

**Information Technology Department**  
**Budget No. 112**  
**Senate Bill No. 2021**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2025-27 legislative appropriations</b>	<b>509.00</b>	<b>\$48,041,136</b>	<b>\$152,467,596</b>	<b>\$200,508,732</b>
2025-27 base budget	507.00	41,418,305	239,646,504	281,064,809
Legislative increase (decrease) to base budget	2.00	\$6,622,831	(\$87,178,908)	(\$80,556,077)

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2025-27 legislative appropriations</b>	<b>\$48,041,136</b>	<b>\$0</b>	<b>\$48,041,136</b>
2023-25 legislative appropriations	41,418,305	4,812,520	46,230,825
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$6,622,831	(\$4,812,520)	\$1,810,311
Percentage increase (decrease) to 2023-25 appropriations	16.0%	(100.0%)	3.9%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**  
**Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Adjusted funding for base payroll changes related to salary equity increases, position reclassifications, and other staffing changes		(\$25,257)	\$3,229,838	\$3,204,581
Added funding for the cost to continue salary increases		418,501	2,047,215	2,465,716
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		845,089	4,640,214	5,485,303
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		498,438	2,520,280	3,018,718
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$4,966,686 for new positions and \$8,919,434 for vacant positions		3,467,729	10,418,391	13,886,120
Added funding from the information technology operating fund for 2 FTE statewide interoperable radio network (SIRN)	2.00		608,927	608,927

positions, including \$529,994 for salaries and wages and \$78,933 for operating expenses

Transferred \$529,994 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$476,995 resulting in the savings as shown		(52,999)	(52,999)
Transferred \$11,323,468 for estimated savings from vacant FTE positions from the salaries and wages line item and other line items to the new and vacant FTE pool line item and reduced the amount to \$7,926,429 resulting in the savings as shown	(522,246)	(2,874,794)	(3,397,040)
Reduced funding for operating expenses, primarily professional services. Of the funding reduced from other funds, \$744,345 is from federal funds and \$9,595,013 is from special funds	(599,999)	(10,339,358)	(10,939,357)
Added funding for information technology inflationary costs, including \$231,845 from federal funds and \$299,802 from special funds	3,181,664	531,647	3,713,311
Added funding for cybersecurity contractual service increases	942,554		942,554
Transferred special fund authority from the information technology operating fund to continuing appropriation authority (North Dakota Century Code Section 54-59-14)		(99,168,477)	(99,168,477)
Reduced funding for the statewide longitudinal data system, including \$500,000 from federal funds	(394,839)	(500,000)	(894,839)
Reduced funding for EduTech operating expenses, including \$500,000 from federal funds and \$53,869 from special funds		(553,869)	(553,869)
Added funding from special funds for an EduTech training application replacement project		391,793	391,793
Reduced ongoing funding from the PowerSchool fund for license costs (\$1,472,653) and for salaries and wages of 8 FTE EduTech positions (\$993,138) for the 2 <sup>nd</sup> 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 the Information Technology Department (ITD) under the new system		(2,465,791)	(2,465,791)
Adjusted funding for the K-12 wide area network, including a reduction from special funds	512,501	(90,000)	422,501

Adjusted funding for the geographic information system, including a reduction from federal funds	89,176	(65,679)	23,497
Adjusted funding for the North Dakota Health Information Network (NDHIN) by eliminating funding from the general fund and increasing funding from other funds to provide a total of \$7,751,242 derived from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund	(2,000,000)	3,885,166	1,885,166
Adjusted funding for SIRN, including adding \$209,520 from the general fund for circuits and reducing \$2,854,082 from the SIRN fund for equipment	209,520	(2,854,082)	(2,644,562)
Added <b>one-time funding</b> from the strategic investment and improvements fund (SIIF) for a state data center migration project		1,719,061	1,719,061
Added <b>one-time funding</b> 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 million 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		1,793,609	1,793,609
Total	<u>2.00</u>	<u>\$6,622,831</u>	<u>(\$87,178,908)</u>

#### FTE Changes

The Legislative Assembly approved 509 FTE positions for ITD for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 507 FTE positions. The Legislative Assembly added 2 FTE SIRN positions, including 1 FTE senior enterprise service desk specialist position and 1 FTE senior tier II analyst position.

#### One-Time Funding

The Legislative Assembly appropriated \$3,512,670 of one-time funding from SIIF to ITD for the 2025-27 biennium, of which \$1,719,061 is for a state data center migration project and \$1,793,609 is 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.

#### Health Information Network Expansion

##### 2017-19 Biennium

Section 1 of Senate Bill No. 2021 (2017) included \$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 easily and efficiently view information relating to a patient's electronic medical records. The project was intended to enhance the functionality of NDHIN by allowing Medicaid providers options to meet specific measures and objectives to achieve meaningful use and promote comprehensive interoperability between all providers throughout the state. The project was to enhance existing NDHIN

infrastructure and allow for statewide repositories for analytics, care coordination, credentialing, advanced directives, and provide for necessary connections between providers.

Of the amount appropriated to ITD, \$40.5 million is from federal funds distributed by the Centers for Medicare and Medicaid Services to the Department of Human Services. Federal funds were available through a Medicaid advanced planning document and required a 10 or 15 percent match. The matching funds were to be generated from billings to providers, payers, and the state match from the electronic health information exchange fund. Funding was to be available for the project through the anticipated completion date of September 2021.

#### **2019-21 Biennium**

In Section 5 of House Bill No. 1021 (2019), the Legislative Assembly authorized ITD to continue the funding appropriated for the NDHIN expansion and care coordination project for the 2017-19 biennium into the 2019-21 biennium.

#### **2021-23 Biennium**

As a result of changes made by the federal government, federal funding for NDHIN became limited starting in the 2021-23 biennium, as the Centers for Medicare and Medicaid Services changed procedures to allow a match of up to 15 percent of funding spent for state health information networks, rather than 85 to 90 percent. The 2021 Legislative Assembly added \$5.5 million of federal funds, resulting in a total of \$6 million of federal funds spending authority available to ITD for the 2021-23 biennium.

In Section 3 of Senate Bill No. 2021 (2021), the Legislative Assembly identified an additional \$6 million of one-time funding is included in Section 1 from the health information technology planning loan fund, which the Bank of North Dakota is 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. Legislative intent was provided that the funding from the information technology planning loan fund be transferred only to the extent federal funding is not available to defray the expenses of the Health Information Technology Office and NDHIN during the 2021-23 biennium.

The Chief Information Officer requested the Bank transfer the entire \$6 million of funding from the health information technology planning loan fund to the electronic health information exchange fund during the 2021-23 biennium.

#### **2023-25 Biennium**

In House Bill No. 1021 (2023), the Legislative Assembly provided for a one-time transfer of \$3 million, as requested by the Chief Information Officer, from the health information technology planning loan fund to the electronic health information exchange fund for the purpose of defraying the expenses of the Health Information Technology Office and the health information network during the 2023-25 biennium.

The Chief Information Officer requested the Bank transfer the entire \$3 million of funding from the health information technology planning loan fund to the electronic health information exchange fund during the 2023-25 biennium.

The Legislative Assembly also reduced ongoing federal funds by \$6 million, added \$2 million of ongoing funding from the general fund, and added \$1 million from fees collected from NDHIN users and providers deposited in the electronic health information exchange fund for the Health Information Technology Office and NDHIN. An additional \$16,240 was added from the electronic health information exchange fund for employee compensation.

#### **2025-27 Biennium**

In Senate Bill No. 2021 (2025), the Legislative Assembly adjusted funding for NDHIN by eliminating funding from the general fund and increasing funding from other funds to provide a total of \$7,751,242 derived from participant fee revenue and federal Centers for Medicare and Medicaid Services funding deposited in the electronic health information exchange fund.

### **Statewide Interoperable Radio Network**

#### **2019-21 Biennium**

In House Bill No. 1435 (2019), the Legislative Assembly appropriated \$120 million to ITD for the SIRN project, of which \$80 million was from a Bank of North Dakota line of credit, \$20 million was from Bank profits, and \$20 million was from SIIF. House Bill No. 1014 (2019) and Senate Bill No. 2015 (2019) amended Section 8 of House Bill No. 1435 to delay the transfer of Bank profits until after \$25 million of the line of credit is used. The funding from SIIF was spent during the 2019-21 biennium. The department did not use any of the \$80 million line of credit during the 2019-21 biennium, resulting in the \$20 million appropriation from Bank profits being canceled at the end of the biennium.

**2021-23 Biennium**

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

**2023-25 Biennium**

In House Bill No. 1242 (2023), the Legislative Assembly appropriated \$100 million of one-time funding for the SIRN project, of which \$20 million was 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 was from the federal State Fiscal Recovery Fund.

**2025-27 Biennium**

In Senate Bill No. 2021 (2025), the Legislative Assembly authorized ITD an exemption to continue any unspent funding appropriated for the SIRN project for the 2023-25 biennium into the 2025-27 biennium. The estimated project completion date is 2027.

**Exemptions**

The Legislative Assembly authorized six exemptions in Section 9 of Senate Bill No. 2021 to allow ITD to continue an estimated \$176,539,737 of unexpended prior biennium appropriations into the 2025-27 biennium, including \$326,920 from the general fund and \$176,212,817 from other funds, as follows:

Senate Bill No. 2021, Section 9, Subsection:	Major Program Area	Appropriations from Previous Bienniums		Estimated Amount to be Spent during the 2023-25 Biennium		Estimated Amount to be Continued into the 2025-27 Biennium	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
1	Broadband infrastructure grants <sup>1</sup>	\$0	\$38,680,527	\$0	\$556,061	\$0	\$38,124,466
2	Enterprise digitization (\$7 million) and business gateway enterprise customer relationship management program (\$5 million) <sup>2</sup>	0	12,000,000	0	7,238,603	0	4,761,397
3	Governance, risk, and compliance costs and the Department of Public Instruction lighthouse project <sup>3</sup>	600,000	4,856,876	600,000	3,341,440	0	1,515,436
4	Broadband, equity, access, and deployment (BEAD), digital equity, and state and local cybersecurity grant programs <sup>4</sup>	0	147,762,480	0	44,529,964	0	103,232,516
5	State and local cybersecurity grant program matching funds	487,520	0	160,600	0	326,920	0
6	SIRN project <sup>5</sup>	0	80,000,000	0	51,420,998	0	28,579,002
Total		\$1,087,520	\$283,299,883	\$760,600	\$107,087,066	\$326,920	\$176,212,817

<sup>1</sup>Funding for this item was from the federal Coronavirus Capital Projects Fund.

<sup>2</sup>Funding for these items was from SIIF.

<sup>3</sup>Other funds for these items was from the information technology operating fund.

<sup>4</sup>Funding for these items were from federal funds derived from the federal Infrastructure Investment and Jobs Act.

<sup>5</sup>Funding for this item was from the State Fiscal Recovery Fund.

**Other Sections in Senate Bill No. 2021**

**New and vacant FTE pool** - Section 3 provides ITD may not spend funds appropriated in the new and vacant FTE pool line item but may request the Office of Management and Budget to transfer funds to line items with salaries and wages funding.

**Exemption - Line item transfers** - Section 4 allows the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer of ITD for the development and implementation of technology projects.

**SIIF** - Section 5 identifies \$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).

**Amendment - Information Technology Committee membership** - Section 6 amends 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.

**Amendment - Information technology operating fund - Continuing appropriation** - Section 7 amends Section 54-59-14 to provide ITD a continuing appropriation from the information technology operating fund to allow ITD to provide information technology and network services to state agencies without receiving appropriation authority from the Legislative Assembly. The department is required to provide a report at each meeting of the Budget Section and to the appropriations committee each legislative session regarding the status of the information technology operating fund and the balance of the fund. The department may not use funding in the information technology operating fund for the cost of salaries and wages expenses.

**Amendment - Information technology operating fund renamed** - Section 8 amends Section 54-59-15 to rename the information technology operating account the information technology operating fund.

**Legislative Management study - SIRN and emergency communication fees** - Section 10 provides for a Legislative Management study of fees collected for technology services, including emergency communications, behavioral health crisis response, and SIRN. The study must include an analysis of the adequacy of current fee structures, financial needs of the technology services, current fees and revenue trends for 911 and 988 services, the SIRN project, the estimated project completion date, estimated ongoing funding needs to operate the network, current funding available for the network, future funding options for the network that will not negatively affect existing emergency communication systems, and a comparison of statewide radio network funding models used in other states.

**Legislative Management study - Enterprise resource planning system** - Section 11 provides for a Legislative Management study of the enterprise resource planning system for the state, including use by state agencies and higher education.

**Budget Section report - Student information system transition** - Section 12 requires 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.

#### **Related Legislation**

**House Bill No. 1448 - Advanced technology review committee** - This bill creates an advanced technology review committee, an advanced technology grant program, and an advanced technology grant fund. The Chief Information Officer is included as a member of the advanced technology review committee.

**Senate Bill No. 2049 - Major information technology projects** - This bill amends Chapter 54-35 and Chapter 54-59 regarding major information technology projects, including changing the definition of a major information technology project from a project that has a total estimated cost of \$500,000 to a project which has a total estimated cost of \$5 million or more; requires 1 year or longer to reach operational status; or requires oversight due to its potential benefits, risks, public impact, visibility, or other significant reason determined by the Chief Information Officer.