

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Monday, January 6, 2003
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 3:35 p.m.

Members present: Senators Larry J. Robinson, Randy A. Schobinger; Representatives Keith Kempenich, Bob Skarphol, Robin Weisz; Chief Information Officer Curtis L. Wolfe

Others present: See attached appendix

MAJOR INFORMATION TECHNOLOGY PROJECTS

Mr. Dirk Huggett, Business Analyst, Programming and Planning Division, Information Technology Department, presented information regarding the status of the Job Service North Dakota NDWORKS project. A copy of the information is on file in the Legislative Council office. He said in response to issues raised at the November 2002 executive steering committee meeting for the Job Service North Dakota NDWORKS Project, he drafted a letter of concern to Job Service North Dakota. The letter focused on the following three primary concerns:

- Loss of confidence in the Virtual One Stop vendor Geographic Solutions and its ability to perform the level of expectations of the project.
- Performance issues regarding the response time and stability of the application.
- Failure of the data conversion process to meet its schedule.

Mr. Huggett said Job Service North Dakota has responded to the letter of concern and has submitted a plan to address the concerns and minimize the risks to the project. He said he believes Job Service North Dakota and the vendor have a good plan to overcome his concerns regarding the project.

In response to a question from Representative Weisz regarding the loss of confidence in the vendor, Mr. Huggett said the vendor has alleviated concerns by immediately committing additional resources to the project.

Ms. Cheri Giesen, Information Technology Manager, Job Service North Dakota, presented information regarding the status of the department's NDWORKS Project. She said the department's "one-stop" solution NDWORKS was originally planned to be implemented by July 2002. However, due to integration and data conversion issues, the project's

implementation date was delayed to November 2002. She said in November 2002 it became apparent that the project's implementation date would again need to be delayed due to application performance and data conversion issues. She said the department has taken immediate steps to solve the performance issues by having the vendor modify the application's source code and solve the conversion issues by contracting with Oracle to manage the conversion process. She said Job Service North Dakota anticipates a February 18, 2003, implementation date for the project. She said the revised total budget for the project is \$4,052,065, \$324,433 more than the initial project budget of \$3,727,632.

In response to a question from Representative Kempenich, Ms. Giesen said the department is comfortable with meeting the February 2003 implementation date.

In response to a question from Representative Skarphol regarding large information technology project planning, Ms. Giesen said information technology managers are able to share information regarding large project planning through the Information Technology Department's enterprise architecture initiative.

In response to a question from Senator Robinson, Mr. Wolfe said the department will provide committee members a status report regarding the NDWORKS Project by the end of January 2003.

EXPLORNET STATUS

Mr. Wayne Kutzer, State Director, State Board for Vocational and Technical Education, provided information regarding the status of funding appropriated by the 2001 Legislative Assembly for a contract with ExplorNet for information technology technical education. A copy of the information is on file in the Legislative Council office. He said the 2001 Legislative Assembly provided a \$422,300 general fund appropriation to the State Board for Vocational and Technical Education for information technology technical education. The funds were to be expended based on an agreement between ExplorNet, a nonprofit organization based in North Carolina, and the State Board for Vocational and Technical Education. The agreement provided for \$168,300 to be given directly to ExplorNet for administrative uses

and \$254,000 to be granted to North Dakota schools that started ExplorNet programs.

Mr. Kutzer said as of July 12, 2002, ExplorNet does not have a presence in the state and based on a budget report from ExplorNet, he requested the return of \$84,000 of the administrative funding that was to be used for the second year of the 2001-03 biennium. He said he was denied the return of the funds by the representatives of ExplorNet and based on consultation with the Attorney General's office, it has been determined the state has no legal basis to require the return of a portion of the funds provided to ExplorNet. He said only \$168,300 of the \$422,300 general fund appropriation was provided to ExplorNet for administrative purposes and the remaining funds of \$254,000 has been or will be distributed by the State Board for Vocational and Technical Education to North Dakota schools that started ExplorNet programs.

In response to a question from Senator Robinson, Mr. Kutzer said there are approximately 42 schools in North Dakota with ExplorNet programs.

ENTERPRISE RESOURCE PLANNING SYSTEM INITIATIVE

Mr. Wolfe presented a report regarding the Information Technology Department's enterprise resource planning (ERP) system initiative return on investment. A copy of the report is on file in the Legislative Council office. He said considering all known costs of the ERP system initiative, cost reallocations due to replacement of existing legacy systems, and direct project benefits, the state of North Dakota will realize an overall return on investment for the ERP system initiative of 15.2 percent and a project payback of 6.58 years. He said in addition, the state will potentially avoid between \$36.75 million and \$41.5 million of costs for software replacement and upgrades that have been deferred by state agencies and higher education in anticipation of the new functionality of the initiative.

In response to a question from Senator Robinson regarding the status of the ERP system initiative, Mr. Wolfe said the implementation of the ERP system remains on schedule and on budget with no imminent or anticipated delays identified.

OTHER INFORMATION

Mr. Dan Pullen, Director, Educational Technology Council, provided information regarding data collection issues for kindergarten through grade 12. A copy of the information is on file in the Legislative Council office. He said kindergarten through grade 12 schools are required to submit data to several agencies within the state on a regular basis throughout the year, and many of these data reporting processes are not coordinated resulting in duplication of reporting requirements and an increasing burden on school staff time and other resources. Therefore, the Educational Technology Council at its November 2002 meeting created a subcommittee to study data collection initiatives and processes and to determine ways to streamline the process to better serve the kindergarten through grade 12 schools. He said he will provide the committee with more information regarding the issue after the subcommittee's first meeting.

The meeting was adjourned subject to the call of the chair at 4:45 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1