



Budget Basics

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INFORMATION TECHNOLOGY DEPARTMENT

GENERAL INFORMATION

In 1999 the Information Services Division of the Office of Management and Budget was established as a separate cabinet-level agency called the Information Technology Department (ITD) and the Chief Information Officer position was created.

The Information Technology Department is considered a service agency, providing certain information technology (IT) services to other state agencies in exchange for funding provided by the agency receiving services. Prior to the beginning of each biennium, ITD estimates the rates and fees for services provided to state agencies for the upcoming biennium. When state agencies prepare their budget requests for the upcoming biennium, the agencies request funding to accommodate anticipated services needed based on the estimated rates provided by ITD. Following approval by the Legislative Assembly, state agencies use the funding appropriated to pay ITD for the IT services performed for the agency.

Funding for ITD derived from special funds is primarily provided by state agencies receiving IT services from ITD. Generally, the funding provided by state agencies to ITD for IT services originates equally from the general fund, special funds, and federal funds. Thus, the funding ITD receives through its special funds from state agencies is approximately one-third from agencies' general fund appropriations, one-third from agencies' special funds appropriations, and one-third from agencies' federal funds appropriations.

GENERAL FUND APPROPRIATIONS

The Information Technology Department also receives direct general fund appropriations, which for the 2021-23 biennium totals \$29.0 million, including ongoing funding for salaries and wages (\$9.1 million), operating expenses (\$5.5 million), capital assets (\$131,034), the K-12 wide area network (\$4.6 million), the statewide longitudinal data system (\$4.0 million), EduTech (\$2.8 million), the geographic information systems (GIS) (\$1.0 million), and tower maintenance operating expenses for the statewide interoperable radio network (SIRN) (\$1.9 million).

MAJOR PROJECTS AND INITIATIVES - 2021-23 BIENNIUM

Major ITD projects and initiatives for the 2021-23 biennium include cybersecurity initiatives and the IT unification shared services plan. A brief summary of each topic is listed below.

Cybersecurity - The Legislative Assembly added \$19,486,225 for cybersecurity initiatives for the 2021-23 biennium, of which \$6,500,000 is considered one-time funding from the federal Coronavirus Relief Fund and \$12,986,225 is considered ongoing funding from the general fund and ITD operating service fund. The Legislative Assembly also authorized the addition of 29 FTE cybersecurity positions, 17 of which relate to state cybersecurity and 12 to local cybersecurity. Of the total, 23 FTE cybersecurity positions are funded from the general fund and 6 of the local FTE cybersecurity positions are funded from the ITD operating fund. Total cybersecurity funding is as follows:

	FTE	General Fund	Special Funds	Federal Funds	Total
Salaries and wages	29.00	\$5,840,142	\$1,523,515	\$0	\$7,363,657
Operating expenses		5,251,534	240,000	6,500,000	11,991,534
Capital assets		131,034	0	0	131,034
Total	29.00	\$11,222,710	\$1,763,515	\$6,500,000	\$19,486,225

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 the Governor's cabinet of executive branch state agencies. The department intends to use the unification plan to improve IT productivity by establishing common systems and processes for 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 initiative, including a transfer of 96 FTE positions from five agencies to ITD, as a pilot project to consolidate IT resources and personnel in state government. 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 following is a summary of FTE positions transferred to ITD as a result of the 2019-21 and 2021-23 biennium IT unification initiatives:

Agency	FTE Transferred - 2019-21 Biennium	FTE Transferred - 2021-23 Biennium	Total FTE Transferred
110 - Office of Management and Budget		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
471 - Bank of North Dakota		16.00	16.00
504 - Highway Patrol		2.00	2.00
530 - Department of Corrections and Rehabilitation		6.00	6.00
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	149.00

SUMMARY OF THE 2021-23 BIENNIUM ITD BUDGET

As approved by the 2021 Legislative Assembly, the 2021-23 biennium budget totals \$320.5 million. Of this amount, \$29.0 million is from the general fund, \$232.1 million is from special funds, and \$59.4 million is from federal funds.

Of the \$320.5 million appropriated to ITD for the 2021-23 biennium, \$57.9 million was considered one-time funding, of which \$6.0 million was from the special funds and \$51.9 million was from federal funds. The one-time funding was for the Health Information Technology Office and health information network (\$6.0 million), cybersecurity operating expenses (\$6.5 million), broadband infrastructure grants (\$45.0 million), and a grant to the North Dakota Stockmen's Association to convert a paper-based brand inspection program to an electronic system (\$401,000).

A summary of the ITD budget for the 2015-17 through 2021-23 bienniums is shown below.

	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium
General fund	\$26,078,145	\$20,532,334	\$28,565,311	\$28,975,953
Other funds	151,713,039	224,566,988	321,032,334	291,571,105
Total	\$177,791,184	\$245,099,322	\$349,597,645	\$320,547,058
Percentage increase (decrease)	4.0%	37.9%	42.6%	(8.3%)
FTE positions	350.30	344.30	402.00	479.00