INFORMATION TECHNOLOGY COMMITTEE

Thursday, May 26, 2022
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Glenn Bosch, Chairman, called the meeting to order at 9:30 a.m.

Members present: Representatives Glenn Bosch, Sebastian Ertelt, Corey Mock; Senators Cole Conley, Kyle Davison, Richard Marcellais, Kristin Roers*; Citizen Member Shawn Riley

Members absent: Representatives Keith Kempenich, Nathan Toman, Robin Weisz; Senator Dave Oehlke

Others present: See Appendix A
Attended remotely

It was moved by Representative Mock, seconded by Senator Davison, and carried on a voice vote that the minutes of the March 3, 2022, meeting be approved as distributed.

STUDY OF GOVERNMENT CYBERSECURITY
North Dakota Association of Counties

Ms. Donnell Preskey, Public Affairs Specialist, North Dakota Association of Counties and Mr. Dwight Driscoll, Accounts Manager, NRG Technology Services, presented information regarding cybersecurity services provided by the Information Technology Department (ITD) to counties, cybersecurity needs, and the feasibility of counties paying for the local share of government cybersecurity services, including challenges for less populated counties. Mr. Driscoll noted:

- NRG Technology Services is a for-profit entity created by the North Dakota Association of Counties more than 30 years ago to provide information technology (IT) services, such as network and equipment replacement services, to counties and other organizations;

- NRG Technology Services provides IT services for 32 counties while the remaining counties employ IT staff or hire a third-party provider for IT services;

- NRG Technology Services and ITD often work together to provide IT services to counties; and

- Despite ITD providing certain cybersecurity services or products at discounted or at no cost, some counties are not interested in receiving those services because there is concern that the additional services will require too much time and effort from county staff.

In response to a question from a committee member, Mr. Driscoll noted because some counties do not accept cybersecurity services from ITD when the services are provided at no cost, counties would likely not support the state requiring counties to pay the local cost of government cybersecurity services.

Mr. Shawn Riley, Chief Information Officer, Information Technology Department, noted there are approximately 750,000 cybersecurity vulnerabilities on the Statewide Technology Access for Government and Education network (STAGEnet), of which approximately 200,000 are from county systems and devices.

North Dakota League of Cities

Mr. Matt Gardner, Executive Director, North Dakota League of Cities, presented information regarding cybersecurity services provided by ITD to cities, cybersecurity needs, and the feasibility of cities paying for the local share of government cybersecurity services, including challenges for less populated cities. He noted:

- Providing IT and cybersecurity services to the 356 cities in the state is challenging when city populations range from large populations in Fargo and Bismarck to a population of one person in Ruso; and

- Because city government resources can be limited and most cities do not have dedicated IT staff, it may not be feasible for cities to pay the local cost of government cybersecurity services.

In response to a question from a committee member, Mr. Gardner noted some cities receive IT services from NRG Technology Services.

Mr. Riley noted there are eight cities in the state which employ IT staff and each of those cities collaborate with ITD for cybersecurity services.

Information Technology Department
Mr. Michael Gregg, Chief Information Security Officer, Information Technology Department, presented information (Appendix B) regarding memorandums of understanding entered as a result of House Bill No. 1417 (2021), which amended North Dakota Century Code Section 54-59-05. He noted:

- The state has entered memorandums of understanding with the Mandan, Hidatsa, and Arikara (MHA) Nation and joined a joint-state cybersecurity operation center with South Dakota, Montana, Kansas, and New Jersey;

- The goal of the agreement with MHA Nation is to provide antivirus services, vulnerability analysis on software, and cybersecurity awareness training to reduce phishing attacks; and

- The joint-state cybersecurity operation center agreement will provide opportunities for collaboration and sharing of best practices between states when preparing for cybersecurity threats.

Mr. Riley noted ITD is considering requesting the 2023 Legislative Assembly consider legislation regarding cybersecurity requirements to access STAGEnet and cybersecurity concerns of boards and commissions that maintain citizen data.

Mr. Greg Hoffman, Deputy Chief Information Officer, Information Technology Department, noted ITD is considering requesting the 2023 Legislative Assembly amend Section 54-59-05 to allow ITD to provide optional services to tribal governments to prevent cybersecurity threats instead of allowing ITD only to assist tribal governments after a cybersecurity incident has occurred.

STUDY OF INFORMATION TECHNOLOGY UNIFICATION
Mr. Riley presented information regarding the committee's study of IT unification. He noted:

- The 2019-21 and 2021-23 biennium IT unification initiatives have aligned the majority of executive branch IT resources, resulting in efficiencies and an increase in services provided; and

- While prior IT unification initiatives were focused on the transfer of IT staff, future IT unification efforts will focus on improving technology so state agencies have similar IT processes and systems.

LARGE PROJECT REPORTING
Information Technology Department
Mr. Justin Data, Director, Project Management Office, Information Technology Department, presented information (Appendix C) regarding the 2022 quarter 1 summary status report (Appendix D) on large IT projects and project startup and closeout reports (Appendix E) completed since February 2022. He noted of the 78 total projects, 46 are considered active and all projects are within the 20 percent budget and schedule variance thresholds, with the exception of the Department of Corrections and Rehabilitation electronic medical records project, which exceeded the 20 percent schedule variance threshold.

Department of Trust Lands
Mr. Joseph A. Heringer, Commissioner, Department of Trust Lands, presented information (Appendix F) regarding the status of the department's IT project pursuant to Section 5 of Senate Bill No. 2013 (2021). He noted:

- The department continued the entire $3.6 million of special funds appropriated for the project during the 2017-19 biennium into the 2019-21 biennium, of which approximately $2.2 million was spent during the 2019-21 biennium and $1.4 million was continued into the 2021-23 biennium;

- The department anticipates spending $3.6 million on the project during the 2021-23 biennium, of which $1.4 million is funding continued from prior bienniums, $1.6 million is from special funds appropriated by the 2021 Legislative Assembly, and $600,000 is from special funds available pursuant to continuing appropriation authority;

- Funding for the 2021-23 biennium is to complete the land management portion of the project, which is separated into a surface project and a minerals project. The surface project was completed in November 2021 and the minerals project is expected to be complete in October 2022; and

- The department anticipates requesting approximately $80,000 for enhancements to the financial management, accounting, and land management software during the 2023-25 biennium.

In response to a question from a committee member, Ms. Catelin Newell, Administrative Staff Officer, Department of Trust Lands, noted the department has entered a 5-year agreement with a vendor for maintenance of the department's IT systems after the project is complete.

EDUCATION-RELATED INFORMATION TECHNOLOGY UPDATES
Higher Education

Mr. Darin King, Vice Chancellor for IT/Chief Information Officer, North Dakota University System, presented information (Appendix G) regarding the 2022 1st quarter summary status report (Appendix H) on large IT projects and current and future higher education IT challenges, initiatives, and requests. He reviewed University System strategic initiatives from 2015 to 2022 and noted higher education IT challenges include cybersecurity and software maintenance costs increasing 2 to 5 percent annually and the need for additional cybersecurity full-time equivalent positions.

EduTech

Ms. Rosi Kloberdanz, Director, EduTech, Information Technology Department, presented information (Appendix I) regarding the status of elementary and secondary education IT activities, including an update of the cyber madness event held in Bismarck in February 2022 (Appendix J). She noted:

- By the end of calendar year 2022, EduTech will no longer provide web hosting services to schools due to schools needing more dynamic web hosting services than EduTech can provide;

- EduTech is working with schools to find a different web hosting service to meet the needs within each school's available funding resources; and

- EduTech entered a new Microsoft Office 365 licensing partnership with schools to reduce school spending, ensure schools receive necessary services, and improve license renewal efficiencies.

STATEWIDE INTEROPERABLE RADIO NETWORK

Mr. Duane Schell, Chief Technology Officer, Information Technology Department, presented information (Appendix K) regarding the statewide interoperable radio network (SIRN), including options to pay for ongoing maintenance costs, future governance of the network, and potential revenue. He noted:

- Through April 2022, 4,856 of an estimated 20,000 radios have been purchased by local public safety agencies and $7.25 million of an estimated $30 million of reimbursement requests have been submitted by these agencies for the state's $1,500 cost-share responsibility for each radio;

- ITD anticipates the ongoing biennial maintenance cost of SIRN will be $20 million after completion of the project, excluding radio maintenance and local public safety answering point maintenance costs. The estimated system and network maintenance cost for the 2023-25 biennium is $17.5 million;

- ITD anticipates requesting funding from the 2023 Legislative Assembly for ongoing maintenance of SIRN and to repay a portion of the Bank of North Dakota line of credit authorized for the project. The Information Technology Department anticipates utilizing funding available in the SIRN fund, which collects approximately $4.5 million annually from a $0.50 fee imposed on assessed communication services, to pay a portion of the maintenance costs and line of credit repayments;

- The estimated amount available in the SIRN fund from previous bienniums through the end of the 2023-25 biennium for ongoing maintenance costs is approximately $32 million. Estimated expenditures through the 2023-25 biennium total approximately $36.2 million, of which $6.4 million is for ongoing maintenance costs through the remainder of the 2021-23 biennium, $17.5 million of ongoing maintenance costs for the 2023-25 biennium, and $12.3 million of principal and interest payments and risk costs through the 2023-25 biennium;

- ITD anticipates requesting an additional $4.2 million from the 2023 Legislative Assembly to pay the remaining costs but if the variable interest rate on the line of credit continues to increase, additional interest will accrue on the outstanding balance, resulting in more funding requested for repayments; and

- The COVID-19 pandemic and supply chain issues have delayed the SIRN project, resulting in an estimated completion date of 2026.

REPORT FROM THE CHIEF INFORMATION OFFICER
Information Technology Rates

Mr. Hoffman presented an update (Appendix L) regarding IT rates for state budgeting purposes for the 2023-25 biennium. He reviewed maintenance and operations, mainframe, network, server hosting, storage, application hosting, desktop support, technology, Microsoft licensing, telecommunications, and other rates and fees. He noted:

- Certain enterprise services provided to the majority of executive branch state agencies, such as the customer success management program, could be funded through a general fund appropriation to ITD rather than general fund appropriations to other agencies and a special fund appropriation to ITD to collect funding from the agencies; and

- This change would result in an increase of approximately $5 million from the general fund in ITD's budget, a decrease of approximately $5 million from the general fund in other agency budgets, and a decrease of approximately $5 million from special funds in ITD's budget.

Infrastructure Investment and Jobs Act

Mr. Hoffman presented information (Appendix M) regarding potential federal funding available as a result of the federal Infrastructure Investment and Jobs Act for broadband, cybersecurity, and other IT initiatives. He noted:

- Every state will receive a minimum of $100 million through the broadband equity, access, and deployment program for broadband infrastructure and mapping but states are waiting for the federal government to make funding available;

- The middle mile grant program is a competitive program for broadband infrastructure deployment available during federal fiscal years 2022 through 2026 for which ITD intends to apply when the federal government starts accepting funding applications;

- The state digital equity capacity grant program and state digital equity planning grant program are competitive programs for feasibility analysis and planning of broadband infrastructure in underserved areas for which ITD intends to apply when the federal government starts accepting funding applications; and

- The state and local cybersecurity grant program is for providing funding to tribal and local governments, requires a statewide security plan and a security planning committee, and funding applications are expected to be available during the 3rd quarter of 2022.

Distributed Ledger Technologies

Mr. Ravi Krishnan, Chief Data and Analytics Officer, Information Technology Department, presented information (Appendix N) regarding implementation of distributed ledger technologies pursuant to Section 54-59-02.2. He noted:

- Of the 87 blockchain projects in state government during the 2021-23 biennium through May 26, 2022, 63 projects (72.4 percent) were in pilot or exploration phases, 16 projects (18.4 percent) were in rolling-out or production phases, and 8 projects (9.2 percent) were no longer active; and

- The projects relate to paper credentials, such as transcripts, diplomas, and licenses; web applications and images; machine readable digital credentials, such as digital wallets and backpacks; and job data exchanges, which include publishing job opportunities and qualifications.

Statewide Longitudinal Data System

Mr. Schell presented information (Appendix O) regarding a Statewide Longitudinal Data System Committee report pursuant to Section 54-59-36. He noted the committee has entered data-sharing agreements with the Department of Human Services, Department of Transportation, Job Service North Dakota, University System, Department of Public Instruction, Department of Career and Technical Education, and North Dakota Workforce Council, and is considering entering agreements with the judicial branch and Department of Corrections and Rehabilitation.

No further business appearing, Chairman Bosch adjourned the meeting at 3:18 p.m.

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Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:15