

25.0188.01001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Senate Appropriations - Human  
Resources Division Committee  
February 20, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2021**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the information  
2 technology department; to amend and reenact sections 54-59-14 and 54-59-15 of the North  
3 Dakota Century Code, relating to the information technology operating fund; to provide for a  
4 transfer; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

|  | <u>Base Level</u>        | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u>     |
|--|--------------------------|--|--------------------------|
| 14 <del>Salaries and wages</del>                 | <del>\$112,233,364</del> | <del>\$0</del>                         | <del>\$112,233,364</del> |
| 15 <del>Operating expenses</del>                 | <del>119,115,018</del>   | <del>0</del>                           | <del>119,115,018</del>   |
| 16 <del>Capital assets</del>                     | <del>3,443,909</del>     | <del>0</del>                           | <del>3,443,909</del>     |
| 17 <del>Statewide longitudinal data system</del> | <del>4,625,661</del>     | <del>0</del>                           | <del>4,625,661</del>     |
| 18 <del>Edutech</del>                            | <del>10,348,826</del>    | <del>0</del>                           | <del>10,348,826</del>    |
| 19 <del>K-12 wide area network</del>             | <del>5,915,668</del>     | <del>0</del>                           | <del>5,915,668</del>     |
| 20 <del>Geographic information system</del>      | <del>1,109,786</del>     | <del>0</del>                           | <del>1,109,786</del>     |

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|    |                                       |               |              |               |
|----|---------------------------------------|---------------|--------------|---------------|
| 1  | Health information technology office  | 5,822,725     | 0            | 5,822,725     |
| 2  | Statewide interoperable radio network | 18,449,952    | 0            | 18,449,952    |
| 3  | Total all funds                       | \$281,064,809 | \$0          | \$281,064,809 |
| 4  | Less other funds                      | 239,646,504   | 0            | 239,646,504   |
| 5  | Total general fund                    | \$41,418,305  | \$0          | \$41,418,305  |
| 6  | Full-time equivalent positions        | 507.00        | 0.00         | 507.00        |
| 7  | Salaries and wages                    | \$112,233,364 | \$16,139,027 | \$128,372,391 |
| 8  | New and vacant FTE pool               | 0             | 8,403,424    | 8,403,424     |
| 9  | Operating expenses                    | 119,115,018   | (96,380,424) | 22,734,594    |
| 10 | Capital assets                        | 3,443,909     | (3,312,874)  | 131,035       |
| 11 | Statewide longitudinal data system    | 4,625,661     | (504,904)    | 4,120,757     |
| 12 | Edutech                               | 10,348,826    | (304,659)    | 10,044,167    |
| 13 | K-12 wide area network                | 5,915,668     | 912,665      | 6,828,333     |
| 14 | Geographic information system         | 1,109,786     | 48,157       | 1,157,943     |
| 15 | Health information technology office  | 5,822,725     | 4,928,517    | 10,751,242    |
| 16 | Statewide interoperable radio network | 18,449,952    | (2,236,315)  | 16,213,537    |
| 17 | Total all funds                       | \$281,064,809 | (72,307,386) | \$208,757,423 |
| 18 | Less other funds                      | 239,646,504   | (82,764,058) | 156,882,446   |
| 19 | Total general fund                    | \$41,418,305  | \$10,456,672 | \$51,874,977  |
| 20 | 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> |
|--------------------------------------|---------------------|--------------------|--------------|
| Vulnerability software licenses      | \$0                 | \$150,000          | \$150,000    |
| Health information technology office | 0                   | 3,000,000          | 3,000,000    |
| Total                                | \$0                 | \$3,150,000        | \$3,150,000  |

**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The

information technology department may not spend funds appropriated in the new and vacant

1 FTE pool line item in section 1 of this Act, but may request the office of management and  
2 budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages  
3 line item and other line items with salaries and wages in accordance with the guidelines and  
4 reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative  
5 assembly.

6 **SECTION 4. OTHER FUNDS - TRANSFER - HEALTH INFORMATION TECHNOLOGY**  
7 **PLANNING LOAN FUND TO ELECTRONIC HEALTH INFORMATION EXCHANGE FUND.**

8 Notwithstanding section 6-09-43, the other funds line item in section 1 of this Act includes the  
9 sum of \$3,000,000, or so much of the sum as may be necessary, which the Bank of North  
10 Dakota shall transfer, as requested by the chief information officer, from the health information  
11 technology planning loan fund to the electronic health information exchange fund for the  
12 purpose of defraying the expenses of the health information technology office and the health  
13 information network during the biennium beginning July 1, 2025, and ending June 30, 2027.

14 **SECTION 5. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04,  
15 the director of the office of management and budget shall make transfers of funds between line  
16 items in section 1 of this Act, except the new and vacant FTE pool line item, for the information  
17 technology department as may be requested by the chief information officer as determined  
18 necessary for the development and implementation of information technology projects. The  
19 department shall notify the legislative council of any transfers made pursuant to this section.

20 **SECTION 6. AMENDMENT.** Section 54-59-14 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22 **54-59-14. Information technology operating ~~account~~fund - Continuing appropriation -**  
23 **Report.**

24 1. The department shall establish a state information technology operating ~~account~~fund  
25 in the state treasury to be used, ~~in accordance with legislative appropriation~~, for  
26 procuring and maintaining information technology and network services and for  
27 providing information technology, and network services, ~~and central microfilm unit~~  
28 ~~services~~ to state entities and network services to users of the state network.

29 2. Unless exempted by law, each agency or institution provided with information  
30 technology or network services shall pay to the department the charges for services  
31 provided as determined by the department. The department shall deposit the amounts

1 received in the information technology operating ~~account or the information technology~~  
2 ~~development account, as appropriate~~ fund, which are appropriated to the department  
3 on a continuing basis for purposes provided under this section.

4 3. The department shall compile a report regarding the status of the information  
5 technology operating fund to be provided at each meeting of the budget section. The  
6 report must include information regarding expenditures paid from the fund for  
7 department administration, operations, and information technology projects by specific  
8 object code, the amount and category of services provided to state agencies and  
9 institutions and users of the state network from monies in the fund, and the balance  
10 remaining in the fund from the most recently completed quarter. The department shall  
11 present the mostly recently completed report to the appropriation committees of the  
12 legislative assembly each legislative session.

13 **SECTION 7. AMENDMENT.** Section 54-59-15 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **54-59-15. Acceptance of funds.**

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

21 **SECTION 8. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following  
22 appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended  
23 appropriation authority remaining may be continued into the biennium beginning July 1, 2025,  
24 and ending June 30, 2027:

- 25 1. The sum of \$45,000,000 appropriated from the federal coronavirus capital projects  
26 fund for broadband infrastructure grants in section 9 of chapter 548 of the 2021  
27 Special Session Session Laws and continued into the 2023-25 biennium in sections 9  
28 and 10 of chapter 21 of the 2023 Session Laws.
- 29 2. The sum of \$12,000,000 appropriated from the strategic investment and  
30 improvements fund, of which \$7,000,000 was for an enterprise digitization project and

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- 1           \$5,000,000 was for a business gateway enterprise customer relationship management
- 2           program, in section 1 of chapter 21 of the 2023 Session Laws.
- 3           3. The sum of \$4,856,876 appropriated from the information technology operating fund
- 4           for governance, risk, and compliance costs and the department of public instruction
- 5           lighthouse project in section 1 of chapter 21 of the 2023 Session Laws.
- 6           4. The sum of \$147,762,480 appropriated from federal funds available as a result of the
- 7           Infrastructure Investment and Jobs Act for the broadband, equity, access, and
- 8           deployment program, digital equity program, and state and local cybersecurity grant
- 9           program in section 1 of chapter 21 of the 2023 Session Laws.
- 10          5. The sum of \$487,520 appropriated from the general fund as matching funds for the
- 11          state and local cybersecurity grant program in section 1 of chapter 21 of the 2023
- 12          Session Laws.
- 13          6. The sum of \$80,000,000 appropriated from the federal state fiscal recovery fund for
- 14          the statewide interoperable radio network project in section 4 of chapter 554 of the
- 15          2023 Session Laws.

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

|                                       | <b>Base Budget</b>   | <b>Senate Changes</b> | <b>Senate Version</b> |
|---------------------------------------|----------------------|-----------------------|-----------------------|
| 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            |
| <b>Total all funds</b>                | <b>\$281,064,809</b> | <b>(\$72,307,386)</b> | <b>\$208,757,423</b>  |
| Less estimated income                 | 239,646,504          | (82,764,058)          | 156,882,446           |
| <b>General fund</b>                   | <b>\$41,418,305</b>  | <b>\$10,456,672</b>   | <b>\$51,874,977</b>   |
| <b>FTE</b>                            | <b>507.00</b>        | <b>2.00</b>           | <b>509.00</b>         |

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

|                                       | <b>Adjusts Funding for Base Paryroll Changes<sup>1</sup></b> | <b>Adds Funding for the Cost to Continue Salaries<sup>2</sup></b> | <b>Adds Funding for Salary and Benefit Increases<sup>3</sup></b> | <b>Adds Funding for FTE SIRN Positions<sup>4</sup></b> | <b>Adds Funding to Replace 2023-25 New and Vacant FTE Pool<sup>5</sup></b> | <b>Transfers Funding for 2025-27 New and Vacant FTE Pool<sup>6</sup></b> |
|---------------------------------------|--|---|--|--|--|--|
| 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)   |
| <b>Total all funds</b>                | <b>\$3,204,581</b>   | <b>\$2,465,716</b>  | <b>\$8,566,011</b>   | <b>\$608,927</b>                                       | <b>\$13,886,120</b>  | <b>(\$3,450,039)</b>   |
| Less estimated income                 | 3,229,838  | 2,047,215   | 7,222,484  | 608,927  | 10,418,391   | (2,927,793)  |
| <b>General fund</b>                   | <b>(\$25,257)</b>  | <b>\$418,501</b>  | <b>\$1,343,527</b>   | <b>\$0</b>   | <b>\$3,467,729</b>   | <b>(\$522,246)</b>   |
| <b>FTE</b>                            | <b>0.00</b>  | <b>0.00</b>   | <b>0.00</b>  | <b>2.00</b>  | <b>0.00</b>  | <b>0.00</b>  |

|                                       | Adjusts Base Level Funding <sup>2</sup> | Adds Funding for Cybersecurity Contractual Services <sup>3</sup> | Transfers Special Fund Authority to Continuing Appropriation Authority <sup>3</sup> | Adds Ongoing Funding for Vulnerability Software <sup>10</sup> | Adjusts Ongoing Funding for the Health Information Network <sup>11</sup> | Adjusts Funding for SIRN <sup>12</sup> |
|---------------------------------------|---|--|---|---|--|--|
| 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)                          |
| <b>Total all funds</b>                | <b>(\$7,836,963)</b>                    | <b>\$4,133,174</b>   | <b>(\$99,168,477)</b>   | <b>\$2,892,960</b>  | <b>\$1,885,166</b>   | <b>(\$2,644,562)</b>                   |
| 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 Funding <sup>13</sup> | 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)           |
| <b>Total all funds</b>                | <b>\$3,150,000</b>                  | <b>(\$72,307,386)</b> |
| Less estimated income                 | 3,150,000                           | (82,764,058)          |
| General fund                          | \$0                                 | \$10,456,672          |
| FTE                                   | 0.00                                | 2.00                  |

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

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

<sup>3</sup> 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 |

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

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

|                      | <b>General<br/>Fund</b> | <b>Other<br/>Funds</b> | <b>Total</b>     |
|----------------------|-------------------------|------------------------|------------------|
| 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     |

<sup>6</sup> 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:

|                        | <b>General<br/>Fund</b> | <b>Other<br/>Funds</b> | <b>Total</b>        |
|------------------------|-------------------------|------------------------|---------------------|
| 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)       |

<sup>7</sup> Base level funding is adjusted as follows:

|   | <b>General<br/>Fund</b> | <b>Other<br/>Funds</b> | <b>Total</b>   |
|---|-------------------------|------------------------|----------------|
| 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)  |

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

<sup>9</sup> 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.

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

<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> 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.



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**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 North Dakota Century Code 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.

