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

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	349.30	$20,497,367	$196,637,604	$217,134,971
2015-17 Adjusted Legislative Appropriations[1]	350.30	26,078,145	151,713,039	177,791,184
Increase (Decrease)	(1.00)	($5,580,778)	$44,924,565	$39,343,787

[1]The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	$20,497,367	$0	$20,497,367
2015-17 Adjusted Legislative Appropriations	23,406,055	2,672,090	26,078,145
Increase (Decrease)	($2,908,688)	($2,672,090)	($5,580,778)

Agency Funding
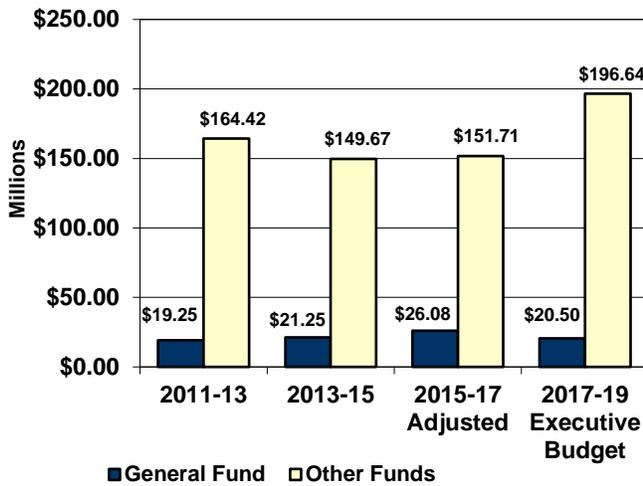
FTE Positions
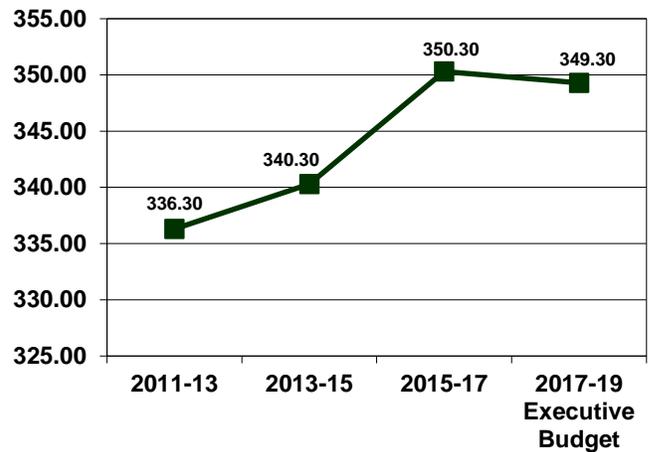
Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	$20,497,367	$196,637,604	$217,134,971
2017-19 Base Level	23,406,055	151,213,039	174,619,094
Increase (Decrease)	($2,908,688)	$45,424,565	$42,515,877

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Dalrymple and Burgum Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefits increases, of which $323,298 is for salary increases and $1,013,148 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) **The Senate removed funding for the salary increases.**	$238,852	$1,097,594	$1,336,446
2. Removes 1 FTE Educational Technology Council Director position. **The Senate removed 1 FTE EduTech Director position.**	($300,000)	$0	($300,000)

3.	Provides a funding source change from the general fund to the health information exchange fund for the Health Information Technology Director position	($361,389)	$361,389	$0
4.	Reduces funding for operating expenses, primarily related to contractor costs	($1,075,949)	($990,543)	($2,066,492)
5.	Reduces funding for capital assets	($25,575)	($520,000)	($545,575)
6.	Reduces funding for Educational Technology Council grants	($545,000)	$0	($545,000)
7.	Reduces funding for K-12 wide area network information technology contract costs	($490,345)	$0	($490,345)
8.	Adds funding for PowerSchool, primarily related to information technology software and data processing	$0	$599,100	$599,100
9.	Adds funding from the health information exchange fund for a health information network expansion project. Of this amount, $40.8 million will be provided from federal funds received by the Department of Human Services	$0	$43,555,133	$43,555,133
10.	The Burgum budget reduced general fund appropriations by 1 percent	($200,000)	$0	($200,000)
11.	The Burgum budget removed 5 unspecified FTE positions	$0	($755,919)	($755,919)

Other Sections in Senate Bill No. 2021

Line item transfers - Section 3 provides the Chief Information Officer of the Information Technology Department (ITD) authority to transfer funds between line items for the development and implementation of information technology projects.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The operational audit for ITD conducted by the State Auditor during the 2015-16 interim identified the following significant audit findings:
- Recommendation for a periodic review of all enabled services and ports to test for usage and necessity.
- Recommendation to update the current policy to define escorted access to ITD facilities.

The information technology security audit for ITD conducted by ManTech International Corporation did not identify any significant audit findings.

Major Related Legislation

House Bill No. 1037 - Amends the student information system exemption to require each school district to use a state course code, assigned by the Department of Public Instruction, to identify all local classes in PowerSchool. Each school district will be required to use North Dakota eTranscripts, or an alternative information system designed by ITD, to submit applications for the North Dakota academic or career and technical education scholarship to the Superintendent of Public Instruction.

House Bill No. 1178 - Authorizes increases in the assessed communications service fee and the prepaid wireless emergency 911 fee.

Senate Bill No. 2024 - Repeals North Dakota Century Code Chapter 23-42, relating to the Tobacco Prevention and Control Program. This bill removes the requirement for ITD to provide centralized desktop support services for the Tobacco Prevention and Control Executive Committee.

Senate Bill No. 2032 - Removes the requirement for ITD to present a summary of the department's annual report to the Budget Section.

Senate Bill No. 2050 - Adds a position on the Statewide Interoperability Executive Committee for the North Dakota Indian Affairs Commission Executive Director or designee. This committee is overseen by ITD for the statewide interoperability radio network.

Senate Bill No. 2104 - Provides that ITD may request unemployment insurance wage data from Job Service North Dakota for education and workforce development program evaluations, except that the department may not redisclose any data identifying an individual unless the redisclosure is expressly permitted by a written agreement between Job Service North Dakota and the department or is otherwise expressly permitted or required by federal or state law.

Senate Bill No. 2204 - Creates a statewide interoperability radio network fund and provides for a surcharge to be assessed for various motor vehicle violations to be deposited in this fund.

Information Technology Department - Budget No. 112
Senate Bill No. 2021
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version			
	FTE Position	**General Fund**	**Other Funds**	**Total**	**FTE Position**	**General Fund**	**Other Funds**	**Total**
2017-19 Biennium Base Level	350.30	$23,406,055	$151,213,039	$174,619,094	350.30	$23,406,055	$151,213,039	$174,619,094
2017-19 Ongoing Funding Changes								
Base payroll changes		($349,282)	$1,321,892	$972,610		($349,282)	$1,321,892	$972,610
Salary increases - Performance				*0*				
Health insurance increase		187,396	825,752	1,013,148		187,396	825,752	1,013,148
Employee portion of health insurance		*(97,453)*	*(425,796)*	*(523,249)*				*0*
Removes Educational Technology Director	(1.00)	(300,000)		(300,000)				
Removes EduTech Director position				0	(1.00)	(300,000)		(300,000)
Health Information Technology Director position funding source change		(361,389)	361,389	0		(361,389)	361,389	0
Removes 5 FTE positions	*(5.00)*		*(755,919)*	*(755,919)*	(5.00)		(755,919)	(755,919)
Reduces funding for operating expenses		(1,075,949)	(990,543)	(2,066,492)		(1,075,949)	(990,543)	(2,066,492)
Reduces funding for capital assets		(25,575)	(520,000)	(545,575)		(25,575)	(520,000)	(545,575)
Reduces funding for Educational Technology Council grants		(545,000)		(545,000)		(545,000)		(545,000)
Reduces funding for K-12 wide area network information technology contract costs		(490,345)		(490,345)		(490,345)		(490,345)
Adds funding for PowerSchool			599,100	599,100			599,100	599,100
Reduces appropriations by 1 percent		*(200,000)*		*(200,000)*		(200,000)		(200,000)
Restores funding for Center of Distance Education				0		300,000		300,000
Total ongoing funding changes	(6.00)	($3,257,597)	$415,875	($2,841,722)	(6.00)	($2,860,144)	$841,671	($2,018,473)
One-time funding items								
Health information network expansion			43,555,133	43,555,133			43,555,133	43,555,133
Total one-time funding changes	0.00	$0	$43,555,133	$43,555,133	0.00	$0	$43,555,133	$43,555,133
Total Changes to Base Level Funding	(6.00)	($3,257,597)	$43,971,008	$40,713,411	(6.00)	($2,860,144)	$44,396,804	$41,536,660
2017-19 Total Funding	344.30	$20,148,458	$195,184,047	$215,332,505	344.30	$20,545,911	$195,609,843	$216,155,754

Other Sections in Information Technology Department - Budget No. 112

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
Line item transfers	Section 3 provides the Chief Information Officer of the Information Technology Department authority to transfer funds between line items for the development and implementation of information technology projects.	Section 3 provides the Chief Information Officer of the Information Technology Department authority to transfer funds between line items for the development and implementation of information technology projects.

Other Sections in Information Technology Department - Budget No. 112

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
EduTech Director	Section 4 amends Section 54-59-18(7) to clarify that the EduTech Director position is a hired position rather than an appointed position.	

Department 112 - Information Technology Department

Appropriations Comparisons to the
Original and Adjusted Base Budgets

General Fund Appropriations Adjustments
(As a result of the August 2016 General Fund Budget Reductions)

|	Ongoing	One-Time	Total
2015-17 original general fund appropriations	$24,105,987	$3,800,000	$27,905,987
General fund reductions	(699,932)	(1,127,910)	(1,827,842)
Adjusted 2015-17 appropriations	$23,406,055	$2,672,090	$26,078,145
Dalrymple Executive Budget changes	(2,908,688)	(2,672,090)	(5,580,778)
2017-19 Dalrymple Executive Budget	$20,497,367	$0	$20,497,367

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced operating expenses	($70,117)	$0	($70,117)
Reduced statewide radio interoperability		(98,250)	(98,250)
Reduced funding for the Center for Distance Education	(154,915)		(154,915)
Reduced the statewide longitudinal data system		(891,720)	(891,720)
Reduced funding for the Educational Technology Council		(137,940)	(137,940)
Reduced funding for EduTech	(247,943)		(247,943)
Reduced funding for the K-12 wide area network	(122,586)		(122,586)
Reduced the geographic information system	(78,360)		(78,360)
Reduced funding for the Health Information Technology Office	(26,011)		(26,011)
Total reductions	($699,932)	($1,127,910)	($1,827,842)
Percentage reduction to ongoing and one-time general fund appropriations	2.90%	29.68%	6.55%

2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Base payroll changes	($349,282)	$0	($349,282)
Adds funding for recommended salary and benefit increases	238,852		238,852
Removes funding for 1 FTE Educational Technology Council Director position	(300,000)		(300,000)
Funding source change for Health Information Technology Director position	(361,389)		(361,389)
Adjusts operating expenses	(1,405,352)	329,403	(1,075,949)
Adjusts funding for EduTech	(273,518)	247,943	(25,575)
Reduces funding for Educational Technology Council grants	(545,000)		(545,000)
Adjusts funding for the K-12 wide area network	(612,931)	122,586	(490,345)
Total	($3,608,620)	$699,932	($2,908,688)

Department 112 - Information Technology Department

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11

Agency Funding (in Millions)

FTE Positions
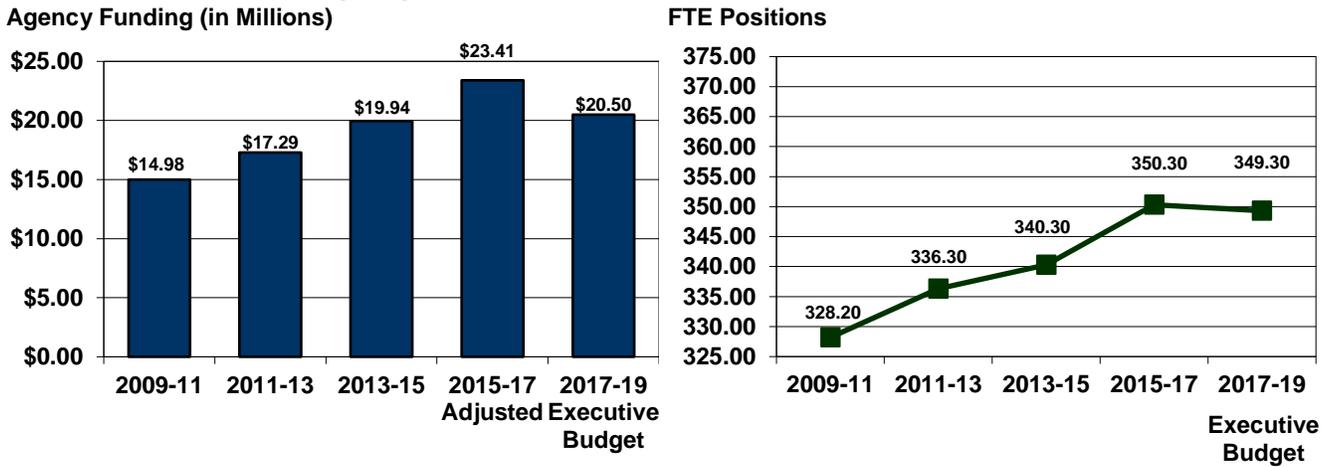
Ongoing General Fund Appropriations					
	2009-11	**2011-13**	**2013-15**	**2015-17 Adjusted**	**2017-19 Executive Dalrymple Budget**
Ongoing general fund appropriations	$14,983,554	$17,294,580	$19,939,428	$23,406,055	$20,497,367
Increase (decrease) from previous biennium	N/A	$2,311,026	$2,644,848	$3,466,627	($2,908,688)
Percentage increase (decrease) from previous biennium	N/A	15.4%	15.3%	17.4%	(12.4%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	15.4%	33.1%	56.2%	36.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

1. Added funding for completing school district connectivity to the statewide information technology network — $131,000

2. Added funding for staffing, hosting, and operating costs associated with the Statewide Longitudinal Data System Initiative, including $329,627 for salaries and wages and $988,309 for operating expenses — $1,317,936

3. Added 1 FTE research position to the Statewide Longitudinal Data System Initiative — $149,494

4. Increased funding for the Geographic Information System Initiative — $306,956

5. Transferred funding to the State Library to continue to provide Internet connectivity to public libraries — ($128,440)

2013-15 Biennium

1. Provided additional funding for ongoing operations of the Geographic Information System Initiative — $125,000

2. Provided additional funding for ongoing operations of the Criminal Justice Information Sharing Initiative projects. — $215,000

3. Adjusted funding for the Center for Distance Education — $1,358,386

2015-17 Biennium (original changes)

1. Removed the criminal justice information sharing system, including the transfer of 3 FTE positions to the Attorney General — ($2,258,373)

2. Added funding for costs-to-continue operations of the K-12 network ($600,000) and for distance education college and career readiness ($250,000) — $850,000

3. Added funding for the statewide longitudinal data system for ongoing operations and 1 FTE programmer analyst position — $3,500,000

4. Added funding for the Center for Distance Education for K-12 education, including 4 FTE teacher positions — $1,388,090

5. Added funding to implement multifactor authentication, including funding for 4 FTE information system security analyst positions — $537,001

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

1. Removes funding for 1 FTE Educational Technology Council Director position. **The Senate removed 1 FTE EduTech Director position.** — ($300,000)

2. Provides for a funding change for the Health Information Technology Director position — ($361,389)

3. Reduces funding for operating expenses — ($1,075,949)

4. Reduces funding for K-12 wide area network information technology contract costs — ($490,345)

5. The Burgum budget reduced general fund appropriations by 1 percent — ($200,000)