

**Department 112 - Information Technology Department
Senate Bill Nos. 2021 and 2081**

Executive Budget Comparison to Prior Biennium Appropriations

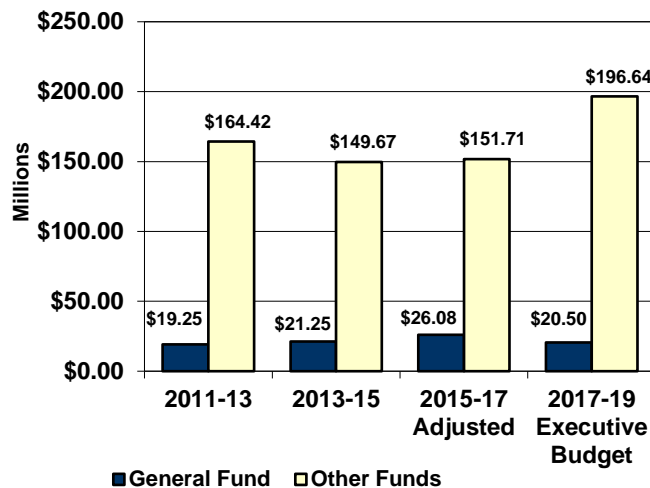
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	349.30	\$20,497,367	\$196,637,604	\$217,134,971
2015-17 Adjusted Legislative Appropriations ¹	350.30	26,078,145	151,713,039	177,791,184
Increase (Decrease)	(1.00)	(\$5,580,778)	\$44,924,565	\$39,343,787

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

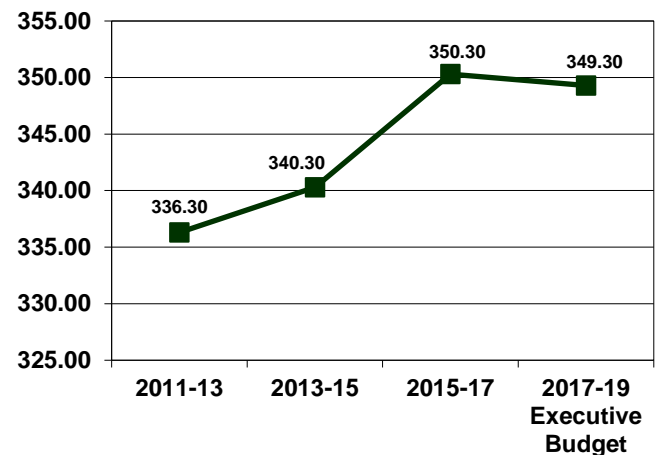
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$20,497,367	\$0	\$20,497,367
2015-17 Adjusted Legislative Appropriations	23,406,055	2,672,090	26,078,145
Increase (Decrease)	(\$2,908,688)	(\$2,672,090)	(\$5,580,778)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$20,497,367	\$196,637,604	\$217,134,971
2017-19 Base Level	23,406,055	151,213,039	174,619,094
Increase (Decrease)	(\$2,908,688)	\$45,424,565	\$42,515,877

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefits increases, of which \$323,298 is for salary increases and \$1,013,148 is for health insurance increases	\$238,852	\$1,097,594	\$1,336,446
2. Removes 1 Educational Technology Council Director FTE position	(\$300,000)	\$0	(\$300,000)
3. Provides a funding source change from the general fund to the health information exchange fund for the Health Information Technology Director position	(\$361,389)	\$361,389	\$0
4. Reduces funding for operating expenses, primarily related to contractor costs	(\$1,075,949)	(\$990,543)	(\$2,066,492)
5. Reduces funding for capital assets	(\$25,575)	(\$520,000)	(\$545,575)
6. Reduces funding for Educational Technology Council grants	(\$545,000)	\$0	(\$545,000)
7. Reduces funding for K-12 wide area network information technology contract costs	(\$490,345)	\$0	(\$490,345)

8. Adds funding for PowerSchool, primarily related to information technology software and data processing	\$599,100	\$599,100
9. Adds funding from the health information exchange fund for a health information network expansion project. Of this amount, \$40.8 million will be provided from federal funds received by the Department of Human Services	\$43,555,133	\$43,555,133

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in House Bill No. 2081)**

Line item transfers - Section 3 provides the Chief Information Officer of the Information Technology Department (ITD) authority to transfer funds between line items for the development and implementation of information technology projects.

EduTech Director - Section 4 amends North Dakota Century Codes Section 54-59-18(7) to clarify that the EduTech director position is a hired position rather than an appointed position.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The operational audit for ITD conducted by the State Auditor during the 2015-16 interim identified the following significant audit findings:

- Recommendation for a periodic review of all enabled services and ports to test for usage and necessity.
- Recommendation to update the current policy to define escorted access to ITD facilities.

The information technology security audit for ITD conducted by ManTech International Corporation did not identify any significant audit findings.

Major Related Legislation

House Bill No. 1037 - Amends the student information system exemption to require each school district to use a state course code, assigned by the Department of Public Instruction, to identify all local classes in PowerSchool. Each school district will be required to use North Dakota eTranscripts, or an alternative information system designed by ITD, to submit applications for the North Dakota academic or career and technical education scholarship to the Superintendent of Public Instruction.

Senate Bill No. 2032 - Removes the requirement for ITD to present a summary of the department's annual report to the Budget Section.

Senate Bill No. 2050 - Adds a position on the Statewide Interoperability Executive Committee for the North Dakota Indian Affairs Commission Executive Director or designee. This committee is overseen by ITD for the statewide interoperability radio network.

Senate Bill No. 2104 - Provides that ITD may request unemployment insurance wage data from Job Service North Dakota for education and workforce development program evaluations, except that the department may not redisclose any data identifying an individual unless the redisclosure is expressly permitted by a written agreement between Job Service North Dakota and the department or is otherwise expressly permitted or required by federal or state law.

Information Technology Department - Budget No. 112
Senate Bill Nos. 2021 and 2081
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	350.30	\$23,406,055	\$151,213,039	\$174,619,094
2017-19 Ongoing Funding Changes				
Base payroll changes		(\$349,282)	\$1,321,892	\$972,610
Salary increases - Performance		57,780	265,518	323,298
Health insurance increase		181,072	832,076	1,013,148
Removes Educational Technology Director position	(1.00)	(300,000)		(300,000)
Health Information Technology Director position funding source change		(361,389)	361,389	0
Reduces funding for operating expenses		(1,075,949)	(990,543)	(2,066,492)
Reduces funding for capital assets		(25,575)	(520,000)	(545,575)
Reduces funding for Educational Technology Council grants		(545,000)		(545,000)
Reduces funding for K-12 wide area network information technology contract costs		(490,345)		(490,345)
Adds funding for PowerSchool			599,100	599,100
Total ongoing funding changes	(1.00)	(\$2,908,688)	\$1,869,432	(\$1,039,256)
One-time funding items				
Health information network expansion			43,555,133	43,555,133
Total one-time funding changes	0.00	\$0	\$43,555,133	\$43,555,133
Total Changes to Base Level Funding	(1.00)	(\$2,908,688)	\$45,424,565	\$42,515,877
2017-19 Total Funding	349.30	\$20,497,367	\$196,637,604	\$217,134,971

Other Sections in Information Technology Department - Budget No. 112

	Executive Budget Recommendation
Line item transfers	Section 3 provides the Chief Information Officer of the Information Technology Department authority to transfer funds between line items for the development and implementation of information technology projects.
EduTech Director	Section 4 amends Section 54-59-18(7) to clarify that the EduTech Director position is a hired position rather than an appointed position.

Department 112 - Information Technology Department

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$24,105,987	\$3,800,000	\$27,905,987
General fund reductions	(699,932)	(1,127,910)	(1,827,842)
Adjusted 2015-17 appropriations	\$23,406,055	\$2,672,090	\$26,078,145
Executive Budget changes	(2,908,688)	(2,672,090)	(5,580,778)
2017-19 Executive Budget	\$20,497,367	\$0	\$20,497,367

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced operating expenses	(\$70,117)	\$0	(\$70,117)
Reduced statewide radio interoperability		(98,250)	(98,250)
Reduced funding for the Center for Distance Education	(154,915)		(154,915)
Reduced the statewide longitudinal data system		(891,720)	(891,720)
Reduced funding for the Educational Technology Council		(137,940)	(137,940)
Reduced funding for EduTech	(247,943)		(247,943)
Reduced funding for the K-12 wide area network	(122,586)		(122,586)
Reduced the geographic information system	(78,360)		(78,360)
Reduced funding for the Health Information Technology Office	(26,011)		(26,011)
Total reductions	(\$699,932)	(\$1,127,910)	(\$1,827,842)
Percentage reduction to ongoing and one-time general fund appropriations	2.90%	29.68%	6.55%

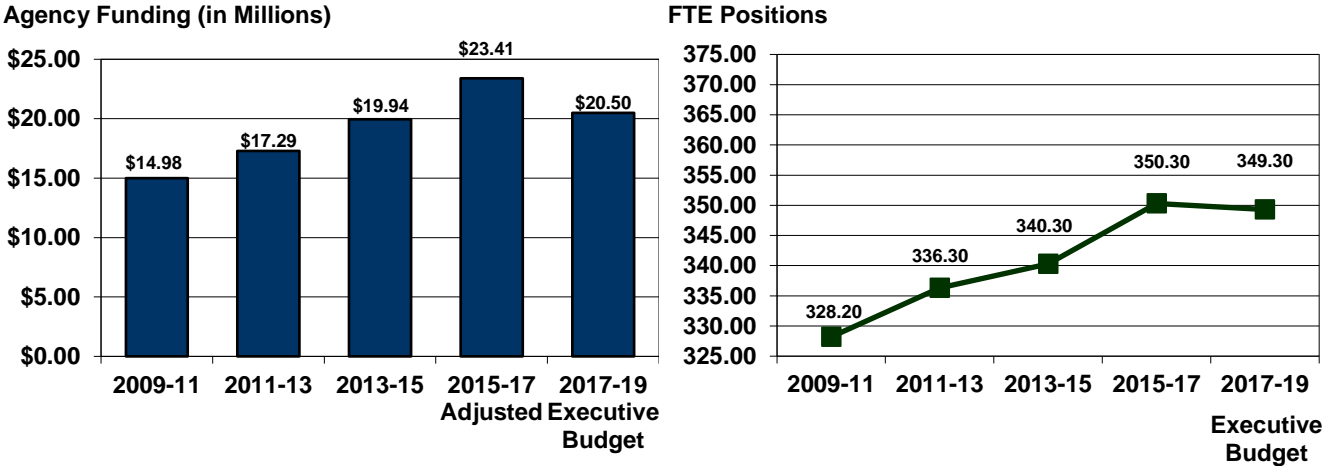
2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Base payroll changes	(\$349,282)	\$0	(\$349,282)
Adds funding for recommended salary and benefit increases	238,852		238,852
Removes funding for 1 Educational Technology Council Director FTE position	(300,000)		(300,000)
Funding source change for Health Information Technology Director position	(361,389)		(361,389)
Adjusts operating expenses	(1,405,352)	329,403	(1,075,949)
Adjusts funding for EduTech	(273,518)	247,943	(25,575)
Reduces funding for Educational Technology Council grants	(545,000)		(545,000)
Adjusts funding for the K-12 wide area network	(612,931)	122,586	(490,345)
Total	(\$3,608,620)	\$699,932	(\$2,908,688)

Department 112 - Information Technology Department

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$14,983,554	\$17,294,580	\$19,939,428	\$23,406,055	\$20,497,367
Increase (decrease) from previous biennium	N/A	\$2,311,026	\$2,644,848	\$3,466,627	(\$2,908,688)
Percentage increase (decrease) from previous biennium	N/A	15.4%	15.3%	17.4%	(12.4%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	15.4%	33.1%	56.2%	36.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Added funding for completing school district connectivity to the statewide information technology network \$131,000
- 2. Added funding for staffing, hosting, and operating costs associated with the Statewide Longitudinal Data System Initiative, including \$329,627 for salaries and wages and \$988,309 for operating expenses \$1,317,936
- 3. Added 1 research FTE position to the Statewide Longitudinal Data System Initiative \$149,494
- 4. Increased funding for the Geographic Information System Initiative \$306,956
- 5. Transferred funding to the State Library to continue to provide Internet connectivity to public libraries (\$128,440)

2013-15 Biennium

- 1. Provided additional funding for ongoing operations of the Geographic Information System Initiative \$125,000
- 2. Provided additional funding for ongoing operations of the Criminal Justice Information Sharing Initiative projects. \$215,000
- 3. Adjusted funding for the Center for Distance Education \$1,358,386

2015-17 Biennium (original changes)

- 1. Removed the criminal justice information sharing system, including the transfer of 3 FTE positions to the Attorney General (\$2,258,373)
- 2. Added funding for costs-to-continue operations of the K-12 network (\$600,000) and for distance education college and career readiness (\$250,000) \$850,000
- 3. Added funding for the statewide longitudinal data system for ongoing operations and 1 programmer analyst FTE position \$3,500,000
- 4. Added funding for the Center for Distance Education for K-12 education, including 4 teacher FTE positions \$1,388,090

5. Added funding to implement multifactor authentication, including funding for 4 information system security analyst FTE positions \$537,001

2017-19 Biennium (Executive Budget Recommendation)

1. Removes funding for 1 Educational Technology Council Director FTE position (\$300,000)
2. Provides for a funding change for the Health Information Technology Director position (\$361,389)
3. Reduces funding for K-12 wide area network information technology contract costs (\$490,345)
4. Reduces funding for operating expenses (\$1,075,949)