

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2021
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact sections 54-35-15.1, 54-59-14, and 54-59-15 of the North Dakota Century Code, relating to membership of the information technology committee and the information technology operating fund; to provide an exemption; to provide for a legislative management study; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from special funds and federal funds, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$112,233,364	\$16,747,954	\$128,981,318
New and vacant FTE pool	0	8,403,424	8,403,424
Operating expenses	119,115,018	(98,975,025)	20,139,993
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	(2,832,440)	7,516,386
K-12 wide area network	5,915,668	786,356	6,702,024
Geographic information system	1,109,786	48,157	1,157,943
Health information technology office	5,822,725	1,928,517	7,751,242
Statewide interoperable radio network	18,449,852	(2,845,242)	15,604,610
Total all funds	\$281,064,809	(\$80,556,077)	\$200,508,732
Less other funds	239,646,504	(87,178,908)	152,467,596
Total general fund	\$41,418,305	\$6,622,831	\$48,041,136
Full-time equivalent positions	507.00	2.00	509.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
State data center migration project	\$0	\$1,719,061	\$1,719,061
Information technology services automation	0	1,793,609	1,793,609
Total	\$0	\$3,512,670	\$3,512,670

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The information technology department may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item and other line items with salaries and wages in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act, except the new and vacant FTE pool line item, for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects. The department shall notify the legislative council of any transfers made pursuant to this section.

SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$3,512,670 from the strategic investment and improvements fund, including \$1,719,061 for a state data center migration project and \$1,793,609 for the cost of automating information technology services and the purchase of software licenses.

SECTION 6. AMENDMENT. Section 54-35-15.1 of the North Dakota Century Code is amended and reenacted as follows:

54-35-15.1. Information technology committee - Appointment.

The legislative management, during each biennium, shall appoint an information technology committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint six members of the house of representatives and five members of the senate to the committee. The chief information officer of the state is ~~an~~ and an individual with information technology-related experience from the department of health and human services, appointed by the commissioner of the department of health and human services, are ex officio, nonvoting ~~member~~ members of the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 7. AMENDMENT. Section 54-59-14 of the North Dakota Century Code is amended and reenacted as follows:

54-59-14. Information technology operating ~~account~~fund - Continuing appropriation - Report.

1. The department shall establish a state information technology operating ~~account~~fund in the state treasury to be used, ~~in accordance with legislative appropriation,~~ for procuring and maintaining information technology and network services and for providing information technology, ~~and network services, and central microfilm unit services~~ to state entities and network services to users of the state network.
2. Unless exempted by law, each agency or institution provided with information technology or network services shall pay to the department the charges for services provided as determined by the department. The department shall deposit the amounts received in the information technology operating ~~account or the information technology development account, as appropriate~~fund, which are appropriated to the department on a continuing basis for purposes provided under this section, except the department may not use continuing appropriation authority to pay salaries and wages-related expenses.
3. The department shall compile a report regarding the status of the information technology operating fund to be provided at each meeting of the budget section. The report must include information regarding expenditures paid from the fund for department administration, operations, and information technology projects by specific object code, the amount and category of services provided to state agencies and institutions and users of the state network from moneys in the fund, and the balance remaining in the fund from the most recently completed quarter. The department shall present the mostly recently completed report to the appropriation committees of the legislative assembly each legislative session.

SECTION 8. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

54-59-15. Acceptance of funds.

The department may accept federal or other funds, which must be deposited in the information technology operating ~~account~~fund or other ~~accounts~~funds specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

SECTION 9. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended appropriation authority remaining may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$45,000,000 appropriated from the federal coronavirus capital projects fund for broadband infrastructure grants in section 9 of chapter 548 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in sections 9 and 10 of chapter 21 of the 2023 Session Laws.
2. The sum of \$12,000,000 appropriated from the strategic investment and improvements fund, of which \$7,000,000 was for an enterprise digitization project and \$5,000,000 was for a business gateway enterprise customer relationship management program, in section 1 of chapter 21 of the 2023 Session Laws.
3. The sum of \$4,856,876 appropriated from the information technology operating fund for governance, risk, and compliance costs and the department of public instruction lighthouse project in section 1 of chapter 21 of the 2023 Session Laws.
4. The sum of \$147,762,480 appropriated from federal funds available as a result of the Infrastructure Investment and Jobs Act for the broadband, equity, access, and deployment program, digital equity program, and state and local cybersecurity grant program in section 1 of chapter 21 of the 2023 Session Laws.
5. The sum of \$487,520 appropriated from the general fund as matching funds for the state and local cybersecurity grant program in section 1 of chapter 21 of the 2023 Session Laws.
6. The sum of \$80,000,000 appropriated from the federal state fiscal recovery fund for the statewide interoperable radio network project in section 4 of chapter 554 of the 2023 Session Laws.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - STATEWIDE INTEROPERABLE RADIO NETWORK FUNDING AND EMERGENCY COMMUNICATIONS FEES. During the 2025-26 interim, the legislative management shall consider studying fees collected for technology services, including emergency communications, behavioral health crisis response, and the statewide interoperable radio network. The study must include an analysis of the adequacy of current fee structures, financial needs of the technology services, current fees and revenue trends for 911 and 988 services, the statewide interoperable radio network project, the estimated project completion date, estimated ongoing funding needs to operate the network, current funding available for the network, future funding options for the network that will not negatively affect existing emergency communication systems, and a comparison of statewide radio network funding models used in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - STATE ENTERPRISE RESOURCE PLANNING SYSTEM. During the 2025-26 interim, the legislative management shall study the enterprise resource planning system for the state of North Dakota, including state agencies and institutions of higher education. The study must include consideration of:

1. The current system and potential systems, including functionality, technological structure, expected life cycle, costs and benefits of cloud-based and on-premises hosted solutions, support and maintenance costs, and potential implementation costs.

2. The desired functionality for state agency use, including financial management, human capital management, and procurement.
3. The desired functionality for institutions of higher education, including financial management, human capital management, grant management, compliance management, procurement, and student data management.
4. The costs and benefits of continuing with one enterprise resource planning system or separate systems for state agencies and institutions of higher education.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 12. LEGISLATIVE MANAGEMENT REPORT - STUDENT INFORMATION SYSTEM TRANSITION. During the 2025-26 interim, the information technology department and department of public instruction shall report quarterly to the budget section of the legislative management regarding the status of the student information system transition.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2021.

Senate Vote: Yeas 45 Nays 1 Absent 1

House Vote: Yeas 75 Nays 17 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State