

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Information Technology Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$112,233,364	\$16,139,027	\$128,372,391
New and vacant FTE pool		8,403,424	8,403,424
Operating expenses	119,115,018	(96,380,424)	22,734,594
Capital assets	3,443,909	(3,312,874)	131,035
Statewide longitudinal data system	4,625,661	(504,904)	4,120,757
EduTech	10,348,826	(304,659)	10,044,167
K-12 wide area network	5,915,668	912,665	6,828,333
Geographic information system	1,109,786	48,157	1,157,943
Health Information Technology Office	5,822,725	4,928,517	10,751,242
Statewide interoperable radio network	18,449,852	(2,236,315)	16,213,537
Total all funds	\$281,064,809	(\$72,307,386)	\$208,757,423
Less estimated income	239,646,504	(82,764,058)	156,882,446
General fund	\$41,418,305	\$10,456,672	\$51,874,977
FTE	507.00	2.00	509.00

Department 112 - Information Technology Department - Detail of Senate Changes

	Adjusts Funding for Base Paryroll Changes¹	Adds Funding for the Cost to Continue Salaries²	Adds Funding for Salary and Benefit Increases³	Adds Funding for FTE SIRN Positions⁴	Adds Funding to Replace 2023-25 New and Vacant FTE Pool⁵	Transfers Funding for 2025-27 New and Vacant FTE Pool⁶
Salaries and wages	\$3,204,581	\$2,942,816	\$7,936,669		\$13,093,855	(\$11,038,894)
New and vacant FTE pool						8,403,424
Operating expenses						
Capital assets						
Statewide longitudinal data system		276,855	55,822		132,703	(75,445)
EduTech		(455,630)	397,495		420,517	(504,965)
K-12 wide area network		(65,555)	67,738		102,130	(89,058)
Geographic information system		8,932	19,208		22,704	(26,184)
Health Information Technology Office		(10,695)	70,693		77,504	(94,151)
Statewide interoperable radio network		(231,007)	18,386	\$608,927	36,707	(24,766)
Total all funds	\$3,204,581	\$2,465,716	\$8,566,011	\$608,927	\$13,886,120	(\$3,450,039)
Less estimated income	3,229,838	2,047,215	7,222,484	608,927	10,418,391	(2,927,793)
General fund	(\$25,257)	\$418,501	\$1,343,527	\$0	\$3,467,729	(\$522,246)
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adjusts Base Level Funding⁷	Adds Funding for Cybersecurity Contractual Services⁸	Transfers Special Fund Authority to Continuing Appropriation Authority⁹	Adds Ongoing Funding for Vulnerability Software¹⁰	Adjusts Ongoing Funding for the Health Information Network¹¹	Adjusts Funding for SIRN¹²
Salaries and wages						
New and vacant FTE pool						
Operating expenses	(\$7,574,647)	\$4,006,865	(\$95,855,602)	\$2,892,960		
Capital assets	1		(3,312,875)			
Statewide longitudinal data system	(894,839)					
EduTech	(162,076)					
K-12 wide area network	771,101	126,309				
Geographic information system	23,497					
Health Information Technology Office					\$1,885,166	
Statewide interoperable radio network						(\$2,644,562)
Total all funds	(\$7,836,963)	\$4,133,174	(\$99,168,477)	\$2,892,960	\$1,885,166	(\$2,644,562)
Less estimated income	(10,625,466)	0	(99,168,477)	2,892,960	3,241,945	(2,854,082)
General fund	\$2,788,503	\$4,133,174	\$0	\$0	(\$1,356,779)	\$209,520
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding¹³	Total Senate Changes
Salaries and wages		\$16,139,027
New and vacant FTE pool		8,403,424
Operating expenses	\$150,000	(96,380,424)
Capital assets		(3,312,874)
Statewide longitudinal data system		(504,904)
EduTech		(304,659)
K-12 wide area network		912,665
Geographic information system		48,157
Health Information Technology Office	3,000,000	4,928,517
Statewide interoperable radio network		(2,236,315)
Total all funds	\$3,150,000	(\$72,307,386)
Less estimated income	3,150,000	(82,764,058)
General fund	\$0	\$10,456,672
FTE	0.00	2.00

¹ Funding is adjusted for base payroll changes related to salary equity increases, position reclassifications, and other staffing changes.

² Funding is added for the cost to continue salary increases from the 2023-25 biennium.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$845,089	\$4,664,234	\$5,509,323
Health insurance increase	498,438	2,558,250	3,056,688
Total	\$1,343,527	\$7,222,484	\$8,566,011

⁴ Funding of \$608,927 is added from the statewide interoperable radio network (SIRN) fund for 2 FTE SIRN positions.

⁵ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
New FTE positions	\$1,998,699	\$2,967,987	\$4,966,686
Vacant FTE positions	<u>1,469,030</u>	<u>7,450,404</u>	<u>8,919,434</u>
Total	\$3,467,729	\$10,418,391	\$13,886,120

⁶ Funding of \$11,853,462 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of \$8,403,423 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	\$0	(\$529,994)	(\$529,994)
Vacant FTE positions	<u>(1,740,821)</u>	<u>(9,582,647)</u>	<u>(11,323,468)</u>
Total	(\$1,740,821)	(\$10,112,641)	(\$11,853,462)
Funding pool line item	<u>1,218,575</u>	<u>7,184,849</u>	<u>8,403,424</u>
Net savings	(\$522,246)	(\$2,927,792)	(\$3,450,038)

⁷ Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for operating expenses, primarily professional services. Of the funding reduced from other funds, \$744,345 is from federal funds and \$9,595,013 is from special funds	(\$599,999)	(\$10,339,358)	(\$10,939,357)
Adds funding for information technology (IT) inflationary costs, including \$231,845 from federal funds and \$299,802 from special funds	3,181,664	531,647	3,713,311
Reduces funding for the statewide longitudinal data system, including \$500,000 from federal funds	(394,839)	(500,000)	(894,839)
Reduces funding for EduTech operating expenses, including \$500,000 from federal funds and \$53,869 from special funds	0	(553,869)	(553,869)
Adds funding from special funds for an EduTech training application replacement project	0	391,793	391,793
Adjusts funding for the K-12 wide area network, including a reduction from special funds	512,501	(90,000)	422,501
Adjusts funding for the geographic information system, including a reduction from federal funds	<u>89,176</u>	<u>(65,679)</u>	<u>23,497</u>
Total	\$2,788,503	(\$10,625,466)	(\$7,836,963)

⁸ Funding of \$4,133,174 from the general fund is added for cybersecurity contractual service increases.

⁹ Special funds of \$99,168,477 from the department's IT operating fund is transferred to continuing appropriation authority, resulting in the department being able to charge state agencies for IT services without specific legislative approval. A section is added to the bill providing the statutory change to establish a continuing appropriation.

¹⁰ Ongoing funding of \$2,892,960 from the information technology operating fund is added for vulnerability management software licensing costs.

¹¹ Ongoing funding for the North Dakota Health Information Network is adjusted, including a (\$1,356,779) reduction from the general fund and a \$3,241,945 increase from the electronic health information exchange fund.

¹² Funding for SIRN is adjusted, including adding \$209,520 from the general fund for SIRN circuits and reducing \$2,854,082 from the SIRN fund for equipment.

¹³ One-time funding of \$3.15 million is added, including \$150,000 from the information technology operating fund for vulnerability management software licensing costs and \$3 million transferred from the health IT planning loan fund to the electronic health information exchange fund for the North Dakota Health Information Network. A section is added to the bill to provide for the transfer.

Senate Bill No. 2021 - Other Changes - Senate Action

This amendment also adds sections:

- Regarding the use funding in the new and vacant FTE pool line item.
- To provide for a \$3 million transfer from the health IT planning loan fund to the electronic health information exchange fund for the North Dakota Health Information Network.
- To amend Section 54-59-14 to provide the Information Technology Department a continuing appropriation from the IT operating fund to allow the department to provide IT and network services to state agencies without receiving appropriation authority from the Legislative Assembly. The department is required to provide a report at each meeting of the Budget Section and to the appropriations committee each legislative session regarding the status of the IT operating fund and the balance of the fund.
- To amend Section 54-59-15 to rename the IT operating account the IT operating fund.
- To provide exemptions allowing the department to continue funding appropriated in prior bienniums into the 2025-27 biennium.