

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1505 - Funding Summary**

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Information Technology Department			
Salaries and wages		\$25,715,694	\$25,715,694
Operating expenses		33,120,860	33,120,860
Capital assets		5,323,000	5,323,000
Division of independent study		5,625,480	5,625,480
Educational technology council		793,818	793,818
EduTech		2,540,348	2,540,348
Wide area network		7,436,223	7,436,223
Enterprise resource planning system		20,000,000	20,000,000
Geographic information system		678,343	678,343
Prairie public broadcasting		1,337,138	1,337,138
Criminal justice information sharing		4,741,200	4,741,200
Less budget adjustment		(1,000,000)	(1,000,000)
Total all funds	\$0	\$106,312,104	\$106,312,104
Less estimated income	0	98,117,301	98,117,301
General fund	\$0	\$8,194,803	\$8,194,803
FTE	0.00	248.20	248.20
Legislative Council			
Operating expenses		\$350,000	\$350,000
Total all funds	\$0	\$350,000	\$350,000
Less estimated income	0	0	0
General fund	\$0	\$350,000	\$350,000
FTE	0.00	0.00	0.00
Judicial Branch			
Operating expenses		\$45,999	\$45,999
Total all funds	\$0	\$45,999	\$45,999
Less estimated income	0	0	0
General fund	\$0	\$45,999	\$45,999
FTE	0.00	0.00	0.00
Bill Total			
Total all funds	\$0	\$106,708,103	\$106,708,103
Less estimated income	0	98,117,301	98,117,301
General fund	\$0	\$8,590,802	\$8,590,802
FTE	0.00	248.20	248.20

House Bill No. 1505 - Information Technology Department - House Action

The Legislative Assembly introduced House Bill No. 1505 which included a 2003-05 proposed appropriation for the Information Technology Department as follows:

	2003-05 Executive Budget	2003-05 Proposed Appropriation	Increase (Decrease)
Salaries and wages	\$26,012,849	\$25,715,694	(\$297,155)
Operating expenses	33,120,860	33,120,860	
Capital assets	5,323,000	5,323,000	
Division of Independent Study	5,667,842	5,625,480	(42,362)
Educational Technology Council	796,655	793,818	(2,837)
EduTech	2,674,003	2,540,348	(133,655)
Wide area network	7,799,623	7,436,223	(363,400)
Enterprise resource planning system	20,000,000	20,000,000	
Geographic information system	716,097	678,343	(37,754)
Prairie Public Broadcasting	1,337,138	1,337,138	
Criminal justice information sharing	4,741,200	4,4741,200	
Less budget adjustment		(1,000,000)	(1,000,000)
Total funds	<u>\$108,189,267</u>	<u>\$106,312,104</u>	(\$1,877,163)
Less estimated income	97,581,730	98,117,301	535,571
General fund	<u>\$10,607,537</u>	<u>\$8,194,803</u>	(\$2,412,734)
FTE	248.20	248.20	0.00

The bill also included others sections as follows:

- **Estimated Income** - Section 2 provided that \$862,059 of the estimated income provided for the Information Technology Department for the 2003-05 biennium is to be made available from special funds of various state agencies resulting from information technology reductions.
- **Appropriation Authority Reductions** - Section 3 provided that the Office of Management and Budget shall reduce the special funds appropriation authority for the Aeronautics Commission, the Department of Financial Institutions, the Insurance Commissioner, and the Seed Department by the amounts provided for in Section 2 of the bill.
- **Bond Issuance Authorization** - Section 4 authorized the Industrial Commission to arrange for the issuance of evidences of indebtedness in the amount of \$20 million for the purchase or lease of computer hardware and software and for the costs of the implementation services for the enterprise resource planning system commonly known as the ConnectND project.
- **Bond Issuance Repayment Responsibility** - Section 5 provided that the debt service on the evidences of indebtedness issued for the ConnectND project must be available from charges made and collected by the Information Technology Department from users of the system with 29 percent of the debt service being the responsibility of state agencies and 71 percent of the debt service being the responsibility of higher education.
- **Purchasing of Information Technology Equipment and Software** - Section 7 provided that the Information Technology Department shall establish information technology equipment and software product specifications. The Office of Management and Budget shall establish policies and guidelines for the purchase of information technology equipment and software, and all executive branch state agencies, departments, and institutions, excluding institutions under control of the State Board of Higher Education shall comply with the policies and guidelines unless exempted by the Office of Management and Budget. The Office of Management and Budget, in conjunction with the Information Technology Department, shall aggregate information technology equipment and software purchases and administer contracts to achieve the most cost-effective results for the state.
- **Transfer of Appropriation Authority** - Section 8 authorized the director of the Office of Management and Budget to make transfers of funds between line items for state agencies, departments, and institutions as may be requested to accommodate information technology funding reductions made by the 2003 Legislative Assembly.
- **Transfers** - Section 9 authorized the director of the Office of Management and Budget to make transfers of funds between the line items of the Information Technology Department as may be requested by the Chief Information Officer.
- **Transfer of State Information Technology Employee Positions** - Sections 10, 11, and 12 provide for the transfer of state agency information technology employee positions.
- **Information Technology Responsibilities** - Section 14 creates a new section to Chapter 54-10 of the North Dakota Century Code relating to information technology responsibilities of the State Auditor.
- **Information Technology Committee** - Section 15 creates a new section to Chapter 54-35 of the North Dakota Century Code relating to powers and duties of the Information Technology Committee.
- **Information Technology Advisory Committee and Required Information Technology Services** - Section 16 creates two new sections to Chapter 54-59 of the North Dakota Century Code relating to the establishment of an information technology advisory committee for the purposes of prioritizing major computer software projects and establishing policies, standards, and guidelines

for the purchase of computer software and computer systems and the required use of electronic mail, file and print server administration, data base administration, and application server and hosting servers.

- **Information Technology Department Responsibilities** - Section 17 amends Section 54-59-02 of the North Dakota Century Code relating to responsibilities of the Information Technology Department.
- **Information Technology Department Powers and Duties** - Sections 18 and 19 amend Section 54-59-05 of the North Dakota Century code relating to the powers and duties of the Information Technology Department.
- **Information Technology Standards** - Section 20 amends Section 54-59-05 of the North Dakota Century Code relating to information technology standards.
- **Information Technology Compliance Reviews** - Section 21 repeals Section 54-59-13 of the North Dakota Century Code relating to information technology compliance reviews to be conducted by the Information Technology Department.

The House amended the bill to:

- Modify Section 10 of the bill relating to the transfer of state agency information technology positions to remove the provision allowing an agency to retain any of the identified positions provided that funding is available from internal savings and to include language requiring agencies to establish an information technology services line item.
- Modify Section 16 of the bill relating to the required information technology services to remove the legislative branch from the excluded entities, to clarify that the Information Technology Department is responsible for establishment of a consolidated delivery system, and to clarify the policies and guidelines to be established for the delivery of consolidated services.
- Modify Section 20 of the bill to provide that the Information Technology Department and the Office of Management and Budget shall establish information technology standards and to provide that the state Information Technology Advisory Committee shall review instead of approve the standards.
- Modify the effective date of the bill and removes the emergency clause. The enterprise resource planning line item and Sections 4, 5, and 13 become effective May 16, 2003.

House Bill No. 1505 - Information Technology Department - Senate Action

The Senate amended the bill to:

- Modify Section 10 of the bill relating to the transfer of state agency information technology positions to change the number of employees to be transferred from the Tax Department from 2 to 1.
- Modify Section 16 of the bill relating to the required information technology services to include the legislative branch in the excluded entities.

House Bill No. 1505 - Information Technology Department - House Action

The House concurred with the Senate amendments.

House Bill No. 1505 - Legislative Council - House Action

House Bill No. 1505 as introduced included a \$350,000 general fund appropriation to the Legislative Council for the purpose of contracting with consultants to conduct an information technology organizational study and an information technology management study and to provide assistance with the preparation of the request for proposals and consultant oversight.

The House did not change the appropriation provided to the Legislative Council.

House Bill No. 1505 - Legislative Council - Senate Action

The Senate did not change the appropriation for the Legislative Council.

House Bill No. 1505 - Legislative Council - House Action

The House concurred with the Senate amendments.

House Bill No. 1505 - Judicial Branch - House Action

House Bill No. 1505 as introduced included a \$45,999 general fund appropriation to the judicial branch for information technology costs.

The House did not change the appropriation provided for the judicial branch.

House Bill No. 1505 - Judicial Branch - Senate Action

The Senate did not change the appropriation for the judicial branch.

House Bill No. 1505 - Judicial Branch - House Action

The House concurred with the Senate amendments.