

Information Technology Department
Senate Bill No. 2022, House Bill No. 1013

	FTE Positions	General Fund	Other Funds	Total
2001-03 executive budget (Governor Schafer) (bills as introduced)	212.00	\$35,835,932	\$71,185,087	\$107,021,019
2001-03 legislative appropriations	244.70 ¹	19,648,060	75,192,130	94,840,190 ²
Legislative increase (decrease) to executive budget	32.70	(\$16,187,872)	\$4,007,043	(\$12,180,829)
Legislative increase (decrease) to 1999-2001 appropriations	76.70	\$19,398,060	\$25,782,573	\$45,180,633

¹ This number includes 37.7 FTE positions for the Division of Independent Study authorized in House Bill No. 1013. Senate Bill No. 2251 provides that any funds appropriated by the Legislative Assembly for the Division of Independent Study must be transferred to the Information Technology Department for use by the Educational Technology Council, and therefore any FTE positions for the Division of Independent Study must also be transferred to the Information Technology Department.

² This amount includes the appropriation of \$5,221,466, of which \$868,216 is from the general fund, for the Division of Independent Study authorized in House Bill No. 1013. Senate Bill No. 2251 provides that any funds appropriated by the Legislative Assembly for the Division of Independent Study must be transferred to the Information Technology Department for use by the Educational Technology Council.

2001-03 Governor Hoeven's recommendation	212.00	\$25,718,432	\$71,185,087	\$96,903,519
Legislative increase (decrease) to Governor Hoeven's recommendation	32.70	(\$6,070,372)	\$4,007,043	(\$2,063,329)

GOVERNOR HOEVEN'S RECOMMENDATIONS

The Hoeven executive recommendation decreased funding from the general fund for the Information Technology Department from the Schafer executive budget by \$10,117,500 from \$35,835,932 to \$25,718,432. The Hoeven recommendation reduced funding for the statewide information technology network by decreasing the funding for the Educational Technology Council from \$3,500,000 to \$2,200,000. The Hoeven recommendation adjusted funding for the enterprise resource planning (ERP) system by reducing funding from the general fund for operating expenses by \$9,000,000 and increasing funding from the general fund by \$482,500 due to the transfer of funding related to the Quality Schools Commission (\$70,000) and student data base (\$412,500) from the Department of Public Instruction to the Information Technology Department. The Hoeven recommendation also reduced funding provided from the general fund to establish an innovation fund from \$500,000 to \$200,000.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET (SCHAFFER) 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. In addition to the above appropriations, agencies may receive additional funding from the \$5 million appropriated in Section 1 of House Bill No. 1015 for special market equity adjustments for classified state employees whose salaries are the furthest from their respective salary range midpoints.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted salaries and wages funding for recommended salary increases		(\$142,666)	\$142,666	\$0
Decreased funding and removed 1 FTE position added in the executive recommendation for an e-government initiative	(1.00)	(167,088)		(167,088)
Decreased funding and removed 1 FTE position added in the executive recommendation for a geographic information system initiative	(1.00)	(321,785)		(321,785)
Decreased funding for operating expenses related to the new research and planning FTE position		(100,000)		(100,000)
Reduced funding for Educational Technology Council grants		(2,300,000)		(2,300,000)
Decreased funding for an ERP system	(3.00)	(12,500,000)	(488,873)	(12,988,873)
Reduced funding for the Center for Innovation and Instruction		(134,249)		(134,249)
Reduced funding for SENDIT network		(300,000)		(300,000)
Removed funding for information technology technical education program development		(590,300)		(590,300)
Removed funding for information technology innovation fund		(500,000)		(500,000)
Transferred funding appropriated and FTE positions authorized for the Division of Independent Study in House Bill No. 1013 pursuant to Senate Bill No. 2251	37.70	868,216	4,353,250	5,221,466
Total	32.70	(\$16,187,872)	\$4,007,043	(\$12,180,829)

FTE Changes

The 2001-03 biennium appropriation includes funding for 244.7 FTE positions, an increase of 76.7 FTE positions from the 1999-2001 biennium authorized level of 168 FTE positions. The following table summarizes FTE position changes included in the 2001-03 biennium executive budget and the legislative appropriation:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) from Executive Budget
Statewide information technology network			
Telecommunications analyst II	2.00	2.00	

Telecommunications analyst III	2.00	2.00	
Human Services - Health Insurance Portability and Accountability Act project			
Systems development manager	1.00	1.00	
Senior programmer analyst	5.00	5.00	
Programmer analyst III	4.00	4.00	
Programmer analyst II	2.00	2.00	
Programmer analyst I	2.00	2.00	
Administrative secretary III	1.00	1.00	
Human Services - FACES project			
Senior programmer analyst	2.00	2.00	
Programmer analyst III	1.00	1.00	
Programmer analyst II	1.00	1.00	
Human Services - Foster care project			
Senior programmer analyst	2.00	2.00	
Programmer analyst III	1.00	1.00	
Tax Department project			
Programmer analyst III	1.00	1.00	
Programmer analyst II	1.00	1.00	
Department of Transportation projects			
Programmer analyst III	2.00	2.00	
Enterprise resource planning system initiative			
Senior programmer analyst	2.00	0.00	(2.00)
Programmer analyst III	1.00	0.00	(1.00)
Geographic information system initiative			
Programmer analyst III - Data base analyst III	2.00	1.00	(1.00)
E-government initiative			
Senior programmer analyst	2.00	1.00	(1.00)
Electronic data management system project			
Programmer analyst III	1.00	1.00	
Data base analyst III	1.00	1.00	
Division of Independent Study ¹		37.70	37.70
Other			
Information systems security analyst	2.00	2.00	
Information technology business analyst	2.00	2.00	
Senior personnel officer	1.00	1.00	
Total	44.00	76.70	32.70

¹ Senate Bill No. 2251 provides that any funds appropriated by the Legislative Assembly for the Division of Independent Study must be transferred to the Information Technology Department for use by the Educational Technology Council; therefore, any FTE positions for the Division of Independent Study must also be transferred to the Information Technology Department. House Bill No. 1013 authorized 37.7 FTE positions for the Division of Independent Study for the 2001-03 biennium.

Statewide Information Technology Network Funding

The Legislative Assembly did not change the executive recommendation to provide funding of \$9,968,905, of which \$4,920,825 is from the general fund, and four new FTE positions for implementation of the statewide information technology network. 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 has begun implementation of a statewide information technology network infrastructure which involves connecting 194 cities and 552 physical locations across the state. Phase 1 of the implementation, which was completed in December 2000, involved 64 cities and 218 physical locations. Phase 2 of the implementation, which connects elementary and secondary schools and public libraries, is anticipated to be completed during the 2001-03 biennium.

Enterprise Resource Planning System Initiative

The department's appropriation for the 2001-03 biennium includes funding of \$7.5 million from the general fund for Phase 1 of the implementation of an enterprise resource planning (ERP) system for the state of North Dakota. The funding of \$7,500,000 is a decrease of \$12,988,873 from the executive recommendation amount of \$20,488,873, of which \$20,000,000 was from the general fund, and a decrease of \$4,471,373 from the Hoeven executive recommendation of \$11,971,373, of which \$11,482,500 was from the general fund. In addition, the Legislative Assembly did not adopt the executive recommendation to authorize three new FTE positions for implementation of the ERP system initiative. The ERP system is a multimodule software system that includes a relational data base and applications for managing purchasing, inventory, personnel, financial planning, and other management aspects. The ERP system initiative to be implemented by the Information Technology Department for the state of North Dakota would integrate the core financial and administrative applications of state government, higher education, and public education, including financial management, purchasing, budgeting, human resources, payroll, asset management, and student information functions into one multisuite software system which would enable all entities to share and use data.

Centralized Geographic Information System Initiative

The department's appropriation for the 2001-03 biennium includes funding of \$750,000 from the general fund for implementation of a centralized geographic information system, a decrease of \$321,785 from the executive recommendation of \$1,071,785. The Legislative Assembly authorized one of the two new FTE positions included in the executive recommendation for the initiative.

Educational Technology Council Funding

The Legislative Assembly did not change the executive recommendation to transfer the appropriation for grant funds to be distributed by the Educational Technology Council from the Department of Public Instruction to the Information Technology Department. The Legislative Assembly did reduce the funding to be provided for the grants by \$2.3 million from the executive recommendation of \$3.5 million to \$1.2 million. The \$1.2 million is a decrease of \$1 million from the Hoeven executive recommendation of \$2.2 million and a decrease of \$4.8 million from the amount appropriated in the 1999-2001 biennium to the Department of Public Instruction of \$6 million.

Center for Innovation and Instruction Funding

The Legislative Assembly did not change the executive recommendation to transfer the appropriation for the Center for Innovation and Instruction from Valley City State University to the Information Technology Department. The Legislative Assembly did reduce the funding for the Center for Innovation and Instruction by \$134,249 from the executive recommendation of \$924,583 to \$800,334. The \$800,334 is an increase of \$459,751 from the amount appropriated in the 1999-2001 biennium of \$340,583.

SENDIT Technology Services Funding

The Legislative Assembly did not change the executive recommendation to transfer the funding for SENDIT technology services from the Department of Public Instruction to the Information Technology Department. The Legislative Assembly reduced funding for SENDIT technology services by \$300,000 from the executive recommendation of \$1,973,669 to \$1,673,669. The amount provided of \$1,673,669 is an increase of \$1,127,000 from the amount appropriated for the 1999-2001 biennium of \$546,669.

Prairie Public Television Funding

The Legislative Assembly did not change the executive recommendation to transfer the funding for Prairie Public television from the North Dakota University System office to the Information Technology Department. The Legislative Assembly did not change the executive recommendation of \$1,407,513 from the general fund which is the same level of funding provided for the 1999-2001 biennium.

Line Item Transfers

Section 2 of Senate Bill No. 2022 allows the Chief Information Officer to request transfers of funds between line items without Emergency Commission and Budget Section approval if the transfers do not result in line items in excess of the amount of funding included in the Hoeven executive recommendation. Those transfers that result in line items in excess of the amount of funding included in the Hoeven executive recommendation must be approved by the Emergency Commission and the Budget Section. The Chief Information Officer must inform the Budget Section of all line item transfers made.

Related Legislation

Information Technology Department and Information Technology Committee responsibilities and duties - Senate Bill No. 2043 requires the Information Technology Committee to review the cost-benefit analysis of any major project of the State Board of Higher Education or any institution under the control of the board if the project significantly impacts the state's wide area network, impacts the statewide library system, or is an administrative project. The bill allows the Information Technology Department to purchase equipment and software through financing arrangements. The bill also specifies additional requirements that must be included in the department's business plan, changes the deadline for agencies submitting information technology plans from January 15 to March 15 of each even-numbered year, and requires the Information Technology Department to prepare an annual report regarding major information technology projects, information technology rates, and information technology benefits and to develop performance measures to assist the Legislative Assembly in determining the effectiveness and efficiency of the department's operations.

Educational Technology Council - Senate Bill No. 2251 creates a new Educational Technology Council to replace the Educational Telecommunications Council and provides that funding appropriated by the 2001 Legislative Assembly for the Division of Independent Study, SENDIT technology services, and the Center for Innovation in Instruction be transferred to the Information Technology Department for use by the Educational Technology Council.

Building construction cost-benefit analyses - Section 28 of House Bill No. 1015 creates a new section to NDCC Chapter 54-44.1, which requires the Information Technology Department to provide the Office of Management and Budget an analysis of the technology costs and savings involved in proposed building construction projects.