

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1021

Page 1, line 2, replace "and" with "to provide a transfer;"

Page 1, line 2, after "exemption" insert "; and to provide for a report"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$101,734,629	\$13,403,736	\$115,138,365
Operating expenses	114,588,112	38,416,587	153,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	123,913	4,610,191
Edutech	9,691,939	1,297,519	10,989,458
K-12 wide area network	4,679,718	2,505,240	7,184,958
Geographic information system	1,101,806	123,641	1,225,447
Health information technology office	8,725,871	76,117	8,801,988
Statewide interoperable radio network	14,193,796	4,236,103	18,429,899
Broadband infrastructure	<u>0</u>	<u>148,250,000</u>	<u>148,250,000</u>
Total all funds	\$262,646,058	\$208,899,518	\$471,545,576
Less estimated income	<u>233,670,105</u>	<u>188,005,063</u>	<u>421,675,168</u>
Total general fund	\$28,975,953	\$20,894,455	\$49,870,408
Full-time equivalent positions	479.00	28.00	507.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace line 7 with:

"Health information technology office	6,000,000	3,000,000"
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Page 2, replace lines 9 and 10 with:

"North Dakota stockmen's association grant	401,000	0
Enterprise digitization project	0	10,000,000
Governance, risk, and compliance costs	0	5,456,876
Customer relationship management program	0	6,500,000
Universal vulnerability management project	0	3,000,000
Capitol security upgrade and fiber replacement project	0	2,499,467
Inflationary increases	0	7,825,000
Broadband, equity, access, and deployment program	<u>0</u>	<u>148,250,000</u>
Total all funds	\$57,901,000	\$186,531,343
Less estimated income	<u>57,901,000</u>	<u>180,081,343</u>
Total general fund	\$0	\$6,450,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The information technology department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** All federal funds received by the information technology department in excess of those funds appropriated in section 1 of this Act are appropriated to the information technology department for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - TRANSFER - HEALTH INFORMATION TECHNOLOGY PLANNING LOAN FUND TO ELECTRONIC HEALTH INFORMATION EXCHANGE FUND.** Notwithstanding section 6-09-43, the estimated income line item in section 1 of this Act includes the sum of \$3,000,000, or so much of the sum as may be necessary, which the Bank of North Dakota shall transfer, as requested by the chief information officer, from the health information technology planning loan fund to the electronic health information exchange fund for the purpose of defraying the expenses of the health information technology office and the health information network during the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 16, insert:

**"SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes the sum of \$16,500,000 from the strategic investment and improvements fund, of which \$10,000,000 is for the enterprise digitization project and \$6,500,000 is for the customer relationship management program.

**SECTION 7. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND.** The estimated income line item in section 1 of this Act includes the sum of \$2,499,467 from federal funds derived from the state fiscal recovery fund for the capitol security software upgrade and fiber replacement project.

**SECTION 8. EXEMPTION - BROADBAND INFRASTRUCTURE GRANTS.** The amount of \$45,000,000 appropriated from federal funds derived from the coronavirus capital projects fund for the broadband infrastructure grants program in section 9 of chapter 548 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. EXEMPTION - NORTH DAKOTA STOCKMEN'S ASSOCIATION BRANDING INSPECTION SYSTEM.** The amount of \$401,000 appropriated from federal funds derived from the state fiscal recovery fund for the purpose of providing a grant to the North Dakota stockmen's association for conversion of a paper-based brand inspection program to an electronic system in subsection 23 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Information Technology Department - House Action**

	<b>Base Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$101,734,629	\$13,403,736	\$115,138,365
Operating expenses	114,588,112	38,416,587	153,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	123,913	4,610,191
EduTech	9,691,939	1,297,519	10,989,458
K-12 wide area network	4,679,718	2,505,240	7,184,958
Geographic information system	1,101,806	123,641	1,225,447
Health information technology office	8,725,871	76,117	8,801,988
Statewide interoperable radio network	14,193,796	4,236,103	18,429,899
Broadband infrastructure		148,250,000	148,250,000
Total all funds	\$262,646,058	\$208,899,518	\$471,545,576
Less estimated income	233,670,105	188,005,063	421,675,168
General fund	\$28,975,953	\$20,894,455	\$49,870,408
FTE	479.00	28.00	507.00

**Department 112 - Information Technology Department - Detail of House Changes**

	<b>Adds Funding for the Cost to Continue Salaries<sup>1</sup></b>	<b>Adds Funding for Salary and Benefit Increases<sup>2</sup></b>	<b>Adjusts Base Level Funding<sup>3</sup></b>	<b>Adds Funding for the Customer Success Management Program<sup>4</sup></b>	<b>Adds Funding for an Enterprise Digitization Project<sup>5</sup></b>	<b>Adds Funding for Governance, Risk, and Compliance Costs<sup>6</sup></b>
Salaries and wages	\$773,445	\$7,620,837	\$41,791	\$501,816	\$981,138	\$298,868
Operating expenses			(27,122)	17,000	2,615,000	
Capital assets						
Statewide longitudinal data system	5,810	118,103				
EduTech	50,888	421,631				
K-12 wide area network	7,665	91,687				
Geographic information system	2,677	20,964				
Health information technology office	6,725	69,392				
Statewide interoperable radio network	190	35,913	4,200,000			
Broadband infrastructure						
Total all funds	\$847,400	\$8,378,527	\$4,214,669	\$518,816	\$3,596,138	\$298,868
Less estimated income	726,602	7,139,683	4,205,284	(2,050,884)	1,096,138	0
General fund	\$120,798	\$1,238,844	\$9,385	\$2,569,700	\$2,500,000	\$298,868
FTE	0.00	0.00	0.00	2.00	5.00	1.00

	<b>Adds Funding for a Customer Relationship Management Program<sup>2</sup></b>	<b>Adds FTE Positions to Support State IT Systems<sup>3</sup></b>	<b>Adds Funding for IT Unification<sup>3</sup></b>	<b>Adds Funding for a Universal Vulnerability Management Project<sup>10</sup></b>	<b>Adds Funding for Capitol Security Software and Fiber Replacement<sup>11</sup></b>	<b>Adds Funding for the K-12 ClassLink Project<sup>12</sup></b>
Salaries and wages	\$989,751	\$1,707,170	\$488,920			
Operating expenses	1,364,000	260,172	70,956	\$500,000	\$226,900	
Capital assets						
Statewide longitudinal data system						
EduTech						
K-12 wide area network						\$1,905,888
Geographic information system						
Health information technology office						
Statewide interoperable radio network						
Broadband infrastructure						
<b>Total all funds</b>	<b>\$2,353,751</b>	<b>\$1,967,342</b>	<b>\$559,876</b>	<b>\$500,000</b>	<b>\$226,900</b>	<b>\$1,905,888</b>
Less estimated income	501,808	1,745,213	559,876	0	0	0
General fund	<u>\$1,851,943</u>	<u>\$222,129</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$226,900</u>	<u>\$1,905,888</u>
FTE	4.00	11.00	3.00	0.00	0.00	2.00

	<b>Adjusts Funding for the Health Information Network<sup>13</sup></b>	<b>Adds One-Time Funding for Projects and Programs<sup>14</sup></b>	<b>Adds One-Time Funding for IT Inflationary Increases<sup>15</sup></b>	<b>Adds Funding for the Broadband Equity Program<sup>16</sup></b>	<b>Total House Changes</b>
Salaries and wages					\$13,403,736
Operating expenses		\$26,989,681	\$6,400,000		38,416,587
Capital assets		466,662			466,662
Statewide longitudinal data system					123,913
EduTech			825,000		1,297,519
K-12 wide area network			500,000		2,505,240
Geographic information system			100,000		123,641
Health information technology office	(\$3,000,000)	3,000,000			76,117
Statewide interoperable radio network					4,236,103
Broadband infrastructure				\$148,250,000	148,250,000
<b>Total all funds</b>	<b>(\$3,000,000)</b>	<b>\$30,456,343</b>	<b>\$7,825,000</b>	<b>\$148,250,000</b>	<b>\$208,899,518</b>
Less estimated income	(6,000,000)	26,856,343	4,975,000	148,250,000	188,005,063
General fund	<u>\$3,000,000</u>	<u>\$3,600,000</u>	<u>\$2,850,000</u>	<u>\$0</u>	<u>\$20,894,455</u>
FTE	0.00	0.00	0.00	0.00	28.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Salary increase	\$942,005	\$5,079,371	\$6,021,376
Health insurance increase	<u>296,839</u>	<u>2,060,312</u>	<u>2,357,151</u>
Total	\$1,238,844	\$7,139,683	\$8,378,527

<sup>3</sup> Base level funding is adjusted as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Transfers \$41,791 from the operating expenses line item to the salaries and wages line item for an existing 0.50 FTE position	\$0	\$0	\$0
Adds funding for information technology rate increases	9,385	5,284	14,669
Adds funding for the statewide interoperable radio network (SIRN) from the SIRN fund to provide a total of \$18,429,899, of which \$1,858,240 is from the general fund and \$16,571,659 is from the SIRN fund	<u>0</u>	<u>4,200,000</u>	<u>4,200,000</u>
<b>Total</b>	<b>\$9,385</b>	<b>\$4,205,284</b>	<b>\$4,214,669</b>

<sup>4</sup> Funding is added from the general fund for 2 FTE positions related to the customer success management program, including \$501,816 for salaries and wages and \$17,000 for related operating expenses. Funding of \$2,050,884 is adjusted from the Information Technology Department (ITD) operating service fund to the general fund for 6 existing FTE positions for the program.

<sup>5</sup> Funding of \$3,596,138, of which \$2,500,000 is from the general fund and \$1,096,138 is from the ITD operating service fund, is added for an enterprise digitization project to modernize state technology, including \$981,138 for salaries and wages of 5 FTE positions and \$2,615,000 for IT software, data processing, and contractual services.

<sup>6</sup> Funding of \$298,868 is added from the general fund for salaries and wages of 1 FTE position related to governance, risk, and compliance costs and the Department of Public Instruction lighthouse project.

<sup>7</sup> Funding of \$2,353,751, of which \$1,851,943 is from the general fund and \$501,808 is from the ITD operating services fund, is added for an enterprise customer relationship management program, including \$989,751 for salaries and wages of 4 FTE positions and \$1,364,000 for software licensing costs.

<sup>8</sup> Funding of \$1,967,342, of which \$222,129 is from the general fund and \$1,745,213 is from the ITD operating service fund, is added for 11 FTE positions for additional support of state agency IT systems, of which \$1,707,170 is for salaries and wages and \$260,172 is for related operating expenses. The 11 FTE positions include 6 FTE apprenticeship positions, 1 FTE desktop support position, 1 FTE public safety support position, 1 FTE transportation support position, 1 FTE network technician position, and 1 FTE cybersecurity position.

<sup>9</sup> Funding of \$559,876 is added from the ITD operating service fund for the transfer of 3 FTE positions, including 2 FTE positions from the Department of Corrections and Rehabilitation and 1 FTE position from the Insurance Commissioner, to ITD. Of the total, \$488,920 is for salaries and wages and \$70,956 is for operating expenses.

<sup>10</sup> Funding of \$500,000 from the general fund is added for software costs related to a universal vulnerability management project.

<sup>11</sup> Funding of \$226,900 is added from the general fund for Capitol security software upgrades and the fiber replacement project.

<sup>12</sup> Funding of \$1,905,888 is added from the general fund for the K-12 ClassLink project, including \$405,888 for salaries and wages of 2 FTE positions and \$1,500,000 for IT software and supplies.

<sup>13</sup> Funding is adjusted for the North Dakota Health Information Network by reducing federal funds (\$6 million) and increasing the general fund (\$3 million). A separate entry is provided to add one-time funding of \$3 million from the electronic health information exchange fund. Total funding for the network is \$8,801,988, of which \$3 million is from the general fund and \$5,801,988 is from the electronic health information exchange fund.

<sup>14</sup> One-time funding is added for the following projects and programs:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Adds funding from the strategic investment and improvements fund (SIIF) for an enterprise digitization project	\$0	\$10,000,000	\$10,000,000
Adds funding from the general fund for governance, risk, and compliance costs and from the ITD operating service fund for the Department of Public Instruction lighthouse project	600,000	4,856,876	5,456,876
Adds funding from SIIF for an enterprise customer relationship management program	0	6,500,000	6,500,000
Adds funding for a universal vulnerability management project	3,000,000	0	3,000,000
Adds federal funding from the State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project, including \$2,032,805 for operating expenses and \$466,662 for capital assets	0	2,499,467	2,499,467
Adds funding from the electronic health information exchange fund for the North Dakota Health Information Network, which is provided from a transfer from the health information technology planning loan fund	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
<b>Total</b>	<b>\$3,600,000</b>	<b>\$26,856,343</b>	<b>\$30,456,343</b>

<sup>15</sup> One-time funding of \$7,825,000 is added for IT inflationary increases, of which \$2,850,000 is from the general fund, \$325,000 is from the PowerSchool fund, and \$4,650,000 is from the ITD operating service fund.

<sup>16</sup> One-time funding of \$148,250,000 is added from federal funds made available as a result of the Infrastructure Investment and Jobs Act for the broadband, equity, access, and deployment (BEAD) program.

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This amendment also:

- Adds a section to appropriate all federal funds received by ITD in excess of the funds appropriated in Section 1 to ITD for the 2023-25 biennium.
- Adds a section to provide for a transfer of \$3 million from the health information technology planning loan fund to the electronic health information exchange fund.
- Adds a section to identify \$16.5 million from SIIF, of which \$10 million is for the enterprise digitization project and \$6.5 million is for the customer relationship management program.
- Adds a section to identify \$2,499,467 from the federal State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project.
- Adds a section to provide an exemption to allow ITD to continue \$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.
- Adds a section to provide an exemption to allow ITD 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.