

INFORMATION TECHNOLOGY COMMITTEE - BACKGROUND MEMORANDUM

North Dakota Century Code Section 54-35-15.1 requires the Legislative Management during each biennium to appoint an Information Technology Committee in the same manner as the Legislative Management appoints other interim committees. The committee is to consist of six members of the House of Representatives and five members of the Senate. The Chief Information Officer of the state serves as an ex officio nonvoting member of the committee.

COMMITTEE STATUTORY AND ASSIGNED RESPONSIBILITIES

Section 54-35-15.2 requires the committee to:

1. Meet at least once each calendar quarter.
2. Receive a report from the Chief Information Officer of the state at each meeting.
3. Review the business plan of the Information Technology Department (ITD).
4. Review macro-level issues relating to information technology.
5. Review the activities of ITD.
6. Review statewide information technology standards.
7. Review the statewide information technology plan.
8. Review information technology efficiency and security.
9. Review established or proposed information technology programs and information technology acquisitions by the executive and judicial branches.
10. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from ITD and the affected agency regarding any major information technology project of an executive branch agency. A major project is a project with a total cost of \$500,000 or more.
11. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from ITD and the affected institution regarding any major project of the State Board of Higher Education or any institution under the control of the State Board of Higher Education. A major project is a project that significantly impacts the statewide wide area network, impacts the statewide library system, or is an administrative project and is a project with a total cost of \$500,000 or more.
12. Receive and review information from ITD and the affected agency regarding any information technology project of an executive branch agency with a total cost of between \$100,000 and \$500,000 as determined necessary by ITD.
13. Receive a report from the Chief Information Officer regarding the recommendation of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues.
14. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the affected legislative or judicial branch agency regarding any information technology project of the legislative or judicial branch with a total cost of \$500,000 or more.
15. Receive information from the State Board of Higher Education regarding higher education information technology planning, services, and major projects.

Section 54-35-15.3 authorizes the Information Technology Committee to review any information technology project or information technology plan. The section provides if the committee determines a project or plan is at risk of failing to achieve its intended results, the committee may recommend to the Office of Management and Budget (OMB) the suspension of the expenditure or funding appropriated for a project or plan. The Office of

Management and Budget may suspend the expenditure authority if the office agrees with the recommendation of the committee.

Section 54-35-15.4 provides the Information Technology Committee may request the State Auditor to conduct an information technology compliance review. The review may consist of an audit of an agency's information technology management, information technology planning, compliance with information technology plans, and compliance with information technology standards and policies or an audit of statewide compliance with specific information technology standards and policies.

The committee has the responsibility for reviewing the activities of ITD, the business plan of the department, statewide information technology standards, the statewide information technology plan, and major information technology projects as provided in Section 54-35-15.2, as discussed earlier; for determining information technology compliance reviews to be conducted by the State Auditor as provided in Section 54-35-15.4; and for receiving:

- A report from the State Board of Higher Education regarding higher education information technology planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
- A report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues (Section 54-35-15.2).
- A report from the Chief Information Officer regarding the coordination of services with political subdivisions and a report from the Chief Information Officer and the Chief Information Officer of the North Dakota University System regarding coordination of information technology between ITD and higher education (Section 54-59-12).
- The annual report from ITD (Section 54-59-19).

In addition to its statutory responsibilities for the 2015-16 interim, the committee has the responsibility to receive the following:

- A report from the Statewide Longitudinal Data System Committee regarding recommendations for further development, cost proposals, proposals for legislation, and recommendations for data sharing governance (Section 54-49-36).
- A report from the Information Technology Department before July 1, 2016, on the findings of the consultant hired by the Health Information Technology Office to provide for a health data study (Section 3 of 2015 House Bill No. 1021).
- A report from the Secretary of State certifying that the information technology components of the electronic filing system are ready for implementation if the project is completed before August 1, 2016 (2015 House Bill No. 1330).

PREVIOUS COMMITTEE RECOMMENDATIONS

2005-06 Interim

The 2005-06 interim Information Technology Committee recommended the following two bills--both of which were approved by the 2007 Legislative Assembly:

1. Senate Bill No. 2037:
 - a. Provided the Chief Information Officer may require as a condition of contracting with ITD or other state agencies or departments with respect to an information technology project that any individual employed by the contractor or subcontractor to perform the work under the contract submit to a criminal history record check.
 - b. Revised the powers and duties of the Information Technology Committee and ITD, including requiring the committee to receive and review project startup reports and project closeout reports for any major information technology project of an executive branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education.
 - c. Provided information technology plans are subject to acceptance by ITD.
 - d. Revised the contents of the statewide information technology plan and ITD annual report.

- e. Provided only entities approved by the Criminal Justice Information Sharing Board may access the criminal justice system.
2. Senate Bill No. 2038 required ITD and OMB to develop policies, standards, and guidelines based on information from state agencies and institutions. Executive branch state agencies, excluding entities under the control of the State Board of Higher Education, must comply with the policies and standards unless the Chief Information Officer exempts an agency to address situations unique to that agency. The bill also provided the State Information Technology Advisory Committee is to review policies, standards, and guidelines developed by ITD and prioritize proposed major information technology projects of executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and agencies of the judicial and legislative branches.

The 2005-06 interim Information Technology Committee considered, but did not recommend, a bill draft relating to higher education information technology planning services and major projects and a bill draft relating to the exclusion of policies, standards, and guidelines from compliance with the Administrative Agencies Practice Act. The 2007 Legislative Assembly did however approve House Bill No. 1461 relating to higher education information technology planning, services, and major projects. The bill:

- Provided the State Board of Higher Education is responsible for managing and regulating information technology planning and services for institutions under its control; collaborating with ITD to coordinate higher education information technology planning with statewide information technology planning; providing advice to ITD regarding the development of policies, standards, and guidelines relating to access to or use of wide area network services; and presenting information regarding information technology planning, services, and major projects to the Information Technology Committee.
- Provided the North Dakota University System may use the Northern Tier Network infrastructure only for the purpose of supporting the research and education missions of the University System. The University System may not use the Northern Tier Network infrastructure for traditional Internet, voice, video, or other telecommunications services beyond those required for research networks, and the University System may not resell any portion of the Northern Tier Network infrastructure to nonuniversity entities other than research collaborators.
- Exempted institutions under the control of the State Board of Higher Education from complying with policies, standards, and guidelines developed by ITD.
- Provided institutions under the control of the State Board of Higher Education are not required to prepare information technology plans.

2007-08 Interim

The 2007-08 interim Information Technology Committee recommended 2009 Senate Bill No. 2041, which was approved by the Legislative Assembly. The bill amended Section 54-59-21 relating to the Criminal Justice Information Sharing Board to expand the board's membership to include the existing three members--the Chief Justice of the Supreme Court, the Attorney General, and the Chief Information Officer--and nine additional members, including the Director of the Department of Emergency Services, the Director of the Department of Corrections and Rehabilitation, the Superintendent of the Highway Patrol, the Chief of the Bureau of Criminal Investigation, the Director of the Department of Transportation, a representative of a city police department, a representative of a county sheriff's office, a state's attorney, and one at-large member appointed by the Governor. The bill also provided board members who are not state employees are entitled to compensation of \$75 per day and mileage and expenses as provided by law for state employees to be paid by ITD.

2009-10 Interim

The 2009-10 interim Information Technology Committee recommended the following two bills for consideration by the 2011 Legislative Assembly:

1. Senate Bill No. 2036, which was defeated by the Legislative Assembly, amended Sections 54-59-02 and 54-59-05(13) relating to the responsibilities and powers and duties of ITD to provide the department may connect to a wide area network service for health information exchange in accordance with federal requirements for health information technology exchange.
2. Senate Bill No. 2037, which was approved by the Legislative Assembly, relates to the establishment and participation in the health information exchange. The bill:
 - a. Created four new sections to Century Code relating to the confidentiality of health information under the health information exchange and participation in the health information exchange.

- b. Amended Section 23-06.5-19 to transfer responsibilities associated with the health care record registry from the Secretary of State to ITD.
- c. Amended Sections 54-59-25 and 54-59-26 relating to the Health Information Technology Advisory Committee and the Health Information Technology Office.

2011-12 Interim

The 2011-12 interim Information Technology Committee recommended the following two bills for consideration by the 2013 Legislative Assembly:

1. Senate Bill No. 2033, which was approved by the Legislative Assembly, amended Sections 54-35-15.2, 54-59-05(8), and 54-59-23 to change the definition of a large information technology project from a project with a total cost of \$250,000 or more to a project with a total cost of \$500,000 or more.
2. Senate Bill No. 2034, which was approved by the Legislative Assembly, created a new section to Chapter 54-59 to establish an executive steering committee for information technology projects. The bill provided:
 - a. An executive branch state agency, excluding institutions under the control of the State Board of Higher Education, proposing a major technology project must collaborate with ITD and OMB and consult with the Attorney General's office to approve and administer the contract for a project.
 - b. The procurement officer and primary project manager for a major information technology project must meet the qualifications established by ITD and OMB.
 - c. The executive steering committee consists of the Director of the Office of Management and Budget, the Chief Information Officer, the head of the agency contracting for the project, the project sponsor, and a large project oversight analyst designated by the Chief Information Officer. The committee must monitor the overall status of the project and review project decisions. Any project decision declared by a member of the committee to be a major project decision requires at least four affirmative votes.
 - d. Contracts and any changes to a contract for a major information technology project must be signed by the head of the contracting agency and the Chief Information Officer.

2013-14 Interim

The Legislative Management assigned the committee the responsibility to study Voice over Internet Protocol (VoIP) service and issues related to the development of the current radio communication plan. The committee also received the results of a desktop support study, information technology hardware relocation and consolidation study, and an information technology staffing analysis of the Department of Public Instruction. The committee did not make any recommendations regarding the VoIP study, the radio communication study, and the results of an information technology staffing analysis of the Department of Public Instruction.

The 2013-14 interim Information Technology Committee recommended the following four bills for consideration by the 2015 Legislative Assembly:

1. House Bill No. 1051, which was approved by the Legislative Assembly, amended Section 15-10-44(1) to require all institutions under the control of the State Board of Higher Education to receive email services through one consolidated system operated by the State Board of Higher Education. The bill also required the State Board of Higher Education and the institutions under the control of the State Board of Higher Education to retain emails for a specific number of years. The bill also clarified that the State Board of Higher Education and the institutions under the control of the State Board of Higher Education are included in the state's record retention policies.
2. House Bill No. 1052, which was approved by the Legislative Assembly, amended Sections 54-35-15.2(11) and 54-59-12 to require the Chief Information Officer of the University System rather than the Commissioner of the State Board of Higher Education to coordinate with ITD and to report to the Information Technology Committee.
3. House Bill No. 1053, which was not approved by the Legislative Assembly, created a new section in Chapter 54-59 and amends Section 54-59-05. The bill required certain state agencies to obtain centralized desktop support services from ITD. However, similar provisions were included in the final version of House Bill No. 1021, which was approved by the Legislative Assembly.
4. Senate Bill No. 2051, which was not approved by the Legislative Assembly, related to the implementation of the results of a hardware relocation and consolidation study. The bill exempted the information technology hardware operated by the Attorney General's office from consolidation and relocation and

removed the ability of OMB to grant exemptions from the required use of hosting services and other information technology-related services. By removing the exemptions, the information technology hardware operated by the Department of Mineral Resources, Public Service Commission, and State Water Commission would have been required to be relocated and consolidated within ITD.

2015 LEGISLATIVE ASSEMBLY - RELATED LEGISLATION

House Bill No. 1021 - Legislative Intent for Radio Communications

Section 5 provided legislative intent that ITD be responsible for the oversight of the installation of any statewide radio communications equipment and that ITD develop a process to implement the recommendations of the North Dakota statewide radio system assessment and evolution study. Similar provisions were included in Section 5 of House Bill No. 1011 and in Section 5 of Senate Bill No. 2016.

House Bill No. 1021 - Data from Job Service North Dakota

Section 6 amended a new section to Chapter 54-59 created in 2015 Senate Bill No. 2326 (see below) to allow ITD to request wage data and workforce development evaluations from Job Service North Dakota related to the statewide longitudinal data system.

House Bill No. 1051 - Higher Education Information Technology Email

House Bill No. 1051 provides that the State Board of Higher Education shall require each institution under its control to utilize, for all public business, systemwide electronic mail services provided by the board. The bill also requires that the board develop and implement an email retention policy for the board and the institutions.

House Bill No. 1052 - Higher Education Information Technology Reports

House Bill No. 1052 provides for reports from the Chief Information Officer of the North Dakota University System rather than the Commissioner of the State Board of Higher Education related to higher education information technology reports.

House Bill No. 1021 - Desktop Support Services

Section 7 of House Bill No. 1021 requires certain state agencies to obtain desktop support services from ITD. In addition to funding included in agency budgets for desktop support services, the Legislative Assembly provided \$987,155 to various agencies for desktop support services in Section 8 of House Bill No. 1021. In Section 9 of House Bill No. 1021, the Legislative Assembly identified \$555,415 of the \$987,155 as one-time funding.

Senate Bill No. 2003 - Criminal Justice Information Sharing System

Senate Bill No. 2003 transferred the criminal justice information sharing system from ITD to the Attorney General.

Senate Bill No. 2326 - Statewide Longitudinal Data System Committee

Senate Bill No. 2326 repeals various sections of Chapter 15.1-02 relating to the statewide longitudinal data system and creates new sections within Chapter 54-59 pertaining to the statewide longitudinal data system. The new sections to Chapter 54-59 pertain to the membership, duties, and powers of the Statewide Longitudinal Data System Committee, as well as the committee's ability to receive funds. The bill requires the Statewide Longitudinal Data System Committee to report to one or more committees designated by the Legislative Management regarding its recommendations. The bill also provides that ITD shall provide staff support to the Statewide Longitudinal Data System Committee and may request from any state agency various information including any educational information the committee determines is required for a longitudinal data system to comply with state or federal law.

Senate Bill No. 2364 - Health Information Technology Loan Fund

Senate Bill No. 2364 repealed the health information technology loan fund because the fund was never utilized.

OTHER RELATED BACKGROUND INFORMATION

The Information Technology Department was established by the 1999 Legislative Assembly to assume the responsibilities of the Information Services Division of OMB. The department is responsible for all wide area network services, planning, selection, and implementation for all state agencies, including institutions under the control of the State Board of Higher Education, counties, cities, and school districts in the state. The department is also responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the Internet, technology planning, process redesign, and quality assurance. The department is headed by the Chief

Information Officer of the state who serves at the pleasure of the Governor and is to be appointed on the basis of education, experience, and other qualifications in information technology and administration.

Information Technology Department Funding

The 2015 Legislative Assembly provided funding of \$179,619,026, of which \$27,905,987 is from the general fund and \$151,713,039 is from special funds, to ITD for the 2015-17 biennium. The 2015-17 appropriation of \$179,619,026 reflects an increase of \$8,690,045 from the 2013-15 biennium appropriation of \$170,928,981. The following are summaries of the department's legislative appropriations for the 2013-15 and 2015-17 bienniums:

	General Fund	Special Funds	Total
2015-17 legislative appropriation	\$27,905,987	\$151,713,039	\$179,619,026
2013-15 legislative appropriation	21,254,428	149,674,553	170,928,981
Increase (decrease)	\$6,651,559	\$2,038,486	\$8,690,045

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total
2015-17 legislative appropriation	\$24,105,987	\$3,800,000	\$27,905,987
2013-15 legislative appropriation	19,939,428	1,315,000	21,254,428
Increase (decrease)	\$4,166,559	\$2,485,000	\$6,651,559
Percentage increase (decrease)	20.9%	189.0%	31.3%

The following is a summary of the department's legislative appropriation for the 2015-17 biennium:

	General Fund	Special Funds	Total
ITD operations (salaries and wages, operating expenses, and capital assets)	\$2,570,480	\$136,889,912	\$139,460,392
Center for Distance Education	6,196,605	3,050,000	9,246,605
Statewide longitudinal data system	6,750,661	0	6,750,661
Educational Technology Council	2,105,947	600,000	2,705,947
EduTech	3,785,392	5,514,599	9,299,991
Wide area network	4,903,448	100,000	5,003,448
Geographic information system	1,196,338	75,000	1,271,338
Health Information Technology Office	397,116	5,483,528	5,880,644
Total	\$27,905,987	\$151,713,039	\$179,619,026

The following is a summary of major appropriation increases and decreases included in the department's legislative appropriation for the 2015-17 biennium:

	General Fund	Special Funds	Total
Increased funding for ITD operations (salaries and wages, operating expenses, and capital assets)	\$947,543	\$6,998,271	\$7,945,814
Increased funding for the Center for Distance Education	2,304,705	1,073,509	3,378,214
Increased funding for the statewide longitudinal data system	4,879,907	0	4,879,907
Increased funding for the Educational Technology Council	891,338	0	891,338
Increased funding for EduTech	730,672	517,225	1,247,897
Increased funding for the wide area network	75,271	0	75,271
Decreased funding for the geographic information system	(188,956)	0	(188,956)
Increased funding for the Health Information Technology Office	38,440	1,091,481	1,129,921
Transferred the criminal justice information sharing system to the Attorney General	(3,027,361)	(842,000)	(3,869,361)
Removed funding for federal fiscal stimulus	0	(6,800,000)	(6,800,000)
Total	\$6,651,559	\$2,038,486	\$8,690,045

The Legislative Assembly authorized a total of 350.3 full-time equivalent (FTE) positions for the 2015-17 biennium, an increase of 10 FTE positions from the 2013-15 biennium authorized level of 340.3 FTE positions. The Legislative Assembly added 4 security analyst FTE positions, 4 teacher FTE positions at the Center for Distance Education, 2 desktop support FTE positions, 1 telecommunications analyst FTE position, 1 ConnectND FTE position, and 1 programmer analyst FTE position. The Legislative Assembly transferred 3 FTE positions to the Attorney General related to the criminal justice information sharing system.

Statewide Information Technology Funding

The 2015 Legislative Assembly provided funding of \$92,188,658, of which \$20,530,446 is from the general fund and \$71,658,212 is from other funds, for information technology projects for the 2015-17 biennium. A summary of the funding is attached as an [appendix](#).

Health Information Technology

Health Information Technology Advisory Committee

Section 54-59-25 establishes a Health Information Technology Advisory Committee consisting of the Chief Information Officer, the State Health Officer, the Governor, the Executive Director of the Department of Human Services, the Chairman of the House Human Services Committee, the Chairman of the Senate Human Services Committee, and individuals appointed by the Governor and the State Health Officer to represent a broad range of public and private health information technology stakeholders.

Health Information Technology Office

Section 54-59-26 establishes a Health Information Technology Office in ITD. The Health Information Technology Advisory Committee is to make recommendations to the Health Information Technology Office for implementing a statewide interoperable health information infrastructure that is consistent with emerging national standards, promote the adoption and use of electronic health records and other health information technologies, and promote interoperability of health information systems.

The Director of the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee, is to:

- Apply for federal funds that may be available to assist the state and health care providers in implementing and improving health information technology.
- Implement and administer a health information exchange that utilizes information infrastructure and systems in a secure and cost-effective manner to facilitate the collection, storage, and transmission of health records.
- Adopt rules for the use of health information, use of the health information exchange, and participation in the health information exchange.

Electronic Health Information Exchange Fund

Section 54-59-27 establishes an electronic health information exchange fund. The fund consists of the money deposited in the fund from federal or other sources or money transferred into the fund as directed by the Legislative Assembly. The Health Information Technology Office is to administer the fund. The money in the fund is to be used to facilitate and expand the electronic health information exchange. Money in the fund may be used, subject to legislative appropriations, to provide services directly for grants and for costs of administration of the fund.

The estimated June 30, 2015, fund balance is \$5,063,422.

Health Information Technology Loan Fund

Section 6-09-42 established a health information technology loan fund at the Bank of North Dakota to provide loans to health care providers to purchase and upgrade electronic health record technology. The federal funds anticipated for this fund were never made available, and the fund was never utilized. The 2015 Legislative Assembly repealed the health information technology loan fund.

Health Information Technology Planning Loan Fund

Section 6-09-43 establishes a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. This fund is a revolving loan fund. All money transferred into the fund, interest on money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement. Annually, the Bank may deduct a service fee for administering the revolving loan fund.

An application for a loan must be made to the Health Information Technology Office. The Director of the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee, may approve the application of a qualified applicant that meets the criteria established by the Director of the Health Information Technology Office. The Health Information Technology Office forwards approved applications to the Bank of North Dakota. Upon approval of the application by the Bank, the Bank is to make the loan from the revolving loan fund.

Through April 30, 2015, loan applications totaling \$12,272,449 have been approved.

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration relating to its statutory responsibilities and assigned study responsibilities:

1. Review the activities of ITD, the business plan of the department, statewide information technology standards, the statewide information technology plan, and major information technology projects (Section 54-35-15.2).
2. Determine information technology compliance reviews to be conducted by the State Auditor and receive the results of those reviews (Section 54-35-15.4).
3. Receive a report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues (Section 54-35-15.2).
4. Receive reports from the Chief Information Officer of the state regarding the coordination of services with political subdivisions and the Chief Information Officer of the North Dakota University System regarding coordination of information technology between ITD and higher education (Section 54-59-12).
5. Receive the following from ITD:
 - a. An annual report regarding information technology projects, services, plans, and benefits (Section 54-59-19); and
 - b. Information regarding the statewide information technology budget for the 2013-15 and 2015-17 bienniums.
6. Review current information technology-related statutory provisions.
7. Receive reports from the State Board of Higher Education regarding higher education information technology planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
8. Receive a report from the Statewide Longitudinal Data System Committee on the status of the statewide longitudinal data system, including recommendations for further development, cost proposals, proposals for legislation, and data sharing governance (Assigned by Legislative Management pursuant to Section 54-59-36).
9. Receive periodic reports from the Health Information Technology Office and the Health Information Technology Advisory Committee on the status of the health information technology activities.
10. Develop recommendations and any necessary legislation to implement the committee's recommendations.
11. Prepare a final report for submission to the Legislative Management.

ATTACH:1