

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1021

That the Senate recede from its amendments as printed on pages 1835-1838 of the House Journal and pages 1552-1555 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, after the first semicolon insert, "to amend and reenact subsection 2 of section 54-46-08 of the North Dakota Century Code as amended in section 5 of House Bill No. 1528, as approved by the sixty-eighth legislative assembly, relating to final disposition of records;

Page 1, remove lines 13 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$101,734,629	\$2,637,257	\$104,371,886
Operating expenses	114,588,112	34,416,587	149,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	1,096,400	5,582,678
Edutech	9,691,939	472,369	10,164,308
K-12 wide area network	4,679,718	1,682,892	6,362,610
Geographic information system	1,101,806	106,086	1,207,892
Health information technology office	8,725,871	16,240	8,742,111
Statewide interoperable radio network	14,193,796	4,207,673	18,401,469
Broadband infrastructure	0	148,250,000	148,250,000
Total all funds	\$262,646,058	\$193,352,166	\$455,998,224
Less estimated income	<u>233,670,105</u>	<u>179,267,274</u>	<u>412,937,379</u>
Total general fund	\$28,975,953	\$14,084,892	\$43,060,845
Full-time equivalent positions	479.00	28.00	507.00"

Page 2, replace line 12 with:

"Enterprise digitization project	0	7,000,000
Call center software upgrade project	0	3,000,000"

Page 2, replace lines 14 and 15 with:

"Customer relationship management program	0	5,000,000
Universal vulnerability management project	0	1,000,000"

Page 2, replace lines 17 through 21 with:

"Inflationary increases	0	7,325,000
Statewide longitudinal data system	0	1,075,000
Broadband, equity, access, and deployment program	0	147,762,480
State and local cybersecurity grant program	0	487,520
Total all funds	\$57,901,000	\$183,606,343
Less estimated income	<u>57,901,000</u>	<u>179,093,823</u>
Total general fund	\$0	\$4,512,520"

Page 2, remove lines 26 through 29

Page 3, line 15, replace "\$16,500,000" with "\$15,000,000"

Page 3, line 16, replace "\$10,000,000" with "\$7,000,000"

Page 3, line 17, after "project" insert ", \$3,000,000 is for the call center software upgrade project,"

Page 3, line 17, replace "\$6,500,000" with "\$5,000,000"

Page 3, line 20, replace "\$2,499,467" with "\$3,499,467"

Page 3, line 21, after "fund" insert ", of which \$2,499,467 is"

Page 3, line 22, after "project" insert "and \$1,000,000 is for the universal vulnerability management project"

Page 3, after line 22, insert:

"SECTION 7. ESTIMATED INCOME - CHOICE READY DASHBOARD EXPANSION PROJECT. The estimated income line item in section 1 of this Act includes the sum of \$4,856,876 from the information technology department operating service fund for department of public instruction-related projects, of which \$300,000 is for a choice ready dashboard expansion project to allow schools to monitor student progress for graduation and report the results to the department of public instruction.

SECTION 8. AMENDMENT. Subsection 2 of section 54-46-08 of the North Dakota Century Code as amended in section 5 of House Bill No. 1528, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. Each departmental agency shall maintain, for at least one year, data contained in electronic mail accounts ~~and personal file storage~~, for agency heads, state officers appointed by the governor under chapter 44-02, and elected executive branch officials."

Page 3, line 27, after the period insert "The information technology department shall approve any grant application that includes the use or implementation of fiber-optic cable in the proposed service area unless fiber-optic cable currently serves the proposed service area.

SECTION 10. EXEMPTION - BROADBAND INFRASTRUCTURE GRANTS - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - TRANSFER OF APPROPRIATION AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.

1. Notwithstanding section 9 of this Act, on October 1, 2023, the office of management and budget shall transfer any uncommitted federal coronavirus capital projects fund appropriation authority from the information technology department to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium for the biennium beginning July 1, 2023, and ending June 30, 2025. The appropriation authority transferred in this subsection may be spent by the department of career and technical education only if approval is received from the federal government.
2. If any funding in the federal coronavirus capital projects fund is available pursuant to subsection 1 of this section, the office of management and

budget shall submit a state plan amendment to the United States Department of the Treasury to request a modification of the planned use of moneys in the federal coronavirus capital projects fund. If the federal government does not approve the state plan amendment to allow the department of career and technical education to use moneys in the federal coronavirus capital projects fund for multipurpose community facility inflationary costs, the office of management and budget shall transfer the uncommitted federal coronavirus capital projects fund appropriation authority to the information technology department for the purpose of providing broadband infrastructure grants pursuant to section 9 of this Act.

3. If the state plan amendment is approved, the department of career and technical education must distribute the funding transferred from the federal coronavirus capital projects fund to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this section is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025.
4. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project.
5. The office of management and budget shall report to the legislative management regarding any appropriation authority transferred under this section."

Page 4, after line 3, insert:

"SECTION 12. EMERGENCY. Sections 9 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Information Technology Department - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$101,734,629	\$115,138,365	(\$10,766,479)	\$104,371,886	\$104,371,886	
Operating expenses	114,588,112	153,004,699	(4,000,000)	149,004,699	149,004,699	
Capital assets	3,443,909	3,910,571		3,910,571	3,910,571	
Statewide longitudinal data system	4,486,278	4,610,191	972,487	5,582,678	5,582,678	
EduTech	9,691,939	10,989,458	(825,150)	10,164,308	10,164,308	
K-12 wide area network	4,679,718	7,184,958	(822,348)	6,362,610	6,362,610	
Geographic information system	1,101,806	1,225,447	(17,555)	1,207,892	1,207,892	
Health information technology office	8,725,871	8,801,988	(59,877)	8,742,111	8,742,111	
Broadband infrastructure		148,250,000		148,250,000	148,250,000	
Statewide interoperable radio network	14,193,796	18,429,899	(28,430)	18,401,469	18,401,469	
Total all funds	\$262,646,058	\$471,545,576	(\$15,547,352)	\$455,998,224	\$455,998,224	\$0

Less estimated income	233,670,105	421,675,168	(8,737,789)	412,937,379	411,937,379	1,000,000
General fund	\$28,975,953	\$49,870,408	(\$6,809,563)	\$43,060,845	\$44,060,845	(\$1,000,000)
FTE	479.00	507.00	0.00	507.00	507.00	0.00

Department 112 - Information Technology Department - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Reduces Funding for the Enterprise Digitization Project ³	Adds Funding for a Customer Relationship Management Program ⁴	Reduces Funding for the K-12 ClassLink Project ⁵	Adjusts Funding for the Health Information Network ⁶
Salaries and wages	\$1,839,433	(\$13,093,855)		\$487,943		
Operating expenses			(\$500,000)			
Capital assets						
Statewide longitudinal data system	30,190	(132,703)				
EduTech	95,367	(420,517)				
K-12 wide area network	(14,330)	(102,130)			(\$705,888)	
Geographic information system	5,149	(22,704)				
Health information technology office	17,627	(77,504)				
Broadband infrastructure						
Statewide interoperable radio network	8,277	(36,707)				
Total all funds	\$1,981,713	(\$13,886,120)	(\$500,000)	\$487,943	(\$705,888)	\$0
Less estimated income	1,668,122	(10,418,391)	0	0	0	1,000,000
General fund	\$313,591	(\$3,467,729)	(\$500,000)	\$487,943	(\$705,888)	(\$1,000,000)
FTE	0.00	0.00	0.00	2.00	(2.00)	0.00

	Adjusts One-Time Funding ⁷	Adjusts One-Time Funding for Inflationary Increases ⁸	Total Conference Committee Changes
Salaries and wages			(\$10,766,479)
Operating expenses	(\$3,500,000)		(4,000,000)
Capital assets			
Statewide longitudinal data system	1,075,000		972,487
EduTech		(\$500,000)	(825,150)
K-12 wide area network			(822,348)
Geographic information system			(17,555)
Health information technology office			(59,877)
Broadband infrastructure			
Statewide interoperable radio network			(28,430)
Total all funds	(\$2,425,000)	(\$500,000)	(\$15,547,352)
Less estimated income	(987,520)	0	(8,737,789)
General fund	(\$1,437,480)	(\$500,000)	(\$6,809,563)
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$320,858	\$1,715,398	\$2,036,256
Health insurance adjustment	(7,267)	(47,276)	(54,543)
Total	\$313,591	\$1,668,122	\$1,981,713

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The Senate provided the

same salary and health insurance adjustments as the Conference Committee.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool. The Senate also removed this funding.

	General Fund	Other Funds	Total
New FTE positions	(\$1,998,699)	(\$2,967,987)	(\$4,966,686)
Vacant FTE positions	(1,469,030)	(7,450,404)	(8,919,434)
Total	(\$3,467,729)	(\$10,418,391)	(\$13,886,120)

³ Funding for the enterprise digitization project to modernize state technology is reduced by \$500,000 from the general fund to provide total ongoing funding of \$3,096,138, of which \$2,000,000 is from the general fund and \$1,096,138 is from the Information Technology Department (ITD) operating service fund. Of this amount, \$981,138 is for salaries and wages of 5 FTE positions and \$2,115,000 is for IT software, data processing, and contractual services. The Senate also reduced this funding by \$500,000 and authorized the 5 FTE positions.

The House approved \$3,596,138, of which \$2,500,000 was from the general fund and \$1,096,138 was from the ITD operating service fund. The House also authorized the 5 FTE positions.

⁴ Funding of \$487,943 is added from the general fund for salaries and wages of 2 FTE positions for the customer relationship management program to provide ongoing funding of \$2,841,694, of which \$2,339,886 is from the general fund and \$501,808 is from the ITD operating service fund. Of the total, \$1,477,694 is for salaries and wages of 6 new FTE positions and \$1,364,000 is for software licensing costs. The Senate also made this change.

The House approved \$2,353,751, of which \$1,851,943 was from the general fund and \$501,808 was from the ITD operating services fund, including 4 new FTE positions.

⁵ Funding of \$705,888 for salaries and wages of 2 FTE positions added by the House from the general fund for the K-12 ClassLink project is removed and funding for IT software and supplies related to the project is reduced by \$300,000 to provide a total of \$1,200,000 from the general fund, the same as the Senate version. The House provided \$1,905,888 from the general fund for the project.

⁶ Funding for the North Dakota Health Information Network (NDHIN) is adjusted by reducing \$1 million from the general fund and adding \$1 million from the electronic health information exchange fund in anticipation of NDHIN participant fee revenue collected from hospitals and other health care providers to provide total ongoing funding of \$3 million, of which \$2 million is from the general fund and \$1 million is from the electronic health information exchange fund. The House and Senate provided \$3 million of ongoing funding from the general fund.

⁷ One-time funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding from the strategic investment and improvements fund (SIIF) for the enterprise digitization project to modernize state technology to provide a total of \$7 million. The House added \$10 million from SIIF.	\$0	(\$3,000,000)	(\$3,000,000)
Adds funding from SIIF for an ITD call center software upgrade project. The House did not add funding for this project.	0	3,000,000	3,000,000
Reduces funding from SIIF for the enterprise customer relationship management program, also known as the business gateway project, to provide a total of \$5 million. The House added \$6.5 million from SIIF.	0	(1,500,000)	(1,500,000)
Adjusts funding for the universal vulnerability management project by removing funding from the general fund and adding funding from the federal State Fiscal Recovery Fund. The House added \$3 million from the general fund.	(3,000,000)	1,000,000	(2,000,000)
Adds funding for the statewide longitudinal data system. The House did not add funding for this purpose.	1,075,000	0	1,075,000
Adjusts funding from federal funds from the Infrastructure Investment and Jobs Act to provide a state match for the state and local cybersecurity grant program in the broadband infrastructure line item. The House did not provide funding for the state match.	<u>487,520</u>	<u>(487,520)</u>	<u>0</u>
Total	(\$1,437,480)	(\$987,520)	(\$2,425,000)

The Conference Committee did not change one-time funding items adjusted by the Senate.

⁸ One-time funding of \$500,000 from the general fund for information technology inflationary increases is reduced to provide a total of \$7,325,000, of which \$2,350,000 is from the general fund, \$325,000 is from the PowerSchool fund, and \$4,650,000 is from the ITD operating service fund, the same as the Senate version. The House approved \$7,825,000 for information technology inflationary increases, including \$2,850,000 from the general fund.

This amendment also:

- Removes a section that would have appropriated additional income available from federal funds in excess of funding appropriated in Section 1 to ITD during the 2023-25 biennium. The Senate did not remove this section.
- Amends a section identifying \$15 million appropriated from SIIF, the same as provided by the Senate. The House provided \$16.5 million.
- Amends a section identifying \$3,449,467 appropriated from the federal State Fiscal Recovery Fund, the same as provided by the Senate. The House provided \$2,499,467.
- Adds a section to provide of the \$4,856,876 of one-time funding appropriated from the ITD operating services fund for Department of Public Instruction projects, \$300,000 be designated for a choice ready dashboard expansion project. This section was also added by the Senate.
- Adds a section to amend Section 5 of House Bill No. 1528, as approved by the 68th Legislative Assembly, to remove "and personal file storage," as a technical correction related to the determination necessary for final disposition of records.
- Amends a section providing an exemption for the \$45 million appropriated from the federal Coronavirus Capital Projects Fund for broadband infrastructure grants during the November 2021 special legislative session to require ITD to approve any grant application that includes the use or implementation of fiber-optic cable in the proposed service area unless fiber-optic cable currently serves the proposed service area. This section was amended by the Senate to provide an exemption for \$18 million of the \$45 million appropriation and did not include grant application requirements.
- Adds a section to require the Office of Management and Budget (OMB) to transfer any uncommitted federal Coronavirus Capital Projects Fund appropriation authority from ITD to the Department of Career and Technical Education (CTE) for the purpose of multipurpose community facility inflationary costs during the 2023-25 biennium. The funding may only be spent by CTE if the federal government approves a state plan amendment on the planned use of moneys in the fund. If the state plan amendment is not approved, OMB shall transfer the uncommitted funding to ITD for broadband infrastructure grants. The Department of Career and Technical Education is required to report to the Legislative Management on the use of this funding and OMB is required to report to the Legislative Management regarding appropriation authority transferred pursuant to this section. The Senate did not add this section.
- Adds a section to declare sections 9 and 10 are an emergency measure. The Senate did not declare an emergency.