

**Information Technology Department
Budget No. 112
Senate Bill Nos. 2021 and 2332**

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	330.20	\$21,084,859	\$118,514,574	\$139,599,433
2009-11 legislative appropriations	328.20	19,105,785	209,171,054	228,276,839
Legislative increase (decrease) to executive budget	(2.00)	(\$1,979,074)	\$90,656,480	\$88,677,406
Legislative increase (decrease) to 2007-09 appropriations	22.00	\$7,446,374	\$95,922,689	\$103,369,063

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	\$10,047,921	\$1,611,490	\$11,659,411
2009-11 legislative appropriations	14,918,554	4,187,231	19,105,785
2009-11 legislative increase (decrease) to 2007-09 appropriations	\$4,870,633	\$2,575,741	\$7,446,374
Percentage increase (decrease) to 2007-09 appropriations	48.5%	159.8%	63.9%
2009-11 legislative increase (decrease) to executive budget	(\$1,521,883)	(\$457,191)	(\$1,979,074)
Percentage increase (decrease) to executive budget	(9.3%)	(9.8%)	(9.4%)

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. 1015.

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		(\$81,094)	(\$1,498,745)	(\$1,579,839)
Changed the funding source for a portion of the funding for the Statewide Longitudinal Data System Initiative from the general fund to federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009		(2,263,883)	2,263,883	0
Provided a contingent general fund appropriation for the Statewide Longitudinal Data System Initiative		2,263,883		2,263,883

Removed 2 FTE positions for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools	(2.00)	(256,638)		(256,638)
Changed the funding source for a portion of the funding for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools		(1,891,342)	1,891,342	0
Decreased one-time funding for Criminal Justice Information Sharing Initiative projects from \$369,748 to \$269,748		(100,000)		(100,000)
Added funding relating to health information technology (Senate Bill No. 2332)		350,000	88,000,000	88,350,000
Total	(2.00)	(\$1,979,074)	\$90,656,480	\$88,677,406

FTE Changes

The 2009-11 biennium appropriation includes funding for 328.20 FTE positions, an increase of 22 FTE positions from the 2007-09 biennium authorized level of 306.20 FTE positions. The following table summarizes FTE position changes included in the 2009-11 executive budget and the legislative appropriation:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
EduTech, including statewide deployment of the PowerSchool application			
Transfer of 22 FTE positions from North Dakota State University	22.00	22.00	
New positions (pending classification)	7.00	5.00	(2.00)
Subtotal - EduTech, including statewide deployment of the PowerSchool application	29.00	27.00	(2.00)
Criminal Justice Information Sharing Initiative			
New position (pending classification) relating to the statewide automated victim information notification system	1.00	1.00	
Statewide Longitudinal Data System Initiative			
New position (pending classification)	1.00	1.00	
Other			
Positions not requested by the agency	(7.00)	(7.00)	
Grand total	24.00	22.00	(2.00)

One-Time Funding

In Section 4 of Senate Bill No. 2021, the Legislative Assembly identified \$1,923,348 from the general fund for one-time funding items. The Legislative Assembly also provided a \$2,263,883 contingent general fund appropriation to the Information Technology Department for the Statewide Longitudinal Data System Initiative which is considered to be one-time funding. This funding, summarized as follows, is 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 software update	100,000
Statewide Longitudinal Data System Initiative	2,263,883
Total	\$4,187,231

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated \$82,263,883 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Information Technology Department, including \$2,263,883 for the Statewide Longitudinal Data System Initiative (Senate Bill No. 2021) and \$80,000,000 for health information technology (Senate Bill No. 2332). The Information Technology Department may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Statewide Information Technology Network Funding

The Legislative Assembly did not change the executive recommendation to provide an appropriation of \$5,976,970, of which \$5,568,970 is from the general fund and \$408,000 is from special funds, for continued funding for the kindergarten through grade 12 portion of the statewide information technology network. The funding of \$5,976,970 is an increase of \$1,910,451 from the 2007-09 biennium appropriation of \$4,066,519, of which \$3,413,972 was from the general fund and \$652,547 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 Legislative Assembly did not change the executive recommendation to provide an appropriation of \$789,678, of which \$714,678 is from the general fund and \$75,000 is from special funds, for continued support of the centralized geographic information system. The \$789,678 is a decrease of \$8,471 from the 2007-09 biennium general fund appropriation of \$798,149.

Criminal Justice Information Sharing Initiative

The Legislative Assembly provided an appropriation 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. The funding of \$3,609,239 is a decrease of \$100,000 from the executive recommendation of \$3,709,239 and an increase of \$1,257,043 from the 2007-09 biennium appropriation of \$2,352,196, of which \$1,872,196 was from the general fund and \$480,000 was from special funds. In addition, Senate Bill No. 2041 expands the membership of the Criminal Justice Information Sharing Board and provides that board members who are not state employees are entitled to compensation and expense reimbursement.

Statewide Longitudinal Data System Initiative

The Legislative Assembly provided an appropriation 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 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. The executive budget included funding of \$2,466,325 from the general fund for the Statewide Longitudinal Data System Initiative. The funding of \$2,466,325 is an increase of \$2,238,371 from the 2007-09 biennium general fund appropriation of \$227,954.

Center for Distance Education

The Legislative Assembly did not change the executive recommendation to provide an appropriation of \$6,347,917, of which \$1,229,232 is from the general fund and \$5,118,685 is from special funds. The funding of \$6,347,917 is a decrease of \$234,679 from the 2007-09 biennium appropriation of \$6,582,596, of which \$931,321 was from the general fund and \$5,651,275 was from special funds.

Educational Technology Council Funding

The Legislative Assembly did not change the executive recommendation to provide a general fund appropriation of \$974,986 for the Educational Technology Council. The funding of \$974,986 is a decrease of \$161,281 from the 2007-09 biennium general fund appropriation of \$1,136,267. The funding of \$974,986 consists of \$328,567 for salaries and wages, \$41,669 for operating expenses, and \$604,750 for grants to schools.

EduTech Funding, Including PowerSchool Funding

The Legislative Assembly provided an appropriation of \$7,753,602, of which \$5,104,699 is from the general fund and \$2,648,903 is from special funds, for EduTech. The funding of \$7,753,602 is a decrease of \$256,638 from the executive recommendation of \$8,010,240, of which \$7,252,679 was from the general fund and \$757,561 was from special funds, and an increase of \$5,031,254 from the 2007-09 biennium general fund appropriation of \$2,722,348. 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. The Legislative Assembly provided for the transfer of 22 FTE positions from North Dakota State University to the Information Technology Department and for 5 new FTE positions for EduTech.

Other Sections in Senate Bill No. 2021

Deferred maintenance - Section 5 authorizes the Information Technology Department to transfer from the deferred maintenance line item to the Center for Distance Education line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the director of the Office of Management and Budget.

Transfers - Section 6 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.

Department of Public Instruction statewide longitudinal data system expenditures - Section 7 provides that the Department of Public Instruction may only spend the federal funds appropriated in House Bill No. 1013 for costs associated with the statewide longitudinal data system upon approval of the expenditures by the Information Technology Department.

Legislative Council study - Section 8 provides that the Legislative Council consider studying during the 2009-10 interim the value of the Information Technology Department's Criminal Justice Information Sharing Initiative.

Information Technology Department outsourcing - Section 9 provides that the Information Technology Department report to the Information Technology Committee on:

- The department's current level of outsourcing of its information technology services.
- Nonessential information technology services that could be considered for outsourcing.
- The number of the department's employees who have resigned from the department to provide information technology consulting services in the private sector and the number of which have been rehired by the department.
- The department's efforts to assist in the creation of North Dakota technology-based companies.

Statewide Longitudinal Data System Committee - Section 10 amends North Dakota Century Code Section 15.1-02-18 to expand the membership of the Statewide Longitudinal Data System Committee, provide that the committee may solicit and receive money from public and private sources and those funds are appropriated on a continuing basis for the support of the longitudinal data system, and provide that the Information Technology Department is to provide staff and other necessary support to the committee.

Related Legislation

Criminal Justice Information Sharing Board - Senate Bill No. 2041 expands the membership of the Criminal Justice Information Sharing Board and provides that board members who are not state employees are entitled to compensation and expense reimbursement.

Information technology plans - Senate Bill No. 2142:

- Allows the Chief Information Officer to exempt state agencies from having to submit an information technology plan;
- Changes the date information technology plans are due from July 15 to August 15 of each even-numbered year;
- Allows the Chief Information Officer to grant state agencies an extension relating to the due date for information technology plans; and
- Deletes the state agency information technology plan and statewide information technology plan requirements.

Health information technology - Senate Bill No. 2332:

- Establishes 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.
- Establishes 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.
- Establishes an electronic health information exchange fund consisting of the 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.
- Provides that the Health Information Technology Office and the Health Information Technology Advisory Committee shall provide periodic reports to the Legislative Council and the Budget Section on the status of the health information technology activities.
- Establishes 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 loans made from the fund are appropriated for disbursement.
- Establishes 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.
- Provides 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.
- Provides 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.
- Provides 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 the Office of Management and Budget, 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 the Office of Management and Budget 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.
- Provides an \$88 million special funds appropriation out of money in the electronic health information exchange fund, including up to \$80 million of federal funds from the federal American Recovery and Reinvestment Act of 2009, to the Information Technology Department for facilitating and expanding electronic health information exchange.