NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, January 09, 2013
Fort Union Room, State Capitol
Bismarck, North Dakota

Representative Weisz, Chairman, called the meeting to order at 3:02 p.m.

Members present: Representative Robin Weisz, Keith Kempenich, Corey Mock, Gary Paur; Senators Joe Miller, Larry Robinson, Margaret Sitte, Rich Wardner; Chief Information Officer Lisa Feldner

Members absent: Representatives Randy Boehning, Roscoe Streyle; Senator Donald Schaible

Others present: See (Appendix A)

It was moved by Senator Miller, seconded by Senator Sitte, and carried on a voice vote that the minutes of the October 9, 2012, meeting be approved as distributed.

WORKFORCE SAFETY AND INSURANCE - INFORMATION TRANSFORMATION PROJECT

Mr. Brian Klipfel, Director, Workforce Safety and Insurance, provided information (Appendix B) regarding the status of the agency's information technology transformation project. Mr. Klipfel said the contract with Aon eSolutions for the Advanced Information Management (AIM) Project expired December 31, 2012, and with the project's executive steering committee approval, the contract was not extended.

Mr. Klipfel said Workforce Safety and Insurance (WSI) has two alternatives to continue the project. He said the first and most desirable alternative is to seek a new partner to fill the role previously held by Aon eSolutions. He said the second alternative is to use the money already budgeted in WSI's proposed 2013-15 biennium budget to complete a policy module and delay completing the claims module until the 2015-17 biennium.

Mr. Klipfel said WSI has paid Aon eSolutions $6.7 million to date. He said if the project was successfully completed with a claims and policy function, Aon eSolutions would have received $8.8 million.

Mr. Klipfel said WSI has tangible results from the original proposed project. He said the WSI successfully completed an upgrade to its imaging system, FileNet, which includes imaging, storage, and retrieval of documents up to current capabilities; a back-scanning project; and system architecture studies. He said the staff is knowledgeable on testing and procedures associated with this type of project which will allow for less time spent familiarizing the product with a new partner. He said more precise documentation on business requirements of a software system replacement project will be utilized.

Mr. Klipfel said WSI has spent a total of $17 million on the project to date, including $6,741,391 to Aon eSolutions; $7,065,000 to HCL; and $3,195,000 to other vendors, including Information Technology Department.

Mr. Klipfel discussed WSI's plan for continuing work on the project. He said WSI will seek a new partnership to fill Aon's portion of the project and with the Governor's office and the Legislative Assembly's approval, WSI will start the request for proposal process quickly in order to identify funding needed for the project by the conclusion of the appropriation process of the 2013 legislative session. He said a preliminary estimate is the need for an additional $3 million to $10 million of funding and from 22 months to 30 months to complete a software replacement of claims and development of a policy module.

In response to a question from Representative Weisz, Mr. Klipfel said HCL's role in the project involved project management, change management, and testing.

In response to questions from Representative Mock, Mr. Klipfel said the $17 million paid to date on the project does not include any costs relating to time spent by the WSI staff involved in the project. He said the time to process a benefits claim has not been negatively affected due to this project.

Representative Mock asked WSI to provide an estimate of the amount of staff time and related costs that have been incurred relating to the project.

Senator Sitte suggested WSI consider all of its options and develop the most feasible and desirable plan before requesting additional funding from the Legislative Assembly for the project.

It was moved by Representative Robinson, seconded by Representative Wardner, and carried on a voice vote that the Information Technology Committee meeting be adjourned subject to the call of the chair.

The meeting adjourned subject to the call of the chair at 3:56 p.m.

_____
Brittani Quick
Fiscal Assistant

_____
Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:2