2011-2012 Annual Report

ITD
Information Technology Department

IT Revolution: Preparing For the Future

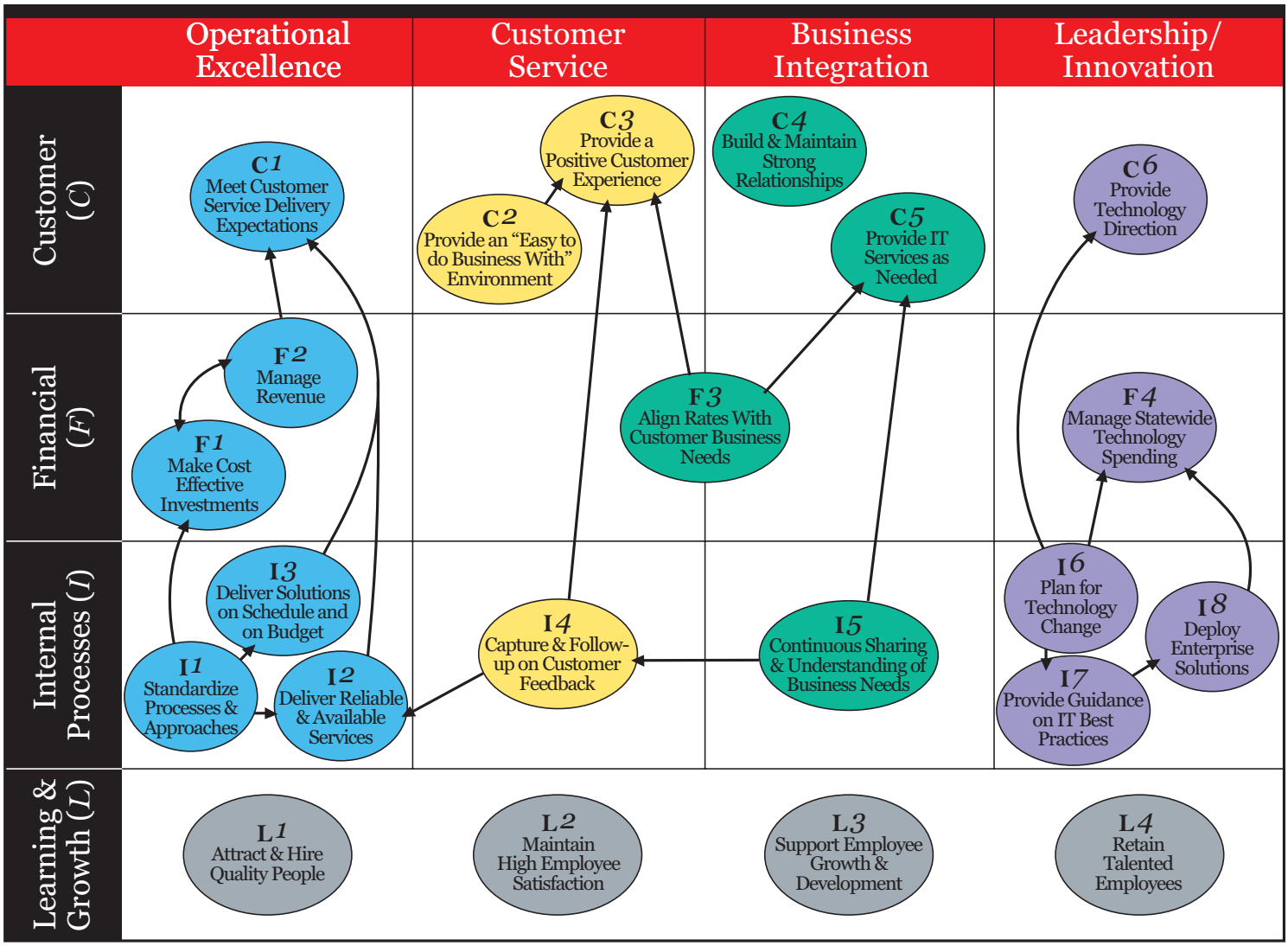
State of North Dakota - Information Technology Department

Our Vision

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

ITD's Balanced Scorecard

Strategy Map



This strategic map shows the relationships among ITD's business perspectives, core strategies, and objectives. They are tied to tasks and performance measures designed to keep decision-making aligned with our mission, visions, and guiding principles. It is our pledge to be customer-centric, employee-focused, financially-responsible, and process-driven.

Jack Dalrymple, Governor of North Dakota

Lisa Feldner, Chief Information Officer

Table of Contents

Executive Summary 5
Statewide Alliances 6
Enterprise Services 8
Software Development 12
Computer Systems 15
Network Services 18
Human Resources 21
Administration 24
Rates and Trends 26
Performance Measures 28
Financial Statements 30

The 2011-2012 Annual Report

IT Revolution

Preparing for the Future

was produced by the North Dakota Information Technology Department (ITD).

It is a response to requirements outlined in Chapter 54-59 Section 19 of the North Dakota Century Code.

The report provides an update on information technology and major information technology investments.

ITD's mission is to provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology. Through our annual customer survey, our customers tell us how well we deliver services to meet their expectations.

85.7%
agree ITD is aligned with its mission

92.3%
view ITD as a trusted business partner

92.2%
agree that ITD's services meet their business needs

83.9%
say ITD is their preferred IT provider

84.8%
acknowledge that ITD builds strong relationships

87.3%
believe ITD provides technology direction

Executive Summary

The Information Technology Department (ITD) is *Preparing for the Future* by driving business needs to maintain existing technology, as well as to innovate and create new ways of doing things with the latest technologies. As this annual report illustrates, a big part of the year was spent upgrading the State's core infrastructure to allow state agencies and education to better serve the citizens of North Dakota.

StageNet, the statewide network supporting government and education, was upgraded significantly in July. Bandwidth was upgraded from 4 gigabit per second to 10 gigabit per second on the backbone. This was the first major upgrade of the network since 2000. The design and equipment were modernized allowing for increased capacity and performance.

Along with preparing the network for the future, ITD is preparing more applications to use the network. Voice over IP, or VoIP, which replaces older telephone technologies, has been deployed in over 60% of state government. By using the state network, calls can be delivered more cost effectively.

In addition to voice technology, video upgrades have taken place statewide. Using rural universal service funding, Edutech was able to replace video conferencing units in 48 schools. The new units enable high definition video allowing students to have more effective visuals in video classes that require lab work, such as advanced biology and anatomy.

The next generation of 911 technologies will use the network for redundancy. The cities of Grand Forks and Fargo are using StageNet to provide a redundant link between their two public safety answering points (PSAPs). During a recent lightening strike in Grand Forks, communications seamlessly failed over to Fargo with no loss of 911 services to the Grand Forks community.

Just as the network needs redundancy, so does the State's data centers in order to survive catastrophic events. Together with Facility Management, ITD completed major upgrades in the data center. Dual electrical paths were completed, as well as new cooling towers and back up capabilities, to allow the equipment in the data center to operate in the event of major power outages affecting the capitol grounds or the city.

The use of mobile devices is impacting several divisions at ITD and is a major focus of the department now and in the future. Many agencies want to deliver services that conform to the mobile device form factor. As a result, ITD's web design team is incorporating changes to their design methods and practices to incorporate mobility and accommodate better usability on mobile devices. The Computer Systems and Network Services divisions are working to ensure that security and privacy concerns are managed on mobile devices as well.

ITD is helping agencies prepare for the growing demands in North Dakota's new economy. The ND Highway Patrol deployed a new electronic permitting application, written by ITD, for loads to be carried on state highways. Existing permits, along with nine new permits, can now be purchased online. Future enhancements include automated routing on state roads, as well as the development of a mobile application to accommodate mobile devices.

This report highlights how the Information Technology Department, along with its partners in state government and education, are preparing for the future through the use of technology.

Lisa Feldner, Chief Information Officer

Statewide Alliances

Criminal Justice Information Sharing (CJIS)

The CJIS program has a strong foundation in providing information though a web portal to law enforcement agencies. Created to improve public safety, the CJIS Program promotes public safety and empowers law enforcement to make informed decisions across jurisdictional and organizational boundaries statewide. This includes information systems that are used to

Pam Schafer, Director of CJIS

capture and share complete, accurate, and timely criminal justice information. Future plans and accomplishments:

- The CJIS Board, which oversees the program, focused on building a comprehensive roadmap of future information sharing efforts among criminal justice agencies in North Dakota. To provide the infrastructure for these initiatives, CJIS is implementing "CJIS Broker," which will allow agencies to publish their information and subscribe to information needed from other agencies. CJIS Broker is expected to be completed by mid-2013.
- CJIS is working in coordination with the Department of Emergency Services to replace the current Local Law Enforcement Records Management system. This new system will allow more agencies to utilize this system and further automate records.
- The CJIS Portal continues to grow in usage, with over 1,750 authorized users and over a million transactions processed annually.
- The North Dakota Statewide Automated Victim Information and Notification System (ND SAVIN) has fully implemented its incarceration, criminal case, and protection/restraining order victim notification services. Victim registrations continue to climb from outreach and training. Additionally, ND SAVIN successfully piloted an automated victim registration feature, which will be expanded to maximize victim use.

Health Information Technology

The state health information exchange program promotes innovative approaches to the secure exchange of health information within and across state lines. This will allow providers to have accurate and complete information about a patient's health, allow for better coordination of care, and provide information to help doctors diagnose health problems sooner, reduce medical errors, and provide safer care at lower costs. The program is overseen by the Health Information Technology Advisory

Sheldon Wolf, Director of HIT

Committee (HITAC) which consists of representatives from the Governor's Office, ITD, Department of Health, Legislature, and Department of Human Services, as well as stakeholders appointed by the Governor, who represent providers, consumers, and trade associations. The HITAC's vision is "quality healthcare for all North Dakotans anywhere, anytime."

A statewide health information exchange (HIE) strategic and operational plan was developed by the Health Information Technology Advisory Committee and approved by the Office of the National Coordinator. The plan calls for a two-phased approach. The first phase of the HIE project is the deployment of the Direct functionality. Direct is a simple, secure method for participants to send encrypted health information directly to known, trusted recipients. Some examples of information that can be sent include documents, images, an HL7 message string, or a Continuity of Care Document. Once the HIE is fully implemented, participants will be able to use a robust bi-directional health information exchange to fully support meaningful use and health information technology requirements.

EduTech

EduTech provides innovative information technology services and education technology professional development to the K-12 community in North Dakota. Services are designed to give educators access, training, and support to use technologies in their classrooms to improve teaching and learning statewide.

PowerSchool

PowerSchool is a web-based classroom management system that provides students and parents the capability to access grades along with other features needed to provide an efficient school management. PowerSchool is used or is in the implementation phase in all ND public schools.

Technical and Support Services

Centralized IT services allow educators and administrators to use technology resources to improve teaching, learning, and business productivity. EduTech provides email, internet filtering, web hosting, and desktop protection for schools. EduSocial, a social networking platform, allows for safe social exploration and is only available within ND K-12 schools. EduTech's E-rate consulting services assist school administrators in completing their applications for federal telecommunications discounts.

Professional Development for Educators

Professional development is delivered online, via video, or in face-to-face sessions. Specific content areas are available for administrators and educators; also included are:

- Workshops in the areas of computer fundamentals
- Instructional coaching
- Student product creation
- Curriculum integration
- Videoconferencing

Educational grants are sought to deliver additional services to schools and communities in the area of technology.

Jody French, Director of EduTech

Enterprise Services

Customer Services

ITD's Service Desk is the "Single Point of Contact" for providing customers with advice, guidance, and rapid restoration of services. The past year included:

- 67,598 incidents
- 40,949 service requests
- 99.9% overall satisfaction rate

North Dakota Century Code requires ITD to document information related to service support and delivery, which includes formal complaints regarding dependability, responsiveness, and cost. From July 2011 through June 2012, no formal complaints were filed. However, ITD is asking for, listening to, and acting on customer feedback each and every day.

Gary J. Vetter, Director of Enterprise Services

Strategic Communications

ITD is committed to improving customer communications. During this past year:

- A full-time Business Communications Specialist was added to coordinate internal and external communication channels.

Enterprise Architecture (EA)

Through the EA process, state agencies collaborate to set the future direction of IT in the State of North Dakota. During the past year, 141 people from 26 agencies were involved with:

- Revising standards and guidelines to address Multi-function Print Devices
- Holding a brainstorming session to determine how EA could better address current technologies and business processes
- Updating the EA Governance documents and EA Model
- Studying Mobile Device Management
- Studying Multi-factor Authentication
- Procuring training for Agile/Iterative Project Management
- Launching a rewrite of the Project Management Guidebook
- Replacing the Network Security Standard with STAGEnet standards
- Granting a request for exemption from the Web Domain Name standard (EGT005-04.3) to Job Service North Dakota for a .com domain name
- Revising the Desktop Critical Updates standard (DT001-04.3) to reflect new devices and remove outdated guidance terms
- Denying a request for exemption from the Access Control standard (ST006-04.6) to North Dakota Game and Fish for automatic account unlocks
- Assisting in contract negotiations for licensing of Adobe Reader Extensions for state government, K-12, and local government
- Facilitating quarterly meetings of the NDGOV Social Media User Group

- Revising the Web Domain Name standard (EGT005-04.4) to clarify 2nd and 3rd level domain names and to reiterate the requirement for using nd.gov domain names
- Granting a request for exemption from the Web Development standard (EGT003-04.6) to the North Dakota Department of Transportation to allow the use of a revised Web Banner for mobile applications
- Reviewing and revising ITD Service Level Agreements

IT Planning

IT Planning is a process to establish clear objectives for IT organizations that link directly back to the enterprise's strategic business goals. IT plans are submitted in August of each even numbered year. In 2011, as in all odd-numbered years, no official planning activities took place and agencies were busy implementing the projects defined in the 2011-13 planning cycle. In early 2012, agencies began working on their 2013-15 IT plans for submission in August. Those IT plans provide input to the SITAC large-project ranking process and will be used with content from Higher Education and K-12 schools to produce the 2013-15 Statewide IT Plan.

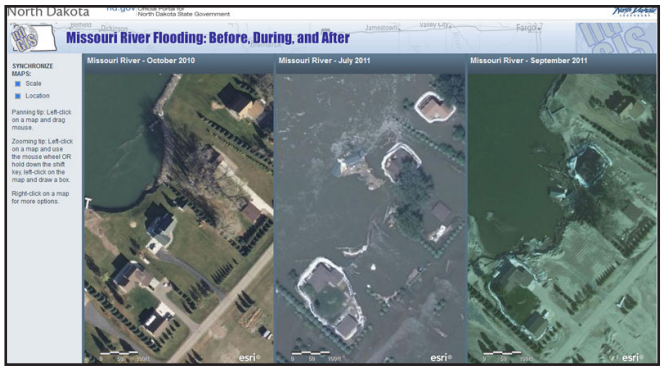
IT Procurement

ITD reviews and approves the acquisition of technology by state agencies. By providing guidance on procurement best practices, ITD helps to ensure that the state receives the best value for its technology dollars. During the past year:

- 62 contracts and requests for proposals were submitted and reviewed within the five-day response time objective.
- The Governor's Executive Order 2011-20 was implemented to establish a special review and approval process for IT projects valued at $1 million or higher. Twelve large IT projects have used the new process to date.
- Templates for IT request for proposals and contracts were revised to implement best practices and facilitate the Executive Order 2011-20 requirements.

Geographic Information Systems (GIS)

ITD and the North Dakota GIS Technical Committee operate the GIS Hub, an infrastructure comprised of geospatial data storage, data services, and application interfaces. The GIS Hub supports state agencies in the development of their GIS and the dissemination of



common interest data to other levels of government and the public. During the past year:

- The migration of legacy ArcIMS-based mapping applications to the newer ArcGIS Server-based agency mapping applications continued with just a few applications remaining. A partnership between the agency, the agency's vendor, and ITD facilitates each of the migrations.
- GIS Hub map services are published for use with tablets and smartphones. Using this same technology, data that resides on the GIS Hub can be edited with a mobile device.

Business Intelligence (BI)

BI refers to the broad category of applications, infrastructure, methodologies, and technologies for gathering, storing, analyzing, and providing access to an organization's data. BI provides historical, current, and predictive views of information used to support data-driven decision making.

This past year:

- ITD worked with the Department of Human Services on a public reporting solution for epidemiology survey data.

- The Office of Management and Budget data warehouse encompassing Finance and Human Resources data was expanded for additional data sets. OMB has trained the majority of agencies on using the data warehouse for reporting, replacing much of the need to use PeopleSoft reports.
- The Office of State Treasurer expanded its reporting for coal conversion and severance.
- ITD partnered with the Department of Human Services on a change data capture solution for near-real-time data warehousing.
- A major upgrade to the Cognos environment was deployed.

State Longitudinal Data System (SLDS)

The North Dakota SLDS is a cooperative program among the following ND entities and agencies:

- Information Technology Department
- Department of Public Instruction
- North Dakota University System
- Department of Commerce
- Department of Career and Technical Education
- Job Service North Dakota
- Education Technology Council
- Department of Health
- Department of Human Services

The SLDS is a P20W data warehouse that integrates data from Pre-K, K-12, postsecondary, and workforce training programs. This project will allow state and local entities to leverage approved data from education and workforce training programs for use in reporting, program evaluation and research for the purpose of improving participant outcomes of education and workforce training programs.

This past year:

- The SLDS has expanded into full daily loads of core student data from K12 PowerSchool student information. Initial reports have been deployed through the SLDS portal.
- In support of Succeed 2020, a $25 million donation from the Hess Corporation, the SLDS has expanded to include postsecondary feedback data and created reports for regional and local education agencies.

Enterprise Document Management Systems (EDMS)

EDMS is a collection of technologies for imaging, document management, forms processing, report management, and workflow that serves 23 state agencies/programs. During the past year:

- Upgrades of the FileNet, TeleForm, and LiquidOffice environments were completed.
- A RFP for Enterprise Distributed Capture was awarded to ImageSource's ILINX Capture.
- The Attorney General's fiscal section was added as an EDMS user.

Basic Content Services (SharePoint)

SharePoint is a group of products developed by Microsoft for collaboration, file sharing, and web publishing. During the past year:

- Agency adoption continued to increase with a growing use of SharePoint for project-related collaboration.
- The migration to SharePoint 2010 was completed.

Master Client Index (MCI)

MCI compares client records from disparate systems and links them together, creating a master demographic representation of each citizen receiving state services. During the past year, preparations began for the addition of five new data sources.

ConnectND

ConnectND is the State's PeopleSoft implementation of Financial Supply Chain Management, Human Capital Management, Enterprise Learning Management, User Productivity Kit, Campus Solutions, and Portal applications. During the past year:

- PeopleSoft Talent Management modules were implemented by OMB and the ConnectND team for:
  1. Conducting performance appraisals (annual, probationary, mid-year, and performance improvement plans).
  2. Documenting business objectives and setting goals using the performance document.
  3. Creating profiles (competencies, education, licenses and certifications, responsibilities, interests, work experience, languages).
  4. Building career plans (career path, career goals, development needs).
  5. Planning for succession (identifying key positions and planning for when the position becomes vacant).
- The Enterprise Learning Management module grew to 6,821 classes and 135,365 enrollments; nearly doubling its usage from the previous year.
- The ConnectND team began planning for the deployment of Recruiting Solutions. This PeopleSoft module includes Candidate Gateway and eRecruitment modules which will enable online job applications for state jobs.

Project Management

The Project Management Office (PMO) currently employs 14 project managers including 11 who have the Project Management Professional (PMP) credential. The team strives for consistency in project management by using uniformed templates and processes. Accomplishments to this effect in the past year include:

- Implementing a PMO project collaboration site utilizing SharePoint.
- Participating in the establishment of processes around the Governor's Executive Order as it relates to large projects.
- Redesigning the planning and execution large project oversight status reports.
- Updating the PMO website.
- Designing and implementing a Lessons Learned Database utilizing Wiki technology.
- Designing an automated data reporting tool to generate large project statistics such as the information below.

In order to ensure consistency in project management across state entities, the PMO also performs project management oversight on projects with budgets in excess of $250,000.

During the past fiscal year, state agencies completed nine IT projects with individual budgets in excess of $250,000 and a total budget of $11,178,290. Seven of the nine projects were completed on or under budget with none of the projects exceeding the 20 percent negative variance threshold. Aggregated variance to total budget was +$571,276 or 5.1 percent under budget. Five of the nine projects were completed on or ahead of schedule and two additional projects completed within the 20 percent negative variance threshold. Two projects exceeded the 20% negative variance threshold. Additionally, one project was terminated after expending $613,010. Information Technology Department project managers managed, or co-managed, seven of the nine major information technology projects with a total budget of $10,283,284.

Software Development

Preparing for the future is always a top priority of every successful software development organization. Mobility and process improvement are just the latest trends driving change and influencing business decisions. ITD's Software Development Division places a strong emphasis on education and research to provide customers with software solutions that help meet their business objectives. Additionally, software development provides leadership to assist customers in making business decisions and setting strategic direction.

Software Development Lifecycle

A top initiative in the Software Development Division has been to update and improve the Software Development Lifecycle (SDLC) which is used to help guide new development projects. Emphasis was directed toward the processes, artifacts, and deliverables of the lifecycle. Industry best practices and customer feedback helped guide these enhancements. Since we develop and support applications using many different development platforms, it was important to provide standardization

Doran Eberle, Director of Software Development

across these platforms for our customers and internal staff. Goals and objectives included:

- Roles and Responsibilities - A key goal of our SDLC initiative is to create a strong communication tool that clearly outlines the project team roles and responsibilities. The Roles and Responsibility Matrix will be used in our software development projects. This matrix will provide a visual representation of all lifecycle processes and artifacts and the corresponding roles and responsibilities involved with accomplishing the lifecycle task.
- Business Analysis – Another objective of the SDLC update is to integrate business analysis into the lifecycle. The business analyst champions the needs of the business and leads the identification of business requirements and process improvements. The Software Development Division continues to provide training and mentorship on business analysis best practices to better support agencies.
- Tools and Automation – Several tools and products have been researched to increase developer effectiveness and consistency. A Requirements Traceability tool will be obtained to provide assistance with documenting business requirements through the software development lifecycle. The traceability matrix will help improve software quality and assist in software defect resolution.

Mobile Application Development

Any Time! Any Place! Any Device! Mobility and mobile application development are influencing major changes on how applications are designed and developed. The Software Development Division is focusing on the importance of mobility and the changing ways people use their applications to promote business goals. Some of these changes involve the following:

- Web Design – The Web Design team is incorporating changes to their design methods and practices to incorporate mobility and accommodate better usability on mobile devices.
- Leadership – The Software Architecture team is developing a white paper that will provide fundamental information about mobile application development. The white paper is intended to promote awareness and help clarify the applicable use and capabilities of mobile applications.
- Strategic Planning – Because mobility and mobile applications are essential in helping businesses achieve their goals, the Software Development Division has included several initiatives related to mobile development in the ITD Strategic Plan. The intent is to examine emerging technology around native mobile development and pilot select applications to further understand and develop mobile application development policies.

Quality Assurance Manager

In January of 2012, ITD welcomed Sonia Bar as the new Quality Assurance Manager to the Software Development team. Sonia brings 17 years of quality assurance experience to ITD.

"I'm looking forward the challenges and opportunities ITD has to offer me, "Sonia expresses. "I'm pleased to work with our talented individuals in developing quality assurance processes for the Software Development team."

Quality Assurance

Quality Assurance is moving forward with several pilot projects to further define and validate testing processes within the Software Development Division. Selection of test case automation tools to support the testing processes will be complete by late summer 2012. These new testing tools will allow the Quality Assurance team to better manage the application test process and to extend an additional service to customers interested in incorporating automation into their testing methodology.

C# Programming

The Software Development Division has started using the C# programming language for new applications built using the .Net development framework. The decision to use C# was motivated by the strong appeal to align with Microsoft's strategic direction in regard to .Net development. Support will continue until the applications developed using Visual Basic become obsolete.

Agency Success Stories and Initiatives

North Dakota Highway Patrol

The North Dakota Highway Patrol (NDHP) and ITD partnered together on several projects in the past year. Some of these projects include:

- The E-Permits application was enhanced to provide increased functionality and improved work flow. This application allows trucking companies and permit service companies to purchase permits for movement on the state highway system. The enhancements allowed all permit types that are sold via phone to be purchased online. Additionally, there were nine new permit types added to the existing application. These improvements will reduce the number of calls to the NDHP call center and provide better customer support.
- The Receipts application is in the process of being rewritten from PowerBuilder to a Java EE solution. The Receipts application is used by NDHP to handle all requests for permit sales including phone calls, in person requests, and permits issued by officers in the field. The project is currently in the design phase and is scheduled to be implemented in early 2013.
- NDHP has awarded a contract to ProMiles Software Development Corporation to procure their enhanced automated routing software. This solution will be integrated with NDHP's current overweight/oversized permitting system to automatically determine the best route to move a load from its point of origin to destination through the use of interactive maps. The new integrated solution will allow permits to be obtained faster and ensure a route of travel designed to protect the infrastructure of ND state and federal roadways.

Department of Public Instruction

The Department of Public Instruction and ITD developed an updated Food and Nutrition System application, rebranding it as NDFoods. This application is responsible for the administration and support of multiple Child Nutrition and Food Distribution Programs. These programs handle food distribution, claims, and monetary reimbursements to program sponsors and site participants.

Department of Human Services

The Department of Human Services (DHS) and ITD collaborated on numerous projects this past year.

Highlights include:

- The Medicaid Management Information System was enhanced to adopt the Accredited Standards Committee X12 version 5010 health care transaction. The 5010 transactions provide standardization and enhanced data content and process flow.
- The Lien Registry website was created in response to state law requiring Child Support Enforcement to maintain a child support lien registry. This website provides a searchable list of obligors who owe past-due child support.
- The Therap application for the DHS Developmental Disabilities Division is an ASP Model web-based application designed to meet the enhanced business, security, and reporting requirements of the developmental disabilities community. ITD assisted DHS and Therap Services Inc. with defining, testing, and implementing the business requirements of the new application. ITD will continue to provide business analysis services for future Therap enhancements.

ND Legislative Council

ND Legislative Council and ITD continue to rewrite many of the Legislative Council's legacy systems into modernized web applications. The new applications all utilize a common source of contact information and build on the functionality delivered by the LEGEND application. Tracking bills, amendments, and fiscal notes during the Legislative Session will be easier with these enhancements. The new applications will decrease the need for paper, reduce manual labor time, and provide quicker notification of information.

Secretary of State

The Secretary of State (SOS) and ITD have started developing a new application, File 2.0, that will replace the existing Central Indexing System. File 2.0 will be used to administer business services, licensing, and administration processes. This application will also allow SOS and ND county personnel to better manage the business filing process and allow customers of SOS online access to initiate and inquire on the filing process. ITD will be developing File 2.0 using the C# programming language.

Computer Systems

The Computer Systems Division provides hosting services for enterprise computer applications including application servers, email systems, electronic document management, web servers, and database servers using mainframe, midrange, Windows, and Linux platforms. The division's service groups handle an average of 70 work requests per day for the 1,200 server systems they support.

Data Center Renovation

Part of preparing for the future was to improve the current service delivery provided by the data center. This was accomplished by completing a major data center renovation in May of 2012. The project was managed by the OMB Facilities Management team which partnered with the ITD project team. They worked closely with the fire suppression, electrical, and HVAC engineers to minimize or remove single points of failure in the data center.

L. Dean Glatt, Director of Computer Systems

The design took into account the needs of ITD's systems requirements so that future external electrical and cooling outages would not impact the computer systems availability. The availability requirements tie directly to the service level agreements for our hosting agreements with agencies. The majority of all systems now have redundant electrical feeds connected to redundant power

distribution paths. This is crucial to ensure that systems providing life safety, law enforcement, financial, and health data are available when needed, especially in times of crisis. In times of crisis the public looks to government for support. These improvements allow ITD to help the agency accomplish their mission.

Training Opportunities

Education specific to industry and product information are provided to our staff to ensure that we are current with the industry. Staff is trained through many web solutions that provide the latest in technology needs. We actively take advantage of webinars and online and on-site vendor training sessions. Distance training opportunities have allowed us to reduce staff travel and spend otherwise idle travel time into active education hours.

Along with online training we attend necessary industry conferences to network with peers and engineers to ensure that we explore all angles of system design. Efficient designs reduce cost and yield more solid designs that benefit security and deliverables. This level of advanced training allows enterprise architecture to benefit all of state government IT beyond a single agency. This knowledge is shared with government through an enterprise architecture process as well as individual planning sessions with agencies.

Mobile Access

Employees and citizens are increasingly accessing the state systems from mobile devices such as smartphones and tablet computers. Enabling the systems to work in this environment requires technical changes to device management and systems management to provide for greater security and access to these systems. The coming year will see technologies introduced that will allow remote desktop access through virtual desktop infrastructure (VDI) and the use of cloud applications that will allow mobile access to computer data. We are expanding our skills to ensure that we have thorough knowledge to integrate internal cloud systems with external cloud systems. Data integrity and security controls are necessary requirements to protect data.

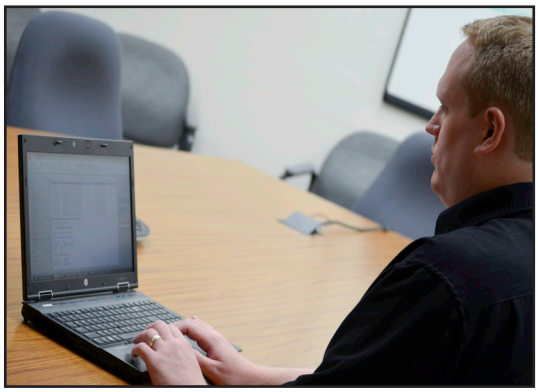
Private and public cloud system integration will need to continually evolve to enable mobile access and we need to ensure that data remains readily accessible and secure. Technologies such as application virtualization are driving the need to make sure our staff has the skills to ensure state applications can be delivered to mobile devices.

Evolving with Technology

State government closely follows the worldwide trend to access data quickly and remotely. Systems are becoming more complex and staff skills are changing to include the need to become systems integrators. Along with handling internal systems we must understand how this data will integrate with public cloud systems. This will be accomplished through newer hardware and software tools in the industry which in turn requires constant education and training. It is the continuing evolution of information technology. In theory, IT is the same as the computing platforms from the 1960s. Data is read, processed, and displayed to an end user. Processors, memory, and disk systems still theoretically do what they have done for 50 years. What continues to change is the rapid rate of accomplishing this. This constant change is at the heart of our division's purpose – effectively understanding and applying computing technology to benefit state government and citizens.

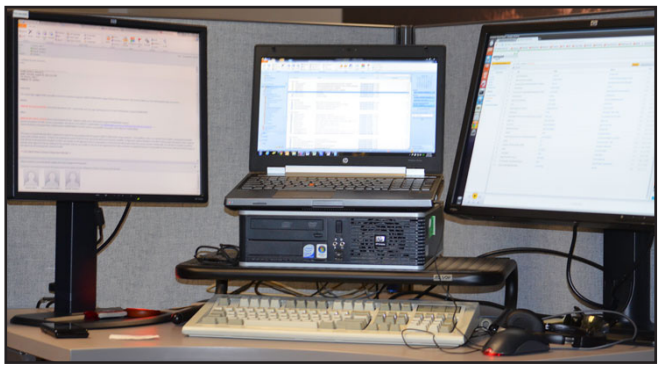
Server Operating Systems

Physical	
Windows	115
Linux	48
Totals	163
Virtual	
Windows	849
Linux	188
AIX	158
MF/z-series	5
AS400/i-series	11
Totals	1,211
88% Virtualization	



Enterprise Databases

	Applications	Tables	GB
SQL Server	519	322,888	4,844
Oracle	322	71,073	4,306
ADABAS	104	531	161
DB2	176	8,156	885
MySQL	55	6,839	4
Totals	1,176	409,487	10,200



Active Directory Objects

329,128
Users

11,340
Groups

14,098
Computers

Consolidated File & Print Support

1,733
Printers

1,020
Shares

37.6
Terabytes

Daily Email Activity (Averages)

878,000
Inbound Messages

90.19%
Percent of Messages Removed by SPAM Filter

86,000
Inbound "Clean" Messages

Network Services

The communications infrastructure that is provided and managed by the Network Services Division is a critical foundational aspect for virtually all technology initiatives. As we proceed through the IT Revolution, the network and communication infrastructure is continually evolving to meet the current needs of STAGEnet customers and preparing for the future. This past year, multiple initiatives were initiated or completed to ensure we continue to provide a robust and reliable foundation for current and future needs.

The year started by working with our partners in the vendor community to ensure we have procurement opportunities in place for both core and endpoint network services. These efforts resulted in securing contracts that ensure both government and education to have reliable and affordable network services through June 30, 2015. This effort also set the stage for a significant core network upgrade. This network upgrade was the most significant upgrade for STAGEnet since the year 2000. The purpose of the upgrade was to modernize the design as well as provide for current and future capacity needs of the STAGEnet community. By streamlining the design and upgrading capacity, the core is capable of meeting or exceeding performance requirements for all services that rely on the network and allows for evolution of application hosting strategies. The network easily accommodates hosting strategies, such as further consolidation, as well as cloud-based hosting solutions.

Duane Schell, Director of Network Services

IPv6 Implementation

In addition to improvements in reliability and capacity for the core, a significant milestone was reached with the networks ability to support IPv6. Although IPv6 has been available for many years, adoption has been fairly slow. The pace of adoption is rapidly changing with the depletion of IPv4 address space across the world. Fortunately, STAGEnet continues to have sufficient IPv4 address space. However, to ensure STAGEnet provides services to its members, as well as ensuring we remain good stewards to the internet community, IPv6 was necessary. Through this implementation, all STAGEnet members have the ability to enable IPv6 as their business or application needs require, and we continue to ensure we have communications and connectivity to the rest of the world.

Data Centers Upgrade

STAGEnet provides service to multiple data center facilities across the state that serve both education and government. State government has been very successful in consolidating the vast majority of its hosting services into two primary data centers. These two data centers provide a significant percentage of

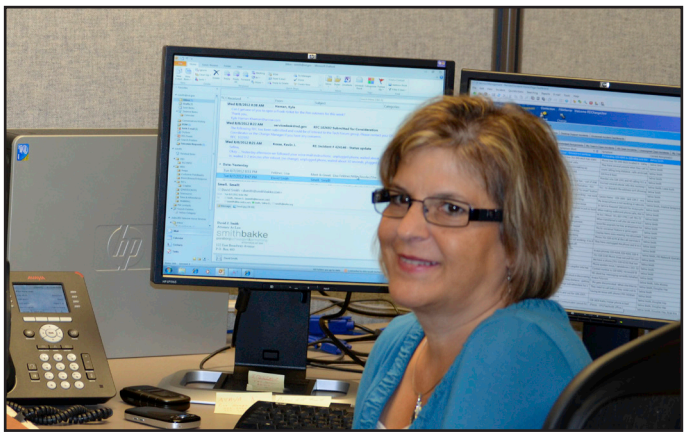
the computer resources for state government. However both local government, as well as education, also rely on these facilities for several applications. These two facilities were originally designed to allow for failover for those applications that necessitated a highly available environment. That design also provided for a four-hour response time to facilitate that failover. As business requirements evolve, certain applications necessitated a much faster response time. This past year, ITD upgraded the network systems that will allow near-real-time failover of network services for those facilities. This allows those critical government services to be designed in a manner for near-real-time failover as well. This upgrade puts the data centers in an improved overall posture for high availability, as well as disaster recovery, for computing resources.

Next Generation 911

Public safety has relied on STAGEnet to fulfill their mission for many years. A revolution is taking place in the public safety community that will not only modernize their technology but also provide a richer set of capabilities and services to allow them to be more effective in their mission. A significant element of this revolution is referred to as Next Generation 911 (NG911). NG911 is a nationwide initiative that is based on open standards utilizing an IP network to expand the communication capabilities of 911 services across the country. By expanding the communications capabilities beyond simple voice calls and allowing multimedia communications, as well as text messaging, public safety answering points (PSAP) will be more responsive to the citizens of the state and be positioned to be more effective responding to 911 events. The division is actively engaged with the public safety community in the planning efforts to deploy NG911 in the state of ND. Although not considered NG911, a milestone was achieved this past year whereby two PSAPs were able to upgrade their premise equipment and rely upon STAGEnet as an interconnect between those centers. The existence of a highly reliable and robust network allows those two communities to seamlessly failover services improving uptime and reliability of 911 services to those citizens.

Voice Communications

The division has been working on a multi-year effort to upgrade and modernize the voice communications infrastructure for state government. The solution is based on VoIP, which allows for a feature rich environment that enables more efficient voice communications and empowers the State's mobile workforce. The core infrastructure is in place and 60% of state government is now using this system. The division will continue migrating the remaining State government customers with plans to finalize the migration within the upcoming year.

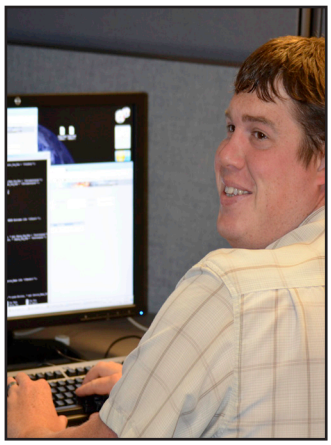


Video Communications

The division has supported a large and feature rich video conferencing solution utilized both by government and education for many years. The video infrastructure has been instrumental in facilitating distance education in K-12 as well as improving communications throughout government. In partnership with the K-12 education community and the ND Educational Technology Council, the state secured a grant program to assist with modernizing the video infrastructure within the K-12 community. As a result of this grant, the majority of video events will now be conducted over a high-definition video stream improving the quality of the video and ultimately improving the communication capabilities and education experience of the participants. This upgrade positions the video infrastructure extremely well to meet current and future business needs.

Mobile Devices

The past year was an exciting year for the mobile workforce of state government. Aligning with industry trends, Blackberry devices are no longer the predominate smartphone within state government. Android and Apple devices, largely driven by the consumer market, are the smartphone devices of choice for mobile workers. These devices offer a user-friendly approach to a robust and feature rich platform that continues to empower the mobile workforce. Additionally, the introduction of 4G wireless capabilities in larger markets across the state allow mobile devices to be utilized in new and creative ways. The focus for the upcoming year will be on optimizing how these devices are utilized, supported, and managed.



Statistics

326
Ethernet Circuits

156
Fiber Endpoints

285
Broadband Circuits

10,000
Phones Supported

591
Wireless Access Points

10,000,000
Long Distance Minutes

2,000+
Cell Phones

1,000+
Smart Phones

275+
Mobile Broadband Devices

99.996%
Internet Uptime

110,000
Endpoint Devices

646
Video Sites

Human Resources

Rapid changes in the work environment and growing complexities in the workforce have required Human Resources (HR) to take a closer look at the strategies utilized for talent and performance management in addition to providing ethical and cultural leadership. This is especially true in the IT arena where change often occurs more frequently. Added to that are the changes within the state of ND due to the influx of people and economic growth largely due to the energy sector.

The field of HR at one time was essentially an administrative function focused on day-to-day operational responsibilities. HR has since significantly evolved to an increased focus on future-oriented processes. This includes developing and implementing HR programs and initiatives that directly contribute to business objectives. The closer we can align HR strategies to overall business objectives, the better ITD will be able to respond effectively.

Statewide HR Initiatives

Over the last year, we have seen a number of HR related statewide initiatives including the Hay implementation which modified the classification system and compensation structure for all classified employees which went into effect on July 1, 2012. ITD HR has both a primary and a secondary member that serve on the Job Evaluation Committee (JEC) along with Human Resource Management Services (HRMS) staff and other agency HR representatives. The JEC continues to work on re-evaluation of specific classifications where concerns have been identified by agencies. While greatly anticipating the change to a highly reputable system, ITD is particularly excited about the ability to have more accurate salary trending results going forward due to the Hay database and ability of the Hay Group to acquire salary information that we were not able to obtain.

Another new statewide HR initiative is the implementation of the Talent Management module within PeopleSoft, which allows HR staff to set up agency specific templates for performance evaluations. The system also allows notes to be inserted throughout the year by both the manager and the employee. In addition, electronic tracking/routing and storage make this process more efficient.

ITD HR Initiatives

HR is service oriented; we work with the various divisions to help achieve their business objectives in addition to serving ITD employees. To that end, specific ITD HR initiatives include some of the following:

- Revision to the HR balanced scorecard: in particular, we're looking at initiatives and measures that not only hold more value to ITD's overall business objectives, but also make sense with trends taking place in IT and the working environment.
- Refresh the Employee Recognition Committee posters and recognition forms, as well as slight changes to some of the cultural improvement events to keep the events new and exciting.
- Classification updates: concentrated effort at moving all divisions' classification forms from the Position

Shelly Miller, Director of Human Resources

Information Questionnaire (PIQ) to the new format titled Job Description Questionnaire (JDQ). The information on the new format will eventually be pulled into the job responsibilities section on all performance evaluations. In addition, ITD is working with the IT expert at the Hay Group to better align the Network Services (formerly Telecommunications) group to classifications/titles primarily used in the field.

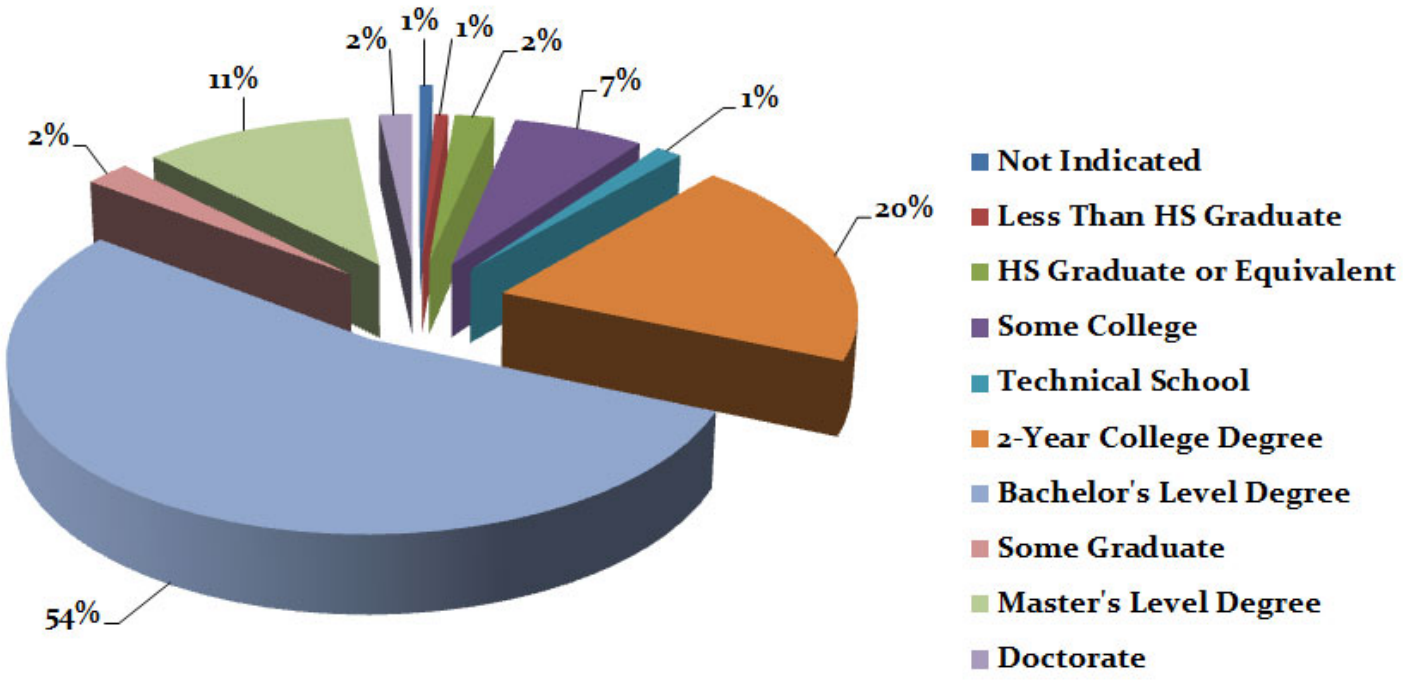
- Monthly lunch meetings with ITD managers, the Deputy CIO, and the HR Director are focused on leadership development and ITD processes/ expectations.

Recruitment and Retention

ITD HR has been extremely busy in this area. Since the last annual report, ITD has hired 46 new employees in addition to a number of internal movements. Historically, we've had a low turnover rate, typically less than 6%. However, the last year is the first time ITD has seen our retirement turnover rate equal to or higher than our regular turnover rate (both of which are included in the total rate). This has a number of implications as we forecast into the future and note that 38 employees will be eligible to retire within the next five years and a total of 81 within the next ten years. As a service provider, our product is the knowledge and skills of our employees. Thus, it behooves us to do all that we can to retain our most valuable asset, our employees, by providing things such as fair and consistent policies; effective technical tools; timely training; fair compensation; and of course, cultural improvement initiatives to help make ITD the employer of choice.

Employee Relations

ITD HR maintains a strong focus in this area with various activities and initiatives such as our Employee Satisfaction Survey, which we conduct every two years. In July, ITD employees completed the survey instrument which was changed this year from being managed by the



Educational Level of 299 ITD Employees

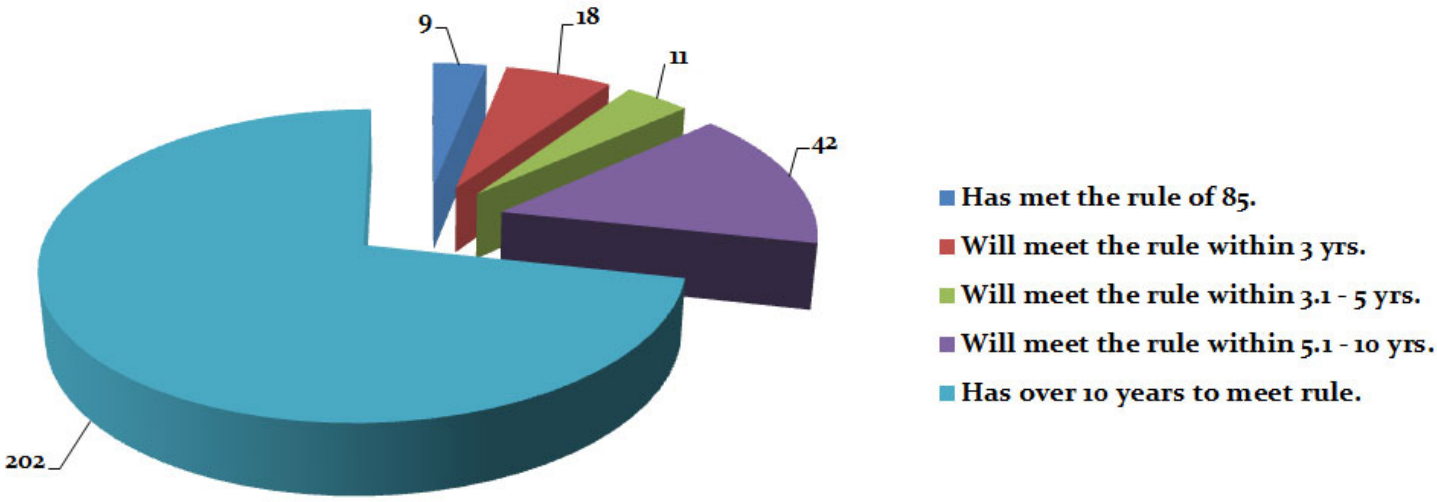
Sterling Institute to self-management through Survey Monkey. Our participation rate was the best we've had. The information gathered on a bi-annual basis is very valuable and has enabled numerous organizational changes throughout the years. It is a continuous improvement process, as things change some items go away and new items come up. We can't possibly accomplish everything on the survey, but we work hard to prioritize concerns as well as the resources needed to address them in our efforts to continuously improve our organization.

On an annual basis, ITD also schedules Meet and Greet get-togethers where the CIO, the Deputy CIO, and the HR Director meet with each work group within ITD and that group's division director. Topics include anything employees would like to discuss as well as specific communication items the Executive Management team would like to provide or get input from employees. We are about two thirds through this process and overall, the groups have gone quite well with a lot of great discussions that would be impossible to have in larger group settings.

In addition to the above, ITD HR also works to foster a positive working environment through activities and participation in various programs, such as our Activities Committee, which plans events for employees outside of normal working hours (ITD annual picnic and the Christmas party). We also invest significant resources to encourage health and wellness activities for our employees in addition to maintaining a safe working environment through our Risk Management program. We hold our own wellness week and ITD Recognition Week annually.

As we look forward to the upcoming year and the years to come, we must continue to develop and refine

our plan of HR initiatives to promote and attain the behaviors, culture, and competencies needed to achieve organizational goals. We must continue working on strategy and initiatives to retain our talented employees as well as attract new talent in an increasingly tight IT market. We must not only maintain effectiveness and efficiencies in our current processes, but must also be innovative and proactive in considering the long-term implications of future needs and trends while responding to today's challenges. Moreover, if planning and strategy are two elements in a continuous process affecting how organizations respond to changes in the business environment, HR's role in strategic planning may become even more important as HR is central to understanding the future of our most important asset—our employees, which are the intellectual and productive capacity of ITD's workforce.



ITD Employees Eligible to Retire at the Rule of 85

Administration

The Information Technology Department operates as an internal service fund. ITD tracks and monitors the expense and revenue of each service in cost centers to ensure that one service is not subsidizing another. The federal government does not allow state central service agencies to accumulate an excess fund balance. Regulations establish specific standards for determining allowable costs for services in federally-funded projects. ITD monitors the cost centers and adjusts rates accordingly.

ITD plays an important role in centrally managing the State's private computing cloud, standardizing IT systems, reducing duplication, and ensuring that state agencies can communicate quickly and securely. Our core service areas include the following:

- Server/Data Hosting
- Software Development
- Networking Services
- Telecommunications Services

Actual funding for IT operations and projects are appropriated to each agency which in turn pays ITD for the hosting and/or development services.

Dan Sipes, Director of Administrative Services

General-funded IT projects are reviewed by the State Information Technology Advisory Committee (SITAC). This group of senior-level executives prioritizes the IT projects to assist the Legislature and other budget stakeholders as they address the budget requests during the legislative session. The State of North Dakota has historically been a conservative state with regard to funding IT projects and requires a projection of ongoing operating costs for any new IT projects before approval is granted.

In addition to ITD's traditional role of providing services to customers on a charge-back basis, the Legislature has expanded ITD's responsibility to oversee several general-funded technology programs. This includes the following program areas:

- Center for Distance Education
- Statewide Longitudinal Data System
- Education Technology Council
- EduTech
- STAGEnet access for the K-12 schools
- Geographic Information Systems (GIS) hub
- Health Information Technology Office
- Criminal Justice Information Sharing (CJIS) hub

Security

ITD's security section is responsible for the governance and management of security across the enterprise as well as providing cyber security awareness activities. ITD works closely with federal, state, local, and private industry partners to collect and analyze information on cyber threats and vulnerabilities that pose a threat to the State's information systems and critical information managed within those systems.

Efforts to ensure security and awareness include a biennial 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 January 2011. A copy of the SAS70 report can be found at http://www.nd.gov/auditor/reports/SAI112_10.pdf. Additionally, a separate security audit was completed in December of 2009.

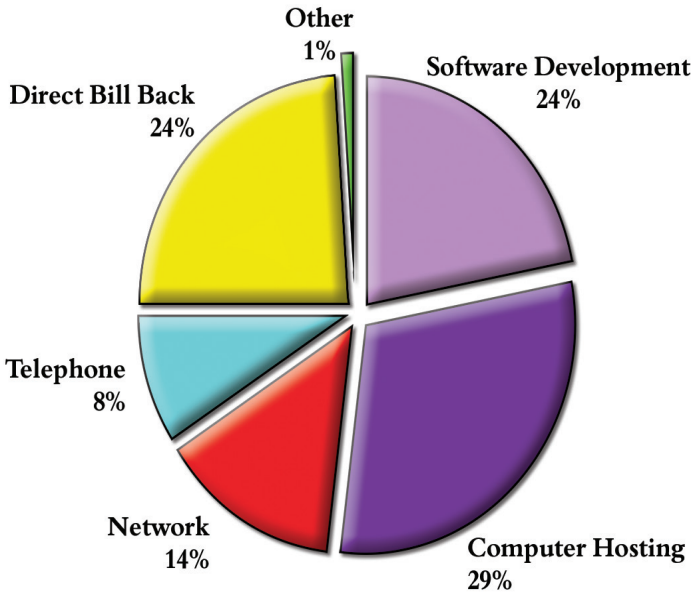
Contingency Planning

In response to a power incident in January 2011, ITD has coordinated with OMB to improve the power posture of the primary data center by adding additional power redundancy, renovating the current data center and reducing the time required for the second data center to assume the role of the primary data center in disaster events.

ITD's initial focus in operating the second data center has been to minimize data loss in the event of a disaster – this is commonly referred to as the recovery point objective (RPO) and measures the point in time (relative to the disaster) to which you can go back to recover your data. 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 for a system to resume normal operations. As a result of ITD's briefing to agencies on Business Continuity in March of 2011, we expect more agencies will decide to make additional investments to improve the RTO for critical business functions.

ITD Revenue By Service

Fiscal Year 2012
Total Billing: $52,883,611



Records Management

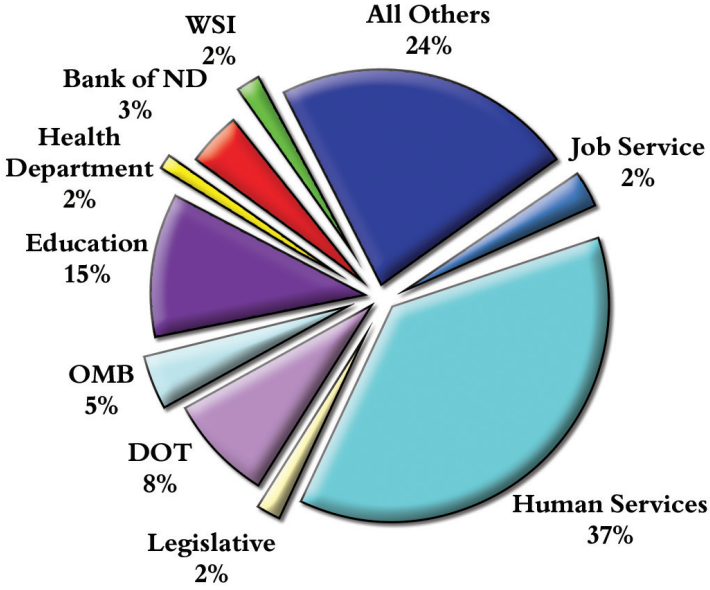
North Dakota Century Code (NDCC) 54-46-11 requires ITD to report on records management practices and programs in state government. This program includes records retention schedules, annual disposal of records, forms management, records management education, and consulting.

ITD has implemented records management programs in 91 state and local government agencies, higher education institutions, boards and commissions. Last year state agencies, local government offices, and higher education institutions disposed of 15,063 cubic feet of records that satisfied their retention requirements. This savings in storage space, equipment, and related salaries resulted in a cost avoidance of $4,383,796. ITD also started tracking the volume of electronic records disposed. For the entities reporting a volume of electronic records, 5,277 GB were disposed for a cost avoidance of $3,958.

ITD also consults with agencies on a regular basis to review their records management program and practices and offer recommendations to enhance their current processes and offer guidance on records management best practices.

ITD Revenue By Department

Fiscal Year 2012
Total Billing: $52,883,611



Rates and Trends

The Information Technology Department (ITD) generates revenues by providing 105 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 rate increases are the result of higher labor rates along with the need to upgrade old equipment to deploy new technologies.

CPU Rates (per second)

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Batch CPU	**$ .62**	$ 1.11	$ 2.15	n/a
CICS CPU	**$ .62**	$ 1.11	$ .60	n/a
ADABAS CPU	**$ .62**	$ 1.11	$ 1.14	n/a
TSO CPU	**$. 62**	$ 1.11	$ 2.28	n/a

Network Fees

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Technology Fee	**$ 49.00**	$ 54.00	$ 49.06	$ 50.00
LAN Administrative Fee	**n/a**	Included	$ 120.29 per hour	$ 105.00
Access/Information/ Enterprise Mgt. Fee	**Included**	$ 53.00	n/a	$ 85.00
DSL Service	**Cost + $175/5mb**	Actual Cost	$ 410.49/1.5mb	Cost + 15%
ETS-5 (5mbps bandwidth)	**$ 765.00**	Actual Cost	$1,744.78	Cost + $ 140 (access) $ 150/mbps (bandwidth)

Telephone Fees

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Telephone Line	**$ 24.00 - VoIP**	$ 15.00 - Analog	$ 30.51 - VoIP	$ 35.00 - VoIP
Speaker/Display	**$ 5.00**	Actual Cost	Included	Actual Cost
Voice Mail (unlimited)	**$ 5.00**	$ 6.00		$ 5.00
3-minute limit	**n/a**	n/a	$ 7.39	n/a
Additional Minutes	**n/a**	n/a	$ 9.03	n/a

Long Distance

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
In-State	**$.07**	$ .07	$ .071	$ .049
Out-of-State	**$.07**	$ .08	$ .071	$ .070
800 Service	**$.07**	$ .08	$ .081	$ .130

Software Development Rate Comparison

Entity	Location	Billing Rate/Hour of Service
Information Technology Department	**State of North Dakota**	**$ 67 - $ 89**
Applied Engineering	Bismarck, ND	$ 88 - $ 102
Eide Bailly	Bismarck, ND	$ 90 - $ 165
Enterprise Solutions	Bismarck, ND	$ 90 - $ 130
Nexus Innovations	Bismarck, ND	$ 94 - $ 140
Agency Mabu	Bismarck, ND	$ 75 - $ 77
Ardent Technologies	Dayton, OH	$ 55 - $ 77
PiOrion Solutions	Piscataway, NJ	$ 84 - $ 128
Compuware	Plymouth, MN	$ 80 - $ 151
ImageSource	Olympia, WA	$ 174 - $ 228

ITD Service Rate Trends

Software Developer

Service Rates	July 2012	July 2011	July 2010	July 2009
Software Developer	$ 67 - $ 89	$ 67 - $ 86	$ 63 - $ 75	$ 63 - $ 75

Central Computer CPU

Service Rates	July 2012	July 2011	July 2010	July 2009
Batch CPU	$ .62	$ .74	$ 1.07	$ 1.17
CICS CPU	$ .62	$ .74	$ 1.07	$ 1.17
ADABAS CPU	$ .62	$ .84	$ 1.17	$ 1.23
TSO CPU	$ .62	$ .74	$ 1.07	$ 1.17

Network Fees

Service Rates	July 2012	July 2011	July 2010	July 2009
Technology Fee	$ 49.00	$ 49.00	$ 43.50	$ 43.50
ETS-5 *	$ 765.00	$ 890.00	$ 890.00	$ 890.00

*Beginning July 2010 ITD provided a 5 mb circuit for the same price as a 1.5 mb circuit.

Telephone Fees

Service Rates	July 2012	July 2011	July 2010	July 2009
Telephone Line	$ 24.00	$ 24.00	$ 24.00	$ 24.00
Speaker/Display	$ 5.00	$ 5.00	$ 5.00	$ 5.00
Voice Mail (Unlimited)	$ 5.00	$ 5.00	$ 5.00	$ 5.00

Long Distance

Service Rates	July 2012	July 2011	July 2010	July 2009
In-State	$ .07	$ .07	$ .07	$ .075
Out-of-State	$ .07	$ .07	$ .07	$ .075
800 Service	$ .07	$ .07	$ .07	$ .07

Strategic Planning & Performance Measures

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Acceptable Level of Total Net Assets	2009 – 1.7 2010 – 2.4 2011 – 1.7	2012 – 2.1	< 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.

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Percentage of ITD Rates Reported in Annual Report That Are Competitive	2009 – 100% 2010 – 100% 2011 – 100%	2012 – 100%	100%

SCORECARD PERSPECTIVE: FINANCIAL. Based on 33 service rates representing 74% 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.

Total Number Of Service Requests And Incidents Completed	2010	2011	2012	Target
Service Requests	34,247	36,871	40,949	MONITOR
Incidents	60,835	63,795	67,598	

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. Customers were encouraged to provide feedback on 82,672 of the requests/incidents. Ninety nine respondents were dissatisfied with the overall experience, creating an overall satisfaction rate of 99.9%.

Customer Satisfaction Indexes	% Satisfied / Very Satisfied		% Satisfied / Very Satisfied	Target
	2010	2011	2012	
Value	87.0%	80.4%	84.6%	92%
Timeliness	91.6%	87.5%	79.1%	97%
Quality	95.7%	94.6%	89.6%	97%
Knowledge	95.8%	96.4%	92.5%	98%
Professionalism & Courtesy	98.9%	100%	97.0%	100%

SCORECARD PERSPECTIVE: CUSTOMER. This year, executives and business professionals were invited to join IT coordinators in completing ITD's Annual Customer Survey. As a result, 67 people provided feedback on these attributes. Customers are encouraged to offer candid feedback regarding ITD's ability to meet their business needs.

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Employee Satisfaction Index	2010 & 2011 – 2.21	2012 – 2.20	2.0

SCORECARD PERSPECTIVE: LEARNING & GROWTH. Every other year, ITD assesses its employee satisfaction. Employees are asked to rate 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.

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Total Employee Turnover	2010 – 5.0% 2011 – 4.9%	2012 – 6.9%	BELOW 6%

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.

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Percentage of Service Levels Met	2011 – TBD	2012 – TBD	100%

SCORECARD PERSPECTIVE: INTERNAL PROCESS. ITD is currently developing service level objectives (SLO) for its primary services. Once this process has been completed, this measure will indicate ITD's ability to meet its service objectives.

Measurement	Baseline (Previous Years)	Current (June 2012)	Target
Percent of Strategic Business Plan Objectives Completed or On Schedule	2010 – 47% 2011 – 66%	2012 – 49%	75%

SCORECARD PERSPECTIVE: INTERNAL PROCESS. 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.

Financial Statements

Statement of Net Assets June 30, 2011 & 2010

	FY 2011		FY 2010	
ASSETS				
CURRENT ASSETS:				
Cash Deposits at BND	**6,025,344**		9,319,860	
Restricted Cash	**0**		3,972,854	
Intergovernmental Receivables	**197,418**		200,413	
Accounts Receivable	**245,151**		173,417	
Due From Other Funds	**4,600,796**		4,256,825	
Prepaid Items	**2,044,594**		2,122,568	
TOTAL CURRENT ASSETS		**13,113,303**		20,045,937
NON-CURRENT ASSETS:				
Unamortized Bond Issuance Costs	**26,597**		33,247	
Capital Assets:				
Building & Equipment - Net	**11,234,851**		13,644,333	
Total Non-current Assets		**11,261,448**		13,677,580
TOTAL ASSETS		**24,374,751**		33,723,517
LIABILITIES				
CURRENT LIABILITIES:				
Accrued Payroll	**1,666,747**		1,600,844	
Accounts Payable	**925,626**		2,065,651	
Interest Payable	**0**		28,455	
Intergovernmental Payable	**583**		24,321	
Due to Other Funds	**32,988**		9,669	
Compensated Absences Payable	**83,744**		79,916	
Notes Payable	**0**		1,918,382	
Bonds Payable	**710,658**		681,658	
TOTAL CURRENT LIABILITIES		**3,420,346**		6,408,896
NON-CURRENT LIABILITIES:				
Compensated Absences Payable	**1,555,084**		1,480,945	
Notes Payable	**0**		7,953,247	
Bonds Payable	**1,530,222**		2,240,880	
TOTAL NON-CURRENT LIABILITIES		**3,085,306**		11,675,072
TOTAL LIABILITIES		**6,505,652**		18,083,968
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	**11,234,850**		3,772,705	
Unrestricted	**6,634,249**		11,866,844	
TOTAL NET ASSETS		**17,869,099**		15,639,549
TOTAL LIABILITIES & NET ASSETS		**24,374,751**		33,723,517

Financial Statements

Statement of Revenues, Expenses and Changes in Fund Net Assets for years ending June 30, 2011 & 2010

	FY 2011		FY 2010	
OPERATING REVENUE:				
Sales and Services		**49,841,497**		48,633,238
OPERATING EXPENSES:				
Salaries and Benefits	**20,108,001**		19,131,773	
Operating	**21,848,028**		19,321,839	
Depreciation	**5,383,099**		4,997,892	
TOTAL OPERATING EXPENSES		**47,339,128**		43,451,504
OPERATING INCOME (LOSS)		**2,502,369**		5,181,734
NON-OPERATING REVENUES (EXPENSES):				
Interest and Investment Income	**7,449**		35,407	
Interest Expense	**(296,376)**		(516,182)	
Loss on Sale of Capital Assets				
Other	**16,108**		16,108	
TOTAL NON-OPERATING REVENUE (EXPENSES)		**(272,819)**		(464,667)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		**2,229,550**		4,717,067
TOTAL NET ASSETS - BEGINNING OF YEAR		**15,639,549**		10,922,482
TOTAL NET ASSETS - END OF YEAR		**17,869,099**		15,639,549

Financing Agreements: ITD has a note for $6,000,000 from SunTrust Leasing at 3.469% for the Department of Human Services (DHS) Medicaid Systems Project. DHS has obtained federal & general funds in the 2009-11 & 2011-13 bienniums to reimburse ITD to pay off note in June 2012.

Guiding Principles

Respect

We believe respect for yourself and others is a foundational quality that builds trust within our relationships, so we will treat everyone with dignity and respect.

Teamwork

We believe success depends on the synergy created through the combination of individual talents and diverse ideas, so we will actively engage with coworkers and customers.

Achievement

We believe in results that best address the needs of the state of North Dakota, so we will deliver quality solutions and strive to exceed customer expectations.

Integrity

We believe in doing the right thing, always, so we will hold ourselves to the highest moral, ethical, and professional standards.

Leadership

We believe everyone has the responsibility to make a difference, so we encourage initiative and creativity and are committed to investing in knowledge and expertise.

Service

We believe customers are our business, so we hold ourselves accountable for a positive and professional customer experience.

Website & Additional Information

North Dakota State Portal
www.nd.gov

State of North Dakota Information Technology Department
www.nd.gov/itd

An electronic copy of the Information Technology Department's Annual Report can be viewed by visiting www.nd.gov/itd/publications

North Dakota
Information Technology Department
www.nd.gov/itd

Preparing For the Future