

**FIRST ENGROSSMENT  
with House Amendments  
ENGROSSED 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 provide appropriations to certain agencies for an electronic payment  
3 processing system; to authorize borrowing authority; to provide for transfers; to provide for a  
4 report; to create and enact sections 15-19-01.1, 15-19-01.2, and 15-19-02.1 of the North  
5 Dakota Century Code, relating to the centers for distance education; to amend and reenact  
6 subsection 1 of section 37-17.3-02.2, section 54-59-31, and subsection 1 of section 54-59-34 of  
7 the North Dakota Century Code, relating to the statewide interoperability executive committee,  
8 certified electronic health information systems, and the statewide longitudinal data system; and  
9 to provide a statement of legislative intent.

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

11 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
12 as may be necessary, are appropriated out of any moneys in the general fund in the state  
13 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
14 other income, to the information technology department for the purpose of defraying the  
15 expenses of the information technology department, for the biennium beginning July 1, 2017,  
16 and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
17				
18				
19	Salaries and wages	\$58,113,215	\$1,246,557	\$59,359,772
20	Operating expenses	70,927,060	(999,062)	69,927,998
21	Capital assets	8,850,000	(555,000)	8,295,000
22	Center for distance education	9,091,690	(12,574)	9,079,116
23	Statewide longitudinal data system	5,500,661	(1,190,100)	4,310,561
24	Educational technology council	1,655,947	(534,475)	1,121,472

Sixty-fifth  
Legislative Assembly

1	Edutech	9,052,048	700,719	9,752,767
2	K-12 wide area network	4,880,862	(346,584)	4,534,278
3	Geographic information system	1,192,978	(45,262)	1,147,716
4	Health information technology office	5,354,633	43,516,009	48,870,642
5	Statewide interoperability radio network	<u>0</u>	<u>13,700,000</u>	<u>13,700,000</u>
6	Total all funds	\$174,619,094	\$55,480,228	\$230,099,322
7	Less estimated income	<u>151,213,039</u>	<u>58,353,949</u>	<u>209,566,988</u>
8	Total general fund	\$23,406,055	(\$2,873,721)	\$20,532,334
9	Full-time equivalent positions	350.30	(6.00)	344.30

10       **SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in  
 11 section 1 of this Act includes the sum of \$926,470, of which \$173,819 is from the general fund,  
 12 for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

13       **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
 14 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 15 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium  
 16 and the 2017-19 one-time funding items included in section 1 of this Act:

17	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
18	Educational technology council grants	\$912,060	\$0
19	Statewide longitudinal data system	358,280	0
20	Statewide radio coordination	1,401,750	0
21	Health data study	500,000	0
22	Electronic payment processing system	0	375,000
23	Health information network expansion	<u>0</u>	<u>43,555,133</u>
24	Total all funds	\$3,172,090	\$43,930,133
25	Less estimated income	<u>500,000</u>	<u>43,930,133</u>
26	Total general fund	\$2,672,090	\$0

27 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the  
 28 2019-21 biennium. The information technology department shall report to the appropriations  
 29 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the  
 30 biennium beginning July 1, 2017, and ending June 30, 2019.

1       **SECTION 4. TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of  
2 management and budget shall make transfers of funds between line items in section 1 of this  
3 Act for the information technology department as may be requested by the chief information  
4 officer as determined necessary for the development and implementation of information  
5 technology projects.

6       **SECTION 5.** Section 15-19-01.1 of the North Dakota Century Code is created and enacted  
7 as follows:

8       **15-19-01.1. Distance education courses - Course lists to school districts -**  
9 **Notification.**

10       The center for distance education shall provide, by December thirty-first of each year, a  
11 complete list of courses offered by the center to all school districts. Each school district shall  
12 notify its students and their parents or guardians of the complete list of courses offered and the  
13 school district's policies for course selection and related fees.

14       **SECTION 6.** Section 15-19-01.2 of the North Dakota Century Code is created and enacted  
15 as follows:

16       **15-19-01.2. Distance education courses - Online courses.**

- 17       1. The director of the center for distance education may provide new, online, elective  
18 courses for credit meeting the following criteria:
- 19       a. The course is delivered and controlled by the center for distance education.
  - 20       b. The course code limits the delivery and instruction to the center for distance  
21 education.
  - 22       c. The course code assignment reflects current department of public instruction  
23 code assignment and teacher licensure.
  - 24       d. The course meets or exceeds all applicable course standards.
  - 25       e. The course represents a new and emerging field of study or career.
- 26       2. Courses provided under this section are subject to yearly reviews by the  
27 superintendent of public instruction.

28       **SECTION 7.** Section 15-19-02.1 of the North Dakota Century Code is created and enacted  
29 as follows:

1        **15-19-02.1. Distance education clearinghouse.**

2        The director of the center for distance education shall establish a clearinghouse for online  
3 courses delivered to North Dakota schools for the purpose of providing:

- 4        1. A list of the online courses and providers for all North Dakota schools to access.  
5        2. Awareness of online courses available in new and emerging careers.  
6        3. A list of comparative prices for online courses and other online services.  
7        4. Awareness of the differences between technological innovation and learning  
8        innovation.

9        **SECTION 8. AMENDMENT.** Subsection 1 of section 37-17.3-02.2 of the North Dakota  
10 Century Code is amended and reenacted as follows:

- 11        1. The statewide interoperability executive committee consists of:
- 12        a. The director of state radio or a designee;
  - 13        b. The director of the division of homeland security or a designee;
  - 14        c. The superintendent of the highway patrol or a designee;
  - 15        d. The adjutant general or a designee;
  - 16        e. The director of the department of transportation or a designee;
  - 17        f. A representative of the North Dakota sheriff's and deputies association;
  - 18        g. A representative of the North Dakota emergency managers association;
  - 19        h. A representative of the North Dakota fire chiefs association;
  - 20        i. A representative of the North Dakota emergency medical services association;
  - 21        j. A representative of the North Dakota police chiefs association;
  - 22        k. A representative of the North Dakota peace officers association;
  - 23        l. A representative of the North Dakota 911 association; and
  - 24        m. The North Dakota chief information officer or a designee;
  - 25        n. The North Dakota Indian affairs commission executive director or a designee;  
26        and
  - 27        o. One member of the North Dakota house of representatives and one member of  
28        the North Dakota senate appointed by the legislative management.

29        **SECTION 9. AMENDMENT.** Section 54-59-31 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **54-59-31. Certified electronic health records systems.**

2       1. An executive branch state agency, an institution of higher education, and any health  
3       care provider or other person participating in the health information exchange may use  
4       only an electronic health record system for use in the exchange which is certified  
5       under rules adopted by the office of the national coordinator for health information  
6       technology.

7       2. Subsection 1 does not apply if:

8       a. The office of the national coordinator for health information technology does not  
9       require certification of the electronic health record system for that type of  
10       provider; or

11       b. The North Dakota health information technology director waives the certification  
12       requirement.

13       **SECTION 10. AMENDMENT.** Subsection 1 of section 54-59-34 of the North Dakota  
14 Century Code is amended and reenacted as follows:

15       1. The statewide longitudinal data system committee shall manage a statewide  
16       longitudinal data system that:

17       a. Provides for the dissemination of management information to stakeholders and  
18       partners of state education, training, and employment systems; ~~and~~

19       b. Is required to provide on an annual basis to education and workforce  
20       development programs, to the extent permitted by federal law, the wage record  
21       interchange system 2 data sharing agreement, and the state wage interchange  
22       system data sharing agreement, state performance reports that measure the  
23       aggregate outcomes of participants in the workforce and continuing education  
24       programs, including private workforce and education programs that request the  
25       reports; and

26       c. Uses data from educational and workforce systems as central sources of  
27       statewide longitudinal data.

28       **SECTION 11. LOAN AUTHORIZATION - APPROPRIATION - ELECTRONIC PAYMENT**  
29 **PROCESSING SYSTEM.** The state agencies named in this section shall borrow from the Bank  
30 of North Dakota, the amounts listed below, or so much of the amounts as may be necessary,  
31 which are appropriated to the respective agency for the purpose of defraying the expenses of

Sixty-fifth  
Legislative Assembly

1 implementing a new electronic payment system for the biennium beginning July 1, 2017, and  
2 ending June 30, 2019.

3 <u>Agency</u>	<u>Amount</u>
4 Department of transportation	\$147,000
5 Secretary of state's office	93,000
6 Parks and recreation department	42,000
7 Game and fish department	36,000
8 Workforce safety and insurance	36,000
9 Highway patrol	<u>21,000</u>
10 Total	\$375,000

11 **SECTION 12. LOAN REPAYMENT - APPROPRIATION - ELECTRONIC PAYMENT**

12 **PROCESSING SYSTEM.** The funds provided in this section, or so much of the funds as may be  
13 necessary, are appropriated from special funds derived from additional revenue received as a  
14 result of the implementation of a new electronic payment processing system to the agencies  
15 named below for the purpose of repaying the Bank of North Dakota loans authorized in  
16 section 11 of this Act, plus interest for the biennium beginning July 1, 2017, and ending June 30,  
17 2019.

18 <u>Agency</u>	<u>Amount</u>
19 Department of transportation	\$159,000
20 Secretary of state's office	101,000
21 Parks and recreation department	46,000
22 Game and fish department	39,000
23 Workforce safety and insurance	39,000
24 Highway patrol	<u>23,000</u>
25 Total	\$407,000

26 **SECTION 13. LEGISLATIVE INTENT - STATE GOVERNMENT EFFICIENCIES.** It is the  
27 intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the governor achieve  
28 efficiencies and budgetary savings within the information technology department and other state  
29 agencies through the use of innovative ideas and solutions relating to information technology  
30 and related services. It is also the intent of the sixty-fifth legislative assembly that the governor  
31 submit proposed legislation necessary to implement any ideas and solutions for state

Sixty-fifth  
Legislative Assembly

- 1 government efficiencies and budgetary savings which cannot be implemented during the
- 2 2017-18 interim to the sixty-sixth legislative assembly.