

## INFORMATION TECHNOLOGY COMMITTEE - BACKGROUND MEMORANDUM

North Dakota Century Code (NDCC) Section 54-35-15.1 requires the Legislative Council, during each biennium, to appoint an Information Technology Committee in the same manner as the Council appoints other interim committees. The committee is to consist of six members of the House of Representatives and five members of the Senate. The Chief Information Officer of the state serves as an ex officio nonvoting member of the committee.

### COMMITTEE STATUTORY AND ASSIGNED RESPONSIBILITIES

North Dakota Century Code Section 54-35-15.2 requires the committee to:

1. Meet at least once each calendar quarter.
2. Receive a report from the Chief Information Officer of the state at each meeting.
3. Review the business plan of the Information Technology Department.
4. Review macro-level issues relating to information technology.
5. Review the activities of the Information Technology Department.
6. Review statewide information technology standards.
7. Review the statewide information technology plan.
8. Review information technology efficiency and security.
9. Review established or proposed information technology programs and information technology acquisitions by the executive and judicial branches.
10. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the Information Technology Department and the affected agency regarding any major information technology project of an **executive branch agency**. A major project is a project with a total cost of \$250,000 or more.
11. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the Information Technology Department and the affected

institution regarding any major project of the **State Board of Higher Education or any institution** under the control of the State Board of Higher Education. A major project is a project that significantly impacts the statewide wide area network, impacts the statewide library system, or is an administrative project and is a project with a cost of \$250,000 or more in one biennium or a total cost of \$500,000 or more.

12. Receive and review information from the Information Technology Department and the affected agency regarding any information technology project of an executive branch agency with a total cost of between \$100,000 and \$250,000 as determined necessary by the Information Technology Department.
13. Receive a report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues.
14. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the affected **legislative or judicial branch agency** regarding any information technology project of the legislative or judicial branch with a total cost of \$250,000 or more.
15. Receive information from the State Board of Higher Education regarding higher education information technology planning, services, and major projects.

North Dakota Century Code Section 54-35-15.3 authorizes the Information Technology Committee to review any information technology project or information technology plan. The section provides that if the committee determines that a project or plan is at risk of failing to achieve its intended results, the committee may recommend to the Office of Management and Budget the suspension of the expenditure or money appropriated for a project or plan. The Office of Management and Budget may suspend the expenditure authority if the office agrees with the recommendation of the committee.

North Dakota Century Code Section 54-35-15.4 provides that the Information Technology Committee may request the State Auditor to conduct an information technology compliance review. The

review may consist of an audit of an agency's information technology management, information technology planning, compliance with information technology plans, and compliance with information technology standards and policies or an audit of statewide compliance with specific information technology standards and policies.

The committee has the responsibility for reviewing the activities of the Information Technology Department, the business plan of the department, statewide information technology standards, the statewide information technology plan, and major information technology projects as provided in NDCC Section 54-35-15.2, as discussed earlier; for determining information technology compliance reviews to be conducted by the State Auditor as provided in Section 54-35-15.4; and for receiving:

- A report from the State Board of Higher Education regarding higher education information technology planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
- A report from the Statewide Longitudinal Data System Committee before the 61st Legislative Assembly on the status of the plan for a longitudinal data system (Section 15.1-02-18).
- A report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues (Section 54-35-15.2).
- A report from the Chief Information Officer regarding the coordination of services with political subdivisions and a report from the Chief Information Officer and the commissioner of the State Board of Higher Education regarding coordination of information technology between the Information Technology Department and higher education (Section 59-59-12).
- A report from the Information Technology Department regarding any executive branch agency or institution that does not agree to conform to its information technology plan or comply with statewide policies and standards (Section 54-59-13).
- The annual report from the Information Technology Department (Section 54-59-19).
- Reports from the Department of Corrections and Rehabilitation during the planning phase of the department's development of an inmate medical system and a project startup report before the inmate medical system is implemented (2007 S.L., ch. 15, § 12).

## PREVIOUS COMMITTEE RECOMMENDATIONS

The 2005-06 Information Technology Committee considered, but did not recommend, a bill draft relating to higher education information technology planning, services, and major projects and a bill draft relating to the exclusion of policies, standards, and guidelines from compliance with the Administrative Agencies Practice Act. The bill draft relating to higher education information technology planning, services, and major projects would have:

- Provided that the State Board of Higher Education is responsible for managing and regulating information technology planning and services for institutions under its control; collaborating with the Information Technology Department to coordinate higher education information technology planning with statewide information technology planning; providing advice to the Information Technology Department regarding the development of policies, standards, and guidelines relating to access to or use of wide area network services; and presenting information regarding information technology planning, services, and major projects to the Information Technology Committee.
- Revised the powers and duties of the Information Technology Committee to remove administrative projects from the definition of higher education major information technology projects and to provide that the Information Technology Committee is to receive information regarding higher education information technology planning, services, and major projects.
- Revised the powers and duties of the Information Technology Department to provide that the department shall collaborate with the State Board of Higher Education on guidelines for reports to be provided by institutions under the control of the State Board of Higher Education on information technology.
- Excluded institutions under the control of the State Board of Higher Education from having to comply with the policies, standards, and guidelines developed by the Information Technology Department.
- Provided that institutions under the control of the State Board of Higher Education are not required to prepare information technology plans.

The bill draft relating to exclusion of policies, standards, and guidelines from compliance with the Administrative Agencies Practice Act would have provided that any product and services standard and best practice standards, primarily intended to affect state agencies with respect to access to or use of wide area network services, institutions under the control of the State Board of Higher Education,

counties, cities, and school districts if the policy, standard, or guideline has been reviewed by the State Information Technology Advisory Committee, is not considered a rule under the Administrative Agencies Practice Act.

The 2005-06 Information Technology Committee recommended two bills, both of which were passed by the Legislative Assembly, as follows:

1. Senate Bill No. 2037:
  - a. Provides that the Chief Information Officer may require as a condition of contracting with the Information Technology Department or other state agencies or departments with respect to an information technology project that any individual employed by the contractor or subcontractor to perform the work under the contract submit to a criminal history record check.
  - b. Revises the powers and duties of the Information Technology Committee and the Information Technology Department, including requiring the committee to receive and review project startup reports and project closeout reports for any major information technology project of an executive branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education.
  - c. Provides that information technology plans are subject to acceptance by the Information Technology Department.
  - d. Revises the contents of the statewide information technology plan and the Information Technology Department annual report.
  - e. Provides that only entities approved by the Criminal Justice Information Sharing Board may access the criminal justice system.
2. Senate Bill No. 2038 requires the Information Technology Department and the Office of Management and Budget to develop policies, standards, and guidelines based on information from state agencies and institutions. Executive budget state agencies, excluding entities under the control of the State Board of Higher Education, are to comply with the policies and standards unless the Chief Information Officer exempts an agency to address situations unique to that agency. The bill also provides that the State Information Technology Advisory Committee is to review policies, standards, and guidelines developed by the Information Technology Department and prioritize proposed major information technology projects of executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and agencies of the judicial and legislative branches.

## **2007 LEGISLATIVE ASSEMBLY - RELATED LEGISLATION**

### **House Bill No. 1021 - Statewide Longitudinal Data System Initiative**

Section 7 establishes a Statewide Longitudinal Data System Committee consisting of the chancellor of the North Dakota University System, the Superintendent of Public Instruction, the Chief Information Officer, the director of the Department of Career and Technical Education, the director of Job Service North Dakota, the director of the Department of Commerce, the director of the Department of Human Services, and one person appointed by the Governor. The committee is to plan and propose a longitudinal data system that provides for the dissemination of management information to stakeholders and partners of state education, training, and employment systems. The committee is to provide a report to the Information Technology Committee prior to the 61st Legislative Assembly on the status of the statewide longitudinal data system plan. The report is to include recommendations for further development, cost proposals, proposals for legislation, and data sharing governance, including recommendations concerning the long-term role and administration of the followup information in North Dakota for education and training program (Section 15.1-02-18).

### **House Bill No. 1021 - Information Technology Committee Powers and Duties**

Section 10 provides that the Information Technology Committee is to receive and review information from legislative and judicial branch agencies regarding information technology projects with a total cost of \$250,000 or more.

### **House Bill No. 1021 - Borrowing Authority**

Section 11 provides that the Information Technology Department may borrow from the Bank of North Dakota an amount necessary to pay telecommunications costs for connecting approved schools and libraries in the event e-rate funding is not received from the Universal Service Administrative Company. If at the end of the biennium, a loan balance exists and funds are not anticipated to be available from the Universal Service Administrative Company, the department is to request a deficiency appropriation to repay the loan and any related interest.

### **Senate Bill No. 2037 - Information Technology Committee and Information Technology Department Powers and Duties, Information Technology Plans, and Information Technology Issues**

Senate Bill No. 2037 provides that the Chief Information Officer may require information technology contractors to submit to a criminal history

record check, authorizes the Information Technology Committee to receive and review project startup and project closeout reports for any major information technology project, provides that information technology plans are subject to acceptance by the Information Technology Department, revises the content of the statewide information technology plan and the Information Technology Department annual report, and provides that only criminal justice agencies may access the criminal justice system.

### **Senate Bill No. 2038 - Information Technology Policies, Standards, and Guidelines and Major Proposed Information Technology Project Prioritization**

Senate Bill No. 2038 requires the Information Technology Department and the Office of Management and Budget to develop policies, standards, and guidelines based on information from state agencies and institutions. Executive branch state agencies, excluding entities under the control of the State Board of Higher Education, are to comply with the policies and standards unless the Chief Information Officer exempts an agency to address situations unique to that agency. The bill also provides that the State Information Technology Advisory Committee is to review policies, standards, and guidelines developed by the Information Technology Department and prioritize proposed major information technology projects of executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and agencies of the judicial and legislative branches.

### **Senate Bill No. 2118 - Information Technology Department Annual Report**

Senate Bill No. 2118 modifies the requirements of the department's annual report required by NDCC Section 54-59-19 to include information regarding the management of state records.

### **Senate Bill No. 2127 - Division of Independent Study**

Senate Bill No. 2127 changes the name of the Division of Independent Study to the Center for Distance Education.

### **House Bill No. 1461 - Higher Education Information Technology**

House Bill No. 1461 relates to higher education information technology planning, services, and major projects. The bill:

- Provides that the State Board of Higher Education is responsible for managing and regulating information technology planning and services for institutions under its control; collaborating with the Information Technology Department to coordinate higher education information technology planning with statewide information technology planning; providing

advice to the Information Technology Department regarding the development of policies, standards, and guidelines relating to access to or use of wide area network services; and presenting information regarding information technology planning, services, and major projects to the Information Technology Committee.

- 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. 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, and the University System may not resell any portion of the Northern Tier Network infrastructure to nonuniversity entities other than research collaborators.
- Excludes institutions under the control of the State Board of Higher Education from having to comply with policies, standards, and guidelines developed by the Information Technology Department.
- Provides that institutions under the control of the State Board of Higher Education are not required to prepare information technology plans.

## **OTHER RELATED BACKGROUND INFORMATION Information Technology Department**

The Information Technology Department was established by the 1999 Legislative Assembly to assume the responsibilities of the Information Services Division of the Office of Management and Budget. The department is responsible for all wide area network services, planning, selection, and implementation for all state agencies, including institutions under the control of the State Board of Higher Education, counties, cities, and school districts in the state. The department is also responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the Internet, technology planning, process redesign, and quality assurance. The department is headed by the Chief Information Officer of the state who serves at the pleasure of the Governor and is to be appointed on the basis of education, experience, and other qualifications in information technology and administration.

### **Information Technology Department Funding**

The 2007 Legislative Assembly provided funding of \$124,666,181, of which \$11,659,411 is from the general fund and \$113,006,770 is from special funds,

to the Information Technology Department for the 2007-09 biennium. The 2007-09 appropriation of \$124,666,181 represents an increase in funding of \$15,758,954 from the 2005-07 appropriation of \$108,907,227. The following is a summary of the department's legislative appropriations for the 2005-07 and 2007-09 bienniums:

	General Fund	Special Funds	Total
2007-09 legislative appropriation	\$11,659,411	\$113,006,770	\$124,666,181
2005-07 legislative appropriation	9,972,837	98,934,390	108,907,227
Increase	\$1,686,574	\$14,072,380	\$15,758,954

The following is a summary of the department's legislative appropriation for the 2007-09 biennium:

	General Fund	Special Funds	Total
Information Technology Department operations (salaries and wages, operating expenses, and capital assets)	\$555,838	\$106,332,053	\$106,887,891
Division of Independent Study (Center for Distance Education)	931,546	5,542,019	6,473,565
Educational Technology Council	1,136,574		1,136,574
EduTech	2,722,348		2,722,348
Wide area network	3,414,228	652,698	4,066,926
Geographic information system (\$100,000 is one-time funding)	798,313		798,313
Criminal justice information sharing (\$1,151,490 is one-time funding)	1,872,448	480,000	2,352,448
Statewide Longitudinal Data System Initiative	228,116		228,116
Total	\$11,659,411*	\$113,006,770	\$124,666,181

\*A total of \$1,611,490 is one-time funding.

The Legislative Assembly authorized a total of 306.20 full-time equivalent (FTE) positions for the 2007-09 biennium, an increase of 41 FTE positions from the 2005-07 biennium authorized level of 265.20 FTE positions. The following is a summary of the 41 new FTE positions:

Medicaid management information system replacement project	15.00*
Bank of North Dakota software services	4.00*
Elementary and secondary education data warehouse hosting	.50
Technical support - ConnectND system and PowerSchool application	1.00
Increased server administration	1.00
Increased security workload	1.00

Electronic data management system services	2.00
Voice over Internet Protocol technology applications	1.00
Quality assurance program	3.00
Higher education patch management	1.00*
Business Intelligence Initiative	1.50
Elementary and secondary education video services	2.00*
Elementary and secondary education video services	1.00
Administrative support	1.00
Unemployment insurance modernization project	6.00*
Statewide Longitudinal Data System Initiative	1.00
Other - Position not requested by the agency	(1.00)
Total	41.00

\*Positions identified by the Legislative Assembly as project-specific. Section 6 of House Bill No. 1021 provides legislative intent that the 28 new FTE positions identified as project-specific may be filled while the projects are being developed and funding is available.

### Statewide Information Technology Funding

The 2007 Legislative Assembly provided funding of \$132,929,751, of which \$45,409,355 is from the general fund and \$87,520,396 is from special funds, for information technology projects for the 2007-09 biennium. A summary of the funding is attached as an [appendix](#).

### PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration relating to its statutory responsibilities and assigned study responsibilities:

1. Review the activities of the Information Technology Department, the business plan of the department, statewide information technology standards, the statewide information technology plan, and major information technology projects (Section 54-35-15.2).
2. Determine information technology compliance reviews to be conducted by the State Auditor and receive the results of those reviews (Section 54-35-15.4).
3. Receive a report from the Chief Information Officer regarding the recommendations of the State Information Technology Advisory Committee relating to the prioritization of proposed major information technology projects and other information technology issues (Section 54-35-15.2).
4. Receive reports from the Chief Information Officer of the state regarding the coordination of services with political subdivisions and the Chief Information Officer and the commissioner of the State Board of Higher Education regarding coordination of information technology between the Information Technology Department and higher education (Section 54-59-12).
5. Receive the following from the Information Technology Department:

- a. A report regarding any executive branch agency or institution that does not agree to conform to its information technology plan or comply with statewide policies and standards (Section 54-59-13).
  - b. An annual report regarding information technology projects, services, plans, and benefits (Section 54-59-19).
  - c. Information regarding the statewide information technology budget for the 2007-09 and 2009-11 bienniums.
6. Review current information technology-related statutory provisions.
  7. Receive reports from the State Board of Higher Education regarding higher education information technology planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
  8. Receive a report from the Statewide Longitudinal Data System Committee before the 61st Legislative Assembly on the status of the plan for a longitudinal data system (Section 15.1-02-18).
  9. Receive reports from the Department of Corrections and Rehabilitation during the planning phase of the department's development of an inmate medical system and a project startup report before the inmate medical system is implemented (2007 S.L., ch. 15, § 12).
  10. Develop recommendations and any necessary legislation to implement the committee's recommendations.
  11. Prepare a final report for submission to the Legislative Council.

ATTACH:1