

FISCAL NOTE
Requested by Legislative Council
02/11/2021

Revised
 Amendment to: HB 1094

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$(44,000)	\$0	\$(44,000)
Expenditures	\$0	\$0	\$(34,000)	\$(10,000)	\$(34,000)	\$(10,000)
Appropriations	\$0	\$0	\$(34,000)	\$(10,000)	\$(34,000)	\$(10,000)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill would remove the requirement of the State Auditor's Office to obtain centralized desktop support services from ITD. The amendment adds to striking the Agriculture Commissioner, Secretary of State, and State Treasurer from the requirement as well.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the bill would remove the requirement of the State Auditor's Office (SAO) to obtain centralized desktop support services from ITD. The analysis provided assumes the SAO would purchase their own computer equipment, while maintaining a relationship with ITD. Initially, ITD would continue to provide most services, including, but not limited to licensing and hosting.

The amendment removes the requirement of the four elected officials listed in law to utilize centralized desktop support services from ITD. The amendment includes the State Auditor, Agricultural Commissioner, Secretary of State, and the State Treasurer.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The bill would reduce NDIT special fund revenue by an estimated \$44,000, which would be the reduction of expenditures the SAO would use for desktop support services.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If the State Auditor's Office (SAO) were approved to purchase and support their own computer equipment, analysis shows a savings of 10%, or \$44,504, per biennium on data processing fees charged by ITD. The SAO has three full-

time systems auditors, whose primary responsibility is agency audits, that are providing support to staff when equipment issues arise. The savings would be split between the general (77%), special (18%), and federal (5%) funds using the agency staff breakdown.

The analysis does assume ITD will work with the SAO on a smooth transition.

It is unknown if ITD would want all equipment returned; therefore, requiring the SAO to purchase all new equipment. This would require additional appropriations up front as the analysis continues a three-year replacement schedule. Additional fees to be charged by ITD need to be determined as well.

The State Treasurer, Secretary of State, and Agricultural Commissioner plan to continue to utilize NDIT for desktop services, for now. If no changes are made by the agencies, there is no additional fiscal impact.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The appropriations would follow suit with the expenditures. The current appropriations are included in line 30 of the executive budget, and required to operate the agency.

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