

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Information Technology Department			
Salaries and wages	\$59,359,772	\$81,374,501	\$22,014,729
Operating expenses	69,552,998	105,357,364	35,804,366
Capital assets	8,295,000	4,253,117	(4,041,883)
Center for Distance Education	9,079,116		(9,079,116)
Statewide longitudinal data system	4,310,561	4,387,145	76,584
Educational Technology Council	1,121,472		(1,121,472)
EduTech	9,752,767	9,645,773	(106,994)
K-12 wide area network	4,534,278	5,167,970	633,692
Geographic information system	1,147,716	2,202,629	1,054,913
Health information technology office	5,315,509	4,879,146	(436,363)
Statewide Interoperability Radio Network	13,700,000	12,330,000	(1,370,000)
Total all funds	\$186,169,189	\$229,597,645	\$43,428,456
Less estimated income	165,636,855	201,032,334	35,395,479
General fund	\$20,532,334	\$28,565,311	\$8,032,977
FTE	344.30	402.00	57.70
Bill total			
Total all funds	\$186,169,189	\$229,597,645	\$43,428,456
Less estimated income	165,636,855	201,032,334	35,395,479
General fund	\$20,532,334	\$28,565,311	\$8,032,977
FTE	344.30	402.00	57.70

House Bill No. 1021 - Information Technology Department - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$59,359,772	\$199,786	\$59,559,558
Operating expenses	69,552,998	19,538,649	89,091,647
Capital assets	8,295,000	(4,041,883)	4,253,117
Center for Distance Education	9,079,116	(9,079,116)	
Statewide longitudinal data system	4,310,561	72,790	4,383,351
Educational Technology Council	1,121,472	(1,121,472)	
EduTech	9,752,767	(132,729)	9,620,038
K-12 wide area network	4,534,278	631,674	5,165,952
Geographic information system	1,147,716	(95,688)	1,052,028
Health information technology office	5,315,509	(438,669)	4,876,840
Statewide Interoperability Radio Network	13,700,000	(1,370,000)	12,330,000
Total all funds	\$186,169,189	\$4,163,342	\$190,332,531
Less estimated income	165,636,855	1,526,094	167,162,949
General fund	\$20,532,334	\$2,637,248	\$23,169,582
FTE	344.30	(41.30)	303.00

Department 112 - Information Technology Department - Detail of House Changes

	Adds Funding for Salary and Benefit Increases¹	Removes 16 FTE Positions²	Adds 5 Cybersecurity FTE³	Underfunds Salaries by 2 Percent⁴	Adjusts Base Level Funding⁵	Adds Funding for Microsoft Office 365 Licenses⁶
Salaries and wages	\$2,831,259	(\$2,649,997)	\$1,234,025	(\$1,215,501)		
Operating expenses			217,650		\$2,786,106	\$4,209,893
Capital assets					(4,041,883)	
Center for Distance Education						
Statewide longitudinal data system	73,846				(1,056)	
Educational Technology Council					(10,000)	
EduTech	292,499	(337,439)			(434,139)	
K-12 wide area network	41,674				590,000	
Geographic information system	11,584				(107,272)	
Health information technology office	42,882				(481,551)	
Statewide Interoperability Radio Network						
Total all funds	\$3,293,744	(\$2,987,436)	\$1,451,675	(\$1,215,501)	(\$1,699,795)	\$4,209,893
Less estimated income	2,811,539	(2,912,445)	0	0	(1,797,893)	4,209,893
General fund	\$482,205	(\$74,991)	\$1,451,675	(\$1,215,501)	\$98,098	\$0
FTE	0.00	(16.00)	5.00	0.00	0.00	0.00
					Transfers Funding from the Educational Technology Council to EduTech¹¹	Reduces Funding for SIRN¹²
	Adds Funding for IT Service Management and Platforms⁷	Reduces Funding for the Center for Distance Education⁸	Transfers the Center for Distance Education to CTE⁹	Transfers the Educational Technology Council to CTE¹⁰		
Salaries and wages						
Operating expenses	\$4,225,000					
Capital assets						
Center for Distance Education		(\$229,116)	(\$8,850,000)			
Statewide longitudinal data system						
Educational Technology Council				(\$765,122)	(\$346,350)	
EduTech					346,350	
K-12 wide area network						
Geographic information system						
Health information technology office						
Statewide Interoperability Radio Network						(\$1,370,000)
Total all funds	\$4,225,000	(\$229,116)	(\$8,850,000)	(\$765,122)	\$0	(\$1,370,000)
Less estimated income	4,225,000	0	(3,050,000)	(585,000)	(5,000)	(1,370,000)
General fund	\$0	(\$229,116)	(\$5,800,000)	(\$180,122)	\$5,000	\$0
FTE	0.00	0.00	(29.80)	(0.50)	0.00	0.00

	Adds One-Time Funding for Cybersecurity Operating Expenses¹³	Total House Changes
Salaries and wages		\$199,786
Operating expenses	\$8,100,000	19,538,649
Capital assets		(4,041,883)
Center for Distance Education		(9,079,116)
Statewide longitudinal data system		72,790
Educational Technology Council		(1,121,472)
EduTech		(132,729)
K-12 wide area network		631,674
Geographic information system		(95,688)
Health information technology office		(438,669)
Statewide Interoperability Radio Network		(1,370,000)
Total all funds	\$8,100,000	\$4,163,342
Less estimated income	0	1,526,094
General fund	\$8,100,000	\$2,637,248
FTE	0.00	(41.30)

¹ The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$313,373	\$1,469,467	\$1,782,840
Health insurance increase	<u>168,832</u>	<u>1,342,072</u>	<u>1,510,904</u>
Total	\$482,205	\$2,811,539	\$3,293,744

² Funding for 16 FTE undesignated positions is removed, including 1 FTE EduTech position. Of the \$2,987,436 reduction, \$74,991 is from the general fund, \$262,448 is from the PowerSchool fund, and \$2,649,997 is from the Information Technology Department service fund.

³ Funding of \$1,451,675 is added for 5 FTE cybersecurity positions, of which \$1,234,025 is for salaries and wages and \$217,650 is for related operating expenses.

⁴ Salaries and wages are underfunded by 2 percent of the total salaries and wages line item in anticipation of savings from vacant positions and employee turnover.

⁵ Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for operating expenses	(\$97,594)	\$2,883,700	\$2,786,106
Reduces funding for capital assets	0	(4,041,883)	(4,041,883)
Reduces funding for the statewide longitudinal data system	(1,056)	0	(1,056)
Reduces funding for the Educational Technology Council	0	(10,000)	(10,000)
Reduces funding for EduTech	(295,980)	(138,159)	(434,139)
Adjusts funding for the K-12 wide area network	600,000	(10,000)	590,000
Reduces funding for the geographic information system	(107,272)	0	(107,272)
Reduces funding for the Health Information Technology Office	0	<u>(481,551)</u>	<u>(481,551)</u>
	\$98,098	(\$1,797,893)	(\$1,699,795)

⁶ Funding of \$4,209,893 is added from the Information Technology Department service fund for Microsoft Office 365 licenses.

⁷ Funding of \$4,225,000 is added from the Information Technology Department operating service fund for information technology service management (\$2,000,000), application as a service platform (\$1,325,000), and automation and orchestration platforms (\$900,000).

⁸ Funding for the Center for Distance Education is reduced by \$229,116 from the general fund, of which \$8,366 is from salaries and \$220,750 is from operating expenses.

⁹ Funding of \$8.85 million for the Center for Distance Education, including 29.80 FTE positions, is transferred from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5.8 million is for salaries and wages from the general fund and \$3.05 million is for operating expenses from the independent study operating fund.

¹⁰ Transfers a 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$180,122 is from the general fund for salaries (\$76,556) and operating expenses (\$103,566). The remaining amount of \$585,000 includes \$500,000 from federal funds for capital assets and \$85,000 from the Information Technology Department service fund for grants.

¹¹ Funding of \$346,350 is transferred from the Educational Technology Council to EduTech, relating to the salaries and fringe benefits of the director of EduTech. The position was formerly the director of both the Educational Technology Council and EduTech, prior to the transfer of the Educational Technology Council to the Department of Career and Technical Education.

¹² Funding of \$1.37 million is reduced for the Statewide Interoperable Radio Network (SIRN), of which \$400,000 is for operating expenses and \$970,000 is for capital assets, to provide a total appropriation of \$12.33 million from the SIRN fund.

¹³ One-time funding of \$8.1 million is added from the general fund for cybersecurity operating expenses.

This amendment also removes a section allowing for the transfer of funds between line items.

House Bill No. 1021 - Information Technology Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$59,359,772	\$59,559,558	\$21,814,943	\$81,374,501
Operating expenses	69,552,998	89,091,647	14,265,717	103,357,364
Capital assets	8,295,000	4,253,117		4,253,117
Center for Distance Education	9,079,116			
Statewide longitudinal data system	4,310,561	4,383,351	3,794	4,387,145
Educational Technology Council	1,121,472			
EduTech	9,752,767	9,620,038	25,735	9,645,773
K-12 wide area network	4,534,278	5,165,952	2,018	5,167,970
Geographic information system	1,147,716	1,052,028	1,150,601	2,202,629
Health information technology office	5,315,509	4,876,840	2,306	4,879,146
Statewide Interoperability Radio Network	13,700,000	12,330,000		12,330,000
Total all funds	\$186,169,189	\$190,332,531	\$37,265,114	\$227,597,645
Less estimated income	165,636,855	167,162,949	31,869,385	199,032,334
General fund	\$20,532,334	\$23,169,582	\$5,395,729	\$28,565,311
FTE	344.30	303.00	99.00	402.00

Department 112 - Information Technology Department - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding for FTE Cybersecurity Positions ²	Restores Funding for Salaries and Wages ³	Adds Funding for IT Unification ⁴	Adds One-Time Funding for Cybersecurity ⁵	Adds One-Time Funding for IT Projects ⁵
Salaries and wages	\$1,047,804	\$740,415	\$1,215,501	\$18,811,223		
Operating expenses		130,590		8,835,127	\$3,300,000	\$2,000,000
Capital assets						
Center for Distance Education						
Statewide longitudinal data system	3,794					
Educational Technology Council						
EduTech	25,735					
K-12 wide area network	2,018					
Geographic information system	601					1,150,000
Health information technology office	2,306					
Statewide Interoperability Radio Network						
Total all funds	\$1,082,258	\$871,005	\$1,215,501	\$27,646,350	\$3,300,000	\$3,150,000
Less estimated income	1,073,035	0	0	27,646,350	0	3,150,000
General fund	\$9,223	\$871,005	\$1,215,501	\$0	\$3,300,000	\$0
FTE	0.00	3.00	0.00	96.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$21,814,943
Operating expenses	14,265,717
Capital assets	
Center for Distance Education	
Statewide longitudinal data system	3,794
Educational Technology Council	
EduTech	25,735
K-12 wide area network	2,018
Geographic information system	1,150,601
Health information technology office	2,306
Statewide Interoperability Radio Network	
Total all funds	\$37,265,114
Less estimated income	31,869,385
General fund	\$5,395,729
FTE	99.00

¹ Funding of \$1,082,258, of which \$9,223 is from the general fund and \$1,073,035 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. Of the amount added from other funds, \$328,977 of special funds relates to increases in health insurance premiums for FTE included in the information technology unification initiative.

² Funding of \$871,005 is added from the general fund for 3 FTE cybersecurity positions, of which \$740,415 is for salaries and wages and \$130,590 is for operating expenses to provide a total of 8 FTE cybersecurity positions. The House approved 5 cybersecurity positions.

³ Funding of \$1,215,501 from the general fund is restored for salaries and wages removed by the House relating to underfunding salaries and wages.

⁴ Funding of \$27,646,350 of special funds and 96.00 FTE positions are transferred from the Department of Trust Lands (2 FTE), Department of Human Services (48 FTE), Adjutant General - Department of Emergency Services (4 FTE), Parks and Recreation Department (1 FTE), and Department of Transportation (41 FTE) to the Information

Technology Department for the information technology unification initiative. Of the \$27,646,350, \$18,266,327 is for the FTE positions, \$544,896 is for temporary salaries, and \$8,835,127 is for related operating expenses.

⁵ One-time funding of \$3,300,000 is added from the general fund for cybersecurity operating expenses to provide a total one-time appropriation of \$11,400,000 from the general fund. The House approved a one-time appropriation of \$8,400,000.

⁶ One-time funding of \$3,150,000 is added from the strategic investment and improvements fund for a legacy lift project (\$2,000,000) and a geographic information system statewide land parcel project (\$1,150,000). The House did not provide funding for these projects.

This amendment also:

- Adds a section to allow the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer.
- Adds a section identifying \$3,150,000 of one-time funding from the strategic investment and improvements fund for information technology projects, of which \$2,000,000 is for a legacy lift project and \$1,150,000 is for a geographic information system statewide land parcel project.
- Adds a section providing an exemption for the \$43,555,133 of federal and other funds appropriated to the Information Technology Department by the 2017 Legislative Assembly for the development of the health information network and care coordination project.
- Adds a section to provide for a Legislative Management study regarding access to lands for hunting and trapping and the development of a land access database.

House Bill No. 1021 - Information Technology Department - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$59,359,772	\$59,559,558	\$21,814,943	\$81,374,501	\$81,374,501	
Operating expenses	69,552,998	89,091,647	16,265,717	105,357,364	103,357,364	\$2,000,000
Capital assets	8,295,000	4,253,117		4,253,117	4,253,117	
Center for Distance Education	9,079,116					
Statewide longitudinal data system	4,310,561	4,383,351	3,794	4,387,145	4,387,145	
Educational Technology Council	1,121,472					
EduTech	9,752,767	9,620,038	25,735	9,645,773	9,645,773	
K-12 wide area network	4,534,278	5,165,952	2,018	5,167,970	5,167,970	
Geographic information system	1,147,716	1,052,028	1,150,601	2,202,629	2,202,629	
Health information technology office	5,315,509	4,876,840	2,306	4,879,146	4,879,146	
Statewide Interoperability Radio Network	13,700,000	12,330,000		12,330,000	12,330,000	
Total all funds	\$186,169,189	\$190,332,531	\$39,265,114	\$229,597,645	\$227,597,645	\$2,000,000
Less estimated income	165,636,855	167,162,949	33,869,385	201,032,334	199,032,334	2,000,000
General fund	\$20,532,334	\$23,169,582	\$5,395,729	\$28,565,311	\$28,565,311	\$0
FTE	344.30	303.00	99.00	402.00	402.00	0.00

Department 112 - Information Technology Department - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding for FTE Cybersecurity Positions ²	Restores Funding for Salaries and Wages ³	Adds Funding for IT Unification ⁴	Adds One-Time Funding for Cybersecurity ⁵	Adds One-Time Funding for a GIS Project ⁶
Salaries and wages	\$1,047,804	\$740,415	\$1,215,501	\$18,811,223		
Operating expenses		130,590		8,835,127	\$7,300,000	
Capital assets						
Center for Distance Education						
Statewide longitudinal data system	3,794					
Educational Technology Council						
EduTech	25,735					
K-12 wide area network	2,018					
Geographic information system	601					\$1,150,000
Health information technology office	2,306					
Statewide Interoperability Radio Network						
Total all funds	\$1,082,258	\$871,005	\$1,215,501	\$27,646,350	\$7,300,000	\$1,150,000
Less estimated income	1,073,035	0	0	27,646,350	4,000,000	1,150,000
General fund	\$9,223	\$871,005	\$1,215,501	\$0	\$3,300,000	\$0
FTE	0.00	3.00	0.00	96.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	\$21,814,943
Operating expenses	16,265,717
Capital assets	
Center for Distance Education	
Statewide longitudinal data system	3,794
Educational Technology Council	
EduTech	25,735
K-12 wide area network	2,018
Geographic information system	1,150,601
Health information technology office	2,306
Statewide Interoperability Radio Network	
Total all funds	\$39,265,114
Less estimated income	33,869,385
General fund	\$5,395,729
FTE	99.00

¹ Funding of \$1,082,258, of which \$9,223 is from the general fund and \$1,073,035 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. Of the amount added from other funds, \$328,977 of special funds relates to increases in health insurance premiums for FTE included in the information technology unification initiative, the same as the Senate version. The House provided for salary increases of 2 percent each year of the biennium.

² Funding of \$871,005 is added from the general fund for 3 FTE cybersecurity positions, of which \$740,415 is for salaries and wages and \$130,590 is for operating expenses to provide a total of 8 FTE cybersecurity positions, the same as the Senate version. The House approved 5 cybersecurity positions.

³ Funding of \$1,215,501 from the general fund is restored for salaries and wages removed by the House relating to underfunding salaries and wages, the same as approved by the Senate.

⁴ Funding of \$27,646,350 of special funds and 96.00 FTE positions are transferred from the Department of Trust Lands (2 FTE), Department of Human Services (48 FTE), Adjutant General - Department of Emergency Services (4 FTE), Parks and Recreation Department (1 FTE), and Department of Transportation (41 FTE) to the Information Technology Department for the information technology unification initiative. Of the \$27,646,350, \$18,266,327 is for the FTE positions, \$544,896 is for temporary salaries, and \$8,835,127 is for related operating expenses, the same as approved by the Senate. The House did not approve funding for the unification initiative.

⁵ One-time funding of \$7.3 million, of which \$3.3 million is from the general fund and \$4 million is from the strategic investment and improvements fund, is added for cybersecurity operating expenses to provide a total one-time appropriation of \$15.4 million for cybersecurity operating expenses. The Senate provided a one-time appropriation of \$11.4 million from the general fund for cybersecurity operating expenses. The House approved a one-time appropriation of \$8.4 million from the general fund.

⁶ One-time funding of \$1.15 million is added from the strategic investment and improvements fund for a geographic information system statewide land parcel project, the same as the Senate. The House did not provide funding for these projects.

The Conference Committee did not approve a \$2 million one-time appropriation from the strategic investment and improvements fund for a legacy lift project previously approved by the Senate. The House did not provide funding for this project.

This amendment also:

- Adds a section to allow the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer, the same as the Senate.
- Adds a section identifying \$5.15 million of one-time funding from the strategic investment and improvements fund for information technology initiatives, of which \$4 million is for cybersecurity operating expenses and \$1.15 million is for a geographic information system statewide land parcel project. The Senate provided total funding of \$3.15 million from the strategic investment and improvements fund.
- Adds a section providing an exemption for the \$43,555,133 of federal and other funds appropriated to the Information Technology Department by the 2017 Legislative Assembly for the development of the health information network and care coordination project, the same as the Senate.
- Adds a section to provide for a Legislative Management study regarding access to lands for hunting, trapping, fishing, and related issues and to provide recommendations regarding a land access database. The Senate also provided for a land access study.
- Adds a section to provide for a Legislative Management study regarding the information technology unification initiative. The study must include a review of changes in fees, services, operations, processes, and systems. The Senate did not provide for this study.
- Adds a section providing legislative intent that the Information Technology Department provide direction to the executive branch agencies in the Governor's Cabinet not included in the information technology unification initiative pilot project regarding information technology strategic planning and operations. It is further the intent of the Legislative Assembly that the 67th Legislative Assembly implement the findings and recommendations resulting from the information technology unification initiative pilot project. The Senate did not include this section.
- Adds a section to require the Information Technology Department to conduct a review of service rates charged to state agencies, including rate structure and agency billing. The Information Technology Department is required to report the results of its review to the Legislative Management by September 1, 2020. The Senate did not include this section.
- Adds a section providing for a Legislative Management study of the consolidation of emergency and interoperable public safety communication system governance and funding options. The Senate did not include this section.
- Adds a section to amend the membership of the Statewide Interoperability Executive Committee. The Senate did not include this section.
- Adds a section relating to a state cost-share for each radio purchase for the statewide interoperable radio network. The Senate did not include this section.