

**Information Technology Department
Budget No. 112
Senate Bill No. 2021, House Bill Nos. 1013, 1050**

	FTE Positions	General Fund	Other Funds	Total
2005-07 executive budget (bills as introduced)	265.20	\$10,810,359	\$98,830,575	\$109,640,934
2005-07 legislative appropriations	265.20¹	9,972,837²	98,934,390	108,907,227²
Legislative increase (decrease) to executive budget	0.00	(\$837,522)	\$103,815	(\$733,707)
Legislative increase (decrease) to 2003-05 appropriations	8.50	\$707,892 ³	\$817,089	\$1,524,981 ³

¹The number of authorized FTE positions for the 2005-07 biennium includes 10 FTE positions authorized in Section 5 of Senate Bill No. 2021 for the development and implementation of the Department of Human Services Medicaid management information system.

²The amounts include \$198,800 appropriated for the Division of Independent Study in House Bill No. 1013 for developing, publishing, and distributing a North Dakota studies textbook and workbook (\$148,800) and revitalizing civic education (\$50,000).

³This amount reflects the 2003-05 deficiency appropriation of \$1,070,142 from the general fund to the Information Technology Department for department operating costs to restore an undesignated general fund budget reduction made by the 2003 Legislative Assembly (\$1,000,000) and receiving less than anticipated revenues from special fund agency information technology reductions (\$70,142).

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Information Technology Department is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1050.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for state employee salary increases		\$8,766	\$133,144	\$141,910
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$559.15 to \$553.95 per month per policy		(1,996)	(29,329)	(31,325)
Reduced funding for Educational Technology Council grants to schools from \$1,453,182 to \$585,000		(868,182)		(868,182)
Reduced funding from the general fund for the Criminal Justice Information Sharing Initiative from \$700,000 to \$525,090		(174,910)		(174,910)
Removed funding of \$8,125,784 from special funds and 10 FTE positions relating to the development and implementation of the Department of Human Services Medicaid management information system and provided that the funding and FTE positions are appropriated contingent upon the approval of				0

the project by the Legislative Assembly. The Legislative Assembly did approve the project.

Provided funding in House Bill No. 1013 to the Division of Independent Study for developing, publishing, and distributing a North Dakota studies textbook and workbook for grades 4 and 8	148,800	148,800
Provided funding in House Bill No. 1013 to the Division of Independent Study for revitalizing civic education	50,000	50,000
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Total	<u>0.00</u>	<u>(\$733,707)</u>

FTE Changes

The 2005-07 biennium appropriation includes funding for 265.2 FTE positions, an increase of 8.5 FTE positions from the 2003-05 biennium authorized level of 256.7 FTE positions. The Legislative Assembly did not change the executive recommendation to transfer .5 of an FTE position to the Office of Management and Budget, receive 1 FTE position from State Radio Communications, and eliminate 2 FTE positions not requested by the agency. The Legislative Assembly did provide that the 10 new FTE positions relating to the development and implementation of the Department of Human Services Medicaid management information system are contingent upon the approval of the project by the Legislative Assembly. The Legislative Assembly did approve funding for the project. Section 5 of Senate Bill No. 2021 provides that the 10 FTE positions are only authorized until the development and implementation of the Medicaid management information system is completed.

Statewide Information Technology Network Funding

The Information Technology Department appropriation for the 2005-07 biennium includes funding of \$7,544,155, of which \$3,396,755 is from the general fund and \$4,147,400 is from special funds, for continued funding of the kindergarten through grade 12 portion of the statewide information technology network. The funding of \$7,544,155 is an increase of \$741 from the executive recommendation of \$7,543,414, of which \$3,396,014 was from the general fund and \$4,147,400 was from special funds, and an increase of \$107,932 from the 2003-05 biennium appropriation of \$7,436,223, of which \$3,382,023 was from the general fund and \$4,054,200 was from special funds. The 1999 Legislative Assembly in Senate Bill No. 2043 required the Information Technology Department to provide to each state agency, institution, county, city, and school district access to wide area network services to transmit voice, data, or video. As a result, the Information Technology Department implemented a statewide information technology network infrastructure that connects approximately 194 cities and 500 physical locations across the state.

Geographic Information System Initiative

The Information Technology Department appropriation for the 2005-07 biennium includes \$687,750 from the general fund for continued support of a centralized geographic information system. The \$687,750 is an increase of \$544 from the executive recommendation of \$687,206 and an increase of \$9,407 from the 2003-05 biennium general fund appropriation of \$678,343.

Criminal Justice Information Sharing Initiative

The Information Technology Department appropriation for the 2005-07 biennium includes \$2,525,090, of which \$525,090 is from the general fund and \$2,000,000 is from federal funds, for the Criminal Justice Information Sharing Initiative. The funding of \$2,525,090 is a decrease of \$174,910 from the executive recommendation of \$2,700,000, of which \$700,000 was from the general fund and \$2 million was from special funds, and a decrease of \$2,216,110 from the 2003-05 biennium appropriation of \$4,741,200 from special funds. The funding of \$525,090 from the general fund includes \$281,090 for operational costs and \$244,000 for project costs for the 2005-07 biennium.

Division of Independent Study

The Information Technology Department appropriation for the 2005-07 biennium includes funding of \$6,037,100, of which \$1,011,558 is from the general fund and \$5,025,542 is from special funds, for the Division of Independent Study, including 39.7 FTE positions. The funding of \$6,037,100 is an increase of \$209,191 from

the executive recommendation of \$5,827,909, of which \$810,106 was from the general fund and \$5,017,803 was from special funds, and an increase of \$411,620 from the 2003-05 biennium of \$5,625,480, of which \$841,948 was from the general fund and \$4,783,532 was from special funds.

Educational Technology Council Funding

The Information Technology Department appropriation for the 2005-07 biennium includes funding of \$887,852 from the general fund for the Educational Technology Council. The funding of \$887,852 is a decrease of \$867,337 from the executive recommendation of \$1,755,189, and an increase of \$94,034 from the 2003-05 biennium general fund appropriation of \$793,818. The funding of \$887,852 consists of \$251,246 for salaries and wages, \$41,606 for operating expenses, and \$585,000 for grants to schools, including \$35,000 for learning management system licenses and \$550,000 for classroom video grants, classroom transformation grants, and atomic learning licenses.

EduTech Funding

The Legislative Assembly did not change the executive recommendation to provide funding of \$2,652,348 from the general fund for EduTech, formerly known as the Center for Innovation and Instruction and SENDIT Technology Services. The funding of \$2,652,348 is an increase of \$112,000 from the 2003-05 biennium general fund appropriation of \$2,540,348.

Contingent Appropriation

The Legislative Assembly removed funding of \$8,125,784 from special funds from the salaries and wages line item (\$1,259,810) and operating expenses (\$6,865,974) and 10 FTE positions relating to the development and implementation of the Department of Human Services Medicaid management information system and provided that the funding and FTE positions are appropriated contingent upon the approval of the project by the Legislative Assembly. The Legislative Assembly did approve funding for the project. Section 5 of Senate Bill No. 2021 provides that 10 FTE positions are only authorized until the development and implementation of the system is completed.

Other Sections in Senate Bill No. 2021

Secretary of State appropriation - Section 4 provides a \$125,000 general fund appropriation to the Secretary of State for a portion of the costs associated with migrating the agency's information technology data base from the AS/400 to a current platform.

Criminal Justice Information Sharing Initiative and Educational Technology Council - Section 6 provides that if federal homeland security funding or other federal funding becomes available, the first \$175,000 must be used to complete all proposed Criminal Justice Information Sharing Initiative projects totaling \$418,910. The next \$50,000 must be used to replace funding from the general fund appropriated for the Criminal Justice Information Sharing Initiative projects with the savings being made available to the Educational Technology Council for additional classroom video and classroom transformation grants. Any remaining funds must be used to replace funding appropriated from the general fund with the funds from the general fund remaining unspent.

Transfers - Section 7 authorizes the Office of Management and Budget to make transfers of funds between line items of the Information Technology Department as may be requested by the Chief Information Officer as necessary for the development and implementation of the Medicaid management information system. Any increase in FTE positions needed for the project must be reported to the Office of Management and Budget.

Financing arrangements - Section 8 allows the Information Technology Department to enter into an agreement to finance the purchase of software, equipment, or implementation services for a period not to exceed five years and allows the department to receive financing approval for those agreements in excess of \$1 million from either the Budget Section or the Legislative Assembly.

Related Legislation

2003-05 deficiency appropriation - House Bill No. 1024 provides the Information Technology Department a \$1,070,142 general fund deficiency appropriation for the 2003-05 biennium. The appropriation represents the estimated amount needed for department operating costs to restore an undesignated general fund budget reduction made by the 2003 Legislative Assembly (\$1,000,000) and receiving less than anticipated revenues from special funds agency information technology reductions (\$70,142).

Information technology projects - House Bill No. 1275 provides that an executive, legislative, or judicial branch agency, except for institutions under the control of the State Board of Higher Education, shall report to the State Information Technology Advisory Committee regarding the plan for and status of any information technology project that is estimated to cost more than \$250,000. Agencies shall notify the State Information Technology Advisory Committee if:

- At a project milestone, the amount expended on the project exceeds the planned budget by 20 percent or more or the project schedule extends beyond the planned schedule by 20 percent or more.
- Upon completion of the project, the budget for the project exceeded the original budget by 20 percent or more or the final project completion date extended beyond the original project scheduled completion date by 20 percent or more.