2017-2018

HOUSE APPROPRIATIONS – INFORMATION TECHNOLOGY

MINUTES

Appropriations, Information Technology

Committee Chair: Representative Saine

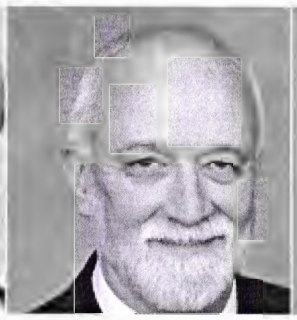
Committee Clerk: Elise Yost

HOUSE COMMITTEE ON APPROPRIATIONS, INFORMATION TECHNOLOGY

2017-2018 SESSION

Rep. Jason Saine,
Chair

Rep. Gale Adcock



Rep. John Autry

Rep. Hugh Blackwell

Rep. Kyle Hall

Rep. Jon Hardister

Rep. Craig Horn

Rep. John Torbett

Rep. Brian Turner

HOUSE COMMITTEE ON APPROPRIATIONS, INFORMATION TECHNOLOGY
2017-2018 Session

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
Saine, Jason, Chairman	Elise Yost	733-5782	1326	26
Adcock, Gayle	Suzanne Smith	733-5602	1213	119
Autry, John	Tina Riley	715-0706	1019	115
Blackwell, Hugh	Dixie Riehm	733-5805	541 LOB	102
Hall, Kyle	Cameron Dawson	733-5609	536 LOB	78
Hardister, Jon	Jayne Nelson	733-5191	638 LOB	39
Horn, D. Craig	Erin Wilson	733-2406	305 LOB	13
Torbett, John	Viddia Torbett	733-5868	538 LOB	41
Turner, Brian	Tristine Johnson	715-3012	1209	120

Corrected #1: House Bill 254 added to agenda

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION

You are hereby notified that the **House Committee on Appropriations, Information Technology** will meet as follows:

DAY & DATE: Wednesday, March 8, 2017
TIME: **11:00 AM**
LOCATION: **544 LOB**
COMMENTS: **Mr. Brooks Raiford, CEO of the North Carolina Technology Association, will be presenting on the state of the technology industry in North Carolina.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 254	Surplus Computers for Low-Income Students.	Representative Saine

Respectfully,

Representative Jason Saine, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:09 PM on Tuesday, March 07, 2017.

___ Principal Clerk
___ Reading Clerk – House Chamber

Stephen Wiley (Committee Assistant)

House Committee on Appropriations, Information Technology
Wednesday, March 8, 2017 at 11:00 AM
Room 544 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Information Technology met at 11:00 AM on March 8, 2017 in Room 544 of the Legislative Office Building. Representatives Adcock, Autry, Blackwell, K. Hall, Hardister, Horn, Saine, Torbett, and B. Turner attended.

Representative Jason Saine, Chair, presided.

The following bills were considered:

HB 254 Surplus Computers for Low-Income Students. (Representative Saine)
The bill was displaced.

Mr. Brooks Raiford of the North Carolina Technology Association was recognized to present on the state of North Carolina's Information Technology infrastructure.

The meeting adjourned at 11:45 AM.

Jason R Saine
Representative Jason Saine, Chair
Presiding

Stephen Wiley, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION

You are hereby notified that the **House Committee on Appropriations, Information Technology** will meet as follows:

DAY & DATE: Thursday, May 25, 2017
TIME: **10:00 AM**
LOCATION: **1425 LB**
COMMENTS: **Information Technology provisions of the budget will be heard.**

Respectfully,

Representative Jason Saine, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 6:44 PM on Wednesday, May 24, 2017.

___ Principal Clerk
___ Reading Clerk – House Chamber

Stephen Wiley (Committee Assistant)

House Committee on Appropriations, Information Technology
Thursday, May 25, 2017 at 10:00 AM
Room 1425 of the Legislative Building

MINUTES

The House Committee on Appropriations, Information Technology met at 10:00 AM on May 25, 2017 in Room 1425 of the Legislative Building. Representatives Adcock, Autry, Blackwell, K. Hall, Hardister, Horn, Saine, Torbett, and B. Turner attended.

Representative Jason Saine, Chair, presided.

A discussion of the Information Technology provisions of Senate Bill 257 was held.

The meeting adjourned at 10:37 AM.

Jason R Saine

Representative Jason Saine, Chair
Presiding

S B Wiley

Stephen Wiley, Committee Clerk

Ann Luck (House Legislative Assistant's Office)

From: Laura Bone (House Legislative Assistant's Office)
Sent: Monday, June 04, 2018 01:57 PM
To: Laura Bone (House Legislative Assistant's Office)
Subject: <NCGA> House Appropriations, Information Technology Committee Meeting Notice for Tuesday, June 05, 2018 at 11:00 AM
Attachments: Add Meeting to Calendar_LINC_.ics

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION

You are hereby notified that the **House Committee on Appropriations, Information Technology** will meet as follows:

DAY & DATE: Tuesday, June 5, 2018
TIME: **11:00 AM**
LOCATION: **544 LOB**
COMMENTS: **The House Appropriations IT Committee will be meeting along with the Senate Appropriations on General Government and IT to hear the "State of the Industry Report" by Brooks Raiford of NC TECH. Secretary and State Chief Information Officer for the NC Department of Information Technology Eric Boyette will also be present. There are no bills in the House Appropriations IT Committee and there will be no votes taken. This is a presentation only.**

Respectfully,

Representative Jason Saine, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:56 PM on Monday, June 04, 2018.

___ Principal Clerk
___ Reading Clerk – House Chamber

Laura Bone (Committee Assistant)

House Committee on Appropriations, Information Technology
Tuesday, June 5, 2018 at 11:00 AM
Room 544 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Information Technology met at 11:00 AM on June 5, 2018 in Room 544 of the Legislative Office Building. Representatives Adcock, Autry, Blackwell, K. Hall, Hardister, and Saine attended.

Representative Jason Saine, presided.

Chairman Jason Saine called the meeting to order and recognized the Pages and Sergeant at Arms serving the committee. Following those introduction, Chairman Saine recognized Brian Gregory and Brooks Raiford of NC Tech.

Brooks Raiford presented the **"State of the Industry Report," which is filed with the minutes as ATTACHMENT I**. At the conclusion of Mr. Raiford's presentation, Representative Dulin asked a question regarding NCtech.org. Mr. Raiford delivered the response.

Eric Boyette, Secretary and State Chief Information Officer for the NC Department of Information Technology delivered a presentation titled, **"Current DIT Initiatives" which is filed with the minutes as ATTACHMENT II**. At the conclusion of Mr. Boyettes presentation, Representative Alexander raised a question as to where we are on expanding Broadband. Mr. Boyette delivered a response. Another question was raised by Representative Blackwell regarding the NC Department of Information Technology and its involvement with the NC Department of Health and Human Services. Mr. Boyette delievered a response, noting that they are working to help the Department of Health and Human Services on the tech side. Representative Autry then asked a question regarding the definition of broadband. Mr. Boyette responded, saying they follow the definition made by the Federal Communications Commission.

The Chairman recognized Senator Jeff Tarte, who announced the creation of a formal tech caucus.

The Chairman delivered closing remarks and the meeting adjourned at 12:08 p.m.

Representative Jason Saine, Chair
Presiding

Elise Yost, Committee Clerk

Attachments to the Minutes:
I State of the Industry Report
II Current DIT Initiatives

###

ATTENDANCE

Appropriation, Information Technology

2017-2018 Session

DATES / MEMBERS	6-5-2018														
Saine, Jason Chairman	✓														
Adcock, Gale	✓														
Autry, John	✓														
Blackwell, High	✓														
Hall, Kyle	✓														
Hardister, Jon	✓														
Horn, D. Craig															
Torbett, John															
Turner, John															
STAFF MEMBERS															

Attachment 1

Methodology

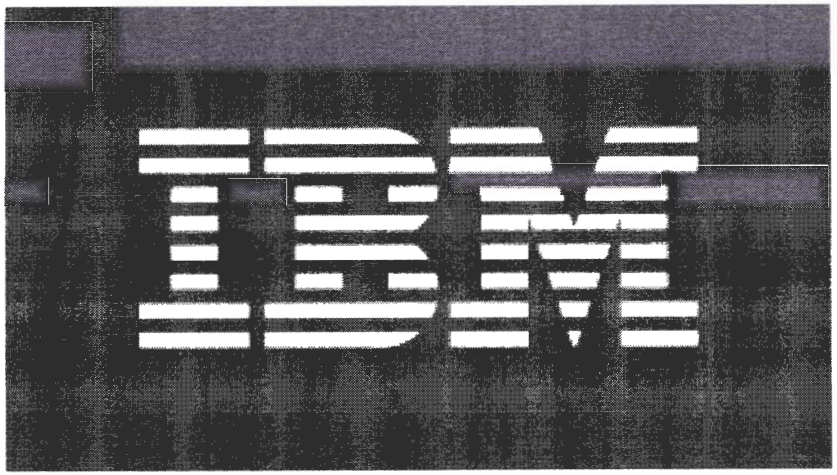
- 87 separate 6-digit NAICS code sectors to characterize the Total Technology Sector

- The Total Technology Sector was further broken down into four sub-categories:
  - **Energy Technology**
  - **Environmental Technology**
  - **Life Sciences**
  - **IT, Telecom, Hardware & Software (Tech Core)**

- 65 separate 5-digit Standard Occupational Classification (SOC) codes

- Economic Modeling Specialists International (EMSI), based on the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages

The Difference Between Tech Industry Workers and Tech Occupational Workers



87 separate 6-digit NAICS

belk

MODERN. SOUTHERN. STYLE.

65 separate 5-digit (SOC) codes

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Tech Industry in North Carolina- 2016

Percentage of Total North Carolina Economy

Employees

247,208

5.8%

Establishments

18,868

7.0%

Wages

$25,409,000,000

11.1%

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Makeup of Tech Industry

Percentage of Total North Carolina Tech Sector

Energy

13,198

5%

Environmental

22,738

9%

Life Sci.

77,299

31%

IT

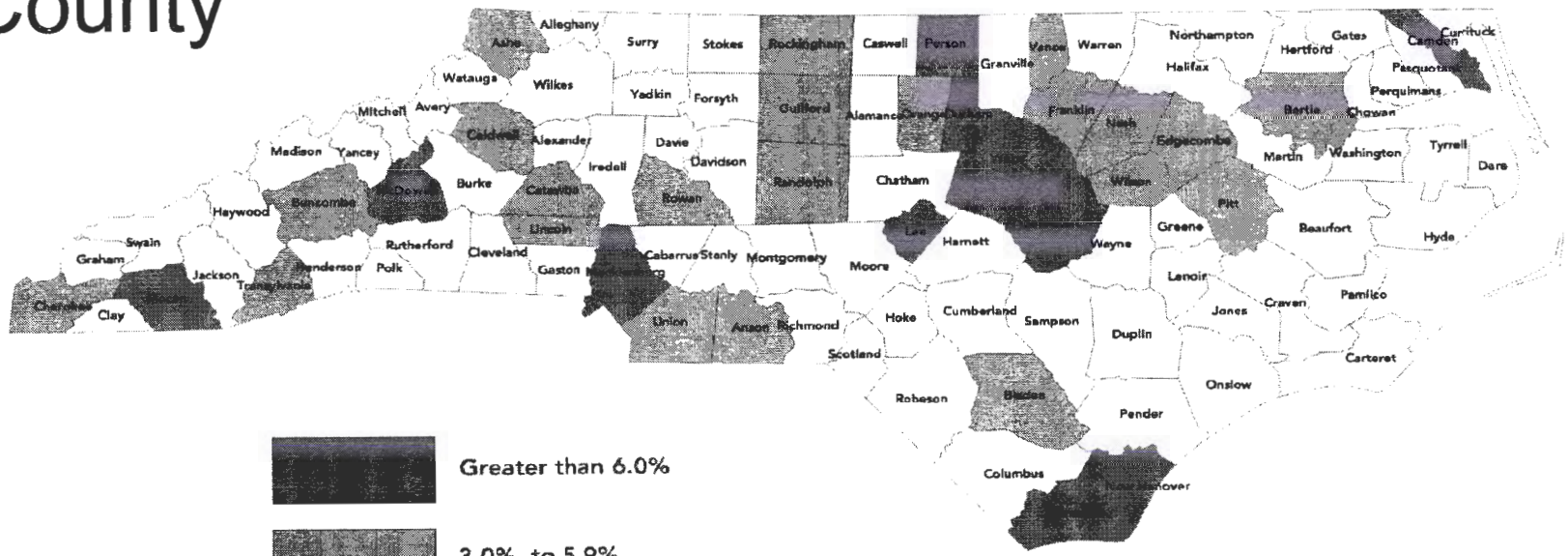
133,974

54%

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Tech Industry Jobs by County in North Carolina



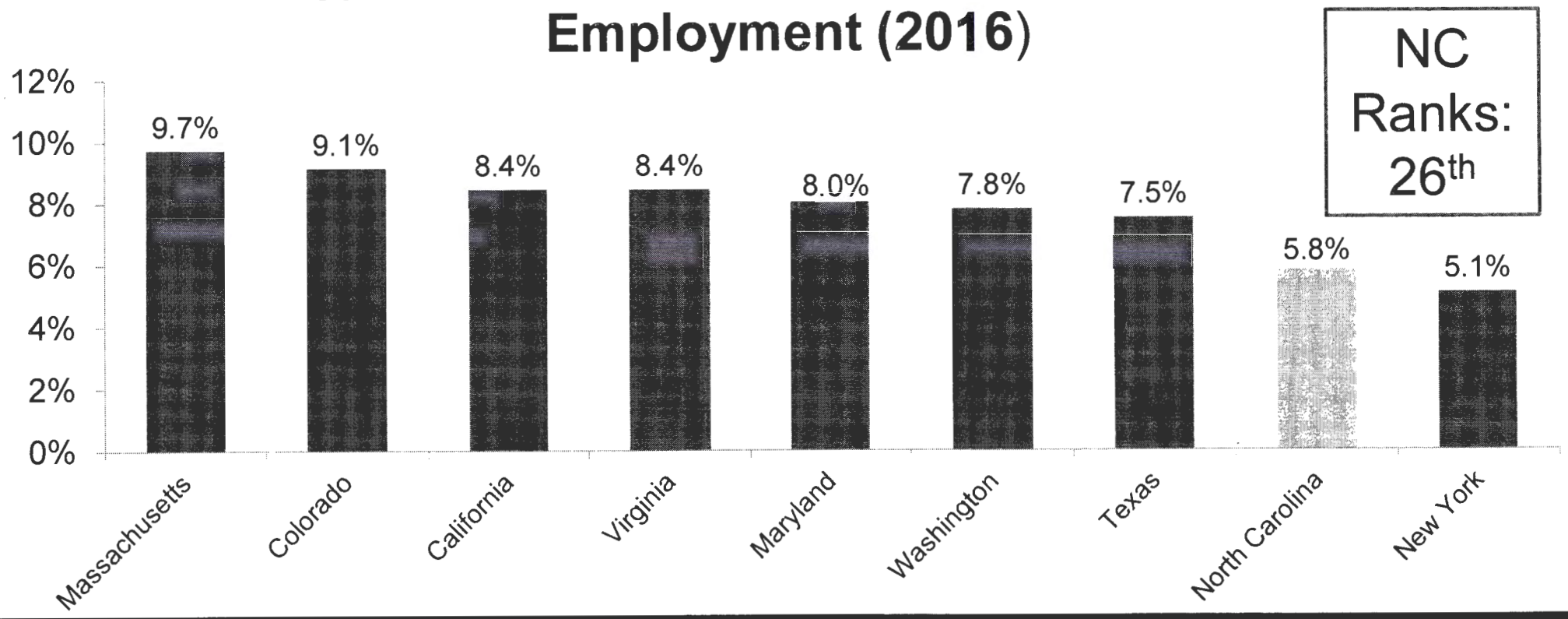
North Carolina
STATE OF TECHNOLOGY

NCTECH Association

Average Annual Earnings per Worker by Subsector, 2016

Tech Category	North Carolina	North Carolina (w/ Purchasing Power)	National Average
Energy Tech	$131,115	$155,719	$142,015
Environmental Tech	$97,923	$107,373	$78,113
Life Sciences	$111,168	$121,896	$120,368
IT	$109,807	$120,403	$133,276

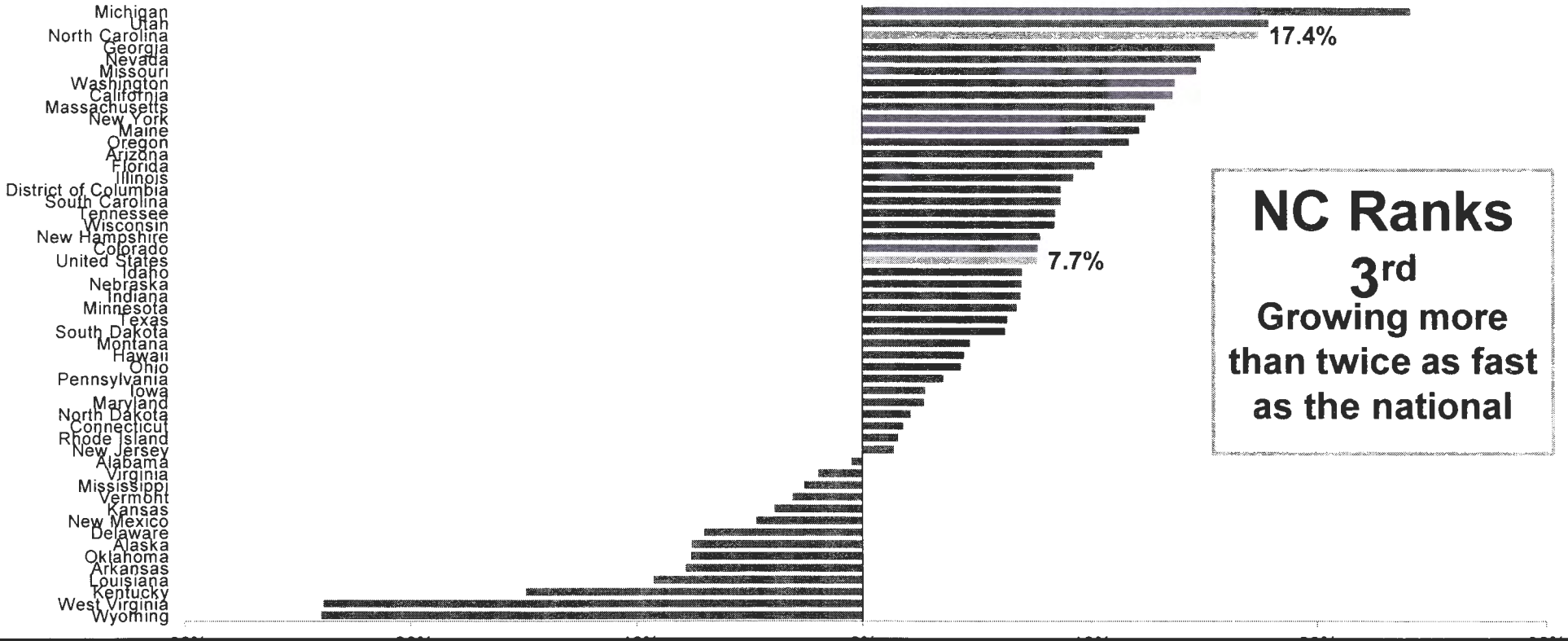
Technology Sector Employment as a Percentage of Total Employment (2016)



North Carolina STATE OF TECHNOLOGY

NCTECH Association

Tech Sector Employment Growth, 2011-2016



NC Ranks

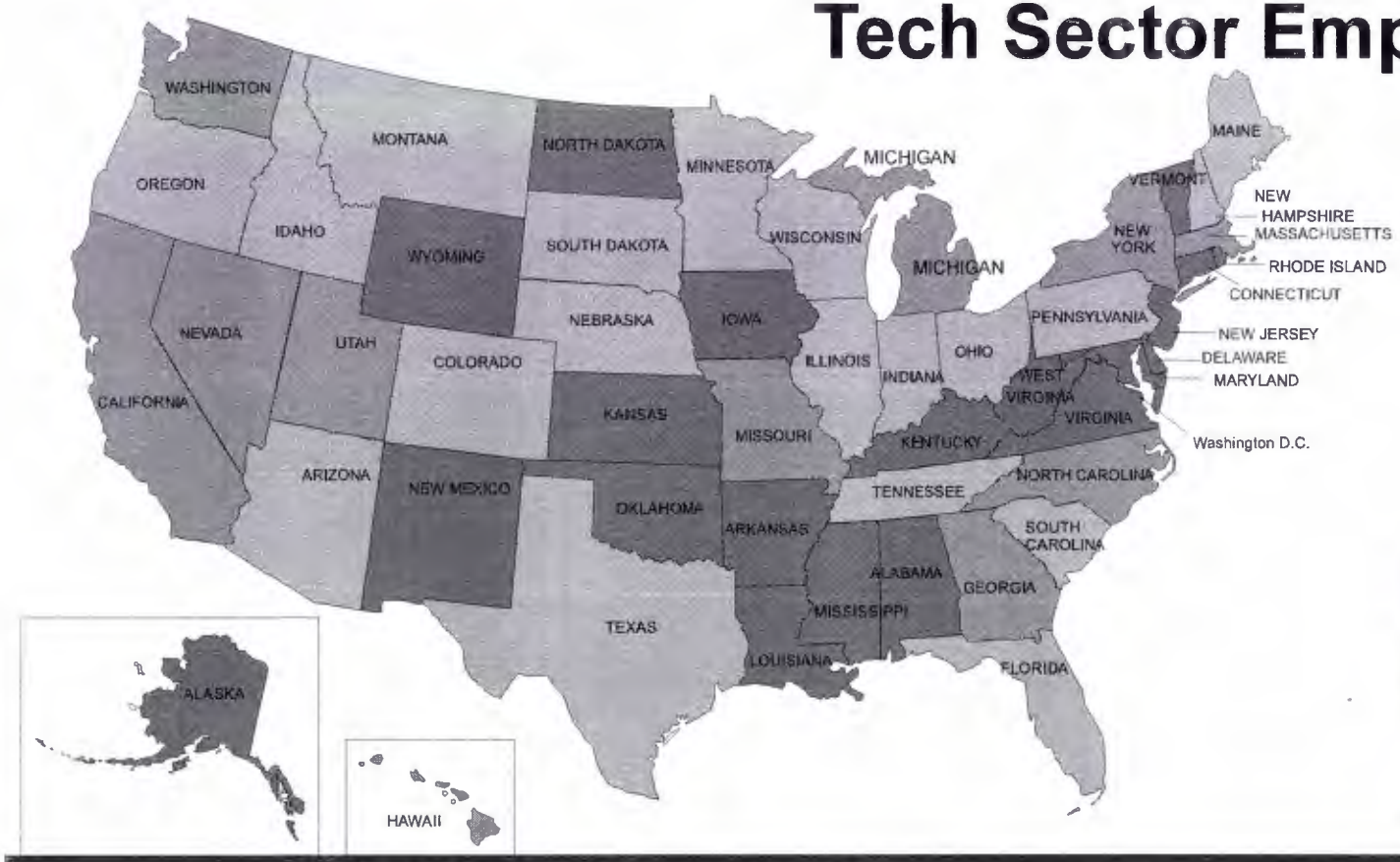
3rd

Growing more than twice as fast as the national

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Tech Sector Employment Growth 2011-2016



Top 10

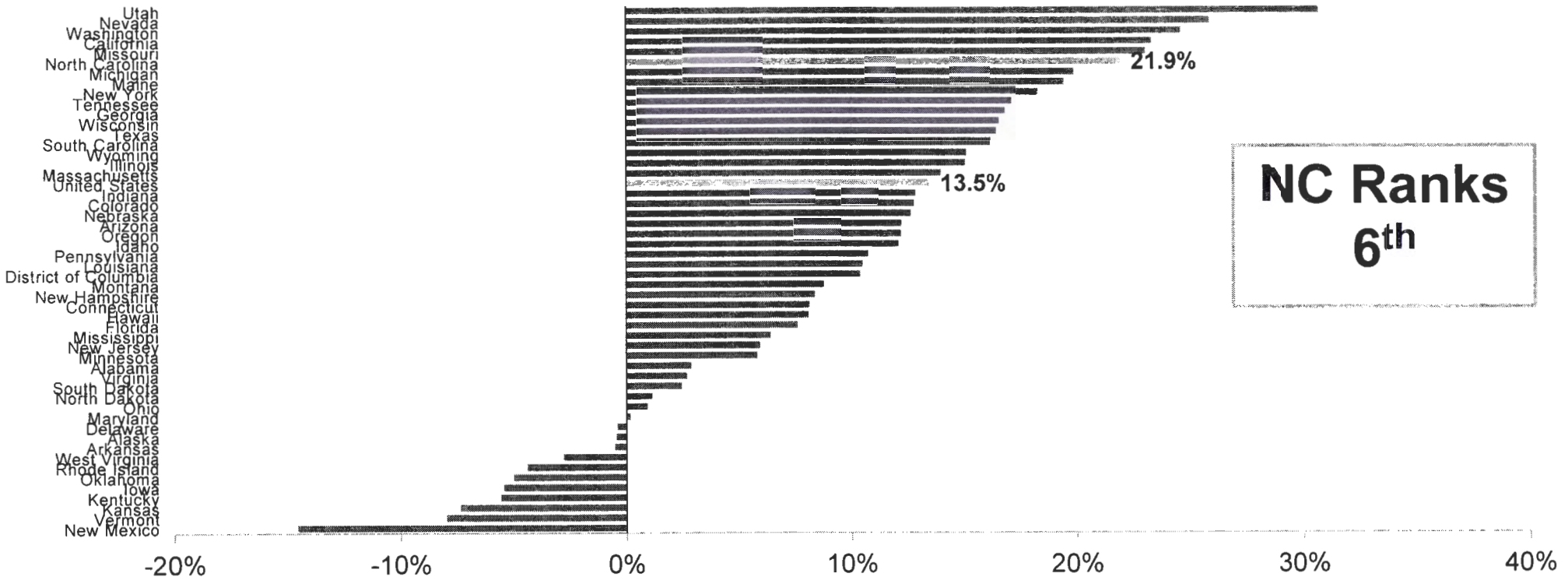
Ranked 11 - 30

Ranked 31 - 50

North Carolina
STATE OF TECHNOLOGY

NCTECH Association

IT Sector Employment Growth, 2011-2016

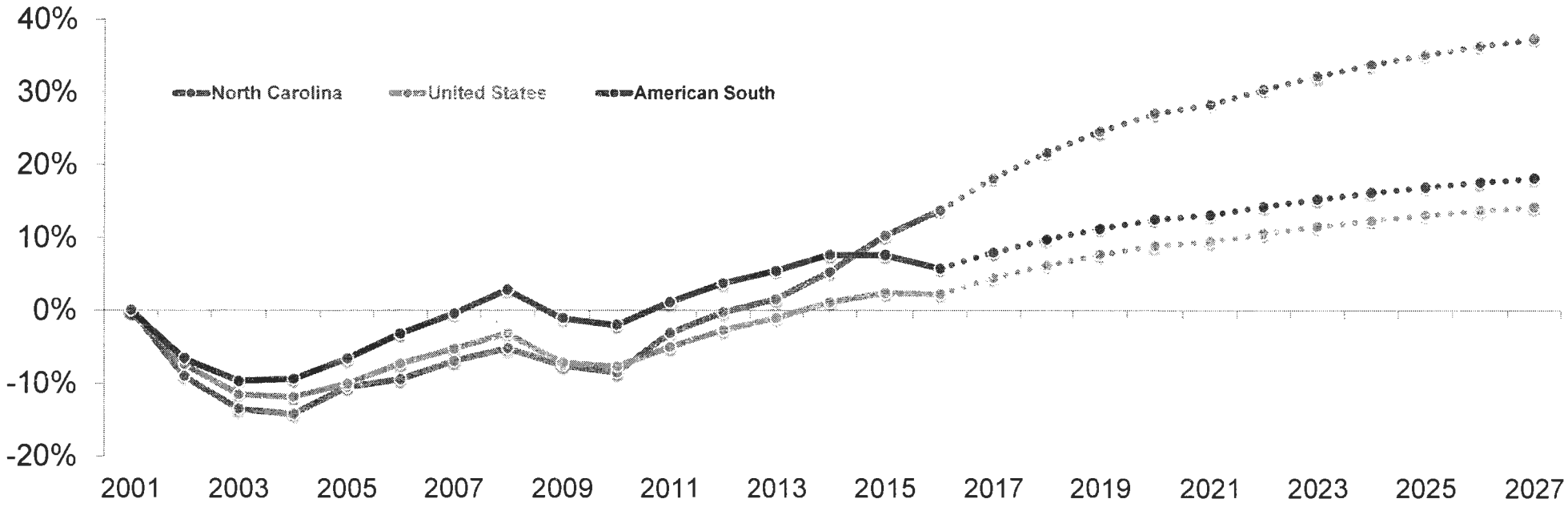


NC Ranks 6th

STATE OF TECHNOLOGY

NCTECH Association

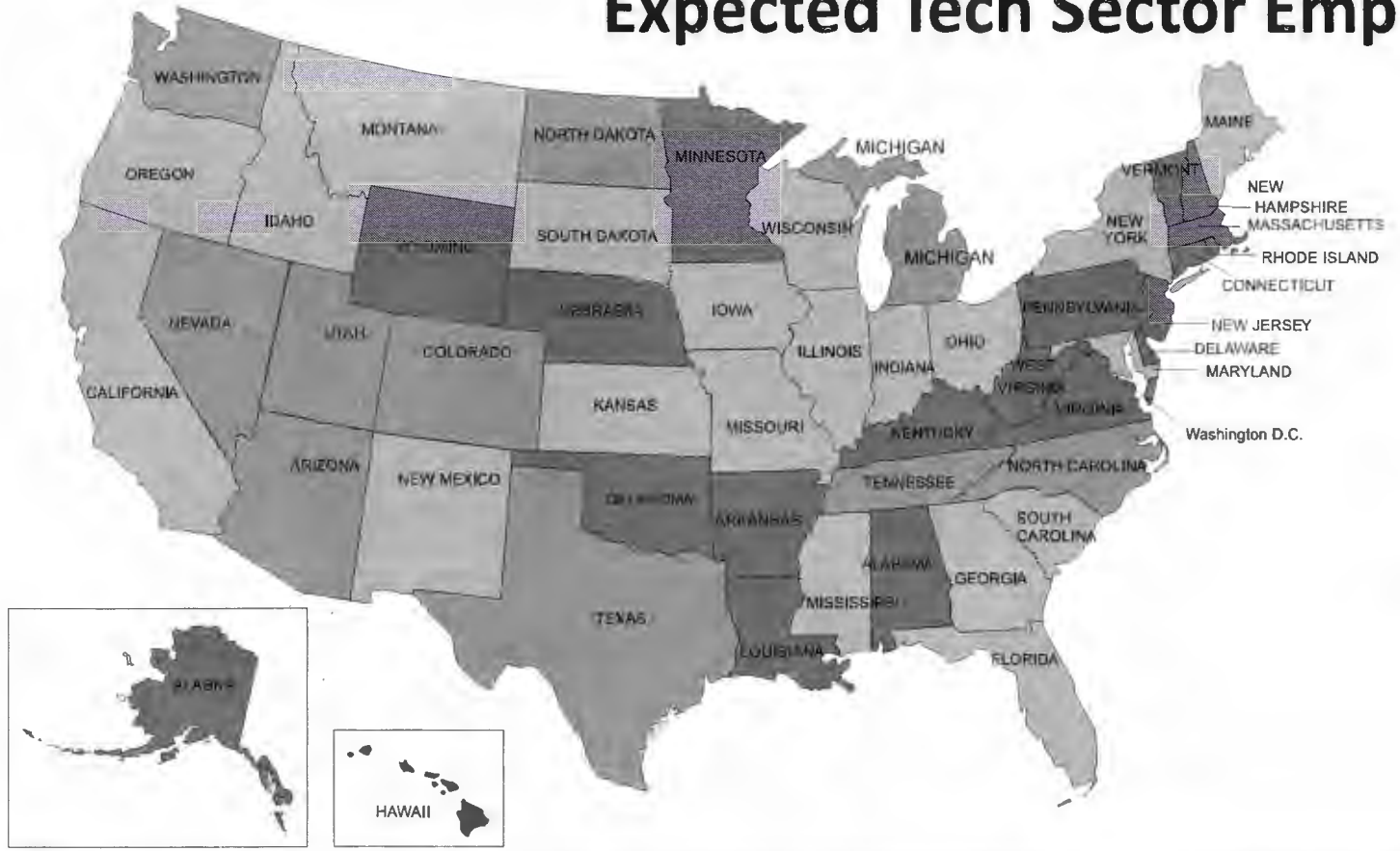
Long Term Technology Sector Trends
(Percentage Change in Employment Post 2001)



North Carolina
STATE OF TECHNOLOGY

NCTECH Association

Expected Tech Sector Employment Growth 2017-2022



Top 10

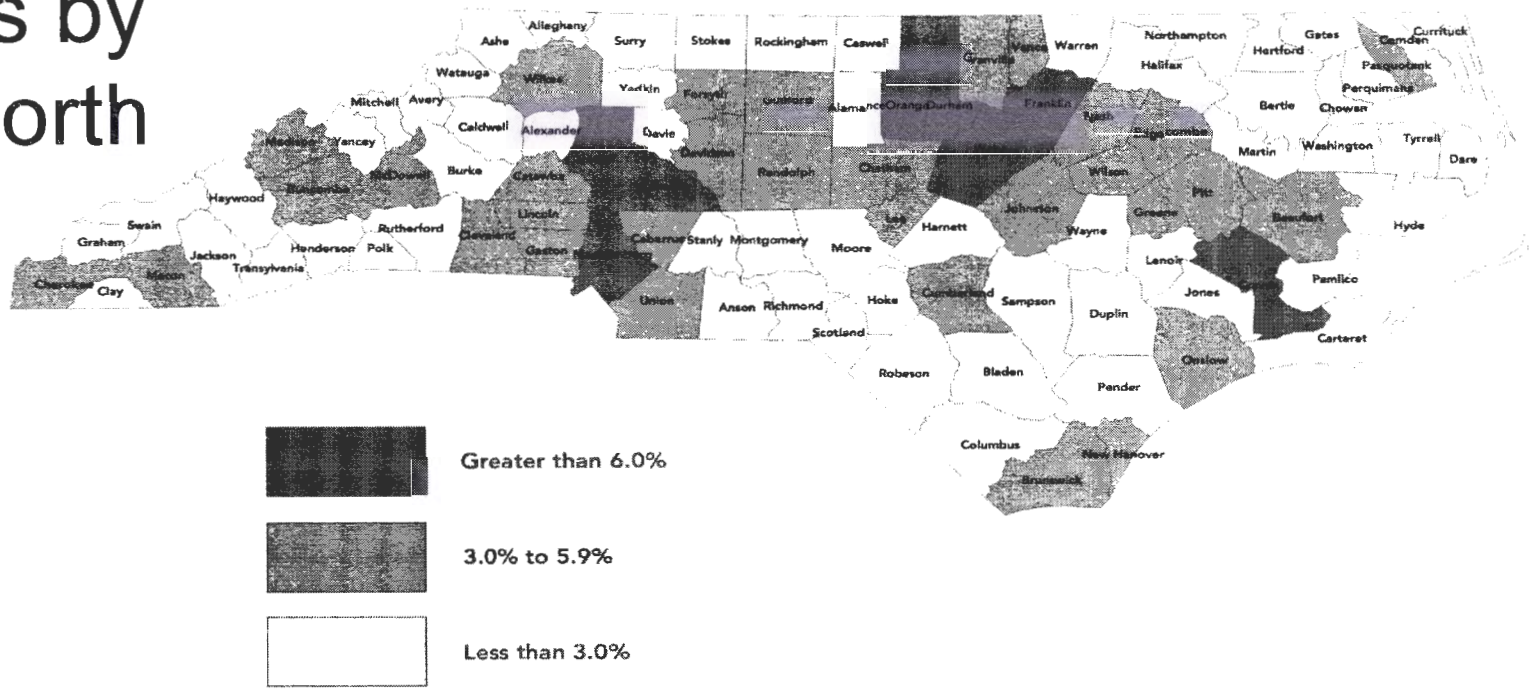
Ranked 11 - 30

Ranked 31 - 50

North Carolina STATE OF TECHNOLOGY

NCTECH Association

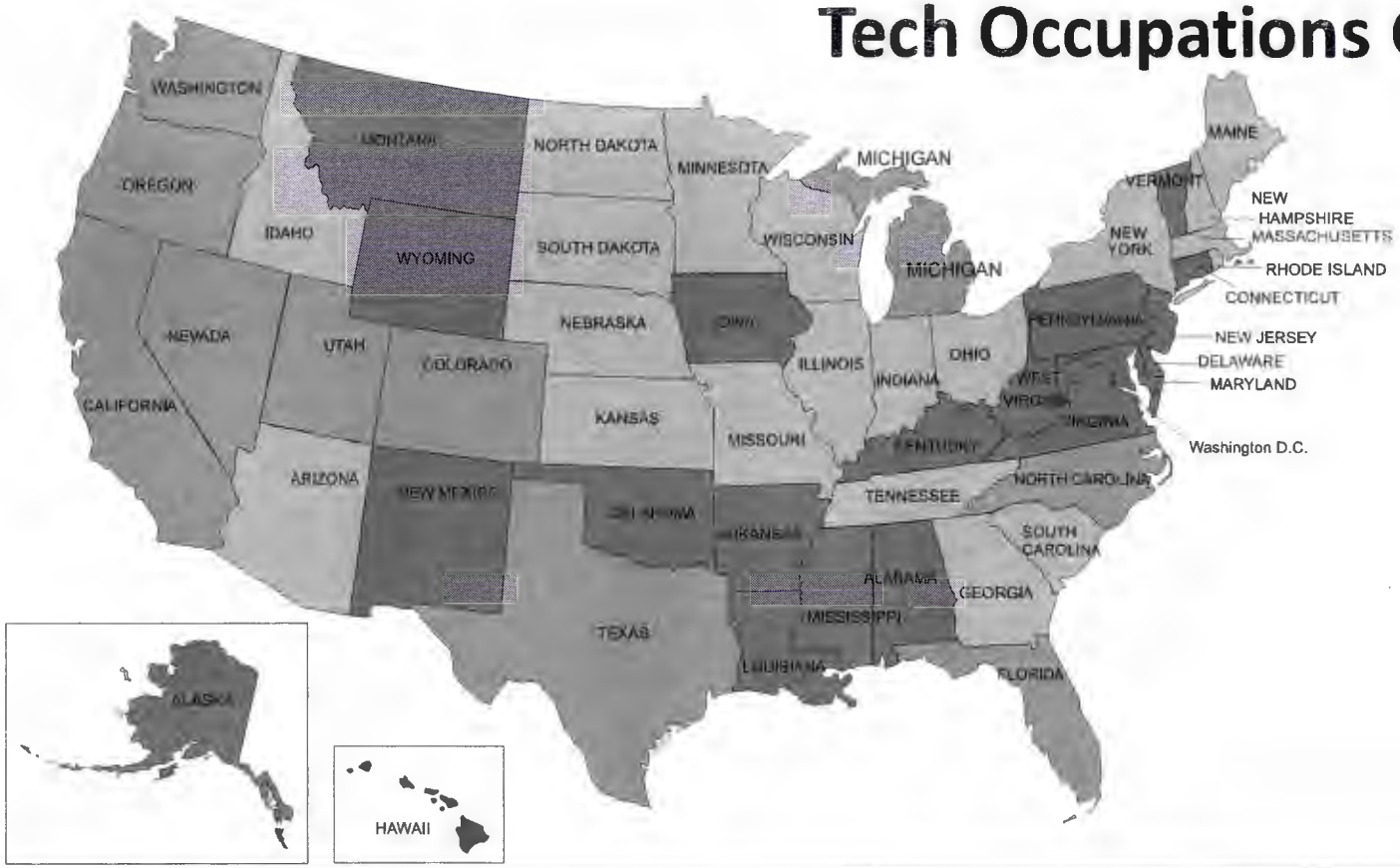
Tech Occupations by County in North Carolina



STATE OF TECHNOLOGY

NCTECH Association

Tech Occupations Growth, 2011-2016



Top 10

Ranked 11 - 30

Ranked 31 - 50

STATE OF TECHNOLOGY

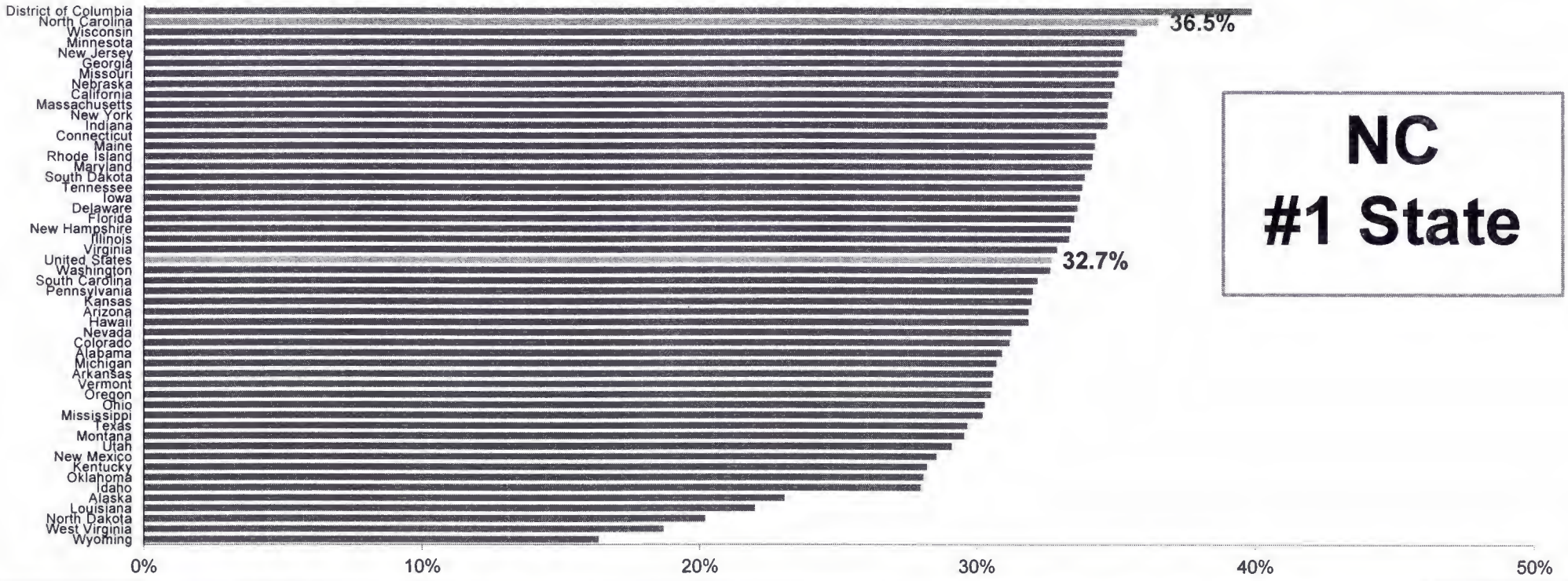
NCTECH Association

How Competitive Is North Carolina?

North Carolina
STATE OF
TECHNOLOGY

NCTECH
Association

Percentage of Women Working in Tech Industry



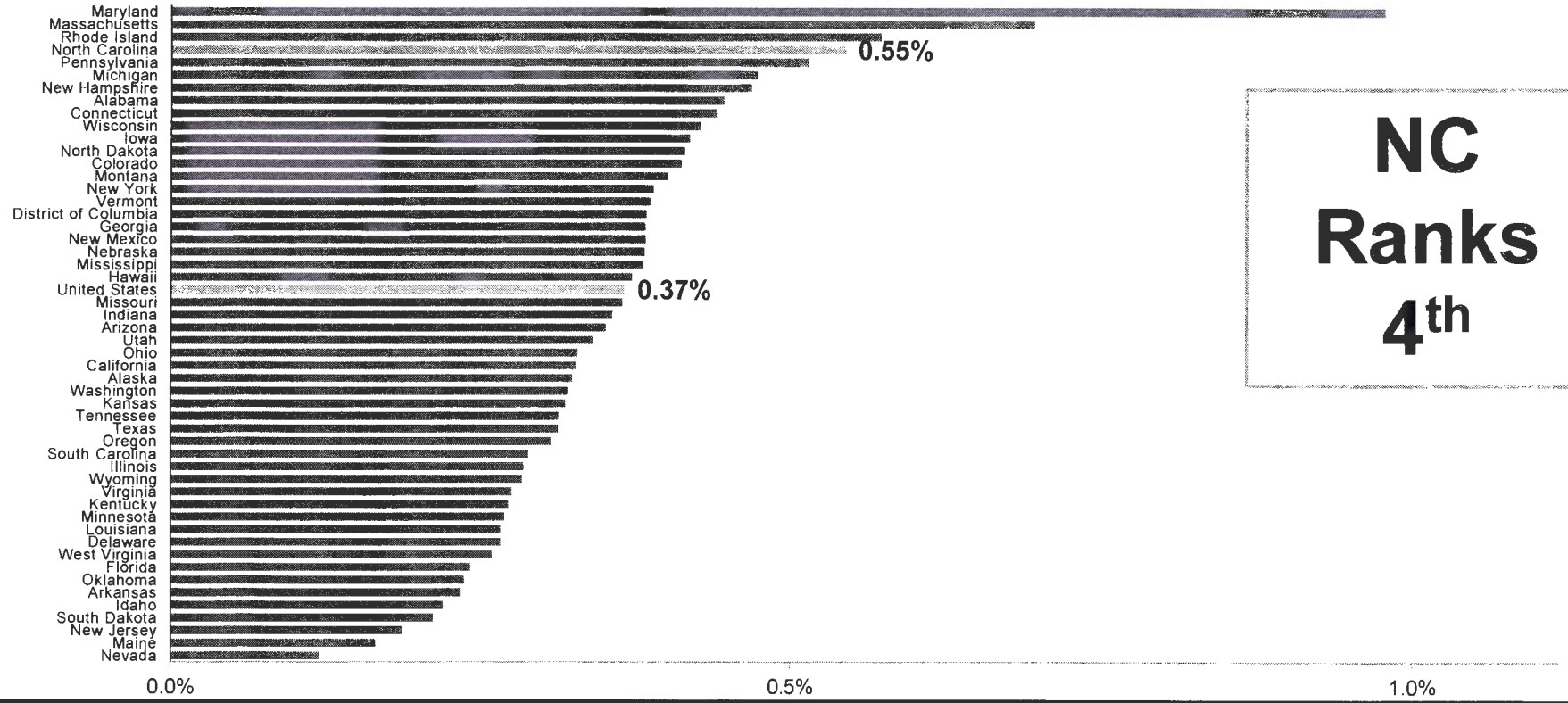
NC
#1 State

North Carolina
STATE OF TECHNOLOGY

NCTECH Association

Higher Education R&D in Science & Engineering Fields Intensity

R&D As A Percentage of GDP (2016)

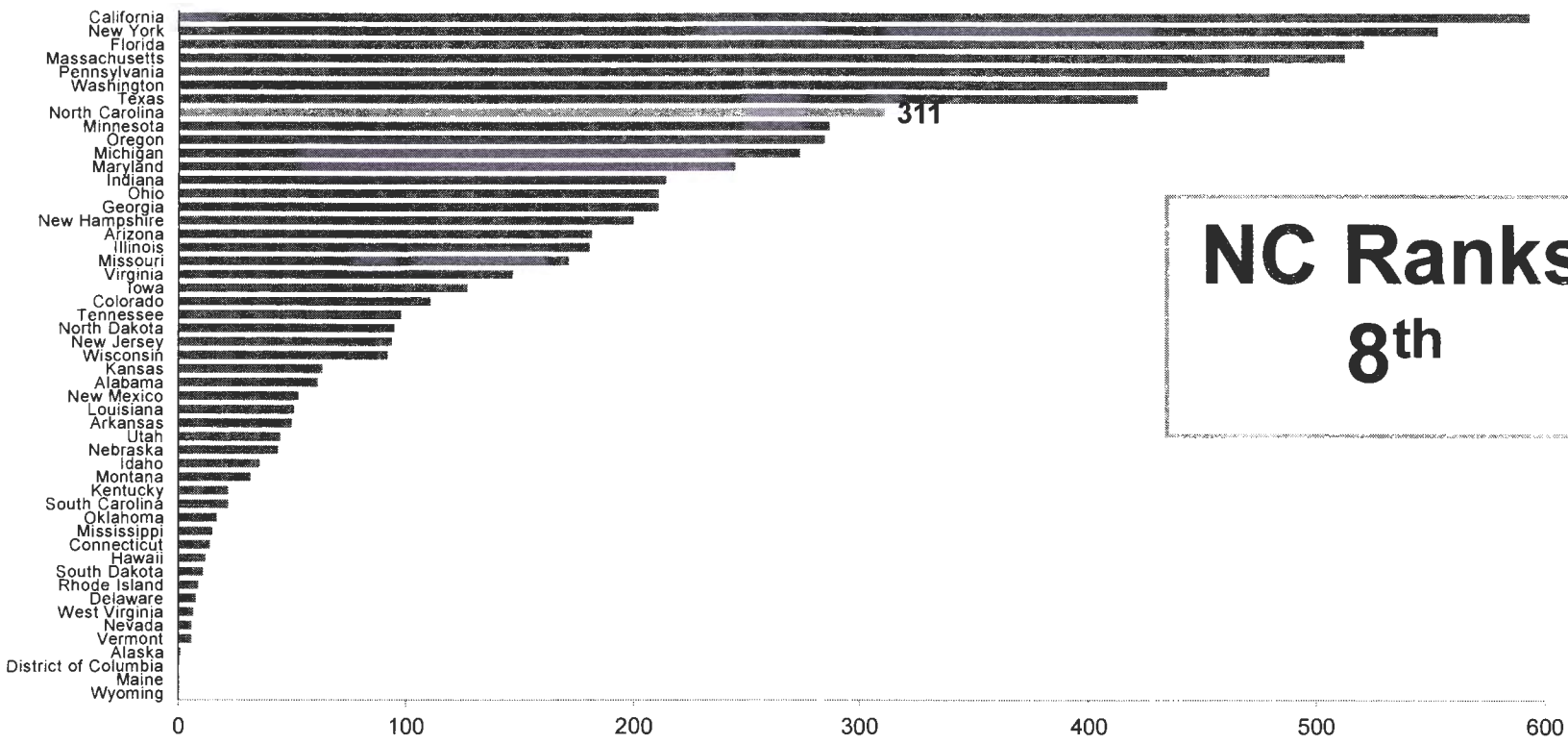


NC Ranks 4th

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Technology Licenses and Options Executed From Universities (2016)

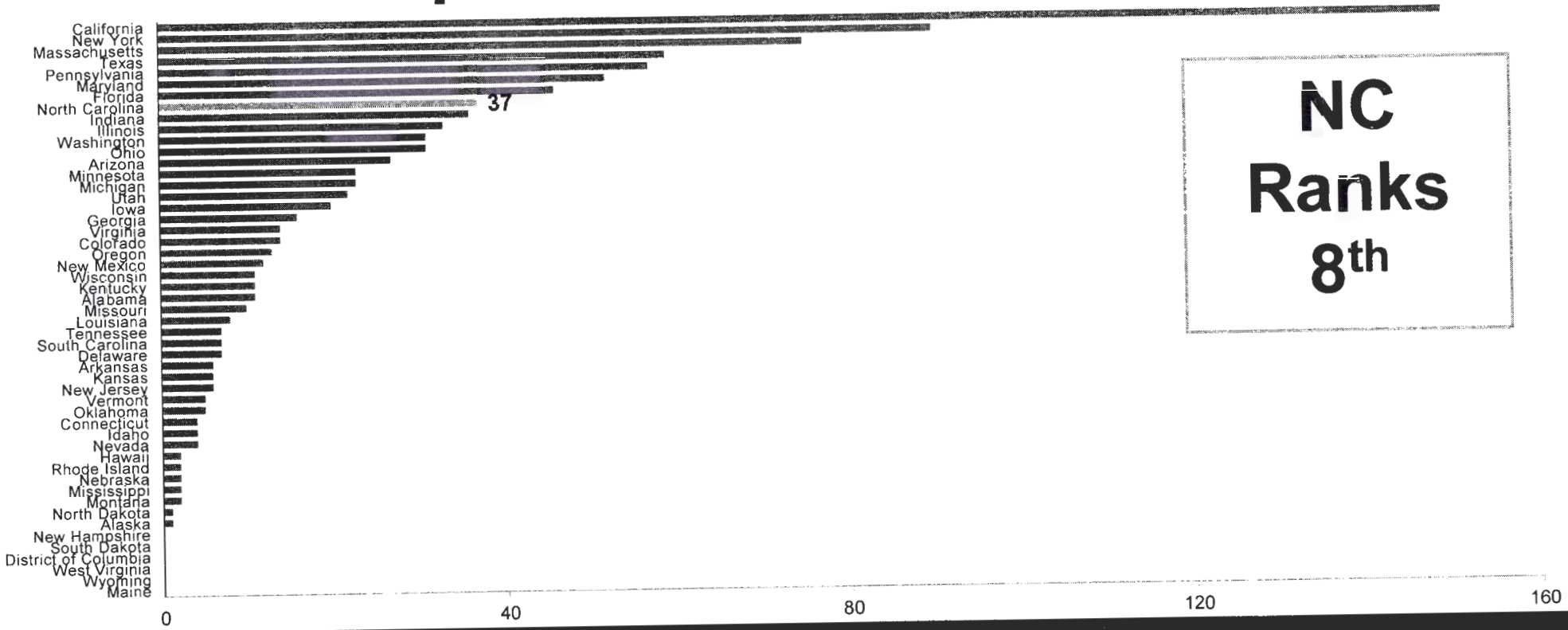


NC Ranks
8th

STATE OF TECHNOLOGY

NCTECH Association

Start-Ups From Universities (2016)

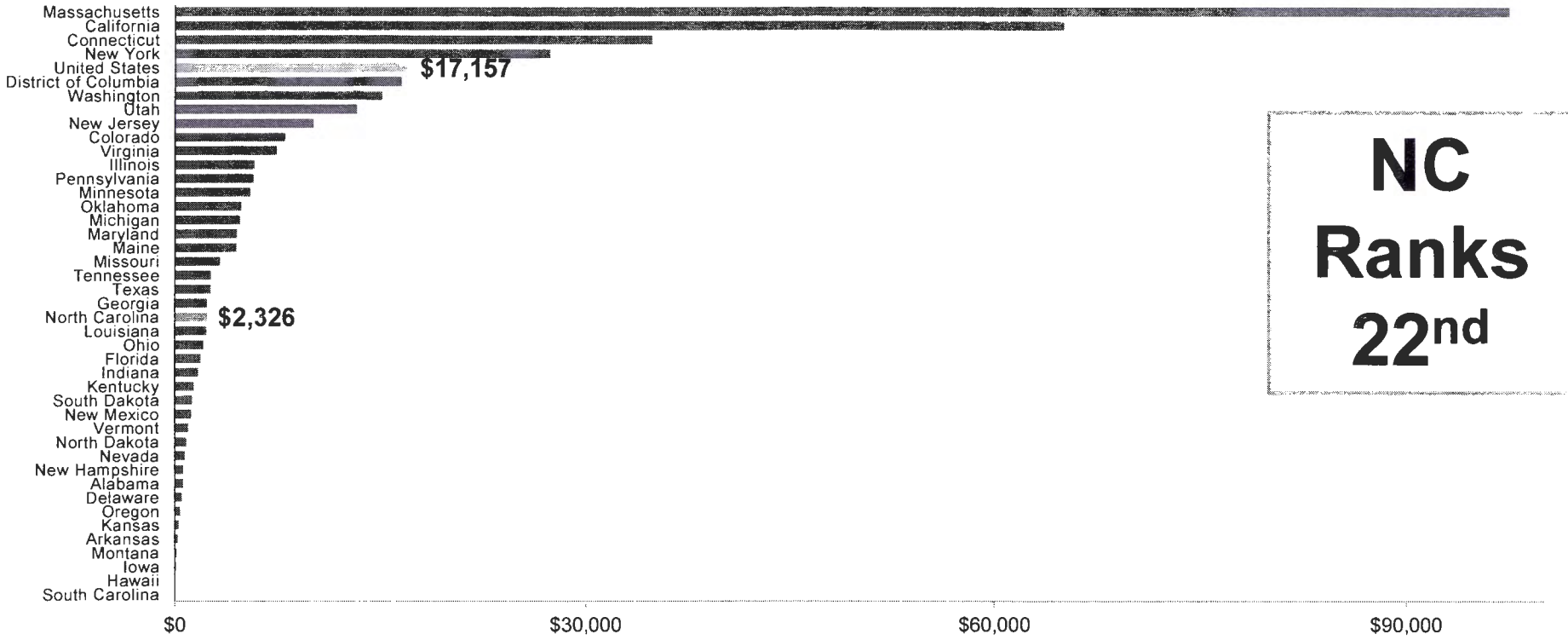


NC Ranks 8th

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Venture Capital Funding Per $1 Million of GSP, 2011-2016



NC Ranks 22nd

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Flash Survey Results

- 88% of respondents believe that 2017 was a 'good' or 'great' year for the tech sector in North Carolina, **20% higher than 2016**.

- When asked about their own businesses, 30% of respondents said 2017 was a 'great' year (**up from 20% in 2016**) and almost half of respondents thought 2017 was a 'good' year for their company.

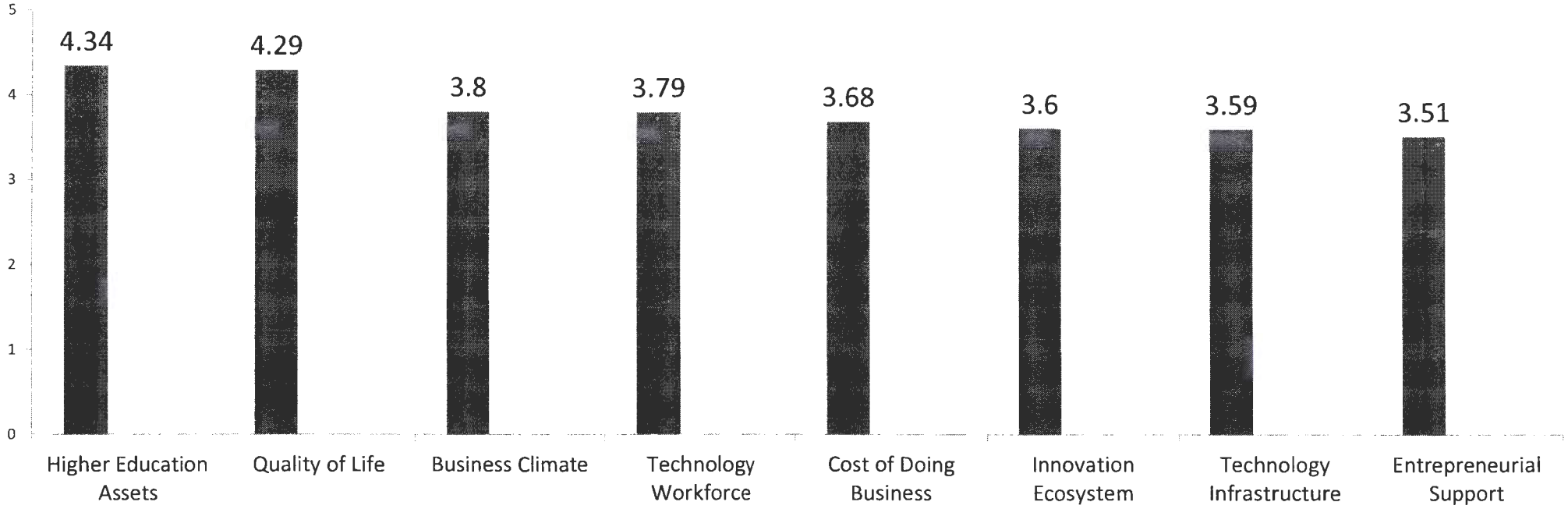
- **All respondents expected their business to grow or stay the same in 2018. No respondents believed their business would experience contraction in 2018.**

North Carolina STATE OF TECHNOLOGY

NCTECH Association

Flash Survey Results

Factors Impacting the Competitive Position of North Carolina



North Carolina STATE OF TECHNOLOGY

NCTECH Association

Overall North Carolina IT Sector Rankings

Metric	Value	Rank
IT Sector as a Percentage of Total Employment (2015)	3.1%	17
IT (Tech Core) Employment Growth (2011-2016)	21.9%	6
Expected IT Sector Employment Growth (2017-2022)	10.7%	5
Average Annual Wage for IT Sector Employees with Purchasing Power (2016)	$120,403	10

Indicates a state ranking of 15th or higher
Indicates a state ranking between 16th and 35th
Indicates a state ranking greater than 36th

Overall North Carolina Tech Sector Rankings

Metric	Value	Rank
Technology Sector Location Quotients (2016)	0.94	23
Technology Sector Employment Growth (2011-2016)	17.4%	3
Average Annual Wage for Technology Sector Employees with Purchasing Power (2016)	$120,919	9
Percentage of Women in the Technology Workforce	36.5%	2 (1)
Tech Industry Diversity Index	71.86	21

Indicates a state ranking of 15th or higher
Indicates a state ranking between 16th and 35th
Indicates a state ranking greater than 36th

North Carolina STATE OF TECHNOLOGY

NCTECH Association

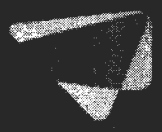
Overall North Carolina IT Sector Rankings

Metric	Value	Rank
Percentage of Tech Occupations As a Total of All Occupations (2016)	6.8%	20
Tech Occupations Growth (2011-2016)	16.5%	6
Expected Tech Occupations Growth (2017-2022)	9.8%	7
Median Hourly Earnings Adjusted for Purchasing Power (2016)	$41.07	5

Indicates a state ranking of 15th or higher
Indicates a state ranking between 16th and 35th
Indicates a state ranking greater than 36th

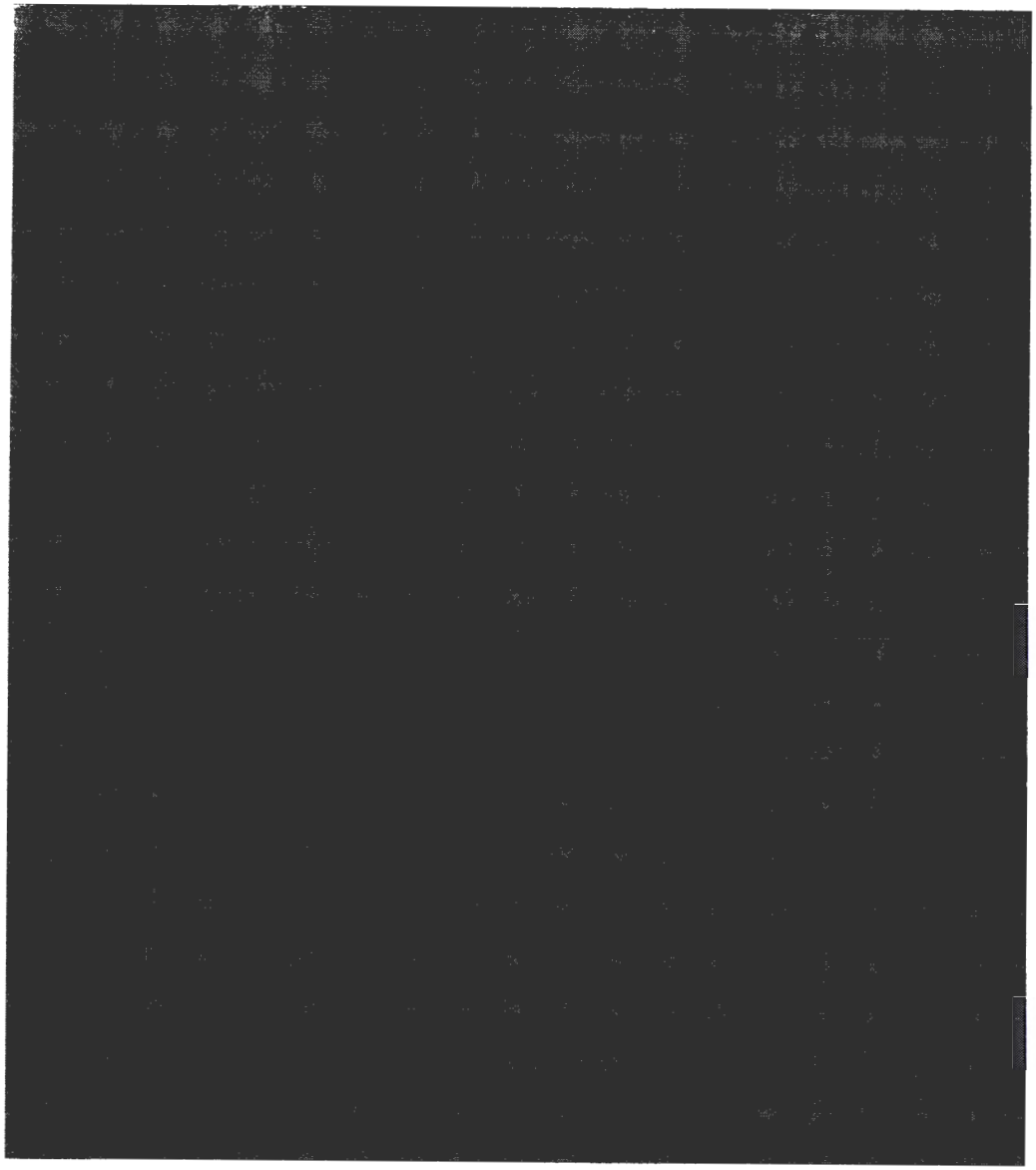
Metric	Value	Rank
Total R&D As a Percentage of GSP (2014)	2.3%	19
Business Performed R&D as a Percentage of Private Industry Output (2014)	2.0%	16
Higher Education R&D in S&E Fields as a Percentage of GDP (2016)	0.55%	4
Patents Issued per 1,000 Science & Engineering Workers, 2015	17.8	19
Venture Capital Funding Per $1 Million of GDP (2011-2016)	$2,326	22
Technology Licenses and Options Executed from Universities (2016)	311	8
Start-Ups from Universities (2015)	37	8
SBIR and STTR Funding Per $1 Million of GDP (2011-2016)	$116	19
Average Number of New Entrepreneurs (2016)	0.34%	15
Small Business Opening Rate vs. Closing Rate (2015)	1.52%	17
Completed STEM Education Programs per 1,000 Enrolled Students (2016)	28.6	14
Percent Change in Tech & STEM Education Program Completions (2011-2016)	26.3%	22
Average In-State Tuition Cost (2017-2018)	$7,385	8
State Spending Per Student for Higher Education (2017)	$10,598	7

NCTECH.org
Association



North Carolina
STATE OF
TECHNOLOGY

NCTECH
Association



NC DIT

Attachment 2

Services

- Next Generation IT Service Management – moving to ServiceNow
- Next Generation Identity Access Management – RFP releasing soon
- Identity Management enhancement to meet authentication needs of select groups which may include blockchain technology
- Stronger collaboration with vendor partners as a team vs silos

Cybersecurity

- Security for citizen engagement with the State of North Carolina
  - HTTPS mandate for all forward facing agency websites

- Private/Public Partnership for the veterans Cyber Workforce
  - Partnering with Cisco and other industry leaders on the development of a pilot Cyber training and employment program – similar to our partnership with ISG

- NGA Cyber Policy Academy
  - NC selected for the NGA Cyber Policy Academy – only 4 states
  - Outcome expected would be recommendation/improvements to State Cyber laws, Statewide Cyber Disruption Plan, etc.

NC DIT

State Solutions

- **Enterprise Portfolio Management**
  - PoC completed to replace old technical architecture and system design document using our iServer platform, which currently stores metadata (costs mainly) for applications

  - Coupled with TouchDown, this effort will enable the State to have a clear view of the IT portfolios (application, project, infrastructure) and enable more efficient, effective application lifecycle management.

State Solutions

- **Communities of Practice Established**
  - PowerBI and Business Analysis
    - In support of the BA Community of Practice, a BA Foundations training curriculum (https://it.nc.gov/services/it-business-analysis/ba-foundations-training-class) has been developed and has been updated to include BA training for iServer data entry

    - DIT developed dashboards for project execution, procurement and exceptions and are enabling these dashboards for agency CIOs and other executive staff to consume for up-to-date status and more efficient/effective decision making

State Solutions

- **Digital Commons**
  - Digital Commons platform was moved to AWS at the beginning of FY 2018
  - The AWS transition has included benefits in terms of substantial cost savings (reduced costs 40% by using Reserved Instances)
  - All NC Cabinet Agency websites, except DOT, will be on or in the progress of moving to the Digital Commons platform by the end of the fiscal year
    - Currently there are approximately 45 websites hosted (15-20 added this past year alone) on the platform
    - Some of the new features available to agencies include: charts, maps, graphics visualizations (via CSV upload); changes to theme(s) to enable increased design flexibility, accessibility enhancements, and more

NC DIT

Procurement

- **IT Infrastructure Solutions Contract**
  - 22 responsive bids received and evaluated
  - 11 new contracts awarded to date
  - 11 awards pending negotiation of exceptions to terms and conditions

- **Commercial Off the Shelf Software:**
  - Award to reseller(s) pending negotiation of End User License Agreements with approximately 150 software manufacturers.

- **Cloud Service Broker**
  - Response to Request for Best and Final Offer due from vendor June 7

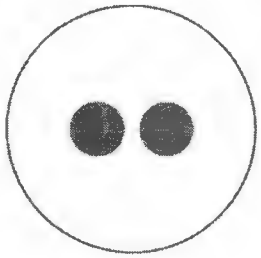
NC DIT

Let's Connect!

@NCDIT
@BroadbandIO
@ncicenter

NC Department
of Information
Technology

NCDIT



NC DIT

@NCDIT

it.nc.gov

NC DIT

Joint Appropriations on General Government and Information Technology

June 5, 2018 – Room 544 – 11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Janet Thompson	Spectrum Enterprise
Carl Gilmore	Jim Harrell
Kristin Armstrong	Accenture
Francesca Winkler	CGI
Josh Lanier	CSH
Henry M Lancaster	LCH
Rusty Lindsey	Oracle
Randy Parrett	Oracle
Frances Liles	NCREA
Matt Leffe	PPAB
[illegible]	Town of Morrisville
Rhaegan Jackson	Focus Carolina
Ashley Hoake	Crown Castle Fiber
[illegible]	NCICU
Ed Paradise	Cisco
DAVID DIM	Cisco
JOSEPH LEE	Cisco
Leo John	Secretary of State

Include in notebook

Joint Appropriations on General Government and Information Technology

June 5, 2018 – Room 544 – 11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Bradford Sneeden	NCDOJ
LAURA PURYEAR	MWC
Kin Wong	PALO ALTO NETWORKS
Collin Suggs	Red Hat
Ed [illegible]	[illegible]
Sarah Bales	Bubaker & Assoc.
Melanie Chernoff	Red Hat
Steve Rao	Taunton Orr Isville
Chris Broughton	MWC
Mia Bailey	Charter
SINTHIA [illegible]	INTERN - REP. ADCOCK HOWE
John [illegible]	Deloitte.
T. [illegible]	Deloitte
Risha Fortson	SEANC

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Darryl Locklear	Ciber
Marcie Horton	CA Technologies
FRANCOIS DJI DJI	DELL TECHNOLOGIES
Leo John	Secretary of State
TONI FORSYTH	SAGEWORKS
SUSAN VICK	DUKE ENERGY
[illegible]	[illegible]
Gary Hooker Jr.	ACHFA
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Trey Rabon	AT&T
Isaiah Moore	ATT
Shelly Craddock	DOA Intern
Katie Stanley	DOA
J. Allen Queen	Speaker Moore's Office (HOUSE)
Bob Lillie	Suddenlink – Altice USA
Spencer Walston	Suddenlink by Altice USA
Erin Jones	Altice USA

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Gary Salamidu	NC Chamber
Joe Bast	Charlotte Chamber
Frances Liles	NCREA
CHRISTY MOSTOWY	Century Link
Lisa Martin	Cap-Ad
Anna Reavis	Rep. Zachary Intern
MEAGHAN LEWIS	NC CHAMBER
Ken Wright	NC DOR
Joanne Wise	Planet Technologies
Mike [illegible]	Pell