## INFORMATION TECHNOLOGY COMMITTEE

Wednesday, August 20, 2025
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Glenn Bosch, Chairman, called the meeting to order at 10:00 a.m.

**Members present:** Representatives Glenn Bosch, Dori Hauck, Doug Osowski, Nathan Toman, Jonathan Warrey, Robin Weisz; Senators Michelle Axtman, Kyle Davison, Mark Enget, Jonathan Sickler, Mike Wobbema; Citizen Members Robert Hobbelman, Corey Mock

**Members absent:** None

**Others present:** Joe Morrissette, Office of Management and Budget;
Levi Kinnischtzke, Legislative Council, Bismarck
See Appendix A for additional persons present.

### BACKGROUND INFORMATION

Mr. Grant Gader, Fiscal Analyst, Legislative Council, presented a memorandum entitled *Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management*.

Mr. Gader presented a memorandum entitled *Information Technology Committee - Background Memorandum*. He reviewed committee responsibilities, previous committee activity and recommendations, related legislation from the 2025 legislative session, Information Technology Department (ITD) budgeting information, and background information regarding health information technology. He noted Senate Bill No. 2021 (2025) expanded the membership of the committee to include an individual with information technology (IT) experience from the Department of Health and Human Services as an ex officio nonvoting member.

Mr. Gader distributed information regarding ITD, including the department's portion of the *69th Legislative Assembly State Budget Actions for the 2025-27 Biennium* and *Senate Bill No. 2021 (2025)*, the department's appropriation bill.

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled *Information Technology - Related Statutory Provisions*. He reviewed statutory changes made by the 2025 Legislative Assembly related to the Information Technology Committee and ITD.

### REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Corey Mock, Chief Information Officer, Information Technology Department, presented information (Appendix B) regarding the history of IT in North Dakota and an overview of ITD's divisions, services, and budget. He noted:

- ITD is continuing an application inventory effort to reduce the number of IT applications used across state government. There are more than 1,700 IT applications currently in use by state agencies.

- Approximately 250 of ITD's 509 full-time equivalent positions can be in office at one time. Beginning October 1, 2025, ITD employees will be required to be in office at least 1 day per week. Currently, 17 percent of ITD employees are residing out of state.

- During the 2025 legislative session, ITD received continuing appropriation authority for spending from its IT operating fund. This allows ITD to charge for and provide IT and network services to state agencies without receiving appropriation authority from the Legislative Assembly. This change was intended to eliminate double accounting and increase ITD's flexibility to respond to state agency needs during the biennium. The continuing appropriation authority may not be used for salaries and wages.

Mr. Greg Hoffman, Deputy Chief Information Officer, Information Technology Department, presented information (Appendix C) regarding ITD's budget for the 2025-27 biennium, carryover funds, and potential funding model changes. Funding model changes under consideration include utilizing general fund appropriations for shared services and adjusting chargeback service fees. He noted the current chargeback model can disincentivize state agencies from using ITD services because shared service costs are bundled into service fees, making external vendor quotes appear cheaper than ITD rates.

In response to a question from a committee member, Mr. Hoffman noted providing general fund appropriation authority for shared services rather than utilizing chargeback service fees may limit the ability of state agencies to utilize available federal funding.

Mr. Hoffman presented information (Appendix D) on the IT operating fund. During July 2025, the agency billed $13.3 million and reported $12.0 million in expenses. He noted ITD bills itself for desktop support to better allocate and understand its own services cost.

Mr. Mock presented information (Appendix E) regarding IT initiatives for the 2025-27 biennium. He noted:

- The K-12 student information system transition from PowerSchool to Infinite Campus is scheduled to go live July 1, 2026. ITD's EduTech team and the Department of Public Instruction are currently working on the data migration plan.

- ITD is upgrading one of its two data centers and retiring the other. The Information Technology Department will contract with an outside vendor to provide a second data center to mitigate single point of failure concerns. The project is anticipated to be completed by the end of the 2025-27 biennium.

- ITD is in the final stage of procurement for implementation of automatic license activation and deactivation during employee onboarding and offboarding processes. This effort is intended to eliminate phantom fees due to unused licenses.

- Mainframe removal and addressing technology debt are ongoing priorities within ITD. The Department of Transportation is expected to complete its transition off the mainframe during the 2025-27 biennium and the Department of Health and Human Services is anticipated to be the final agency transitioned off the mainframe by 2029.

## MAJOR INFORMATION TECHNOLOGY PROJECT REPORTING

Mr. Kinnischtzke presented a memorandum entitled *Major Information Technology Project Life Cycle*, which provides a summary of the project management life cycle process, executive and legislative branch activities, and statutory provisions related to planning and executing major IT projects. He reviewed major changes to the project management life cycle process made during the 2025 legislative session. He noted the statutory definition of a major IT project was changed from a project which has a total estimated cost of $500,000 to a project which has a total estimated cost of $5 million or more; requires 1 year or longer to reach operational status; or requires oversight due to its potential benefits, risks, public impact, visibility, or other significant reason determined by the Chief Information Officer.

Mr. Justin Data, Director, Project Management Office, Information Technology Department, presented information (Appendix F) regarding major and nonmajor IT projects for the 2025-27 biennium, including a

summary of major projects and updated major project reporting requirements. He also reviewed the most recent quarterly summary status report (Appendix G), project startup and closeout reports completed since September 2024 (Appendix H), and the current major IT project dashboard.

## EDUCATION-RELATED INFORMATION TECHNOLOGY UPDATES

Mr. Corey Quirk, Chief Information Officer, North Dakota University System, provided testimony regarding the most recent quarterly summary status report (Appendix I) and project startup and closeout reports completed since September 2024 (Appendix J).

Mr. Quirk presented information (Appendix K) on major IT initiatives and projects within the North Dakota University System . He noted:

- The University of North Dakota NetX project, which is migrating the campus network to a managed service provider, is in its execution phase. The project remains under budget and project closeout activities are scheduled.

- Core Technology Services' 2025-27 biennium projects and initiatives include internal development of the University System funding formula data model to improve transparency and better enable the University System to respond to legislative funding requests; utilizing the ITD data center as the disaster recovery site for the University System data center; implementing Online Dakota Information Network notification services; and implementing centralized system and network logs for the University System.

## STUDY OF ENTERPRISE RESOURCE PLANNING SYSTEM

Mr. Kinnischtzke presented a memorandum entitled *Study of the Enterprise Resource Planning System - Background Memorandum*. He noted:

- The Legislative Assembly provided $7.5 million from the general fund during the 2001-03 biennium and $20 million in bonding authority during the 2003-05 biennium for the evaluation, selection, and implementation of the current enterprise resource planning (ERP) system, ConnectND. The system was developed by PeopleSoft, Inc., which was acquired by Oracle Corporation in 2005.

- During the 2023-24 interim, the Information Technology Committee received information from the University System regarding plans to request $10 million for the evaluation of replacement of the ConnectND software.

Mr. Joe Morrissette, Director, Office of Management and Budget, presented information (Appendix L) on the history and functionality of the current ERP system and potential options to replace the system. He noted:

- The ConnectND system was procured via a request for proposal in 2001, the contract for the system was awarded to PeopleSoft, Inc., in 2002, and the financial and human resources components of the system became operational for state agencies in 2004.

- Various changes and enhancements to the ConnectND system have been implemented since 2005, including the University System and the state dividing into two separately managed instances of the system in 2012.

- Governor Burgum's executive budget recommendation included one-time funding of $14 million for ERP cloud readiness for the 2025-27 biennium, including $10 million from the strategic investment and improvements fund for the University System and $4 million from the general fund for the Office of Management and Budget. Governor Armstrong did not include funding for either project in his executive budget recommendation. The 2025 Legislative Assembly did not provide funding for ERP cloud readiness, instead directing the legislative interim study.

Mr. Quirk presented information (Appendix M) regarding the functionality of the current system, potential options to replace the system, and expected challenges of higher education institutions during the implementation of a new system. He noted:

- Both the financial and human resources components of the state and the University System instances of ConnectND are housed in ITD data centers, while Campus Connection, the University System's student information system, is housed in the Core Technology Services data center.

- During the 2023-24 interim, the University System conducted a market analysis to identify potential ERP vendors that could replace the ConnectND software. The analysis found only two cloud ERP vendors with financial, human resources, and student information system components that meet the University System's needs within a single offering, Oracle and Workday.

- The state is not cloud ready and would not be able to start the implementation of a new ERP software until preparation and strategy for the implementation has been completed.

- The ConnectND software has more than 6,000 customizations between the financial, human resources, and Campus Connection components of the system.

In response to a question from a committee member, Mr. Quirk noted the longer the state waits to implement a new ERP system, the more expensive the process will be and more limited the vendor selection will become.

Mr. Hoffman presented information ([Appendix N](#)) regarding the current ERP system, support services provided by ITD and the University System, and potential future ERP system options. He noted:

- ConnectND has been given rolling 10-year extensions by Oracle for each of the last 7 years. The most recent extension has renewed support for the software through 2036.

- ConnectND costs the state $14.8 million per biennium, including $2.1 million in hosting costs, $5.6 million in licensing costs, and $7.1 million in staffing costs.

## STUDY OF EMERGENCY COMMUNICATION FEES

Mr. Gader presented a memorandum entitled *Study of Statewide Interoperable Radio Network Funding and Emergency Communications Fees - Background Memorandum*. He provided overviews and historical information regarding the statewide interoperable radio network project and 988 Suicide and Crisis Lifeline, fee and revenue trends for statewide interoperable radio network and 988 services, and a proposed study plan.

No further business appearing, Chairman Bosch adjourned the meeting at 3:07 p.m.

_____
Grant Gader
Fiscal Analyst

ATTACH: 14