NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Monday, March 13, 2006
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Larry J. Robinson, Randy A. Schobinger, Rich Wardner; Representatives Eliot Glassheim, Bette B. Grande, David Monson, Bob Skarphol, Robin Weisz; Interim Chief Information Officer Mike Ressler

Members absent: Senators Randel Christmann, Tom Seymour; Representative Keith Kempenich

Others present: See attached appendix

It was moved by Representative Skarphol, seconded by Representative Weisz, and carried on a voice vote that the minutes of the December 14, 2005, meeting be approved as distributed.

REPORT FROM THE INTERIM CHIEF INFORMATION OFFICER

Mr. Mike Ressler, Interim Chief Information Officer, Information Technology Department, presented information regarding information technology initiatives, including information regarding statewide information technology rates for the 2007-09 biennium. A copy of the information is on file in the Legislative Council office. He said the Emergency Commission has approved a request of the department for the addition of four full-time equivalent (FTE) positions relating to the support of Bank of North Dakota information technology projects. He said the state has received approval for its 2005-06 statewide e-rate reimbursement application. He said the state's e-rate reimbursement is 64 percent, which equates to approximately $2.2 million of federal funds per year. He said the department is having discussions with the Office of Management and Budget (OMB) regarding the possibility of establishing a contingency fund for the 2007-09 biennium in case the department would not receive e-rate funding from the federal government.

Mr. Ressler said the Information Technology Department is currently in Phase I of the mainframe migration project. He said the department has borrowed $6 million at the interest rate of 3.57 percent for the project. He said the first loan payment will be made in July 2007 and the final loan payment will be made in December 2010. He said the estimated total cost for the project is $8,271,274.

Mr. Ressler said the Information Technology Department is in the process of finalizing information technology billing rates for the 2007-09 biennium.

The following is a summary of select preliminary rates for the 2007-09 biennium:

Description of Service	2005-07 Rate	2007-09 Preliminary Rate
Senior software developer	$58 per hour	$63 per hour
Software developer	$54 per hour	$58 per hour
Desktop support	$54 per hour	$58 per hour
Network analyst	$54 per hour	$58 per hour
Shared server hosting	$150 per application	$175 per application
Dedicated server hosting	$300 per application	$325 per application
County T-1 fee	$950 per connection	$1,050 per connection
State agency T-1 fee	$840 per connection	$890 per connection
Device fee	$29 per device	$30.75 per device
Telephone fee	$21 per device	$24 per device
Voice mail	$3 per mail box	$5 per mail box
Long distance	$.05 per minute	$.09 per minute

Mr. Ressler said the estimated 2007-09 debt service payments relating to the bonds issued for the implementation of the ConnectND system total $5,407,075, of which $1,568,052 is the state's portion and $3,839,023 is higher education's portion.

In response to a question from Senator Robinson, Mr. Ressler said the working relationship between the Information Technology Department and the Bank of North Dakota has improved.

Representative Skarphol requested the Information Technology Department provide information to the committee at its next meeting regarding existing legacy systems that will need to be replaced in future bienniums.

In response to a question from Representative Skarphol, Mr. Ressler said he believes the e-rate reimbursement program will continue in the future but program changes will most likely be implemented.

In response to a question from Representative Skarphol, Mr. Ressler said providing the Information Technology Department with borrowing authority may be an alternative to providing contingency funds for the e-rate reimbursement program.

Senator Robinson requested the Information Technology Department provide the committee with a diagram regarding the department's schedule for the mainframe migration project.

Representative Skarphol said some state agencies and departments may be hesitant to participate in creating efficiencies in technology because the state agencies and departments fear a reduction in budgets associated with the efficiencies. He asked the Information Technology Department to provide the committee with information regarding savings

resulting from efficiencies created by advances in technology.

In response to a question from Senator Robinson, Mr. Ressler said the wide area network rates should remain relatively stable for the next seven years because that is the term of the department's wide area network services contract with Dakota Carrier Network.

In response to a question from Representative Skarphol, Mr. Ressler said OMB issued bonds totaling $20 million in September 2003 for costs associated with the implementation of the ConnectND system. He said the bonds were issued at an interest rate of 3.9 percent for a period of 10 years.

PROPOSED INFORMATION TECHNOLOGY BILL DRAFTS

The Legislative Council staff distributed a memorandum entitled *Proposed Information Technology Bill Drafts* providing a summary of the proposed information technology bill drafts being considered by the Information Technology Committee.

The Legislative Council staff presented a bill draft [70015.0200] relating to the powers and duties of the Information Technology Committee and the Information Technology Department, information technology plans, the Information Technology Department annual report, and criminal history record checks. The bill draft:

- Amends Section 54-35-15.2 to more accurately reflect the powers and duties of the Information Technology Committee, including providing that the committee receive and review project startup and project closeout reports for any major information technology project of an executive, legislative, or judicial branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education and the committee receive information regarding any information technology project of an executive, legislative, or judicial branch agency with a total cost between $100,000 and $250,000 as determined necessary by the Information Technology Department.
- Amends Section 54-59-05 relating to the powers and duties of the Information Technology Department to provide that the department request and review information regarding any major information technology project of an executive, legislative, or judicial branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education and the department may request and review information regarding any information technology project of an executive, legislative, or judicial branch agency with a total cost between $100,000 and $250,000 as determined necessary by the department.

- Amends Section 54-59-11 relating to information technology plans to provide that information technology plans are subject to acceptance by the Information Technology Department and information technology plans must include an asset management plan relating to the inventory of information technology assets owned, leased, or employed by the entity. The bill draft also provides that the statewide information technology plan must be developed with emphasis on long-term strategic goals, objectives, and accomplishments, and the statewide information technology plan must contain specific information regarding information technology projects, plans, and benefits.
- Amends Section 54-59-19 relating to the Information Technology Department annual report to revise the required contents of the report.
- Amends Sections 12-60-24(2)(h) and 54-59-20 relating to criminal history record checks to provide that the Chief Information Officer of the Information Technology Department may require as a condition of contracting with the Information Technology Department or other state agency or department with respect to an information technology project that any individuals employed by the contractor or subcontractor to perform the work under the contract submit to a criminal history record check.
- Amends Section 54-59-21 relating to the criminal justice information sharing system to provide that only entities within the criminal justice information sharing system and those entities approved by the Criminal Justice Information Sharing Board may access the criminal justice information sharing system.
- Creates a new section to Chapter 54-59 to provide that a state agency that proposes to implement a computer application or system that is designed to serve as an alternative or shadow of the ConnectND system must request approval from the director of OMB before proceeding with implementation of the application or system.

In response to a question from Representative Glassheim regarding the criminal justice information sharing system, the Legislative Council staff said the staff will provide the committee with information regarding whether there is a penalty for the unauthorized accessing of the criminal justice information sharing system.

Representative Skarphol suggested Section 8 of the bill draft be modified to provide that the Information Technology Committee be notified of any proposed computer applications or systems that are designed to serve as alternatives or shadows of the ConnectND system.

The Legislative Council staff presented a bill draft [70016.0200] relating to prioritization of major information technology projects, the State Information Technology Advisory Committee, and information technology standards. The bill draft:

- Creates a subsection to Section 54-35-15.2 to provide that the Information Technology Committee receive a report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues.
- Amends Section 54-59-02.1 relating to the prioritization of major information technology projects to provide that the Information Technology Department submit information regarding proposed major information technology projects for executive branch state agencies, departments, and institutions, excluding institutions under the control of the State Board of Higher Education and agencies of the judicial and legislative branches to the State Information Technology Advisory Committee; the State Information Technology Advisory Committee review the projects and rank those projects that receive the committee's affirmative recommendation; and the recommendations of the State Information Technology Advisory Committee be submitted to the Information Technology Committee, OMB, and the Appropriations Committees of the Legislative Assembly.
- Amends Section 54-59-07 relating to the State Information Technology Advisory Committee to provide that the committee review policies, standards, and guidelines developed by the Information Technology Department and the Chief Information Officer submit recommendations of the State Information Technology Advisory Committee regarding information technology issues to the Information Technology Committee for its consideration.
- Amends Section 54-59-09 relating to information technology standards to provide that the Information Technology Department shall develop policies, standards, and guidelines using a process involving advice from state agencies and institutions. The bill draft retains the role of OMB in the development of information technology policies, standards, and guidelines.

In response to a question from Representative Glassheim regarding information technology standards, the Legislative Council staff said unless an exemption is granted by the Chief Information Officer, each executive branch state agency and institution, excluding higher education institutions with respect to academic and research uses of information technology, is to comply with the policies and standards developed by the Information Technology Department and OMB.

The Legislative Council staff presented a bill draft [70017.0100] relating to the exclusion of certain policies, standards, and guidelines of the Information Technology Department from compliance with the Administrative Agencies Practice Act. The bill draft amends Section 28-32-01(11) to provide that any product and service standard and best practice standard, primarily intended to affect state agencies and with respect to access to or use of wide area network services, institutions under the control of the State Board of Higher Education, counties, cities, and school districts if the policy, standard, or guideline has been reviewed by the State Information Technology Advisory Committee, is not considered a rule under the Administrative Agencies Practice Act.

Representative Skarphol said he does not believe the bill draft would be acceptable to House members. He suggested the Information Technology Department report information technology policies, standards, and guidelines to the Administrative Rules Committee.

Representative Glassheim said the Administrative Agencies Practice Act is designed to protect the general public from state agencies who are implementing legislation.

Mr. Ressler said the Information Technology Department would need to be exempt from the Administrative Agencies Practice Act in order for the department to not be required to receive the approval of the Administrative Rules Committee.

The Legislative Council staff presented a bill draft [70018.0100] relating to higher education information technology planning, services, and major projects. The bill draft:

- Creates a new section to Chapter 15-10 to provide that the State Board of Higher Education shall manage and regulate information technology planning and services for institutions under its control; collaborate with the Information Technology Department to coordinate higher education information technology planning with statewide information technology planning; provide advice to the Information Technology Department regarding the development of policies, standards, and guidelines relating to access to or use of wide area network services; and present information regarding higher education information technology planning, services, and major projects to the Information Technology Committee.
- Amends Section 54-35-15.2 relating to the powers and duties of the Information Technology Committee to remove administrative projects from the definition of higher education major information technology projects and to provide that the Information Technology Committee is to receive information from the State Board of Higher Education regarding higher education information

technology planning, services, and major projects.

- Amends Section 54-59-05 relating to the powers and duties of the Information Technology Department to provide that the department shall collaborate with the State Board of Higher Education on guidelines for reports to be provided by institutions under control of the State Board of Higher Education on information technology.
- Amends Section 54-59-09 relating to information technology standards to exclude institutions under the control of the State Board of Higher Education from having to comply with the policies, standards, and guidelines developed by the Information Technology Department.
- Amends Section 54-59-11 relating to information technology plans to provide that institutions under the control of the State Board of Higher Education are not required to prepare information technology plans.

Dr. Robert L. Potts, Chancellor, North Dakota University System, provided testimony regarding the bill draft relating to higher education information technology planning, services, and major projects. A copy of the information presented is on file in the Legislative Council office. He said the bill draft clarifies existing information technology statutory provisions and fully assigns the responsibility and accountability for higher education information technology to the State Board of Higher Education. He said the University System needs an additional staff person to assist with information technology planning and accountability.

DEPARTMENT OF PUBLIC INSTRUCTION - TETRADATA PROJECT

Mr. Donald LaFleur, State Auditor's office, presented information regarding an information technology compliance review of the Department of Public Instruction's TetraData project. A copy of the information is on file in the Legislative Council office. He said the Information Technology Committee at its December 14, 2005, meeting requested the State Auditor, pursuant to North Dakota Century Code Section 54-35-15.4, conduct an information technology compliance review of the Department of Public Instruction's TetraData project, including review of the participation of students, school districts, and the department in selection of the vendor, utilization of the system, and allowable use of the remaining federal funds intended for the project. He said to complete the review the State Auditor met with the Department of Public Instruction, requested school districts complete a survey, and reviewed project documentation maintained by the Information Technology Department. He said the State Auditor determined the Department of Public Instruction did not perform the necessary project management for

the TetraData project. He said lessons learned relating to the project include:

- The project manager should have formal project management training.
- Potential vendors should not help develop the request for proposal (RFP).
- The business case should be developed before the RFP is issued.
- End users should be involved in project planning.
- The Information Technology Department should be more proactive in bringing potential problems with projects to the attention of the Information Technology Committee.
- A detailed project plan should be prepared.

Mr. LaFleur said the Department of Public Instruction used federal grants for state assessments and related activities (CFDA #84.369) funding for the TetraData project. He said this program supports state assessments and standards and state educational agencies use these funds to support the development of additional state assessments and standards. He said funds can also be used to support the administration of existing assessments or to carry out other activities related to ensuring that the state's schools are held accountable for results.

In response to a question from Representative Weisz, Mr. LaFleur said he believed the Department of Public Instruction did receive proposals for a statewide data warehousing project from vendors other than TetraData.

Mr. Greg Gallagher, Director, Standards and Achievement, Department of Public Instruction, provided information regarding the compliance review of the department's TetraData project. A copy of the information is on file in the Legislative Council office. He said the State Auditor provided the Department of Public Instruction an opportunity to comment on the content of the survey of school districts prior to the release of the survey. He said an internal committee of department staff raised concerns that the survey was insufficiently designed, inappropriately limited in scope, inaccurately worded, and prone to biased responses. He said the department submitted a list of questions to the State Auditor that the department believed would elicit better measures of fact and reflect the intended purpose of the survey but the State Auditor largely disregarded the department's recommendations.

Mr. Gallagher said the Department of Public Instruction developed, with assistance from the Information Technology Department, a business case and an RFP for the TetraData project that met all the requirements of the procurement process that existed at that time. He said the RFP was released with the concurrence of the Attorney General's office and the Information Technology Department and the Department of Public Instruction received five submissions from reputable vendors. He said the Department of Public Instruction followed the specifications of the evaluation process and

documented the proceedings. He said the Department of Public Instruction was always in control of the project's management and the Information Technology Department never approached the Department of Public Instruction with concerns about the department's active management of the project.

Senator Robinson said the communications received by the Information Technology Committee from school districts across the state indicated several problems with the TetraData project.

In response to a question from Representative Monson, Mr. Gallagher said approximately five school districts have pursued contracts with TetraData.

Ms. Lisa Feldner, Technology Services Coordinator, Bismarck Public School District, provided information regarding the Educational Technology Council's efforts in assisting school districts with the selection of a data warehousing system. A copy of the information is on file in the Legislative Council office. She said the Fargo, Bismarck, Grand Forks, and Minot School Districts began a process in early September 2005 to identify data warehousing systems that would meet their needs. She said three of the four districts--Bismarck, Grand Forks, and Minot--were not able to successfully implement the TetraData system. She said the Fargo School District did implement the TetraData system and continues to utilize the system.

Ms. Feldner said the four school districts have asked the Educational Technology Council to take the lead on an RFP process to identify a single data warehousing system that could be purchased by all of the state's school districts. She said the Educational Technology Council is currently working with a task force to complete the data warehousing procurement process. She said the RFP was issued on February 3, 2006. She said the proposals from vendors will be opened on March 27, 2006, and finalists will be asked to do a live demonstration of their products. She said the target date for signing a contract is June 5, 2006.

In response to a question from Senator Robinson, Ms. Feldner said the data warehousing system would be available to all school districts on a per student fee basis. She said school districts will be able to decide whether to participate or not.

In response to a question from Representative Skarphol, Ms. Feldner said the data warehousing system selected will be in compliance with federal government requirements.

In response to a question from Senator Robinson, Ms. Feldner said the Fargo School District is currently utilizing the TetraData system; however, the school district has indicated it would participate in a statewide data warehousing system.

DEPARTMENT OF HUMAN SERVICES - MEDICAID MANAGEMENT INFORMATION SYSTEM

Ms. Maggie Anderson, Director, Medical Services Division, Department of Human Services, provided information regarding the status of the Medicaid management information system (MMIS) rewrite project Phase 2. A copy of the information is on file in the Legislative Council office. She said the department has completed contract negotiations with Affiliated Computer Services, Inc., (ACS) Government Healthcare Solutions and the estimated costs for the project are $56.8 million, approximately $500,000 less than reported in December 2005.

Ms. Anderson said ACS has agreed to hold its price firm until the 2007 Legislative Assembly considers legislation that addresses the costs for the remainder of the project as long as the department moves forward with the initial design phase of the project. She said as a result ACS has agreed to sign a contract identifying two phases--Phase 1 includes a detailed system design that is expected to cost no more than $8 million and is reusable and Phase 2 includes the balance of the design, development, and implementation. She said the two-phased approach would protect the state's interest in retaining the bid. She said the Information Technology Department has agreed to complete initial development work with 100 percent of its effort being reusable at a cost of approximately $1.6 million. She said with this plan, the department would spend no more than $10 million in total funds and $1 million from the general fund.

Ms. Anderson said the Budget Section, at its March 8, 2006, meeting, passed the following motion regarding the project:

It was moved by Representative Berg, seconded by Representative Klein, and carried on a roll call vote that the Budget Section encourages the Legislative Council chairman to express the committee's support of the Department of Human Services proceeding with preliminary MMIS work with a final direction decision to be made by the 2007 Legislative Assembly. The Department of Human Services is encouraged to begin preliminary work on the project that would be required for all of the following options:

1. **Acceptance of the current ACS bid.**
2. **Rebidding of the MMIS project.**
3. **Joint development with another state.**
4. **Use of a fiscal agent.**
5. **Outsourcing the billing and payment components.**

In addition, the Department of Human Services is encouraged to contract for an independent analysis of the above options, including a cost-benefit analysis, and to arrange for the information to be available to the Legislative Assembly by January 8, 2007. The department is to report on the status of the preliminary project work and on the planned process to complete the

cost-benefit analysis at each of the remaining 2006 Budget Section meetings.

In response to a question from Mr. Ressler, Ms. Anderson said both phases of the project qualify for the 90 percent match from the federal government; however, there is always a chance that could change.

In response to a question from Representative Weisz, Ms. Anderson said the phased approach to the project will delay the estimated project completion date.

The committee recessed for lunch at 11:40 a.m. and reconvened at 1:00 p.m.

CONNECTND SYSTEM

Ms. Pam Kostelecky, President, State Board of Higher Education, provided information regarding the status of the ConnectND system. A copy of the information is on file in the Legislative Council office. She said the ConnectND system is a joint project between state government and the North Dakota University System. She said state government has implemented the finance and human resources components of the system, excluding the grants and contracts module, and the University System implemented the finance, human resources, and student administration components of the system, including the grants and contracts module. She said the grants and contracts module was the newest and least refined module of the software system and the student administration component is larger and more complex than the other two components combined.

Ms. Kostelecky said some functions of the system, such as payroll, accounts payable, general ledger, employee benefits, student ability to register for classes, and access to grades and tuition and fee information are working relatively well; however, grants and contracts, security, reports and queries, the student finance and general ledger interface, and academic progress reports are not working well. She said the State Board of Higher Education has allocated approximately $1.75 million to address some of the system's most critical needs and problems; however, more funding will be needed. She said the University System is waiting for a report and plan from Oracle about how Oracle will assist with the challenges. She said some of the preliminary solutions identified by the University System are:

- Adding additional staff in select areas.
- Adding additional technical assistance to help develop technical solutions in some critical business functions.
- Hiring a full-time project manager.
- Reorganizing the support team to enable the team to function as a unit with a focus on a service delivery system.
- Altering the governance structure for the project, including providing the project manager with the authority to make immediate decisions in a broader range of areas.

In response to a question from Representative Glassheim, Ms. Kostelecky said the hiring of a full-time project manager will be a priority of the University System.

Representative Skarphol said he expects the higher education institutions to utilize the ConnectND system in a consistent manner, such as coding expenditures in the same manner to enable comparisons between institutions.

Representative Skarphol requested the North Dakota University System provide information regarding entities who are assisting with the costs associated with the ConnectND system, such as the University of North Dakota's Energy and Environmental Research Center.

In response to a question from Representative Glassheim, Dr. Robert L. Potts, Chancellor, North Dakota University System, said if the $1.75 million allocated by the State Board of Higher Education is not sufficient, the University System will have to explore other areas for funding.

In response to a question from Senator Schobinger, Dr. Michel Hillman, Vice Chancellor for Academic and Student Affairs, North Dakota University System, said the 2001 Legislative Assembly provided funding of $7.5 million from the general fund for Phase I of the ConnectND system. He said in March 2002 representatives of the State Board of Higher Education were informed that the state would not be able to fund costs associated with Phase II of the ConnectND system due to the shortfall in the state's revenue forecast for the 2003-05 biennium. He said based on that information and the need to move forward with the project, the chancellor's cabinet recommended the State Board of Higher Education implement a student fee in support of the ConnectND system and in April 2002 the board approved a student fee of $42 per semester. He said the student ConnectND fee has increased as follows:

School Year	Student Fee
2002-03	$42
2003-04	$36
2004-05	$63
2005-06	$81

In response to a question from Representative Skarphol, Dr. Potts said in 1996 the North Dakota University System issued bonds for technology upgrades at the higher education institutions. He said bond repayment is being made with funding collected from student fees. He said the final bond payment for those bonds will be made in 2006. He said the University System will need to consider whether the student fee associated with those bonds should be continued to assist with ConnectND costs.

In response to a question from Senator Wardner, Dr. Potts said the North Dakota University System is continuing to work with Oracle about how Oracle will assist with the challenges.

Representative Skarphol requested information on the amount of outstanding debt associated with the ConnectND system.

Representative Weisz requested the Information Technology Department provide information regarding the costs associated with running the ConnectND system as compared to the previous system.

TAX DEPARTMENT - INTEGRATED TAX SYSTEM PROJECT

Ms. Cathie Forsch, Director of Operations, Tax Department, provided information regarding the status of the integrated tax system project. A copy of the information is on file in the Legislative Council office. She said the 2005 Legislative Assembly authorized the Tax Commissioner to purchase, finance the purchase, or lease equipment, software, and services to establish an integrated tax processing system. She said the Tax Department decided to implement a commercial off-the-shelf integrated tax system named GenTax developed by FAST Enterprises and has arranged for financing for the project through Banc of America.

Ms. Forsch said in January 2006 the Tax Department completed the first phase of the implementation of the integrated tax system, which has been named Tax Revenue Excellence for North Dakota (TREND). She said the first phase included the processing of sales and use tax, city sales tax, gross receipts tax, city lodging tax, city restaurant and lodging tax, and North Dakota hotel and motel tax. She said the project is on schedule and is approximately $700,000 under budget as of February 28, 2006. She said the remaining phases for the project include:

Phase II - June 5, 2006	Employer income tax withholding Motor fuel tax Motor fuel refunds Estate tax
Phase III - November 20, 2006	Individual income tax Fiduciary income tax Partnerships Small business
Phase IV - June 4, 2007	Corporate income tax Airlines tax Telecommunications tax

In response to a question from Representative Glassheim, Ms. Forsch said the Tax Department is anticipating collecting additional revenues with the implementation of the integrated tax system; however, the additional revenues are not anticipated until Phases III and IV of the project are implemented.

In response to a question from Representative Monson, Ms. Forsch said a majority of the project savings are due to the Tax Department absorbing data conversion costs within the department's information technology budget and savings realized on hardware purchases.

LARGE INFORMATION TECHNOLOGY PROJECTS

Mr. Mark Molesworth, Information Technology Department, provided information regarding:

- The quarterly summary status report on large information technology projects in the planning or execution phase, including project status and any department concerns regarding the projects.
- A summary status report of all large information technology projects approved for the 2005-07 biennium.
- Information on the proper amount of time required for planning and execution of information technology projects with a total cost exceeding $250,000.

A copy of the information is on file in the Legislative Council office.

Quarterly Summary Status Report

Mr. Molesworth said for the period ending December 31, 2005, the following four projects were reported in the planning stage:

- Department of Human Services - MMIS rewrite project Phase II.
- Information Technology Department - Information technology service management toolset.
- Legislative Assembly - Application replacement study.
- Highway Patrol - Records management reporting system.

Mr. Molesworth said three projects moved into the execution phase--Job Service North Dakota Project Herakles (unemployment insurance system modernization project), Information Technology Department mainframe migration, and Information Technology Department Criminal Justice Information Sharing Initiative state's attorney module. He said the Bank of North Dakota core banking project was reported complete. He said the project was completed under budget and on schedule. He said the following five projects have been completed and have postimplementation reviews that are either under review or overdue:

Agency	Project	Postimplementation Review Status
Department of Human Services	MMIS rewrite project Phase I	Overdue
	State children's health insurance program	Overdue
Department of Transportation	2D-3D orthophotogammetry	Overdue
North Dakota University System	On-line Dakota Information Network (ODIN) library system software migration	Overdue
Office of Management and Budget	ConnectND system	Under review

Mr. Molesworth said the following two projects reported budget or schedule variances--State Department of Health women, infants, and children and Retirement and Investment Office Teachers' Fund for Retirement pension system replacement.

Status of 2005-07 Large Information Technology Projects

In regard to large information technology projects approved for the 2005-07 biennium, Mr. Molesworth provided the following summary status report of all large information technology projects approved for the 2005-07 biennium:

Stages	Projects
Origination and initiation	State Department of Health - Women, infants, and children
	Department of Public Instruction - Special education individual education program project
	Office of Management and Budget - ConnectND modules
	Department of Transportation - Pavement management project
	Department of Transportation - Roadway information management system (RIMS)
	Secretary of State - AS400 migration
Planning	Department of Human Services - MMIS rewrite project Phase II
	Information Technology Department - Information technology service management toolset
	Legislative Assembly - Application replacement study
	Highway Patrol - Records management reporting system
	Secretary of State - Central voter file project
Execution	Information Technology Department - STAGEnet infrastructure services
	Information Technology Department - Mainframe migration
	Information Technology Department (Criminal Justice Information Sharing Initiative) - State's attorney records management system
	Retirement and Investment Office - Teachers' Fund for Retirement pension system replacement
	Tax Department - Integrated tax system
	Job Service North Dakota - Project Herakles
	State Department of Health - Women, infants, and children
Closeout	Bank of North Dakota - Core banking
	Department of Corrections and Rehabilitation - Offender management system upgrade
	Department of Transportation - CVISN
	Information Technology Department - Second data center

Planning and Execution of Information Technology Projects

In regard to the proper amount of time required for planning and execution of information technology projects with a total cost exceeding $250,000, Mr. Molesworth said the amount of time spent in the execution phase of an information technology project can be directly linked to the quality of the planning

phase for the project. He said variables to project planning include:

- State-hosted solution versus vendor-hosted solution.
- Single-business unit versus multiple-business unit.
- Common stakeholder needs versus diverse and conflicting stakeholder needs.
- Existing technology versus new, multiple, or emerging technologies.
- No application integration versus integration with multiple applications.
- Single-business process versus multiple-business processes.
- Established vendor implementation plan versus planning from scratch.
- Experienced project manager versus inexperienced project manager.

Department of Transportation - Construction Automated Records System Phase II

Mr. Carey Schreiner, Department of Transportation, provided a project closeout report regarding the department's construction automated records system (CARS) Phase II project. A copy of the information is on file in the Legislative Council office. He said the purpose of the project was the creation of a solution for providing the department's construction users with hand-held technology for the maintenance of construction data. He said the project was completed on schedule and was under budget with expenditures of approximately $66,400, compared to the budget of $72,000.

Department of Transportation - Electronic Document Management System Phase II

Ms. Treva Beard, Department of Transportation, provided a project closeout report regarding the department's electronic document management system Phase II project. A copy of the information is on file in the Legislative Council office. She said the project continues the establishment of an electronic document management system that allows files to be electronically stored, indexed, and retrieved. She said the project was completed on schedule and was under budget with expenditures of approximately $924,000, compared to the budget of $1,079,000.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Representative Monson suggested the proposed information technology bill draft relating to the powers and duties of the Information Technology Committee and the Information Technology Department, information technology plans, and other information technology issues be revised to provide:

- A penalty for the unauthorized accessing of the criminal justice information sharing system.

- The Information Technology Committee be notified of any proposed computer applications or systems that are designed to serve as alternatives or shadows of the ConnectND system.

Representative Skarphol suggested the Information Technology Committee receive a report on the Criminal Justice Information Sharing Initiative, including information on estimated costs for future bienniums.

The meeting was adjourned subject to the call of the chair at 3:21 p.m.

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Roxanne Woeste
Senior Fiscal Analyst

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Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1