



**Information Technology Department**  
**Department No. 112**  
**2025 Senate Bill No. 2021**

**EXECUTIVE BUDGET RECOMMENDATION**  
**2025-27 BIENNIUM**

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Executive budget recommendation	528.00	\$123,294,308	\$148,093,230	\$271,387,538
Base level	507.00	41,418,305	239,646,504	281,064,809
Increase (decrease)	21.00	\$81,876,003	(\$91,553,274)	(\$9,677,271)
Percentage increase (decrease)	4.1%	197.7%	(38.2%)	(3.4%)

**NOTE:**

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

**Selected Highlights**

- Adds \$3,204,581 for base payroll changes related to salary equity increases, positions reclassifications, and other staffing changes, including a \$25,257 reduction from the general fund and a \$3,229,838 increase from special funds
- Adds \$2,465,716 for the cost to continue prior biennium salary increases, of which \$418,501 is from the general fund and \$2,047,215 is from special funds
- Adds \$7,676,790, of which \$1,741,655 is from the general fund and \$5,935,135 is from special funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$3,423,009, of which \$768,676 is from the general fund and \$2,654,333 is from special funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$13,886,120, of which \$3,467,729 is from the general fund and \$10,418,391 is from special funds, to replace the 2023-25 biennium new FTE pool (\$4,966,686) and 2023-25 biennium vacant FTE pool (\$8,919,434)
- Adds \$13,492,349, of which \$12,885,877 is from the general fund and \$606,472 from the Information Technology Department (ITD) operating fund, for a statewide data strategy initiative. The total includes \$668,675 from the general fund for 2 FTE positions, \$569,839 from the ITD operating fund for 2 FTE positions, and \$9,300,000 of **one-time funding** from the general fund for data processing and information technology (IT) contractual services.
- Adds \$3,253,386 from the ITD operating fund for 11 FTE positions for state government IT projects
- Adjusts \$20,250,795 from the ITD operating fund to the general fund, of which \$14,029,321 is for salaries and wages and \$6,221,474 is for operating expenses
- Adds \$3,042,960 from the ITD operating fund, of which \$2,892,960 is ongoing funding and \$150,000 is **one-time funding**, for vulnerability management software
- Transfers \$99,168,477 of special fund authority from the ITD operating fund to continuing appropriation authority, of which \$95,855,602 is for operating expenses and \$3,312,875 is **one-time funding** for capital assets. This funding would continue to be spent by ITD without specific legislative approval.
- Adds \$411,793 from the PowerSchool fund (\$344,793) and EduTech fund (\$67,000) for an EduTech training application replacement project, of which \$20,000 is **one-time funding** from the EduTech fund
- Adds \$6,678,775 for the North Dakota Health Information Network (NDHIN), including a \$1,356,779 reduction of ongoing funding from the general fund, an increase of \$1,793,609 of **one-time funding** from the general fund, an increase of \$3,241,945 from the electronic health information exchange fund, and a transfer of \$3,000,000 from the health information technology planning loan fund to the electronic health information exchange fund
- Reduces \$2,854,082 for the statewide interoperable radio network (SIRN) for SIRN equipment

- Adds \$2,078,640 for SIRN, including \$1,869,120 from the ITD operating fund for 6 FTE positions and \$209,520 from the general fund for SIRN circuits
- Adds \$10,842,242 of **one-time funding** to establish a modernization and innovation fund for IT projects, of which \$10,800,000 is from the general fund and \$42,242 is from the ITD operating fund
- Adds \$8 million of **one-time funding** from the general fund for the digital experience business gateway portal project
- Adds \$1,719,061 of **one-time funding** from the strategic investment and improvements fund (SIIF) to upgrade the state datacenter cooling system
- Adds \$15 million of **one-time funding** from the general fund for an artificial intelligence strategy pilot program

### **Deficiency Appropriations**

There are no deficiency appropriations recommended in the executive budget for this agency.

### **Significant Audit Findings**

The operational audit of ITD conducted by the State Auditor's office for the period ending June 30, 2022, did not identify any significant audit findings.

### **Agency Fees**

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 113 fees. The agency recommended the following changes to its fees:

- Decrease the amount charged for 8 fees, including technology fees, multi-factor authentication fees, active directory user fees, disk storage, and application broker fees.
- Increase the amount charged for 49 fees, including fees for IT analysts, developers, project management, desktop support services, service management services, network services, application hosting, and storage fees.

### **Major Related Legislation**

As of the date of this report, there is no major related legislation for this agency.

#### **NOTE:**

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



## Information Technology Department - Budget No. 112 Agency Worksheet - Senate Bill No. 2021

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	507.00	\$41,418,305	\$239,646,504	\$281,064,809
<b>2025-27 Ongoing Funding Changes</b>				
Base payroll changes		(\$25,257)	\$3,229,838	\$3,204,581
Adds funding for the cost to continue salaries		418,501	2,047,215	2,465,716
Salary increase		1,741,655	5,935,135	7,676,790
Health insurance increase		768,676	2,654,333	3,423,009
Adds funding to replace the 2023-25 new FTE pool		1,998,699	2,967,987	4,966,686
Adds funding to replace the 2023-25 vacant FTE pool		1,469,030	7,450,404	8,919,434
Adds funding for a statewide data strategy initiative	4.00	3,585,877	606,472	4,192,349
Adds funding for FTE positions for IT projects	11.00		3,253,386	3,253,386
Adjusts funding for agency administration to the general fund		20,250,795	(20,250,795)	0
Reduces funding for operating expenses, primarily professional services		(599,999)	(10,339,357)	(10,939,356)
Adds funding for IT inflationary costs		3,181,664	531,647	3,713,311
Adds funding for cybersecurity contractual services increases		5,133,174	265,447	5,398,621
Adds funding for vulnerability management software license costs			2,892,960	2,892,960
Transfers special fund authority to continuing appropriation authority for operating expenses			(95,855,602)	(95,855,602)
Reduces funding for the statewide longitudinal data system		(394,839)	(500,000)	(894,839)
Reduces funding for EduTech			(553,869)	(553,869)
Adds funding for an EduTech training application replacement project			391,793	391,793
Adjusts funding for the K-12 wide area network		512,501	(90,000)	422,501
Adjusts funding for the geographic information		89,176	(65,679)	23,497
Adjusts funding for NDHIN		(1,356,779)	6,241,945	4,885,166
Reduces funding for SIRN equipment			(2,854,082)	(2,854,082)
Adds funding for FTE SIRN positions	6.00		1,869,120	1,869,120
Adds funding for SIRN circuits		209,520		209,520
<b>Total ongoing funding changes</b>	<b>21.00</b>	<b>\$36,982,394</b>	<b>(\$90,171,702)</b>	<b>(\$53,189,308)</b>
<b>One-Time Funding Items</b>				
Adds funding for a modernization and innovation fund		\$10,800,000	\$42,242	\$10,842,242
Adds one-time funding for a statewide data strategy initiative		9,300,000		9,300,000
Adds funding for the digital experience business gateway portal project		8,000,000		8,000,000
Adds one-time funding for vulnerability management software license costs			150,000	150,000
Adds funding to upgrade the state datacenter cooling system			1,719,061	1,719,061
Transfers special fund authority to continuing appropriation authority for capital assets			(3,312,875)	(3,312,875)
Adds funding for an artificial intelligence strategy pilot program		15,000,000		15,000,000

Adds one-time funding for an Edutech training application replacement project			20,000	20,000
Adds one-time funding for phase 1 of the NDHIN health data utility project		1,793,609		1,793,609
Total one-time funding changes	<b>0.00</b>	<b>\$44,893,609</b>	<b>(\$1,381,572)</b>	<b>\$43,512,037</b>
<b>Total Changes to Base Level Funding</b>	<b>21.00</b>	<b>\$81,876,003</b>	<b>(\$91,553,274)</b>	<b>(\$9,677,271)</b>
<b>2025-27 Total Funding</b>	<b>528.00</b>	<b>\$123,294,308</b>	<b>\$148,093,230</b>	<b>\$271,387,538</b>

Federal funds included in other funds

\$0

Total ongoing changes - Percentage of base level

4.1%

89.3%

(37.6%)

(18.9%)

Total changes - Percentage of base level

4.1%

197.7%

(38.2%)

(3.4%)

**Other Sections in Information Technology Department - Budget No. 112**

Section Description	Executive Budget
Exemption - Line item transfers	Section 3 would allow 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.
Appropriation - Other funds	Section 4 would appropriate all federal or other funds received by ITD in excess of those funds appropriated in Section 1.
Exemption - Federal State Fiscal Recovery Fund	Section 5 would allow ITD to continue any remaining funding of the \$401,000 appropriated from the State Fiscal Recovery Fund during the 2021-23 biennium and continued into the 2023-25 biennium for a grant to the North Dakota Stockmen's Association to convert a paper-based brand inspection program to an electronic system into the 2025-27 biennium.
SIIF	Section 6 would identify \$1,719,061 of one-time funding from SIIF appropriated in Section 1 is for project to upgrade the state datacenter cooling system.
Amendment - ITD operating fund - Continuing appropriation	Section 7 would amend Section 54-59-14 to provide ITD a continuing appropriation from the ITD operating fund to allow ITD to provide IT, network services, and central microfilm unit services to state agencies without specific appropriations from the Legislative Assembly.
FTE position adjustments	Section 8 would allow ITD to increase or decrease authorized FTE positions as needed, subject to the availability of funds.
Exemption - SIIF	Section 9 would allow ITD to continue any remaining funding of the \$15,000,000 appropriated from SIIF during the 2023-25 biennium for the enterprise digitization project (\$7,000,000), call center software upgrade project (\$3,000,000), and the business gateway enterprise customer relationship management program (\$5,000,000) into the 2025-27 biennium.
Exemption - State Fiscal Recovery Fund	Section 10 would allow ITD to continue any remaining funding of the \$2,499,467 appropriated from the State Fiscal Recovery Fund during the 2023-25 biennium for the Capitol security software upgrade and fiber replacement project into the 2025-27 biennium.

Sixty-ninth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2021**  
**(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the information technology department; to provide for an exemption; to amend and reenact section 54-59-14 of the North Dakota Century Code; to provide for a report to the legislature; and to provide for transfers.

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

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

	Base Level	Adjustments or Enhancements	Appropriation
Salaries And Wages	\$113,044,814	\$34,811,407	\$147,856,221
Operating Expenses	118,515,018	(62,527,256)	55,987,762
Capital Assets	3,443,909	(1,623,814)	1,820,095
ND AI Compute Grants	0	14,500,000	14,500,000
Statewide Longitudinal Data System	4,507,678	(303,033)	4,204,645
Edutech	9,839,308	783,707	10,623,015
K-12 Wide Area Network	6,362,610	564,549	6,927,159
Geographic Information System	1,207,892	(20,817)	1,187,075
Health Information Technology Office	5,742,111	6,907,315	12,649,426
Statewide Interoperability Radio Network	18,401,469	(2,769,329)	15,632,140
Total All Funds	<u>\$281,064,809</u>	<u>(\$ 9,677,271)</u>	<u>\$271,387,538</u>
Less Estimated Income	<u>239,646,504</u>	<u>91,553,274</u>	<u>148,093,230</u>
Total General Fund	\$ 41,418,305	\$ 81,876,003	\$123,294,308
Full-Time Equivalent Positions	507.00	21.00	528.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
State and local cybersecurity data system	\$487,520	\$0
Health information technology office	\$3,000,000	1,793,609
Enterprise digitization project	7,000,000	0
Call center software upgrade project	3,000,000	0
Governance, risk, and compliance costs	5,456,876	0
Customer relationship management program	5,000,000	0
Universal vulnerability management project	1,000,000	150,000
Capitol security upgrade and fiber replacement project	2,499,467	0
Inflationary increases	7,325,000	0
Statewide longitudinal data system	1,075,000	0
Broadband, equity, access, and deployment program	147,762,480	0
Modernization and innovation fund	0	10,842,243
Statewide data strategy	0	9,300,000

Digital experience	0	8,000,000
Continuing appropriation operating fund	0	(3,312,875)
Eduotec program funding	0	20,000
Data center infrastructure project	0	1,719,061
Total All Funds	\$183,606,343	\$ 28,512,038
Less Estimated Income	<u>179,093,823</u>	<u>(1,381,571)</u>
Total General Fund	\$4,512,520	\$29,893,609

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The information technology department shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025 and ending June 30, 2027.

**SECTION 3. EXEMPTION – LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects.

**SECTION 4. APPROPRIATION.** In addition to the amounts appropriated to the information technology department in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 5. EXEMPTION – FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$401,000 appropriated from the federal funds derived from the state fiscal recovery fund for the purpose of providing a grant to the North Dakota stockmen’s association for the conversion of a paper-based brand inspection program to an electronic system in subsection 23 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to Section 54-44.1-11 for the program during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$1,719,061 from the strategic investment and improvements fund for the data center infrastructure project. This funding is considered a one-time funding item.

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

**54-59-14. Information technology operating account.**

The department shall establish a state information technology operating account in the state treasury to be used, ~~in accordance with legislative appropriation,~~ for procuring and maintaining information technology and network services and for providing information technology, network services, and central microfilm unit services to state entities and network services to users of the state network. Unless exempted by law, each agency or institution provided with information technology or network services shall pay to the department the charges as determined by the department. The department shall deposit the amounts received in the information technology operating account or the information technology development account, as appropriate. Funds in the information technology operating fund are appropriated on a continuing basis and may be spent by the information technology department for procuring and maintaining information technology and network services and for providing information technology, network services, and central microfilm unit services to state entities and network services to users of the state network as provided in this subsection.

**SECTION 8. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the information technology department may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The information technology department shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

**SECTION 9. EXEMPTION – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** Section 54-44.1-11 does not apply to the appropriation in subsection 5 of section 1 of chapter 21 of the 2023 Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of the enterprise

digitization project, and for the call center software upgrade project, and for the customer relationship management program during the biennium beginning July 1, 2025, ending June 30,2027.

**SECTION 10. EXEMPTION – FEDERAL STATE FISCAL RECOVERY FUND.** Section 54-44.1-11 does not apply to the appropriation in subsection 6 of section 1 of chapter 21 of the 2023 Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of the capitol security software upgrade and fiber replacement project during the biennium beginning July 1, 2025, ending June 30,2027.