



IT Modernization Fund

Bureau of Information and Telecommunications

Overview

Governor Noem's recommended budget includes \$4,138,000 in general funds to support the Information Technology (IT) Modernization Fund. These funds will be used to continue preparations to replace some of the state's most critical and at-risk information systems.

Project Description

The IT Modernization Fund is part of a systematic approach to replace the state's software application technology that has become difficult or costly to support, and to improve digital access to state agency information for the public.

Additionally, the IT Modernization Fund will pay for expenditures related to the ongoing planning for a new Enterprise Resource Planning system (ERP) to replace the state's aging financial systems that support statewide functions like accounting, procurement, and budgeting. Many of these systems are over 30 years old and operate on platforms that are becoming obsolete. The entire project is estimated to cost between \$66,000,000 and \$72,000,000 and take over 5 years. Part of the multi-year timeline is to allow for temporary staffing to be hired to build operational capacity during a phased implementation of new systems.

Funding

In FY2022, \$10,000,000 in general funds were transferred to the IT Modernization Fund within the Bureau of Information & Telecommunications. These funds are being used to implement the new Digital Citizen's Portal and to conduct a feasibility study on replacing the state's ERP systems. Governor Noem is recommending an additional \$4,138,000 in general funds be transferred to the IT Modernization Fund for FY2023 to continue the planning for the ERP replacement project and to optimize use of the state's existing human capital management systems.