

2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1086

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1086
1/12/2023

Relating to information technology standards and services.

Meeting called to order by Chairmen Schauer at 2:33PM.

Chairmen Austen Schauer, Vice Chairmen Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- Changes to Cytech
- Oversight
- Policy standards and guidelines
- North Dakota Information Technology committee
- Office of Management and Budget

Greg Hoffman, Acting Interim Deputy CIO for Information Technology Department, introduced HB 1086 with supportive testimony. (#13043)

Sherry Neas, Central Services Director, spoke in support of HB 1086. Oral testimony in support

Greg Hoffman, Acting Interim Deputy CIO for Information Technology Department, answered questions from the committee relating to HB 1086.

Sherry Neas, Central Services Director, answered questions relating to HB 1086.

Terry Effertz, Executive Director of Tech ND, Oral testimony in neutral position to the bill.

Chairman Schauer adjourned the meeting at 3:04PM.

Phillip Jacobs, Committee Clerk By: Leah Kuball

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1086
1/19/2023

Relating to information technology standards and services.

Meeting called to order by **Chairmen Schauer at 10:15 AM**

Chairmen Austen Schauer, Vice Chairmen Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- IT services to the AG Office
- Hosting services waiver
- IT Policies pertaining to IT purchases

Greg Hoffman CIO ND Information Technology Department- Answers committee questions (Testimony # 13043)

Representative Schauer Closed the meeting for HB 1086 at 10:30 AM

Phillip Jacobs, Committee Clerk by Risa Berube

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1086
1/27/2023

Relating to information technology standards and services.

Meeting called to order by **Chairman Schauer at 8:59 AM.**

Chairmen Austen Schauer, Vice Chairmen Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- Committee work
- Amendments

Chairman Schauer called for a discussion on HB 1086 and the proposed amendment. #26560

Allison Hicks, Information Technology Department, offered oral neutral testimony on HB 1086 and answered questions from the committee.

Representative Louser moved to amend HB 1186 with word changes on Page 1 lines 12 -14 and on Line 21 insert "The policies, standards, and guidelines developed under this section are exempt from the rulemaking procedure in chapter 28-32. #26560

Seconded by Representative Bahl.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Claire Cory	Y
Representative Jeff A. Hoverson	Y
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	Y
Representative Carrie McLeod	Y
Representative Karen M. Rohr	Y
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Steve Vetter	Y

Motion carries 13-0-0.

Representative Louser moved a do pass as amended on HB 1186.
Seconded by Representative McLeod.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Claire Cory	Y
Representative Jeff A. Hoverson	Y
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	Y
Representative Carrie McLeod	Y
Representative Karen M. Rohr	Y
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Steve Vetter	Y

Motion carries 13-0-0.

Carried by Representative Louser.

Chairman Schauer Closed the meeting for HB 1086 at 9:09 AM

Phillip Jacobs, Committee Clerk By: Leah Kuball

JA 1-27-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1086

Page 1, line 1, after "to" insert "create and enact a new subdivision to subsection 2 of section 28-32-01 of the North Dakota Century Code, relating to an exception to the Administrative Agencies Practice Act; and to"

Page 1, after line 4, insert:

"SECTION 1. A new subdivision to subsection 2 of section 28-32-01 of the North Dakota Century Code is created and enacted as follows:

The information technology department with respect to administrative rules regarding the policies, standards, and guidelines developed under section 54-59-09."

Page 1, line 12, replace "Annually" with "Quarterly"

Page 1, line 13, remove "presented"

Page 1, line 14, replace "to" with "approved by"

Page 1, line 21, after the period insert "The policies, standards, and guidelines developed under this section are exempt from the rulemaking procedure in chapter 28-32."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1086: Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1086 was placed on the Sixth order on the calendar.

Page 1, line 1, after "to" insert "create and enact a new subdivision to subsection 2 of section 28-32-01 of the North Dakota Century Code, relating to an exception to the Administrative Agencies Practice Act; and to"

Page 1, after line 4, insert:

"SECTION 1. A new subdivision to subsection 2 of section 28-32-01 of the North Dakota Century Code is created and enacted as follows:

The information technology department with respect to administrative rules regarding the policies, standards, and guidelines developed under section 54-59-09."

Page 1, line 12, replace "Annually" with "Quarterly"

Page 1, line 13, remove "presented"

Page 1, line 14, replace "to" with "approved by"

Page 1, line 21, after the period insert "The policies, standards, and guidelines developed under this section are exempt from the rulemaking procedure in chapter 28-32."

Renumber accordingly

2023 SENATE STATE AND LOCAL GOVERNMENT

HB 1086

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1086
3/2/2023

Relating to an exception to the Administrative Agencies Practice Act; relating to information technology standards and services.
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1:04 PM Chair Roers opened the hearing. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- New authority
- Administrative rules
- Red tape reduction

Greg Hoffman, ND Information Technology Dept, testified in support #21745.

Terry Effertz, Dir TechND, testified opposed #21750.

Allison Hicks, Attorney General Office, asked to clarify.

Lisa Feldner, Broadband Assoc., testified opposed with no written testimony.

Additional written testimony:

Jonathan Fortner, Lignite Energy Council, Bismarck, ND, opposed #21767.

1:20 PM Chair Roers closed the hearing.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1086
3/10/2023

Relating to an exception to the Administrative Agencies Practice Act; relating to information technology standards and services.
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10:50 AM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Bill review
- Study
- Rule making process

Chair Roers provided information.

Senator Lee provided information.

Senator Braunberger provided information.

10:56 AM AM Chair Roers closed the meeting.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1086
3/10/2023

Relating to an exception to the Administrative Agencies Practice Act; relating to information technology standards and services.
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11:02 AM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Administrative rules
- Security risk
- Amendment

Allison Hicks, Attorney General office answered questions.

11:09 AM Chair Roers adjourned meeting.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1086
3/16/2023

Relating to an exception to the Administrative Agencies Practice Act; relating to information technology standards and services.
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1:47 PM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Committee action

Sen Braunberger moved amendment LC 23.8008.02001. Sen Cleary seconded.

Senators	Vote
Senator Kristin Roers	Y
Senator Jeff Barta	Y
Senator Ryan Braunberger	Y
Senator Sean Cleary	Y
Senator Judy Estenson	Y
Senator Judy Lee	Y

VOTE: YES 6 NO – 0 Absent – 0 Motion PASSED

Sen Cleary moved a DO PASS as Amended.

Sen Barta seconded the motion.

Senators	Vote
Senator Kristin Roers	Y
Senator Jeff Barta	Y
Senator Ryan Braunberger	Y
Senator Sean Cleary	Y
Senator Judy Estenson	Y
Senator Judy Lee	Y

VOTE: YES – 6 NO – 0 Absent – 0 Motion PASSED

Sen Roers will carry the bill.

1:53 PM Chair Roers adjourned the meeting.

Pam Dever, Committee Clerk

Alt
3-16-23
(1-1)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1086

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for an information technology department study relating to the language of chapter 54-59 of the North Dakota Century Code; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. INFORMATION TECHNOLOGY DEPARTMENT - REVIEW OF STATUTORY LANGUAGE - LEGISLATIVE MANAGEMENT REPORT.

1. During the 2023-2024 interim, the chief information officer shall appoint a task force of key stakeholders to review chapter 54-59 of the North Dakota Century Code for obsolete or outdated language and practices.
2. By June 1, 2024, the chief information officer shall report the task force's findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1086, as engrossed: State and Local Government Committee (Sen. K. Roers, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1086 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for an information technology department study relating to the language of chapter 54-59 of the North Dakota Century Code; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. INFORMATION TECHNOLOGY DEPARTMENT - REVIEW OF STATUTORY LANGUAGE - LEGISLATIVE MANAGEMENT REPORT.

1. During the 2023-2024 interim, the chief information officer shall appoint a task force of key stakeholders to review chapter 54-59 of the North Dakota Century Code for obsolete or outdated language and practices.
2. By June 1, 2024, the chief information officer shall report the task force's findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Renumber accordingly

2023 CONFERENCE COMMITTEE

HB 1086

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1086
4/6/2023
Conference Committee

A BILL for an Act to provide for an information technology department study relating to the language of chapter 54-59 of the North Dakota Century Code; and to provide for a legislative management report.

Chairman Louser called the meeting to order at 3:02 PM.

Chairman Scott Louser, Representatives Jorin Johnson, Karen Karls, Madam Chair Kristin Roers, Senators Sean Cleary, and Ryan Braunberger present.

Discussion Topics:

- Department study
- Infrastructure grants

Chairman Louser called for a discussion on HB 1086.

Madam Chair Roers discussed amendments to HB 1086.

Greg Hoffman, Deputy CIO for the North Dakota Information Technologies Department, answered questions from the committee.

Rep. Mock answered questions from the committee.

Chairman Louser adjourned the meeting at 3:29 PM.

Phillip Jacobs, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1086
4/11/2023
Conference Committee

A BILL for an Act to provide for an information technology department study relating to the language of chapter 54-59 of the North Dakota Century Code; and to provide for a legislative management report.

Chairman Louser called the meeting to order at 2:07 PM.

Chairman Scott Louser, Representatives Jorin Johnson, Karen Karls, Madam Chair Kristin Roers, Senators Ryan Braunberger, and Sean Cleary present.

Discussion Topics:

- Department study
- Amendment

Chairman Louser called for a discussion on HB 1086.

Rep. Johnson moved that the House accede to Senate amendments.

Seconded by Sen. K. Roers.

Roll call vote: Motion carries 6-0-0.

Carried by Sen. K. Roers in Senate.

Carried by Rep. Louser in House.

Chairman Louser adjourned the meeting at 2:11 PM.

Phillip Jacobs, Committee Clerk

REPORT OF CONFERENCE COMMITTEE

HB 1086, as engrossed: Your conference committee (Sens. K. Roers, Cleary, Braunberger and Reps. Louser, J. Johnson, Karls) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1303 and place HB 1086 on the Seventh order.

Engrossed HB 1086 was placed on the Seventh order of business on the calendar.

TESTIMONY

HB 1086

NORTH
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House
Government and Affairs
Committee



HB 1086
January 12, 2023
Pioneer Room

EMPOWER PEOPLE – IMPROVE LIVES – INSPIRE SUCCESS

NDCC 54-59-09

- Develop statewide information technology policies, standard and guidelines
 - NDIT & OMB

NDCC 54-59-22

- Receiving a waiver from hosting services
- OMB establishing policies and guidelines for delivery of services after receiving advise from NDIT

Consultation with Joe Morrissette, Director of OMB

- Supportive of the changes
- IT policies, standards, guidelines in the hands of technologists

Does not change procurement policies, standards or guidelines pertaining to IT purchases for NDIT or other agencies

- Governed by NDCC 54-44.4

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THANK YOU



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Senate
State and Local
Government Committee



HB 1086
March 2, 2023
Room 216

EMPOWER PEOPLE – IMPROVE LIVES – INSPIRE SUCCESS

NDCC 54-59-09

- Develop statewide information technology policies, standard and guidelines
 - NDIT & OMB

NDCC 54-59-22

- Receiving a waiver from hosting services
- OMB establishing policies and guidelines for delivery of services after receiving advise from NDIT

Consultation with Joe Morrissette, Director of OMB

- Supportive of the changes
- IT policies, standards, guidelines in the hands of technologists

Does not change procurement policies, standards or guidelines pertaining to IT purchases for NDIT or other agencies

- Governed by NDCC 54-44.4

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1086

Page 1, line 20, replace "approved" with "reviewed"

Renumber accordingly

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THANK YOU



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**Testimony Of Terry Effertz
Executive Director
TechND**

My name is Terry Effertz, the executive director of TechND¹, and I'm here today standing in opposition to HB 1086. We were against the bill in the initial form and still oppose the bill in its amended form. NDIT has explained this as a "clean-up" bill, but upon closer inspection, there are unintended consequences and outside factors that impact this decision that ultimately make it a good idea for this committee to give the bill a "Do Not Pass" recommendation, including:

- This bill codifies NDIT's exemption to the administrative rulemaking process.
- The bill would allow NDIT to develop policies, standards and guidelines, removing involvement from OMB. This oversight would then be given to the legislative information technology committee.
- Continues to require all executive agencies and others to comply with the standards of NDIT, but grants the CIO the sole exemption authority. And then, regarding email services and desktop support services, the bill broadens exemption authority to "the information technology department", not just CIO.
- This bill may allow NDIT to force agencies and institutions currently exempt from NDIT policies under their purview, some of which much prefer to operate outside of the NDIT service framework.

Further, TechND questions whether a bill with such wide-ranging implications should be passed by the legislature when OMB is being run by an interim leader. During the last hearing OMB pointed out that their office and NDIT have specialties and "stay in their lane," but it is very possible that our next OMB director may have experience or interest in this field and may be qualified to weigh-in on hosting waivers or drafting standards and policy.

Between the combination of bills put forth by NDIT this session, TechND questions whether the department is setting themselves up to monetize their services and compete with private industry. We encourage this committee to examine the separation of power issues and at the very least change this bill into a study to examine the current NDIT rules and how their waiver and rulemaking process can be improved. At this time, we urge this committee to recommend "Do Not Pass" on HB 1086.

¹ TechND was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has over 60 member organizations, with representatives from both the public and private sector.



March 1, 2023

Chairman Roers and State and Local Government Committee Members,

I am submitting testimony today with concerns regarding House Bill 1086. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

The businesses and individuals of the Lignite Energy Council support efforts to increase efficient operation of state agencies and exercise wise stewardship of taxpayer resources. More efficient government means our members can focus on what they do best: maximizing the value of coal and powering the lives of those in the Upper Midwest. And as direct consumers of services provided by the PSC, our members have firsthand knowledge of the importance of stable and reliable IT services. As such, we have some serious concerns with this proposal to consolidate their IT systems.

In our long history of working with the PSC, our members have had no issue, problems, or concerns with the agency and the reliability and security of their IT systems. In fact, our members have worked together with the PSC on cutting edge technological services to increase efficiency and access to information in our industry. These efforts have been recognized by federal officials in the Office of Surface Mining for their innovation and effectiveness and have served as models for other States to leverage the assets provided by OSM to make their own mining programs more effective.

This leads to one of our concerns with this proposal. The PSC computer systems serve to aggregate information from federal partners and industry participants within the State's regulatory infrastructure. This three-way conversation creates the need for a system that is suited for rigorous compliance with federal requirements while maintaining the ability to quickly adapt and integrate the innovations that come from the private sector's early adoption of technological improvements.

This expertise has developed over a series of decades, and we fear it cannot be easily replicated if the PSC server system is uprooted from its current location.

In the coal industry, livelihoods depend upon compliance with State and federal regulations. Any threat that puts our permitting system at-risk or puts our access to critical data at-risk is taken seriously by those who rely upon the PSC's systems. For this reason, we share the concern for an IT system that is secure from cyberthreats and physical threats. But in the day-to-day operations of our businesses, the risk of unnecessary delays, or unexpected interoperability problems, or a regulatory mistake due to a steep learning curve are just as real and just as damaging as cyberthreats or physical threats.

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Therefore, our primary concern would be moving servers out of the PSC and into another agencies' jurisdiction.

For these reasons, the Lignite Energy Council opposes HB1086 and we respectfully ask that the committee provide this legislation with a favorable "Do Not Pass" recommendation.

Thank you for your consideration,

Jonathan Fortner
Vice President of Government Relations

1016 E. Owens Ave. | PO Box 2277 | Bismarck, ND 58502

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 LEC@lignite.com

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1086

Page 1, line 12, replace "Annually" with "Quarterly"

Page 1, line 13, replace "presented" with "approved"

Page 1, line 14, replace "to" with "by"

Page 1, 21, after the period insert "The policies, standards, and guidelines developed under this section are exempt from the rulemaking procedure in chapter 28-32."

Renumber accordingly

23.8008.02003
Title.

Prepared by the Legislative Council staff for
Representative Mock
March 29, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1086

In lieu of the amendments adopted by the Senate as printed on page 1023 of the Senate Journal, Engrossed House Bill No. 1086 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 9 of chapter 548 of the 2021 Special Session Session Laws, relating to broadband infrastructure grants; to provide for an information technology department study relating to the language of chapter 54-59 of the North Dakota Century Code; to provide for a legislative management report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. INFORMATION TECHNOLOGY DEPARTMENT - REVIEW OF STATUTORY LANGUAGE - LEGISLATIVE MANAGEMENT REPORT.

1. During the 2023-2024 interim, the chief information officer shall appoint a task force of key stakeholders to review chapter 54-59 of the North Dakota Century Code for obsolete or outdated language and practices.
2. By June 1, 2024, the chief information officer shall report the task force's findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

SECTION 2. Section 9 of chapter 548 of the 2021 Special Session Session Laws is amended and reenacted as follows:

SECTION 9. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - ONE-TIME FUNDING - INFORMATION TECHNOLOGY DEPARTMENT - BROADBAND INFRASTRUCTURE GRANTS. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$45,000,000, or so much of the sum as may be necessary, to the information technology department for the purpose of providing broadband infrastructure grants to provide wireline services meeting adequate speeds to unserved and underserved households and businesses, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly