NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, March 26, 2008
Harvest 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, Richard Marcellais; Representatives Craig Headland, Mark S. Owens, Robin Weisz; Chief Information Officer Lisa Feldner

Members absent: Senators Randel Christmann, Tom Seymour, Rich Wardner; Representatives Keith Kempenich, David Monson, Kenton Onstad

Others present: Jim W. Smith, Director, Legislative Council

See attached appendix for additional persons present.

Chairman Robinson welcomed Representative Bob Skarphol, Legislative Council member, to the meeting.

It was moved by Senator Marcellais, seconded by Representative Headland, and carried on a voice vote that the minutes of the January 18, 2008, meeting be approved as distributed.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING
Legislative Assembly - Legislative Applications Replacement System Computer Project

Mr. Jim Gienger, President, Enterprise Solutions, Inc., and project manager for the Legislative Assembly's legislative applications replacement system computer project, provided information regarding the status of the project. A copy of the information presented is on file in the Legislative Council office. He said PTC, the project vendor, has released a revised project plan with modified delivery dates for the project's 10 application bundles. He said the revised plan provides a clearer view of dependencies between the application bundles so the critical path can be managed more closely and provides additional functional and integration testing cycles. He said PTC has increased the number of staff members dedicated to the project.

Mr. Gienger said the project is approximately 42 percent complete. He said three critical path application bundles are to be delivered in May 2008. He said he will be providing project updates to key stakeholders every two weeks.

Ms. Lisa Hayes, Project Director, PTC, provided comments regarding the status of the legislative applications replacement system computer project. She said PTC has a good understanding of the business needs that the new system will support. She said this is a very important project to PTC.

Senator Robinson said substantial progress will need to be made on the project during the next eight weeks.

In response to a question from Representative Skarphol, Ms. Hayes said PTC has approximately 20 to 25 staff members dedicated to the project. She said approximately 70 percent of the staff members are currently working on the three critical path application bundles to be delivered in May 2008. She said staff members will be reassigned to other application bundles after those due in May 2008 are delivered.

In response to a question from Representative Skarphol, Ms. Hayes said PTC would not object to an independent validation and verification of the project. If such a review is conducted, she said, it should be done in a way that will not delay PTC staff members from making progress on the project.

REPORT FROM THE CHIEF INFORMATION OFFICER

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, and representatives of the Information Technology Department provided:

- Information on liability concerns with information technology contracts.
- A status report on the department's Business Intelligence Initiative.
- A status report on the Statewide Longitudinal Data System Committee's plan for a statewide longitudinal data system.
- Updates on various information technology initiatives.
- A status report on the department's mainframe migration project pursuant to North Dakota Century Code (NDCC) Section 54-59-23.

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

Liability Concerns With Information Technology Contracts

Ms. Feldner said 2005 Senate Bill No. 2250, codified as NDCC Section 32-12.2-15, provides that if a contract involves the purchase or lease of software, communication, or electronic equipment, and if the director of the Office of Management and Budget and the Attorney General determine it is in the state's best

interest, an agency may agree to limit the liability of a vendor. She said requests to limit liability are submitted to the Office of Management and Budget. The Office of Management and Budget, with assistance from the Information Technology Department, analyzes the exposure presented by the proposed agreement and recommends the level of limitation of the vendor's liability that is acceptable. She said the director of the Office of Management and Budget and the Attorney General must approve the limitation.

Ms. Feldner said it has become common for large information technology vendors' contracting policies to require a limitation of liability usually limiting liability to the amount of the original contract or a negotiated multiple of that amount. She said current statutory provisions allow for limiting liability on information technology equipment and software purchases but do not allow for limiting liability on contracts for information technology professional services. She said the Attorney General has allowed limitations of liability on contracts that include products and professional services related to the installation and support of those products; however, the Attorney General is not allowing limitation for only information technology professional services contracts. She said this has created difficulties and confusion in trying to negotiate information technology professional services contracts. She said the Office of Management and Budget is planning to introduce legislation to the 2009 Legislative Assembly to amend NDCC Section 32-12.2-15 to include information technology professional services.

Representative Skarphol said he is not sure if the proposed legislation is appropriate. He suggested and Chairman Robinson agreed that the committee ask the Attorney General to provide information regarding limiting liability for information technology professional services contracts, including potential legislation.

Status of the Business
Intelligence Initiative

In 2006, Ms. Feldner said, CIBER, Inc., conducted a high-level assessment of the state's business intelligence architecture and strategy. She said CIBER, Inc., recommended the state establish and adopt standards on enterprise products comprising business intelligence software, data integration, and data warehouses. She said the Information Technology Department has hired two full-time equivalent (FTE) positions to support the department's Business Intelligence Initiative. She said the staff is working on business intelligence projects with Workforce Safety and Insurance, the Department of Human Services, the State Treasurer's office, and the Bank of North Dakota.

Status of the Statewide Longitudinal
Data System Committee

Ms. Feldner said the Statewide Longitudinal Data System Committee is meeting regularly. She said the committee recently issued a request for proposal for assistance with a plan for a statewide longitudinal data system and awarded a contract to ClaraView. She said ClaraView is to provide the committee with a plan and budget to implement a longitudinal data system by June 2008.

Updates on Information
Technology Initiatives

Ms. Feldner said 2007 House Bill No. 1219 authorizes the Information Technology Department to establish a statewide automated victim information and notification (SAVIN) system. In October 2007, she said, the department was awarded a $1.4 million grant from the federal Department of Justice for implementation of a SAVIN system. She said the Budget Section approved the department's request to accept the federal funds on March 19, 2008. She said the estimated annual ongoing cost for the SAVIN system is $420,000. She said funding for the ongoing cost will be requested from the general fund. She said the department is in the process of hiring a program director for the system.

Mr. Jerry Fossum, Information Technology Department, said the department's current data center was established in 1981. He said the department is in the process of completing a data center study to determine and document the future requirements of the department's data center. He said electrical and heating and cooling requirements have increased significantly over the years.

In response to a question from Senator Robinson, Mr. Fossum said the Information Technology Department plans to present the recommendations from the study to the 2009 Legislative Assembly.

Mr. Mike Ressler, Deputy Chief Information Officer, Information Technology Department, said the department has filled 26 of the 42 new FTE positions authorized for the 2007-09 biennium. He said employee recruitment and retention continue to be an important focus for the department.

Mr. Ressler said the Information Technology Department is in the process of finalizing information technology billing rates for the 2009-11 biennium. The following is a summary of select preliminary rates for the biennium:

Description of Services	2007-09 Rate	2009-11 Preliminary Rate
Architect	$75 per hour	$79 per hour
Senior software developer and program manager III	$63 per hour	$75 per hour
Software developer and project manager II	$63 per hour	$69 per hour
Junior software developer and project manager I	$58 per hour	$63 per hour

Mr. Ressler said the department's rates for the 2009-11 biennium will include a change in network rates. For the 2007-09 biennium, he said, the department is charging state agencies a monthly device fee of $30.75 per device. For the 2009-11

biennium, he said, the department will be charging state agencies a monthly technology fee based on agency FTE positions.

In response to a question from Senator Robinson, Mr. Ressler said the increase in rates for software development services is necessary to provide salary increases for software developers.

In response to a question from Senator Robinson, Mr. Ressler said approximately 80 percent of the hourly rate for software development is for salaries. He said the rate increases for the 2009-11 biennium will allow the department to provide salary increases of approximately 9 percent per year to software developers.

In response to a question from Senator Robinson, Mr. Ressler said the department will be finalizing rates for the 2009-11 biennium in the next few weeks. He said the department will provide more information regarding rates for the 2009-11 biennium to the committee at its next meeting.

Representative Skarphol requested the Information Technology Department provide the committee with information regarding the estimated cost of providing a comparable salary increase for the 2009-11 biennium to information technology personnel employed by other state agencies.

In response to a question from Representative Skarphol, Mr. Ressler said the department's rates are approved by the Chief Information Officer.

Status of the Mainframe Migration Project

Mr. Ressler said the Information Technology Department is in the process of completing a mainframe migration project. He said the department's objectives for the project were revised in November 2007 as follows:

Original Objectives (December 2005)	Revised Objectives (November 2007)
Remove the need for the mainframe skill set	Remove the need for the mainframe skill set
Save $1.9 million per year beginning in July 2009	Save $2.4 million per year beginning in July 2011
Realize financial break-even point in 2012	Realize financial break-even point in 2016
Position the department for the future	Position the department for the future

Mr. Ressler said the migration will provide no changes to the functionality of the systems. He said originally all systems currently operating on the mainframe were to be migrated except for three--Department of Human Services Medicaid management information system, Bank of North Dakota student loan system, and Legislative Assembly Legislator's Automated Work Station (LAWS). He said the department has decided to not migrate the Department of Human Services TECS and Vision systems and the Department of Transportation driver's license system, and the department has extended the project completion date to June 2009.

In response to a question from Representative Skarphol, Mr. Ressler said he believes the Department of Transportation will issue a request for proposal for a new driver's license system after the department has reviewed the federal REAL ID standards.

HIGHER EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Mr. Rich Lehn, Assistant to the Chief Information Officer, North Dakota University System, provided information regarding higher education information technology planning and the quarterly summary status report on large information technology projects. A copy of the information presented is on file in the Legislative Council office. He said 2007 House Bill No. 1461 provides that the State Board of Higher Education is to manage and regulate information technology planning and services for the institutions under its control. In November 2007, he said, the board adopted a policy that requires the preparation and approval by the board of a comprehensive information technology plan along with periodic progress reports to the board. He said the policy also provides that the chancellor has the authority to develop guidelines, standards, and project management oversight and reporting.

For the period ending December 31, 2007, Mr. Lehn said, University System major projects included the TouchNet project and a campus solutions upgrade.

Mr. Lehn said the purpose of the TouchNet project is to implement software modules that will allow all campuses to begin accepting online credit card payments with payments processed through a payment card industry compliant vendor. He said the project will eliminate any card information being retained by campuses and will eliminate compliance requirements and related risks. He said the project is to be implemented in four phases. As of December 31, 2007, he said, Phases 1 and 2 were completed on budget and within a two-week delay. He said Phase 3 is underway. He said the project was originally scheduled to be completed in February 2008, but campuses have requested the project be delayed due to the campus solutions upgrade project. He said the revised estimated completion date is July 2008.

Mr. Lehn said the campus solutions upgrade project includes the upgrade of the ConnectND student administration system from Version 8 to the new PeopleSoft campus solutions Version 9, the changing of the database from Microsoft SQL to Oracle, and the implementation of the user productivity kit. He said the project's estimated cost is $1,350,000 and the project is estimated to be completed in August 2008. He said the project is on budget, within scope, and on schedule.

In response to a question from Representative Skarphol, Mr. Lehn said the University System is

using campus personnel on a limited basis for ConnectND system testing.

In response to a question from Representative Skarphol, Mr. Lehn said the University System is working with the Office of Management and Budget on a data warehouse for the ConnectND system.

In response to a question from Representative Skarphol, Ms. Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System, said the University System's legislative appropriation for the 2007-09 biennium includes sufficient funding for the higher education portion of a ConnectND system data warehouse.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING

Mr. Mark Molesworth, Enterprise Project Manager, Information Technology Department, provided information regarding the quarterly summary status report on large information technology projects, including any department concerns regarding the projects. A copy of the information presented is on file in the Legislative Council office. For the period ending December 31, 2007, he said, the following seven projects were reported in the planning stage:

- Secretary of State - Knowledge base/licensing and registrations.
- Department of Human Services - Children and family services front end.
- Department of Human Services - Master client index.
- Department of Human Services - Electronic benefits transfer reprocurement.
- Department of Public Instruction - Special education individualized education program.
- Department of Public Instruction - Foundation aid rewrite.
- Public Employees Retirement System - PERSLink.

Mr. Molesworth said the following three projects were moved into the execution phase:

- Workforce Safety and Insurance - Information technology transformation project - Phase 2.
- State Treasurer's office - Tax distribution rewrite.
- Judicial branch - Unified court information system.

Mr. Molesworth said the following three projects were reported complete:

Agency	Project	Budget Variance	Schedule Variance
Department of Human Services	National provider index	Under budget	Within schedule variance
Department of Public Instruction	Online reporting system upgrade (STARS)	Under budget	Within schedule variance
Department of Transportation	Time and labor	On budget	On schedule

Mr. Molesworth said the following seven projects have reported budget or schedule variances and are being monitored closely:

Agency	Project	Budget or Schedule Variance
Department of Human Services	Medicaid for children with disabilities	The department is executing the project without an overall project plan; however, the Information Technology Department, as the sole vendor for the project, has a project plan in place for its work; therefore, the risk of failure is lower.
Department of Human Services	Medicaid enterprise management and administrative reporting system	The project reduced scope without a corresponding reduction in schedule and cost. This has resulted in a schedule variance in excess of 20 percent.
Job Service North Dakota	Case management system	The project is on schedule; however, several significant issues have impacted the success of the system. The vendor and Job Service North Dakota are working on fixing the issues.
Information Technology Department	Mainframe migration	The project continues to be delayed. An analysis indicates that several of the original objectives will not be met, primarily the return on investment projections. There is a risk of the vendor increasing costs due to the reorganization of phases and schedule increases.
Secretary of State	Knowledge base/central indexing system	The project has experienced significant issues during the acceptance testing process. The executive steering committee for the project has convened and made a determination that the project should be terminated.
Department of Emergency Services	Public safety mobile communications	All equipment for the project has been installed; however, equipment issues prohibit the project team from accepting the project. The project team is continuing the project until all deficiencies have been corrected.
Attorney General's office	Automated fingerprint identification system	The project has reported a schedule variance in excess of 20 percent.

In response to a question from Representative Skarphol, Mr. Molesworth said the Attorney General's automated fingerprint identification system is experiencing information technology communication stability issues with the two other states involved in the project.

Representative Skarphol suggested the Information Technology Department provide information regarding the automated fingerprint identification system project stability issues to the committee at its next meeting.

Department of Corrections and Rehabilitation - Inmate Medical System

Mr. David Huhncke, Information Services Division Director, Department of Corrections and Rehabilitation, provided information regarding the department's inmate medical system. A copy of the information presented is on file in the Legislative Council office. He said the department has formed an executive steering committee and has hired a project manager to assist with the implementation of an inmate medical system. He said the department released a request for proposal in January 2008 and is in the process of completing a second review of two vendor proposals. He said project implementation is estimated to take approximately six to nine months.

In response to a question from Representative Skarphol, Mr. Huhncke said the estimated cost of the project is approximately $800,000.

Department of Emergency Services - Public Safety Mobile Communications Project

Mr. Russ Timmreck, Division of State Radio Director, Department of Emergency Services, provided information regarding the status of the department's public safety mobile communications project pursuant to NDCC Section 54-59-23. A copy of the information presented is on file in the Legislative Council office. In November 2004, he said, the department signed a lease agreement with Motorola to upgrade State Radio's infrastructure and base system from analog to digital. He said all equipment has been installed and the state is benefiting from the new system. He said the department and Motorola are working on quality issues. He said the project team has decided to continue the project until all issues are resolved.

In response to a question from Senator Robinson, Mr. Timmreck said the department entered into a $8.1 million lease purchase agreement with Motorola for the upgrade of State Radio infrastructure and base equipment from analog to digital. He said the agreement requires an annual payment of $762,673, and the last annual payment is due on December 15, 2012.

State Department of Health - Disease Reporting Epidemiological Assessment and Monitoring System

Mr. Kirby Kruger, Director, Division of Disease Control, State Department of Health, provided information regarding the department's Disease Reporting Epidemiological Assessment and Monitoring System (DREAMS). A copy of the information presented is on file in the Legislative Council office. In 2003, he said, the department entered into a contractual agreement with Scientific Technologies Corporation (STC) to develop a web-based disease surveillance system. In 2004, he said, STC delivered a system that, at that time, put North Dakota in the forefront of the nation in terms of electronic disease surveillance. He said since the

initial delivery, STC has failed to make any improvements to the system and upgrades have decreased the functionality of the system. As a result, he said, the system does not provide sufficient functionality for the department's business needs and the department is no longer in a contractual relationship with STC.

Mr. Kruger said the department, with assistance from the Information Technology Department, is evaluating the system and determining how to proceed. He said the Information Technology Department evaluated the code of the current system and concluded:

- The code is poorly written, appearing to be an assemblage of free software downloaded from shareware web sites.
- Basic improvements to the system would cost approximately $400,000.
- Further enhancements to the system would cost an additional $250,000 to $500,000.
- It may be economically advantageous to consider replacing the current system.

Mr. Kruger said the department has begun exploring the purchase of a commercial-off-the-shelf disease surveillance and management system. He said the estimated cost is approximately $500,000. He said the department will be working with the Information Technology Department to develop an appropriate contract with a potential vendor and provide oversight of the project with the goal of obtaining a functional final product that meets the needs of the department.

In response to a question from Representative Headland, Mr. Kruger said the department spent approximately $840,000 to purchase the current system and approximately $285,000 for maintenance of the system.

In response to questions from Representative Owens and Representative Weisz, Mr. Kruger said the base system delivered by STC in 2004 met all the base requirements for the department's business needs. He said enhancements to the system were to provide additional functionality, but the enhancements have actually decreased the functionality of the system.

Department of Human Services - Medicaid Enterprise Management and Administrative Reporting System

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, provided information regarding the status of the department's Medicaid enterprise management and administrative reporting system. A copy of the information presented is on file in the Legislative Council office. She said the project represents the implementation of ACS's enterprise management and administrative reporting system to provide Medicaid utilization and budget forecasting reports for the department's legacy Medicaid management information system. She said the project is currently

on budget but behind schedule. She said the original completion date was February 1, 2008, with the delivery of 14 reports. She said the revised completion date is April 1, 2008, with the delivery of 12 reports. With the reduction in project scope, she said, the new completion date represents a schedule variance of approximately 54 working days, which represents an overall variance of 35 percent. She said the department has completed user acceptance testing for the project and is in the process of transferring the final reports into a production environment.

In response to a question from Representative Skarphol, Ms. Witham said the department will consider requesting funding for the replacement of the department's TECS and Vision systems in the agency's budget request for the 2009-11 biennium. She said the federal match requirement for replacement of eligibility systems is currently 50 percent.

The committee recessed for lunch at 11:50 a.m. and reconvened at 1:00 p.m.

Workforce Safety and Insurance - Information Technology Transformation Program Replacement Project - Phase 2

Mr. Tim Schenfisch, Director, Information Services, Workforce Safety and Insurance, provided a project startup report for the agency's information technology transformation program replacement project Phase 2. A copy of the information presented is on file in the Legislative Council office. He said the project includes the replacement of existing core Workforce Safety and Insurance business applications with a commercial-off-the-shelf, integrated software solution. He said as a result of a request for proposal process that was part of Phase 1 of the project, Valley Oak Systems' iVOS product was selected as the commercial-off-the-shelf system and HCL was selected to provide integration, validation, and management services related to the installation of iVOS. He said Phase 2 of the project is the implementation phase. He said the project started in December 2007 and is estimated to be completed in December 2009. He said the project is estimated to cost $12,813,171, with an additional $1,186,829 being held in management reserve for scope increases.

In response to a question from Representative Skarphol, Mr. Schenfisch said the recent human resources and management report completed by Conolly and Associates expressed concerns regarding the information technology transformation program replacement project. He said the comments provided were observations. He said the consultant did not complete an indepth review of the project. He said Workforce Safety and Insurance has entered into a contract with HCL to provide integration validation and management services for the project.

In response to a question from Representative Skarphol, Mr. Schenfisch said the executive management of Workforce Safety and Insurance has

decided to continue utilizing the same level of information technology services from the Information Technology Department rather than purchase additional services from the department.

Public Employees Retirement System - PERSLink

Ms. Sharon Schiermeister, Public Employees Retirement System, provided a project startup report for the agency's PERSLink project. A copy of the information presented is on file in the Legislative Council office. She said the agency is implementing a new integrated benefits administration system that will include web-enabled, self-service functionality. She said the implementation is based on a feasibility study and request for proposal completed by the agency in 2006. She said response to the request for proposal was evaluated by agency staff and L. R. Wechsler, Ltd. She said Sagitec Solutions was selected as the project vendor. She said the project started in October 2007 and is estimated to be completed in September 2010. She said the project is estimated to cost $10,502,214.

Judicial Branch - Unified Court Information System Replacement Project

Mr. Gienger provided a project startup report for the judicial branch unified court information system replacement project. A copy of the information presented is on file in the Legislative Council office. He said the purpose of the project is to implement a commercial-off-the-shelf case management system to replace the current unified court information system. He said the new system will yield business value through reduced risk, enhanced ease of use, reduced cost, and enhanced level of service. He said the project consists of the following two phases:

	Phase 1	Phase 2
Project objectives	Capture and document business and technical requirements, release request for proposal, select vendor, and develop an implementation budget	To be defined after a vendor is selected
Start date	October 2007	October 2008
Estimated length	12 months	33 months
Estimated cost	$1,375,000	$4,000,000 - $6,000,000

State Treasurer's Office - Tax Distribution Rewrite

Ms. Kelly Schmidt, State Treasurer, provided a project startup report for the agency's tax distribution rewrite project. A copy of the information presented is on file in the Legislative Council office. She said the purpose of the project is to rewrite the existing outstanding checks and tax distribution applications with a new industry standard language for a more user-friendly and easy to maintain environment. She said taxes which will be distributed under the new application include oil and gas, cigarette, highway,

state aid, township road, and estate. She said the project started in June 2007 and is estimated to be completed in May 2009. She said the project is estimated to cost $664,942.

Department of Human Services - National Provider Index

Ms. Witham provided a project closeout report for the department's national provider index project. A copy of the information presented is on file in the Legislative Council office. She said the Health Insurance Portability and Accountability Act of 1996 mandated the adoption of a standard unique health identifier for health care providers. She said the national provider identifier was established to identify health care providers in all standard transactions therefore eliminating the need for multiple legacy numbers. She said the project updated the current Medicaid management information system and other applications used to process claims to accept the new national provider identifier from providers. She said this was accomplished by modifying the current systems to match or "crosswalk" the new identifier with the Medicaid legacy provider numbers currently in use. She said the project was completed on schedule and under budget with actual expenditures being $384,317 compared to estimated expenditures of $476,576.

Department of Public Instruction - Online Reporting System Upgrade

Mr. David Massey, Assistant Superintendent, Department of Public Instruction, provided a project closeout report for the department's online reporting system upgrade project. A copy of the information presented is on file in the Legislative Council office. He said the department has had an online reporting system for a number of years. He said several years ago the department realized the system was outdated and in need of being replaced. He said the department decided to replace the outdated system with a Microsoft .Net system. He said the new system's design and development environment provide a consistent interface for schools, leading to less confusion and timesavings. He said the new system also provides the department with the ability to respond to federal program changes and modifications. He said the project was completed on time and under budget.

Department of Transportation - Time and Labor

Mr. Russ Buchholz, Director, Information Technology, Department of Transportation, provided a project closeout report regarding the department's time and labor project. A copy of the report is on file in the Legislative Council office. He said the purpose of the department's time and labor project was to automate the department's timesheet process. He said project objectives achieved include the elimination of paper timesheets as well as reducing timecard storage and retrieval costs, reduction of errors from manually rekeying the timesheet, reduction of payroll processing time, and improved reporting capabilities. He said the project was completed on time and on budget.

OTHER INFORMATION

Mr. Don Moore, Project Manager, SysTest Labs, Denver, Colorado, provided information regarding independent verification and validation. He said approximately 34 percent of all information technology projects are considered successful, 15 percent of all information technology projects fail, and 51 percent experience budget and schedule overruns or lack critical features and requirements that make for a less than satisfactory outcome. He said independent verification and validation is a systems development discipline that helps organizations build quality into the software during the software life cycle. He said verification is concerned with checking that the system is well-engineered, and validation is concerned with checking that the software developed meets the user's needs. He said key focus areas for independent verification and validation are as follows:

- Requirements verification - Confirm the software and interface requirement specifications are consistent with the state requirements in a way that is unambiguous, complete, consistent, testable, and traceable.
- Design verification - Verify that design specifications documents are consistent and reflect the requirements and needs of the project.
- Software test plan and software test verification - Review for effective test coverage.
- Implementation verification - Verify that approved standards and practices are followed for coding, documentation, naming, data dictionary terms, etc.
- Application verification - Provide for the verification of adherence to software test plans. Replication of some tests through the independent verification and validation process helps ensure correctness, and perceived weaknesses in design and previously undetected errors are documented.
- Process validation - Ensure that client standards and industry best practices are being employed to develop the product or execute the project.

Mr. Moore said independent verification and validation typically cost between 5 percent and 15 percent of development costs. He said independent verification and validation make software developers and project teams more aware of quality issues and may assist in making decisions relating to project schedule, cost, and scope.

In response to a question from Representative Skarphol, Mr. Moore said a vendor completing an independent verification and validation typically reports to the individual responsible for the project.

In response to a question from Representative Weisz, Mr. Moore said independent verification and validation can be used in all information technology projects. For small information technology projects, he said, the verification and validation activities may be limited.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING
Secretary of State -
Knowledge Base/Central Indexing System

Mr. Al Jaeger, Secretary of State, provided a project closeout report for the Secretary of State's knowledge base/central indexing system project. A copy of the information presented is on file in the Legislative Council office. He said the purpose of the project was to acquire and implement a new software application to replace existing technology systems for central indexing system functions. He said the agency acquired an existing filing application from the North Carolina Office of the Secretary of State and converted the application to a Microsoft .Net system. He said the project was discontinued on February 15, 2008, because the application source code was dysfunctional. He said actual expenditures for the project totaled $770,105.

In response to a question from Representative Weisz, Mr. Jaeger said the department has approximately $600,000 remaining of the $824,153 2007-09 general fund appropriation for the project.

In response to a question from Senator Robinson, Mr. Jaeger said he will decide in the next month the plan for a new system for the office's central indexing system functions.

COMMITTEE DISCUSSION

Representative Skarphol said the Office of Management and Budget is considering implementing a state employee database. He expressed concern regarding privacy issues that may result. He said he has asked the Attorney General to provide information regarding the Attorney General's authority to temporarily close records relating to personal information. He suggested the committee receive information regarding this issue at its next meeting.

Chairman Robinson said the next Information Technology Committee meeting is tentatively scheduled for Thursday, June 5, 2008. No further business appearing, Chairman Robinson adjourned the meeting at 2:45 p.m.

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Roxanne Woeste
Assistant Legislative Budget Analyst and Auditor

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Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:1