

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Monday, October 6, 2008
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, Randel Christmann, Tom Seymour, Rich Wardner; Representatives Craig Headland, Keith Kempenich, David Monson, Kenton Onstad, Mark S. Owens, Robin Weisz; Chief Information Officer Lisa Feldner

Member absent: Senator Richard Marcellais

Others present: Jim W. Smith, Legislative Council, Bismarck

See attached appendix for additional persons present.

It was moved by Senator Wardner, seconded by Representative Headland, and carried on a voice vote that the minutes of the June 5, 2008, and August 27, 2008, meetings be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, and representatives of the Information Technology Department provided information regarding:

- Various information technology initiatives.
The department's strategic plan for the 2009-11 biennium.
The department's annual report regarding projects, services, plans, and benefits pursuant to North Dakota Century Code (NDCC) Section 54-59-19.
The status of the department's mainframe migration project.
The department's budget request for the 2009-11 biennium.
The statewide information technology plan for the 2009-11 biennium, including the acceptance of state agency information technology plans.

A copy of the information presented is on file in the Legislative Council office.

Various Information Technology Initiatives

Ms. Feldner said the state of North Dakota was recently ranked 17th in the 2008 Digital States Survey of top 25 states using technology effectively. She said the state improved six places from the 2006 Digital States Survey. She said the department is in the process of negotiating with Dakota Carrier Network the upgrade of statewide information technology network circuits to Ethernet circuits.

Information Technology Department - 2009-11 Strategic Plan

Mr. Mike Ressler, Deputy Chief Information Officer, Information Technology Department, said the department's 2009-11 biennium strategic plan includes 23 objectives relating to the department's mission to provide leadership and knowledge to assist its customers in achieving their missions through the innovative use of information technology. The following is a summary of the objectives included in the plan:

Table with 2 columns: Perspectives and Objectives. Rows include Customer, Financial, Internal processes, and Learning and growth, each with a list of specific objectives.

Information Technology Department - Annual Report

Mr. Ressler said the department's 2007-08 annual report includes an executive summary, information on the department's divisions, information on the department's performance, and rate comparisons. He said for fiscal year 2008, actual agency spending on information technology services from the Information

Technology Department totaled approximately \$41.2 million, of which approximately 9 percent was for telephone services, 16 percent for network services, 24 percent for software development services, and 39 percent for computer hosting services.

During fiscal year 2008, Mr. Ressler said state agencies completed 12 large information technology

projects. Of the 12 projects, he said, 10 projects were completed under budget resulting in savings of \$624,317. He said 8 of the 10 projects were completed within the acceptable 20 percent schedule variance. He said 1 project was terminated after spending \$770,105.

Mr. Ressler provided the following update on the department's performance measures:

Performance Measures	Baseline (Previous Years)	Current Status (June 2008)	Target
Acceptable level of total net assets	2005 - 2.0 2006 - 1.4 2007 - 1.7	1.4	< or = to 2.0
Percentage of Information Technology Department rates reported in the annual report that are competitive	2006 - 100% 2007 - 100%	100%	100%
Total number of customer projects and service requests completed:	2007		
• Service requests	28,564	32,105	Monitor
• Incidents	48,792	53,738	Monitor
Customer satisfaction indexes (percentages satisfied or very satisfied) related to:	2006 - 2007		
• Value	91.7% - 87.3%	86.9%	92%
• Timeliness	92.5% - 87.4%	86.9%	97%
• Quality	93.7% - 95.5%	93.0%	97%
• Knowledge	93.1% - 94.8%	97.0%	98%
• Professionalism and courtesy	96.5% - 97.1%	99.0%	100%
Employee satisfaction index	2006 - 2.13 2007 - 2.13	2.13	2.0
Controllable employee turnover	2006 - 7.0% 2007 - 4.6%	6.8%	Below 6.0%
Percentage of service levels met	100%	100%	100%
Percentage of strategic business plan objectives completed or on schedule	2006 - 85% 2007 - 46%	43%	75%

Mr. Ressler said the department monitors the cost and revenue for each service to ensure that a service is not subsidizing another service. He said the federal government does not allow the department to charge rates that generate revenues in excess of costs; therefore, the department monitors its cash balances

and adjusts rates accordingly. He said the department also monitors other entity's fees for similar services in an effort to maintain quality services at a fair price. The following is a summary of rate comparisons for the services that generate a majority of the department's total revenue:

Service	North Dakota Information Technology Department Rates	South Dakota Bureau of Information and Telecommunications Rates	Montana Information Technology Services Division Rates	Wisconsin Division of Enterprise Technology Rates
Central computer central processing unit (CPU rates)	Batch CPU - \$.93 per second	Batch CPU - \$1.36 per second	Batch CPU - \$2.36 per second	Batch CPU - \$.51 per second
	CICS CPU - \$.93 per second	CICS CPU - \$1.36 per second	CICS CPU - \$.69 per second	CICS CPU - \$.67 per second
	ADABAS CPU - \$.98 per second	ADABAS CPU - \$1.36 per second	ADABAS CPU - \$1.34 per second	ADABAS CPU - \$.67 per second
	TSO CPU - \$.93 per second	TSO CPU - \$1.36 per second	TSO CPU - \$2.88 per second	TSO CPU - \$.67 per second
Network fees	Device fee - \$30.75 per device per month	Device fee - \$40 per device per month	Device fee - \$85.75 per device per month	Device fee - \$55 per device per month
	DSL service - Actual cost (ranges from \$40 to \$120)	DSL service - N/A	DSL service - \$250 per month	DSL service - \$665 per month
	ATM T-1 service - \$890 per month	ATM T-1 service - N/A	ATM T-1 service - \$650 per month	ATM T-1 service - \$1,067 per month
		Access fee - \$65 per device per month		

Telephone Fees	
North Dakota Information Technology Department rates	Telephone line - \$24 per device per month Speaker function - \$3 per month Display function - \$2 per month Voice mail (unlimited) - \$5 per month
South Dakota Bureau of Information and Telecommunications rates	Telephone line - \$13 per device per month Speaker function - Actual cost Display function - Actual cost Voice mail (unlimited) - \$6 per month
Montana Information Technology Services Division rates	Telephone line - \$14 per device per month Speaker function - \$7 to \$11 per month Display function - \$3 to \$7 per month Voice mail (three-minute limit) - \$5 per month Voice mail (six-minute limit) - \$8 per month Voice mail (eight-minute limit) - \$10 per month
Wisconsin Division of Enterprise Technology rates	Telephone line - Per mile/drop Speaker function - Actual cost Display function - Actual cost Voice mail (unlimited) - \$5.50 per month

Long Distance	
North Dakota Information Technology Department rates	In state - \$.075 per minute Out of state - \$.075 per minute 800 service - \$.07 per minute
South Dakota Bureau of Information and Telecommunications rates	In state - \$.08 per minute Out of state - \$.09 per minute 800 service - \$.09 per minute
Montana Information Technology Services Division rates	In state - \$.105 per minute Out of state - \$.105 per minute 800 service - \$.10 per minute
Wisconsin Division of Enterprise Technology rates	In state - \$.031 per minute Out of state - \$.031 per minute 800 service - \$.044 per minute
Minnesota Department of Administration rates	In state - \$.07 per minute Out of state - \$.20 per minute 800 service - \$.049 per minute
Nebraska Division of Communications rates	In state - \$.07 per minute Out of state - \$.07 per minute 800 service - \$.08 per minute

Software Development		
	Location	Billing Rate Per Hour of Service
Information Technology Department	Bismarck, North Dakota	\$58 to \$63
Applied Engineering, Inc.	Bismarck, North Dakota	\$75 to \$125
Eide Bailly LLP	Bismarck, North Dakota	\$95 to \$155
Enterprise Solutions, Inc.	Bismarck, North Dakota	\$75 to \$120
Nexus Innovations	Bismarck, North Dakota	\$95 to \$125
Vision Technology, Inc.	Bismarck, North Dakota	\$70 to \$75
Everest Consultants, Inc.	Beaverton, Oregon	\$63 to \$95
CIBER, Inc.	Vancouver, Washington	\$65 to \$100
Compuware	Plymouth, Minnesota	\$80 to \$120
Maximus	Rancho Cordova, California	\$145 to \$185

In response to a question from Senator Robinson, Mr. Ressler said the department hires contract software developers to supplement the department's software development staff.

Mainframe Migration Project

Mr. Ressler said the department is in the process of completing a mainframe migration project. He said the department's objectives for the project were revised in November 2007. The following is a summary of the original and revised objectives and the current status of the objectives:

Original Objectives (December 2005)	Revised Objectives (November 2007)	Current Status
Remove the need for the mainframe skill set	Remove the need for the mainframe skill set	This objective will be met when the mainframe is removed. The department has hired consultants to supplement the existing staff, which has been reduced because of retirements.
Save \$1.9 million per year beginning in July 2009	Save \$2.4 million per year beginning in July 2011	The department estimates these savings will begin in July 2013.
Realize financial break-even point in 2012	Realize financial break-even point in 2016	If the existing applications are rewritten by July 2013, the break-even date will be 2017.
Position the department for the future	Position the department for the future	The project has succeeded in migrating 46 applications off the mainframe.

Mr. Ressler said the department had originally planned to migrate 84 applications from the mainframe to other information technology platforms. Due to project difficulties and delays, he said, the department migrated only 46 applications from the mainframe with the final application being migrated on August 9, 2008. He said several applications at the Department of Human Services, Bank of North Dakota, Department of Transportation, and Legislative Assembly will remain on the mainframe. He said the department anticipates finalizing system documentation relating to the mainframe migration project by November 28, 2008.

Information Technology Department - 2009-11 Budget Request

Mr. Ressler said the department's budget request for the 2009-11 biennium includes several optional package adjustments, including adjustments relating to additional bandwidth for elementary and secondary schools, statewide deployment of the PowerSchool application for elementary and secondary schools, deployment of a statewide longitudinal data system, Criminal Justice Information Sharing Initiative projects, and ongoing costs relating to the Statewide Automated Victim Notification System.

Mr. Ressler said Section 6 of 2007 House Bill No. 1021 provides legislative intent that 28 new full-time equivalent positions for the 2007-09 biennium are identified as project-specific and may be filled while the projects are being developed and funding is available. He said the department will ask for the continuation of many of these positions for the 2009-11 biennium.

In response to a question from Senator Robinson, Ms. Feldner said the department may request funding from the general fund for the department's large project oversight activities for the 2009-11 biennium. She said the department may have to allocate more resources to project management for the 2009-11 biennium depending on the information technology projects funded by the 2009 Legislative Assembly.

Statewide Information Technology Plan - 2009-11 Biennium

Mr. Jeff Swank, Information Technology Department, said NDCC Section 54-59-11 requires each executive branch state agency or institution, excluding institutions under the control of the State Board of Higher Education, to prepare an information technology plan and submit the plan for acceptance to the Information Technology Department by July 15 of each even-numbered year. Based on the information included in the plans, he said, the Information Technology Department is to prepare a statewide information technology plan with emphasis on long-term strategic goals and objectives. He said the statewide information technology plan is to be distributed to members of the Legislative Assembly.

Mr. Swank said 46 of 53 state agencies submitted their information technology plans on or before July 15. He said 4 additional state agencies

submitted their information technology plans by October 1. He said 2 of the remaining 3 state agencies plan to submit their information technology plans by the end of October. He said the remaining state agency, State Fair Association, does not intend to file a plan.

Mr. Swank said the department will present to the 2009 Legislative Assembly a statewide information technology plan that will communicate a shared vision between state government, higher education, and elementary and secondary education; outline strategic initiatives; and establish goals and strategies that will serve as a basis for more detailed planning efforts.

HIGHER EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Ms. Bonnie Neas, Vice President for Information Technology, North Dakota State University, provided information regarding the status of the Northern Tier Network project. She said the Northern Tier Network is an ultra high-speed regional network with multiple optical waves capable of transferring about 10 gigabytes of information per second per wave. She said NDCC Section 15-10-45 provides that 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. She said 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. She said the provisions of NDCC Section 15-10-45 also prohibit the University System from utilizing commercial peering services offered through Internet2.

Ms. Neas said the North Dakota University System is seeking support to clarify and reduce the legislative requirements placed on the Northern Tier Network and the University System by the 2007 Legislative Assembly. She said the University System has identified the following options and related implications:

Options	Implications
Option 1 - Repeal NDCC Section 15-10-45	Restrictions of use are in place through the agreements with carrier partners. The North Dakota University System cannot use the Northern Tier Network fiber for commercial traffic. These agreements were not in place during the 2007 Legislative Assembly.
Option 2 - Amend NDCC Section 15-10-45 to allow educational entities to use the Northern Tier Network for Internet, voice, video, and telecommunications services.	Utilizes the Northern Tier Network capacity to meet changing educational needs and reduce additional future state spending commitments. Reduces current bandwidth limitations on nonSTAGEnet Internet traffic, which are a result of cost and budget constraints, and allows higher education and elementary and secondary education to expand the use of technology in the classroom and for the distance delivery of education and services. Does not reduce the current level of services purchased from private carriers through the Information Technology Department. Delays additional increased payments to private carriers for purchase of bandwidth for Internet traffic.

	Reduces the North Dakota University System 2009-11 budget request for increased bandwidth needs by \$250,000, from \$800,000 to \$550,000.
Option 3 - No statutory changes. Provide \$800,000 of additional funding as requested by the North Dakota University System for increased bandwidth needs.	Does not address the issue that elementary and secondary education cannot use the Internet2 research network under the current legislative restrictions.
Option 4 - No statutory changes and no additional funding.	Requires campuses to reduce current levels of bandwidth usage or reallocate funds from other programs to cover additional bandwidth costs.

A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Kempenich, Ms. Neas said the North Dakota University System is requesting \$800,000 of additional funding from the general fund for estimated bandwidth growth for the 2009-11 biennium. She said the \$800,000 request could be reduced by \$250,000 to \$550,000 if the legislative requirements placed on the University System and the Northern Tier Network are reduced.

In response to a question from Senator Christmann, Ms. Neas said the statewide information technology network meets elementary and secondary education's in-state Internet traffic needs.

In response to a question from Senator Seymour, Ms. Neas said private business and industry cannot use the Northern Tier Network unless they are a research partner.

Mr. Kent Blickensderfer, Director of Public Affairs, Qwest Communications, provided comments regarding the use of the Northern Tier Network by nonuniversity entities. He said it is important that facilities like the Northern Tier Network not be allowed to evolve into taxpayer-funded backbone networks competing directly with private carriers. He said Qwest Communications does not support the reduction of the current restrictions on the North Dakota University System and the Northern Tier Network provided in NDCC 15-10-45. A copy of his comments are on file in the Legislative Council office.

Mr. David Crothers, Executive Vice President, North Dakota Association of Telephone Cooperatives, provided comments regarding the use of the Northern Tier Network by nonuniversity entities. He said the North Dakota Association of Telephone Cooperatives is in opposition to the reduction of the legislative restrictions placed upon the North Dakota University System and the Northern Tier Network.

ELEMENTARY AND SECONDARY EDUCATION INFORMATION TECHNOLOGY INITIATIVES

Ms. Jody French, Director, EduTech, provided information regarding elementary and secondary education information technology initiatives for the

2007-09 biennium and anticipated budget needs for the 2009-11 biennium. She said the Educational Technology Council was established to develop technology systems and coordinate their use to enhance and support the educational opportunities for elementary and secondary education. She said the council's initiatives for the 2007-09 biennium include:

- Classroom transformation grants - The council awarded 22 classroom transformation grants to schools in February 2008. The grants require a 50 percent local school match.
- Video classroom grants - The council awarded 4 video classroom grants to kindergarten through grade 12 video network consortiums for new or upgraded video classrooms and 1 video grant award for statewide IP video recording capability.

Ms. French said the Educational Technology Council will submit a 100 percent budget request for the 2009-11 biennium with no optional requests.

Ms. French said EduTech offers a variety of services to help North Dakota schools and educators improve student achievement. She said EduTech provides support to schools for the PowerSchool application, a student information system. She said EduTech will submit a 100 percent budget request for the 2009-11 biennium with one optional request relating to expansion of the PowerSchool application to all elementary and secondary schools. A copy of the information presented is on file in the Legislative Council office.

Mr. Jon Skaare, State Director, Center for Distance Education, provided information regarding the center's information technology initiatives for the 2007-09 biennium and anticipated budget needs for the 2009-11 biennium. He said the center has created and published a high school textbook entitled *North Dakota History*, has developed a North Dakota studies website, and has begun the process of enhancing online courses. He said the Center for Distance Education will submit a 100 percent budget request for the 2009-11 biennium with four optional requests relating to employee compensation, additional online course enhancement and development, North Dakota studies, and civics education.

**OTHER BUSINESS
Coordination of Services**

Mr. Mark A. Johnson, Executive Director, North Dakota Association of Counties, provided information regarding the coordination of services between the Information Technology Department and political subdivisions. He said the coordination of information technology services between the Information Technology Department and political subdivisions is essential to the efficient delivery of services. He said the Information Technology Department through the statewide information technology network provides the network connectivity, Internet access, firewall security, video conferencing, and secure wireless access that supports the delivery of services. He said Information

Technology Department personnel meet regularly with the technology resources group of the North Dakota Association of Counties to discuss issues and strategize about future improvements and enhancements. He said counties are very pleased with the services received from the Information Technology Department. A copy of the information presented is on file in the Legislative Council office.

Mr. Jerry Hjelmstad, Assistant Director, North Dakota League of Cities, provided information regarding the coordination of services between the Information Technology Department and political subdivisions. He said the North Dakota League of Cities and the Information Technology Department have developed records retention schedules for all departments of city government. He said the Information Technology Department has provided wide area network services to some cities, including firewall protection, e-mail, and Internet access. He said the department has also provided antivirus protection, help desk support, and network administration support to some cities. A copy of the information presented is on file in the Legislative Council office.

North Dakota Health Information Technology Steering Committee

Ms. Lynette Dickson, Program Director, Center for Rural Health, University of North Dakota School of Medicine and Health Sciences, provided information regarding activities of the North Dakota Health Information Technology Steering Committee. She said the North Dakota Health Information Technology Steering Committee was established in 2006 and was formalized in NDCC Section 23-01-31 by the 2007 Legislative Assembly. She said the mission of the committee is to facilitate the adoption and use of health information technology and exchange to improve health care quality, patient safety, and overall efficiency of health care and public health services in North Dakota.

Ms. Dickson said the Center for Rural Health on behalf of and with input from the North Dakota Health Information Technology Steering Committee completed a survey of hospitals and long-term care facilities to obtain current information on health information technology staff support, barriers to electronic medical records adoption, usage of telemedicine, and health information technology planning and implementation. She said the center also surveyed students and recent graduates of health professional programs regarding health information technology and North Dakota Health Care Review, Inc., conducted phone surveys of private physician practices regarding health information technology.

Ms. Dickson said 43 of the state's 45 rural and urban hospitals completed the health information technology survey. The following is a summary of the survey results:

Electronic medical record implementation	All six urban hospitals have implemented an electronic medical record. Fourteen of the 37 rural hospitals, or 37 percent, have implemented an electronic medical record.
Top three barriers that have a substantial impact on planning and implementing an electronic medical record	Urban hospitals <ul style="list-style-type: none"> • Current reimbursement system • Poor availability of well-trained information technology staff • Obsolescence issues relating to hardware and software Rural hospitals <ul style="list-style-type: none"> • Lack of financial resources for the initial investment • Lack of financial resource for the ongoing cost • Current reimbursement system
Top three drivers that are most significant for planning and implementing an electronic medical record	Urban hospitals <ul style="list-style-type: none"> • Improving quality of health care • Improving patient safety • Inefficiencies experienced by providers Rural hospitals <ul style="list-style-type: none"> • Improving quality of health care • Availability of grant funding • Improving patient safety
Readiness and planning	Urban hospitals indicated little or no need for technical assistance. Rural hospitals <ul style="list-style-type: none"> • 61 percent indicated interest in technical assistance for assessing workflow analysis • 51 percent indicated interest in technical assistance for assessing computer skills of staff • 57 percent indicated they did not have a health information technology steering committee or work group
Information technology staff support	Urban hospitals indicated all information technology managers had a minimum of a four-year degree. Approximately 22 percent of rural hospitals indicated they had no designated information technology support staff.

Ms. Dickson said 44 of the state's 83 long-term care facilities completed the survey. The following is a summary of the survey results:

Electronic medical record implementation	Approximately 20 percent of facilities have implemented an electronic medical record.
Top two barriers that have a substantial impact on planning and implementing an electronic medical record	Current reimbursement system Justifying the expense
Top two drivers that are most significant for planning and implementing an electronic medical record	Improving quality of health care services Improve resident/tenant patient safety
Information technology staff support	Approximately 48 percent of facilities indicated they have a designated information technology staff person.

Ms. Dickson said the Center for Rural Health contracted with John Snow, Inc., a public health research firm, to review the survey results, develop a report, and make recommendations for moving the state forward with regard to adopting health information technology. She said the consultant's report stated that North Dakota's rural facilities have severe shortages of technical staff to support and

implement health information technology, face significant financial challenges obtaining the capital to acquire electronic medical records and other health information technology tools, and have limited access to technical assistance resources to guide their efforts. She said the consultant provided the following recommendations for moving the state forward with regard to adopting health information technology:

- Create a formal organization within the state charged with coordinating health information technology efforts and potentially governing a health information exchange initiative.
- Develop a North Dakota strategic plan for implementing and sustaining a statewide electronic health information exchange.
- Create a state-funded grants or loan program to support rural and public health entities in the implementation of health information technology-driven quality improvement programs.
- Develop health information technology training programs for current staff at health care facilities as well as for the future.
- Implement a peer-to-peer health information technology support program for rural health care provider organizations.
- Sponsor rotating rural health information technology technical support teams to assist organizations that do not have the necessary staff for the implementation of these types of projects.

Ms. Dickson said the North Dakota Health Information Technology Steering Committee and stakeholder work groups will utilize the survey findings and consultant recommendations to further develop a plan for facilitating the adoption of technology in rural and urban entities. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Senator Seymour, Ms. Dickson said the University of North Dakota School of Medicine and Health Sciences is not currently utilizing electronic health records, but the university is planning to implement the technology in the future.

Mr. Howard C. Anderson, Executive Director, State Board of Pharmacy, provided information regarding health information technology. He said North Dakota State University has received a federal grant relating to telepharmacy, and the university has awarded a contract to Catholic Health Initiatives to implement a telepharmacy program. He said the telepharmacy program consists of a central site where pharmacists and technicians receive information regarding orders for drugs from the prescribing physicians in rural health care facilities. He said the orders are reviewed by the pharmacist using the specific patient's information. He said the project would function more effectively if the pharmacist could access the patient's medical record at the facility and enter the recommendations or approval directly into the record.

A copy of the information presented is on file in the Legislative Council office.

Ms. Kimber Wraalstad, President and CEO, Presentation Medical Center, Rolla, provided information regarding health information technology. She said health information technology is important to increasing the quality of patient care. She said health information technology applications are expensive to implement and maintain. She said several North Dakota critical access hospitals in the state are experiencing operating losses and are not able to purchase health information technology applications. She said hospitals in Bottineau, Rolla, and Stanley are working together on health information technology projects and 10 health care facilities in the northwest part of the state have formed the Northwest Alliance for Information Technology Projects to research and implement health information technology applications. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Senator Christmann, Ms. Wraalstad said hospitals rely more on each other for assistance with health information technology because the North Dakota Healthcare Association and the North Dakota Long Term Care Association do not have expertise in health information technology.

The committee recessed for lunch at 12:18 p.m. and reconvened at 1:14 p.m.

PROPOSED CRIMINAL JUSTICE INFORMATION SHARING BOARD BILL DRAFT

The Legislative Council staff presented a bill draft [90313.0100] relating to the membership of the Criminal Justice Information Sharing Board. The Legislative Council staff said the bill draft amends NDCC Section 54-59-21 to expand the membership of the Criminal Justice Information Sharing Board to include the director of the Department of Emergency Services Division of State Radio, 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 Legislative Council staff said the bill draft also provides that 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 the Information Technology Department.

Ms. Feldner provided comments regarding the proposed bill draft. She said the objectives of the proposed bill draft are to:

- Simplify the decisionmaking process and avoid redundant or overlapping efforts by the Criminal Justice Information Sharing Board and its executive advisory committee.

- Give a greater voice in decisionmaking to key stakeholders.
- Increase the size of the board to avoid inadvertent open meeting law violations.

In response to a question from Senator Christmann, Ms. Pam Schafer, Criminal Justice Information Sharing Project Director, Information Technology Department, said the Department of Transportation is a significant provider of data for the Criminal Justice Information Sharing hub portal, including driver's license photos and driving records.

In response to a question from Senator Christmann, Ms. Feldner said the 2009 Legislative Assembly could consider adding members of the Legislative Assembly to the board.

Representative Kempenich suggested removing the chief of the Bureau of Criminal Investigation from the proposed board since the Attorney General is also a member.

Representative Monson said he believes the chief of the Bureau of Criminal Investigation would be an important member of the Criminal Justice Information Sharing Board. He said perhaps the at-large member appointed by the Governor should be removed.

Senator Christmann said he supports the bill draft as presented.

It was moved by Representative Kempenich, seconded by Representative Owens, that the bill draft be amended to remove the chief of the Bureau of Criminal Investigation. The motion failed on a roll call vote. Representatives Kempenich and Owens voted "aye." Senators Robinson, Christmann, Seymour, and Wardner and Representatives Headland, Monson, and Onstad vote "nay."

It was moved by Senator Christmann, seconded by Senator Wardner, and carried on a roll call vote that the bill draft relating to the membership of the Criminal Justice Information Sharing Board be approved and recommended to the Legislative Council. Senators Robinson, Christmann, Seymour, and Wardner and Representatives Headland, Kempenich, Monson, Onstad, and Owens voted "aye." No negative votes were cast.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING

Department of Human Services - Medicaid Management Information System Replacement Project

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, provided information regarding the status of the Medicaid management information system replacement project. She said the department is negotiating with ACS State Healthcare, LLC (ACS), the project vendor, regarding revisions to the project schedule. She said scheduled negotiations with ACS are focused on the postdesign phases of the project, including the estimation of the implementation work

effort to finalize system configuration, data conversion, training, and system and user acceptance testing.

Ms. Witham said the department has continued to move forward on system design specifications. She said the department recently completed the second of three major milestones in this phase. She said the department anticipates completing system design in January 2009. She said the department will begin the implementation phase of the project after the system design is complete.

Ms Witham said the following is a summary of project expenditures through August 2008:

	Project Budget	Expenditures	Budget Remaining
General fund	\$3,643,133	\$1,055,855	\$2,587,278
Federal funds	55,218,418	15,897,673	39,320,745
Other funds	3,667,820	1,007,597	2,660,223
Total	\$62,529,371	\$17,961,125	\$44,568,246

A copy of the information presented is on file in the Legislative Council office.

In response to a question from Senator Robinson, Ms. Witham said the department is in the process of identifying a revised project completion date for the project.

In response to a question from Senator Robinson, Ms. Witham said the department will be using a website for keeping stakeholders informed on the status of the project.

Department of Emergency Services - Public Safety Mobile Communications Project

Mr. Greg Wilz, Interim Director, Division of State Radio, Department of Emergency Services, provided a project closeout report for the department's public safety mobile communications project. He said the purpose of the project was to implement a new radio system with the capability of operating in either an analog or digital mode. He said the new system is currently running in an analog mode until local jurisdictions upgrade their equipment to digital-capable equipment at which time the system can be switched to run in the digital mode. He said the project was completed in August 2008, approximately 22 months later than the scheduled completion date of October 2006. He said the project was a fixed bid and is being paid for through a lease purchase agreement. He said the first lease payment was made in December 2004 and the last payment is scheduled for December 2012. He said the total cost for the lease agreement is \$8,101,386. A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Kempenich, Mr. Wilz said the new system is complete; however, there are some issues with radio coverage. He said the Adjutant General will be requesting funding of \$7.2 million from the general fund for the 2009-11 biennium for purchasing or leasing infrastructure and equipment to expand coverage of the state radio system.

Job Service North Dakota - Case Management System

Ms. Jessica Rossow, Job Service North Dakota, provided a project closeout report for the agency's case management system. She said the purpose of the project was to replace the existing customized case management application with a commercial off-the-shelf application from Geographic Solutions, Inc. She said the project experienced four major scope changes and was completed in September 2008, 16 months later than the scheduled completion date of May 2007. She said the project was completed under budget with actual expenditures of \$820,731 compared to a project budget of \$854,919. A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Onstad, Mr. Mark Molesworth, Enterprise Project Manager, Information Technology Department, said state agencies may include a liquidated damages clause in information technology contracts. He said a liquidated damages clause allows a party to be compensated for losses caused by the other party's breach of contract.

Senator Christmann asked the Information Technology Department for information on North Dakota Century Code provisions relating to liquidated damages and penalties.

In response to a question from Representative Kempenich, Ms. Rossow said the project vendor will

incorporate future federal reporting requirement changes into new releases of the software application.

OTHER

It was moved by Senator Wardner, seconded by Representative Kempenich, 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 draft recommended by the committee and to present the report and recommended bill draft to the Legislative Council.

Chairman Robinson thanked the committee members, representatives of the Information Technology Department, and the Legislative Council staff for their work during the interim.

No further business appearing, Chairman Robinson adjourned the meeting at 2:00 p.m.

Roxanne Woeste
Assistant Legislative Budget Analyst and Auditor

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:1