

**Information Technology Department
Budget No. 112
House Bill Nos. 1021, 1225, and 1242**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	507.00	\$43,360,845 ¹	\$512,937,379	\$556,298,224 ²
2021-23 legislative appropriation	<u>479.00</u>	<u>28,975,953</u>	<u>291,571,105</u>	<u>320,547,058</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	28.00	\$14,384,892	\$221,366,274	\$235,751,166

¹This amount includes \$4,812,520 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$38,548,325.

²This amount does not include any transfers of appropriation authority from the Office of Management and Budget (OMB) funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 507 FTE positions for the Information Technology Department (ITD) for the 2023-25 biennium, an increase of 28 FTE positions from the 2021-23 biennium authorized level of 479 FTE positions. The Legislative Assembly added the following FTE positions:

FTE Position Description or Related Program	FTE Position Authorization
Customer success management program	2.00
Enterprise digitization project to modernize state technology	5.00
Governance, risk, and compliance costs and the Department of Public Instruction (DPI) lighthouse project	1.00
Business gateway - Enterprise customer relationship management program	6.00
Additional support of state agency information technology (IT) systems, including:	
Apprenticeship positions	6.00
Desktop support position	1.00
Public safety support position	1.00
Transportation support position	1.00
Network technician position	1.00
Cybersecurity position	1.00
IT unification positions transferred from:	
Department of Corrections and Rehabilitation	2.00
Insurance Commissioner	1.00
Total	28.00

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to OMB for a targeted market equity pool to be distributed to state agencies.

Status/Result

The FTE positions authorized as part of the IT shared services unification initiative have been transferred to ITD. See the **shared services IT unification** section below.

Through May 2024, the department hired 5 FTE positions, of which 1 FTE position was hired in March 2024, 2 FTE positions were hired in April 2024, and 2 FTE positions were hired in May 2024. The department anticipates 4 FTE positions will be hired in June 2024. The department is prioritizing filling existing vacant positions before filling new positions.

The department received \$8,295,463 for targeted market equity increases, of which \$2,798,750 was from the general fund and \$5,496,713 was from special funds. Equity increases were provided to 406 employees.

New and vacant FTE funding pool - The Legislative Assembly reduced \$13,886,120 of 2023-25 biennium appropriation authority for ITD for the new and vacant FTE funding pool, of which \$4,966,686 was for new FTE positions and \$8,919,434 was for estimated vacant salary savings. Of the total, \$3,467,729 was from the general fund and \$10,418,391 was from other funds.

One-time funding - The Legislative Assembly appropriated \$283.9 million of one-time funding to ITD for the 2023-25 biennium as follows:

	General Fund	Other Funds	Total
Enterprise digitization project ¹	\$0	\$7,000,000	\$7,000,000
Call center software upgrade project ¹	0	3,000,000	3,000,000
Governance, risk, and compliance (GRC) costs and the DPI lighthouse project ²	600,000	4,856,876	5,456,876
Business gateway - Enterprise customer relationship management program ¹	0	5,000,000	5,000,000
Universal vulnerability management project ³	0	1,000,000	1,000,000
Capitol security software upgrade and fiber replacement project ³	0	2,499,467	2,499,467
IT inflationary increases ⁴	2,350,000	4,975,000	7,325,000
Statewide longitudinal data system	1,075,000	0	1,075,000
North Dakota Health Information Network (NDHIN)	0	3,000,000	3,000,000
Broadband equity, access, and deployment grant program	0	147,762,480	147,762,480
State and local cybersecurity grant program matching funds	487,520	0	487,520
Grants to counties for an online property tax information portal (House Bill No. 1225)	300,000	0	300,000
Statewide interoperable radio network (SIRN) project (House Bill No. 1242)	0	100,000,000	100,000,000
Total	\$4,812,520	\$279,093,823	\$283,906,343

¹Funding for these items is from the strategic investment and improvements fund (SIIF).

²During the November 2021 special legislative session, the Legislative Assembly appropriated \$10,000,000 of other funds derived from reimbursements withheld from certain school districts' integrated formula payments and deposited in the public instruction fund for IT project upgrades to the state automated reporting system and the statewide longitudinal data system. The 2023 Legislative Assembly appropriated \$4,856,876 from the ITD operating service fund to ITD to allow ITD to bill DPI for

Through January 2024, ITD received \$2,539,451, of which \$882,421 was from the general fund, from the new and vacant FTE funding pool to fill 11 vacant FTE positions and had estimated vacant FTE position savings of \$2,416,503. The department used \$87,313 of the savings for other purposes, including accrued leave payouts and reclassifications. The number of vacancies in the agency has ranged from 47 to 54 with an average monthly vacancy rate of 50.4 FTE positions.

The following is a summary of the status of ITD's one-time funding items:

Enterprise digitization project	Through March 2024, ITD has spent \$408,573 on this project and anticipates the entire appropriation will be spent by the end of the 2023-25 biennium. The department is assessing mainframe applications and conducting an inventory analysis of agency applications to determine application modernization priority.
Call center software upgrade project	Through March 2024, ITD has spent \$827,500 on this project and anticipates the entire appropriation will be spent by the end of the 2023-25 biennium. The department awarded a contract to ConnexOne to implement the call center software upgrade.
GRC costs and the DPI lighthouse project	Through March 2024, ITD has spent \$31,584 on GRC costs and the DPI lighthouse project and received \$4,780,703 of special funds from DPI for the project. Of the \$300,000 designated in Section 7 of the bill for the choice ready dashboard expansion project, no funding has been spent through March 2024. The department anticipates working on the expansion project in the summer of 2024, between school years.
Business gateway - Enterprise customer relationship management program	Through March 2024, ITD has spent \$98,391 on this program and anticipates the entire appropriation will be spent by the end of the 2023-25 biennium. The department anticipates there will be two phases for the project. The estimated cost for Phase 1 is \$822,237. The department contracted with Deloitte Innovation Solutions to analyze requirements for Phase 1 of the project. Once the scope of Phase 1 is known, the vendor will begin evaluating the estimated cost and requirements for Phase 2, which ITD estimates will be available in August 2024.
Universal vulnerability management project	Through March 2024, ITD has spent \$91,436 on this project and anticipates the entire appropriation will be spent by the end of the 2023-25 biennium. The department is utilizing the funding to address known cybersecurity risks and vulnerabilities and anticipating additional funding will be needed during the 2025-27 biennium.
Capitol security software upgrade and fiber replacement project	Through March 2024, ITD has spent \$142,000 on this project and anticipates the entire appropriation will be spent by the end of the 2023-25 biennium. The department is in the process of installing backend servers and reviewing active directory components, and converting door access data from the old system to the new system.

costs related to the lighthouse project during the 2023-25 biennium. The Department of Public Instruction will use a portion of the funding appropriated during the November 2021 special legislative session to pay ITD. Section 7 identifies \$300,000 of the \$4,856,876 from the ITD operating service fund for DPI projects is designated for a choice ready dashboard expansion project.

³Funding for these items is from the federal State Fiscal Recovery Fund.

⁴Other funds appropriated for IT inflationary increases is from the PowerSchool fund (\$325,000) and the ITD operating service fund (\$4.65 million).

IT inflationary increases	The department anticipates the entire appropriation for IT inflationary increases will be spent by the end of the 2023-25 biennium and that the funding will need to be continued for the 2025-27 biennium.
Statewide longitudinal data system	Through March 2024, ITD has not spent any funding on this project but has identified approximately \$570,000 of work to be performed during the 2023-25 biennium, primarily on digital credentialing for higher education institutions, career and technical education career cluster requirements, and career academy enrollments. Additional funding may be spent but the total amount to be spent during the 2023-25 biennium is unknown.
NDHIN	See the health information funding and transfer section below.
Broadband equity, access, and deployment grant program	See the broadband equity, access, and deployment grant program section below.
State and local cybersecurity grant program matching funds	The state and local cybersecurity grant program is primarily a federal funds passthrough grant to be provided to political subdivisions for cybersecurity costs. The Information Technology Department has partnered with the Department of Emergency Services to administer the program. Both departments are using funds appropriated from the general fund to match federal funds used by local government entities for cybersecurity projects. Both departments participate in a local government task force to address cybersecurity concerns. The Information Technology Department also received approximately \$1 million of federal funds for the program.
Grants to counties for an online property tax information portal	Through March 2024, ITD has spent \$32,551 on this project for seven counties that did not have an online property tax system. The funding is granted to counties on a reimbursement basis for licensing costs associated with a newly implemented online system. The department reported there are six additional counties without an online property tax system that did not apply for round one funding and that second round applications will be accepted starting in June 2024. It is unknown how much of the appropriation will be spent by the end of the 2023-25 biennium.
SIRN project	See the statewide interoperable radio network section below.

Shared services IT unification - During the 2017-18 interim, ITD began a shared services IT unification plan that includes consolidating IT services, such as desktop support, help desk services, and IT personnel in executive branch state agencies. The department intends to use the unification plan to improve IT productivity by establishing common systems and processes for

The 3 FTE positions have been transferred to ITD. As a result of unification, ITD reports being able to provide additional IT resources for agencies that had limited resources prior to unification and that IT staff are offered additional opportunities for training and promotions compared to opportunities available with smaller IT staffs in their pre-unification agencies. The department noted while

communication and collaboration among executive branch agencies. The department reported the unification plan will focus on cost reduction and operational efficiencies and provide data hosting, storage, and archiving opportunities. The department believes the unification plan will reduce redundancies in executive branch agencies, decrease enterprise risk, improve IT investment success, and maximize cyber defense.

The 2019 Legislative Assembly authorized a shared services IT unification pilot project and transferred 96 FTE positions from five agencies to ITD.

The 2021 Legislative Assembly approved additional unification of state government IT resources and personnel, including the transfer of 53 FTE positions from 10 agencies to ITD.

The 2023 Legislative Assembly approved additional unification of state government IT resources and personnel, including the transfer of 3 FTE positions from two agencies to ITD.

The following is a summary of FTE positions transferred to ITD as a result of the 2019-21, 2021-23, and 2023-25 biennium IT unification initiatives:

Agency	FTE Transferred			Total FTE Transferred
	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	
110 - OMB		4.00		4.00
190 - Retirement and Investment Office		2.00		2.00
226 - Department of Trust Lands	2.00			2.00
301 - State Department of Health		4.00		4.00
303 - Department of Environmental Quality		1.00		1.00
325 - Department of Human Services	48.00			48.00
380 - Job Service North Dakota		16.00		16.00
401 - Insurance Commissioner			1.00	1.00
471 - Bank of North Dakota		16.00		16.00
504 - Highway Patrol		2.00		2.00
530 - Department of Corrections and Rehabilitation		6.00	2.00	8.00
540 - Adjutant General - Department of Emergency Services	4.00			4.00
601 - Department of Commerce		1.00		1.00
720 - Game and Fish Department		1.00		1.00
750 - Parks and Recreation Department	1.00			1.00
801 - Department of Transportation	41.00			41.00
Total	96.00	53.00	3.00	152.00

FTE positions and resources continue to be integrated, efficiencies are being realized by providing desktop support services, reducing hardware and procurement redundancies, and facilitating additional collaboration between agencies.

The department does not anticipate requesting the transfer of additional IT-related FTE positions to ITD for IT unification during the 2025 legislative session.

Line item transfers - Section 4 of House Bill No. 1021 authorizes OMB to make transfers of funds between line items of ITD as may be requested by the Chief Information Officer as necessary for the development and implementation of IT projects.

Health information network expansion - In Section 1 of Senate Bill No. 2021 (2017), the Legislative Assembly appropriated \$43.6 million for the NDHIN expansion project, a project designed to provide for the secure exchange of health information to enable clinical users such as providers, nurses, and clerical staff to efficiently view information relating to a patient's electronic medical records.

Of the amount appropriated to ITD, \$40.5 million is from federal Health Information Technology for Economic and Clinical Health (HITECH) funds distributed by the federal Centers for Medicare and Medicaid Services (CMS) to the Department of Human Services. Federal funds were available through a Medicaid advanced planning document and require a 10 or 15 percent match. The matching funds were generated from billings to providers, payers, and from the electronic health information exchange fund.

Funding was projected to be available for the project through the 2021-23 biennium with an anticipated completion date of September 2021; however, due to funding changes made by the federal government, the full amount for the project will not be received.

Health information funding and transfer - As a result of changes made by the federal government, federal funding for NDHIN became limited starting in the 2021-23 biennium, as CMS would only match up to 15 percent of funding spent for state health information networks, rather than 85 to 90 percent.

In Section 3 of Senate Bill No. 2021 (2021), the Legislative Assembly identified \$6 million of one-time funding is included in Section 1 of the bill from the health information technology planning loan fund, which the Bank of North Dakota was required to transfer, at the request of the Chief Information Officer, to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and NDHIN during the 2021-23 biennium.

In House Bill No. 1021, the Legislative Assembly appropriated \$2 million of ongoing funding from the general fund, \$3.7 million of ongoing funding from the electronic health information exchange fund, and \$3 million of one-time funding from the health information technology planning loan fund, which the Bank of North Dakota was required to transfer, at the request of the Chief Information Officer, to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and NDHIN during the 2023-25 biennium.

Funding appropriated for the Health Information Technology Office and NDHIN for the 2021-23 and 2023-25 bienniums is as follows:

Through March 2024, no transfers between line items have been made. It is unknown if any line item transfers will be necessary during the 2023-25 biennium.

The department received \$1.1 million of HITECH funds during the 2021-23 biennium, resulting in a total of \$22.2 million received for the project during the 2017-19, 2019-21, and 2021-23 bienniums. No funding is expected from HITECH funds in the 2023-25 biennium or future bienniums.

The Centers for Medicare and Medicaid Services certified NDHIN as a Medicaid management information system in February 2022 and approved a cost reimbursement methodology in December 2023, which will allow ITD to request up to 75 percent federal reimbursement for eligible network expenditures. As a result of the agreed upon reimbursement methodology, CMS reimbursed ITD \$4,012,776 for NDHIN expenditures incurred from October 2021 through December 2023 that were no longer eligible for HITECH funding. See the **health information funding and transfer** section below.

The department estimates an additional \$1.3 million of federal CMS funding may be reimbursed during the 2023-25 biennium, providing an estimated total of \$5.3 million. It is unknown how much funding will be available from the federal government for the NDHIN project during the 2025-27 biennium.

During the 2021-23 biennium, ITD requested the entire \$6 million be transferred from the health information technology planning loan fund to the electronic health information exchange fund.

As a result of CMS approving ITD's cost reimbursement methodology in December 2023, ITD does not anticipate spending the \$2 million from the general fund during the 2023-25 biennium. Through April 2024, ITD has not requested any funding be transferred from the health information technology planning loan fund to the electronic health information exchange fund and does not anticipate a transfer will be needed during the 2023-25 biennium.

The department anticipates collecting \$1.5 million of payments from providers participating in NDHIN for deposit in the electronic health information exchange fund, the same amount collected during the 2021-23 biennium.

In March 2024, ITD reported to the interim Information Technology Committee that the Health Information Technology Office has begun transitioning the health information exchange to a health data utility. This new health IT model is expected to enable better collaboration between government agencies, tribal entities, private providers, and patients; increase data sharing and access to data networks; and support additional public health research.

Biennium	General Fund	Federal Funds	Health Information Technology Planning Loan Fund ¹	Electronic Health Information Exchange Fund ²	Total
2021-23		\$6,000,000	\$6,000,000	\$2,725,871	\$14,725,871
2023-25	\$2,000,000	\$0	\$3,000,000	\$3,742,111	\$8,742,111

¹Funding from the health information technology planning loan fund is provided through one-time transfers to the electronic health information exchange fund.

²Funding in the electronic health information exchange fund consists primarily of payments made by providers participating in the health information network.

Statewide interoperable radio network - In Section 1 of House Bill No. 1178 (2017), the Legislative Assembly established a SIRN fund for the development and maintenance costs related to SIRN.

Section 4 of the bill amended North Dakota Century Code Section 57-40.6-02 to require political subdivisions to add a fee of \$0.50 to the fee imposed on assessed communication services. The additional \$0.50 per communication connection must be remitted to the State Treasurer for deposit in the SIRN fund.

In House Bill No. 1021 (2019), the Legislative Assembly appropriated \$12.33 million from the SIRN fund to ITD for the SIRN project for the 2019-21 biennium.

In Section 3 of House Bill No. 1435 (2019), the Legislative Assembly amended Section 37-17.3-03 to require the Chief Information Officer to establish a process to register and audit users of SIRN and to allow ITD to provide a state cost-share for each SIRN radio. The state cost-share for each radio is \$1,500, unless the cost of the radio is less than \$1,500, in which case the state cost-share is the cost of the radio.

In Section 8 of House Bill No. 1435, the Legislative Assembly appropriated one-time funding of \$120 million to ITD for SIRN, of which \$20 million is from SIIF, \$80 million is from a Bank of North Dakota line of credit, and \$20 million is from Bank profits. The department is required to repay the line of credit from funds available in the SIRN fund or other funds over a period not to exceed 20 years from the date of issuance of the line of credit, as appropriated by the Legislative Assembly. The Bank may not transfer any profits until ITD uses \$25 million of the line of credit.

In Senate Bill No. 2021 (2021), the Legislative Assembly appropriated \$14.19 million to ITD for the SIRN project during the 2021-23 biennium, of which \$12.33 million is from the SIRN fund and \$1.86 million was transferred from the general fund from the Department of Emergency Services Division of State Radio for SIRN tower maintenance operating expenses.

Section 9 of Senate Bill No. 2021 provided an exemption to allow ITD to continue the \$20 million appropriated from SIIF for SIRN for the 2019-21 biennium into the 2021-23 biennium.

In January 2019, ITD awarded the SIRN contract to Motorola to provide a single statewide solution for North Dakota public safety systems. The department negotiated a 10-year contract with Motorola for the maintenance of the SIRN system, including software support and upgrades. Infrastructure, devices, and equipment upgrades are not included in the maintenance agreement, although ITD has negotiated pricing for these items.

During the 2019 legislative session, the total estimated cost of the SIRN project was \$207.1 million, of which \$206 million has been contracted with Motorola for SIRN core infrastructure and public safety answering points (PSAPs) (\$9 million), the SIRN network (\$97 million), and subscriber devices (\$100 million). Network construction costs not contracted with Motorola are expected to total \$1.1 million. The estimated annual operating expenditures of SIRN were \$5 million to \$10 million.

The SIRN project was estimated to be a 5-year project; however, due to the COVID-19 pandemic and supply chain issues, ITD anticipates the SIRN project will be delayed and over budget.

In December 2019, \$20 million was transferred from SIIF to the SIRN fund. The department spent the entire amount during the 2019-21 biennium.

During the 2019-21 biennium, ITD did not access funding from the \$80,000,000 line of credit, resulting in the \$20,000,000 of Bank of North Dakota profits not being transferred during the biennium. During the 2021-23 biennium, ITD accessed \$38,865,793 of the \$80,000,000 line of credit. The line of credit, including \$2,094,135 for accrued interest, was repaid in June 2023.

Through March 2024, ITD spent \$45.7 million from the State Fiscal Recovery Fund and anticipates requesting the \$20 million transfer of Bank profits in May 2024. It is unknown how much of the \$100 million appropriation will be spent during the 2023-25 biennium. The estimated completion date for the SIRN project is 2026.

Through March 2024, 9,019 of an estimated 20,000 radios have been purchased by local public safety agencies and \$13.3 million of an estimated \$30 million of reimbursement requests have been submitted by these agencies for the state's \$1,500 cost-share responsibility for each radio. The department anticipates most local public safety agencies will purchase radios in 2024 and 2025.

In House Bill No. 1242, the Legislative Assembly appropriated \$100 million of one-time funding for the SIRN project, of which \$20 million is transferred from Bank of North Dakota profits to the SIRN fund to repay funding utilized by ITD from the Bank line of credit authorized by the 2019 Legislative Assembly and \$80 million is from the State Fiscal Recovery Fund.

Broadband infrastructure grant program - During the November 2021 special legislative session, in House Bill No. 1505 (2021), the Legislative Assembly appropriated \$45 million from the federal Coronavirus Capital Projects Fund to ITD for broadband infrastructure grants during the 2021-23 biennium. The program is to provide funding to telecommunication carriers for the purpose of building infrastructure capable of providing high-speed broadband services to unserved and underserved areas in the state.

In Section 9 of House Bill No. 1021, the Legislative Assembly authorized ITD an exemption to continue the \$45 million for broadband infrastructure grants into the 2023-25 biennium. The department is required to approve any grant application that includes the use or implementation of fiber optic cable in the proposed service area unless fiber optic cable currently serves the proposed service area.

In Section 10 of House Bill No. 1021, the Legislative Assembly provided OMB transfer any uncommitted Coronavirus Capital Projects Fund appropriation authority from ITD to the Department of Career and Technical Education (CTE) for career academy inflationary costs during the 2023-25 biennium. The funding may only be spent by CTE if the federal government approves a state plan amendment on the planned use of money in the fund. If the state plan amendment is not approved, OMB shall transfer the uncommitted funding to ITD for broadband infrastructure grants. The Department of Career and Technical Education is required to report to the Legislative Management on the use of this funding and OMB is required to report to the Legislative Management regarding appropriation authority transferred pursuant to this section.

In March 2024, ITD reported to the interim Information Technology Committee that 46 of the 140 towers needed for SIRN are constructed and compatible with the network, 15 are in a final memorandum of understanding acceptance phase, 29 are under construction, and 50 are either in the site acquisition or site searching phase.

The estimated ongoing operational cost of SIRN is \$21.1 million for the 2025-27 biennium. Projected revenue available in the SIRN fund for ongoing operational costs of SIRN is approximately \$9 million, resulting in an estimated budget deficit of \$12.1 million for the 2025-27 biennium.

As of March 27, 2024, \$12.8 million of 911 fee revenue was available in the SIRN fund for ongoing SIRN operations. An additional \$5 million may be collected by the end of the 2023-25 biennium and between \$5 million to \$7 million of expenditures may be paid using the fee revenue.

The estimated revenue available for ongoing SIRN operations for the remainder of the 2023-25 biennium and the 2025-27 biennium is \$26.8 million. Estimated expenditures for the remainder of the 2023-25 biennium and 2025-27 biennium is between \$26.1 million and \$28.1 million.

The department has issued 11 grant projects totaling \$37,251,986 to seven telecommunication companies to serve approximately 2,000 locations in the state. Of the grant projects, one project is complete, eight projects are in progress, and two projects have not yet started. Through March 2024, ITD has spent \$2,500,000 for the program, including \$2,200,000 of reimbursements paid to telecommunication companies and approximately \$300,000 for administrative expenses. The department anticipates spending the entire \$37,251,986 during the 2023-25 biennium. Including \$1,428,541 of estimated administrative costs, the total anticipated amount to be spent for the program is \$38,680,527. The remaining \$6,319,473 was transferred to CTE for career academy inflationary costs.

In March 2024, the United States Department of the Treasury approved North Dakota's state grant plan amendment to allow additional funding from the Coronavirus Capital Projects Fund to be used for career academies rather than broadband infrastructure grants. Through March 2024, CTE has not distributed the repurposed funding.

Broadband equity, access, and deployment grant program - In House Bill No. 1021, the Legislative Assembly appropriated \$147,762,480 of federal funds for broadband and cybersecurity programs available as a result of the Infrastructure Investment and Jobs Act, primarily related to the broadband equity, access, and deployment (BEAD) grant program and digital equity program. The BEAD program is intended to expand high-speed broadband infrastructure in unserved and underserved areas of the state. The digital equity program is intended to ensure all citizens in the state have the technology and capacity to utilize high-speed broadband services.

The federal government awarded ITD \$130.2 million for the BEAD and digital equity programs, of which \$5 million was for a BEAD planning program and \$516,800 was for a digital equity planning program.

The BEAD planning funding has been used to hire a management consulting company, Guidehouse, and for staff salaries to develop a 5-year plan for the BEAD program. The department's initial BEAD program plan was approved by the United States Department of Commerce National Telecommunications and Information Administration (NTIA). The department and Guidehouse have worked with telecommunication companies to determine there are approximately 4,500 to 6,000 unserved or underserved locations in the state that may be eligible for funding through the BEAD program. Through March 2024, \$989,156 has been spent using BEAD planning funds.

The department anticipates receiving approval from NTIA for the next phase of the program in June 2024. Once approval is provided, ITD will have 1 year to complete the subgrantee selection process for work to be performed by telecommunication companies. It is unknown if bids will be received from telecommunication companies to provide services to all identified unserved and underserved locations in the state. Therefore, it is unknown how much funding will be spent during the 2023-25 biennium.

The \$516,800 for the digital equity planning program was available through March 2024, of which ITD spent approximately \$515,000 on staff salaries and consulting costs to Guidehouse. Of the \$130.2 million awarded for the BEAD and digital equity programs, ITD anticipates receiving a total of \$6 million to \$7 million from NTIA in three annual payments for digital equity capacity grants. Of this amount, ITD anticipates \$4.5 million may be received in late 2024. Additional funding for the digital equity program may become available on a competitive basis but program information has not yet been released by NTIA.

The department anticipates requesting an exemption to continue funding for the BEAD program and digital equity program into the 2025-27 biennium.