NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Thursday, March 10, 2016
Information Technology Department Building, 4201 Normandy Street
Bismarck, North Dakota

Senator Larry J. Robinson, Vice Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Ben Koppelman, Blair Thoreson, Nathan Toman, Robin Weisz; Senators Kyle R. Davison, Richard Marcellais, Larry J. Robinson, Donald Schaible; Citizen Member Mike Ressler

Members absent: Representatives Mark S. Owens and Christopher D. Olson; Senator David S. Rust

Others present: See Appendix A

It was moved by Representative Thoreson, seconded by Senator Davison, and carried on a voice vote that the minutes of the December 15, 2015, meeting be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Mike Ressler, Chief Information Officer, Information Technology Department, presented information (Appendix B) regarding cybersecurity task force updates. He said the cybersecurity task force discussed incident response strategies and best practices for network defense. He said the task force is in the process of reviewing the need for cybersecurity insurance. He said the Bank of North Dakota purchased cybersecurity insurance, which could serve as a template for other state agencies. He said the Information Technology Department (ITD) is in the process of reviewing the results of a survey related to state agency software applications. He said the preliminary results included 623 applications, of which 348 contained personally identifiable information and 113 contained protected health information. He said ITD is waiting for responses from two state agencies and will report the results to the task force.

In response to a question from Vice Chairman Robinson, Mr. Ressler said cybersecurity insurance is offered by only a few companies because cybersecurity insurance is a new product. Mr. Ressler said the cost of cybersecurity insurance is increasing because of recent security breaches at large corporations.

Mr. Tom Harris, Project Manger, Enterprise Services Division, Information Technology Department, presented information (Appendix C) regarding statewide interoperable network initiative updates. Mr. Harris said an initial report for the feasibility study is anticipated to be complete in June 2016 with a final report complete in December 2016. He said the feasibility of a statewide network will be based on an analysis of existing infrastructure and consideration of new technology. He said developing a statewide network requires coordination between state, local, and tribal emergency service entities. He said the Statewide Interoperability Executive Committee is attempting to gather input from every emergency entity to promote cooperation in developing the statewide network.

Mr. Ressler presented information (Appendix D) regarding desktop support services. He said the desktop support services have been implemented at 16 state agencies. He said ITD will implement desktop support services for three more state agencies by the end of the fiscal year. He said ITD will delay the implementation of desktop support services for the Department of Career and Technical Education because of the Department of Career and Technical Education's funding reductions related to the budget allotments.

Mr. Ressler presented information (Appendix E) regarding the impact of budget allotments. He said ITD's 2015-17 biennium general fund appropriation was reduced by 4.05 percent, or $1,130,192. He said the original 2015-17 biennium general fund appropriation to ITD was $27,905,987. He said each of the line items containing general fund appropriation authority was reduced by 4.05 percent except for the K-12 network and the Center for Distance Education line items. He said based on the budgets for those programs, ITD anticipates needing the entire original appropriated amounts during the 2015-17 biennium. He said the funding reductions for the K-12 network and the Center for Distance Education, which total approximately $450,000, were reduced from funding for the Statewide Longitudinal Data System Initiative.

In response to a question from Senator Davison, Mr. Ressler said the additional general fund reductions allocated to the Statewide Longitudinal Data System Initiative will be offset by federal grants received for the program. Mr. Ressler said the federal grants are limited to project costs and may not be used for operational costs. He said ITD uses funding from federal grants before using the general fund appropriation. He said prior Legislative Assemblies have allowed unspent general fund authority to be continued into future bienniums.

In response to a question from Senator Davison, Mr. Ressler said ITD does not anticipate using savings from vacant positions to meet the funding reductions related to the budget allotments. Mr. Ressler said ITD's budget reductions will be from other operational and program changes.

In response to a question from Vice Chairman Robinson, Mr. Ressler said ITD is in the process of evaluating additional savings and spending reductions. Mr. Ressler said ITD is examining reductions to expenses that would allow ITD to lower billing rates charged to other state agencies for information technology services.

EDUCATION-RELATED INFORMATION TECHNOLOGY UPDATES

Mr. Tracy Korsmo, Program Manager, Enterprise Services Division, Information Technology Department, presented information (Appendix F) regarding Statewide Longitudinal Data System Initiative updates. Mr. Korsmo said ITD received a $6.5 million federal grant for Statewide Longitudinal Data System Initiative projects. He said ITD continues to train educators about the Statewide Longitudinal Data System Initiative and to conduct research and analysis. He said ITD is in the process of enhancing the system to support postsecondary education and workforce training research needs.

In response to a question from Vice Chairman Robinson, Mr. Korsmo said the Statewide Longitudinal Data System Initiative does not currently have the ability to provide predictive analytics for student retention and course completion. Mr. Korsmo said future enhancements will incorporate predictive analytics.

In response to a question from Representative Koppelman, Mr. Korsmo said student data is analyzed in an aggregate form and is used to create a formula that identifies a relationship between certain criteria, such as test scores, and future performance results, such as remediation risks. Mr. Korsmo said data for an individual student can be inserted into the formula to provide feedback to the student and educators. He said individual data always remains confidential for research purposes and is not available to postsecondary institutions until after a student has enrolled.

In response to a question from Senator Schaible, Mr. Korsmo said based on research conducted through the Statewide Longitudinal Data System Initiative, mathematics grades, ACT Aspire scores, and overall grade point average are the primary indicators of student retention rates in postsecondary institutions. Mr. Korsmo said other factors have been analyzed for the potential to predict retention, but the additional data did not provide significant improvements to the predictability.

In response to a question from Vice Chairman Robinson, Mr. Korsmo said all other states are developing longitudinal data systems. Mr. Korsmo said some states are in the process of creating exchanges to share research results and ideas for best practices.

Mr. Sam Unruh, Research Analyst, Information Technology Department, provided a demonstration of the research capabilities of the Statewide Longitudinal Data System Initiative.

Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research and Interim Chief of Staff, North Dakota University System, presented information (Appendix G) regarding higher education information technology activities. She said the University System has three projects in the planning phase, including an identity and access management program project, a functional services consolidation project, and an email consolidation project. She said the University System's predictive analytics reporting project is ahead of schedule and within budget variance limits. She said the predictive analytics reporting has been implemented at Valley City State University, Minot State University, and Mayville State University and is anticipated to be completed in January 2017. She said the data inconsistencies reconciliation project is behind schedule, but within the budget variance limit. She said the project required additional planning for the second phase resulting in delays.

Ms. Jody French, Director, Educational Technology Council, Information Technology Department, presented information (Appendix H) regarding elementary and secondary education information technology activities. She said the Educational Technology Council continues to provide training to educators for the Statewide Longitudinal Data System Initiative. She said the transcripts within the PowerSchool application have been updated to include the civics test completion data. She said the Center for Distance Education anticipates 12,000 students will enroll in distance education courses during the 2015-17 biennium. She said new adaptive learning courses are being

implemented in distance education that automatically provide remediation and adjust to student learning needs. She said the Center for Distance Education is preparing to install SmartLabs at two locations, which allow blended learning through enhanced technology capabilities.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING
Secretary of State

Mr. Alvin A. Jaeger, Secretary of State, presented information (Appendix I) regarding the status of the electronic filing system related to 2015 House Bill No. 1330. He said the electronic filing system was activated for public use on March 1, 2016. He said during the first week of operation, over 1,100 users registered in the system. He said approximately 325,000 files were transferred from the mainframe system to the new system. He said the Secretary of State's office is in the process of reviewing bids from vendors for adding features to the system that will enhance the services provided through the system.

Department of Human Services

Ms. Jenny Witham, Director of Information Technology Services, Department of Human Services, presented information (Appendix J) regarding the status of the eligibility systems modernization project and the status of the implementation of the Medicaid management information system replacement project. She said the first iteration of the eligibility systems modernization project was completed in February 2016. She said the department is in the process of planning the second iteration. She said the Medicaid management information system replacement project was completed in October 2015 with a preliminary actual cost of $102,326,059. She said the department will remit five additional progress payments to the vendor, Xerox, during the 2-year certification process. She said the project started in June 2006 with an original budget of $60,202,453 and an estimated completion date of April 2008. She said the department will continue to make changes to the Medicaid management information system replacement project to maintain compliance with federal standards.

In response to a question from Representative Weisz, Ms. Witham said the $40 million of additional costs for the Medicaid management information system replacement project was primarily related to mandated changes by the federal government.

Information Technology Department

Mr. Justin Data, Program Manager, Enterprise Services Division, Information Technology Department, presented information (Appendix K) regarding the most recent quarterly summary status report on large information technology projects. He said all five information technology projects with budgets over $5 million were within the budget and schedule variances during the fourth quarter of 2015. He said the Department of Human Services began planning for an electronic health records project and an operating rules project during the fourth quarter of 2015.

Mr. Data presented information (Appendix L) regarding startup and closeout reports. He said the judicial branch started a disaster recovery system project with an estimated completion date of December 2016 and an estimated budget of $2 million. He said the Department of Emergency Services completed a statewide records management system project in 12 months compared to an original estimate of 4 months and at a cost of $1.08 million compared to an original budget of $1.17 million. He said ITD completed a billing rewrite project, which was completed within the budget and schedule variances.

OTHER

Mr. Rick Adams, Consultant, KGI Wireless, Minneapolis, Minnesota, presented information (Appendix M) regarding the location of cellular communication towers. He said wireless network providers are experiencing network capacity issues, particularly in densely populated urban areas. He said providers are in the process of restructuring their existing networks from a few sites with tall cellular communication towers to many sites with shorter towers. He said providers will need to secure thousands of additional easements to install equipment on new shorter towers or to attach the equipment to existing structures. He said some providers are using utility right of ways to install the additional cellular communication equipment, including attachment to street lights and utility poles. He said the federal Pole Attachment Act allows telecommunications carriers to install equipment on the utility poles without the need for extensive permitting. He said installation on a utility pole replaces monthly tower leasing fees with a low cost one-time degradation fee resulting in significant savings for wireless network providers. He said state and local governments and residents may be forfeiting potential revenue from leasing space for cellular communication transmission equipment. He said limited oversight may create concerns about safety and zoning issues.

In response to a question from Vice Chairman Robinson, Mr. Adams said the cost to install cellular communications equipment on a standard 200-foot tower is approximately $500,000 compared to a cost of $60,000 for equipment installation on an existing 30-foot utility pole.

Representative Thoreson said he recently became aware of the issue while serving on the Federal Communications Commission Intergovernmental Advisory Committee. He said the committee is in the process of providing recommendations to the Federal Communications Commission. He said state and local governments need to continue to monitor developments regarding the changes to the wireless communication networks.

No further business appearing, Vice Chairman Robinson adjourned the meeting at 2:10 p.m.

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Adam Mathiak
Fiscal Analyst

ATTACH:13