NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Wednesday, June 18, 2014
Rooms 116 and 117, North Dakota University System Information Technologies Building
4349 James Ray Drive
Grand Forks, North Dakota

Representative Robin Weisz, Chairman, called the meeting to order at 8:30 a.m.

Members present: Representatives Robin Weisz, Mark S. Owens, Roscoe Streyle, Blair Thoreson, Nathan Toman; Senators Randall A. Burckhard, Richard Marcellais, Larry J. Robinson, Donald Schaible; Citizen Member Mike Ressler

Members absent: Representative Corey Mock; Senator Joe Miller

Others present: Curtiss Kreun, State Representative, Grand Forks
Kylie Oversen, State Representative, Grand Forks
Senator Ray Holmberg, member of the Legislative Management, was also in attendance.
See Appendix A for additional persons present.

It was moved by Senator Robinson, seconded by Representative Thoreson, and carried on a voice vote that the minutes of the March 13, 2014, meeting be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Mike Ressler, Chief Information Officer, Information Technology Department, presented information (Appendix B) regarding the status of the new information technology building. He said the department was originally scheduled to move into the building on June 1, 2014, but is now scheduled to move in on Friday, August 1, 2014.

Mr. Ressler presented information (Appendix C) regarding the 2015-17 biennium information technology budget rates. He said the new rates are anticipated to increase revenue to the department by $3.3 million. He said the largest rate increase relates to software development. He said the $20 million bond related to ConnectND will be fully paid in July 2014 resulting in savings of approximately $1.4 million for the 2015-17 biennium.

In response to a question from Chairman Weisz, Mr. Ressler said the department has not experienced an increase in staff turnover.

Mr. Ressler said the Information Technology Department may need to change billing procedures for projects that have federal oversight because of new federal policies. He said the changes could create large fluctuations in billing rates related to information technology hardware purchases.

In response to a question from Representative Streyle regarding the use of general fund appropriations for information technology hardware purchases related to projects with federal funding, Mr. Ressler said the department could use funding from the general fund for information technology hardware purchases to reduce the fluctuations in billing rates; however, the state would no longer access the federal funds or special funds.

Mr. Ressler presented information (Appendix D) regarding the billing rates for desktop support services for the 2015-17 biennium. He said the monthly rates are $100 for a standard personal computer, $110 for a high-performance personal computer, and $130 for a laptop. He said any agency that desires to receive desktop support services from the Information Technology Department will use the rates for developing budget requests.

In response to a question from Senator Robinson, Mr. Ressler said the rates were determined from a national model and are comparable to rates in other states.

Mr. Ressler presented information (Appendix E) regarding suggested changes to the North Dakota Century Code related to records management. He said the department examined its own records management policies

after the security breach at the North Dakota University System data center. He said the changes remove sections that are no longer necessary for the department's records management policies.

In response to a question from Senator Robinson, Mr. Ressler said the department anticipates including an enhanced security package in the budget request. He said the security package may include information technology software, hardware, and staff.

Mr. Ressler said the Information Technology Department's budget request for the 2015-17 biennium may also include moving the budget and full-time equivalent (FTE) positions related to the criminal justice information sharing (CJIS) system from the Information Technology Department to the Attorney General's office. He said moving the budget to the Attorney General's office allows the Attorney General's office to receive additional federal funds for the CJIS system.

Mr. Ressler presented information ([Appendix F](#)) regarding the status of the Secretary of State's information technology project. He said the revised budget for the project is approximately $5.5 million. He said the revised budget is lower than the preliminary estimates presented to the committee in December 2013. He said the revised budget of $5.5 million is approximately $2 million more than the original project budget of $3.7 million. He said the department has borrowed $950,000 from the Bank of North Dakota at an interest rate of 1.75 percent, which is the estimated amount presented to the committee in December 2013.

In response to a question from Senator Burckhard related to the Secretary of State's information technology project, Mr. Ressler said the department has started spending the loan proceeds. He said the $950,000 that was borrowed is anticipated to be sufficient to continue the project for the remainder of 2013-15 biennium. He said the project budget for the 2015-17 biennium would include funding to repay the loan as well as the additional funding needed to complete the project.

In response to a question from Senator Robinson, Mr. Ressler said the Secretary of State's project completion date is unknown. He said the department may complete the project during the 2015-17 biennium.

Mr. Ressler presented information ([Appendix G](#)) regarding the status of the Department of Human Services' Medicaid management information system project. He said the project completion date remains scheduled for Monday, September 1, 2014. He said the Information Technology Department anticipates the project will not be completed by September 1.

Senator Robinson suggested the committee receive a report at its next meeting regarding the status of the Workforce Safety and Insurance information technology transformation program project.

HIGHER EDUCATION INFORMATION TECHNOLOGY INITIATIVES
Higher Education Information Technology Projects
Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research, North Dakota University System, said the North Dakota University System has hired a certified project manager to provide oversight for information technology projects. She said the individual is also a certified procurement officer which will allow the University System to develop a formalized process for procurement services. She said the University System's 29 FTE positions located in Bismarck receive desktop support services from the Information Technology Department.

University System and Information Technology Department Security Measure Comparison
Dr. Feldner, Mr. Darin King, Deputy Chief Information Officer, North Dakota University System, and Mr. Dan Sipes, Deputy Chief Information Officer and Director of Operations, Information Technology Department, presented information ([Appendix H](#)) regarding a comparison of project oversight procedures, security measures, and best practices used by the Information Technology Department to those used by the University System.

Mr. Sipes said the University System and the Information Technology Department are collaborating on intrusion detection and prevention security measures. He said both agencies have advanced centralized firewalls and antivirus software installed on all personal computers. He said the University System and the Information Technology Department use vulnerability scanning to proactively scan servers for security vulnerabilities as well as physical security measures, including video surveillance and restricted access. He said the Information Technology Department has an enterprise architecture structure designed to support proactive security measures. He said the University System has not established an enterprise architecture structure. He said the Information Technology Department uses a security information and event management system to correlate suspicious activity with potential security threats. He said the University System tracks system activity but does not correlate the information with potential threats. He said the Information Technology Department has 6 FTE positions for security and risk management, while the University System has 2 FTE positions for security and risk management.

Dr. Feldner said in addition to the 2 FTE positions related to security and risk management at the University System, each campus has a chief information officer who is responsible for the information technology security at the campus.

In response to a question from Senator Robinson, Dr. Feldner said the University System is in the process of determining the need for any additional staff related to providing enhanced security measures.

In response to a question from Representative Streyle, Mr. King said the University System is in the process of installing intrusion detection and prevention devices in one of the four quadrants of the state. He said after the installation, the University System will analyze the costs and benefits before continuing with the installations in the other three quadrants.

Mr. King said the University System is in the process of implementing a two-factor authorization protocol for access to critical information technology. He said the University System is reengineering its desktop management, disk encryption, and vulnerability scanning measures to improve information technology security at the University System. He said the University System will implement mandatory security training for all University System employees, similar to the training provided by the Information Technology Department for state employees.

Status of the Security Breach at the University System

Dr. Feldner said the University System conducted a workplace study in response to the security breach. She said the results are not yet finalized. She anticipates the University System may implement some restructuring based on the results of the workplace study. She said law enforcement has not completed its investigation of the security breach. She said the University System will contract with a vendor for the management of the operational systems at the University System's data center. She said the University System will continue to manage and operate the servers while the vendor will manage the fire suppression system, heating and cooling system, and alarm system. She said the advantage of using a vendor to manage the operation systems is the availability of 24-hour coverage.

Representative Streyle said the University System may benefit from implementing the security policies and procedures used by the Information Technology Department.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTS

Mr. Ressler presented information (Appendix I) regarding the most recent quarterly summary status report on large information technology projects. He said four projects were completed during the first quarter of 2014. He said of the four projects, two were completed under budget and on schedule. He said the other two projects were completed slightly behind schedule and over budget but within allowable variances.

Mr. Ressler presented information (Appendix J) regarding a project closeout report related to the Bank of North Dakota's CashPlus project. He said the project was completed successfully and on schedule.

DESKTOP SUPPORT STUDY

The Legislative Council staff presented a bill draft [15.0157.01000] related to the implementation of the results of a desktop support study. The bill draft requires approximately 35 state agencies to obtain centralized desktop support services from the Information Technology Department and requires the department to make available five major desktop support services for all state agencies. The bill draft also provides a definition for desktop support services.

In response to a question from Representative Thoreson, the Legislative Council staff said the definition of desktop support services does not specifically identify the eligible types of peripheral devices.

It was moved by Representative Streyle, seconded by Representative Owens, and carried on a role call vote that the bill draft [15.0157.01000] related to the implementation of the results of a desktop support study be approved and recommended to the Legislative Management. Representatives Weisz, Owens, Streyle, Thoreson, and Toman and Senators Schaible, Burckhard, Marcellais, and Robinson voted "aye." No negative votes were cast.

HARDWARE RELOCATION AND CONSOLIDATION STUDY

Ms. Pam Sharp, Director, Office of Management and Budget, presented information (Appendix K) regarding any proposed legislation to implement the recommendations of the hardware relocation and consolidation study pursuant to Section 8 of 2013 Senate Bill No. 2021. She said the Governor's office and the Office of Management and Budget (OMB) will not be proposing any legislative changes related to information technology hardware consolidation and relocation. She said consolidation recommendations will also not be included in the executive budget. She said information related to the cost of the consolidation will be available for consideration by the 2015 Legislative Assembly.

The Legislative Council staff presented a bill draft [15.0156.01000] related to the implementation of the results of a hardware relocation and consolidation study. The bill draft removes the ability of OMB to grant exemptions from the required use of hosting services and other information technology-related services. The Attorney General's office, Department of Mineral Resources, Public Service Commission, and State Water Commission were granted exemptions by OMB. The recommendations of the study and provisions of the bill draft excluded consolidating and relocating the information technology hardware operated by the Attorney General's office.

The Legislative Council staff presented a memorandum entitled *Consolidated Information Technology Hardware - Criminal Justice Information Sharing Network*. The memorandum provides information on the Federal Bureau of Investigation's CJIS security policy, the North Dakota CJIS portal, and CJIS systems in other states. The Legislative Council staff said Nevada is in the process of relocating and consolidating its CJIS system to a centralized information technology organization. The Legislative Council staff said Nevada is the only example where a state's CJIS system is located in a centralized information technology organization.

In response to a question from Representative Streyle, the Legislative Council staff said Michigan's CJIS system is consolidated within one state agency, but not within the state's data center.

Representative Streyle distributed a bill draft [15.0158.01000] related to the consolidation and relocation of information technology hardware. He said the bill draft provides for the consolidation and relocation of information technology hardware from all of the currently exempt agencies to the Information Technology Department.

HIGH-SPEED INTERNET

Mr. Gary Inman, President, Information Technology Council of North Dakota, Bismarck, presented information (Appendix L) regarding the status of the Dakota Fiber Initiative. He said the Information Technology Council of North Dakota contracted with KLJ to map broadband supply in Fargo and West Fargo. He said future plans for the Dakota Fiber Initiative include researching broadband policies in other states and assessing the statewide demand for broadband services.

Mr. Seth Arndorfer, Chief Executive Officer, Dakota Carrier Network, Bismarck, said all K-12 public schools and all major health care providers in the state are connected to high-speed Internet through a fiber network. He provided a demonstration of broadband capacities. The demonstration included browsing websites on two computers using a 1.5 megabit per second (Mbps) connection and a 1 gigabit per second (Gbps) connection.

In response to a question from Senator Robinson regarding the progress of the construction of broadband infrastructure over the past three years, Mr. Arndorfer said service providers have laid over 20,000 miles of optical fiber cable. He said the primary challenge of installing broadband infrastructure has been securing easement rights.

SOFTWARE SERVICES

Mr. Ken Behrendt, President, Eagle Creek Software Services, Minneapolis, Minnesota, presented information (Appendix M) regarding an overview of information technology trends and the operations of Eagle Creek Software Services. He said nationwide demand for information technology staff continues to increase resulting in an increase in information technology-related salaries and information technology software development costs. He said companies will increasingly rely on third-party software development to meet this shortfall. He said companies such as Eagle Creek Software Services have the ability to provide this service. He said Eagle Creek Software Services has developed software for over 100 companies. He said North Dakota has the opportunity to be a national leader in providing affordable software development with support from state and local policymakers.

Senator Robinson said Eagle Creek Software Services' operations began in Valley City through the centers of excellence program. He said Eagle Creek Software Services has approximately 80 employees located in Valley City.

UNIVERSITY SYSTEM INFORMATION TECHNOLOGY BUILDINGS

The committee conducted a tour of the Information Technologies Building on the campus of the University of North Dakota. The building began to be used in November 2013. Over 100 technology staff are located in the building. The 2011 Legislative Assembly authorized $12.5 million from the general fund for the construction of a new information technology building and for the renovation of an existing building for a data center.

The committee recessed for lunch at 12:00 noon and reconvened at 12:50 p.m.

The committee conducted a tour of the University System's data center. The data center is located in an existing warehouse on the University of North Dakota campus that was renovated to create 5,000 square feet of raised floor Tier 3 data center space and 5,000 square feet of equipment and operational support space.

STUDY OF ISSUES RELATED TO THE STATE RADIO COMMUNICATION PLAN

Mr. Mike Lynk, Director, Division of State Radio, Department of Emergency Services, presented information (Appendix N) regarding the status of the Statewide Interoperability Executive Committee activities. He said the committee has met seven times and has received information regarding the state's interoperability plan, radio broadcast infrastructure, and FirstNet. He said the committee is exploring the possibility of funding a study of land mobile radio infrastructure.

Mr. Lynk presented information (Appendix O) regarding a survey related to first responders' experience with the current radio broadcast system. He said the Statewide Interoperability Executive Committee has received approximately 250 responses. He said the committee is waiting to receive at least 500 responses before conducting any analysis.

Mr. Lynk presented information (Appendix P) regarding an overview of State Radio and the role of a public safety answering point (PSAP). He said there are 22 PSAPs in the state. He said 911 calls are directed to the nearest PSAP based on the caller's address for a landline phone and based on the location of the cellular tower for mobile phones. He said the PSAP personnel dispatch the emergency personnel to respond to the call.

In response to a question from Representative Streyle, Mr. Lynk said the advantage of having 22 PSAPs instead of one consolidated PSAP is the local knowledge of the PSAP personnel.

Ms. Becky Ault, Director, Grand Forks Public Safety Answering Point, provided comments (Appendix Q) regarding the committee's study of issues related to the State Radio communication plan. She suggested the committee consider a statewide comprehensive radio study including current communications systems, standards for interoperable systems, and future technologies.

In response to a question from Representative Streyle regarding the advantage of conducting a study, Mr. Lynk said a study would help to determine if the issues are related to technical problems or user errors. He said after the state switched to digital communications, the broadcast signals could not travel as far, creating gaps in the radio coverage. He said the state has been working to address the issue of radio coverage gaps.

In response to a question from Senator Robinson, Mr. Lynk said State Radio has experienced situations where PSAP personnel were unable to contact the primary emergency responders for a particular area because of staffing issues among local emergency services providers. He said in those situations, the PSAP personnel have been able to contact backup emergency responders. He said various organizations, including the North Dakota Firefighter's Association, are in the process of researching possible solutions to the staffing issues.

OTHER

Chairman Weisz said the next meeting is tentatively scheduled for September 2014 in Bismarck.

Representative Streyle suggested the committee receive a report at its next meeting regarding the status of an information technology staffing analysis pursuant to Section 15 of 2013 House Bill No. 1013 and the status of the transfer of information technology staff from Workforce Safety and Insurance to the Information Technology Department.

Representative Thoreson suggested the committee receive a report at its next meeting regarding a State Department of Health information technology project related to licensing for food service providers.

The committee traveled to the Grand Forks Public Safety Answering Point. The committee conducted a tour of the Grand Forks Public Safety Answering Point which was led by Ms. Ault. The building was constructed as an addition to the Grand Forks Police Department building and was designed to withstand lightning strikes as well as tornadoes. The committee observed the information technology hardware used at the PSAP.

No further business appearing, Chairman Weisz adjourned the meeting at 3:15 p.m.

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Adam Mathiak
Fiscal Analyst

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Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:17