NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, March 24, 2010
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, Joe Miller, Tom Seymour, Rich Wardner; Representatives Corey Mock, Bob Skarphol, Gary R. Sukut, Lonny Winrich; Chief Information Officer Lisa Feldner

Members absent: Senator Randel Christmann; Representatives Craig Headland, Robin Weisz

Others present: Jim W. Smith, Jason J. Steckler; Legislative Council, Bismarck

See attached appendix for additional persons present.

It was moved by Senator Seymour, seconded by Senator Wardner, and carried on a voice vote that the minutes of the January 27, 2010, meeting be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER
Miscellaneous Information

Mr. Mark Molesworth, Information Technology Business Analyst, Information Technology Department, provided information regarding glossaries of information technology terms and acronyms. A copy of the information presented is on file in the Legislative Council office. He said the following websites may be accessed for definitions of information technology terms and acronyms:

- *www.techdictionary.com.*
- *www.webopedia.com.*
- *library.morgan.edu/itpage/itglos.htm.*
- *www.maxwideman.com/pmglossary.*
- *www.pmi.org/PDF/PMI-Glossary-of-Terms.pdf.*
- *www.flashcardexchange.com/flashcards/list/299977.*

Mr. Molesworth provided information regarding the value of information technology to state government. A copy of the information presented is on file in the Legislative Council office. He said the value of information technology to state government can be illustrated in cost-savings, cost-avoidance, software replacement, and automation of services. He provided the following examples of the value of information technology:

Cost-savings	Modification of the Criminal Justice Information Sharing portal resulted in a decreased cost for the addition of new records to the portal.
Cost-avoidance	Implementation of the Department of Human Services' national provider identifier project resulted in avoiding federal fiscal penalties and loss of federal funding.
Software replacement	The Department of Emergency Services' public safety mobile radio communications project has the capability of operating in either an analog or digital mode. This allows the system to continue running in analog mode until jurisdictions upgrade their equipment to digital-capable equipment at which time the system will be switched to digital.
Automation of services	The Attorney General's automated fingerprint identification system upgrade provided for the automation of workflows for fingerprint cards related to offender registration, applicant cards, and concealed weapons permit application cards.

Statewide Longitudinal Data System Initiative

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, provided information on the status of the Statewide Longitudinal Data System Initiative pursuant to North Dakota Century Code Section 15.1-02-18. A copy of the information presented is on file in the Legislative Council office. She said the planning for the kindergarten through grade 12 data warehouse has indicated the need for increased data collections that are difficult to achieve under the current reporting structure. Therefore, she said, the state has awarded a contract to Otis Educational Systems, Inc., to automate state reporting from the PowerSchool application. She said a pilot of the reporting solution will be complete in April 2010 and a strategy developed for sustaining the automated collection.

Ms. Feldner said the Attorney General's office has agreed to draft data sharing agreements between the Statewide Longitudinal Data System Committee and each agency involved in the project. She said the Attorney General's office will incorporate all applicable privacy and security laws.

In response to a question from Senator Robinson, Ms. Feldner said the Statewide Longitudinal Data System Committee is gathering information to be used in the development of a request for proposal for a statewide longitudinal data system. She said the request for proposal will not be released for several months.

Health Information Technology
Mr. Sheldon Wolf, Health Information Technology Director, Information Technology Department, provided information regarding the status of health information technology activities pursuant to 2009 Senate Bill No. 2332. A copy of the information presented is on file in the Legislative Council office. He said the department, on March 15, 2010, was awarded a four-year grant totaling $5,343,733 from the Office of the National Coordinator for Health Information Technology for implementing a statewide health information technology and exchange network. Of the $5,343,733, $534,373 is for planning, $2,926,974 is for intrastate implementation, and $1,882,386 is for interstate implementation.

Mr. Wolf said match requirements are as follows:

Year 1	$0 of state funds for each federal dollar
Year 2	$1 of state funds for each $10 of federal dollars
Year 3	$1 of state funds for each $7 of federal dollars
Year 4	$1 of state funds for each $3 of federal dollars

Mr. Wolf said the Health Information Technology Office and the Health Information Technology Advisory Committee is to complete a strategic plan and an operational plan for the statewide health information technology and exchange network. He said both plans are due to the Office of the National Coordinator for Health Information Technology by September 27, 2010, and must be approved by the Office of the National Coordinator for Health Information Technology before implementation of the statewide network. He said the Health Information Technology Office has selected a consultant--Hielix MEDNET--for assistance in the development of the plans.

Mr. Wolf said 2009 Senate Bill No. 2332 established a health information technology planning revolving loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. He said Section 9 of Senate Bill No. 2332 provided for a transfer of $5 million from the current earnings and accumulated undivided profits of the Bank of North Dakota to the fund contingent upon actual general fund revenues for the period July 1, 2007, through September 30, 2009, exceeding estimates by at least $22.5 million. He said the condition was met and the $5 million has been made available. He said loan applications relating to the fund are due to the Health Information Technology Advisory Committee on April 6, 2010.

In response to a question from Senator Miller, Mr. Wolf said applications for the health information technology planning revolving loan fund will be reviewed by the Health Information Technology Advisory Committee, and the loans will be administered by the Bank of North Dakota.

ELEMENTARY AND SECONDARY EDUCATION INFORMATION TECHNOLOGY INITIATIVES
Mr. Dan Pullen, Director, Educational Technology Council, Fargo, provided information regarding elementary and secondary education information technology initiatives, including the estimated cost of updating video classrooms and providing recording equipment. A copy of the information presented is on file in the Legislative Council office. Over the last 25 years, he said, North Dakota elementary and secondary education schools have built video classrooms to share curriculum and teachers with other cooperating schools. He said the schools are self-organized into 10 interactive television (ITV) consortiums. He said the schools have made decisions regarding the upgrading of video equipment on their own or as part of a group decision at the ITV consortium level. As a result, he said, there is a wide variety of video equipment in schools. He said some equipment is current, but most is out-of-date.

Mr. Pullen said reasons to upgrade elementary and secondary education video classrooms to current standards include:
- Video classrooms that do not meet current standards have lower video and audio quality and do not have standard content-sharing capability. In addition, service contracts are no longer available.
- A statewide upgrade will remove older equipment from the network and provide inter-consortium compatibility as well as better compatibility with the North Dakota University System's Interactive Video Network system.
- A large statewide purchase will provide leverage to negotiate lower prices for equipment and for ongoing service contracts for the new equipment.
- A statewide upgrade will establish a consistent technical base that could be maintained for the next several years.

Mr. Pullen said there are 248 fully equipped video classrooms that are used to send and receive the bulk of the schools' distance education curriculum. Of the 248 classrooms, he said, 36 have equipment that meets current standards and the remaining 212 classrooms have older equipment. He said equipment that meets current standards is considered to be high-definition transmission, cameras, monitors, and related peripheral equipment. He said the average cost per classroom upgrade is estimated to be $24,000. He said the total estimated cost for upgrading the 212 classrooms and related state-level network resources is as follows:

Classroom upgrades	$5,088,000
State-level IP scheduling and video recording	646,000
Expanded bridging capacity on the state network	893,000
State network resources and support systems	875,000
Total	$7,502,000

Representative Skarphol suggested that the Educational Technology Council demonstrate to the committee the difference between standard equipment and high-definition equipment. Chairman Robinson asked the council to provide this demonstration to the committee at its next meeting.

Senator Robinson suggested the Educational Technology Council include funding for the statewide video upgrade in its 2011-13 budget request.

In response to a question from Representative Sukut, Mr. Pullen said the Educational Technology Council will research the availability of federal grants to assist in the cost of the statewide video upgrade.

In response to a question from Representative Skarphol, Mr. Pullen said the Educational Technology Council has provided grants to schools for upgrading video classrooms. He said those grants have required a local match ranging from 40 percent to 60 percent.

REPORT FROM THE CHIEF INFORMATION OFFICER
Recommended Information Technology Statutory Changes

Ms. Feldner provided information on recommended information technology statutory changes. A copy of the information presented is on file in the Legislative Council office. She said the Health Information Technology Advisory Committee is requesting statutory changes to Sections 54-59-02 and 54-59-05 relating to the exchange of information with the health information exchange.

Representative Skarphol suggested the Information Technology Department work with telecommunications providers to develop a consensus regarding the recommended statutory changes.

It was moved by Representative Skarphol, seconded by Representative Winrich, and carried on a roll call vote that the Legislative Council staff be requested to prepare a bill draft, in consultation with the chairman and the Information Technology Department, to provide the statutory changes necessary for the exchange of information with the health information exchange. Senators Robinson, Miller, and Wardner and Representatives Mock, Skarphol, Sukut, and Winrich voted "aye." Senator Seymour voted "nay."

Large Information Technology Oversight Process

Ms. Feldner provided information regarding the Information Technology Department's current large project oversight process and potential changes. She said the department currently provides large project oversight for information technology projects with a total cost of $250,000 or more. She said the department is charging state agencies for large project oversight because the department did not receive a general fund appropriation for the costs associated with large project oversight. She said the department also currently provides project management services for information technology projects to state agencies through the department's Software Development Division. She said the project management services are provided on a fee-for-service basis.

Ms. Feldner said the department is considering reorganizing the project management staff and the large project oversight staff and redefining information technology projects that require large project oversight. She said state agencies will continue to report large information technology project activity to the department and the Information Technology Committee.

Ms. Feldner distributed information regarding a potential statutory change relating to the definition of a large information technology project. A copy of the information distributed is on file in the Legislative Council office. She said the department would like the committee to consider changing the definition of a large information technology project from a project with a total cost of at least $250,000 to a project with a total cost of at least $500,000.

It was moved by Senator Wardner, seconded by Senator Miller, and carried on a roll call vote that the Legislative Council staff be requested to prepare a bill draft to change the definition of a large information technology project to a project with a total cost of at least $500,000. Senators Robinson, Miller, Seymour, and Wardner and Representatives Mock, Skarphol, Sukut, and Winrich voted "aye." No negative votes were cast.

Representative Skarphol suggested the Information Technology Department consider monitoring the success or failure of information technology projects with a cost less than $250,000.

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, services, and major projects. A copy of the information presented is on file in the Legislative Council office. He said the University System has finalized a contract with Oracle for a "rapid deployment" of the University System data warehouse. He said the project began on March 8, 2010. He said three data marts--student records, student financials, and workforce profile--will be implemented with this project. He said the University System is developing a plan to address improving data reporting capabilities, timeliness of reporting, and the accuracy of reporting and the data itself. He said

the University System anticipates the data warehouse project will be completed in August 2010.

Mr. Lehn said the University System is also in the process of implementing an integrated services initiative. He said the objectives of the initiative are to:
- Improve the integration of systemwide applications.
- Provide a more consistent end user experience for students, faculty, and staff.
- Improve coordination of resources, applications, and processes.
- Provide better support for collaborative students.

Mr. Lehn said the initiative consists of multiple projects, including:
- Project 1 - Phased migration to an active directory single forest/domain model.
- Project 2 - Implementation of a common e-mail and calendar system.
- Project 3 - Implementation of a common framework for unified communications.

COORDINATION OF SERVICES

Mr. Mark Johnson, Executive Director, North Dakota Association of Counties, provided information regarding the coordination of services between the Information Technology Department and political subdivisions. A copy of the information presented is on file in the Legislative Council office. He said the coordination of information technology services between the Information Technology Department and political subdivisions is essential to the efficient delivery of services. He said the Information Technology Department through the statewide information technology network provides the network connectivity, Internet access, firewall security, videoconferencing, and secure wireless access that supports the delivery of services. He said Information Technology Department personnel meet regularly with the technology resources group of the North Dakota Association of Counties to discuss issues and strategize about future improvements and enhancements. He said counties are very pleased with the services received from the Information Technology Department.

The Legislative Council staff distributed written testimony from the North Dakota League of Cities regarding the coordination of services between the Information Technology Department and political subdivisions. A copy of the testimony is on file in the Legislative Council office. The testimony provides that:
- Representatives of the Information Technology Department have provided training to city representatives regarding the state's comprehensive records management program which provides information on how long to retain records and methods of records disposal for all city departments.

- The Information Technology Department has provided wide area network services to some cities, including firewall protection, e-mail, and Internet access.
- The department has also provided antivirus protection, help desk support, and network administration support to some cities.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING
Legislative Enterprise System
North Dakota Update

Mr. Jason J. Steckler, Information Technology Director, Legislative Council, provided information regarding the status of the legislative enterprise system North Dakota (LEGEND) project. A copy of the information presented is on file in the Legislative Council office. He said the project is currently 10 percent under budget and 2 percent ahead of schedule. He said the project team has completed 5 of 10 payment milestone points, is delivering the Legislator's Automated Work Station system and journal applications every two weeks in iterative development cycles, has experienced no content errors in the data conversion effort, and has entered the automation phases. He said staff will continue to provide updates to the Legislative Management and the interim Information Technology Committee.

Workforce Safety and Insurance - Information Technology Transformation Project

Mr. Bryan Klipfel, Executive Director and CEO, Workforce Safety and Insurance, provided information regarding the status of the agency's information technology transformation project. A copy of the information presented is on file in the Legislative Council office. He said the agency has made significant changes and adjustments since its last report to the committee to increase the likelihood of success with this project. He said those changes and adjustments include:
- Naming an executive sponsor who is charged with analyzing the needs of the project, identifying resources, troubleshooting, and being an advocate for the project.
- Observing a demonstration of the functionality of the iVOS application.
- Meeting with key personnel from Aon eSolutions--the software vendor--to reaffirm the collective commitment to the successful completion of the project.
- Increasing internal communications to improve the internal perception of the project.
- Review of change control requests and the development of a realigned project schedule and budget.

Mr. Klipfel said the quality and timeliness of the next release scheduled for the end of April will provide a more clear indication of the potential success of the project.

In response to a question from Senator Robinson, Mr. Klipfel said confidence and interaction with the project vendor is positive at the present time.

In response to a question from Representative Skarphol, Mr. Klipfel said the agency continues to work with Aon eSolutions on management of change control requests, including identifying which change control requests were included in the contract for the project.

Information Technology Department - Broadband Mapping Project

Mr. Duane Schell, Director, Telecommunications Division, Information Technology Department, provided a project startup report for the department's broadband mapping project. A copy of the report is on file in the Legislative Council office. He said the Information Technology Department has received a $1.3 million grant from the United States Department of Commerce National Telecommunications and Information Administration for developing and maintaining a comprehensive, interactive, and searchable inventory map of existing broadband service connectivity available in the state. He said the department has entered a contract with Tetra Tech to assist with the project. He said the project began in February 2010 and is anticipated to be completed in December 2010. He said the estimated cost of the project is $1,355,028.

In response to a question from Senator Seymour, Mr. Schell said Tetra Tech is located in Seattle, Washington.

Bank of North Dakota - Student Loan Lender System Project

Ms. Julie Kubisiak, Senior Vice President and Director of Student Loan Services, Bank of North Dakota, provided a project startup report for the Bank's student loan lender system project. A copy of the report is on file in the Legislative Council office. She said the Bank's current student loan management system no longer meets the Bank's long-term requirements. She said the Bank hired a consultant to perform an analysis of the existing business processes and system requirements and to recommend improvement opportunities and business solutions. She said the Bank used the information from the analysis to develop a request for proposal to solicit proposals from vendors for a viable student loan lender system. She said the Bank has selected 5280 Solutions as the project vendor to replace the existing student loan lender system. She said the project began in November 2009 and is anticipated to be completed in March 2011. She said the estimated cost of the project is $2,302,858.

In response to a question from Senator Seymour, Ms. Kubisiak said 5280 Solutions is located in Denver, Colorado.

Department of Human Services - Minimum Data Set Project

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, provided a project startup report for the department's minimum data set (MDS) project. A copy of the report is on file in the Legislative Council office. She said the Centers for Medicare and Medicaid Services has announced that a new MDS 3.0 assessment will be implemented on October 1, 2010. Therefore, she said, the department must modify its MDS legacy system to incorporate the changes created by the new MDS 3.0 requirements. She said the project began in January 2010 and is anticipated to be completed in September 2010. She said the estimated cost of the project is $836,626.

Department of Corrections and Rehabilitation

Mr. Dave Krabbenhoft, Director of Administration, Department of Corrections and Rehabilitation, provided a project closeout report for the department's electronic medical records system project. A copy of the report is on file in the Legislative Council office. He said the department implemented an electronic medical records system that allows the department to administer, manage, and record all aspects of medical care provided to both adult and juvenile offenders. He said the project was completed in February 2010, approximately four months later than the estimated project completion date of September 2009. He said the project was completed under budget with actual expenditures of $918,952, compared to the project budget of $1 million.

Mr. Krabbenhoft provided a project startup report for the department's inmate trust and commissary software project. A copy of the report is on file in the Legislative Council office. He said the State Auditor's office has recommended that the Department of Corrections and Rehabilitation have better internal controls with its inmate accounting system. He said the current system is owned and controlled by Keefe Commissary Group Network, which is located in St. Louis, Missouri. He said the current contract with Keefe Commissary Group Network cannot be renewed or extended and will expire on June 30, 2010. Therefore, he said, the department has decided to purchase an inmate banking trust and commissary system. He said the project began in March 2010 and is anticipated to be completed in July 2010. He said the estimated cost of the project is $568,500.

In response to a question from Senator Seymour, Mr. Krabbenhoft said the new inmate banking trust and commissary system will be expandable and used at all department facilities. He said a long-term goal would be to possibly provide commissary services for State Hospital residents and prisoners in county jails.

**State Treasurer's Office -
Tax Distribution Rewrite Project**

Ms. Kelly Schmidt, State Treasurer, provided a project closeout report for the agency's tax distribution rewrite project. A copy of the report is on file in the Legislative Council office. She said the purpose of the project was 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 are distributed under the new application include oil and gas, cigarette, highway, state aid, township road, and estate. She said the project was completed in March 2010, 10 months later than the estimated project completion date of May 2009. She said the project was completed under budget with actual expenditures of $480,491, compared to the project budget of $515,560.

OTHER BUSINESS

Chairman Robinson said tentatively the committee's next meeting will be in June 2010 in Fargo, followed by a meeting in Minot in August 2010.

The committee adjourned subject to the call of the chair at 12:05 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