

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Tuesday, July 22, 1997
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 1:03 p.m.

Members present: Senators Larry J. Robinson, Karen K. Krebsbach, Carolyn Nelson, Ken Solberg; Representatives Tony Clark, Ken Svedjan, Rich Wardner, Robin Weisz

Member absent: Representative Eliot Glassheim

Others present: See Appendix "A"

SUPPLEMENTARY RULES OF OPERATION

At the request of Chairman Robinson, Mr. John D. Olsrud, Director of the Legislative Council, reviewed the *Supplementary Rules of Operation and Procedure of the North Dakota Legislative Council*. He said the Legislative Council had requested the Legislative Council staff to review the rules to determine whether any changes should be made to reflect statutory or procedural changes since the rules were last revised in October 1987. He requested any member who had any suggestions to provide those suggestions to the Legislative Council staff.

INFORMATION TECHNOLOGY RESPONSIBILITIES UNDER HOUSE BILL NO. 1034

Legislative Council Responsibilities

At the request of Chairman Robinson, the director reviewed a memorandum entitled *Legislative Information Technology Responsibilities Under House Bill No. 1034 - Background Memorandum*. The memorandum describes prior Legislative Council studies beginning with the 1967-68 interim (which recommended creation of the precursor of the Information Services Division of the Office of Management and Budget) through the 1995-96 interim (which recommended House Bill No. 1034); reviews House Bill No. 1034 as introduced, as passed by the House, and as enacted; and identifies the statutory duties and responsibilities of the Information Technology Committee, as delegated by the Legislative Council.

The director said the Legislative Council is in the process of attempting to hire at least one person to handle the major responsibilities of the Legislative

Council staff under House Bill No. 1034. He noted that the job market is highly competitive for qualified people, and consultants who had been contacted for advice indicated that they were looking for individuals with the same qualifications. He said the Legislative Council has advertised for applicants through Job Service North Dakota and the deadline for submitting applications is July 31, 1997. In addition to providing information technology research, he said, the Legislative Council is required to review or "audit" information technology systems or applications of state government. He said it has not been determined whether additional Legislative Council staff will be employed or consultants will be used to conduct these audits. He said there may be advantages in using one or more consultants to gain experience in alternative methods of conducting audits. However, there are considerations regarding potential conflicts of interest. If a consultant is hired, he said, that consultant may also be doing work for another state agency. Also, he said, an "auditor" or consultant who reviews information technology systems may very well be sought by the audited agency as the entity to later implement that agency's plan.

Responsibilities of the Information Services Division

At the request of Chairman Robinson, Mr. Jim Heck, Director, Information Services Division, Office of Management and Budget, reviewed the responsibilities of the division under House Bill No. 1034. Mr. Heck distributed a prepared statement, portions of which are attached as indicated in these minutes.

Mr. Heck described how House Bill No. 1034 will change the responsibilities of the Information Services Division. This portion of his presentation is attached as Appendix "B". He said the major changes involve operations (Job Service North Dakota and the Adjutant General will be subject to the division's jurisdiction); planning (the division is to create statewide information technology policies and standards, prepare guidelines for agency plans, and develop a statewide plan based on agency plans); reviews (the division is to review information

technology management of state agencies); and coordination (the division is to coordinate information technology systems and services of higher education and of political subdivisions) and reporting (the division is to report recurring noncompliance to the Legislative Audit and Fiscal Review Committee).

Mr. Heck said the Legislative Assembly authorized three positions for planning and review. He said the division has allocated two positions for planning and those positions should be filled by the end of the week. One position has been allocated for "management audits" which should be filled later in the biennium after the plans have been completed.

In response to a question from Senator Solberg, Mr. Heck said the statutory provision that the division "may" report an agency's noncompliance with statewide policies and standards to the Legislative Audit and Fiscal Review Committee and "shall" report recurring instances of noncompliance raises a question with respect to the definition of "recurring."

Senator Nelson pointed out that higher education is excluded from complying with statewide information technology policies and standards; appears to be involved in providing information to the Information Services Division in developing statewide guidelines; must prepare an information technology strategic plan based on guidelines developed by the division; and is subject to reports of noncompliance if the plan does not comply with statewide policies and standards. She questioned the workability of excluding higher education from complying with policies and standards but requiring reporting of noncompliance with policies and standards. Mr. Heck said this would be difficult and a solution may be to involve representatives of higher education in the initial planning process in developing the policies and standards.

Mr. Heck reviewed the proposed guidelines for preparing information technology plans. A copy of his presentation is attached as Appendix "C". He said the guidelines are based on the substantive requirements of House Bill No. 1034 as well as the statement of legislative intent included in the bill. He said the guidelines consist of five sections: (1) an executive summary (which does not need to be lengthy and short-term is defined as the current biennium, mid-term is the 1999-2001 biennium, and long-term is the 2001-03 biennium); (2) a detailed description of each new system, major enhancement, or continuing project, including full-time equivalent positions; (3) information on each major system, including full-time equivalent positions; (4) an information technology inventory, including a detailed list of information technology assets owned, leased, or employed by the agency; and (5) a comparison of the results of achieving goals compared to the projected outcomes in the previous plan and a comparison of

actual project costs to estimates included in the previous plan. He noted the information in the initial plan would not have this comparative information. He said there is a question as to how much detail must be provided in the statutorily required "detailed list of information technology assets." He said a list of every asset could result in several pages of inventory for some agencies.

In response to a question from Senator Solberg, Mr. Heck said the guidelines were developed by the division based upon the provisions of House Bill No. 1034, meetings with Wolfe and Associates, and meetings with representatives of state agencies. Other than making more detailed directions and including suggestions received from the committee, he said, the guidelines are ready for distribution to agencies.

In response to a question from Senator Solberg, Mr. Bob Pope, Wolfe and Associates, Bismarck, said Wolfe and Associates had opened a Bismarck office and is working with some state agencies in preparing their plans.

In response to a question from Senator Robinson, Mr. Heck said the proposed guidelines were reviewed at two meetings with agency representatives. He said the most prevalent question was where do the agencies get the staff to prepare the plans and the next most common question was whether this was work without any benefit. He said he welcomes the process and sees this as an opportunity for strategic planning for information technology services.

Representative Svedjan inquired whether projecting three to five years in advance is "making work" due to the effect of rapid technological changes. Mr. Heck said good information as to today's costs and projected costs in the five-year timeframe can be provided for many systems. He said it is important that anyone who reviews the plans understands that technology changes and these changes will affect plans accordingly.

In response to a question from Senator Nelson, Mr. Heck said a detailed inventory list would be difficult for some agencies because they would need to allocate equipment to various systems, e.g., a legislator's notebook computer is used to access the bill status system, the Legislator's Automated Work Station (LAWS) system, information on Lotus Notes, and other legislative systems, so the question is to which system should the computer be allocated. Also, he said, not all systems will be described under the portion of the plan for describing new projects or the portion for describing major system enhancements. Thus, assets of those systems would need to be included under some other category in order for the inventory to match the allocation of assets to all systems and projects.

Representative Svedjan questioned the relevance of some of the required information. He said nothing seems to measure the relevance of the use of computers to what the agency does. Mr. Heck said the relationship should be seen once the statewide policies and standards are set and every agency is required to prepare its plan based on those policies and standards. The director said North Dakota Century Code (NDCC) Section 54-35-15, as amended by House Bill No. 1034, provides that the reviews and audits by the Legislative Council are to include the effectiveness and appropriateness of information systems in achieving their intended purposes.

In response to a question from Senator Robinson, Mr. Heck said he has contacted other states and those states are involved in processes similar to North Dakota's. A major difference, he said, is that the plans in those states are not tied to a budget period as is required in North Dakota.

In response to a question from Representative Clark, Mr. Heck said a number of agencies are working on their information technology plans, but a few agencies may not be able to complete their plans by the January 15, 1998, deadline.

Representative Svedjan questioned whether it is reasonable to expect anyone to be responsible for knowing everything about the various information technology systems used throughout state government and higher education. Mr. Heck said a major concern is the expectations many legislators may have as to what will be accomplished in the 1997-99 biennium. He emphasized this is the first biennium and the expectations should not be at a level that would come after plans have been in effect for a couple of bienniums.

Representative Svedjan questioned how this process would apply to affiliated organizations, e.g., the Center for Aerospace Studies and its foundation, and how donated assets would be treated. Mr. Heck said this is a concern and discussions with representatives of higher education may result in research and other uses of information technology being excluded from the plans.

Chairman Robinson asked whether Mr. Heck had any concerns that should be addressed by the committee. Mr. Heck said the requirements for full-time equivalent positions should be identified in hours. He said many agencies do not allocate full-time equivalent positions to their information technology systems and hours could be converted to full-time equivalent positions if that were necessary.

Mr. Heck said the categories for new projects and major system enhancements do not recognize the fact that there are existing systems that may not be subject to major enhancements. He suggested a miscellaneous system category be established to allow agencies to place shared equipment and

software in that category and to pick up loose ends not otherwise covered, in order to account for all budget dollars.

Mr. Heck said a few agencies operate under performance-based budgeting, which does not identify a specific amount for equipment. Senators Solberg and Robinson pointed out the Senate changed this requirement so that agencies have two sets of figures to allow tracking of expenditures.

Mr. Heck said the January 15, 1998, deadline provides a very short window for some agencies with major information technology systems to complete their plans. He suggested that this deadline be extended for a month for those agencies. In any event, he said, a statewide information technology strategic plan would be completed and copies distributed before the next legislative session.

Senator Solberg said the January 15 deadline was intended to require state agencies to act as soon as possible so they would take their plans into consideration when preparing their budget requests. He said he hopes that deadline could be maintained. He said technological changes must be recognized and there probably will be changes in agency plans as a result of technological changes. He said the plans may be preliminary or crude the first time they are prepared, but they should be fine-tuned over time. Mr. Heck said the agencies in question would probably be higher education, the Department of Human Services, and the Tax Department because they are large users of information technology.

Representative Svedjan said the deadline could be maintained by allowing a draft or a preliminary plan to be filed by January 15, as long as a completed plan would be filed soon thereafter.

It was moved by Representative Svedjan, seconded by Senator Krebsbach, and carried on a roll call vote that the committee recommend that the guidelines developed by the Information Services Division provide that full-time equivalent positions be expressed in hours, that a miscellaneous systems category be used to identify shared equipment and other assets not reported as projects or other systems, and that the Information Services Division allow agencies identified by the division to submit preliminary plans by January 15, 1998, provided those agencies submit completed plans by February 15, 1998. Senators Robinson, Krebsbach, Nelson, and Solberg and Representatives Clark, Svedjan, Wardner, and Weisz voted "aye." No negative votes were cast.

ELECTRONIC MAIL AND RECORDS MANAGEMENT POLICY STUDY

At the request of Chairman Robinson, Mr. John D. Bjornson, Counsel, Legislative Council, presented a

memorandum entitled *Development of Electronic Mail and Records Management Policy for Governmental Entities - Background Memorandum*. The memorandum reviews North Dakota open records laws, records management requirements, federal law, and the relationship of other states' open records requirements to electronic mail policies, and suggests that information be obtained from various state agencies regarding electronic mail policies to determine if a uniform policy for all state entities is feasible.

Chairman Robinson called on Ms. Becky Lingle, Associate Director, Records Management, Information Services Division. Ms. Lingle distributed a packet of information with copies of e-mail policies of the Attorney General, the Information Services Division, the Department of Human Services, Job Service North Dakota, and the Workers Compensation Bureau. This information is on file in the Legislative Council office.

Ms. Lingle said the Information Services Division formed an ad hoc committee in March 1997 to develop guidelines for the management of electronic records. She said the committee includes data processing and records coordinators representing 33 state agencies. She said the initial plan is to hold approximately six meetings to organize, outline findings, draft an outcome, finalize, and publish the guidelines. She said the committee has met three times and has identified these issues: records management, security, legal, technical, archival, and administrative. She said she is in the process of drafting electronic records management guidelines

for the ad hoc committee to review. A copy of her presentation is attached as Appendix "D".

MISCELLANEOUS MATTERS

Senator Solberg said the Legislative Audit and Fiscal Review Committee had requested the State Auditor to perform a general controls audit of the Information Services Division and he had requested the State Auditor to distribute copies of the report to members of the Information Technology Committee. Mr. Dan Sipes, State Auditor's office, distributed copies of the report to committee members and reviewed the executive summary of the report. Copies are on file in the State Auditor's office.

No further business appearing, Chairman Robinson adjourned the meeting at 3:50 p.m.

Jay E. Buringrud
Assistant Director

John D. Olsrud
Director

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