

Department 112 - Information Technology Department
House Bill No. 1021

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$49,870,408	\$421,675,168	\$471,545,576
2023-25 Base Level	28,975,953	233,670,105	262,646,058
Increase (Decrease)	\$20,894,455	\$188,005,063	\$208,899,518

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Additional appropriation authority - Section 3 appropriates additional income available from federal funds in excess of funding appropriated in Section 1 to the Information Technology Department (ITD) during the 2023-25 biennium.

Transfer - Health information technology planning loan fund to electronic health information exchange fund - Section 4 provides for a transfer of \$3 million from the health information technology planning loan fund to the electronic health information exchange fund for the North Dakota Health Information Network (NDHIN).

Exemption - Line item transfers - Section 5 allows the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer of ITD for the development and implementation of technology projects.

Strategic investment and improvements fund - Section 6 identifies \$16.5 million in Section 1 is from the strategic investment and improvements fund, of which \$10 million is for the enterprise digitization project and \$6.5 million is for the customer relationship management program.

Federal State Fiscal Recovery Fund - Section 7 identifies \$2,499,467 in Section 1 is from the federal State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project.

Federal Coronavirus Capital Projects Fund - Broadband infrastructure grants - Section 8 provides ITD an exemption to continue the \$45 million appropriated from the federal Coronavirus Capital Projects Fund during the November 2021 special legislative session for broadband infrastructure grants into the 2023-25 biennium.

Federal State Fiscal Recovery Fund - North Dakota Stockmen's Association branding inspection system - Section 9 provides ITD an exemption to continue \$401,000 appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session to convert a North Dakota Stockmen's Association paper-based branding system to an electronic system into the 2023-25 biennium.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit of ITD conducted by the State Auditor's office for the period ending June 30, 2020, contained no audit findings.

Major Related Legislation

House Bill No. 1159 - This bill repeals the State Information Technology Advisory Committee.

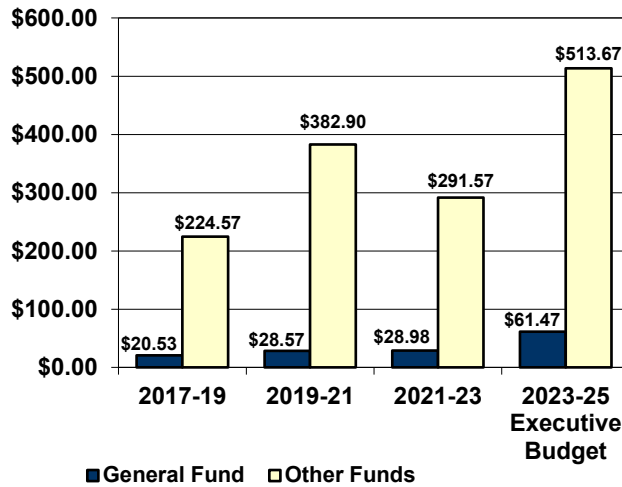
House Bill No. 1242 - This bill provides for a transfer of \$20 million from Bank of North Dakota profits to the statewide interoperable radio network (SIRN) fund and appropriates the \$20 million from the SIRN fund to ITD for the purpose of repaying a Bank line of credit authorized by the 2019 Legislative Assembly. The funding is considered a one-time funding item. The bill also provides a one-time appropriation of \$80 million from the federal State Fiscal Recovery Fund for the SIRN project. The bill includes a Legislative Management study of emergency and interoperable public safety communication system governance needs and options.

House Bill No. 1528 - This bill relates to the final disposition of records, mandatory records retention policies for state agencies, and the administration of employee accounts upon employee departure from an agency. The bill amends requirements for the state records administrator, which is the Chief Information Officer of ITD or the Chief Information Officer's designee.

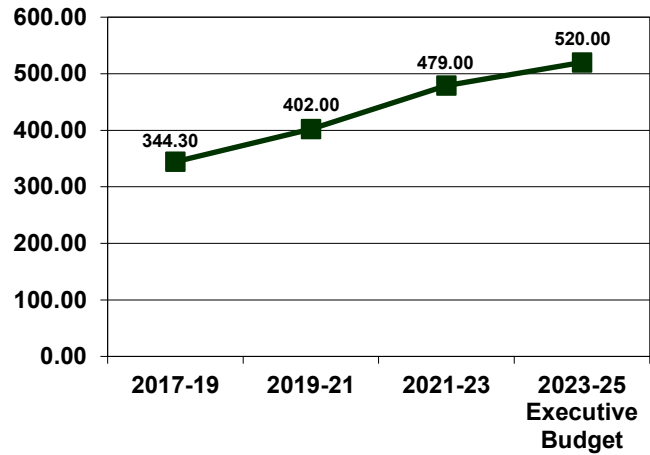
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$23,406,055	\$20,532,334	\$17,165,311	\$28,975,953	\$49,062,321
Increase (decrease) from previous biennium	N/A	(\$2,873,721)	(\$3,367,023)	\$11,810,642	\$20,086,368
Percentage increase (decrease) from previous biennium	N/A	(12.3%)	(16.4%)	68.8%	69.3%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(12.3%)	(26.7%)	23.8%	109.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed \$300,000 from the general fund for the EduTech director position (\$300,000)
2. Adjusted the funding source from the general fund to the health information exchange fund for the Health Information Technology Office director position (\$361,389)
3. Reduced funding for operating expenses, primarily related to contractor costs (\$1,275,949)
4. Added funding for the Center for Distance Education to provide a total appropriation of \$9,079,116 \$300,000
5. Reduced funding for Educational Technology Council grants, to provide total funding of \$1,121,472 for the Educational Technology Council, of which \$85,000 is for grants (\$545,000)
6. Reduced funding for the K-12 wide area network IT contract costs, to provide total funding of \$4,534,278 for the K-12 wide area network, of which \$2,688,785 is for the IT contract costs (\$490,345)

2019-21 Biennium

1. Added 8 FTE cybersecurity positions \$2,322,680
2. Removed funding for the Center for Distance Education, including 29.80 FTE positions, and transferred the program to the Department of Career and Technical Education. Total funding removed was \$9,079,116, including \$3,050,000 from the independent study operating fund. (\$6,029,116)
3. Removed funding for the Educational Technology Council, including a 0.50 FTE administrative assistant position (\$180,122)
4. Reduced funding for EduTech IT software supplies (\$295,980)
5. Adjusted funding for the K-12 wide area network to provide total funding of \$5,167,970, of which \$5,094,453 is from the general fund and \$90,000 is from the department's service fund \$600,000

2021-23 Biennium

- | | |
|--|--------------|
| 1. Added funding for 29 FTE cybersecurity positions and related operating expenses and capital assets, including \$11,222,710 from the general fund and \$1,763,515 from the department's service fund | \$11,222,710 |
| 2. Reduced funding for statewide longitudinal data system operating expenses to provide total statewide longitudinal data system funding of \$4,486,278, of which \$3,986,278 is from the general fund and \$500,000 is from federal funds | (\$456,277) |
| 3. Reduced funding for EduTech operating expenses to provide total EduTech funding of \$9,691,939, of which \$2,824,878 is from the general fund and \$6,867,062 is from other funds | (\$424,409) |
| 4. Reduced funding for K-12 wide area network operating expenses (\$223,661) and capital assets (\$200,000) to provide total K-12 wide area network funding of \$4,679,718, of which \$4,589,718 is from the general fund and \$90,000 is from the department's service fund | (\$423,661) |
| 5. Transferred funding from the Department of Emergency Services Division of State Radio for SIRM tower maintenance operating expenses | \$1,858,240 |

2023-25 Biennium (Executive Budget Recommendation)

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|--|-------------|
| 1. Adds funding for 2 FTE customer success management program positions (\$518,816) and adjusts funding for 6 existing FTE customer success management program positions from the ITD operating service fund to the general fund (\$2,050,884) | \$2,569,700 |
| 2. Adds funding for operating expenses of an enterprise digitization project to modernize state government technology | \$3,245,000 |
| 3. Adds funding for 6 FTE positions (\$1,463,830) and operating expenses (\$1,364,000) for an enterprise customer relationship management program | \$2,827,830 |
| 4. Adds funding for the statewide longitudinal data system to provide total ongoing funding of \$7,140,381 from the general fund | \$3,000,000 |
| 5. Adds funding for 2 FTE positions for the K-12 ClassLink project, including \$405,888 for salaries and wages and \$1.5 million for IT software and supplies | \$1,905,888 |
| 6. Adjusts funding for NDHIN by reducing federal funds (\$6 million) and increasing the general fund (\$3 million) and funding from the electronic health information exchange fund (\$3 million) | \$3,000,000 |

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$2,672,090	\$0	\$11,400,000	\$0	\$12,407,500

Major One-Time General Fund Appropriations**2017-19 Biennium**

None	\$0
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2019-21 Biennium

- | | |
|-------------------------------------|--------------|
| 1. Cybersecurity operating expenses | \$11,400,000 |
|-------------------------------------|--------------|

2021-23 Biennium

None	\$0
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2023-25 Biennium (Executive Budget Recommendation)

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|--|-------------|
| 1. Department of Public Instruction's (DPI) lighthouse project | \$1,350,000 |
| 2. Universal vulnerability management project | \$7,132,500 |
| 3. Inflationary IT increases | \$2,850,000 |
| 4. Statewide longitudinal data system | \$1,075,000 |

Information Technology Department - Budget No. 112
House Bill No. 1021
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	479.00	\$28,975,953	\$233,670,105	\$262,646,058	479.00	\$28,975,953	\$233,670,105	\$262,646,058
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases		\$120,798	\$726,602	\$847,400		\$120,798	\$726,602	\$847,400
Salary increase		1,356,859	6,881,426	8,238,285		942,005	5,079,371	6,021,376
Health insurance increase		315,882	2,055,132	2,371,014		296,839	2,060,312	2,357,151
Transfers \$41,791 from operating expenses to salaries for a 0.50 FTE position				0				0
Adjusts funding for the customer success management program		2,050,884	(2,050,884)	0		2,050,884	(2,050,884)	0
Adds funding for FTE customer success management program positions	2.00	518,816		518,816	2.00	518,816		518,816
Adds funding for an enterprise digitization project to modernize state technology	5.00	3,245,000	1,096,138	4,341,138	5.00	2,500,000	1,096,138	3,596,138
Adds funding for the DPI lighthouse project and governance, risk, and compliance costs	4.00	298,868	800,676	1,099,544	1.00	298,868		298,868
Adds funding for the business gateway - customer relationship management (CRM) program	8.00	2,827,830	501,808	3,329,638	4.00	1,851,943	501,808	2,353,751
Adds funding for additional support of state agency IT systems	17.00	444,258	2,899,442	3,343,700	11.00	222,129	1,745,213	1,967,342
Transfers FTE IT unification positions	3.00		559,876	559,876	3.00		559,876	559,876
Adds funding for a universal vulnerability management project		765,000		765,000		500,000		500,000
Adds funding for the Capitol security software upgrades and fiber replacement project		226,900		226,900		226,900		226,900
Adds funding for IT rate increases		9,385	5,284	14,669		9,385	5,284	14,669
Adds funding for the statewide longitudinal data system		3,000,000		3,000,000				0
Adds funding for the K-12 ClassLink project	2.00	1,905,888		1,905,888	2.00	1,905,888		1,905,888
Adjusts funding for NDHIN		3,000,000	(3,000,000)	0		3,000,000	(6,000,000)	(3,000,000)
Adds funding for SIRN			4,200,000	4,200,000			4,200,000	4,200,000
Total ongoing funding changes	41.00	\$20,086,368	\$14,675,500	\$34,761,868	28.00	\$14,444,455	\$7,923,720	\$22,368,175
One-Time Funding Items								
Adds one-time funding for an enterprise digitization project			\$25,200,000	\$25,200,000			\$10,000,000	\$10,000,000
Adds one-time funding for DPI's lighthouse project and governance, risk, and compliance costs		\$1,350,000	10,000,000	11,350,000		\$600,000	4,856,876	5,456,876
Adds one-time funding for the business gateway - enterprise CRM program			8,700,000	8,700,000			6,500,000	6,500,000
Adds one-time funding for a universal vulnerability management project		7,132,500		7,132,500		3,000,000		3,000,000
Adds one-time funding for the Capitol security software upgrade and fiber replacement project			2,499,467	2,499,467			2,499,467	2,499,467
Adds one-time funding for IT inflationary increases		2,850,000	5,675,000	8,525,000		2,850,000	4,975,000	7,825,000
Adds one-time funding for the statewide longitudinal data system		1,075,000		1,075,000				0
Adds funding for NDHIN from funds transferred from the health IT planning loan fund				0			3,000,000	3,000,000
Adds one-time funding for SIRN			20,000,000	20,000,000				0
Adds federal funding to continue broadband infrastructure grants			45,000,000	45,000,000				0
Adds federal funding for the broadband, equity, access, and deployment program			148,250,000	148,250,000			148,250,000	148,250,000
Total one-time funding changes	0.00	\$12,407,500	\$265,324,467	\$277,731,967	0.00	\$6,450,000	\$180,081,343	\$186,531,343
Total Changes to Base Level Funding	41.00	\$32,493,868	\$279,999,967	\$312,493,835	28.00	\$20,894,455	\$188,005,063	\$208,899,518
2023-25 Total Funding	520.00	\$61,469,821	\$513,670,072	\$575,139,893	507.00	\$49,870,408	\$421,675,168	\$471,545,576
<i>Federal funds included in other funds</i>			\$194,828,179				\$149,828,179	
<i>Total ongoing changes as a percentage of base level</i>	8.6%	69.3%	6.3%	13.2%	5.8%	49.8%	3.4%	8.5%
<i>Total changes as a percentage of base level</i>	8.6%	112.1%	119.8%	119.0%	5.8%	72.1%	80.5%	79.5%

Other Sections in Information Technology Department - Budget No. 112

Additional appropriation authority

Executive Budget Recommendation
Section 4 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to ITD during the 2023-25 biennium.

House Version
Section 3 appropriates additional income available from federal funds in excess of funding appropriated in Section 1 to ITD during the 2023-25 biennium.

Other Sections in Information Technology Department - Budget No. 112

	Executive Budget Recommendation	House Version
Estimated income - Transfer - Health information technology planning loan fund to electronic health information exchange fund		Section 4 provides for a transfer of \$3 million from the health information technology planning loan fund to the electronic health information exchange fund for NDHIN.
Exemption - Line item transfers	Section 3 would allow the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer of ITD for the development and implementation of technology projects.	Section 5 allows the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer of ITD for the development and implementation of technology projects.
Estimated income - Strategic investment and improvements fund	Section 7 would identify \$34,351,650 in Section 1 is from the strategic investment and improvements fund, of which \$24,250,000 is for the enterprise digitization project, \$8,700,000 is for the business gateway - CRM program, and \$1,401,650 is for the building security and fiber replacement project.	Section 6 identifies \$16.5 million in Section 1 is from the strategic investment and improvements fund, of which \$10 million is for the enterprise digitization project and \$6.5 million is for the business gateway - CRM program.
Estimated income - Federal State Fiscal Recovery Fund		Section 7 identifies \$2,499,467 in Section 1 is from the federal State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project.
Exemption - Federal Coronavirus Capital Projects Fund - Broadband infrastructure grants		Section 8 provides ITD an exemption to continue the \$45 million appropriated from the federal Coronavirus Capital Projects Fund during the November 2021 special legislative session for broadband infrastructure grants into the 2023-25 biennium.
Exemption - Federal State Fiscal Recovery Fund - North Dakota Stockmen's Association branding inspection system	Section 6 would provide ITD an exemption to continue the \$401,000 appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session to convert a North Dakota Stockmen's Association paper-based branding system to an electronic system into the 2023-25 biennium.	Section 9 provides ITD an exemption to continue \$401,000 appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session to convert a North Dakota Stockmen's Association paper-based branding system to an electronic system into the 2023-25 biennium.
Transfer - Bank of North Dakota profits to SIRN fund - SIRN project - One-time funding	Section 5 would identify \$20 million in Section 1 is from Bank of North Dakota profits and that the Bank shall transfer the funding to the SIRN fund for the SIRN project during the 2023-25 biennium. This funding would be considered a one-time funding item.	