

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, October 22, 2003
Roughrider Room, State Capitol
Bismarck, North Dakota

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

Members present: Senators Larry Robinson, Randel Christmann, Rich Wardner; Representatives Eliot Glassheim, Keith Kempenich, Bob Skarphol, Ken Svedjan, Lonny Winrich; Chief Information Officer Curtis L. Wolfe

Members absent: Senators Randy A. Schobinger, Tom Seymour; Representative Robin Weisz

Others present: Ray Holmberg, State Senator, Grand Forks

See attached appendix for additional persons present.

It was moved by Senator Wardner, seconded by Representative Glassheim, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

INFORMATION TECHNOLOGY ORGANIZATIONAL AND MANAGEMENT STUDIES

Mr. Scott Kost, Techwise Solutions LLC, reported on the status of the information technology organizational and management studies. He said Pacific Technologies, Inc., has completed preliminary recommendations and is in the process of completing a draft final report that will be made available on November 12, 2003. He said the final report is anticipated to be completed in December 2003.

Mr. Mike Silverman and Mr. Dan Borgen, Pacific Technologies, Inc., reported on the status of the information technology organizational and management studies. A copy of the status report is on file in the Legislative Council office.

Mr. Silverman said Pacific Technologies, Inc., has completed interviews, a documentation review, an information technology organizational assessment, a labor cost analysis, and a review of North Dakota's enterprise initiatives and is in the process of finalizing recommendations. He said a draft final report will be available on November 12, 2003.

Findings

Mr. Silverman and Mr. Borgen reviewed the following information technology organizational and

management findings in the areas of information technology staffing and labor cost, information technology survey results and trends, and information technology governance.

Information Technology Staffing and Labor Cost

- The state has significant information technology support effort occurring within state agencies.
- Existing staffing allocations may inefficiently involve too many different individuals in the areas of workstation support, project management, strategic information technology planning, and procurement.
- Approximately 49 percent of the state's information technology labor costs are associated with software applications.
- After the information technology functional consolidation required by 2003 House Bill No. 1505, the state's workstation support ratio is 131 workstations to 1 full-time equivalent (FTE) employee, and the state's server support ratio is 26 servers to 1 FTE employee.

Information Technology Survey Results and Trends

- Based on data received from 31 states regarding information technology staff distribution, the state is above average in percentage of consolidation in the areas of system service and application service and is below average in percentage of consolidation in the areas of customer service and information technology administration.
- Regarding enterprise initiatives, the state's efforts in the statewide wide area network initiative and the geographic information systems initiative are more advanced than most other states.

Information Technology Governance

- The state's information technology decision criteria and processes are not clear.
- There are no standard requirements, tools, or methods for defining and tracking tangible business outcomes for information technology projects.

- Agency information technology planning efforts are often conducted without linkages to business plans.
- The information technology application approval and oversight process has contributed to the fragmentation of the state's information technology architecture and has not consistently led to information technology cost containment.

In response to a question from Representative Svedjan, Mr. Silverman said the information technology labor cost information reflects all funding sources and does not include data for the North Dakota University System.

Mr. Silverman said the two underlying assumptions that frame Pacific Technologies, Inc.'s recommendations are:

- The state desires to move toward provisioning basic information technology services as a "utility."
- The state wants information technology to be performance-managed at both the agency and enterprise levels.

Preliminary Recommendations

Mr. Silverman and Mr. Borgen presented the following preliminary recommendations in the areas of information technology organization, information technology governance, information technology measures and monitoring, and information technology standards and infrastructure:

Information Technology Organization

- Establish a fully functional help desk within the Information Technology Department for use as initial call and dispatch for personal computer support. (Potential annual savings of \$300,000 to \$400,000.)
- As servers are consolidated, reduce the Information Technology Department and state agency staff to maintain the current support ratio of 27 servers per FTE position. (Potential annual savings of \$200,000 to \$300,000.)
- In the long term, move toward a limited set of application development tools as defined by the enterprise architecture structure.
- Maintain application support at the current level.
- For major application initiatives, ensure the utilization of qualified project management.

Information Technology Governance

- Institute a common and consistently applied statewide information technology decision process for enterprise and major agency information technology projects.
- Increase the formal emphasis on business-based information technology planning.
- Identify clear criteria for approving application projects.

- Establish measures to capture savings.

Information Technology Measures and Monitoring

- Begin trending and managing significant information technology costs at the state level.
- Establish service delivery targets and associated measures and metrics focusing on enhanced help desk and customer support, application-related project management and monitoring, and server administration.

Information Technology Standards and Infrastructure

- As part of the technology replacement process, consolidate infrastructure being replaced or renewed into the Information Technology Department.
- Move toward a more standardized, managed computing architecture and portfolio.
- Institute a flexible workstation and server replacement and standardization process.
- Find cost-effective, higher-speed remote connection solutions for remote agencies.

Mr. Silverman and Mr. Borgen said Pacific Technologies, Inc., is in the process of developing transition issues and implementation plans and will deliver a draft final report to the committee by November 12, 2003, with presentation of the report scheduled for Monday, November 17, 2003. The final report is anticipated to be available in December 2003.

In response to a question from Representative Glassheim, Mr. Silverman said the potential savings related to suggested changes in workstation support and server support do not include any costs to implement the recommendations.

In response to a question from Representative Kempenich regarding further consolidation of servers, Mr. Silverman said a server's expected lifespan is approximately four to five years.

In response to a question from Representative Skarphol, Mr. Silverman said Pacific Technologies, Inc., will deliver a draft copy of the final report's table of contents to the committee prior to release of the draft final report. He said committee members may contact Pacific Technologies, Inc., with any concerns regarding the final report.

Chairman Robinson said the final report for the information technology organizational and management studies should:

- Include a definitions section in which all significant information technology terms used in the report are clearly defined.
- Include a matrix summarizing the requirements of the studies as included in the Legislative Council July 2, 2003, request for proposals and cross-referencing the corresponding recommendations.

- Identify the entity responsible for the implementation of each recommendation, such as the Legislative Assembly, the Information Technology Department, state agencies, or others.

In response to a question from Representative Winrich, Mr. Silverman said when appropriate the recommendations will be presented in a format that will allow the state to implement selected portions.

In response to a question from Representative Skarphol, Mr. Silverman said the final report will include plans that may be used to implement the recommendations.

In response to a question from Representative Glassheim, Mr. Borgen said the final report will include specific recommendations in the area of information technology governance, including recommendations relating to the roles of the Legislative Assembly, the Information Technology Department, and other state agencies regarding information technology decisionmaking.

In response to a question from Representative Skarphol regarding other states' information technology enterprise initiatives, Mr. Borgen said other states are doing more in the areas of security and statewide web portals.

OTHER COMMITTEE RESPONSIBILITIES

Mr. Curtis L. Wolfe, Chief Information Officer, Information Technology Department, presented the following suggestions for information to be presented to the committee at future meetings:

- A report on the future vision of the statewide wide area network.
- A report on kindergarten through grade 12 information technology issues.
- A report on the status of the ConnectND project.
- Presentations of large information technology project business cases as appropriate.

The committee recessed for lunch at 11:15 a.m. and reconvened at 12:30 p.m.

LARGE PROJECT REPORTS

Mr. Mark Hawks, Project Director, Criminal Justice Information Sharing Initiative, presented information regarding the law enforcement records management system. A copy of the information is on file in the Legislative Council office. He said the purpose of the Criminal Justice Information Sharing Initiative is to create the infrastructure, policy, and laws to facilitate information sharing between all criminal justice agencies. He said the goals of the Criminal Justice Information Sharing Initiative are to:

- Enable the exchange of information within the justice community.
- Present timely and accurate information.
- Enhance efficiency of the justice system.

- Increase public safety.
- Improve the quality and effectiveness of the administration of justice.

Mr. Hawks said the law enforcement records management system is one of the first projects in support of the Criminal Justice Information Sharing Initiative. The law enforcement records management system will deploy a statewide records management system that will provide local law enforcement with both uniform crime reporting and incident-based reporting capability as well as functionality to manage cases and investigations. He said the project team reviewed two alternatives to implement a records management system--a centralized approach with the purchase of a commercial records management system made available to all local law enforcement offices and a decentralized approach where each individual local law enforcement office is responsible for purchasing and deploying a commercial records management system. He said the centralized approach had an estimated cost of approximately \$840,000, and the decentralized approach had an estimated cost of approximately \$11 million. He said the project team has decided to implement the centralized approach.

In response to a question from Representative Skarphol, Mr. Hawks said the startup and infrastructure costs of implementing the law enforcement records management system will be paid for with federal funds and the ongoing costs will be paid for with funds from the local law enforcement offices.

In response to a question from Senator Christmann, Mr. Hawks said it is estimated that approximately 100 local law enforcement offices will be utilizing the system.

In response to a question from Representative Skarphol regarding local law enforcement participation, Mr. Hawks said the project is in the planning stage and the project team will have to decide if local law enforcement participants will be sufficient to pay for ongoing project costs.

Mr. Larry Shireley, Director, Division of Disease Control, State Department of Health, presented information on the agency's disease surveillance system. A copy of the information is on file in the Legislative Council office. He said the development of a North Dakota public health surveillance system will provide the State Department of Health with a more efficient means of reporting disease information to appropriate local, state, and federal agencies.

Mr. Tim Wiedrich, Section Chief, Emergency Preparedness and Response, State Department of Health, presented information on the agency's health alert network. A copy of the information is on file in the Legislative Council office. He said the health alert network project will provide public health entities with high-speed continuous broadband connectivity through the statewide wide area network. He said the project will include implementing a communications

package for providing rapid and secure communications with first responder agencies and other health officials.

Chairman Robinson said the committee's next meeting is tentatively scheduled for Monday, November 17, 2003, beginning at 9:00 a.m. in the Roughrider Room, State Capitol, Bismarck.

The committee adjourned subject to the call of the chair at 1:15 p.m.

Roxanne Woeste
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1