

**Information Technology Department  
Budget No. 112  
Senate Bill Nos. 2021 and 2404**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2025-27 legislative appropriation	509.00	\$49,541,136 <sup>1</sup>	\$152,467,596	\$202,008,732
2023-25 legislative appropriation	<u>507.00</u>	<u>46,230,825<sup>2</sup></u>	<u>518,740,327</u>	<u>564,971,152</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	2.00	\$3,310,311	(\$366,272,731)	(\$362,962,420)

<sup>1</sup>This amount includes \$1,500,000 of one-time funding approved in Senate Bill No. 2404 during the January 2026 special legislative session. Excluding this amount, the agency's ongoing General Fund appropriation is \$48,041,136.

<sup>2</sup>This amount includes \$4,812,520 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$41,418,305.

**Item Description**

**Full-time equivalent changes** - The Legislative Assembly approved 509 FTE positions for the Information Technology Department (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 Statewide Interoperable Radio Network (SIRN) positions.

**New and vacant FTE pool** - The Legislative Assembly transferred \$11,853,462 for estimated savings from new (\$529,994) and vacant (\$11,323,468) FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$8,403,424, resulting in net savings of \$3,450,038 for new and vacant FTE positions. Of the total, \$522,246 was from the General Fund and \$2,927,792 was from other funds.

**One-time funding** - The Legislative Assembly appropriated \$5.0 million of one-time funding to ITD for the 2025-27 biennium as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Data center migration project <sup>1</sup>		\$1,719,061	\$1,719,061
Automating information technology (IT) services <sup>1</sup>		1,793,609	1,793,609
Digital accessibility compliance (Senate Bill No. 2404) <sup>2</sup>	\$1,500,000		1,500,000
<b>Total</b>	<b>\$1,500,000</b>	<b>\$3,512,670</b>	<b>\$5,012,670</b>

<sup>1</sup>Funding for these items is from the Strategic Investment and Improvements Fund (SIIF).

<sup>2</sup>During the January 2026 special legislative session, the Legislative Assembly appropriated \$1.5 million from the General Fund for updating state-controlled websites and digital content to comply with digital accessibility provisions of the federal Americans with Disabilities Act.

**Status/Result**

The department filled both SIRN positions in fall 2025.

Through March 2026, ITD had not utilized any funding from the new and vacant FTE pool line item. The department had estimated vacancy savings of \$2,257,572 during the first 7 months of the 2025-27 biennium. The department used \$430,487 of the savings for accrued leave payouts, incentive pay, temporary salary funding, and overtime funding. The number of vacancies in the agency has ranged from 27 to 32 FTE with an average monthly vacancy rate of 29.26 FTE positions.

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

Data center migration project	Through March 2026, ITD spent \$123,267 on the project and anticipates spending the entire appropriation by the end of the 2025-27 biennium. Network, storage, and supporting equipment has been ordered and migration planning is nearly complete, with multiple workloads planned for live migrations to minimize service disruption. The majority of migrations are expected to be completed by December 2026.
Automating IT services	The department anticipates spending the entire appropriation by the end of the 2025-27 biennium, with most funding spent during the application automation platform licensing process in May 2026. The project is scheduled to go live in July 2026, automating portions of onboarding and offboarding employees for the Department of Health and Human Services and ITD.
Digital accessibility compliance	Through March 2026, ITD spent \$237,206 on digital accessibility compliance. Funding has been used for website

scanning tools, training, and third-party vendor remediation on behalf of state agencies. On April 20, 2026, the United States Department of Justice extended the Americans with Disabilities Act compliance deadlines by 1 year, from April 24, 2026, to April 26, 2027, for state agencies.

**Information Technology Operating Fund - Continuing Appropriation** - The Legislative Assembly, in Section 7 of Senate Bill No. 2021, amended North Dakota Century Code Section 54-59-14 to provide ITD a continuing appropriation from the IT Operating Fund to allow ITD to provide IT and network services to state agencies without receiving appropriation authority from the Legislative Assembly. The Legislative Assembly transferred \$99,168,477 from special fund authority to continuing appropriation authority for operating expenses and capital assets beginning in the 2025-27 biennium. The department is required to provide a report at each meeting of the Budget Section and to the appropriations committees each legislative session regarding the status of the IT Operating Fund and the balance of the fund.

**K-12 student information system transition** - The Legislative Assembly, in Senate Bill No. 2021, 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 2nd year of the biennium related to the student information system transition from PowerSchool to Infinite Campus. This resulted in 8 FTE EduTech positions being underfunded for the 2025-27 biennium as the Department of Public Instruction (DPI) will require less support from ITD under the new system.

**Enterprise digitization project** - The Legislative Assembly, in House Bill No. 1021 (2023), appropriated \$7 million for an enterprise digitization project. The Legislative Assembly, in Section 9 of Senate Bill No. 2021 (2025), provided an exemption to continue any unspent funding appropriated for the project for the 2023-25 biennium into the 2025-27 biennium.

**Business Gateway Enterprise Customer Relationship Management Program** - The Legislative Assembly, in House Bill No. 1021 (2023), appropriated \$5 million for the Business Gateway Enterprise Customer Relationship Management Program. The Legislative Assembly, in Section 9 of Senate Bill No. 2021 (2025), provided an exemption to continue any unspent funding appropriated for the project for the 2023-25 biennium into the 2025-27 biennium.

**Line item transfers** - The Legislative Assembly, in Section 4 of Senate Bill No. 2021, authorized the Office of Management and Budget to make transfers of funds between line items of ITD as may be requested by the Chief

As of February 2026, the balance of the IT Operating Fund was \$11,203,310. During the first 8 months of the biennium, the fund received revenues of \$94,362,621, and incurred costs of \$88,981,860.

The department reported that the continuing appropriation has provided flexibility for ITD to respond to cost increases from hardware vendors, which are experiencing significant industry pressure on memory components driven by large data center demand. The department has been able to meet agency demands, including hiring contractor labor when necessary. The department continues to use revenue generated to budget future service fees. The department does not anticipate requesting changes to the continuing appropriation during the 2027 legislative session.

The department continues to coordinate with DPI, EduTech, and district technology staff to support the student information system transition. The Department of Public Instruction provided an update to the Information Technology Committee in March 2026, indicating the implementation is in progress with the system transition scheduled for summer 2026. Data migration was identified as the most significant risk area, and DPI has engaged a new vendor to complete the migration work.

Through March 2026, the department has spent \$4,252,252 on the project, of which \$2,508,505 was spent during the 2023-25 biennium and \$1,743,747 has been spent during the 2025-27 biennium. The department anticipates the entire appropriation will be spent by the end of the 2025-27 biennium.

The department is assessing mainframe applications and conducting an inventory analysis of agency applications to determine application modernization priority.

Through March 2026, the department spent all funding on the project, of which \$4,815,452 was spent during the 2023-25 biennium and \$184,548 was spent during the 2025-27 biennium.

Through March 2026, no transfers between line items have been made. It is unknown if any line item transfers will be necessary during the 2025-27 biennium.

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 North Dakota Health Information Network (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, \$40.5 million was 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 required 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 was not 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 (2023), 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.

In Senate Bill No. 2021 (2025), the Legislative Assembly removed ongoing funding from the General Fund and appropriated a total of \$7.8 million from the Electronic Health Information Exchange Fund for the purpose of defraying the expenses of the Health Information Technology Office and NDHIN during the 2025-27 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 HITECH funds were received during the 2023-25 biennium, and no HITECH funds are expected during the 2025-27 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, and is allowing ITD to submit new expenses to CMS for reimbursement. The Information Technology Department received an additional \$2,497,715 of federal CMS funding during the 2023-25 biennium, providing a total of \$6,510,491. The estimated amount of federal funding to be received from CMS for the 2025-27 biennium is \$3,537,133.

See the **Health information funding and transfer** section below.

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.

During the 2023-25 biennium, ITD requested the entire \$3 million be transferred from the Health Information Technology Planning Loan Fund to the Electronic Health Information Exchange Fund.

During the 2023-25 biennium, ITD collected \$1,505,536 of payments from providers participating in NDHIN for deposit in the Electronic Health Information Exchange Fund.

During the 2025-27 biennium, ITD anticipates collecting \$1,470,218 of payments from providers participating in NDHIN for deposit in the Electronic Health Information Exchange Fund.

Funding appropriated for the Health Information Technology Office and NDHIN for the 2021-23 through 2025-27 bienniums is as follows:

Biennium	General Fund	Federal Funds	Health Information Technology Planning Loan Fund <sup>1</sup>	Electronic Health Information Exchange Fund <sup>2</sup>	Total
2021-23		\$6,000,000	\$6,000,000	\$2,725,871	\$14,725,871
2023-25	\$2,000,000		\$3,000,000	\$3,742,111	\$8,742,111
2025-27				\$7,751,242	\$7,751,242

<sup>1</sup>Funding from the Health Information Technology Planning Loan Fund is provided through one-time transfers to the Electronic Health Information Exchange Fund.

<sup>2</sup>Funding in the Electronic Health Information Exchange Fund consists primarily of federal CMS funding and 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 statewide interoperable radio network (SIRN) Fund for the development and maintenance costs related to SIRN.

Section 4 of the bill amended 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 was from SIIF, \$80 million was from a Bank of North Dakota line of credit, and \$20 million was 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

In January 2019, ITD awarded the SIRN contract to Motorola Solutions to provide a single statewide solution for North Dakota public safety systems. The department negotiated a 10-year contract with Motorola Solutions 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 Solutions 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 Solutions are expected to total \$1.1 million.

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.

During the 2023-25 biennium, ITD spent \$51.3 million from the State Fiscal Recovery Fund. The \$20 million transfer of Bank of North Dakota profits to the SIRN Fund was completed in 2024.

The department anticipates spending \$24 million from the State Fiscal Recovery Fund on the project during the 2025-27 biennium. 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 \$9.6 million. As of December 2025, the SIRN Fund balance totaled approximately \$22.6 million.

from the General Fund from the Department of Emergency Services Division of State Radio for SIRN tower maintenance operating expenses.

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.

In Senate Bill No. 2021 (2025), the Legislative Assembly provided an ongoing appropriation of \$15,604,610 for the SIRN project, including \$2,067,760 from the General Fund and \$13,536,850 from the SIRN Fund, and provided ITD an exemption to continue any unspent funding appropriated for the SIRN project for the 2023-25 biennium into the 2025-27 biennium.

**Broadband Infrastructure Grant Program** - During the November 2021 special legislative session, in House Bill No. 1505, the Legislative Assembly appropriated \$45 million from the federal Coronavirus Capital Projects Fund to ITD for broadband infrastructure grants 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 (2023), the Legislative Assembly authorized an exemption to continue the appropriation into the 2023-25 biennium, requiring ITD 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 the Office of Management and Budget transfer any uncommitted Coronavirus Capital Projects Fund appropriation authority from ITD to the Department of Career and Technical Education for career academy inflationary costs during the 2023-25 biennium.

In Section 9 of Senate Bill No. 2021 (2025), the Legislative Assembly authorized an exemption to continue unexpended funding into the 2025-27 biennium.

**Broadband Equity, Access, and Deployment Grant Program** - In House Bill No. 1021 (2023), the Legislative Assembly appropriated \$147,762,480 of federal funds for broadband and cybersecurity programs available as a result of the federal Infrastructure Investment and Jobs Act, primarily related to the Broadband Equity, Access, and Deployment (BEAD) Grant Program and Digital Equity Program.

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.

As of April 2026, ITD reported 77 percent of the 140 towers needed for SIRN are constructed and in service. Eight PSAPs have transitioned to the new system, with six additional PSAPs scheduled to transition by the end of 2026. Mobile coverage is scheduled for completion by the end of 2026 and the estimated completion date for the SIRN project is 2027.

As of March 2026, 12,965 radios had been purchased by local public safety agencies and more than \$19.2 million had been paid to those agencies for the state's \$1,500 cost-share responsibility for each radio.

In July 2023, the department issued 11 grant projects totaling \$37,251,986 to seven telecommunication companies to serve approximately 2,300 locations in the state. Of the original 11 grant projects, 3 have closed, 5 are complete and entering the closing process, and 3 are actively underway.

In November 2025, as initial projects were completed, ITD competitively awarded three additional grants using savings from the completed projects, adding 147 locations. Total locations to be served through the program are now expected to be 2,448.

Through March 2026, ITD spent \$20,118,029 on the program, including \$19,376,647 of reimbursements paid to telecommunication companies and approximately \$300,000 for administrative expenses. The department anticipates spending all remaining funding during the 2025-27 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 the Department of Career and Technical Education in March 2024 for career academy inflationary costs.

Through April 2026, the department spent \$4,687,441 on the BEAD Program, of which \$4,531,371 was spent 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 worked with telecommunication companies to determine that approximately 4,500 to 6,000 unserved or underserved locations in the state may be eligible for funding through the BEAD 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.

In June 2025, NTIA issued a revised notice of funding opportunity that substantially modified BEAD Program requirements. The revised notice required states to rescind all preliminary subgrantee awards, instructed states to conduct a new "benefit of the bargain" bidding round emphasizing lowest-cost winning bids, and placed nondeployment activities and associated funding on hold.

The department conducted its bidding round and, after additional review, formally accepted its BEAD notice of award on February 11, 2026. The department subsequently awarded contracts to telecommunication companies to provide broadband infrastructure to 279 locations that remained eligible at a total cost of \$6,133,968.

Estimated authorization remaining for deployment, administration, and program costs through the close of the federal monitoring period in 2032 totals \$20,628,067. Approximately \$95,000,000 of the original \$130,200,000 allocation remains as nondeployment funding, which may still be awarded to the department by NTIA pending future federal guidance.

The department anticipates requesting an exemption to continue funding for the BEAD Program into the 2027-29 biennium.