

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1021

Page 1, line 2, replace "for transfers" with "a report"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$59,359,772	\$199,786	\$59,559,558
Operating expenses	69,552,998	19,538,649	89,091,647
Capital assets	8,295,000	(4,041,883)	4,253,117
Center for distance education	9,079,116	(9,079,116)	0
Statewide longitudinal data system	4,310,561	72,790	4,383,351
Educational technology council	1,121,472	(1,121,472)	0
Edutech	9,752,767	(132,729)	9,620,038
K-12 wide area network	4,534,278	631,674	5,165,952
Geographic information system	1,147,716	(95,688)	1,052,028
Health information technology office	5,315,509	(438,669)	4,876,840
Statewide interoperable radio network	<u>13,700,000</u>	<u>(1,370,000)</u>	<u>12,330,000</u>
Total all funds	\$186,169,189	\$4,163,342	\$190,332,531
Less estimated income	<u>165,636,855</u>	<u>1,526,094</u>	<u>167,162,949</u>
Total general fund	\$20,532,334	\$2,637,248	\$23,169,582
Full-time equivalent positions	344.30	(41.30)	303.00"

Page 2, line 3, after "**FUNDING**" insert "- **EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 6 through 17 with:

"Electronic payment processing system	\$375,000	\$0
Health information network expansion	43,555,133	0
Statewide interoperable network loan	15,000,000	0
Cybersecurity	<u>0</u>	<u>8,100,000</u>
Total all funds	\$58,930,133	\$8,100,000
Less estimated income	<u>58,930,133</u>	<u>0</u>
Total general fund	\$0	\$8,100,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The information technology department shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Information Technology Department - House Action**

	<b>Base Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$59,359,772	\$199,786	\$59,559,558
Operating expenses	69,552,998	19,538,649	89,091,647
Capital assets	8,295,000	(4,041,883)	4,253,117
Center for Distance Education	9,079,116	(9,079,116)	
Statewide longitudinal data system	4,310,561	72,790	4,383,351
Educational Technology Council	1,121,472	(1,121,472)	
EduTech	9,752,767	(132,729)	9,620,038
K-12 wide area network	4,534,278	631,674	5,165,952
Geographic information system	1,147,716	(95,688)	1,052,028
Health Information Technology Office	5,315,509	(438,669)	4,876,840
Statewide Interoperable Radio Network	13,700,000	(1,370,000)	12,330,000
<b>Total all funds</b>	<b>\$186,169,189</b>	<b>\$4,163,342</b>	<b>\$190,332,531</b>
Less estimated income	165,636,855	1,526,094	167,162,949
<b>General fund</b>	<b>\$20,532,334</b>	<b>\$2,637,248</b>	<b>\$23,169,582</b>
FTE	344.30	(41.30)	303.00

**Department 112 - Information Technology Department - Detail of House Changes**

	<b>Adds Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Removes 16 FTE Positions<sup>2</sup></b>	<b>Adds 5 Cybersecurity FTE<sup>3</sup></b>	<b>Underfunds Salaries by 2 Percent<sup>4</sup></b>	<b>Adjusts Base Level Funding<sup>5</sup></b>	<b>Adds Funding for Microsoft Office 365 Licenses<sup>6</sup></b>
Salaries and wages	\$2,831,259	(\$2,649,997)	\$1,234,025	(\$1,215,501)		
Operating expenses			217,650		\$2,786,106	\$4,209,893
Capital assets					(4,041,883)	
Center for Distance Education						
Statewide longitudinal data system	73,846				(1,056)	
Educational Technology Council					(10,000)	
EduTech	292,499	(337,439)			(434,139)	
K-12 wide area network	41,674				590,000	
Geographic information system	11,584				(107,272)	
Health Information Technology Office	42,882				(481,551)	
Statewide Interoperable Radio Network						
<b>Total all funds</b>	<b>\$3,293,744</b>	<b>(\$2,987,436)</b>	<b>\$1,451,675</b>	<b>(\$1,215,501)</b>	<b>(\$1,699,795)</b>	<b>\$4,209,893</b>
Less estimated income	2,811,539	(2,912,445)	0	0	(1,797,893)	4,209,893
<b>General fund</b>	<b>\$482,205</b>	<b>(\$74,991)</b>	<b>\$1,451,675</b>	<b>(\$1,215,501)</b>	<b>\$98,098</b>	<b>\$0</b>
FTE	0.00	(16.00)	5.00	0.00	0.00	0.00

	<b>Adds Funding for IT Service Management and Platforms<sup>7</sup></b>	<b>Reduces Funding for the Center for Distance Education<sup>8</sup></b>	<b>Transfers the Center for Distance Education to CTE<sup>9</sup></b>	<b>Transfers the Educational Technology Council to CTE<sup>10</sup></b>	<b>Transfers Funding from the Educational Technology Council to EduTech<sup>11</sup></b>	<b>Reduces Funding for SIRN<sup>12</sup></b>
Salaries and wages						
Operating expenses	\$4,225,000					
Capital assets						
Center for Distance Education		(\$229,116)	(\$8,850,000)			
Statewide longitudinal data system						
Educational Technology Council				(\$765,122)	(\$346,350)	
EduTech					346,350	
K-12 wide area network						
Geographic information system						
Health Information Technology Office						
Statewide Interoperable Radio Network						(\$1,370,000)
<b>Total all funds</b>	<b>\$4,225,000</b>	<b>(\$229,116)</b>	<b>(\$8,850,000)</b>	<b>(\$765,122)</b>	<b>\$0</b>	<b>(\$1,370,000)</b>
Less estimated income	4,225,000	0	(3,050,000)	(585,000)	(5,000)	(1,370,000)
General fund	\$0	(\$229,116)	(\$5,800,000)	(\$180,122)	\$5,000	\$0
FTE	0.00	0.00	(29.80)	(0.50)	0.00	0.00

	<b>Adds One-Time Funding for Cybersecurity Operating Expenses<sup>13</sup></b>	<b>Total House Changes</b>
Salaries and wages		\$199,786
Operating expenses	\$8,100,000	19,538,649
Capital assets		(4,041,883)
Center for Distance Education		(9,079,116)
Statewide longitudinal data system		72,790
Educational Technology Council		(1,121,472)
EduTech		(132,729)
K-12 wide area network		631,674
Geographic information system		(95,688)
Health Information Technology Office		(438,669)
Statewide Interoperable Radio Network		(1,370,000)
<b>Total all funds</b>	<b>\$8,100,000</b>	<b>\$4,163,342</b>
Less estimated income	0	1,526,094
General fund	\$8,100,000	\$2,637,248
FTE	0.00	(41.30)

<sup>1</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Salary increase	\$313,373	\$1,469,467	\$1,782,840
Health insurance increase	168,832	1,342,072	1,510,904
Total	\$482,205	\$2,811,539	\$3,293,744

<sup>2</sup> Funding for 16 FTE undesignated positions is removed, including 1 FTE EduTech position. Of the \$2,987,436 reduction, \$74,991 is from the general fund, \$262,448 is from the PowerSchool fund, and \$2,649,997 is from the Information Technology Department service fund.

<sup>3</sup> Funding of \$1,451,675 is added for 5 FTE cybersecurity positions, of which \$1,234,025 is for salaries and wages and \$217,650 is for related operating expenses.

<sup>4</sup> Salaries and wages are underfunded by 2 percent of the total salaries and wages line item in anticipation of savings from vacant positions and employee turnover.

<sup>5</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for operating expenses	(\$97,594)	\$2,883,700	\$2,786,106
Reduces funding for capital assets	0	(4,041,883)	(4,041,883)
Reduces funding for the statewide longitudinal data system	(1,056)	0	(1,056)
Reduces funding for the Educational Technology Council	0	(10,000)	(10,000)
Reduces funding for EduTech	(295,980)	(138,159)	(434,139)
Adjusts funding for the K-12 wide area network	600,000	(10,000)	590,000
Reduces funding for the geographic information system	(107,272)	0	(107,272)
Reduces funding for the Health Information Technology Office	<u>0</u>	<u>(481,551)</u>	<u>(481,551)</u>
	\$98,098	(\$1,797,893)	(\$1,699,795)

<sup>6</sup> Funding of \$4,209,893 is added from the Information Technology Department service fund for Microsoft Office 365 licenses.

<sup>7</sup> Funding of \$4,225,000 is added from the Information Technology Department operating service fund for information technology service management (\$2,000,000), application as a service platform (\$1,325,000), and automation and orchestration platforms (\$900,000).

<sup>8</sup> Funding for the Center for Distance Education is reduced by \$229,116 from the general fund, of which \$8,366 is from salaries and \$220,750 is from operating expenses.

<sup>9</sup> Funding of \$8.85 million for the Center for Distance Education, including 29.80 FTE positions, is transferred from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5.8 million is for salaries and wages from the general fund and \$3.05 million is for operating expenses from the independent study operating fund.

<sup>10</sup> Transfers a 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$180,122 is from the general fund for salaries (\$76,556) and operating expenses (\$103,566). The remaining amount of \$585,000 includes \$500,000 from federal funds for capital assets and \$85,000 from the Information Technology Department service fund for grants.

<sup>11</sup> Funding of \$346,350 is transferred from the Educational Technology Council to EduTech, relating to the salaries and fringe benefits of the director of EduTech. The position was formerly the director of both the Educational Technology Council and EduTech, prior to the transfer of the Educational Technology Council to the Department of Career and Technical Education.

<sup>12</sup> Funding of \$1.37 million is reduced for the Statewide Interoperable Radio Network (SIRN), of which \$400,000 is for operating expenses and \$970,000 is for capital assets, to provide a total appropriation of \$12.33 million from the SIRN fund.

<sup>13</sup> One-time funding of \$8.1 million is added from the general fund for cybersecurity operating expenses.

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This amendment also removes a section allowing for the transfer of funds between line items.