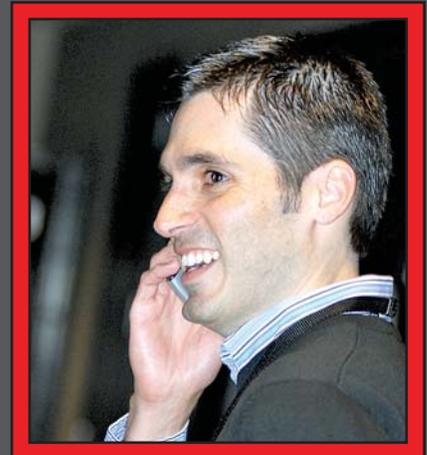
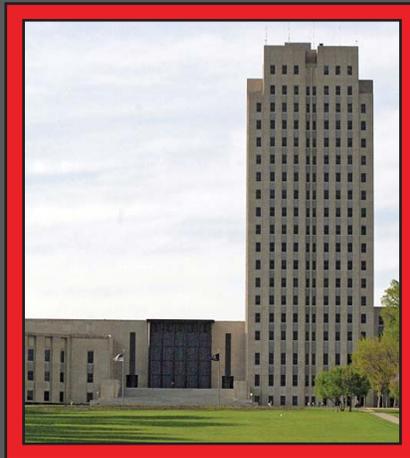




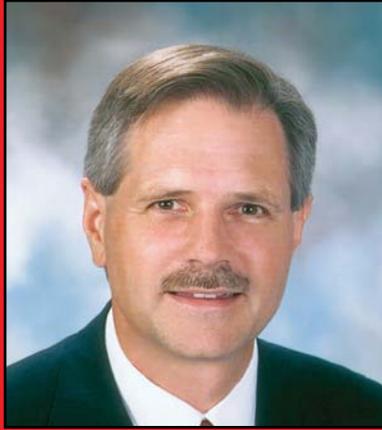
State of North Dakota  
**Information Technology Department**



Annual Report  
2007-2008



Setting Expectations | Delivering Results  
**Measuring Outcomes**



**John Hoeven**  
Governor, North Dakota



**Lisa Feldner**  
CIO, Information Technology Department

## **Our** **MISSION**

Provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology.

## **Our** **VISION**

We see ITD as the trusted business partner and preferred IT provider for strategic services within government and education.

The 2007-2008 Annual Report Setting Expectations | Delivering Results | Measuring Outcomes was produced by the North Dakota Information Technology Department (ITD).

It is a response to requirements outlined in Chapters 54-59-Section 19 of the North Dakota Century Code. The report provides an update on the information technology oversight process and major information technology investments.

# Setting Expectations | Delivering Results Measuring Outcomes

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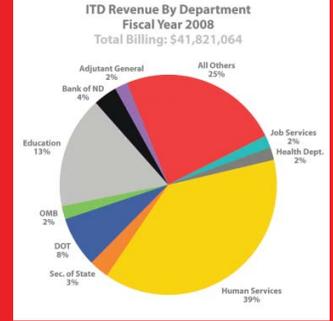
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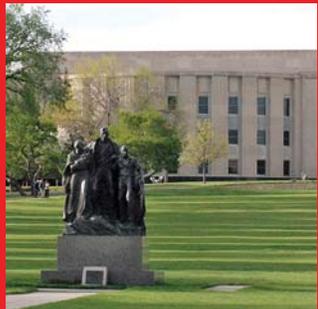
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# Executive Summary

**Lisa Feldner, Chief Information Officer**



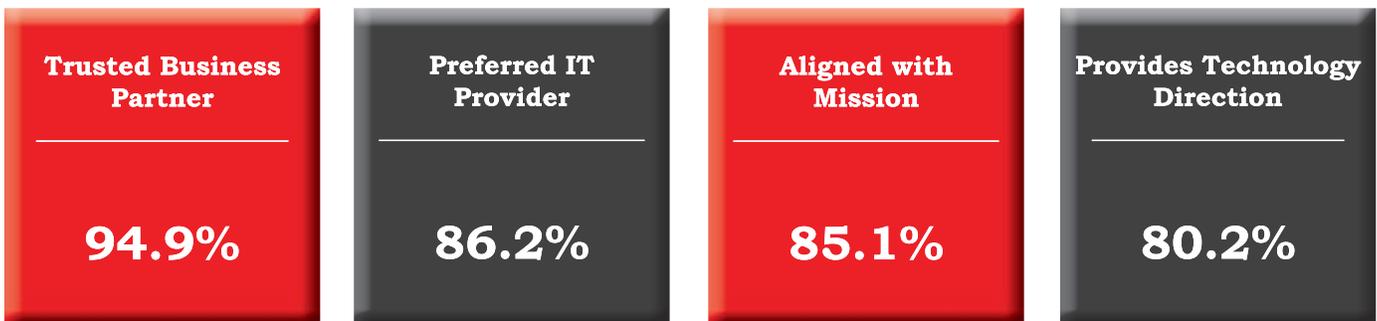
Dear Stakeholders,

At ITD, our mission is to provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology (IT). Setting expectations, delivering results, and measuring outcomes combined with ITD's Balanced Scorecard is the way of life at ITD. We're holding ourselves accountable for a positive customer experience in everything we do. As a result, we're continuing to make improvements.

Last year, we made a decision to implement a balanced scorecard with performance measures and metrics to help us manage our strategic and divisional plans. Although we've used performance measures for several years at the department level, we decided to drill down and require each division to do the

same. The balanced scorecard guides us through our daily activities and decision-making – everything we do, every project we work on, relates back to it. Our business perspectives (customer, financial, internal processes, and learning and growth) and our core strategies (operational excellence, customer service, business integration, and innovative leadership) keep us focused on our mission and vision. Ultimately, we're getting better at managing resources, and we're meeting customer expectations.

Our Annual Customer Survey provides valuable feedback about how we're doing. Customers help keep score by telling us if we're meeting service delivery expectations, creating a positive customer experience, providing the right type of services, and adding value to their business. Based on these survey results, the majority of our customers agree we're right on track and view ITD as a trusted business partner.



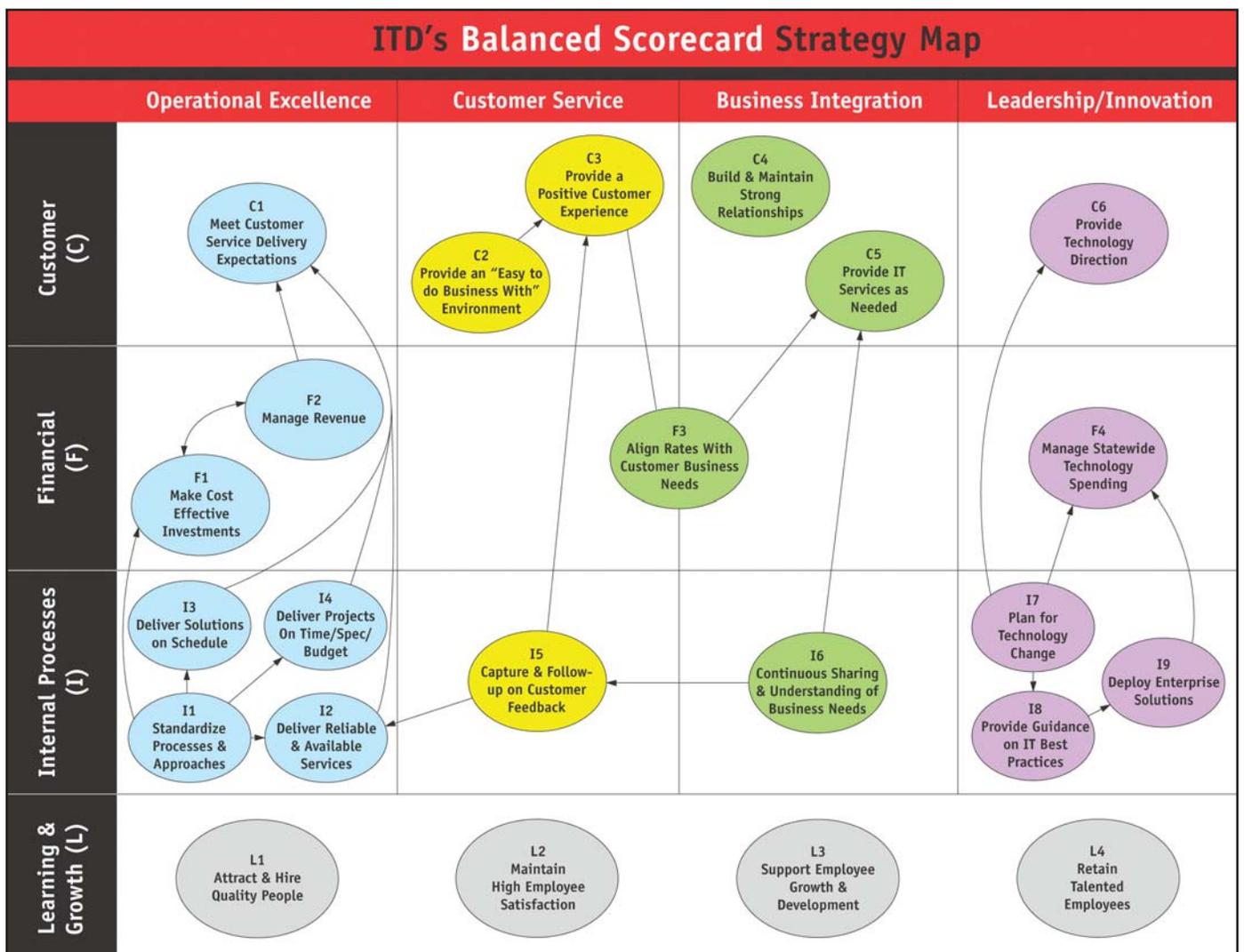
In turn, we're doing our part to deliver reliable services on-time and on-budget. Last year, ITD resolved more than 53,000 incidents with an overall customer satisfaction rating of 99.8 percent. Over 32,000 service requests were processed, and 93 percent of our customers were pleased with the quality of our work.

In the IT arena, technology changes fast. To keep up, our architects and analysts are constantly evaluating the latest IT trends and deploying enterprise solutions to maximize the efficiency and effectiveness of state government. We're also evaluating the bottom line; our rates continue to be competitive compared to other IT service providers.

Inside the pages of this year's Annual Report, you'll find an ITD committed to bringing you IT services that meet your needs. We're excited to share our successes with you! Simply stated, we're excited about IT. We're excited about integrating data systems, developing and hosting systems and applications, modernizing IT solutions, and integrating technologies. And through it all, our customers are the essential key to making IT possible in North Dakota state government and education. Together, we're connecting people to North Dakota today and into the future.



Chief Information Officer



# Customer Services

Gary J. Vetter, Division Director



ITD's Customer Services Division coordinates the people, processes, and technology used to deliver and support IT services. It ensures that our services are integrated with business goals, and it continually focuses on providing customers with a positive overall experience. Acting as ITD's "single point of contact," the Service Desk plays a key role in setting expectations, delivering results, and measuring outcomes.

Focusing on service delivery improvements is essential in our line of work. This past year, the Service Desk reengineered organizational processes and implemented new tools to better manage customer expectations. Additionally, we've expanded our Service Desk support services to other agencies to use as their support center. Everyday we're working hard for our customers, and the information that follows shows our major successes and accomplishments.

*I find ITD to be very good to work with; customer-oriented and always very approachable.*

*- NDPERS*

## Incident Management

Incidents Logged

**53,738**

Acknowledged Within 15-Minutes

**94%**

Resolved Within Service Level Objective

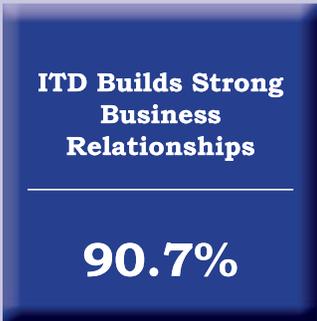
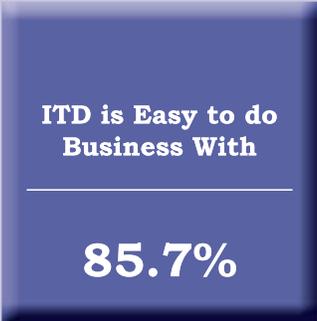
**90%**

Provided a Positive Customer Experience

**99.8%**

# Accomplishments

- Although traditionally perceived as an ITD function, today's Service Desk offers "Tier 1" support to a variety of business units. Over the past year, the Bank of North Dakota and Job Service of ND have both subscribed to this enterprise service. Their users appreciate the prompt, courteous, 24/7 support they receive from the Service Desk, and their technical staff enjoys the opportunity to focus on strategic business initiatives. At the same time, ITD is utilizing its resources to the fullest and is challenging its staff with a diverse workload. It's truly a "win-win" opportunity for all partners.
- A new toolset from FrontRange called ITSM (IT Service Management) was implemented as a replacement to ITD's HEAT system. ITSM provides an enterprise solution for managing incidents securely and holistically across agency boundaries. Today, people from ITD, the Department of Human Services, the Bank of ND, Job Service of ND, the Office of Management & Budget, North Dakota Public Employees Retirement System, and more are working together to troubleshoot and resolve technical issues.
- ITD's Work Management System (WMS) was enhanced to provide better estimated completion dates. Most service requests now have "standard intervals" defined that help in setting customer expectations. Prior to these changes, ITD completed about 75 percent of its service requests within their estimated completion date. Our goal is to achieve 90 percent by July 2009.
- A new Enterprise Service Desk website was launched at "www.nd.gov/support".
- ITD's Service Desk and the Network Operations Center converged into a new office location in Northbrook Mall. By combining these two groups, we've created an environment that will promote learning and enhance customer service.
- The Service Desk manager and analysts trained together and became certified by the Help Desk Institute as "Support Center Team Leads."
- The Service Desk analysts were equipped with laptops and soft-phones. Enhanced mobility helps significantly when working on-call and reacting to disasters.
- North Dakota Century Code (NDCC) requires ITD to document information related to service support and delivery, which includes formal complaints regarding dependability, responsiveness, and cost. From July 2007 through June 2008, no formal complaints were filed. However, ITD is asking for, listening to, and acting on customer feedback each and every day.



# Policy & Planning

Nancy Walz, Division Director



ITD's Policy and Planning division coordinates and facilitates information technology (IT) activities across state government. The division accomplishes this by creating a collaborative environment with state agencies to maximize and improve IT efficiency across the enterprise. This division oversees IT planning, project management, enterprise architecture, procurement, and enterprise initiatives such as the Criminal Justice Information System, Geographic Information Systems, ConnectND, and the new initiative Business Intelligence. Results gained in this process are credited to the participating state agencies.

## IT Planning

The Policy and Planning Division is responsible for developing the Statewide IT Plan and assists agencies in developing their individual IT plans. Currently, the division is working with 53 state agencies, K-12, and Higher Education to plan for the 2009-11 biennium.

## Project Management

During the past fiscal year, state agencies completed or ended 12 large IT projects under oversight of the Policy and Planning Division. Ten projects were completed under budget, resulting in a savings of \$624,317, and eight of the projects were completed within the acceptable schedule variance. One project was terminated after expending \$770,105.

The success of IT Projects depends upon increasing the knowledge and skills of project managers. With that in mind, the Enterprise Project Management Office facilitated training and mentoring programs for state agency employees: 30 project managers, team members, and executives attended a three-day project management class; five project managers were awarded the Project Management Professional (PMP) certification from the Project Management Institute; one State employee received the Project+ Certification awarded by CompTIA; and eight certifications sanctioned by the National Information Technology Apprenticeship System (NITAS) were issued to project managers at the following levels: Level I - 5; Level II - 2; Level III - 1; Active Apprentices - 10. In October 2007, North Dakota's Project Management Mentor Program was selected as NASCIO's (National Association of State Chief Information Officers) winner in the project and portfolio management category.

## Enterprise Architecture

Through the Enterprise Architecture (EA) process, state agencies collaborate to set the future direction of IT in the State of North Dakota. This collaborative process involved 122 people from 28 agencies. This group created four new standards and updated two. The domain teams also reviewed and updated eight "Future State" plans. A study team for Web Content Management tools completed their research and a final report is pending. A study team for Intelligent Document Recognition and a FileNet/PeopleSoft Connector completed their research and presented their findings to

the Architecture Review Board. Formation of new study teams for a Resource Finder Directory and Collaboration tools are pending based on requests for technical analysis. And finally, a new Enterprise Architecture Program Specialist was hired to fill the vacated position.

## **Procurement**

The division is responsible for reviewing and approving the acquisition of technology by state agencies. The staff also provides technical assistance on best practices regarding IT procurements and works to ensure the State receives the best value for its technology dollars. This past year, 67 contracts and Requests For Proposals (RFP) were submitted and reviewed within the five-day response time. We also facilitated procurement efforts to establish new state term contracts for business intelligence software and secure email software. Additionally, the IT Professional Services Contract Pool was re-procured in 2008. Working in cooperation with the Office of Management & Budget (OMB) and state agencies through the EA process, ITD awarded 37 contracts, including 32 different categories of IT professional services.

## **Business Intelligence (BI)**

A Business Intelligence Competency Center (BICC) was initiated last year. BICC goals include facilitating the development of BI methodologies, promoting best practices, working with agencies to establish BI projects, and providing consulting to agencies planning BI projects. Recently, a BI Architect and a BI Analyst have joined ITD to assist with these efforts. The team has been working with the Statewide Longitudinal Data System Committee (SLDS) to plan and budget for an SLDS, and it's working with the Department of Public Instruction and Department of Human Services to establish a Master Client Index. Additionally, the team worked with OMB to perform a BI study on the PeopleSoft reporting environment and to develop an RFP.

## **Enterprise Initiatives**

### **Criminal Justice Information System (CJIS Portal)**

Created to improve public safety, the CJIS Portal includes information systems used to capture and share complete, accurate, and timely information, so that law enforcement entities can make better informed decisions across jurisdictional and organizational boundaries statewide. The portal has grown to more than 1,200 authorized users processing more than a million transactions. Thirty-eight agencies use the Law Enforcement Records Management System (NetRMS), totaling 257 users with 173 full-time officers. Six counties use State's Attorney Reporting System (Justware). The mobile component of NetRMS Cruiser was made available to interested pilot agencies. Master Search capabilities of court protection orders with the full text were made available through the CJIS Portal.

CJIS received grant funding to add a Statewide Automated Victim Information and Notification (SAVIN) system to its portfolio of services. This system will notify victims about their offender's movement throughout the criminal justice system.

### **Geographic Information Systems (GIS Hub)**

The GIS Hub leverages the State's existing data, infrastructure, and geospatial expertise to share core geographic datasets to state agencies and the public. The GIS Technical Committee, consisting of 10 state agencies, enhances the GIS Hub by adding data and applications and increasing awareness of the Hub by promoting its use, value, and functionality. There are more than 190 data layers on the GIS Hub. At the end of June 2008, these layers consumed over three terabytes of storage, equivalent to about 647 DVDs. Users from state agencies average 40+ daily concurrent connections to the databases. During 2007, there were more than 1.4 million hits on web services.

### **ConnectND**

ConnectND is the State's PeopleSoft implementation of Financial, Human Capital Management, Portal, and Student Information System modules. Last year, the Financial environment was upgraded to application version 9.0, toolset version 8.48.07 along with the database upgrade to MicroSoft SQL 2005. The upgrade incorporated numerous functional patches, enables archiving, shortens entry of project information, and places the State on Oracle's roadmap to Fusion. Key initiatives include a training module enhancement, adding an Absence Management module, and Business Intelligence reporting. An overall upgrade of hardware supporting the HCM and Fin environments was completed along with development groups completing 138 requests while maintaining production support.

# Administration

Dan Sipes, Division Director



The Administrative Services Division includes fiscal administration, contingency planning, security administration, and records management.

Information technology (IT) security and related privacy issues are a primary focus for ITD in the operation of the Statewide Technology Access for Government and Education Network (STAGEnet) and the State's computing infrastructure. ITD's divisions work closely together to provide the expertise and leadership necessary to secure the State of North Dakota's information technology resources. We recognize that our success on security projects is dependent upon corresponding projects and processes within state agencies, and we appreciate the efforts and input we receive from our customers to help strengthen the State's security practices.

ITD undergoes a regular SAS70 audit conducted by the Office of the State Auditor with specialized security testing conducted by an external security consultant. This audit provides assurance to our customers and their auditors that ITD has appropriate controls in place. The latest audit was completed in December 2007. A copy of the SAS70 report can be found at [http://www.nd.gov/auditor/reports/SAI11200\\_07.pdf](http://www.nd.gov/auditor/reports/SAI11200_07.pdf).

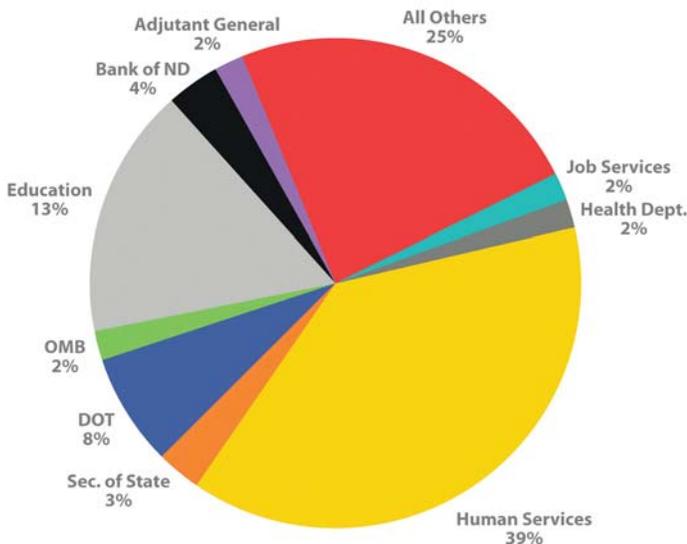
ITD operates a second data center for disaster recovery purposes. ITD's initial focus was to minimize data loss in the event of a disaster – this is commonly referred to as the recovery point objective (RPO) and measures the time (relative to the disaster) to which data can be recovered. For overnight backups, the recovery point objective will often be the end of the previous day's activity. The second data center houses the backup data for all systems and allows ITD to perform real-time data mirroring for critical systems. In addition to improving recovery point objectives for the State's data, ITD is working with agencies on the recovery time objective (RTO) for their applications. RTO is a measure of how long it takes a system to resume normal operations. The second data center has redundant processing hardware in place for agencies who've determined that their business applications require immediate failover in the event of a disaster.

North Dakota Century Code (NDCC) 54-46-11 requires ITD to report on Records Management practices and programs in state government. Records management programs include records retention schedules, annual disposal of reports, forms inventories, and consulting. ITD has implemented records management programs in 60 state agencies. Records management programs are established in 22 boards, commissions, and councils. Last year, state agencies and local government offices disposed of 6,574 cubic feet of records to meet retention requirements. This savings in storage space, equipment, and related salaries resulted in a cost avoidance of \$1,764,684.

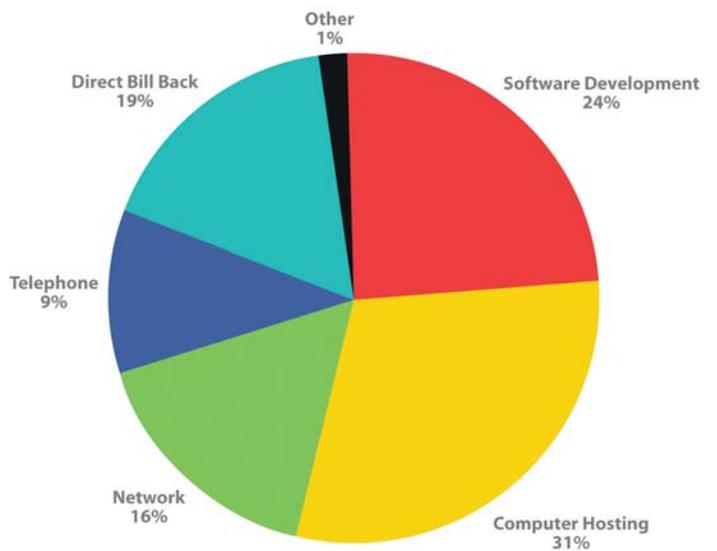
# Accomplishments

- ITD's Security Section participated in and contributed to the Multi-State Information Sharing and Analysis Center (MS-ISAC). MS-ISAC is a collaborative organization with participation from all 50 states, the District of Columbia, local governments, and U.S. Territories. The mission of the MS-ISAC, consistent with the objectives of the National Strategy to Secure Cyberspace, is to provide a common mechanism for raising the level of cyber security readiness and response in each state and with local governments. The MS-ISAC provides a central resource for gathering information on cyber threats to critical infrastructures from the states and providing two-way sharing of information between and among the states and with local government.
- Symantec Client Security which includes anti-virus, firewall, and spy-ware protection was deployed last summer. This solution is available to all state agencies.
- The scope of ITD's Vulnerability Scanning process was expanded to monitor more attack vectors.
- ITD's Records Management Section worked with higher education customers to expand the implementation of records management programs in higher education institutions.
- The use of LiquidOffice as an electronic forms solution continues to grow. Agencies are designing new forms and converting large quantities of their existing forms to LiquidOffice. Agencies have started to use LiquidOffice for the electronic submission of forms to improve their business processes.
- Plans were set in motion to start preliminary planning for the implementation of FileNet Records Manager. RecordsManager is an enterprise-wide solution for managing the disposition of records stored in FileNet.
- Our Records Management Section worked with local government entities to increase participation from local government offices in the records management program to raise awareness regarding the importance of records management at the local government level.

**ITD Revenue By Department  
Fiscal Year 2008**  
Total Billing: \$41,821,064



**ITD Revenue By Service  
Fiscal Year 2008**  
Total Billing: \$41,821,064



# Software Development

Vern Welder, Division Director



At ITD, software quality is important because our customers rely on their software applications to serve their constituents in the most efficient manner possible. Our Software Development Director's motto is "Software That Works." We believe it's important to build quality into the entire software development lifecycle, so we have processes in place requiring all of our 108 software developers to follow and ensure consistent application quality. Traditionally, we've achieved good software quality ratings from our customers, but we still needed to be assured that we're on the right quality track. In 2007, we initiated a software quality study to assess our quality processes. The consultant's report had one "good news/bad news" statement that summed it up nicely. ITD's software Quality Assurance culture is "randomly documented but pervasively enforced." The recommendation was to establish a formal Quality Assurance function in the Software Development Division to document and enforce our quality standards. We agreed with that recommendation and now have plans to establish a Software Quality Group.

Large IT projects need project management assistance to assure project goals are met. Our project management staff continues to make a positive difference in State IT project success. This year, four of ITD's project managers attained certification as Project Management Professionals (PMP), which brings our division's total to eight PMPs.

Our division works hard to deter the possible threats malicious Cyber Gangs attempt to impose on the software we deploy for our customers. Our software architects are vigilant at maintaining their awareness of potential threats, and they guide our software developers in creating code that will thwart as many cyber threats as possible.

The trend for workers to do their jobs remotely provides an opportunity for five ITD software developers to work from communities outside the Bismarck/Mandan area. Currently, we have employees working out of Minot, Carson, Belfield, Beulah, and Phoenix, Arizona.



# Highlights

The Software Development Division takes pride in their work and creates and maintains software solutions state agencies rely on to operate their businesses. This division supports customized and commercial off-the-shelf (COTS) software products using seven unique software development toolsets. State agencies engage the division's 12 project managers to ensure that State IT projects complete successfully. The following information highlights our recent successes.

- ITD's project to migrate mainframe applications to a server based "mainframe" environment is complete. We successfully migrated 39 applications for 12 state agencies. The Software Development Division also created a server based development environment that will work as well as our mainframe development environment.
- Traditionally, computer reports were printed on "green bar" paper by a line printer. The State's line printer had reached end-of-life so it became necessary to convert all mainframe print to laser print. This past year, we initiated a project that directed 381 print items to laser printers for 17 agencies.
- When PC vendors announced their intent to ship Windows VISTA with all new PCs, we had to assure that our customers using VISTA would be able to run our software. We initiated a research project to determine how software developed in each of our seven development environments would behave on VISTA. As a result of this study, all the software we now deploy is VISTA ready.
- The Electronic Vital Event Registration (EVER) application, developed for ND Department of Health's Vital Records Division, is the State's web-based birth application that allows hospitals, funeral homes, physicians, and coroners to electronically register births, deaths, and fetal deaths, eliminating the need for paper certificates.
- The Online Campsite and Cabin Reservation application, developed for the ND Parks and Recreation Department, allows campers to go on-line to make campsite or cabin reservations, payments, and confirm their reservations.
- An Animal Tracking Database (ATD) was developed for the Board of Animal Health. The ATD provides a means for North Dakota producers to store animal movement information. This database is integrated with the USDA Veterinary Services Animal Trace Processing System (ATPS). In the event of an animal health emergency, an animal health official will request a trace for a particular animal or producer's premises within the ATPS. The ATPS communicates with all existing ATDs to retrieve matching animal movement information to identify other animals that had contact with the diseased animal(s).

*"I work with a lot of states and your system for birth, death, and marriage certificates is by far the best and most reasonable to use."*

*- User*

**Service Requests  
Completed**

**3,691**

**Completed  
On-budget**

**97%**

**Completed On-time**

**89%**

**Agencies  
Supported**

**62**

**Project  
Management  
Services**

**44 Projects  
Managed for  
16 Customers**

# Computer Systems

L. Dean Glatt, Division Director



ITD's Computer Systems Division provides computing resources to North Dakota state government, political subdivisions, city, county, and various educational systems. The division employs computer technicians who possess the technology skills required to run mainframe, midrange, Windows/Linux server systems, enterprise databases, storage networks, and multiple data centers. We have systems architecture responsibility for most state government applications, and we're actively engaged in the State's Enterprise Architecture process.

In the past 18 months, state government has seen record growth in disk storage. State agencies have increased their data loads from 87 terabytes to nearly 193 terabytes of storage. Due to the increasing demand for storage services, we've developed service tiered offerings for storage environments which place data on various disk systems based on cost, performance, and availability needs.

In 2003, legislation required the consolidation of specific information technology (IT) functions in state government to reside within ITD. The Computer Systems Division is the primary owner for these IT consolidation efforts. With the major growth period behind us, we're now heavily focusing on agency/customer improvement processes. Service level reporting, right-sizing systems and applications, providing IT architectural reviews, and moving computer systems into two supporting data centers gives state government better management of IT systems. We've been successful in moving the physical demands of electrical and cooling out of the business offices and into the data center. Government is now better poised to provide a more cohesive approach to disaster recovery, bandwidth requirements, staff support and training, and software licensing from a centralized viewpoint. Overall, ITD continues to improve our service delivery through the Customer Services Division, Enterprise Architecture, and workload management efforts.

The Computer Systems Division is increasing our disaster recovery planning efforts with more in-depth technical analysis. Understanding the impact an outage could have on our existing systems will help us prepare better contingency plans for the continuum of government IT operations. We're also enhancing our capacity planning process and systems performance monitoring tools to improve technology delivery in state government.



# Stats

## Daily Email Activity (Averages)

Inbound Messages

4.69 million

Percent of Messages Removed by SPAM Filter

98.7%

Inbound "Clean" Messages

59,512

Outbound Messages From State Employees

32,000

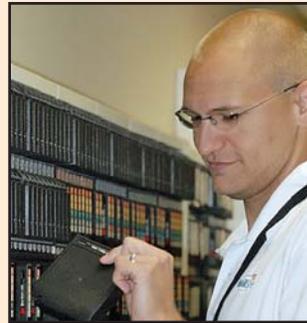
Account Changes (Add, Deletes, Changes)

36

## Server Systems

	Physical	w/Virtualization
Windows	397	535
Linux	146	148
AIX/Solaris	27	98
MF/z-series	2	5
AS400/i-series	5	7
	577	794

27% Virtualization



## Disk Storage

193 TB

60% Virtualization

## Active Directory Objects

184,911 - Users  
8,311 - Groups  
10,997 - Computers

## Completed Service Requests

16,431

## Data Centers

3

## Enterprise Databases

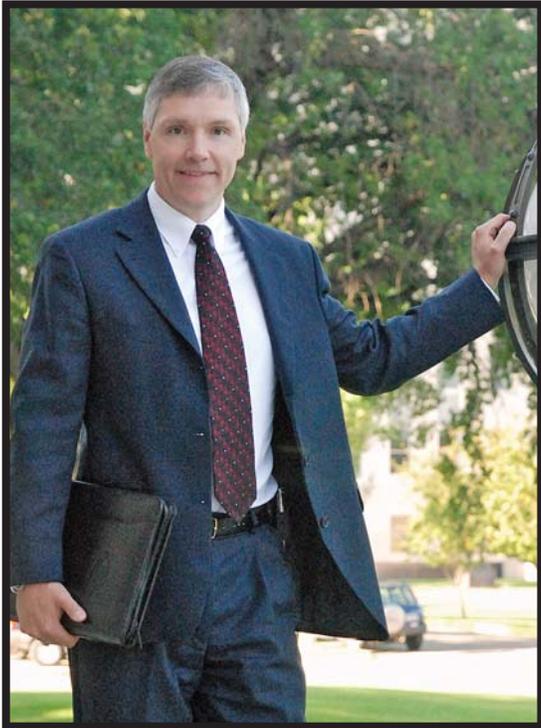
	# of Apps	# of Tables	GB
SQL Server	299	124,752	2,227
Oracle	157	32,306	3,130
ADABAS	107	518	98
DB2	24	2,064	202

## Consolidated File & Print Support

1,024 Printers - 1,640 Shares - 6,138 Users - 12.2 Terabytes

# Telecommunications

Mike Ressler, Interim Division Director



The Telecommunications Division helps state government and education entities execute their missions by providing communications technology and technical support. Through partnerships, the division provides a secure and reliable communications infrastructure connecting more than 80,000 computers and 10,000 telephones. With more than 850 endpoint network locations in the state, multiple internet connections, and more than one million minutes of long distance per month, the infrastructure is truly the lifeline connecting education and government to resources both within North Dakota and worldwide.

*“ITD is a valuable resource for the schools of North Dakota. They’ve helped make my job much easier and more pleasant over the years.”*

*- Belcourt Public Schools*



# Accomplishments

- The migration to Voice over IP (VoIP) continues as the division deployed the first all-IP system installed at the Bank of North Dakota. This is the first large agency that's running an all IP voice solution. The migration to VoIP is a multi-year project that's 15 percent complete with respect to end-point handsets.
- The past year highlighted several accomplishments in video conferencing. With the new scheduling solution acquired last year, more than 16,000 video conferencing sessions were hosted accumulating to more than 53,000 minutes of video time. Nearly 15,000 of those video sessions were focused on the delivery of academic classes within the K-12 community. Last year also included investments to the video infrastructure providing for the ability to record video calls for later viewing as well as the addition of high definition bridging infrastructure. Both of these investments advance the abilities of the infrastructure to provide an improved overall experience for the customer.
- This year kicked off a large multi-year initiative to redesign and modernize the switching infrastructure of the network. The modern equipment will allow the network to support devices that require Power over Ethernet (PoE) as well as ensure quality of service (QoS) to all endpoints.
- The upgrade to the wireless solution that's available on the capitol complex in Bismarck was completed this past year. This new wireless capability provides a more secure and robust solution than was previously available to users on the campus.
- The division secured new contracts for the metro-area fiber networks located in both Bismarck and Fargo resulting in cost savings to the State. These new contracts position customers located in the two largest cities in North Dakota with the infrastructure to support communications needs now and well into the future.

**Video Conferencing  
Sessions Hosted**

**16,000**

*(15,000 Delivered  
to K-12)*

**Computers  
Supported**

**80,000**

**1 Million**

**Monthly  
Long-distance  
Minutes Carried  
on Network**

**Monthly Network  
Availability**

**99.98%**

**Telecommunications  
Work Requests  
Completed**

**4,033**

**(adds, deletes,  
changes,  
networking requests)**

**Telephones  
Supported**

**10,000**

**Phones Migrated  
to VoIP**

**15%**

**Network Endpoint  
Locations**

**850**

# Human Resources

Judane Ohlhauser & Shelly Miller



The Human Resources (HR) Division takes pride in hiring employees who are highly skilled, service-minded individuals who bring technology to life. Our employees are the heart and soul of ITD, and they're key in helping the department deliver services to our customers.

The division's mission, which supports ITD's mission and vision, provides value-added services focused on recruiting, developing, and motivating ITD's most valuable resource - its people. Our vision is to serve as a strategic business partner by aligning people, strategy, and performance to ITD's mission and vision. We focus on strategies that align human resources with ITD's goals and objectives in a fast-paced technological environment. We're committed to recruiting, developing, rewarding, and retaining the highest quality workforce attainable. We discovered that in order to do this and be successful at it, we must strive to develop strong working relationships within all of our divisions and focus on developing a strategic connection to the business.

In the coming years, many new challenges and opportunities will undoubtedly impact the services HR provides. In order to be effective, we must focus on the strategic issues affecting talent management. We'll continue to seek the best methods to recruit new employees in a competitive market, concentrate on developing solid training plans, and find creative ways to motivate and retain our talented employees, which are ITD's most valuable resource.



*"My work feels meaningful. I like being able to contribute to the good of the North Dakota people..."*

*- ITD employee*

# Accomplishments

- Last year, HR partnered with ITD's Management team to participate in 236 interviews through which 44 new employees were hired. Additionally, 27 employees moved to new jobs within ITD or earned a promotion. We also participated in two of the four Experience North Dakota events (Chicago, Ill., and Denver, Colo.), initiated by the Department of Commerce in an effort to recruit former North Dakotans, friends, and relatives back to the state.
- The division continued its branding efforts through representation at job fairs, advertising methodologies, ND Workforce Summit participation, connections with ND colleges/universities, and through employee feedback regarding cultural improvement.
- This past year, ITD's turnover rate was 6.8 percent, which is an increase from last year's 4.6 percent turnover rate and is a concern to us. The IT industry is currently experiencing a competitive labor market where these types of workers are in short supply. Higher wages in the marketplace are a primary reason employees have left. ITD is committed to obtain market-based pay for the professionals who've dedicated their careers to the State of ND. We're proud of the staff we've retained and with the new staff we've hired. One of the greatest compliments we receive is from those employees who've chosen to return to ITD after experiencing other opportunities.
- Recognizing our employees for a job well done is important to us, and based on our biannual employee survey, employees say recognition is important to them. Our Employee Recognition Committee, a committee developed by employees four years ago, for employees, and supported by employees, stepped up its efforts by increasing services through a week-long employee recognition event and team recognition activities. Additionally, the team provides fun/cultural improvement events through the sponsorship of lunch-n-learns on topics relevant to employees and their families, picnics, or through the use of recognition toolkits.
- The past year, the division worked diligently to document strategic planning efforts in support of ITD's Balanced Scorecard.
- Since ergonomic injuries are the most commonly reported injury among our workforce, ITD began focusing on prevention. We increased our training efforts relating to ergonomic training for employees, and we provide ergonomic evaluations as requested by employees.
- ITD received the full discount for both the Risk Management Fund Contribution Discount Program and the Risk Management Worker's Compensation Premium Discount through efforts such as providing for an effective Loss Control Committee, safety inspections, disaster recovery efforts, reporting incidents within required timeframes, and publishing safety guidelines and policies.
- Health and wellness is important to us, and ITD received the full discount for the ND Public Employees Retirement System's Group Health Insurance by completing a successful wellness program.

## Staff Numbers

**267 Employees**  
**13 Contractors**

*"I love working with ITD. They help me get through what may otherwise be a stressful day."*

*- Central Services*



# Information Technology Department Performance Measures 2008

Measurement	Baseline (Previous Years)	Current (June 2008)	Target
<b>1. ACCEPTABLE LEVEL OF TOTAL NET ASSETS</b>	2005 – 2.0 2006 – 1.4 2007 – 1.7	2008 - 1.4	< OR = 2.0

SCORECARD PERSPECTIVE: FINANCIAL. Based on financial end of year "Statement of Net Assets," Total Net Assets does not exceed two (2) times the average monthly expenditures.

<b>2. PERCENTAGE OF ITD RATES REPORTED IN ANNUAL REPORT THAT ARE COMPETITIVE</b>	2006 – 100% 2007 – 100%	2008 – 100%	100%
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SCORECARD PERSPECTIVE: FINANCIAL. Based on 22 service rates representing 78% of ITD's revenue as reported in the Annual Report. "Competitive" is defined as a rate not exceeding 10% higher than the average comparable service rates provided by other government and private entities.

3. TOTAL NUMBER OF PROJECTS, SERVICE REQUESTS, AND INCIDENTS COMPLETED	2006	2007	2008	MONITOR
	SERVICE REQUESTS	29,446	28,564	
INCIDENTS	41,423	48,792	53,738	

SCORECARD PERSPECTIVE: FINANCIAL. Although this measure is largely dependent on client budget appropriations and spending, it provides an indicator reflecting the amount of work volume or output produced by ITD. This measure reflects a 12-month timeframe and does not include ITD strategic projects.

4. CUSTOMER SATISFACTION INDEXES	% SATISFIED / VERY SATISFIED		% SATISFIED / VERY SATISFIED	
	2006	2007	2008	
Value	91.7%	87.3%	86.9%	92%
Timeliness	92.5%	87.4%	86.9%	97%
Quality	93.7%	95.5%	93.0%	97%
Knowledge	93.1%	94.8%	97.0%	98%
Professionalism & Courtesy	96.5%	97.1%	99.0%	100%

SCORECARD PERSPECTIVE: CUSTOMER. Customer Surveys are collected annually. This year, executives and business professionals were invited to join IT coordinators in completing ITD's Annual Customer Survey. As a result, 100 people provided feedback on these attributes. Customers are encouraged to offer candid feedback regarding ITD's ability to meet their business needs.

<b>Measurement</b>	<b>Baseline (Previous Years)</b>	<b>Current (June 2008)</b>	<b>Target</b>
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**5. EMPLOYEE SATISFACTION INDEX**

<b>2005 – 1.96</b>	<b>2008 – 2.13</b>	<b>2.0</b>
<b>2006-2007 – 2.13</b>		

*SCORECARD PERSPECTIVE: LEARNING & GROWTH. Every other year, ITD assesses its employee satisfaction. Employees are asked to grade ITD as a place to work. The above survey indexes reflect the overall average score of all employee survey rankings. The grading range is from 0-3 (dissatisfied to very satisfied). Ninety-eight percent of employees participated in the survey process.*

**6. CONTROLLABLE EMPLOYEE TURNOVER**

<b>2006 – 7.0%</b>	<b>2008 – 6.8%</b>	<b>BELOW 6%</b>
<b>2007 – 4.6%</b>		

*SCORECARD PERSPECTIVE: LEARNING & GROWTH. ITD tracks employee turnover on a quarterly basis. Employee turnover is a critical measure of organizational success. Technology skills will remain in high demand and in short supply through the next decade.*

**7. PERCENTAGE OF SERVICE LEVELS MET**

<b>2007 – 100%</b>	<b>2008 – 100%</b>	<b>100%</b>
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*SCORECARD PERSPECTIVE: INTERNAL PROCESSES. ITD is developing service level objectives (SLO) for its primary services. Once the SLOs are established, this measure will indicate ITD's ability to meet its service objectives.*

**8. PERCENT OF STRATEGIC BUSINESS PLAN OBJECTIVES COMPLETED OR ON SCHEDULE**

<b>2006 – 85%</b>	<b>2008 – 43%</b>	<b>75%</b>
<b>2007 – 46%</b>		

*SCORECARD PERSPECTIVE: INTERNAL PROCESSES. ITD creates a strategic business plan that defines business improvement goals and objectives which are achieved through initiatives created at the department and division levels. All initiatives are prioritized and defined as projects through an internal project definition process that describes the scope, cost, timeframe, and expected outcomes. This measure assesses management's ability to plan effectively and put business strategy into action.*



# Information Technology Department Rate Comparisons

ITD generates revenues by providing 100 services, each with its own rate. Customers are billed monthly for services provided the previous month. Federal regulations do not allow state central service agencies to accumulate an excess of cash. Therefore, ITD closely monitors the cost and revenue for each service and adjusts its rates accordingly.

In April of every even numbered year, ITD establishes budget rates for the upcoming biennium. These rates generally do not increase during the two-year period because agencies do not have the ability to request additional funds. However, if the cost for providing a service decreases, ITD will reduce the rate. ITD also monitors what other entities are charging for similar services in an effort to maintain quality services at a fair price. The following tables reflect ITD's comparisons and history. In summary, service rates are the result of higher labor rates along with the need to upgrade old equipment to deploy new technologies.

## ITD RATE COMPARISON

### CPU RATES

(based per second)

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Batch CPU	\$ .93	\$ 1.36	\$ 2.36	\$ .51
CICS CPU	\$ .93	\$ 1.36	\$ .69	\$ .67
ADABAS CPU	\$ .98	\$ 1.36	\$ 1.34	\$ .67
TSO CPU	\$ .93	\$ 1.36	\$ 2.88	\$ .67

SD operates an IBM zSeries 2066-OC1 mainframe – 39% more speed so their published rate is 50 cents per CPU second and charges 16 cents per 1,000 I/Os. MT operates an IBM zSeries 800 2066-002 mainframe – same as ND. WI operates an IBM 2064-1C9 mainframe – 5 times more speed so their rate is 1/5 of what is shown here.

### NETWORK FEES

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Device Fee	\$ 30.75	\$ 40.00	\$ 85.75	\$ 55.00
DSL Service	Actual (\$40-\$120)	n/a	\$250.00	\$ 665.00
ATM T-1	\$890.00	n/a	\$650.00	\$1,067.00
Access/Information/ Enterprise Mgt. Fee	n/a	\$ 65.00	n/a	n/a

### TELEPHONE FEES

	North Dakota ITD	South Dakota BIT	Montana ITSD	Wisconsin DET
Telephone Line	\$ 24.00	\$13.00	\$14.00	Per mile/drop
Speaker	\$ 3.00	Actual Cost	\$7.00-\$11.00	Actual Cost
Display	\$ 2.00	Actual Cost	\$3.00-\$7.00	Actual Cost
Voice Mail (unlimited)	\$ 5.00	\$ 6.00		\$5.50
3-minute limit	n/a	n/a	\$ 5.00	n/a
6-minute limit	n/a	n/a	\$ 8.00	n/a
8-minute limit	n/a	n/a	\$ 10.00	n/a

### LONG DISTANCE

	ND	SD	MT	WI	MN	NE
In-State	\$ .075	\$ .08	\$ .105	\$ .031	\$ .07	\$ .07
Out-of-State	\$ .075	\$ .09	\$ .105	\$ .031	\$ .20	\$ .07
800 Service	\$ .07	\$ .09	\$ .100	\$ .044	\$ .049	\$ .08

## SOFTWARE DEVELOPMENT RATE COMPARISON

ENTITY	LOCATION	BILLING RATE/HOUR OF SERVICE
<b>INFORMATION TECHNOLOGY DEPT.</b>	<b>State of North Dakota</b>	<b>\$58-\$63</b>
Applied Engineering	Bismarck, ND	\$75-\$125
Eide Bailly	Bismarck, ND	\$95-\$155
Enterprise Solutions	Bismarck, ND	\$75-\$120
Nexus Innovations	Bismarck, ND	\$95-\$125
Vision Technology	Bismarck, ND	\$70-\$75
Everest Consultants	Beaverton, OR	\$63-\$95
Ciber	Vancouver, WA	\$65-\$100
Compuware	Plymouth, MN	\$80-\$120
Maximus	Rancho Cordova, CA	\$145-\$185

## ITD SERVICE RATE TRENDS

SERVICE RATES	July 2008	July 2007	July 2006	July 2005
Systems Analyst	\$ 63.00	\$ 63.00	\$ 58.00	\$ 58.00
Programmer	\$ 58.00	\$ 58.00	\$ 54.00	\$ 54.00
<b>CENTRAL COMPUTER CPU</b>				
Batch CPU	\$ .93	\$ .93	\$ .93	\$ .93
CICS CPU	\$ .93	\$ .93	\$ .93	\$ .93
ADABAS CPU	\$ .98	\$ .98	\$ .98	\$ .98
TSO CPU	\$ .93	\$ .93	\$ .93	\$ .93
<b>NETWORK FEES</b>				
Device Fee	\$ 30.75	\$ 30.75	\$ 29.00	\$ 29.00
ATM T-1	\$ 890.00	\$ 890.00	\$ 840.00	\$ 840.00
<b>TELEPHONE FEES</b>				
Telephone Line	\$ 24.00	\$ 24.00	\$ 21.00	\$ 21.00
Speaker	\$ 3.00	\$ 3.00	\$ 2.00	\$ 2.00
Display	\$ 2.00	\$ 2.00	\$ 1.00	\$ 1.00
Voice Mail (Unlimited)	\$ 5.00	\$ 5.00	\$ 3.00	\$ 3.00
<b>LONG DISTANCE</b>				
In-State	\$ .075	\$ .09	\$ .05	\$ .05
Out-of-State	\$ .075	\$ .09	\$ .05	\$ .05
800 Service	\$ .07	\$ .07	\$ .07	\$ .07

# Financial Statements

Statement of Net Assets June 30, 2007 & 2006

	FY 2007	FY 2006
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash Deposits at BND	3,198,104	2,818,858
Restricted Cash	5,997,582	5,734,157
Intergovernmental Receivables	51,464	47,850
Account Receivables	616,467	580,346
Due From Other Funds	4,073,472	2,855,972
Prepaid Items	<u>1,580,044</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	15,517,133	12,037,183
<b>NON-CURRENT ASSETS:</b>		
Unamortized Bond Issuance Costs	53,196	59,845
Capital Assets:		
Building & Equipment - Net	<u>9,649,100</u>	<u>7,856,083</u>
Total Non-current Assets	<u>9,702,296</u>	<u>7,915,928</u>
<b>TOTAL ASSETS</b>	<u><u>25,219,429</u></u>	<u><u>19,953,111</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accrued Payroll	1,220,833	1,152,435
Accounts Payable	738,716	432,580
Interest Payable	303,451	71,719
Intergovernmental Payable	450	472
Due to Other Funds	24,627	92,580
Compensated Absences Payable	66,198	50,439
Bonds Payable	<u>606,258</u>	<u>568,400</u>
<b>TOTAL CURRENT LIABILITIES</b>	2,960,533	2,368,625
<b>NON-CURRENT LIABILITIES:</b>		
Compensated Absences Payable	1,209,285	1,095,909
Notes Payable	6,000,000	6,000,000
Bonds Payable	<u>4,206,103</u>	<u>4,828,468</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>11,415,388</u>	<u>11,924,377</u>
<b>TOTAL LIABILITIES</b>	14,375,921	14,293,002
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	9,649,100	7,856,083
Unrestricted	<u>1,194,408</u>	<u>(2,195,974)</u>
<b>TOTAL NET ASSETS</b>	<u>\$10,843,508</u>	<u>5,660,109</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$25,219,429</u></u>	<u><u>19,953,111</u></u>

Financing Agreements: ITD has a note for \$6,000,000 from the Bank of America at 3.57% acquired for the Mainframe Migration Project. Repayment on the loan will begin in fiscal year 2009. ITD also borrowed \$6,000,000 from SunTrust Leasing at 3.469% for Dept. of Human Services' (DHS) Medicaid Systems Project. DHS will obtain Federal and General Funds in the 2009-11 biennium for which ITD will use to pay off this note.

# Financial Statements

Statement of revenues, expenses, and changes in fund net assets for the years ended June 30, 2007 & 2006

	FY 2007	FY 2006
<b>OPERATING REVENUE:</b>		
Sales and Services	38,239,041	34,453,428
<b>OPERATING EXPENSES:</b>		
Salaries and Benefits	14,604,840	13,406,332
Operating	17,404,753	21,150,877
Depreciation	<u>2,697,725</u>	<u>2,311,279</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>34,707,318</u>	<u>36,868,488</u>
<b>OPERATING INCOME (LOSS)</b>	3,531,723	(2,415,060)
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest and Investment Income	31,694	102,480
Interest Expense	(213,507)	(307,789)
Loss on Sale of Capital Assets	(9,729)	(22,745)
Other	<u>16,108</u>	<u>16,108</u>
<b>TOTAL NON-OPERATING REVENUE (EXPENSES)</b>	<u>(175,434)</u>	<u>(211,946)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	3,356,289	(2,627,006)
<b>TOTAL NET ASSETS-BEGINNING OF YEAR</b>	<u>7,487,219</u>	<u>8,278,115</u>
<b>TOTAL NET ASSETS-END OF YEAR</b>	<u><u>10,843,508</u></u>	<u><u>5,660,109</u></u>

Total Net Assets – Beginning of Year for 2007 reflects a prior period adjustment of \$1,827,110 for adjustments related to capitalized software.

# Guiding Principles

ITD's guiding principles provide the foundation for our organization. They are standards for how employees and managers are expected to act and interact. They provide a goal for how we want ITD to be in the future. Each employee should strive to embody these principles and challenge management to do the same.

## Respect

We treat everyone with dignity and respect.

## Teamwork

We recognize ITD's success depends on partnerships and collaboration.

## Achievement

We develop quality solutions that best address the needs of our state. We are committed to delivering results – on time and within budget.

## Integrity

We build long-term, lasting relationships through mutual trust. We value open, honest, two-way communication.

## Leadership

We encourage initiative and creativity. We are committed to investing in knowledge and expertise.

## Service

We hold ourselves accountable for a positive customer experience.

## **WEBSITES & ADDITIONAL INFORMATION**

### **North Dakota State Portal**

[www.nd.gov](http://www.nd.gov)

### **State of North Dakota Information Technology Department**

[www.nd.gov/itd](http://www.nd.gov/itd)

### **Enterprise Project Management**

[www.nd.gov/epm](http://www.nd.gov/epm)

### **North Dakota Enterprise Architecture**

[www.nd.gov/ea](http://www.nd.gov/ea)

For more information or to request copies of this report, please contact the Service Desk at [servicedesk@nd.gov](mailto:servicedesk@nd.gov)

An electronic copy of the Information Technology Department's Annual Report can be viewed by visiting [www.nd.gov/itd/pubs](http://www.nd.gov/itd/pubs)

**State of North Dakota Information Technology Department**  
**Visit us at [www.nd.gov/ITD](http://www.nd.gov/ITD)**

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**2007-2008 Annual Report**

**Setting Expectations | Delivering Results**  
**Measuring Outcomes**

