

**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 amend and reenact sections 54-35-15.1, 54-59-14, and 54-59-15 of
3 the North Dakota Century Code, relating to membership of the information technology
4 committee and the information technology operating fund; to provide an exemption; to provide
5 for a legislative management study; and to provide for a legislative management report.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$112,233,364	\$16,747,954	\$128,981,318
16	New and vacant FTE pool	0	8,403,424	8,403,424
17	Operating expenses	119,115,018	(98,975,025)	20,139,993
18	Capital assets	3,443,909	(3,312,874)	131,035
19	Statewide longitudinal data system	4,625,661	(504,904)	4,120,757
20	Edutech	10,348,826	(2,832,440)	7,516,386
21	K-12 wide area network	5,915,668	786,356	6,702,024
22	Geographic information system	1,109,786	48,157	1,157,943

Sixty-ninth
Legislative Assembly

1	Health information technology office	5,822,725	1,928,517	7,751,242
2	Statewide interoperable radio network	<u>18,449,852</u>	<u>(2,845,242)</u>	<u>15,604,610</u>
3	Total all funds	\$281,064,809	(\$80,556,077)	\$200,508,732
4	Less other funds	<u>239,646,504</u>	<u>(87,178,908)</u>	<u>152,467,596</u>
5	Total general fund	\$41,418,305	\$6,622,831	\$48,041,136
6	Full-time equivalent positions	507.00	2.00	509.00

7 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

8 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 9 items included in the appropriation in section 1 of this Act which are not included in the entity's
 10 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 11 committees of the seventieth legislative assembly regarding the use of this funding:

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

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

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

29 **SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

30 The other funds line item in section 1 of this Act includes the sum of \$3,512,670 from the
 31 strategic investment and improvements fund, including \$1,719,061 for a state data center

1 migration project and \$1,793,609 for the cost of automating information technology services and
2 the purchase of software licenses.

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

5 **54-35-15.1. Information technology committee - Appointment.**

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

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

18 **54-59-14. Information technology operating ~~account~~fund - Continuing appropriation -**
19 **Report.**

- 20 1. The department shall establish a state information technology operating ~~account~~fund
21 in the state treasury to be used, ~~in accordance with legislative appropriation,~~ for
22 procuring and maintaining information technology and network services and for
23 providing information technology, and network services, ~~and central microfilm unit-~~
24 ~~services~~ to state entities and network services to users of the state network.
- 25 2. Unless exempted by law, each agency or institution provided with information
26 technology or network services shall pay to the department the charges for services
27 provided as determined by the department. The department shall deposit the amounts
28 received in the information technology operating ~~account or the information technology~~
29 ~~development account, as appropriate~~fund, which are appropriated to the department
30 on a continuing basis for purposes provided under this section, except the department

1 may not use continuing appropriation authority to pay salaries and wages-related
2 expenses.

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

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

14 **54-59-15. Acceptance of funds.**

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

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

- 24 1. The sum of \$45,000,000 appropriated from the federal coronavirus capital projects
25 fund for broadband infrastructure grants in section 9 of chapter 548 of the 2021
26 Special Session Session Laws and continued into the 2023-25 biennium in sections 9
27 and 10 of chapter 21 of the 2023 Session Laws.
- 28 2. The sum of \$12,000,000 appropriated from the strategic investment and
29 improvements fund, of which \$7,000,000 was for an enterprise digitization project and
30 \$5,000,000 was for a business gateway enterprise customer relationship management
31 program, in section 1 of chapter 21 of the 2023 Session Laws.

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

14 **SECTION 10. LEGISLATIVE MANAGEMENT STUDY - STATEWIDE INTEROPERABLE**

15 **RADIO NETWORK FUNDING AND EMERGENCY COMMUNICATIONS FEES.** During the
16 2025-26 interim, the legislative management shall consider studying fees collected for
17 technology services, including emergency communications, behavioral health crisis response,
18 and the statewide interoperable radio network. The study must include an analysis of the
19 adequacy of current fee structures, financial needs of the technology services, current fees and
20 revenue trends for 911 and 988 services, the statewide interoperable radio network project, the
21 estimated project completion date, estimated ongoing funding needs to operate the network,
22 current funding available for the network, future funding options for the network that will not
23 negatively affect existing emergency communication systems, and a comparison of statewide
24 radio network funding models used in other states. The legislative management shall report its
25 findings and recommendations, together with any legislation required to implement the
26 recommendations, to the seventieth legislative assembly.

27 **SECTION 11. LEGISLATIVE MANAGEMENT STUDY - STATE ENTERPRISE RESOURCE**

28 **PLANNING SYSTEM.** During the 2025-26 interim, the legislative management shall study the
29 enterprise resource planning system for the state of North Dakota, including state agencies and
30 institutions of higher education. The study must include consideration of:

- 1 1. The current system and potential systems, including functionality, technological
2 structure, expected life cycle, costs and benefits of cloud-based and on-premises
3 hosted solutions, support and maintenance costs, and potential implementation costs.
- 4 2. The desired functionality for state agency use, including financial management, human
5 capital management, and procurement.
- 6 3. The desired functionality for institutions of higher education, including financial
7 management, human capital management, grant management, compliance
8 management, procurement, and student data management.
- 9 4. The costs and benefits of continuing with one enterprise resource planning system or
10 separate systems for state agencies and institutions of higher education.

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

13 **SECTION 12. LEGISLATIVE MANAGEMENT REPORT - STUDENT INFORMATION**

14 **SYSTEM TRANSITION.** During the 2025-26 interim, the information technology department
15 and department of public instruction shall report quarterly to the budget section of the legislative
16 management regarding the status of the student information system transition.