

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2021

That the House recede from its amendments as printed on pages 1249-1251 of the Senate Journal and pages 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 4 with:

| | | | |
|--------------------------------------|---------------|---------------|---------------|
| "Salaries and wages | \$47,383,177 | \$4,170,074 | \$51,553,251 |
| Accrued leave payments | 0 | 2,626,084 | 2,626,084 |
| Operating expenses | 69,218,477 | (4,383,834) | 64,834,643 |
| Capital assets | 15,035,666 | (2,535,066) | 12,500,600 |
| Center for distance education | 6,649,238 | (780,847) | 5,868,391 |
| Statewide longitudinal data system | 1,869,243 | 1,511 | 1,870,754 |
| Educational technology council | 1,075,403 | 739,206 | 1,814,609 |
| EduTech | 7,926,447 | 125,647 | 8,052,094 |
| K-12 wide area network | 5,206,992 | (278,815) | 4,928,177 |
| Geographic information system | 1,112,065 | 348,229 | 1,460,294 |
| Health information technology office | 13,959,238 | (9,208,515) | 4,750,723 |
| Criminal justice information sharing | 2,781,394 | 1,087,967 | 3,869,361 |
| Federal stimulus funds | 0 | 6,800,000 | 6,800,000 |
| Total all funds | \$172,217,340 | (\$1,288,359) | \$170,928,981 |
| Less estimated income | 153,165,136 | (3,490,583) | 149,674,553 |
| Total general fund | \$19,052,204 | \$2,202,224 | \$21,254,428 |
| Full-time equivalent positions | 336.30 | 4.00 | 340.30" |

Page 3, after line 11, insert:

"SECTION 6. 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 or other accounts 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 7. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office,~~ the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

SECTION 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
 - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
 - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
 - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014, and submit any proposed legislation necessary to implement the consolidation or relocation to the legislative management's information technology committee by July 1, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

SECTION 9. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION. Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third-party information technology contractors, and a cost benefit comparison of current state agencies' desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim information technology committee prior to January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Summary of Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--|------------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Office of Management and Budget | | | | | | |
| Total all funds | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Information Technology Department | | | | | | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$748,481) | \$170,928,981 | \$169,771,768 | \$1,157,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | (\$111,336) | \$21,254,428 | \$21,086,632 | \$167,796 |
| Bill total | | | | | | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$548,481) | \$171,128,981 | \$169,771,768 | \$1,357,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | \$88,664 | \$21,454,428 | \$21,086,632 | \$367,796 |

Senate Bill No. 2021 - Office of Management and Budget - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------|------------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Operating expenses | | | \$200,000 | \$200,000 | | \$200,000 |
| Total all funds | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

| | Provides Funding for an IT Study ¹ | Total Conference Committee Changes |
|--------------------|---|------------------------------------|
| Operating expenses | \$200,000 | \$200,000 |
| | \$200,000 | \$200,000 |

| | | |
|-----------------------|-----------|-----------|
| Total all funds | | |
| Less estimated income | 0 | 0 |
| General fund | \$200,000 | \$200,000 |
| FTE | 0.00 | 0.00 |

¹ This amendment provides an appropriation to the Office of Management and Budget in the amount of \$200,000, all of which is from the general fund, to contract with a private consultant for an information technology study to determine the feasibility and desirability of relocating appropriate information technology equipment and providing agencies full or partial exemptions from consolidation with the Information Technology Department services.

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

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------------------|------------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Salaries and wages | \$54,437,801 | \$54,461,316 | (\$2,908,065) | \$51,553,251 | \$49,929,538 | \$1,623,713 |
| Operating expenses | 64,834,643 | 64,834,643 | | 64,834,643 | 64,834,643 | |
| Capital assets | 12,500,600 | 12,500,600 | | 12,500,600 | 12,500,600 | |
| Center for Distance Education | 6,072,187 | 6,072,187 | (203,796) | 5,868,391 | 6,072,187 | (203,796) |
| Statewide Longitudinal Data System | 1,870,754 | 1,870,754 | | 1,870,754 | 1,870,754 | |
| Educational Technology Council | 1,814,609 | 1,814,609 | | 1,814,609 | 1,814,609 | |
| EduTech | 8,279,530 | 8,279,530 | (227,436) | 8,052,094 | 8,279,530 | (227,436) |
| K-12 wide area network | 4,928,177 | 4,928,177 | | 4,928,177 | 4,928,177 | |
| Geographic Information System | 1,460,294 | 1,460,294 | | 1,460,294 | 1,460,294 | |
| Health Information Technology Office | 4,785,991 | 4,785,991 | (35,268) | 4,750,723 | 4,785,991 | (35,268) |
| Criminal Justice Information Sharing | 3,269,361 | 3,869,361 | | 3,869,361 | 3,869,361 | |
| Federal stimulus funds | 6,800,000 | 6,800,000 | | 6,800,000 | 6,800,000 | |
| Accrued leave payments | | | 2,626,084 | 2,626,084 | 2,626,084 | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$748,481) | \$170,928,981 | \$169,771,768 | \$1,157,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | (\$111,336) | \$21,254,428 | \$21,086,632 | \$167,796 |
| FTE | 340.30 | 340.30 | 0.00 | 340.30 | 340.30 | 0.00 |

Department No. 112 - Information Technology Department - Detail of Conference Committee Changes

| | Adjusts State Employee Compensation and Benefits Package ¹ | Provides Separate Line Item for Accrued Leave Payments ² | Total Conference Committee Changes |
|--|---|---|------------------------------------|
| Salaries and wages | (\$748,481) | (\$2,159,584) | (\$2,908,065) |
| Operating expenses | | | |
| Capital assets | | | |
| Center for Distance Education Statewide Longitudinal Data System | | (203,796) | (203,796) |
| Educational Technology Council EduTech | | (227,436) | (227,436) |
| K-12 wide area network | | | |
| Geographic Information System | | | |
| Health Information Technology Office | | (35,268) | (35,268) |
| Criminal Justice Information Sharing | | | |
| Federal stimulus funds | | | |
| Accrued leave payments | | 2,626,084 | 2,626,084 |
| Total all funds | (\$748,481) | \$0 | (\$748,481) |
| Less estimated income | (637,145) | 0 | (637,145) |

| | | | |
|--------------|-------------|------|-------------|
| General fund | (\$111,336) | \$0 | (\$111,336) |
| FTE | 0.00 | 0.00 | 0.00 |

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

| Agency Division | General Fund | Special Funds | Total |
|--------------------------------------|--------------|---------------|---------------|
| Salaries and Wages | (\$24,553) | (\$2,135,031) | (\$2,159,584) |
| Center For Distance Education | (202,760) | (1,036) | (203,796) |
| EduTech | (132,181) | (95,255) | (227,436) |
| Health Information Technology Office | (13,593) | (21,675) | (35,268) |
| Accrued Leave Payments | 373,087 | 2,252,997 | 2,626,084 |

This amendment also:

- Amends Section 54-59-15, regarding acceptance of federal or other funds, same version as the House.
- Amends Section 54-59-22, removing selected agency exemptions from the certain services of the Information Technology Department. The House removed exemptions for the Public Employees Retirement System, Attorney General, State Water Commission, and any entity exempted by the Office of Management and Budget.
- Provides for an information technology study.
- Provides for an information technology desktop support study.