



Budget Basics

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INFORMATION TECHNOLOGY DEPARTMENT

GENERAL INFORMATION

In 1999 the Information Services Division of the Office of Management and Budget was established as a separate cabinet-level agency called the Information Technology Department (ITD) and the Chief Information Officer position was created.

The Information Technology Department is considered a service agency, providing information technology (IT) services to other state agencies in exchange for funding provided by the agency receiving services. Prior to the beginning of each biennium, ITD estimates the rates and fees for services provided to state agencies for the upcoming biennium. When state agencies prepare their budget requests for the upcoming biennium, the agencies request funding to accommodate anticipated services needed based on the estimated rates provided by ITD. Following approval by the Legislative Assembly, state agencies use the funding appropriated to pay ITD for the IT services performed for the agency.

Funding for ITD derived from special funds is primarily provided by state agencies receiving IT services from ITD. The funding provided by state agencies to ITD for IT services originates from the general fund, special funds, and federal funds. Each agency may decide which funding source to use to pay ITD for IT services, provided the decision is within the limits of the agency appropriation approved by the Legislative Assembly.

GENERAL FUND APPROPRIATIONS

The Information Technology Department also receives direct general fund appropriations, which for the 2023-25 biennium totals \$46.2 million, including funding for salaries and wages (\$13.6 million), operating expenses (\$12.2 million), capital assets (\$131,034), the K-12 wide area network (\$6.3 million), the statewide longitudinal data system (\$5.2 million), EduTech (\$3.1 million), the geographic information systems (\$1.1 million), the North Dakota health information network (\$2 million), tower maintenance operating expenses for the statewide interoperable radio network (\$1.9 million), state and local cybersecurity grant program matching funds (\$487,520), and property tax online portal grants (\$300,000).

MAJOR PROJECTS AND INITIATIVES - 2023-25 BIENNIUM

The 2023 Legislative Assembly appropriated \$283.9 million of one-time funding to ITD for major projects and initiatives for the 2023-25 biennium, as follows:

	General Fund	Other Funds	Total
Enterprise digitization project	\$0	\$7,000,000	\$7,000,000
Call center software upgrade project	0	3,000,000	3,000,000
Governance, risk, and compliance costs and the lighthouse project	600,000	4,856,876	5,456,876
Business gateway enterprise customer relationship management program	0	5,000,000	5,000,000
Universal vulnerability management project (federal funds)	0	1,000,000	1,000,000
Capitol security software upgrade/fiber replacement project (federal funds)	0	2,499,467	2,499,467
IT inflationary increases	2,350,000	4,975,000	7,325,000
Statewide longitudinal data system	1,075,000	0	1,075,000
North Dakota health information network	0	3,000,000	3,000,000
Broadband, equity, access, and deployment program (federal funds)	0	147,762,480	147,762,480
State and local cybersecurity grant program matching funds	487,520	0	487,520
Grants to counties for an online property tax information portal	300,000	0	300,000
Statewide interoperable radio network project (\$80 million federal funds and \$20 million Bank of North Dakota profits)	0	100,000,000	100,000,000
Total	\$4,812,520	\$279,093,823	\$283,906,343

INFORMATION TECHNOLOGY UNIFICATION

During the 2017-18 interim, ITD began a shared services IT unification plan that includes consolidating IT services, such as desktop support, help desk services, and IT personnel in the Governor's cabinet of executive branch state agencies. The department intends to use the unification plan to improve IT productivity by establishing common systems and processes for communication and collaboration among executive branch agencies. The department reported the unification plan will focus on cost reduction and operational efficiencies and provide data hosting, storage, and archiving opportunities. The department believes the unification plan will reduce redundancies in executive branch agencies, decrease enterprise risk, improve IT investment success, and maximize cyber defense.

The 2019 Legislative Assembly authorized a shared services IT unification initiative, including a transfer of 96 FTE positions from five agencies to ITD, as a pilot project to consolidate IT resources and personnel in state government. The 2021 and 2023 Legislative Assemblies approved additional unification of state government IT resources and personnel, including the transfer of 56 FTE IT positions from 11 agencies to ITD, resulting in 152 FTE positions transferred during the 2019-21, 2021-23, and 2023-25 bienniums, as follows.

Agency	FTE Transferred			Total
	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	
110 - Office of Management and Budget		4.00		4.00
190 - Retirement and Investment Office		2.00		2.00
226 - Department of Trust Lands	2.00			2.00
301 - State Department of Health		4.00		4.00
303 - Department of Environmental Quality		1.00		1.00
325 - Department of Human Services	48.00			48.00
380 - Job Service North Dakota		16.00		16.00
401 - Insurance Commissioner			1.00	1.00
471 - Bank of North Dakota		16.00		16.00
504 - Highway Patrol		2.00		2.00
530 - Department of Corrections and Rehabilitation		6.00	2.00	8.00
540 - Adjutant General - Department of Emergency Services	4.00			4.00
601 - Department of Commerce		1.00		1.00
720 - Game and Fish Department		1.00		1.00
750 - Parks and Recreation Department	1.00			1.00
801 - Department of Transportation	41.00			41.00
Total	96.00	53.00	3.00	152.00

SUMMARY OF THE 2023-25 BIENNIUM INFORMATION TECHNOLOGY DEPARTMENT BUDGET

As approved by the 2023 Legislative Assembly, the 2023-25 biennium budget for ITD totals \$565.0 million. Of this amount, \$46.2 million is from the general fund, \$285.9 million is from special funds, and \$232.9 million is from federal funds. Of the \$565.0 million appropriated to ITD for the 2023-25 biennium, \$283.9 million is considered one-time funding, of which \$4.8 million is from the general fund, \$47.8 million is from special funds, and \$231.3 million was from federal funds.

A summary of the ITD budget for the 2017-19 through 2023-25 bienniums is shown below.

	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium
General fund	\$20,532,334	\$28,565,311	\$28,975,953	\$46,230,825
Other funds	224,566,988	321,032,334	291,571,105	518,740,327
Total	\$245,099,322	\$349,597,645	\$320,547,058	\$564,971,152
Increase (decrease)	\$67,308,138	\$104,498,323	(\$29,050,587)	\$244,424,094
Percentage increase (decrease)	37.9%	42.6%	(8.3%)	76.3%
FTE positions	344.30	402.00	479.00	507.00
Increase (decrease)	(6.00)	57.70	77.00	28.00
Percentage increase (decrease)	(1.7%)	16.8%	19.2%	5.8%

The next topic in the *Budget Basics* series will review the Department of Corrections and Rehabilitation.