



North Dakota Legislative Council

Prepared for the Information Technology Committee

LC# 27.9050.01000

August 2025

INFORMATION TECHNOLOGY COMMITTEE - BACKGROUND MEMORANDUM

North Dakota Century Code Section 54-35-15.1 requires the Legislative Management, during each biennium, to appoint an Information Technology Committee in the same manner as the Legislative Management appoints other interim committees. The committee is to consist of six members of the House of Representatives and five members of the Senate. The Chief Information Officer (CIO) of the state and an individual with information technology (IT) experience from the Department of Health and Human Services (DHHS) serve as ex officio nonvoting members of the committee.

COMMITTEE STATUTORY AND ASSIGNED RESPONSIBILITIES

Section 54-35-15.2 requires the committee to:

1. Meet at least once each calendar quarter.
2. Receive a report from the CIO of the state at each meeting.
3. Review the business plan of the Information Technology Department (ITD).
4. Review macro-level issues relating to IT.
5. Review the activities of ITD.
6. Review statewide IT standards.
7. Review the statewide IT plan.
8. Review IT efficiency and security.
9. Review established or proposed IT programs and IT acquisitions by the executive and judicial branches.
10. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, project risks, a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned from ITD and the affected agency regarding any major IT project of an executive branch agency. A major project is a project that meets one or more of the following criteria (Senate Bill No. 2049 (2025)):
 - a. An estimated total cost of \$5, million or more;
 - b. Requires 1 year or longer to reach operational status; or
 - c. Requires oversight due to its potential benefits, risks, public impact, visibility, or another significant reason.
11. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, project risks, a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned from ITD and the affected institution regarding any major project of the State Board of Higher Education (SBHE) or any institution under the control of the SBHE. A major project is a project that significantly impacts the statewide wide area network, impacts the statewide library system, or is an administrative project and is a project with a total cost of \$500,000 or more.

12. Receive and review information from ITD and the affected agency regarding any IT project of an executive branch agency with a total cost of between \$100,000 and \$5 million as determined necessary by ITD.
13. Receive a report from the CIO regarding proposed major IT projects and other IT issues for the next biennium.
14. Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, project risks, a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the affected legislative or judicial branch agency regarding any IT project of the legislative or judicial branch with a total cost of \$5 million or more.
15. Receive information from the SBHE regarding higher education IT planning, services, and major projects.

Section 54-35-15.3 authorizes the Information Technology Committee to review any IT project or IT plan. The section provides if the committee determines a project or plan is at risk of failing to achieve its intended results, the committee may recommend to the Office of Management and Budget (OMB) the suspension of the expenditure or funding appropriated for a project or plan. The Office of Management and Budget may suspend the expenditure authority if OMB agrees with the recommendation of the committee.

Section 54-35-15.4 provides the Information Technology Committee may request the State Auditor to conduct an IT compliance review. The review may consist of an audit of an agency's IT management, IT planning, compliance with IT plans, and compliance with IT standards and policies or an audit of statewide compliance with specific IT standards and policies. Similar provisions are provided for in Section 54-10-28.

Section 54-59-23(2) requires an agency to provide a report to ITD if the agency's major IT project exceeds the planned project budget by 20 percent or more or if the planned project schedule by 20 percent or more. Section 54-59-23(3) requires the report under subsection 2 to specify corrective measures being undertaken to address any project cost or time of completion issues and provides if the agency has not taken adequate corrective measures within 90 days of the report to ITD that the agency is to provide a report to the Information Technology Committee regarding the project.

The committee has the responsibility of reviewing the activities of ITD, the business plan of ITD, statewide IT standards, the statewide IT plan, and major IT projects as provided by Section 54-35-15.2, as discussed earlier; for determining IT compliance reviews to be conducted by the State Auditor as provided by Section 54-35-15.4; and for receiving:

- A report from the SBHE regarding higher education IT planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
- A report from the CIO regarding proposed major IT projects and other IT issues for the next biennium (Section 54-35-15.2).
- A report from the CIO before June 1 of each even-numbered year regarding the implementation of distributed ledger technology. The Information Technology Department is required to research and develop the use of distributed ledger-enabled platform technologies such as blockchains for computer-controlled programs, data transfer and storage, and program regulation to protect against falsification, improve internal data security, and identify external hacking threats. Research must include efforts to protect the privacy of personal identifying information maintained within distributed ledger programs. The department is required to select a state agency, upon request of the state agency, to serve as a pilot program for the implementation and use of distributed ledger-enabled platform technologies (Section 54-59-02.2).

- A report from the CIO regarding the coordination of services with political subdivisions and a report from the CIO and the CIO of the North Dakota University System regarding coordination of IT between ITD and higher education (Section 54-59-12).
- The annual report from ITD (Section 54-59-19).

In addition to its statutory responsibilities for the 2025-26 interim, the Legislative Management assigned the committee the following responsibilities:

- Receive a report from the Statewide Longitudinal Data System Committee regarding recommendations for further development, cost proposals, proposals for legislation, and recommendations for data sharing governance (Section 54-59-36).
- Receive a report from ITD regarding all disclosed cybersecurity incidents as required by Chapter 54-59.1, including the status of the cybersecurity incident and any response or remediation to mitigate the cybersecurity incident (Section 54-59.1-07).
- Receive a report from the Emergency Services Communications Coordinating Committee by November 1 of each even-numbered year regarding the use of the assessed communications services fee revenue and receive recommendations regarding changes to the operating standards for emergency services communications, including training or certification standards for dispatchers (Section 57-40.6-12).
- Study fees collected for technology services, including emergency communications, behavioral health crisis response, and the statewide interoperable radio network (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 (Section 10 of Senate Bill No. 2021 (2025)).
- Study the enterprise resource planning system for the state of North Dakota, including state agencies and institutions of higher education. The study must include consideration of:

The current system and potential systems, including functionality, technological structure, expected life cycle, costs and benefits of cloud-based and on-premises hosted solutions, support and maintenance costs, and potential implementation costs.

The desired functionality for state agency use, including financial management, human capital management, and procurement.

The desired functionality for institutions of higher education, including financial management, human capital management, grant management, compliance management, procurement, and student data management.

The costs and benefits of continuing with one enterprise resource planning system or separate systems for state agencies and institutions of higher education (Section 11 of Senate Bill No. 2021 (2025)).

PREVIOUS COMMITTEE ACTIVITY

2019-20 Interim

The 2019-20 interim Information Technology Committee received reports from the CIO and representatives of ITD regarding IT unification, blockchain, use of COVID-19 pandemic federal relief funding, ITD's business plan and annual report, major IT projects, prioritization of computer software projects for the 2021-23 biennium, the SIRN project, elementary and secondary IT initiatives, bonuses provided to ITD employees, ITD employees working out of state, health information technology initiatives, and the statewide longitudinal data system. The committee also received reports from representatives of the University System regarding higher education IT projects and services.

The committee studied ITD's run-grow-transform model and the IT unification initiative. Information was received from 12 agencies regarding the 2019-21 biennium IT unification initiative pilot project and potential future unification initiatives. The committee recommended the 2021 Legislative Assembly continue the 2019-21 biennium IT unification pilot project and continue evaluating the advantages and disadvantages of potential future IT unification initiatives.

The committee studied the potential benefit value of blockchain technology implementation and utilization in state government. The committee made no recommendations regarding this study.

The committee received information from representatives of ITD regarding the department's cybersecurity initiatives, representatives of the Risk Management Division of OMB regarding proposed legislation related to limiting contractual liability to the state when potential direct loss is unknown, and representatives of the Emergency Services Communications Coordinating Committee regarding proposed legislation related to emergency services communications terminology updates. The committee recommended the 2021 Legislative Assembly favorably consider legislation regarding:

- Executive branch agencies and political subdivisions being required to report cybersecurity incidents to ITD (House Bill No. 1314 - Passed);
- Contracts limiting liability to the state (House Bill No. 1316 - Passed); and
- Updating terminology related to emergency services communications (House Bill No. 1206 - Passed).

The committee received information from ITD regarding the department's efforts to transition state applications from mainframe technology. The committee encouraged ITD to transition all state agency applications off the primary IBM mainframe by the end of the 2025-27 biennium.

2021-22 Interim

The 2021-22 interim Information Technology Committee received reports from the CIO and representatives of ITD regarding IT unification, cybersecurity incidents and concerns, use of COVID-19 pandemic federal relief funding, planned use for federal broadband infrastructure funding that may be available for future bienniums, ITD's business plan and annual report, major IT projects, prioritization of computer software projects for the 2023-25 biennium, the SIRN project, elementary and secondary IT initiatives, health information technology initiatives, the statewide longitudinal data system, the Veterans' Home IT, legislative branch IT, and records management. The committee also received reports from representatives of the University System regarding higher education IT projects and services.

The committee studied the effectiveness, efficiency, cost, and any cost-savings of the 2019-21 biennium and 2021-23 biennium IT unification initiatives and the feasibility and desirability of continuing these initiatives. The study included a review of changes in fees, services, operations, processes, and systems. The committee received testimony from state agencies selected to participate in IT unification initiatives for the 2019-21 and 2021-23 bienniums and from other state agencies to determine whether the agency would be interested in participating in future IT unification initiatives. The committee made no recommendation regarding the study of IT unification. The committee concluded while there are hardware, software, and process improvements that may need monitoring, the process of transferring FTE IT positions through the IT unification process has been thoroughly studied for multiple years and there may no longer be a need to study IT unification.

The committee studied the costs incurred by ITD to deliver core technology services and cybersecurity services to state agencies and political subdivisions. The study included a review of the feasibility and desirability of political subdivisions paying their share of the cost of these services. The committee reviewed cybersecurity services offered by ITD to state agencies and political subdivisions. The committee received testimony from cities, counties, school districts, and other interested organizations regarding cybersecurity services provided by ITD, cybersecurity needs, the feasibility of paying for the local share of government cybersecurity services, and any preventative cybersecurity threat controls implemented. The committee made no recommendation related to the study of government cybersecurity.

2023-24 Interim

The 2023-24 interim Information Technology Committee received reports from the CIO and representatives of ITD regarding the emergence of artificial intelligence (AI); emergency and interoperable public safety communications system governance, including the SIRN project; major IT projects; the prioritization of IT projects for the 2025-27 biennium; University System, elementary, and secondary education IT initiatives; distributed ledger technologies; ITD's strategic plan and annual report; the statewide longitudinal data system; disclosed cybersecurity incidents; emergency services communications; IT security audits; broadband infrastructure grants; and health information technology initiatives.

The committee studied the emergence of AI and the potential impacts on the state's institutions, agencies, businesses, citizens, and youth. The committee received testimony from state agencies, the University System, the Governor's office, and other interested parties regarding the benefits, threats, and current and future uses of AI in areas such as government operations, education, health care, and cybersecurity. Although the committee concluded there may be a need for AI legislation in the future as the technology continues to develop, it made no recommendation regarding the study of AI.

The committee studied emergency and interoperable public safety communications system governance needs and options. The study included an analysis of options to manage and operate state and local systems, an evaluation of governance roles, and a determination of responsibility for the ongoing costs of SIRN. The committee reviewed the current governance structure and a new proposed model and received testimony from ITD, the State Emergency Communications Center (formerly the Division of State Radio), and other state and local public safety stakeholders. The committee concluded a consensus has not been reached among public safety entities regarding the need for governance changes and made no recommendation related to the study.

2025 LEGISLATIVE ASSEMBLY - RELATED LEGISLATION

House Bill No. 1448 - Advanced Technology Review Committee

This bill created an advanced technology review committee, an advanced technology grant program, and an advanced technology grant fund. The CIO is included as a member of the advanced technology review committee.

Senate Bill No. 2021 - Information Technology Department

Section 6 of this bill amended Section 54-35-15.1 to expand membership of the Information Technology Committee to include an individual with IT experience from DHHS as a nonvoting member of the committee. Section 7 amended 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. Section 10 of this bill provided for a Legislative Management study of SIRN funding and emergency communications fees. Section 11 of this bill provided for a Legislative Management study of the enterprise resource planning system for the state, including use by state agencies and higher education.

Senate Bill No. 2048 - Information Technology Plans

This bill amended Section 54-59-11 removing requirements for executive branch agencies to submit biennial IT plans to ITD to be used to prepare the statewide IT plan.

Senate Bill No. 2049 - Major Information Technology Projects

This bill amended Chapter 54-35 and Chapter 54-59 regarding major IT projects, including changing the definition of a major IT 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 CIO.

Senate Bill No. 2308 - Health Information Technology Advisory Committee

Section 39 of this bill repealed Section 54-59-25, repealing the Health Information Technology Advisory Committee.

OTHER RELATED BACKGROUND INFORMATION

ITD was established by the 1999 Legislative Assembly to assume the responsibilities of the Information Services Division of OMB. The department is responsible for all wide area network services, planning, selection, and implementation for all state agencies, including institutions under the control of the SBHE, counties, cities, and school districts in the state. The department is also responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the Internet, technology planning, process redesign, and quality assurance. The department is headed by the CIO of the state who serves at the pleasure of the Governor and is to be appointed on the basis of education, experience, and other qualifications in IT and administration.

Statewide Information Technology Funding

The 2025 Legislative Assembly provided funding of \$57,148,792, of which \$1,965,004 is from the general fund and \$55,183,788 is from other funds, for IT projects for the 2025-27 biennium. A summary of the funding is attached as an [appendix](#).

Information Technology Department Funding

The 2025 Legislative Assembly provided funding of \$200.5 million, of which \$48.0 million is from the general fund and \$152.5 million is from other funds, to ITD for the 2025-27 biennium. The following is a summary of ITD's 2025-27 biennium appropriations compared to the 2025-27 base budget:

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	509.00	\$48,041,136	\$152,467,596	\$200,508,732
2025-27 base budget	507.00	41,418,305	239,646,504	281,064,809
Increase (decrease)	2.00	\$6,622,831	(\$87,178,908)	(\$80,556,077)
Percentage increase (decrease)	0.4%	16.0%	(36.4%)	(28.7%)

The following is a summary of ITD's total appropriations for the 2025-27 and 2023-25 bienniums:

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation ¹	509.00	\$48,041,136	\$152,467,596	\$200,508,732
2023-25 legislative appropriation ²	507.00	43,360,845	512,937,379	556,298,224
Increase (decrease)	2.00	\$4,680,291	(\$360,469,783)	(\$355,789,492)
Percentage increase (decrease)	0.4%	10.8%	(70.3%)	(64.0%)

¹The 2025 Legislative Assembly appropriated \$3.5 million of one-time funding from the strategic investment and improvements fund (SIIF) to ITD for the 2025-27 biennium, of which \$1.7 million is for a state data center mitigation project and \$1.8 million is for the cost of automating IT services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies.

²The 2023 Legislative Assembly appropriated \$283.9 million of one-time funding to ITD for the 2023-25 biennium, of which \$4.8 million is from the general fund and \$279.1 million is from other funds. Of the \$279.1 million of other funds, \$100 million is for the SIRM project, of which \$20 million is from Bank of North Dakota profits and \$80 million is from the State Fiscal Recovery Fund, and \$148.3 million for the broadband, equity, access, and deployment (BEAD) program, which is derived from federal funds available as a result of the federal Infrastructure Investment and Jobs Act.

The following is a summary of ITD's general fund appropriations for the 2025-27 and 2023-25 bienniums:

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

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 IT services for application support and the cost of purchasing software licenses for a low-code, no-code platform for use by state agencies.

The following is a summary of ITD's legislative appropriation for the 2025-27 biennium on a line item basis:

	General Fund	Other Funds	Total
Salaries and wages	\$16,593,638	\$112,387,680	\$128,981,318
New and vacant FTE pool	1,218,576	7,184,848	8,403,424
Operating expenses	12,993,851	7,146,142	20,139,993
Capital assets	131,035	0	131,035
Statewide longitudinal data system	4,120,757	0	4,120,757
EduTech	3,055,552	4,460,834	7,516,386
K-12 wide area network	6,702,024	0	6,702,024
Geographic information system (GIS)	1,157,943	0	1,157,943
Health Information Technology Office	0	7,751,242	7,751,242
SIRN	2,067,760	13,536,850	15,604,610
Total	\$48,041,136	\$152,467,596	\$200,508,732

The following is a summary of appropriation increases and decreases included in ITD's legislative appropriation for the 2025-27 biennium compared to the 2025-27 base level appropriation:

	General Fund	Other Funds	Total
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 IT operating fund for 2 FTE SIRN positions, including \$529,994 for salaries and wages and \$78,933 for operating expenses		608,927	608,927
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)
Added funding for IT 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 IT operating fund to continuing appropriation authority (Section 54-59-14)		(99,168,477)	(99,168,477)
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 nd 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 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

	General Fund	Other Funds	Total
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 one-time funding from SIIF for a state data center migration project		1,719,061	1,719,061
Added one-time funding from SIIF for the cost of automating IT 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
Other changes	831,109	978,641	1,809,750
Total	\$6,622,831	(\$87,178,908)	(\$80,556,077)

HEALTH INFORMATION TECHNOLOGY

Health Information Technology Advisory Committee

Section 54-59-25 establishes a Health Information Technology Advisory Committee (HITAC) consisting of the CIO, the State Health Officer, the Governor, the Executive Director of DHHS, the Chairman of the House Human Services Committee, the Chairman of the Senate Human Services Committee, and individuals appointed by the Governor and the State Health Officer to represent a broad range of public and private health IT stakeholders. **The Legislative Assembly repealed this section in Senate Bill No. 2308 (2025).**

Health Information Technology Office

Section 54-59-26 establishes the Health Information Technology Office in ITD. The Health Information Technology Advisory Committee is to make recommendations to the Health Information Technology Office for implementing a statewide interoperable health information infrastructure that is consistent with emerging national standards, promote the adoption and use of electronic health records and other health information technologies, and promote interoperability of health information systems.

The Director of the Health Information Technology Office, in collaboration with HITAC, is to:

- Apply for federal funds that may be available to assist the state and health care providers in implementing and improving health IT.
- Implement and administer a health information exchange that utilizes information infrastructure and systems in a secure and cost-effective manner to facilitate the collection, storage, and transmission of health records.
- Adopt rules for the use of health information, use of the health information exchange, and participation in the health information exchange.

Electronic Health Information Exchange Fund

Section 54-59-27 establishes an electronic health information exchange fund. The fund consists of the money deposited in the fund from federal or other sources or money transferred into the fund as directed

by the Legislative Assembly. The Health Information Technology Office is to administer the fund. The money in the fund is to be used to facilitate and expand the electronic health information exchange. Money in the fund may be used, subject to legislative appropriations, to provide services directly for grants and for costs of administration of the fund.

As of April 2025, ITD estimated the June 30, 2025, fund balance would be \$4,342,179 and the June 30, 2027, fund balance will be \$1,622,629.

Health Information Technology Planning Loan Fund

Section 6-09-43 establishes a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health IT infrastructure. This fund is a revolving loan fund. All money transferred into the fund, interest on money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement. Annually, the Bank may deduct a service fee for administering the revolving loan fund.

An application for a loan must be made to the Health Information Technology Office. The Director of the Health Information Technology Office, in collaboration with HITAC, may approve the application of a qualified applicant that meets the criteria established by the Director of the Health Information Technology Office. The Health Information Technology Office forwards approved applications to the Bank of North Dakota. Upon approval of the application by the Bank, the Bank is to make the loan from the revolving loan fund.

Since the fund's inception in 2009, through April 2025, loan applications totaling \$14,227,024 have been approved. Loans have not been issued since the 2017-19 biennium. As of April 2025, ITD estimates the June 30, 2025, fund balance will be \$393,165 and the June 30, 2027, fund balance will be \$633,413.

Health Information Network Expansion

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 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 the 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 for the 2017-19 biennium, \$40.5 million was from federal funds distributed by the federal Centers for Medicare and Medicaid Services and to be received by the Department of Human Services. Funds were expected to be used through the 2021-23 biennium; however, due to funding changes made by the federal government, DHHS and ITD do not anticipate receiving the entire amount for the project. During the 2015-17 through 2023-25 bienniums, ITD received a total of \$22,171,821 of federal Health Information Technology for Economic and Clinical Health (HITECH) funds for the network.

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 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.

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 was required to transfer, at the request of the CIO, 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 was not available to defray the expenses of the Health Information Technology Office and NDHIN during the 2021-23 biennium.

The CIO requested the Bank of North Dakota 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.

In Section 3 of House Bill No. 1021 (2023), the Legislative Assembly provided for a one-time transfer of \$3 million, as requested by the CIO, 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 NDHIN during the 2023-25 biennium. In March 2025, the CIO requested the entire \$3 million be transferred to the electronic health information exchange fund.

Funding for the Health Information Technology Office and NDHIN for the 2023-25 and 2025-27 bienniums is as follows:

Biennium	General Fund	Health Information Technology Planning Loan Fund Transfers ¹	Electronic Health Information Exchange Fund ²	Total
2025-27	\$0	\$0	\$7,751,242	\$7,751,242
2023-25	2,000,000	3,000,000	3,742,111	8,742,111
Increase (decrease)	(\$2,000,000)	(\$3,000,000)	\$4,009,131	(\$990,869)
¹ Funding from the health information technology planning loan fund is provided through one-time transfers to the electronic health information exchange fund.				
² Funding in the electronic health information exchange fund consists primarily of payments made by providers for participation in the health information network.				

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration relating to its statutory responsibilities and assigned study responsibilities:

1. Review the activities of ITD, the ITD business plan, statewide IT standards, the statewide IT plan, and major IT projects (Sections 54-35-15.2 and 54-35-15.3).
2. Determine IT compliance reviews to be conducted by the State Auditor and receive the results of those reviews (Section 54-35-15.4).
3. Receive the following from ITD and the CIO:
 - a. A report regarding proposed major IT projects and other IT issues for the 2027-29 biennium (Sections 54-35-15.2 and 54-59-23);
 - b. A report regarding the implementation of distributed ledger technology (Section 54-59-02.2);
 - c. An annual report regarding IT projects, services, plans, and benefits (Section 54-59-19); and
 - d. Information regarding the statewide IT budget for the 2025-27 and 2027-29 bienniums.
4. Receive reports from the CIO regarding the coordination of services with political subdivisions and the CIO of the University System regarding coordination of IT between ITD and higher education (Section 54-59-12).
5. Review current IT-related statutory provisions.
6. Receive reports from the SBHE regarding higher education IT planning, services, and major projects (Sections 15-10-44 and 54-35-15.2).
7. Receive a report from the Statewide Longitudinal Data System Committee on the status of the statewide longitudinal data system, including recommendations for further development, cost proposals, proposals for legislation, and data sharing governance (Section 54-59-36).

8. Receive a report from ITD regarding all disclosed cybersecurity incidents, including the status of the cybersecurity incident and any response or remediation to mitigate the cybersecurity incident (Section 54-59.1-07).
9. Receive a report from the Emergency Services Communications Coordinating Committee by November 1 of each even-numbered year regarding the use of the assessed communications services fee revenue and receive recommendations regarding changes to the operating standards for emergency services communications, including training or certification standards for dispatchers (Section 57-40.6-12).
10. Study 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 (Section 10 of Senate Bill No. 2021 (2025)).
11. Study the enterprise resource planning system for the state of North Dakota, including state agencies and institutions of higher education. The study must include consideration of:
 - a. The current system and potential systems, including functionality, technological structure, expected life cycle, costs and benefits of cloud-based and on-premises hosted solutions, support and maintenance costs, and potential implementation costs.
 - b. The desired functionality for state agency use, including financial management, human capital management, and procurement.
 - c. The desired functionality for institutions of higher education, including financial management, human capital management, grant management, compliance management, procurement, and student data management.
 - d. The costs and benefits of continuing with one enterprise resource planning system or separate systems for state agencies and institutions of higher education (Section 11 of Senate Bill No.2021 (2025)).
12. Receive periodic reports from the Health Information Technology Office and HITAC on the status of the health IT activities and NDHIN.
13. Receive reports from ITD regarding other IT areas of interest, including updates related to EduTech and the status of transitioning state agency systems and applications off of mainframe technology.
14. Develop recommendations and any necessary legislation to implement the committee's recommendations.
15. Prepare a final report for submission to the Legislative Management.

ATTACH:1