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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

April 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

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 for a transfer; and to~~
5 ~~provide an exemption; to provide for a legislative management study; and to provide for a~~
6 legislative management report.

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

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

| | Base Level | Adjustments or Enhancements | Appropriation |
|----|------------------------------------|--------------------------------|--------------------------|
| 14 | | | |
| 15 | | | |
| 16 | Salaries and wages | \$112,233,364 | \$128,372,391 |
| 17 | New and vacant FTE pool | 0 | 8,403,424 |
| 18 | Operating expenses | (96,380,424) | 22,734,594 |
| 19 | Capital assets | (3,312,874) | 131,035 |

Sixty-ninth
Legislative Assembly

| | | | | |
|----|--|--------------------------|---------------------------|--------------------------|
| 1 | Statewide longitudinal data system | 4,625,661 | (504,904) | 4,120,757 |
| 2 | Edutech | 10,348,826 | (304,659) | 10,044,167 |
| 3 | K-12 wide area network | 5,915,668 | 912,665 | 6,828,333 |
| 4 | Geographic information system | 1,109,786 | 48,157 | 1,157,943 |
| 5 | Health information technology office | 5,822,725 | 4,928,517 | 10,751,242 |
| 6 | Statewide interoperable radio network | 18,449,852 | (2,236,315) | 16,213,537 |
| 7 | Total all funds | \$281,064,809 | (\$72,307,386) | \$208,757,423 |
| 8 | Less other funds | 239,646,504 | (82,764,058) | 156,882,446 |
| 9 | Total general fund | \$41,418,305 | \$10,456,672 | \$51,874,977 |
| 10 | Full-time equivalent positions | 507.00 | 2.00 | 509.00 |
| 11 | <u>Salaries and wages</u> | <u>\$112,233,364</u> | <u>\$16,747,954</u> | <u>\$128,981,318</u> |
| 12 | <u>New and vacant FTE pool</u> | <u>0</u> | <u>8,403,424</u> | <u>8,403,424</u> |
| 13 | <u>Operating expenses</u> | <u>119,115,018</u> | <u>(98,975,025)</u> | <u>20,139,993</u> |
| 14 | <u>Capital assets</u> | <u>3,443,909</u> | <u>(3,312,874)</u> | <u>131,035</u> |
| 15 | <u>Statewide longitudinal data system</u> | <u>4,625,661</u> | <u>(504,904)</u> | <u>4,120,757</u> |
| 16 | <u>Edutech</u> | <u>10,348,826</u> | <u>(2,832,440)</u> | <u>7,516,386</u> |
| 17 | <u>K-12 wide area network</u> | <u>5,915,668</u> | <u>786,356</u> | <u>6,702,024</u> |
| 18 | <u>Geographic information system</u> | <u>1,109,786</u> | <u>48,157</u> | <u>1,157,943</u> |
| 19 | <u>Health information technology office</u> | <u>5,822,725</u> | <u>1,928,517</u> | <u>7,751,242</u> |
| 20 | <u>Statewide interoperable radio network</u> | <u>18,449,852</u> | <u>(2,845,242)</u> | <u>15,604,610</u> |
| 21 | <u>Total all funds</u> | <u>\$281,064,809</u> | <u>(\$80,556,077)</u> | <u>\$200,508,732</u> |
| 22 | <u>Less other funds</u> | <u>239,646,504</u> | <u>(87,178,908)</u> | <u>152,467,596</u> |
| 23 | <u>Total general fund</u> | <u>\$41,418,305</u> | <u>\$6,622,831</u> | <u>\$48,041,136</u> |
| 24 | <u>Full-time equivalent positions</u> | <u>507.00</u> | <u>2.00</u> | <u>509.00</u> |

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 |

| | | | | |
|---|--|-----|-------------|-------------|
| 1 | Health information technology office | 0 | 3,000,000 | 3,000,000 |
| 2 | Total | \$0 | \$3,150,000 | \$3,150,000 |
| 3 | State data center migration project | \$0 | \$1,719,061 | \$1,719,061 |
| 4 | Information technology services automation | 0 | 1,793,609 | 1,793,609 |
| 5 | Total | \$0 | \$3,512,670 | \$3,512,670 |

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

13 ~~**SECTION 4. OTHER FUNDS - TRANSFER - HEALTH INFORMATION TECHNOLOGY**~~
14 ~~**PLANNING LOAN FUND TO ELECTRONIC HEALTH INFORMATION EXCHANGE FUND.**~~
15 ~~Notwithstanding section 6-09-43, the other funds line item in section 1 of this Act includes the~~
16 ~~sum of \$3,000,000, or so much of the sum as may be necessary, which the Bank of North~~
17 ~~Dakota shall transfer, as requested by the chief information officer, from the health information~~
18 ~~technology planning loan fund to the electronic health information exchange fund for the~~
19 ~~purpose of defraying the expenses of the health information technology office and the health~~
20 ~~information network during the biennium beginning July 1, 2025, and ending June 30, 2027.~~

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

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

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

3 **54-35-15.1. Information technology committee - Appointment.**

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

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

16 **54-59-14. Information technology operating ~~account~~fund - Continuing appropriation -**
17 **Report.**

- 18 1. The department shall establish a state information technology operating ~~account~~fund
19 in the state treasury to be used, ~~in accordance with legislative appropriation,~~ for
20 procuring and maintaining information technology and network services and for
21 providing information technology, and network services, ~~and central microfilm unit~~
22 ~~services~~ to state entities and network services to users of the state network.
- 23 2. Unless exempted by law, each agency or institution provided with information
24 technology or network services shall pay to the department the charges for services
25 provided as determined by the department. The department shall deposit the amounts
26 received in the information technology operating account ~~or the information technology~~
27 ~~development account, as appropriate~~fund, which are appropriated to the department
28 on a continuing basis for purposes provided under this section. except the department
29 may not use use continuing appropriation authority to pay salaries and wages-related
30 expenses.

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

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

12 **54-59-15. Acceptance of funds.**

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

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

- 22 1. The sum of \$45,000,000 appropriated from the federal coronavirus capital projects
23 fund for broadband infrastructure grants in section 9 of chapter 548 of the 2021
24 Special Session Session Laws and continued into the 2023-25 biennium in sections 9
25 and 10 of chapter 21 of the 2023 Session Laws.
- 26 2. The sum of \$12,000,000 appropriated from the strategic investment and
27 improvements fund, of which \$7,000,000 was for an enterprise digitization project and
28 \$5,000,000 was for a business gateway enterprise customer relationship management
29 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 REPORT - STUDENT INFORMATION**
28 **SYSTEM TRANSITION.** During the 2025-26 interim, the information technology department
29 and department of public instruction shall report quarterly to the budget section of the legislative
30 management regarding the status of the student information system transition.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2021 - Information Technology Department - House Action**

| | Base Budget | Senate Version | House Changes | House Version |
|--|----------------|-------------------|------------------|------------------|
| Salaries and wages | \$112,233,364 | \$128,372,391 | \$608,927 | \$128,981,318 |
| New and vacant FTE pool | | 8,403,424 | | 8,403,424 |
| Operating expenses | 119,115,018 | 22,734,594 | (2,594,601) | 20,139,993 |
| Capital assets | 3,443,909 | 131,035 | | 131,035 |
| Statewide longitudinal data system | 4,625,661 | 4,120,757 | | 4,120,757 |
| EduTech | 10,348,826 | 10,044,167 | (2,527,781) | 7,516,386 |
| K-12 wide area network | 5,915,668 | 6,828,333 | (126,309) | 6,702,024 |
| Geographic information system | 1,109,786 | 1,157,943 | | 1,157,943 |
| Health Information Technology Office | 5,822,725 | 10,751,242 | (3,000,000) | 7,751,242 |
| Statewide interoperable radio network | 18,449,852 | 16,213,537 | (608,927) | 15,604,610 |
| Total all funds | \$281,064,809 | \$208,757,423 | (\$8,248,691) | \$200,508,732 |
| Less estimated income | 239,646,504 | 156,882,446 | (4,414,850) | 152,467,596 |
| General fund | \$41,418,305 | \$51,874,977 | (\$3,833,841) | \$48,041,136 |
| FTE | 507.00 | 509.00 | 0.00 | 509.00 |

Department 112 - Information Technology Department - Detail of House Changes

| | Reduces Funding for Salary and Benefit Increases ¹ | Adjusts Funding for Cybersecurity Contractual Services ² | Removes Funding for Vulnerability Software ³ | Reduces Funding for the Student Information System ⁴ | Adjusts Ongoing Funding for the Health Information Network ⁵ | Adjusts Funding for FTE SIRM Positions ⁶ |
|--|---|---|--|---|--|--|
| Salaries and wages | | | | | | \$608,927 |
| New and vacant FTE pool | | | | | | |
| Operating expenses | | (\$3,064,311) | (\$3,042,960) | | | |
| Capital assets | | | | | | |
| Statewide longitudinal data system | | | | | | |
| EduTech | (\$61,990) | | | (\$2,465,791) | | |
| K-12 wide area network | | (126,309) | | | | |
| Geographic information system | | | | | | |
| Health Information Technology Office | | | | | | |
| Statewide interoperable radio network | | | | | | (608,927) |
| Total all funds | (\$61,990) | (\$3,190,620) | (\$3,042,960) | (\$2,465,791) | \$0 | \$0 |
| Less estimated income | (61,990) | 0 | (3,042,960) | (2,465,791) | 643,221 | 0 |
| General fund | \$0 | (\$3,190,620) | \$0 | \$0 | (\$643,221) | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds One-Time Funding for a State Data Center Migration Project ⁷ | Adds One-Time Funding for IT Services Automation and Software Licenses ⁸ | Removes One-Time Funding for the Health Information Network ⁹ | Total House Changes |
|---------------------------------------|--|---|--|---------------------|
| Salaries and wages | | | | \$608,927 |
| New and vacant FTE pool | | | | |
| Operating expenses | \$1,719,061 | \$1,793,609 | | (2,594,601) |
| Capital assets | | | | |
| Statewide longitudinal data system | | | | |
| EduTech | | | | (2,527,781) |
| K-12 wide area network | | | | (126,309) |
| Geographic information system | | | | |
| Health Information Technology Office | | | (\$3,000,000) | (3,000,000) |
| Statewide interoperable radio network | | | | (608,927) |
| Total all funds | \$1,719,061 | \$1,793,609 | (\$3,000,000) | (\$8,248,691) |
| Less estimated income | 1,719,061 | 1,793,609 | (3,000,000) | (4,414,850) |
| General fund | \$0 | \$0 | \$0 | (\$3,833,841) |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Ongoing funding of \$61,990 is removed from the PowerSchool fund for a portion of salary increases (\$24,020) and health insurance increases (\$37,970) related to the underfunding of 8 FTE EduTech positions.

² Funding of (\$3,190,620) for cybersecurity contractual services is reduced from the general fund to provide an increase of \$942,554 from the general fund. The Senate approved \$4,133,174 from the general fund, of which \$942,554 related to increased cybersecurity contractual service costs for the Information Technology Department (ITD) and \$3,190,620 related to increased cybersecurity contractual service costs for higher education institutions.

³ Ongoing funding of \$2,892,960 and one-time funding of \$150,000 added by the Senate from the information technology operating fund for vulnerability management software licensing costs is removed. The department anticipates using continuing appropriation authority to receive funding related to these costs.

⁴ Ongoing funding from the PowerSchool fund is removed for license costs (\$1,472,653) and for salaries and wages of 8 FTE EduTech positions (\$993,138) for the second year of the biennium related to the student information system transition from PowerSchool Holdings, Inc., to Infinite Campus, Inc. This results in 8 FTE EduTech positions being underfunded for the 2025-27 biennium as the Department of Public Instruction will require less support from ITD under the new system.

⁵ Ongoing funding of \$643,221 is removed from the general fund in the base budget and \$643,221 is added from the health information exchange fund for the North Dakota Health Information Network (NDHIN). The base budget for NDHIN included \$2,000,000 from the general fund. The Senate removed \$1,356,779, resulting in \$643,221 remaining in the base budget. The removal of \$643,221 results in an elimination of funding from the general fund for NDHIN.

⁶ Ongoing funding of \$608,927 for salaries and wages and related operating expenses of 2 FTE statewide interoperable radio network (SIRN) positions is transferred from the SIRN line item to the salaries and wages line item. The Senate approved the funding in the SIRN line item from the SIRN fund. The House amendment includes the funding in the salaries and wages line item from the information technology operating fund.

⁷ One-time funding of \$1,719,061 is added from the strategic investment and improvements fund (SIIF) for a state data center migration project. The Senate did not add funding for this item.

⁸ One-time funding of \$1,793,609 is added from SIIF for the cost of automating information technology services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies. The department anticipates using the funding from SIIF, \$2,000,000 appropriated from the general fund for NDHIN for the 2023-25 biennium transferred to the operating expenses line item pursuant to Section 4 of House Bill No. 1021 (2023), and carryover funding from the business gateway enterprise customer relationship management program authorized in Section 9 of Senate Bill No. 2021 (2025), for the project.

⁹ One-time funding of \$3,000,000 added by the Senate derived from a transfer from the health information technology

planning loan fund to the electronic health information exchange fund for the NDHIN is removed. The department transferred the funding in March 2025 pursuant to Section 3 of House Bill No. 2021 (2023). A section authorizing the 2025-27 biennium transfer added by the Senate is removed.

Senate Bill No. 2021 - Other Changes - House Action

This amendment also:

- Adds a section to identify \$3,512,670 of one-time funding appropriated from SIIF in Section 1 for a state data center migration project (\$1,719,061) and the cost of automating information technology services and the purchase of software licenses (\$1,793,609).
- Adds a section to amend North Dakota Century Code Section 54-35-15.1 to expand membership of the Information Technology Committee to include an individual with information technology experience from the Department of Health and Human Services as a nonvoting member of the committee.
- Amends Section 54-59-14, which was also amended by the Senate, to provide the Information Technology Department may not use continuing appropriation authority from the information technology operating fund to pay for salaries and wages expenses.
- Adds a section to provide for a Legislative Management study of SIRN funding and emergency communications fees.
- Adds a section to require ITD and the Department of Public Instruction to report to the Budget Section quarterly regarding the student information system transition from PowerSchool to Infinite Campus.

