised language reflected in the proposed amendment would read as follows:

- 16. Shall advise and oversee cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivision of this state.
- Here is a version showing which portions of SB 2110 the amendment proposes to remove and add:  
16. Shall advise, and oversee, and regulate cybersecurity strategy, in consultation with the legislative and judicial branches, for all state agencies, including institutions under the control of the state board of higher education, counties, cities, ~~and~~ school districts, in the or other political subdivision of this state.

The following is a summary of the changes proposed in the amendment:

- We are removing the word “regulate” since multiple parties had concerns with that particular word.
- The judicial branch suggested adding the phrase “in consultation with the legislative and judicial branches”.
- We added “or other political subdivision of this state” to address the Recreation and Park Association concern that they and other political subdivision may be inadvertently excluded by the original language in the bill. The phrase we are adding is also found in NDCC 54-59-05.13.

Thank you for the extra time to collaborate with the stakeholders who expressed some initial concerns with the bill. We would be happy to discuss the proposed changes and answer any questions you or other committee members may have regarding the amendment.

Dan Sipes

-----  
*Dan Sipes*  
*Chief Operating Officer*  
*State of ND Information Technology Department*  
*4201 Normandy Street*  
*Bismarck, ND 58503-1324*  
[dsipes@nd.gov](mailto:dsipes@nd.gov)  
701.328.4317  
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# 1  
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**SB 2110 TESTIMONY**  
**HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE**  
**BY: SEAN WIESE, CHIEF INFORMATION SECURITY OFFICER**  
**INFORMATION TECHNOLOGY DEPARTMENT (ITD)**  
**MARCH 8, 2019**

Mr. Chairman and members of the committee, my name is Sean Wiese. I am the Chief Information Security Officer at the Information Technology Department (ITD). I am here to express ITD support for Senate Bill 2110.

This bill adds a definition for cybersecurity to NDCC 54-59 and clarifies ITD's cybersecurity responsibilities by adding duties to NDCC 54-59-05.

Addressing cybersecurity threats continues to be a top priority for ITD and for the Governor's office. In today's world, virtually every North Dakota citizen faces cyber threats on a daily basis. On average, the state of North Dakota defends against ~5.7 million attacks per month. In addition, more than 400 organizations across the state are individually responsible for their own cybersecurity and to defend against sophisticated cyber-attacks. This also means that there are 400+ approaches to cybersecurity strategy, execution and measurement, each varying in level of capability and maturity. Making this change to NDCC 54-59-05 will allow ITD to aid in the development of cybersecurity strategy across each of these organizations raising the collective security posture for the state of North Dakota as a whole.

While current legislation tasks ITD with the security of the network (STAGEnet) in NDCC 54-59-05.2 and NDCC 54-59-05.14, network security is simply one component in an overall, comprehensive security strategy. Today's cyber-attacks go beyond the network and aim to compromise a broader range of state targets, including computer systems, data and the users themselves. A comprehensive cybersecurity program should encompass, but not be limited to, security for networks, applications, computing infrastructure, data, end-user computing devices and user identities. The underlying cybersecurity strategy would be founded upon pillars such as: Protect North Dakota's citizens and critical infrastructure from cyber threat; Adopt a whole-of-government approach to cybersecurity; and Prepare today's students and workforce for tomorrow's threats.

The proposed language in 54-59-16 and 54-59-17 formalizes ITD's responsibility to develop and oversee a whole-of-government cybersecurity

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strategy for North Dakota state agencies, higher education institutions, counties, cities, and school districts.

State agencies have been collaborating on cybersecurity standards and guidelines for several years by way of the Enterprise Architecture program facilitated by ITD. This program includes representatives from various state agencies including participation from the judicial and legislative branches of government.

ITD has a regular cadence of communication on cybersecurity issues with the North Dakota University System Chief Information Officer and his staff. We also have standing meetings with the North Dakota Association of Counties technology staff on cybersecurity threats and practices impacting county government and their use of state systems. ITD also has staff dedicated to collaborating with North Dakota school districts on cybersecurity practices and the growing threats to their data and technology platforms.

The intent of this bill is that formalizing ITD's responsibility for cybersecurity coupled with the collaborative efforts of the partners noted above will allow us to leverage shared practices and tools and develop a singular shared cybersecurity strategy. A whole-of-government approach to cybersecurity is the most efficient and effective way to address the significant risks and challenges facing North Dakota networks, systems and data.

This concludes my remarks. I would be happy to answer any questions.

Sean Wiese  
Chief Information Security Officer  
Information Technology Department  
(701) 328-1985  
swiese@nd.gov

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3-8-19

March 8, 2019

House Government and Veterans Affairs  
SB 2110

CHAIRMAN KASPER AND MEMBERS OF THE COMMITTEE:

For the record, I am Blake Crosby, Executive Director of the North Dakota League of Cities representing the 357 incorporated cities across the State.

I am testifying in favor of SB 2110. As you have heard from ITD there is an incredible number of attacks on a monthly basis and the persons engaging in this "digital extortion" are relentless. Why, because they can, and there is money involved. My cities, regardless of size, are no exception. We need the security and expertise that ITD can provide with this bill.

These criminals even have their own lingo...I am sure most of us have heard of viruses, phishing, DDoS (denial of service), ransomware, spoofing, the dark web and the alphabet goes on. This is not petty theft any longer; it has crossed over into the felony arena because of the amount of money involved.

The League, with services and guidance offered by ITD, will ramp up our communication and education platforms to continue to educate our cities on not becoming a victim.

I urge a do-pass on SB 2110.

Thank you for your time and consideration. I will try to answer any questions.



125 Slate Drive STE 7 Bismarck, ND 58503

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**House Government & Veterans Affairs Committee**  
**March 8, 2019**  
**SB 2110**  
**Testimony in Opposition**

Good morning Chairman Kasper and members of the House Government and Veterans Affairs Committee, I am here today representing NDCEL which is the organization which encompasses our K12 school superintendents, principals, county superintendents, CTE Directors, Technology Leaders, REA Directors, Business officials, Special Education Directors, Athletic Directors, Instructional Coaches, among others. While we understand the intent of the bill, we have concerns about the unfunded mandate that may result. Therefore, we stand before you today in opposition to SB 2110.

On the last page of the bill in subsection 16, the bill says ITD . . . "Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, and school districts in the state, or other political subdivisions". The words "advise" and "oversee" indicate that this is not a participatory form of strategy. Our members come from school districts that vary greatly in size and budget. If we do not have a voice at the table, how can ITD presume to know our needs. School districts use technology very differently than state agencies.

Let me give you an example. NDCEL could live with the following guideline.

- Devices on the state network should use up to date antivirus software.

However, NDCEL members would be opposed to a guideline that said

- All devices on the state network will be required to use the (vendor specific) antivirus solution prescribed by ITD.

Our member districts do not have unlimited funds when it comes to technology. In fact, one of our districts has said that if they are required to purchase the solution proposed by ITD, they will have to remove computers from the network, and therefore the classroom, because they do not have the funds to purchase the software. This district has already purchased antivirus software but it is not the one recommended by ITD.

We respectfully request that the words "school districts" be removed from subsection 16 and placed in subsection 17 along with the legislative branch and judicial branches. We would feel much more comfortable with ITD in the role of advising and consulting rather than overseeing.

Thank you

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SB 2/10  
3-8-19

## oversee

verb

over·see | \ ,ō-vər-'sē 

oversaw \ ,ō-vər-'sō ; overseen \ ,ō-vər-'sēn ; overseeing

### Definition of *oversee*

transitive verb

1 : survey, watch From his hilltop home he can oversee the river below.

2a : inspect, examine oversees all new machinery

b : to watch over and direct (an undertaking, a group of workers, etc.) in order to ensure a satisfactory outcome or performance : supervise was hired to oversee the design and construction of the new library oversaw 20 employees

[Synonyms](#)

[More Example Sentences](#)

[Learn More about \*oversee\*](#)

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### Synonyms for *oversee*

Synonyms

administer, administrate, carry on, conduct, control, direct, govern, guide, handle, keep, manage, operate, overlook, preside (over), regulate, run, steward, superintend, supervise, tend

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### Examples of *oversee* in a Sentence

He was hired to *oversee* design and construction of the new facility. will *oversee* the new manufacturing division

Recent Examples on the Web

Acosta, who helped Epstein serve his time in an office rather than a prison cell — and measure it in months, not years — *oversees* Trump's Labor Department, which is responsible for, among other things, preventing human trafficking. — [Jane Coaston, Vox, "Jeffrey Epstein, the convicted sex offender who is friends with Donald Trump and](#)

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#4  
SB 2110  
3-8-19

2

# advise

verb

ad·vise | \ əd-ˈvīz  \ advised; advising

## Definition of advise

transitive verb

- 1a : to give (someone) a recommendation about what should be done : to give advice to Her doctor advised her to try a drier climate.
- b : caution, warn advise them of the consequences
- c : recommend advise prudence
- 2 : to give information or notice to : inform advise them of their rights

intransitive verb

- 1 : to give a recommendation about what should be done advise on legal matters
- 2 : to talk with someone in order to decide what should be done : consult advise with friends

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## Other Words from advise

adviser or advisor \ -ˈvī-zər  \ noun

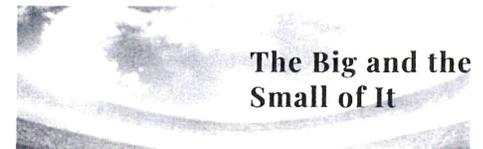
## Synonyms for advise

Synonyms

adjure, admonish, counsel

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3-18-19

PROPOSED AMENDMENTS TO SENATE BILL NO. 2110

Page 1, after line 12, insert the following definition “ “Cybersecurity strategy” means a vision, plan of action or guiding principles. Unless otherwise defined in this chapter, it does not mean the associated operational plan.”

Renumber accordingly

#1  
SB 2110  
3-21-19

PROPOSED AMENDMENTS TO SENATE BILL NO. 2110

Page 1, after line 12, insert the following definition “ “Cybersecurity strategy” means a vision, plan of action or guiding principles. Unless otherwise defined in this chapter, it does not mean the associated operational plan.”

Renumber accordingly