

**Information Technology Department
Budget 112
Senate Bill Nos. 2021, 2332**

	FTE Positions	General Fund	Other Funds	Total
2009-11 legislative appropriation	328.20	\$19,170,785 ¹	\$210,371,054	\$229,541,839
2007-09 legislative appropriation	<u>306.20</u>	<u>11,659,411</u>	<u>113,248,365</u>	<u>124,907,776</u>
2009-11 appropriation increase (decrease) to 2007-09 appropriation	22.00	\$7,511,374	\$97,122,689	\$104,634,063

¹This amount includes \$4,187,231 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$14,983,554.

NOTE: The 2009-11 legislative appropriation amounts include \$1,265,000, of which \$65,000 is from the general fund, for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees.

Item Description

One-time funding - The Legislative Assembly identified \$4,187,231 from the general fund for one-time funding items. These items, which are summarized below, are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget, and the Information Technology Department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Criminal Justice Information Sharing Initiative projects	\$269,748
Kindergarten through grade 12 schools increased bandwidth	1,200,000
Statewide deployment of PowerSchool application in kindergarten through grade 12 schools	353,600
Center for Distance Education online course development	100,000
Statewide Longitudinal Data System Initiative	2,263,883
Total	\$4,187,231

Status/Result

The following is a summary of the status of the Information Technology Department's one-time funding:

Criminal Justice Information Sharing Initiative projects	See the Criminal Justice Information Sharing Initiative section below
Kindergarten through grade 12 schools increased bandwidth	The department is using the funding to purchase equipment for increased bandwidth and video capabilities for kindergarten through grade 12 schools.
Statewide deployment of PowerSchool application in kindergarten through grade 12 schools	See the EduTech funding section below
Center for Distance Education online course development	The center is using the funding for enhancing its online courses. The project is expected to be completed by the end of the 2009-11 biennium.
Statewide Longitudinal Data System Initiative	See the Statewide Longitudinal Data System Initiative section below

FTE position changes - The Legislative Assembly authorized the Information Technology Department a total of 328.20 FTE positions, an increase of 22 FTE positions from the 2007-09 authorized level of 306.20 FTE positions. The increase in the total number of FTE positions authorized consists of 7 new FTE positions, the transfer of 22 FTE positions from North Dakota State University, and the removal of 7 FTE positions not requested by the agency.

Criminal Justice Information Sharing Initiative - The Legislative Assembly provided funding of \$3,609,239, of which \$2,068,598 is from the general fund and \$1,540,641 is from special funds, for the Criminal Justice Information Sharing Initiative. Of the \$2,068,598 from the general fund, \$269,748 is considered to be one-time funding.

Statewide Longitudinal Data System Initiative - The Legislative Assembly provided funding of \$2,466,325, of which \$202,442 is from the general fund and \$2,263,883 is from federal fiscal stimulus funds, for the Statewide Longitudinal Data System Initiative. In addition, the Legislative Assembly provided a \$2,263,883 contingent general fund appropriation to the Information Technology Department for costs associated with the Statewide Longitudinal Data System Initiative. The Information Technology Department

As of May 2010, the Information Technology Department has filled all of the 29 new and transferred FTE positions authorized for the 2009-11 biennium. The following is a summary of the areas in which new FTE positions were authorized and the number of positions filled:

	Number of Positions Authorized	Number of Positions Filled
EduTech, including statewide deployment of the PowerSchool application	27.00	27.00
Criminal Justice Information Sharing Initiative	1.00	1.00
Statewide Longitudinal Data System Initiative	1.00	1.00
Total	29.00	29.00

The mission of the Criminal Justice Information Sharing Initiative is to provide complete, accurate, and timely information to the right criminal justice officers at the right time. North Dakota Century Code Section 54-59-21 establishes a Criminal Justice Information Sharing Board responsible for setting policy and adopting rules regarding the access to and the collection, storage, and sharing of criminal justice information and the systems necessary to perform those functions.

The initiative includes a hub portal, a case management software system for state's attorneys, and a case management software system for local law enforcement. The hub portal is a secure, web-based, "one-stop shop" tool for the statewide sharing of offender and other criminal justice information. There are 1,450 registered users for the hub portal accessing 10 different criminal justice agency databases. There are six entities using the case management software for state's attorneys--Justware Prosecutor--for a fee of \$50 per user per month. There are 44 entities using the case management software for law enforcement--NetRMS--for a fee of \$25 per full-time officer per month. The Information Technology Department estimates collecting \$180,000 in special funds during the 2009-11 biennium from the application fees.

The department is using the one-time funding of \$269,748 provided for the initiative for the 2009-11 biennium for enhancement projects, including a hub portal enhancement project to increase user friendliness and security and the addition of new records, including data from the Bureau of Criminal Investigation, Department of Corrections and Rehabilitation, and Highway Patrol.

In December 2009, the department received Emergency Commission and Budget Section approval to increase special funds spending authority by \$10 million to accept federal funds from the United States Department of Education Institute of Education Sciences for the Statewide Longitudinal Data System Initiative. The request included 9.5 new FTE positions. The grant required a \$132,000 match for the 2009-11 biennium. The department planned to use a portion of the \$202,442 from the general fund appropriated to the

may spend the general fund money only to the extent that federal funds are not available to provide the \$2,263,883 appropriated from federal fiscal stimulus funds and subject to Budget Section approval.

EduTech funding, including PowerSchool funding - The Legislative Assembly provided funding of \$7,753,602, of which \$5,104,699 is from the general fund and \$2,648,903 is from special funds, for EduTech. Of the \$7,753,602, \$4,697,857, of which \$2,048,954 is from the general fund and \$2,648,903 is from special funds, is for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools.

Health information technology - The Legislative Assembly with the passage of Senate Bill No. 2332:

- Established a Health Information Technology Advisory Committee consisting of the Chief Information Officer, the State Health Officer, the Governor, the executive director of the Department of Human Services, and individuals appointed by the Governor and the State Health Officer to represent a broad range of public and private health information technology stakeholders.
- Established a Health Information Technology Office in the Information Technology Department. The Health Information Technology Advisory Committee is to make recommendations to the Health Information Technology Office for implementing a statewide interoperable health information infrastructure that is consistent with emerging national standards, promote the adoption and use of electronic health records and other health information technologies, and promote interoperability of health information systems.
- Established an electronic health information exchange fund consisting of money deposited in the fund from federal or other sources or money transferred into the fund as directed by the Legislative Assembly. The Health Information Technology Office is to administer the fund. The money in the fund is to be used to facilitate and expand electronic health information exchange.
- Established a health information technology loan fund at the Bank of North Dakota for providing loans to health care providers to purchase and upgrade electronic health record technology, train personnel in its use, improve security of information exchange, and for other purposes as established by the Health Information Technology Office. This fund is a revolving loan fund. All money transferred into the fund, interest upon money in the fund, and collections of interest and principal on

department for the Statewide Longitudinal Data System Initiative for meeting the matching funds requirement.

In May 2010, the department was notified by the United States Department of Education that the department will not be awarded the federal grant. Therefore, the department will seek Budget Section approval in June 2010 to proceed with the project using the contingent general fund appropriation.

EduTech staff are in the process of implementing the PowerSchool application in all kindergarten through grade 12 schools. As of May 2010, the application has been implemented at 110 school districts. There are approximately 57 school districts remaining. The implemented school districts represent 81,968 students, approximately 86 percent of the state's public school student population. In addition, EduTech staff will be implementing the application at vocational education centers and with kindergarten through grade 12 video consortia to aid instructors in those entities.

On March 15, 2010, the department was awarded a four-year grant totaling \$5,343,733 from the Office of the National Coordinator for Health Information Technology for implementing a statewide health information technology and exchange network. Of the \$5,343,733, \$534,373 is for planning, \$2,926,974 is for intrastate implementation, and \$1,882,386 is for interstate implementation.

Matching requirements for the grant are as follows:

Year 1	\$0 of state funds for each federal dollar
Year 2	\$1 of state funds for each \$10 of federal dollars
Year 3	\$1 of state funds for each \$7 of federal dollars
Year 4	\$1 of state funds for each \$3 of federal dollars

The Health Information Technology Office and the Health Information Technology Advisory Committee are to complete a strategic plan and an operational plan for the statewide health information technology and exchange network. Both plans are due to the Office of the National Coordinator for Health Information Technology by September 27, 2010, and must be approved by the Office of the National Coordinator for Health Information Technology before implementation of the statewide network. The Health Information Technology Office has selected a consultant--Hielix MEDNET--for assistance in the development of the plans.

An electronic health information exchange fund has been established to facilitate and expand electronic health information exchange. The fund is administered by the Health Information Technology Office. An analysis of the fund as of June 2010 is included in the **Trust Fund Analysis** section of this report.

A health information technology loan fund has been established at the Bank of North Dakota for providing loans to health care providers to purchase and upgrade electronic health record technology, train personnel in its use, improve security of information exchange, and for other purposes as established by the

loans made from the fund are appropriated for disbursement.

- Established a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. This fund is a revolving loan fund. All money transferred into the fund, interest upon money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement.
- Provided a \$350,000 general fund appropriation to the Information Technology Department for costs of the Health Information Technology Advisory Committee and the Health Information Technology Office.
- Provided that the Industrial Commission transfer, during the 2009-11 biennium, as requested by the Health Information Technology Office director, up to \$8 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund to meet any required match for federal funds or to the electronic health information exchange fund to meet any required match for federal funds or as directed, a portion to both funds to meet any required match for federal funds. The Health Information Technology Office director is to request fund transfers from the Bank only as necessary to comply with federal requirements and to meet cashflow needs of the funds.
- Provided that if the actual general fund revenues for the period July 1, 2009, through September 30, 2009, exceed estimated general fund revenues for that period by at least \$22.5 million, as determined by OMB, based on the legislative estimates made at the close of the 2009 legislative session and upon certification by the Health Information Technology Office director to the director of OMB of a demonstrated need for health information technology planning loans, the Industrial Commission transfer up to \$5 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund. The Health Information Technology Office director is to request transfers from the Bank only as necessary to meet cashflow needs of the fund.
- Provided an \$88 million special funds appropriation out of money in the electronic health information exchange fund, including \$80 million of federal funds from the American Recovery and Reinvestment Act of 2009, to the Information Technology Department for facilitating and expanding electronic health information exchange.

Health Information Technology Office. An analysis of the fund as of June 2010 is included in the **Trust Fund Analysis** section of this report.

As of June 2010, the Health Information Technology Office director has not requested a transfer of up to \$8 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund or to the electronic health information exchange fund as provided for in Section 8 of Senate Bill No. 2332.

A health information technology planning revolving loan fund has been established at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. Section 9 of Senate Bill No. 2332 provided for a transfer of \$5 million from the current earnings and accumulated undivided profits of the Bank of North Dakota to the fund contingent upon actual general fund revenues for the period July 1, 2007, through September 30, 2009, exceeding estimates by at least \$22.5 million. The condition was met and the \$5 million has been made available. The Health Information Technology Advisory Committee has approved the following loan applications:

St. Andrew's Health Center (Bottineau)	\$361,149
Cooperstown Medical Center	358,176
Wishek Hospital	361,149
Towner County Medical Center (Cando)	694,911
Presentation Medical Center (Rolla)	300,701
West River Health Services (Hettinger)	722,350
Ashley Medical Center	586,880
Tioga Medical Center	501,203
St. Luke's Community Hospital and Clinics (Crosby)	541,776
Midgarden Family Clinic (Park River)	101,590
7-Day Clinic Walk-in Express Care (Fargo)	50,000
Linton Hospital	420,115
Total	\$5,000,000

An analysis of the fund as of June 2010 is included in the **Trust Fund Analysis** section of this report.

Line item transfers - Section 6 of Senate Bill No. 2012 authorizes the Office of Management and Budget to make transfers of funds between the salaries and wages, operating expenses, and capital assets line items of the Information Technology Department as may be requested by the Chief Information Officer as necessary for the development and implementation of information technology projects.

Emergency Commission requests.

The Chief Information Officer does not anticipate requesting any transfers of funds between the salaries and wages, operating expenses, and capital assets line items relating to the development and implementation of information technology projects.

The Information Technology Department has received Emergency Commission approval of the following requests:

- Approval to increase special funds spending authority by \$25,000 to accept other funds from Qwest for the Educational Technology Council to distribute as grants to schools to support technology in the classroom.
- Approval to increase special funds spending authority by \$2 million to accept federal funds from the National Telecommunications and Information Administration for operating expenses for a comprehensive assessment of broadband availability and demand within the state.
- Approval to increase special funds spending authority by \$1 million to accept federal funds from the United States Department of Transportation and the United States Department of Commerce for implementation of enhanced 911 services by the Emergency Services Communications Coordinating Committee. (The request requires a 50 percent match. The \$100,000 from the general fund appropriated to and being used by the Department of Emergency Services for an enhanced 911 study will qualify for a portion of the match. The remainder of the match will be special funds included in the Information Technology Department's budget for upgrading the statewide wide area network.)
- Approval to increase special funds spending authority by \$10 million to accept federal funds from the United States Department of Education Institute of Education Sciences for the Statewide Longitudinal Data System Initiative. This request included 9.5 new FTE positions. (The request requires a \$132,000 match for the 2009-11 biennium. The Information Technology Department planned to use a portion of the \$202,442 from the general fund appropriated to the department for the Statewide Longitudinal Data System Initiative for meeting the matching funds requirement.) In May 2010 the department was notified by the federal government that it will not be receiving the grant.