



# Budget Basics

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## INFORMATION TECHNOLOGY DEPARTMENT

### GENERAL INFORMATION

In 1999 the Information Services Division of the Office of Management and Budget was established as a separate cabinet-level agency called the Information Technology Department (ITD) and the chief information officer position was created.

The Information Technology Department is considered a service agency, providing certain information technology (IT) services to other state agencies in exchange for funding provided by the agency receiving services. Prior to the beginning of each biennium, ITD estimates the rates and fees for services provided to state agencies for the upcoming biennium. When state agencies prepare their budget requests for the upcoming biennium, the agencies request funding to accommodate anticipated services needed based on the estimated rates provided by ITD. Following approval by the Legislative Assembly, state agencies use the funding appropriated to pay ITD for the IT services performed for the agency.

Funding for ITD derived from special funds is primarily provided by state agencies receiving IT services from ITD. Generally, the funding provided by state agencies to ITD for IT services originates equally from the general fund, special funds, and federal funds. Thus, the funding ITD receives through its special funds from state agencies is approximately one-third from agencies' general fund appropriations, approximately one-third from agencies' special funds appropriations, and approximately one-third from agencies' federal funds appropriations.

### GENERAL FUND APPROPRIATIONS

The Information Technology Department also receives direct general fund appropriations, which for the 2019-21 biennium totals \$28.6 million, including one-time funding for cybersecurity operating expenses (\$11.4 million), the K-12 wide area network (\$5.1 million), the statewide longitudinal data system (\$4.4 million), EduTech (\$3.3 million), cybersecurity salaries and wages (\$2.3 million), and the geographic information systems (GIS) (\$1 million).

### MAJOR PROJECTS AND INITIATIVES - 2019-21 BIENNIUM

Major ITD projects and initiatives for the 2019-21 biennium include cybersecurity, telework, and digital government services, IT unification, and the statewide interoperable radio network (SIRN) project. A brief summary of each topic is listed below.

**Cybersecurity, telework, and digital government services** - The 2019 Legislative Assembly appropriated \$17.7 million to ITD for cybersecurity initiatives for the 2019-21 biennium, of which \$2.3 million was considered ongoing funding from the general fund for 8 new full-time equivalent (FTE) cybersecurity positions. The remaining \$15.4 million was considered one-time funding for cybersecurity-related operating expenses, of which \$11.4 million was from the general fund and \$4 million was from the strategic investment and improvements fund.

In May 2020, the Emergency Commission and Budget Section approved a request from ITD to increase the agency's federal funds spending authority by \$67,618,226 from a portion of the state's allocation from the federal Coronavirus Relief Fund. The request included funding for cybersecurity initiatives (\$17,000,000), telework software upgrades, hardware purchases, and to increase telework server capacity (\$23,868,226), and to establish an enterprise call center, automate manual processes, and to conduct a state government workflow assessment (\$26,750,000).

The additional funding for cybersecurity initiatives approved by the Emergency Commission and Budget Section results in a total of \$34.7 million available to ITD for cybersecurity during the 2019-21 biennium.

**IT unification** - During the 2017-18 interim, ITD began a shared services IT unification plan that includes consolidating IT services, such as desktop support, help desk services, and IT personnel in the governor's cabinet of executive branch state agencies. The department intends to use the unification plan to improve IT productivity by establishing common systems and processes for communication and collaboration among executive branch agencies. The department reported the unification plan will focus on cost reduction and operational efficiencies and provide data hosting, storage, and archiving opportunities. The department believes the unification plan will reduce redundancies in executive branch agencies, decrease enterprise risk, improve IT investment success, and maximize cyber defense.

The 2019 Legislative Assembly authorized a shared services IT unification pilot project to consolidate IT resources in state government. The IT unification pilot project included the transfer of 96 FTE IT positions from the Department of Trust Lands (2), the Department of Human Services (48), the Adjutant General - Department of Emergency Services (4), the Parks and Recreation Department (1), and the Department of Transportation (41) to ITD.

During the 2021 legislative session, ITD intends to request the transfer of IT-related FTE positions in the governor's cabinet executive branch agencies not already unified to ITD. This request may include up to 58 FTE IT positions. The department reported the Bank of North Dakota has volunteered 17 FTE IT positions to be included in the 2021-23 biennium IT unification plan, if approved by the Legislative Assembly.

**Statewide interoperable radio network** - The statewide interoperable radio network is a communication system being developed to allow first responders to serve and protect citizens by connecting various radio systems between state, county, city, and other political subdivision agencies. The 2019 Legislative Assembly appropriated \$132.33 million for the SORN project for the 2019-21 biennium, of which \$80 million is from a Bank of North Dakota line of credit, \$20 million is from Bank of North Dakota profits, \$20 million is from the strategic investment and improvements fund, and \$12.33 million is from the SORN fund.

The total estimated cost of the SORN project is \$207.1 million, of which \$206 million has been contracted with Motorola for SORN core infrastructure and public safety answering points (\$9 million), the SORN network (\$97 million), and subscriber devices (\$100 million). Network construction costs not contracted with Motorola are expected to total \$1.1 million. The estimated annual operating expenditures of SORN are \$5 million to \$10 million. The SORN project is estimated to be a 5-year project.

**SUMMARY OF THE 2019-21 BIENNIUM ITD BUDGET**

As approved by the 2019 Legislative Assembly, the 2019-21 biennium budget totals \$349.6 million. Of this amount, \$28.6 million is from the general fund, \$319 million is from special funds, and \$2 million is from federal funds. Please note these amounts do not include any federal funding received as a result of the Coronavirus (COVID-19) pandemic.

Of the \$349.6 million appropriated to ITD for the 2019-21 biennium, \$136.55 million was considered one-time funding, of which \$11.4 million was from the general fund and \$125.15 million was from special funds. The one-time funding was for cybersecurity operating expenses (\$15.4 million), GIS statewide land parcel project (\$1.15 million), and the SORN project (\$120 million).

A summary of the ITD budget for the 2013-15 through 2019-21 bienniums is shown below.

	<b>2013-15 Biennium</b>	<b>2015-17 Biennium</b>	<b>2017-19 Biennium</b>	<b>2019-21 Biennium</b>
General Fund	\$21,254,428	\$26,078,145	\$20,532,334	\$28,565,311
Other Funds	149,674,553	151,713,039	224,566,988	321,032,334
Total	\$170,928,981	\$177,791,184	\$245,099,322	\$349,597,645
Percentage increase (decrease)		4.0%	37.9%	42.6%
FTE Positions	340.30	350.30	344.30	402.00