

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Monday, October 26, 1998
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry J. Robinson, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Larry J. Robinson, Ken Solberg, Rod St. Aubyn; Representatives Eliot Glassheim, Ken Svedjan, Rich Wardner, Robin Weisz

Members absent: Senators Karen K. Krebsbach, Carolyn Nelson; Representative Rex R. Byerly

Others present: See attached appendix

MINUTES

It was moved by Senator St. Aubyn, seconded by Senator Solberg, and carried on a voice vote that the minutes of the October 1, 1998, meeting be approved as distributed.

STATEWIDE INFORMATION TECHNOLOGY STRATEGIC PLAN

Chairman Robinson recognized Ms. Nancy Walz, Senior Business Analyst, Information Services Division, for a presentation regarding the statewide information technology strategic plan. Ms. Walz presented a video presentation describing the contents and format of the statewide information technology strategic plan. Paper copies were distributed and a copy is on file in the Legislative Council office.

Ms. Walz reviewed the technology planning process. She said agency technology plans were reviewed and analyzed, large projects were reviewed with agencies, the division developed information technology standards and policies, the division participated in meetings with the Information Technology Committee, and the division met with the North Dakota University System and political subdivisions. As a result, she said, the statewide information technology strategic plan was developed.

Ms. Walz reviewed the table of contents of the plan. She said the plan would include background information, an executive summary and vision for information technology, a description of technology infrastructure, issues and recommendations, current accomplishments, agency information technology plan summaries, agency project summaries, boards and commissions summaries, and coordination activity reports.

Ms. Walz said the vision for information technology consists of these points:

- State government should be customer-focused.
- State government should be efficient.
- State government should be well-managed.
- State government should provide leadership for developing a shared infrastructure.

Ms. Walz said customer focus means that technology should be convenient and include use of e-commerce, videoconferencing, voice response, and Internet applications. She said customer focus also involves one-stop shopping, including use of the state web page, integrated applications, and a single user interface.

Ms. Walz said efficient government involves faster processing through automating manual processes, automating recordkeeping, and redesigning current processes. She said efficiency also includes faster and better-informed decisionmaking through decision support systems, geographic information systems, and providing workers with knowledge of these systems.

Ms. Walz said well-managed government requires getting the most from scarce resources through technology planning, implementation of standards and best practices, and project management. In addition, she said, human resources requirements include hiring and retaining skilled information technology staff and providing training so users are knowledgeable. She said there also must be asset management, which needs to address hardware and software replacement schedules, tools for automation, and alternative configurations.

Ms. Walz said to be a leader in technology, the role of state government must be defined as providing benefits to many and redistributing or leveling costs with respect to information technology. She said the information highway can be provided through a single statewide area network and must provide for flexible, evolutionary expansion. She said the role of the Information Services Division in providing centralized services for state agencies needs to be continued through sharing of processing facilities, providing application development services, and providing end user support.

Ms. Walz said the plan will identify issues and recommendations related to each vision statement. She identified these issues:

- State government should be customer-focused - Issues: User training, technical support for remote locations, maintaining compatibility with political subdivisions, and project coordination.
- State government should be efficient - Issue: Business process improvements (in addition to improvements in technology planning).
- State government should be well-managed - Issues: Project management, attracting and retaining information technology professionals, managing hardware and software acquisition and replacement, network bandwidth requirements are increasing rapidly, and year 2000 (Y2K).
- State government should provide leadership for developing a shared infrastructure - Issues: Expansion of the wide area network to remote locations, including state offices, counties, schools, and other political subdivisions, and the adoption of technology by elementary and secondary schools.

Ms. Walz said other portions of the statewide plan will describe:

- Current accomplishments, which will highlight projects that will be completed this biennium.
- Agency information technology plan summaries, which will include system goals and objectives for three bienniums, current biennium technology spending projections based on appropriated dollars, 1999-2001 spending projections based on budget guidelines and optional budget packages, and 2001-03 spending projections based on the goals and a best guess as to available technology.
- Agency project summaries, which will include project description, project benefits, project costs for three bienniums, status and Information Services Division comments on large projects.
- Coordination reports, including reports on coordination meetings with counties, cities, and the University System.

Ms. Walz said the final plan will be printed by November 30 and each legislator, each state agency, and each state will receive a copy, and a copy will be available on the division's web site. She said the division is willing to provide informational sessions to legislators, especially legislators on the Appropriations Committees.

STATE AGENCY PLANNING PROCESS ISSUES

Chairman Robinson recognized Mr. Jim Heck, Director, Information Services Division, for a presentation regarding issues discovered during the state agency information technology strategic planning process. Mr. Heck distributed a prepared statement, a copy of which is on file in the Legislative Council

office. He described these issues regarding information requirements for future planning efforts:

- Ask the agency for a top-level organizational chart, which will help analyze the agency's information technology plan.
- Ask the agency to complete a technology staffing-level schedule, including the number of full-time equivalent positions dedicated to information technology for each budget, which will allow the division to easily evaluate increases or decreases requested by the agency.
- Ask the agency to complete a personal computer hardware replacement schedule, which will make it easier to evaluate information that will be provided in a consistent manner.
- Ask each agency to include a cover sheet with the agency's contact, department name, and agency head approval signature.
- Develop an abbreviated plan process for small agencies and maybe some larger agencies without projects.
- Require an agency to submit the strategic portion of its plan by January 15 and the budget portion when the agency's budget request is submitted to the Office of Management and Budget which will save time in reconciling budgets to technology budgets.
- Review the use of alternative technology expenditure forms, which are used to gather the total cost of technology (including academic research and grants) under the University System.

Mr. Heck said budget-related issues include:

- An agency should summarize its information technology budget dollars in the plan.
- Large projects being implemented in the next budget cycle should be broken down by phases with deliverables and cost per phase.
- There needs to be a better breakdown of the division's costs, e.g., development costs, CPU operating expenses, and network costs.
- There needs to be a better method to reconcile the technology plan budget with the budget submitted to the Office of Management and Budget.

Mr. Heck described four process-related issues:

- We need to get a big picture for large agencies so information can be obtained on how those agencies use their technology so a better analysis and recommendation can be made with respect to the statewide implementation.
- We need to better understand the technology environment in the agencies and match the plan to the standards.
- We need to ask for project start and completion dates.

- The plan needs to include a technology profile of the agency.

Mr. Heck said the current process has resulted in a good inventory of the state's technology requirements and their cost. He said there is now a list of all projects that agencies are requesting—those that are a continuation of projects started in this biennium or projects that are anticipated to start in the 1999-2001 or 2001-03 budget cycle. He said the division has a good start on the creation of technology standards and now has a vision that will give agencies a guideline when requesting new projects. He said another need is to develop models for project risk assessment and project management to ensure the greatest possibility of success when implementing large projects.

HIGHER EDUCATION COORDINATION REPORT

Mr. Heck presented a report on the coordination of information technology systems and services between the director of the Information Services Division and the commissioner of the State Board of Higher Education, as required by North Dakota Century Code (NDCC) Section 54-44.2-11. A copy of the report is on file in the Legislative Council office. Mr. Heck said meetings were held in August and November 1997 and May, June, and August 1998. He said the division and higher education are coordinating the information technology planning requirements for higher education in order to complete their information technology plan. He said higher education and the division have agreed that:

- Each campus will complete an individual information technology plan.
- Higher education will complete an abbreviated plan for grants, academic, and noncampus technology requirements.
- Higher education will coordinate their planning efforts through a single point of contact.

Mr. Heck said current areas of cooperation are:

- The Interactive Video Network. Higher education uses this network primarily to deliver instructional services and time is made available for state agencies.
- The division and the Higher Education Computer Network cooperate in providing resources to provide public access to the legislative bill tracking system. This project is also coordinated with the Legislative Council.
- The division and the Higher Education Computer Network cooperate in a single procurement contract for network equipment. Savings are realized by combining volume for larger discounts. The division and the Higher Education Computer Network cooperate in single contracts for long distance, Internet access, and a private line backbone service between the cities of Bismarck, Fargo, and

Grand Forks. This cooperative effort allows better pricing and a single vendor contact for each service.

- Higher education is exempted from the technology standards of the division but has elected to participate with other state agencies and to adopt those standards if they can be implemented in their environment.
- The division and the Higher Education Computer Network are cooperating in the deployment of the On-line Dakota Information Network to provide common library services.

Mr. Heck said recommendations for future cooperative projects include:

- The division is working with Mayville State University to create a project management training course for technology project managers. He said the division sees this as a critical skill needed to manage several of the large technology projects being requested by state agencies.
- The division and higher education will continue to design and cofund a statewide area network.
- The division will be actively involved in the project to reengineer higher education's administrative requirements.

STATE AGENCY Y2K COMPLIANCE EFFORTS

Mr. Heck distributed a progress report concerning state agency Y2K compliance efforts. A copy of the report is on file in the Legislative Council office. The report notes that the Governor has issued a memorandum to directors of all state agencies noting the appointment of Mr. Heck as state Y2K coordinator; requiring each agency to designate a senior management-level individual responsible for Y2K compliance; requiring each agency to create a project plan and document its progress; requiring each agency to provide monthly progress updates to the Information Services Division; and requiring each agency to develop contingency plans for critical business functions. He said the division continues to add information to the state Y2K web site [<http://www.state.nd.us/isd/y2k/>], including monthly progress updates of each state agency, Y2K compliance information for state standardized hardware and software products, Y2K readiness status from state electrical and telephone service providers, a sample Y2K project plan for use as a guideline, and links to other valuable Y2K web sites. He said the conversion of mainframe application software is 82 percent complete; all larger state agencies have documented project plans in place; the division's desktop support group has completed personal computer checking by request for seven agencies; and the Facility Management Division has mailed letters to all agencies

leasing space requesting those agencies contact the lessors for a Y2K certification letter.

In response to a question from Senator Solberg, Mr. Heck said agencies are to submit their initial reports by November 7 and that will give an idea of how well the agencies are progressing with their Y2K compliance efforts.

Representative Svedjan noted that he has heard other dates, e.g., September 9, 1999, also may cause problems. Mr. Heck said the division takes other dates into account in renovating applications. He said, however, no one knows how embedded chips will respond to these dates.

In response to a question from Senator Robinson, Mr. Heck said the information regarding each agency's progress in Y2K compliance efforts will be posted on the state's Y2K web site.

STATEWIDE TELECOMMUNICATIONS NETWORK

Fiscal Note Work Plan

Chairman Robinson recognized Mr. Robert J. Pope, Inteliant (formerly Wolfe & Associates), Bismarck, who distributed a work plan to develop fiscal estimates detailing the initial funding for the Information Technology Department and implementation of the strategic telecommunications plan. A copy of the work plan is on file in the Legislative Council office.

Mr. Pope said the work plan is built on the premise that the committee will recommend implementing the strategic telecommunications plan presented to the committee in September. He said the work plan includes defining the network user community (meeting with counties, cities, and schools, and defining their needs), defining the conceptual model of the network, developing budget requirements for the department, and developing anticipated costs of telecommunications services under the status quo. From this information, he said, Inteliant will define a detailed list of participants for the next biennium, develop a migration strategy to the conceptual model, and define costs for contracted professional services. As a result, he said, Inteliant will develop a summary cost analysis, develop a return on investment analysis, and present conclusions. He said the time-frame for this process is very short—the two months remaining before the legislative session.

Information Technology Department Bill Draft

At the request of Chairman Robinson, the assistant director reviewed the major changes contained in the second draft of the bill draft providing for the Information Technology Department and transition of responsibilities to the department. Chairman Robinson asked for comments on the bill draft.

Information Services Division

Mr. Heck distributed a prepared statement regarding the bill draft. A copy of his statement is on file in the Legislative Council office. Mr. Heck said the recommendations involve three areas:

- In Section 7, delete "major" so the Governor can appoint two members representing any type of state agency. He said using the word major may eliminate some very qualified agencies from being considered.
- In Section 8, make the board an advisory board versus a controlling board. He said the board can make recommendations, but the legislation as drafted requires the chief information officer to be responsible to the appointing authority—the Governor—and to the board which may cause a conflict for the chief information officer.
- In Section 14, delete the requirement for quarterly and monthly project status reports to the board. He said a major project could use only services from the division and this would require reporting different from that required for a project using a combination of a contractor, division services, purchase of equipment, and large network requirements. He said different projects could require different reporting schedules.

North Dakota League of Cities

Ms. Connie Sprynczynatyk, Executive Director, North Dakota League of Cities, distributed a prepared statement concerning the strategic telecommunications plan and the bill draft. A copy of her statement is on file in the Legislative Council office.

Ms. Sprynczynatyk said the league requested a dozen cities of varying size to review the concepts of the bill draft. She said there is strong support for state and local partnerships and there is broad recognition of the importance of technology infrastructure and economic development efforts, particularly in a rural state. She said there are also many questions about how some of the particular concepts in the bill draft will work at the local level. She said the bill may be viewed by some as "mandated cooperation."

Ms. Sprynczynatyk said Section 7 provides for one representative of cities, but there are 361 incorporated cities of many sizes and needs. She said Section 9 mandates use of the state's network by any city accessing a wide area network, which is not defined. She said a city connecting one local area network in city hall with one local area network in the public works building or police department would be subjected to using the state's system, regardless of whether that was the most efficient and cost-effective solution. She said Section 12 requires submission of information technology plans, and the use of "entity" is confusing with respect to state agency requirements and network user requirements.

Ms. Sprynczynatyk said from a business perspective this approach to coordinated information technology makes sense and among state agencies compatibility makes sense. Among levels of state and local government, she said, a high degree of coordination and compatibility is desirable, e.g., counties work with the Department of Human Services and state's attorneys work with the state's judicial system. However, she said, an argument can be made for flexibility when a political subdivision does not rely on a direct relationship with state government to perform its functions effectively.

Ms. Sprynczynatyk said individuals in Kansas, North Carolina, and Oklahoma were contacted to determine the extent of mandatory city participation in the state network. In North Carolina, she said, some entities with a data partner relationship are required to use the state's system, but cities otherwise have the option of using the state's network and programming services. She said the attitude seems to be "make it competitive, make it attractive, and they will come." She said Oklahoma gave a similar response, and in Kansas, local government participation is voluntary. She noted the Kansas state home page [<http://www.ink.org>] provides 65 agency choices, including selections that require subscriptions or payment of fees for obtaining information.

Ms. Sprynczynatyk said North Dakota cities have invested considerable resources in computer networks and service delivery. If the inclusion of cities into the state system will require substantial local expenditures without a funding source and without agreement about quantifiable benefits to citizens, she said, local governments will not warmly receive this unfunded mandate. She suggested flexibility for local government be provided to determine what information technology is in the best interest of local citizens.

With respect to the status of municipal Y2K compliance efforts, Ms. Sprynczynatyk said the League of Cities sponsored a free seminar at its annual meeting in Minot and distributed 450 Y2K kits and received requests for more. She said this indicates that there is a high level of knowledge of Y2K compliance problems.

North Dakota School Net Cooperative

Ms. Jody French, SENDIT Project Coordinator, gave a video presentation and distributed information on SENDIT and the North Dakota School Net Cooperative. A copy of this information is on file in the Legislative Council office.

Ms. French said North Dakota School Net is an Internet connection cooperative of North Dakota kindergarten through grade 12 schools; its Internet web site is <http://www.snet.k12.nd.us>. She said member schools own, operate, and manage a network infrastructure with an Internet service provider connection to Sprint. Through this dedicated

network, she said, member schools access all SENDIT services. She said wide area network consulting services are available to kindergarten through grade 12 schools. She said North Dakota School Net includes nearly 70 member schools. She said there are 233 public schools in the state, all having different environments and needs. She said schools without School Net membership may get their service through local telephone companies, maybe at little or no cost. She said schools are also starting to receive service through local cable companies giving free Internet access. She said the e-rate is available to all School Net members.

Mr. Wayne Wermager, Wide Area Network (WAN) Specialist, North Dakota School Net, distributed an information booklet on North Dakota School Net. A copy of the booklet is on file in the Legislative Council office. He said 50 schools have Internet connections through the cooperative with service either at a 56Kbps or a T1 connection. He said the North Dakota School Net infrastructure includes a frame relay at Minot, Bismarck, and Fargo and there are proposed upgrades to add an additional T1 service in Fargo. He said the ultimate objective is to expand to all areas of the state and to provide relatively close connections for all schools. He said he works closely with school districts and puts together wide area network plans and is a liaison between schools and providers.

In response to a question from Senator St. Aubyn, Mr. Wermager said at least one-half of the 60 North Dakota School Net schools and 46 other schools participate in the e-rate discount program.

In response to a question from Representative Glassheim, Mr. Wermager said the major difference between school needs and state network needs would be type of use. He said he does not see much difference between infrastructure requirements. Senator St. Aubyn said participation by all entities should result in economies of scale. Representative Glassheim agreed but noted there appears to be special relationships in place, e.g., free space for equipment and special monthly rates or free rates by cable companies or independent telephone companies.

Senator Robinson distributed a letter received from Mr. Arthur Conklin, Superintendent of Oakes Public School, and Chairman, North Dakota School Net, regarding the proposed bill draft. A copy of the letter is on file in the Legislative Council office. In his letter, Mr. Conklin said North Dakota School Net operates under bylaws and member schools elect a board of directors. He said the board is responsible for finding the best and cheapest way for all schools to connect to the Internet, exploring common concerns, and providing solutions. He said the ability to deal with common concerns is the strength of the operation. He said North Dakota School Net provides the Internet needs of large schools such as Bismarck and

Minot and the small schools such as Oakes. He said finding carriers to the Internet from North Dakota has not been a problem; the problem seems to be finding cost-appropriate carriers within North Dakota. He said all School Net schools must get a physical link to the router in Bismarck or Fargo and proximity to Bismarck or Fargo determines the cost of the link. Casselton connects to the router in Fargo for under \$4,000 per year for a T1 line, and Oakes currently has a 56Kbps line, but its bandwidth needs are greater (but less than a T1 line) but would pay over \$15,000 for a T1 line because fractional T1 lines are not available. He urged the committee to remove language requiring kindergarten through grade 12 schools to use the state network because the proposal would restrict options of schools at a time when more options are becoming available, e.g., cable television providers are starting to provide free Internet access for schools and satellite links are becoming more affordable and will soon be competing with permanent physical connections.

GFA Consulting

Mr. Charles A. Folkner, President, GFA Consulting, distributed a statement containing slides of a video presentation. A copy of this information is on file in the Legislative Council office. Mr. Folkner said higher education and state government are working together in North Dakota while other states are still arguing. With respect to statewide standards, he said, basics are necessary, but different needs should be recognized and innovation should be encouraged. He said users of standards need motivation and facilitation and do not need to be subjected to straight jackets that prevent use of new technology. He said saving money is relative and video and data needs are growing by leaps and bounds. He said the projected savings appear to be based on use staying the same but that will not be the case. He said substantial investment will still be needed and other states are really paying more for statewide services rather than less.

Senator Robinson inquired where we would be if House Bill No. 1034 (1997) had not passed and no telecommunications improvements are made. Mr. Folkner said strategic planning is good and future costs need to be considered, but technology is changing faster than every two years. He said the planning process currently focuses on budget requirements rather than strategic planning efforts. He said there should be more emphasis on strategic planning rather than on budgeting. He said the planning process should look at what you have to do and what you should be doing and then look at the budget requirements.

Secretary of State

Mr. Al Jaeger, Secretary of State, distributed written comments regarding the bill draft. A copy of

his comments is on file in the Legislative Council office. He presented these comments concerning the bill draft:

- In Section 5, the department also should be responsible for disaster prevention planning and backup systems.
- In Section 7, the Governor should have the option of choosing who is the best person to represent state agencies without being required to determine whether that person is from a "major" state agency.
- In Section 7, the Governor, rather than the Legislative Council chairman, should appoint the chairman of the board because the Governor appoints the chief information officer and there should be a working relationship between the chairman of the board and the chief information officer.

Mr. Jaeger noted that with respect to the concern about accountability and a sanction for not complying with statewide policies and standards, agency heads who are elected officials are accountable to the electorate and appointed agency heads are accountable to the Governor.

Attorney General

Ms. Beth Baumstark, Assistant Attorney General, said the Attorney General supports planning and coordination of services; however, the bill draft raises these concerns:

- In Section 5, the legislative and judicial branches can obtain information technology services from other sources if the department is unable to fulfill a request for service and this same option should be available to constitutional officers.
- In Section 7, the composition of the board should include a statewide elected official.
- In Section 8, the board should have advisory rather than substantive responsibilities.
- In Section 10, agencies are required to comply with statewide standards, but agencies should not be held back due to lack of standards, new standards should not be applied to old projects, and standards that conflict with federal grant requirements for wide area networks should not be applied.
- In Section 14, the board's authority to suspend the expenditure of appropriated moneys for a project raises the issue of an unconstitutional delegation of legislative power if there is no objective criteria in place for determining when to suspend the funds and raises a constitutional issue of impairment of obligation of contracts if a project is suspended which is funded by a grant.

Senator Solberg said there is a problem with many grants that provide initial funding and the state is

expected to provide funding in the future and pick up greater shares of funding.

In response to a question from Representative Glassheim, Ms. Baumstark said there is a constitutional delegation of legislative authority problem whenever an entity less than the entire Legislative Assembly takes action affecting an appropriation made by the Legislative Assembly.

Insurance Commissioner

Mr. Larry Maslowski, Insurance Department, said the overall general concept of the bill draft is good, but he agreed with the concerns expressed by Ms. Baumstark. Specifically, he said, the board should have representation from state elected officials and there should not be mandatory compliance with statewide standards.

Bismarck Public Schools

Ms. Lisa Feldner, Bismarck Public Schools, and Vice Chairman, North Dakota School Net, said Bismarck Public Schools is an original member of North Dakota School Net. She said the current arrangement gives flexibility, e.g., the decision last week to add a T1 line in Fargo, that may not be present if you have to proceed through state boards and agencies. She said it would cost Bismarck public schools an additional \$2,800 per month to join the current state network. She said Bismarck public schools will be receiving free Internet access through Mid Dakota Cable as of January 1, 1999. She said she is concerned about mandatory compliance with standards. For example, she said, Bismarck public schools has a full range of computers, including a variety of makes and full range of capacity. She said if a minimum level of compatibility requires Pentium processors, Bismarck public schools would need to replace many of its computers. She questioned whether the training provisions for network use would apply to all the schools in the state. Basically, she said, she urges an option of receiving statewide network services rather than mandating use of those services.

North Dakota University System

Mr. Larry Isaak, Chancellor, North Dakota University System, said the bill draft is an improvement over the provisions of House Bill No. 1034 (1997). He said he has some concerns, but it will take time to see how the provisions of the bill draft work. He said the Legislative Assembly should be more concerned about flexibility and change rather than control and oversight for information technology. He said he applies four questions to any legislation: will it help students; will it help campuses; will it not increase administrative burdens; and will it help grow North Dakota by stimulating state agencies to coordinate activities and help bring people and industry to the state.

CONSIDERATION OF BILL DRAFTS

Chairman Robinson asked for committee discussion of the three bill drafts remaining before the committee.

Information Technology Department Bill Draft

Chairman Robinson requested review of the information technology bill draft on a section-by-section basis.

Section 1 - Definitions

Representative Svedjan inquired whether "entity" should be defined to include a county, city, and public elementary and secondary school. The assistant director said confusion apparently arises under Section 12, which uses "entity" as a shorthand to refer to an executive branch state agency or institution, but in the last sentence uses "entity" to refer to any network user, which could include a county, city, or public school.

Section 2 - Responsibilities of the Department

Representative Svedjan inquired how the bill draft would help nonprofit health care facilities. Mr. Heck said the strategic plan focused on network services rather than applications. Once designed for access by the public, he said, the network would not limit the type of information transferred. Representative Svedjan said it would be very costly for health care facilities to develop their own statewide network.

In response to a question from Representative Svedjan, Mr. Heck said the current version of the bill draft gives higher education the flexibility it needs for research and academic uses of technology.

Section 6 - Business Plan

Senator St. Aubyn suggested that Section 6 include a provision that the business plan must address information and system backup and disaster recovery. Committee members concurred.

Section 7 - State Information Technology Board

Representative Glassheim said there appears to be concern over the requirement that representatives of state agencies be those of "major" state agencies, and he suggested deleting "major" as a description of the state agencies that are to have representatives on the board. Committee members concurred.

Senator Solberg said he is still looking for the best type of method to communicate between the Information Services Division and legislators, and he inquired whether this board provides that link. Mr. Heck said there should continue to be a relationship between the Information Services Division and the Legislative Council. He suggested that the Legislative Council fiscal analysts attend budget hearings with respect to the Information Services Division and establish a relationship with executive budget analysts. He said another option would be to provide an information

technology analyst on the Legislative Council staff for contact with the Information Services Division.

Section 8 - Responsibilities of the Board

Senator St. Aubyn said he prefers the board to have substantive responsibilities. To make the board advisory, he said, would result in too much authority being given to the chief information officer.

Section 9 - Required Use of Wide Area Network Services

Senator St. Aubyn questioned whether the provisions mandating participation in wide area network services by political subdivisions could impact long-term contracts by those political subdivisions. The assistant director said legislation cannot impair the obligation of contracts, and contracts normally would remain in effect for the length of their term, assuming the term is legitimate, e.g., not extending beyond a budget cycle.

Representative Svedjan questioned whether the committee should maintain focus on state agencies rather than expanding services and mandating political subdivision participation.

Representative Wardner said he is concerned about requiring cities, counties, and school districts to use the statewide network and obtain services from the Information Technology Department. He expressed concern over imposing unfunded state mandates on political subdivisions. However, he said, the bill draft could remain as it is for now because it would be subject to change during the legislative session.

Representative Glassheim said he has similar concerns over mandating local participation.

Representative Weisz said he also is concerned over including local governments. He said the first purpose for mandating inclusion was economy of scale, but with the testimony today it is questionable whether local schools currently receiving network services or participating in current cooperative ventures would obtain cheaper service from the state network rather than from existing arrangements. Representative Glassheim suggested a provision that a county, city, or school district accessing wide area network services would be allowed to continue to receive those services.

Senator St. Aubyn said the statewide network is important for providing connectivity throughout the state. He recommended maintaining the current requirements of the bill draft.

The assistant director suggested that the "desires access" be changed to "accesses" to avoid confusion over whether the section applies to services in the future rather than services now and in the future.

It was moved by Representative Glassheim and seconded by Representative Weisz that Section 9 be amended by deleting ", county, city, and public elementary or secondary school". Representative

Glassheim said the state should not force local governments into a system as a means to lower state costs. Representative Wardner agreed that dealing with state agencies is the job of the committee. He said school districts are working hard to be efficient as are other political subdivisions, which are spending their dollars wisely. Senator St. Aubyn said he supports an option to exclude a political subdivision that shows it is more efficient to maintain current services rather than receive statewide network services or to delay the effective date of mandated participation, but he supports the idea of universal coverage because of the statewide connectivity this would cause. After this discussion, **the motion was defeated on a roll call vote.** Senators Robinson, Solberg, and St. Aubyn and Representative Svedjan voted "nay." Representatives Glassheim, Wardner, and Weisz voted "aye."

It was moved by Representative Glassheim and seconded by Representative Wardner that Section 9 be amended to exclude from mandatory participation a county, city, or elementary and secondary school that has access to wide area network services on August 1, 1999. Representative Weisz said he has a problem with this idea because a political subdivision would be mandated to use the state network if it did not have network services as of August 1, 1999. Representative Wardner said this provides a window of opportunity. After this discussion, **the motion was defeated on a roll call vote.** Senators Robinson, Solberg, and St. Aubyn and Representatives Svedjan and Weisz voted "nay." Representatives Glassheim and Wardner voted "aye."

It was moved by Senator St. Aubyn and seconded by Representative Wardner that Section 9 be amended by adding a sentence to the effect that the board may except from statewide area network participation a county, city, or school district that demonstrates its current wide area network services are more cost-effective for that county, city, or school district than the services to be obtained from the department. Representative Wardner said this eliminates the mandatory nature of state network participation for those political subdivisions that can show it is more economically feasible to maintain current arrangements. After this discussion, **the motion carried on a roll call vote.** Senators Robinson, Solberg, and St. Aubyn and Representatives Glassheim, Svedjan, Wardner, and Weisz voted "aye." No negative votes were cast.

Section 12 - Information Technology Plans

Representative Svedjan suggested that the last sentence be amended to provide that any agency, institution, county, city, school, or other entity that uses the statewide network or is a user of services of the department would be required to file a plan that includes and identifies all requirements for voice, data, or video. Committee members concurred.

Section 14 - Quality Assurance

It was moved by Representative Glassheim that the provision for quarterly and monthly reports to the board concerning major projects be deleted. Senator St. Aubyn said the board has authority to define a major project so the concerns of Mr. Heck with respect to the need for different reporting schedules for different types of major projects could be addressed by board definition. **Chairman Robinson declared the motion died for lack of a second.**

Senator St. Aubyn suggested that a factor for determining whether the expenditure of moneys appropriated for a project is to be suspended is whether moneys appropriated are not adequate to complete the project. Committee members concurred.

Section 15 - Compliance Reviews

Representative Solberg questioned the lack of any penalty in Section 15 for an agency or institution that is not in compliance with statewide policies and standards. The assistant director said this section is derived from NDCC Sections 54-44.2-12 and 54-35-15(7) and (8), which do not contain sanctions or penalties. Representative Wardner said most state agencies are going to comply if they can and in the best way they can. He said agencies are cognizant of the appropriations process and the impact of not complying with mandates.

It was moved by Senator St. Aubyn, seconded by Representative Glassheim, and carried on a roll call vote that the committee recommend the bill draft relating to the Information Technology Department, as amended, to the Legislative Council. Senators Robinson, Solberg, and St. Aubyn and Representatives Glassheim, Svedjan, Wardner, and Weisz voted "aye." No negative votes were cast.

Legislative Council Information Technology Committee Bill Draft

The assistant director said some of the provisions in the bill draft establishing a Legislative Council Information Technology Committee are inconsistent with or are redundant with the Information Technology Department bill draft. He said Section 2, subsections 5 through 9, are found in Sections 5, 14, and 15 of the Information Technology Department bill draft. Also, Sections 4 through 8 amend sections in NDCC Chapter 54-44.2, which is repealed by the information technology bill draft.

It was moved by Senator Solberg and seconded by Senator St. Aubyn that the bill draft be amended by removing the bracketed language in Section 1 requiring a certain number of members of the Senate and the House to be appointed to the committee, removing subsections 5 through 9 of Section 2 relating to powers and duties of the committee, and removing

everything after Section 3 relating to amendment of provisions in Chapter 54-44.2, and that the committee recommend the bill draft relating to a Legislative Council Information Technology Committee, as amended, to the Legislative Council. In response to a question from Representative Glassheim, Senator Solberg said it is important that legislators have the ability to study information technology and be involved in information technology activities of the executive branch. As amended, he said, the bill draft still provides for legislative involvement in the information technology process. After this discussion, **the motion carried on a roll call vote.** Senators Robinson, Solberg, and St. Aubyn and Representatives Glassheim, Svedjan, Wardner, and Weisz voted "aye." No negative votes were cast.

House Bill No. 1034 (1997) Revision Bill Draft

The assistant director said the third draft of the bill draft relating to information technology planning and activities contains modifications to the provisions of House Bill No. 1034 that have been suggested to the committee at previous meetings and also modifications reflecting changes to those provisions that are transferred to the Information Technology Department. He said approval of the Information Technology Department bill draft eliminates the need for this bill draft, assuming those provisions relating to House Bill No. 1034 are maintained. Chairman Robinson said without objection no further action will be taken on this bill draft.

MISCELLANEOUS MATTERS

The assistant director reported on information obtained from contacting local motor vehicle registrars as requested by Representative Byerly at the April 1998 meeting of the committee. He distributed a memorandum entitled *Department of Transportation Motor Vehicle Registration Computer System Project - Survey of Local Motor Vehicle Registration Offices - Compilation of Results*. The memorandum compiles responses from local motor vehicle registration offices. The responses indicated all local registrars except those located in Minot and Williston reported that the Department of Transportation did not require any expenditure for remodeling purposes.

It was moved by Representative Svedjan, seconded by Senator St. Aubyn, and carried on a voice vote that the chairman and the staff of the Legislative Council be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Council.

No further business appearing, Chairman Robinson adjourned the meeting sine die at 3:00 p.m.

Jay E. Buringrud
Assistant Director

John D. Olsrud
Director

ATTACH: 1