INFORMATION TECHNOLOGY COMMITTEE

North Dakota Century Code Section 54-35-15.1 requires the Legislative Management during each biennium to appoint an Information Technology Committee consisting 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), appointed by the commissioner of DHHS, serve as ex officio nonvoting members of the committee.

Pursuant to Section 54-35-15.2, the committee shall:

1. Meet at least once each calendar quarter.
2. Receive a report from the CIO at each meeting.
3. Review the activities of the Information Technology Department (ITD).
4. Review the ITD business plan, the statewide IT standards, statewide IT plan, IT efficiency and security, and macro-level IT issues.
5. Review established or proposed IT programs and IT acquisitions by the executive and judicial branches.
6. Receive a report from the CIO before October 1 of each even-numbered year regarding proposed major IT projects and other IT issues for the next biennium.
7. Receive information from the State Board of Higher Education (SBHE) regarding higher education IT planning, services, and major projects.
8. Receive and review information from ITD and the affected agency regarding major executive branch IT projects, including startup and closeout reports.
9. Receive and review information from the SBHE regarding major projects of the board or its institutions, including startup and closeout reports.
10. Receive and review information from the legislative or judicial branch regarding IT projects with a total cost of $5 million or more, including startup and closeout reports.
11. Receive and review information from ITD and the affected agency regarding executive branch IT projects with a total cost between $100,000 and $5 million, as determined necessary by ITD.

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

Sections 54-35-15.4 and 54-10-28 authorize the committee to request the State Auditor to conduct IT compliance reviews. Reviews may address agency's IT management and planning, compliance with IT plans and standards, or statewide compliance with specific IT standards and policies.

Section 54-59-23 requires an agency to report corrective measures to ITD when, at a project milestone, costs exceed the planned budget by 20 percent or more or the schedule extends beyond the planned schedule by 20 percent or more. If adequate corrective measures have not been taken within 90 days after the report, the agency is required to report to the committee.

In addition to the reports above, the committee is responsible for receiving:

- Information from the SBHE, upon request, regarding higher education IT planning, services, and major projects, pursuant to Section 15-10-44.
- The ITD annual report, pursuant to Section 54-59-19.

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

- Study fees collected for technology services, including emergency communications, behavioral health crisis response, and the Statewide Interoperable Radio Network (SIRN), pursuant to Section 10 of Senate Bill 2021 (2025).

- Study the enterprise resource planning (ERP) system for the state of North Dakota, including state agencies and institutions of higher education, pursuant to Section 11 of Senate Bill 2021 (2025).
- Receive a report from the CIO before June 1 of each even-numbered year, regarding implementation of distributed ledger technologies, pursuant to Section 54-59-02.2.
- Receive reports from the CIO regarding coordination of services with political subdivisions and from the CIO and the CIO of the North Dakota University System regarding coordination of IT between ITD and higher education, pursuant to Section 54-59-12.
- Receive a report from ITD regarding further development of the statewide longitudinal data system (SLDS), cost proposals, legislative proposals, and recommendations for data sharing governance, pursuant to Section 54-59-36.
- Receive a report from ITD regarding all disclosed cybersecurity incidents under Chapter 54-59.1, including incident status and response or remediation, pursuant to Section 54-59.1-07.
- Receive the Emergency Services Communications Coordinating Committee (ESC3) report due for submission to the Legislative Council by November 1 of each even-numbered year regarding assessed communications services fee revenue and recommendations regarding emergency services communications operating standards, including dispatcher training or certification standards, pursuant to Section 57-40.6-12.

Committee members were Representatives Glenn Bosch (Chairman), Dori Hauck, Doug Osowski, Nathan Toman, Jonathan Warrey, and Robin Weisz; Senators Michelle Axtman, Kyle Davison, Mark Enget, Jonathan Sickler, and Mike Wobbema; and Citizen Members Corey Mock and Jennifer Witham.

STUDY OF THE ENTERPRISE RESOURCE PLANNING SYSTEM

Background

Pursuant to Section 11 of Senate Bill 2021 (2025), the committee studied the ERP system for the state of North Dakota, including state agencies and institutions of higher education. The study requirements included 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.
- Desired functionality for state agency use, including financial management, human capital management, and procurement.
- Desired functionality for institutions of higher education, including financial management, human capital management, grant management, compliance management, procurement, and student data management.
- Costs and benefits of continuing with one ERP system or separate systems for state agencies and institutions of higher education.

Current System and Funding

The state ERP system, commonly known as ConnectND, was implemented to provide a multimodule software system, which includes a relational database and applications for managing financial activities, purchasing, budgeting, human resources (HR), payroll, asset management, and student information functions. The system was developed by PeopleSoft, Inc., which was acquired by Oracle Corporation in 2005.

The committee was informed the state issued a request for proposal in 2001, awarded a contract to PeopleSoft in 2002, and began using the financial and HR components of ConnectND in 2004. Oracle acquired PeopleSoft in 2005. State agencies and the University System have maintained separately managed instances of ConnectND since 2012. The financial and HR components are hosted in ITD data centers, while Campus Connection, the higher education student information system, is hosted by University System Core Technology Services.

The Legislative Assembly provided $7.5 million from the General Fund during the 2001-03 biennium and $20 million in bonding authority during the 2003-05 biennium for system evaluation, selection, and implementation. Debt service was supported by state agency charges and student fees. After the bonds were repaid in 2013, the SBHE reduced the ConnectND student fee from $81 to $66 per semester to support ongoing operations.

The Information Technology Department reported biennial ConnectND costs of $14.8 million, including $2.1 million for hosting, $5.6 million for licensing, and $7.1 million for staffing. The system has had approximately 7,000 customizations and Oracle has extended support for PeopleSoft through 2037 under its rolling 10-year support process.

Former Governor Doug Burgum's proposed 2025-27 executive budget included $14 million for ERP cloud readiness, consisting of $10 million from the Strategic Investment and Improvements Fund for the University System and $4 million from the General Fund for OMB. Governor Kelly Armstrong's executive budget did not include the funding. The 2025 Legislative Assembly did not provide funding for the projects and instead directed this study.

State Agency System Needs

The committee received testimony from OMB and ITD regarding ConnectND's financial and human capital management limitations. The system relies heavily on batched and scheduled processing, offers limited automation, and supports inconsistent manual processes across agencies. Office of Management and Budget staff run approximately 50 queries during each monthly payroll process to detect errors. Recruitment and employee onboarding processes also remain highly manual.

Testimony indicated PeopleSoft lacks grant management functionality needed by state agencies. As a result, 14 state entities have requested waivers to procure separate grant management software. Although Oracle continues to update ConnectND, updates are less frequent than those available through modern cloud-based ERP systems.

Higher Education System Needs

The University System identified student information system functionality as its most critical ERP requirement and described outdated, inefficient workflows in the current system. A higher education market analysis identified Oracle and Workday as two cloud-based ERP vendors offering financial, HR, and student information system components within a single offering that meet the University System's needs.

The committee was informed the University System is targeting a transition to cloud systems by 2035. Preparation and implementation strategy work would be needed before a new ERP system could be implemented. The University System estimates an independent modernization project, separate from the state, may cost between $100 million and $145 million.

Oracle Business Value Assessment

The committee reviewed a business value assessment conducted by Oracle in October and November 2025 through 19 interview sessions with state agencies. The assessment identified aging and heavily customized software, manual processes, and limited data-sharing capabilities.

The assessment estimated possible annual productivity and financial savings of up to $151.8 million across finance, supply chain management, human capital management, and IT functions. The estimated benefits by functional area are as follows:

	Possible Productivity Benefit	Possible Financial Benefit
Finance, enterprise performance management, and projects	$13.4 million	$42.1 million
Supply chain	11.6 million	46.3 million
Human capital management and payroll	10.4 million	19.3 million
Enterprise and IT	1.0 million	7.7 million
Total	$36.4 million	$115.4 million

Testimony indicated estimated productivity savings would be realized as a reallocation of staff time rather than a direct reduction in force, and some savings would be realized as cost avoidance. Preliminary results indicated upgrading the ERP system and processes could reduce the time staff spend on manual and redundant work processes within state government by up to 811,000 hours per year.

The assessment estimated annual ongoing ownership costs of $2.2 million for a new system, compared to $8.2 million for the current system.

Testimony indicated the assessment's estimated costs and benefits were developed by Oracle using industry standards. A neutral third-party evaluation of return on investment was recommended before transitioning to a new system, consistent with the approach used when the state transitioned to ConnectND.

Request for Information

The committee received testimony from representatives of OMB and ITD regarding the results of a request for information issued to gather market data for potential ERP solutions. The request for information was issued in December 2025 and requested vendors to provide either an HR and financial solution or an HR, financial, and student information system solution. Eight vendors responded and online demonstrations were presented by four vendors: Consultants to Government and Industry (CGI); Systems, Applications, and Products in Data Processing (SAP); Oracle; and Workday. The demonstrations included product roadmaps, support structures, communities of practice, licensing models, implementation timelines, and annual subscription costs.

Oracle and Workday offer all three application areas (financial, HR, and student information system), while CGI and SAP offer financial and HR modules but lack developed student information system modules. The estimated implementation timelines and costs by vendor are as follows:

Vendor	Implementation Timeline	Estimated Implementation Cost	Estimated Annual Cost
CGI (No student module)[1]	24 months	$20 million to $25 million	$3.5 million to $4.3 million
SAP (No student module)	72 to 80 weeks	$13 million to $24 million	$3 million to $6 million
Oracle[2]	24 months	$65 million to $97 million	$3.9 million to $5.7 million
Workday (State only)[3]	24 months, plus 2 months of postimplementation support	$28 million to $37 million	$2 million to $3 million
Workday (Higher education only)[3]	24 to 36 months	$55 million to $65 million	$4.5 million to $5.5 million

[1]The CGI annual cost estimate does not include all modules required by the state.

[2]The Oracle cost estimates do not include additional third-party advisor services needed for implementation.

[3]The Workday annual cost estimates are based on a 10-year contract term and were provided as separate state government and higher education implementations.

Testimony indicated a request for information is less specific than a request for proposal process, which would address technical details more thoroughly and likely result in higher cost estimates. Testimony indicated a cloud-based system would shift responsibility for applying updates from state employees to the vendor, although state employees would remain responsible for testing and verifying production changes and implementing new features. Cloud solutions limit customizations and rely on configuration rather than technical development.

The committee was informed the state would acquire various "bolt-on" systems to integrate into a new ERP system to perform specific functions, adding costs in some areas, while realizing savings in others through the elimination of manual processes, redundant work, and duplicate systems.

Enterprise Resource Planning Systems in Other States

The committee reviewed ERP modernization efforts in other states. Approaches included comprehensive cloud-based replacements, migrations of existing systems to the cloud, incremental upgrades of existing systems, and modernization of specific system components such as financial or HR components. Transition and migration outcomes varied widely, with several projects encountering significant issues, including cost overruns, time delays, audit findings, and financial reporting errors. Differences in functionality, project scope, and the organization of state systems limited direct comparisons with North Dakota.

Procurement and Implementation Planning

The committee considered joint procurement for state agencies and higher education institutions, separate systems, and phased implementation. Testimony indicated joint procurement could provide economies of scale, strengthen the state's negotiating position, and allow agencies to share technical expertise while separate system instances could accommodate the differing needs of state agencies and higher education institutions.

The committee was informed OMB, ITD, and the University System plan to collaborate on a request for proposal, with OMB expected to lead procurement and include the related funding in its budget request.

The committee was informed ITD and OMB issued a notice of limited competitive procurement in August 2026 based on prior work identifying two vendors capable of providing a comprehensive solution. Three additional responses were received but did not offer a comprehensive solution, and the period for contesting the determination had closed. The agencies plan to develop and release the request for proposal by July 2027, subject to legislative support and funding. Detailed evaluation criteria remained under development and were anticipated to address technical capabilities and cost.

The preliminary schedule anticipates awarding the software contract in March 2028 and a separate implementation contract by November 2028. Implementation could require an additional 3 to 5 years. The proposed platform would include human capital management, financial management, employee learning management, higher education student information, and improved reporting and analytics. The modernization program also would include data migration, staffing support, training, business process changes, integration with retained applications, and retirement of PeopleSoft.

The agencies estimate total costs of $195 million to $240 million, with approximately 38 percent attributable to the software vendor and 46 percent to implementation services. A coordinated funding request would be included in OMB's 2027-29 budget request, with expenditures occurring over an extended period. Testimony indicated contract authority would be needed before substantial implementation expenditures occurred in later bienniums. The committee discussed appropriations and a line of credit as possible funding mechanisms to accommodate expenditures over multiple bienniums and uncertainty in project costs.

Conclusion

Committee members discussed whether limiting procurement to comprehensive solutions would prevent meaningful comparisons using separate systems for individual functions. Committee members encouraged the procuring agencies to give further consideration to obtaining additional information regarding the costs, benefits, integration requirements, and potential savings of a separate-systems approach through a request for quotation or another process before proceeding.

The University System indicated its prior analysis considered a separate-systems approach but identified contractual requirements linking student information system modules to human capital management or financial management modules. The University System described shared expertise and coordinated procurement as benefits of a joint approach and noted separate systems could require additional integration services and costs.

The committee made no recommendation regarding the ERP system study.

STUDY OF STATEWIDE INTEROPERABLE RADIO NETWORK FUNDING AND EMERGENCY COMMUNICATIONS FEES

Background

Pursuant to Section 10 of Senate Bill 2021 (2025), the committee studied fees collected for technology services, including emergency communications, behavioral health crisis response, and SIRN. The study requirements included the adequacy of current fee structures and the financial needs of the services; current fees and revenue trends for 911 and 988 services; SIRN completion and ongoing funding needs; available funding and future funding options that would not negatively affect existing emergency communications systems; and radio network funding models in other states.

Section 57-40.6-02 authorizes a county or city, with voter approval, to impose an assessed communications services fee of $1.50 per month per connection and requires an additional fee of $0.50 per month for SIRN. Prepaid wireless services are excluded from the monthly fees and instead are subject to a 2.5 percent fee on retail sales under Section 57-40.6-14.

Statewide Interoperable Radio Network

The committee received testimony from ITD regarding SIRN funding and operating costs. The $0.50 monthly fee on assessed communications services generates approximately $4.8 million annually, compared to estimated annual operating expenses of $10 million to $12 million. Costs are expected to vary due to intermittent hardware upgrades. The committee was informed the SIRN Fund balance of $22.6 million was sufficient for the 2025-27 biennium, but a long-term funding solution is needed for the future.

The ESC3 biennial report to the committee indicated SIRN had nearly 12,000 registered radios and 108 live tower sites as of May 2026. Three additional public safety answering points transitioned to SIRN during 2026, with work continuing at the remaining centers.

Emergency Services Communications

The committee received information from ESC3 regarding communications fee revenue and emergency services communications standards pursuant to Section 57-40.6-12. In 2025, counties received $18.4 million from postpaid communications service fees, of which $4.8 million was transferred to SIRN and $1.0 million to the Next Generation 911 joint powers entity. The joint powers entity also received $1.0 million from prepaid wireless fees. Counties and cities provided an additional $12.6 million from local general funds for 911 operations.

Testimony indicated quarterly prepaid wireless fee deposits to the joint powers entity declined from a typical range of $240,000 to $320,000 to $157,000 in January 2026 and $104,000 in April 2026 due to a change in the interpretation of the definition of "prepaid wireless service" under Chapter 57-40.6.

The ESC3 biennial report indicated 911 fee revenue increased approximately 4 percent and expenditures decreased approximately 2 percent from 2023 to 2025. Over the longer term, revenues remained steady while costs increased. Public safety answering points received approximately 254,000 calls in 2025, 12 percent fewer than in 2023. Testimony attributed the decline in part to fewer accidental calls and a milder winter.

The committee was informed all public safety answering points were expected to be configured to receive Next Generation 911 calls by the end of 2026. The ESC3 identified telecommunicator mental health and retention concerns and a need for public education regarding text-to-911 and other emerging capabilities.

The ESC3 recommended updating the definition of "prepaid wireless service" under Chapter 57-40.6 and reviewing emergency communications statutes to reflect digital technology and clarify governance responsibilities. Testimony identified overlapping statutory responsibilities of ESC3 and the Statewide Interoperability Executive Committee relating to radio communications and suggested broader coordination of 911, radio, and public safety broadband services.

Public Safety Answering Points

A representative of the North Dakota Association of Counties presented information regarding a preliminary concept for fewer, larger regional public safety answering points, shared backup capabilities, pooled local resources, and common technology purchases. Preliminary estimates identified approximately $12.4 million in annual savings and $6.8 million in additional annual revenue. Testimony indicated the concept required independent review and consultation with the public safety community during the next interim before implementation.

Under the concept, counties and cities would provide locally managed 911 services, including services for counties currently served by the State Emergency Communications Center, while the state would continue to maintain SIRN.

The association suggested increasing the mandatory, uniform $1.50 monthly local 911 fee to $2.00. The association suggested eliminating the separate $0.50 SIRN fee and using a different source of funding for SIRN. Most users would continue paying $2.00, while users in 11 counties currently charging $1.50 would pay an additional $0.50 monthly.

Prepaid Wireless Service Definition

The committee considered a bill draft [27.0261.01000] that would have revised the definition of "prepaid wireless service" under Section 57-40.6-01. The ESC3 indicated some sellers may be considering unlimited prepaid plans as outside the existing definition, which refers to services that decline with use. Testimony indicated 2026 prepaid wireless fee revenue was projected to total approximately $480,000, compared to approximately $1 million anticipated based on prior collections. The proposed definition was intended to clarify that unlimited prepaid plans are included.

Behavioral Health Crisis Services

The committee received testimony from a representative of FirstLink regarding 988 Suicide and Crisis Lifeline and 211 services. The Legislative Assembly appropriated $2,367,500 from the Community Health Trust Fund for the 988 Crisis Hotline Program for the 2025-27 biennium. FirstLink reported more than 21,000 North Dakota 988 calls, texts, and chats in 2025, with more than 5,200 contacts routed to national backup centers because local staff were unavailable.

Testimony indicated routing calls to national backup centers does not create a direct per-call cost, but may result in greater reliance on emergency interventions and fewer referrals to local services.

FirstLink applied for federal Rural Health Transformation Program funding, although eligibility was uncertain because a caller's rural status could not be determined. FirstLink requested funding through DHHS for 26 additional staff for the 2027-29 biennium to increase local response capacity.

Conclusion

The committee makes no recommendations regarding changes to emergency communications fees or SIRN funding.

MAJOR INFORMATION TECHNOLOGY PROJECTS

Section 54-35-15.2 requires the committee to receive and review major project startup and closeout reports for the following IT projects of:

- Executive branch agencies that meet one or more of the following criteria, as determined by the CIO: an estimated total cost of $5 million or more; at least 1 year to reach operational status; or a need for oversight because of potential benefits, risks, public impact, visibility, or another significant reason.
- The SBHE or its institutions with a total cost of $500,000 or more which significantly impact the statewide wide area network, including campus access routers; impact the statewide library system; or serve primarily administrative purposes and directly collect, aggregate, modify, store, or report institutional student, financial, or HR records or data.
- Legislative or judicial branch agencies with a total cost of $5 million or more.

Section 54-35-15.3 authorizes the committee to review any IT project or IT plan. If the committee determines a project or plan is at risk of failing to achieve its intended results, it may recommend OMB suspend the expenditure of appropriated funds. The Office of Management and Budget may suspend expenditure authority if it agrees with the recommendation. This duty did not require action by the committee during the 2025-26 interim.

Project Reporting

The committee reviewed quarterly status reports, project startup and closeout reports, and changes to project reporting requirements pursuant to Senate Bill 2049 (2025). The Information Technology Department reported it was developing a system to monitor proposed IT projects during the legislative session and provide relevant information to legislators.

The committee monitored delayed projects, including DHHS's bed management and vital records modernization projects and the Department of Transportation's (DOT) roadway projects. As of September 21, 2026, ITD reported 52 ongoing projects with a baseline cost of $423.61 million. The projects collectively were approximately $427,000 under budget and 3.86 percent behind schedule.

Proposed Projects for the 2027-29 Biennium

Section 54-35-15.2(13) requires the CIO to report before October 1 of each even-numbered year regarding proposed major IT projects and other IT issues for the next biennium.

The committee received a preliminary list of 13 proposed major projects totaling approximately $90 million for the 2027-29 biennium, excluding ERP modernization and anticipated DHHS projects. Approximately 90 IT initiatives were identified through ITD's planning process and review of agency decision packages. Projects were assessed for alignment with statewide IT initiatives but were not ranked by priority following elimination of the State Information Technology Advisory Committee. Costs and requests remain subject to executive budget review.

EDUCATION INFORMATION TECHNOLOGY

University System

The committee received information regarding higher education IT planning, services, and major projects pursuant to Sections 15-10-44 and 54-35-15.2. The University of North Dakota NetX campus network project was completed on budget and approximately 1 month behind schedule.

Other University System initiatives included developing a higher education funding formula data model to support calculations under Chapter 15-18.2, using an ITD data center for disaster recovery, implementing Online Dakota Information Network notification services, and centralizing system and network logs.

The University System reported the disaster recovery second-site project was approximately 23 percent behind schedule because of site selection and networking issues, with additional concerns relating to hardware costs.

Elementary and Secondary Education

The committee received updates from the Department of Public Instruction (DPI) regarding the student information system transition from PowerSchool to Infinite Campus. During implementation, DPI terminated the original data migration vendor's contract for inadequate performance and obtained a replacement vendor. The combined cost of the former vendor's work and the replacement contract was less than the original data migration contract amount. The committee was informed PowerSchool servers were decommissioned June 30, 2026, after final backups and core data migration were completed. Remaining special education data and documents were expected to be migrated before the 2026-27 school year.

The department reported maintaining certain SLDS functionality using data through June 30, 2026, while developing long-term solutions for incorporating subsequent data. Testimony indicated some functions, including eTranscript and choice ready reporting, would not be available immediately following transition.

The committee also received testimony from Infinite Campus regarding the need for targeted support to engage smaller school districts and potential uses of artificial intelligence to assist teachers. A representative of DPI indicated the department was developing performance measures and anticipated organizing future system releases into 6-month generations.

The committee was informed all school districts had transitioned from implementation to Infinite Campus product support by September 2026 and the system was supporting school operations. Work continued on data migration issues, student transcripts, state reporting, and a governance charter. Infinite Campus is responsible for product support, while DPI provides guidance on state and federal reporting requirements. The department noted EduTech offers a technology coordinator service to school districts and the department had no immediate plans to engage an additional support vendor.

Committee members expressed concerns regarding additional work required of special education personnel. Testimony indicated the transition from a statewide special education system to separate district systems created challenges with migrated records, access permissions, and multiple accounts for personnel serving several districts. The department indicated it was assisting with access issues and encouraging single sign-on arrangements.

INFORMATION TECHNOLOGY STATUTORY REPORTS

Information Technology Department Business Plan

Sections 54-35-15.2 and 54-59-06 require ITD to develop and maintain a business plan and the committee to review the plan.

The committee received information regarding ITD's priorities of resilient infrastructure, sustainable systems, and statewide readiness. The department described data center changes to address single points of failure, continued replacement of legacy applications, and service delivery teams intended to improve coordination with agencies.

Distributed Ledger Technology

Pursuant to Section 54-59-02.2, the committee received a report regarding implementation of distributed ledger technologies. The state uses the technology on a limited basis for specific purposes, including for transparency or fraud prevention.

Statewide Information Technology Policies and Standards

Section 54-59-09 requires ITD and OMB, based on information from state agencies and institutions, to develop statewide IT policies, standards, and guidelines. Executive branch agencies and institutions, excluding institutions under the control of the SBHE, must comply unless exempted by the CIO. Section 54-35-15.2 requires the committee to review statewide IT standards. The committee was informed ITD has adopted policies, standards, and guidelines in several areas and continues to update and adopt new policies, standards, and guidelines as necessary.

Statewide Information Technology Plan

Section 54-59-11 provides for statewide IT planning and Section 54-35-15.2 requires committee review of the statewide plan. Senate Bill 2048 (2025) removed the requirement for agencies to submit individual biennial plans while retaining participation in the planning process. The statewide plan must emphasize agency strategic goals, business objectives, and alignment with statewide IT initiatives.

The annual statewide IT plan was not finalized by ITD before the committee completed its interim work, but was expected later in 2026. The plan would include additional initiatives and estimated costs as agency proposals were refined. Five statewide initiatives guided planning: rationalizing applications, reducing technical debt, using the North Dakota Gateway, maximizing IT security, and modernizing data.

The department reported planning for the current biennium identified approximately 16 percent of the IT project requests subsequently received. Testimony described difficulties identifying technology components of broader agency initiatives and obtaining information before funding decisions. The department clarified agencies were not billed for initial IT planning discussions.

Coordination of Services

Pursuant to Section 54-59-12, the committee received information regarding coordination of ITD services with political subdivisions and higher education. The department coordinates with political subdivisions and higher education institutions for many services, including the Statewide Technology Access for Government and Education network (STAGEnet), cybersecurity services, SIRN, and 911 services. University System initiatives also include using an ITD data center for disaster recovery and collaborating with ITD and OMB on ERP planning.

Annual Reports

Section 54-59-19 requires ITD to present an annual report to the committee, addressing projects financed through financing agreements; comparisons of service rates with other states and private providers; service delivery, including dependability, agency complaints, and responsiveness; and records management programs. The committee received annual reports addressing financial information, employee turnover, project activities, service rate comparisons, records management, and customer satisfaction. The fiscal year 2025 report identified service fund revenues of $106.7 million and expenses of $111.3 million.

Statewide Longitudinal Data System

Section 54-59-36 requires ITD to report SLDS development, costs, legislative proposals, and data sharing governance. The committee received information regarding SLDS data on K-12 education, higher education, workforce outcomes, and juvenile justice. Testimony emphasized the importance of coordination among agencies and common data standards to avoid duplication of work. Testimony indicated the student information system transition to Infinite Campus would require changes to data collection processes and additional work to restore the previously available level of detail and quality.

Disclosed Cybersecurity Incidents

Pursuant to Section 54-59.1-07, the committee received a report regarding disclosed cybersecurity incidents and responses. In March 2026, ITD reported 77 submissions through the mandatory reporting process since August 2021. Of those, 47 met the statutory definition of a cybersecurity incident, including 25 phishing incidents. All were resolved or closed except one ransomware incident under remediation. Separate from the mandatory reporting process, the state cyber operations center handled 43,881 security incidents in 2024 and 69,391 in 2025.

OTHER INFORMATION

Information Technology Department Operations and Funding

The committee reviewed ITD's budget, service charges, continuing appropriation authority, and modernization initiatives. The department discussed a potential request for General Fund support for shared services and changes to service charges, noting the potential negative effect on agencies' ability to access federal funds if these changes were made.

The committee reviewed the department's application inventory effort, which initially identified more than 1,700 applications used by state agencies. Following the committee's final meeting, the department reported the inventory increased to approximately 2,200 applications used by state agencies. Other initiatives included upgrading one state data center, retiring another, and contracting with an outside provider for a second site to reduce the risk of a single point of failure. The department also described automated software license activation and deactivation intended to reduce charges for unused licenses.

The department described four areas of emphasis in its 2027-29 budget request: cybersecurity modernization and risk mitigation, enterprise efficiency and digital transformation, data and artificial intelligence, and operational resilience and public safety.

Mainframe Retirement

The committee received information regarding efforts to retire the state mainframe. Remaining work includes application modernization and data migration for DHHS and DOT. Testimony indicated DOT would transition from the mainframe by 2027 and DHHS would be the last agency to transition by 2030. Project risks include limited staff availability, loss of institutional knowledge, federal approval and certification requirements, data cleanup and retention, and complex system integrations.

Cybersecurity Services and Assessments

The committee received information regarding cybersecurity services provided to state agencies and political subdivisions. Participation in cybersecurity maturity assessments declined from 42 percent in 2020 to 16 percent as reported in July 2026. Although reported maturity scores increased, low participation limits ITD's ability to assess statewide risk. The department reported insufficient resources to audit self-reported assessments. Participating entities may qualify for a 4 percent North Dakota Insurance Reserve Fund premium discount by using ITD's endpoint protection and vulnerability scanning services and completing the assessment annually.

By September 2026, completed assessments increased from 84 to 109, following clarification that assessments must be completed annually to qualify for the North Dakota Insurance Reserve Fund discount. Assessments were completed by all 13 higher education institutions, 41 of 85 boards and commissions, 33 of 165 school districts, 11 of 53 counties, 5 of 355 cities, and 6 other entities. Eligible entities may receive the required security services even if they are not connected to STAGEnet. The department planned to tailor future assessments to entity size, including reducing the approximately 150-question assessment to a baseline of approximately 56 questions for smaller entities.

Information Technology Security Audits

House Bill 1004 (2025) included funding of $585,000 for the State Auditor's office to contract with consultants to test IT system security of ITD and the University System. The committee received testimony from the State Auditor's office and its contractor, Secure Yeti, regarding the status of the IT security audits.

Pursuant to Section 54-35-15.4, the committee received redacted information from Secure Yeti regarding security assessments of ITD and the University System. Full reports containing detailed vulnerabilities were provided to designated agency personnel for corrective action. Testimony indicated:

- Testing was conducted of selected state agencies, SIRN, and the University System's institutions and Core Technology Services.
- The two assessments identified 43 vulnerabilities, including 10 critical and 11 high-risk vulnerabilities.
- Critical and high-risk vulnerabilities were communicated promptly to affected agencies for corrective action.

The contractor reported substantial improvement over previous assessments and described more advanced testing and coordinated attack and defense exercises. Results reflected conditions at the time of testing, and corrective work continued afterward.

The University System reported it had remediated and validated all reported findings and noted the assessments identified improvements due in part to prior security investments. The Information Technology Department indicated it had resources to address identified concerns and was implementing corrective actions. The department noted proposed budget requests would assist with remediation.

Broadband Infrastructure

The committee received information regarding federal broadband programs and private investment in fiber infrastructure. In March 2026, ITD reported $37.2 million in Broadband Infrastructure Grant Program awards to serve 2,448 locations, with $19.4 million expended. The department anticipates spending all remaining funds during the 2025-27 biennium.

The committee was informed the state's Broadband Equity, Access, and Deployment Program allocation totaled $130.2 million, including $102.1 million in nondeployment funding awaiting federal direction. Approved awards included approximately $5.9 million to BEK Communications Cooperative for 257 locations and $192,000 to Midco for 22 locations. The awards were expected to serve all remaining identified unserved or underserved locations in North Dakota, with construction anticipated to be completed by the end of 2027. Representatives of Midco and Dakota Carrier Network provided testimony regarding fiber investment, STAGEnet connectivity, and additional capacity needed for data center development.

Digital Accessibility

The committee received information regarding state efforts to comply with federal digital accessibility requirements. During the January 2026 special legislative session, the Legislative Assembly provided $1.5 million to ITD for updating state-controlled websites and digital content to comply with digital accessibility provisions of the federal Americans with Disabilities Act. The department anticipates using the funding for licensing, tools, training, and assisting agencies. The department reported it is tracking agency compliance and had procured tools in a manner which allows political subdivisions to use the tools through an optional purchasing arrangement.