2012-2013
Annual Report

ITD

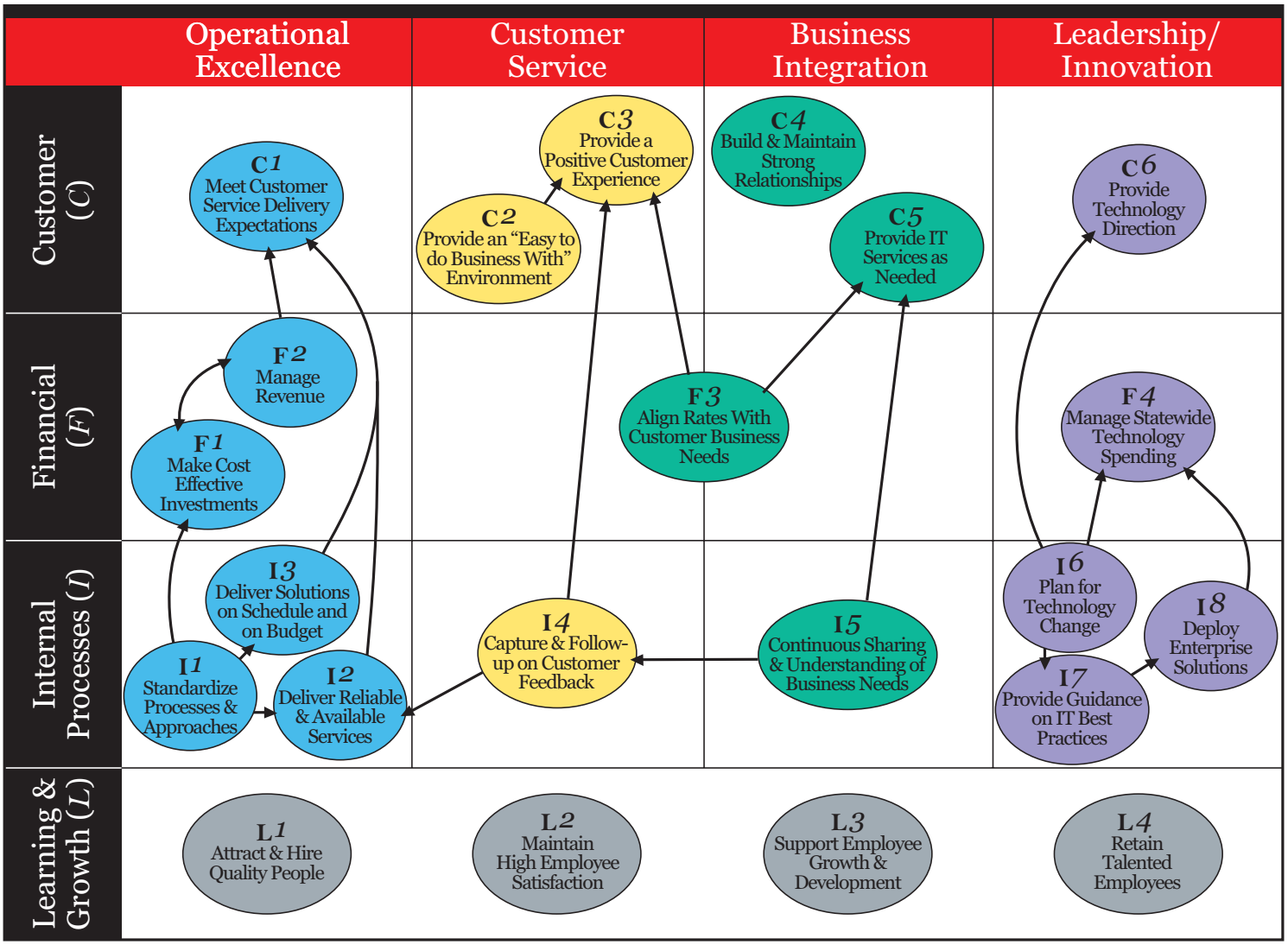
The Power of IT

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

Mike Ressler, Chief Information Officer

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The 2012-2013 Annual Report

The Power of IT

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.

86.2%
agree ITD is aligned with its mission

91.5%
view ITD as a trusted business partner

84.7%
agree that ITD's services meet their business needs

88.1%
believe ITD is easy to do business with

93.3%
say ITD provides a positive customer experience

83.9%
say ITD is their preferred IT provider

86.2%
acknowledge that ITD builds strong relationships

86.4%
believe ITD provides technology direction

Executive Summary

The power of Information Technology (IT) has a noticeable impact on the way people interact with each other. IT is changing almost every aspect of our lives: how we shop, how we work, and how we communicate with our friends and with our government. We can access information on almost any subject, from almost anywhere.

With the advent of the Internet, conventional methods of doing businesses have been altered to a great extent as evidenced by the emergence of e-commerce. Citizens, as well as business partners, are demanding state agencies upgrade their old and antiquated business applications.

Government is under continuous pressure to improve services to its customers while trying to reduce costs. Information technology can help achieve these goals, but only if it is properly managed. Most state agencies have experienced a major renovation of at least one of their business applications used to interact with citizens and/or business partners. These initiatives result in projects that consume major resources, both dollars and staff, and can take many months to complete.

With this additional demand on the agency, it is essential to focus on the strategic management process. The State of North Dakota has established a framework that will ensure good management practices are followed. With the Governor's Executive Order which was codified in law this last legislative session, the role of managing information technology projects has expanded, involving various experts from the Office of Management and Budget, the Attorney General's office and the Information Technology Department. A concentrated effort and consistent process is followed prior to the award of a solution by an agency.

This year's annual report summarizes many of the programs that are utilizing the power of IT. The health information exchange is being created allowing health care providers the ability to share critical patient information. Powerschool is a web-based information system which will be the genesis of feeding future data systems for K-12 schools. This past year PowerSchool has been implemented and is being utilized by all public schools in North Dakota. The State Longitudinal Data System will use data from the Powerschool system and be in the position to quickly generate statewide data analysis. This will promote the evolution of educational instruction improvement.

The Office of Management and Budget and Information Technology Department through ConnectND has deployed talent management modules allowing agencies to conduct online performance appraisals, document business objectives, create employee profiles, and build individual career plans.

State government is in its infancy in deploying mobile applications. The Department of Transportation has developed the state's first native mobile web application giving citizens the ability to access road/weather information on their smart phones/devices.

These are just a few examples of the various programs identified in this report utilizing the "Power of IT".

I invite you to read the 2012-13 Annual Report to learn more about ITD, and how we are moving IT forward in North Dakota.

Mike Ressler, Chief Information Officer

Statewide Alliances

Criminal Justice Information Sharing (CJIS)

The CJIS Program promotes public safety and empowers law enforcement to make informed decisions across statewide jurisdictional and organizational boundaries.

Molly Brooks, Director of CJIS

The Portal, which is the foundation of CJIS, enables information sharing among multiple agencies' systems. Additionally, CJIS provides several information systems to assist in capturing accurate and timely criminal justice information. This year:

- CJIS completed the Broker, which will allow agencies to publish their information and subscribe to information needed from other agencies, and the ND Justice Service, which provides a statute table as a consistent charging reference across criminal justice agencies.
- The number of Portal users grew to 2,066 registered users across 181 separate agencies. Major enhancements included: Portal 3.0, which provides advanced searching functionality, and several integration projects with local law enforcement agencies' records management systems.
- The Law Enforcement Records Management System (LERMS) grew to 57 agencies and 374 users. CJIS and State Radio made significant progress in replacing the current LERMS system, which will allow more agencies to utilize this system and further automate records.
- 13 state's attorney offices actively used the States Attorney Reporting System (STARS). Planning was completed for the upcoming integration with the North Dakota Courts' Odyssey system.
- The North Dakota Statewide Automated Victim Information and Notification System (ND SAVIN) gained 5,500 new incarceration and court registrations, which is an increase of 28% over last year, and 350 new protection order registrations this year, which is an increase of 154%. Enhancements included texting notifications for the protection order service and Registration Link, which connects registrations as offenders move among incarceration facilities.

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, provide information to help doctors diagnose health problems sooner, reduce medical errors, and provide safer

Sheldon Wolf, Director of HIT

care at lower costs. The program is overseen by the Health Information Technology Advisory 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."

The program has been branded as the North Dakota Health Information Network and is being implemented in two phases. Direct Secure Messaging (DSM), the first phase of the HIE project, has been deployed. DSM is a simple, secure method for participants to send encrypted health information directly to known, trusted recipients. Approximately 400 individuals have accounts set up to use Direct Secure Messaging. Some examples of information that can be sent include documents, images, a HL7 message string, or a Continuity of Care Document. The second phase of the HIE project will allow participants to use a robust bi-directional health information exchange to fully support meaningful use and health information technology requirements. Phase two was started in a pilot region and will continue to expand statewide over the next year.

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 student information system designed specifically for K-12 schools. It provides students and parents the capability to access grades and attendance along with other features needed to provide efficient school management. EduTech provides training and support services for North Dakota schools to use this tool effectively and to use advanced product features.

As of February 2013, all public schools use PowerSchool. Five non-public schools have implemented PowerSchool or are in the implementation process. The PowerSchool team also provides training, support, and data services for the State Longitudinal Data System.

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. EduTech updated their website this year to offer their clients improved navigation and optimized resolution for use on mobile devices.

An active directory project is in progress that will give the K-12 community access to Office 365, a communication and collaboration package. It includes email, calendaring, cloud storage, collaboration spaces and online document editing using Office Web apps. The active directory project will also provide authentication for other statewide services.

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. Examples are:

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

EduTech completed several community grant projects this past year which provided training for communities on digital citizenship and basic technology uses.

EduTech's E-rate consulting services assist school administrators in completing their applications for federal telecommunications discounts and the required technology planning documentation.

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:

- 66,463 incidents
- 43,131 service requests
- 99.9% overall satisfaction rate

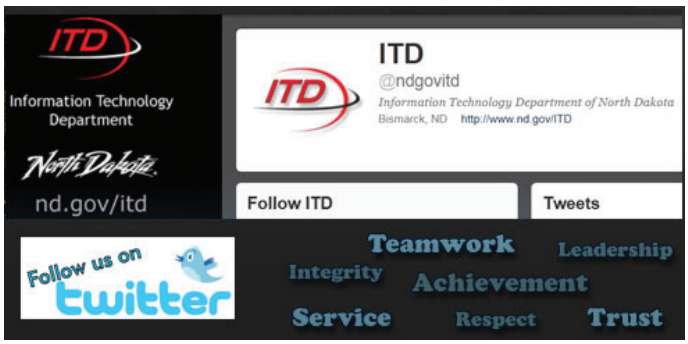
North Dakota Century Code requires ITD to document information related to service support and delivery, which includes formal complaints regarding dependability, responsiveness, and cost. From July 2012 through June 2013, no formal complaints were filed. However, ITD is asking for, listening to, and acting on customer feedback each and every day.

Gary J. Vetter, Director of Enterprise Services

Help Desk Management

Government entities are finding that even though they provide unique services, they share commonalities when it comes to supporting customers. Currently, ITD extends its Tier-1 support service to more than six IT and non-IT related government functions. During the past year:

- The Department of Human Services began utilizing ITD to assist with its Child & Family Services support.
- Planning began to upgrade the FrontRange ITSM system to the more current and agile FrontRange HEAT 2013 platform. Enhancements include a customer self-service portal, improved administration tools, and a web-based architecture.



Strategic Communications

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

- Digital signage was implemented at four ITD locations to promote internal communications.
- A Twitter page (https://twitter.com/ndgovitd) was launched to share information with customers affected by ITD's day-to-day operations.

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, 106 people from 26 agencies were involved with:

- Defining and establishing a Mobile Device Management solution

- Defining and establishing a Multi-Factor Authentication solution
- Developing a new standard to combine previously separate standards for Anti-Virus and Anti-Malware
- Developing a new standard to address the acceptable use of electronic communication devices
- Updating the standard for Employee Security Awareness
- Reviewing newly developed and updated Service Level Agreements
- Processing two requests for exemptions for use of the NDGOV Web Banner
- Processing two requests for exemptions for use of the State Login ID
- Processing a request for exemption for the Timeout of Mobile Devices
- Processing a request for exemption for the routing of compressed files via Email attachments
- Processing a request for exemption for the use of an agency logo on a non-NDGOV site
- Processing a request for exemption for the use of a Remote Control Appliance
- Updating the Project Management Guidebook and making it available online in a new format

In early 2013, EA members began a complete review of the state's original Enterprise Architecture framework and processes. The end result will be an Enterprise Architecture version 2.0, intended to make the EA process more streamlined, responsive, and effective.

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. In 2012, as in all even-numbered years, a structured IT planning process was used to publish 50 state agency IT plans for the upcoming biennium. Those IT plans provided input to the State Information Technology Advisory Committee (SITAC) large-project ranking process and were used with content from Higher Education and K-12 schools to produce the 2013-15 Statewide IT Plan entitled "Partnerships – Building IT Together."

During the 2013-14 legislative session, new North Dakota Century Code (Chapter 54-59-11.1) was created to involve ITD in IT projects with an estimated cost of $100,000 or more. ITD architects, procurement officers, planners, and project managers will work with agencies for up to six hours at no cost in order to develop a recommendation on how best to proceed with a project.

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:

- 104 procurement and contract documents were reviewed within the five-day response time objective.

- The ITD procurement team continued to assist agencies per the Governor's Executive Order 2011-20 with special procurement/contract reviews and approvals for IT projects valued at $1 million or higher. Fourteen large-scale IT projects used the process during the 2012 fiscal year and team members attended over 100 procurement-related meetings.
- During the 2013-15 legislative session, SB2034 established the review and approval process in ND Century Code for IT projects valued at $500 thousand or higher starting August 1, 2013. At that time, Executive Order 2011-20 expired.

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:

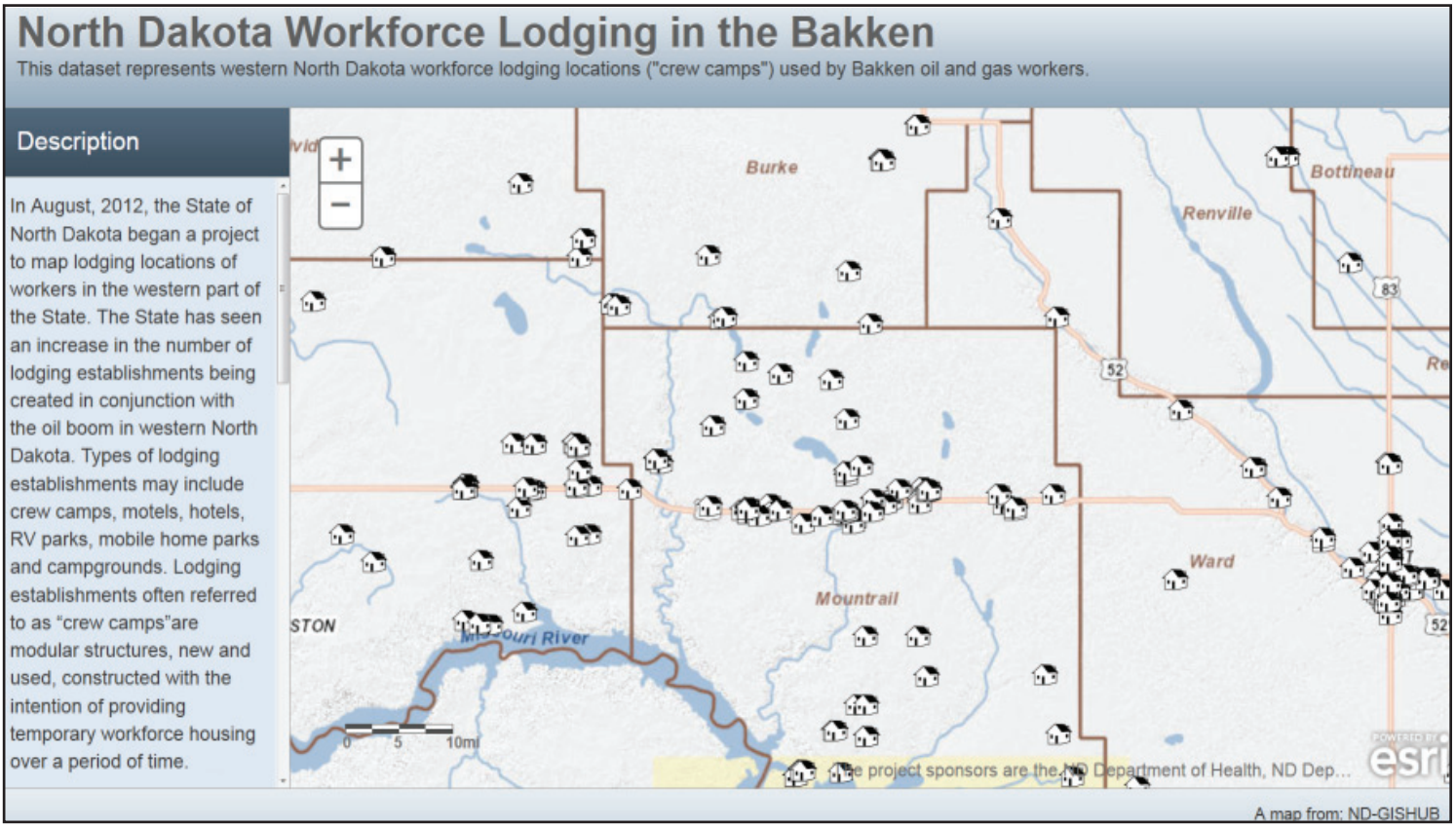
- Data sets were developed and updated, including school districts, K-12 school locations, western North Dakota workforce lodging locations, and aerial photography ranging from 1957 through 1962 for selected counties.
- The State of North Dakota has entered into an agreement with Esri, a vendor of GIS software, for an enterprise license of ArcGIS Online. It is a cloud-based solution that can be utilized by agencies to share data, services, maps, and applications within an agency, between agencies, and with the public. ArcGIS Online can utilize the GIS Hub and can be used to display and edit GIS data on tablets and smartphones. Up to a limit and during the 2013-2015 biennium there is no software cost for an agency to utilize ArcGIS Online through this agreement. Beginning with the 2015-2017 biennium a bill-back model is planned.

Business Intelligence (BI)

BI covers a broad range of applications, infrastructure, tools, technologies, and best practices. The results transform raw data, often from multiple sources, into historical, current, and predictive information. Providing access to an organization's information through the use of BI tools, such as Cognos and Microsoft BI Suite, creates strategic, tactical, and operational insights and enables data-driven decision making.

This past year:

- The Department of Transportation partnered with ITD to capture traffic safety information into a new data warehouse. The data facilitates a wide variety of statistical analysis on citation, violations, convictions,



suspensions, and crash-related facts. This information will initially support the annual DOT traffic safety report, as well as other periodic reporting needs. It is anticipated to expand to the web and perhaps other areas this next year.

- The Office of Management and Budget continues to expand the information in its data warehouse. Efforts under way will provide more detailed information on purchases made through the P-Card program.
- Work began to implement data management and governance disciplines for improving data quality throughout state government.
- The state partnered with other local organizations to form an official Cognos User Group. The group meets quarterly to share experiences and techniques to increase effective use of the Cognos toolset.
- The Department of Human Services began generating data sets as part of the implementation of new federal regulations related to the Affordable Care Act. They will be integrated with data from existing systems and new systems coming on-line soon.

State Longitudinal Data System (SLDS)

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

This past year:

- The SLDS has expanded to include a Job Service ND warehouse funded through a Workforce Data Quality Initiate grant from the Department of Labor. Through this grant, unemployment insurance (employers and wages, claims and benefits), Wagner-Peyser (Job Order and Seeker), TAA, and North Dakota workforce development programs such as WF2020, Jobs, and New Jobs are now available to SLDS. Through the SLDS, studies may be performed on the success of North Dakota secondary and postsecondary students and North Dakota workforce development initiatives.
- The SLDS continues to expand its reporting capacity and is producing student performance dashboards available to North Dakota teachers and school district administrators. With the inclusion of North Dakota college and university enrollments, predictions on developmental course needs of North Dakota K-12 students are available as early warning indicators for secondary schools.
- ITD began working with the North Dakota University System (NDUS) through a grant from the Department of Education to build a robust warehouse in the SLDS. The addition of postsecondary data will provide a historical warehouse of the NDUS and allow for further studies on the success of North Dakota graduates of secondary and postsecondary institutions.

Enterprise Document Management Systems (EDMS)

EDMS is a collection of technologies for imaging, document management, forms processing, report management, and workflow that serves 24 state agencies/programs. During the past year:

- ILINX Capture was implemented to ultimately replace the TeleForm scanning application. ILINX provides new options such as distributed scanning in locations away from the Capitol.
- ILINX Email Import was introduced as a new tool for managing Outlook email in FileNet.
- EDMS was enhanced to meet the Disaster Recovery requirements of the enterprise.

- Riptide server software was purchased so FileNet users could package and distribute dissimilar documents to print, fax, email and/or electronic files. This tool works well for things like open record requests.

Basic Content Services (SharePoint)

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

- SharePoint 2010 visual upgrades were completed.
- SharePoint 2013 planning and preparation began.
- SharePoint was enhanced to meet the Disaster Recovery requirements of the Bank of North Dakota.
- Assistance was given to a number of agencies requesting demonstrations, resulting in a larger utilization of SharePoint.

Master Data Management (MDM)

Formerly known as Master Client Index, MDM compares client records from disparate systems and links them together, creating a master demographic representation of each citizen receiving state services. Both the Department of Human Services and the Department of Public Instruction programs rely heavily on the features and abilities of MDM. During the past year:

- Planning began to upgrade the IBM Initiate system to the more current and agile IBM InfoSphere MDM platform.

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:

- The PeopleSoft Talent Management modules were operational for the first full review cycle. This equipped agencies to conduct online performance appraisals, document business objectives, create profiles, build career plans, and plan for succession.
- The Enterprise Learning Management module grew from 3,084 to 6,821 classes and from 135,365 to 211,376 enrollments.
- The ConnectND program stayed on the Oracle supported roadmap for products and toolsets, including the yearly tax updates and the patch cycles for all applications.
- PeopleSoft's Recruiting Solutions, a new initiative, was started. It began in mid-May and is scheduled to go live throughout the 1st quarter of 2014. It is comprised of:
    1. Candidate Gateway to help agencies eliminate the hassles and delays normally associated with employee recruitment. By using Candidate Gateway instead of a paper-based process, an agency can be the first to make a competitive offer to a top candidate.
    2. Talent Acquisition Manager to streamline the complex task of recruiting and create a seamless experience for hiring managers and recruiters. In one application, managers and recruiters can create and submit requisitions for open positions, screen applicants, and hire/onboard best-fit candidates.
    3. Talemetry™ Resume Parsing to enable applicants to attach/upload their resume or use their LinkedIn profile to auto-fill portions of the online PeopleSoft job application. Talemetry™ is a certified Oracle partner product.
- Planning began for an upgrade of the Human Capital Management toolset/application from version 9.1 to 9.2.

Project Management

The Project Management Office (PMO) currently employs 14 project managers, including 12 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 team collaboration site utilizing SharePoint.
- Participating in the redesign of contract and RFP templates with State Procurement.
- Updating the ITD project plans/schedules to incorporate lessons learned.
- Redesigned the cost estimating for project management services.
- Designing a Service Level Agreement for project management services.

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. Through reporting processes established to monitor these projects, the following project statistics are available. During the past fiscal year:

- State agencies completed five IT projects with individual budgets in excess of $250,000 and a total budget of $13,434,994.
- Four of the five 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 +$802,211 or 6.0 percent under budget.
- Three of the five projects were completed on or ahead of schedule.
- Two projects exceeded the 20% negative variance threshold.
- No projects were terminated.
- Information Technology Department project managers managed, or co-managed, two of the five major Information Technology projects with a total budget of $2,150,349.

Software Development

The "Power of IT" provides a truck driver in rural North Dakota the ability to quickly self-issue an electronic permit and expediently move their oversized/overweight load through state and federal roads. The "Power of IT" places valuable information, video, and audio feeds of the North Dakota Legislative Assembly in the palm of a citizen's hand. This better promotes citizen engagement and participation in the law-making process. These are just a few examples of the many ways the Software Development Division has assisted state agencies with releasing the "Power of IT" to meet their agency mission and better serve the citizens of North Dakota.

Mobile Development Strategy

With the continued growth and utilization of mobile technologies, the importance of establishing a well-defined mobile strategy has become a critical necessity for business. The increasing demand for mobile access to services and information is shaping the customer's expectations when interacting with government, and is

Doran Eberle, Director of Software Development

changing how business itself functions internally. The Software Development Division is focused on providing leadership and guidance to agencies on how to align themselves with this rapidly changing technology landscape. The foundation of this leadership is built by aligning to the following key mobility focal points:

- Setting Mobile Strategy and Direction – The Software Architecture team is focused on establishing an enterprise knowledgebase on industry practices, approaches to mobile application, and website development.
- Identifying Mobility Needs – The Software Development Division, through its Business Analysis services, can provide assistance in determining when and how mobile technologies can be leveraged to provide additional value and benefits to the agency and their customer base.
- Designing for Mobility – The Web Design team continues to align and incorporate industry best practices and techniques to ensure the broadest range of usability across a wide range of traditional and mobile platforms.
- Implementing Mobile Solutions – When delivering mobile solutions, there are many available approaches in today's rapidly changing mobile landscape. The Software Development Division is positioned to help guide and support agencys in successfully meeting their current and future business goals with the right implementation of mobile technologies.

Software Development Tools

The Software Development Division is moving towards implementing Microsoft's Application Lifecycle Management (ALM) solution for the centralized management of development and testing related activities across all technologies. The Microsoft Team Foundation Server (TFS) is the core of Microsoft's ALM solution, providing a consolidated communication and collaboration platform that will be leveraged throughout the Software Development Division's software development lifecycle. TFS allows a unified tool to be utilized from initial requirement gathering to post-implementation support. The primary objective of implementing an ALM solution is to enable an increased level of team collaboration and traceability throughout the course of software development projects.

Web Application Security

To reduce the security risks associated with web applications, ITD has launched an initiative to assist with the discovery and remediation of known high-risk vulnerabilities. ITD has procured tools to assist with this process and our development staff has begun the assessment portion of this initiative. As vulnerabilities are found and categorized, ITD will work with our customers to remediate the vulnerabilities and establish future assessment schedules.

In a related initiative, ITD has provided several educational training opportunities to our staff to build awareness and help strengthen our design and development best practices in the areas of application security and secure application development. Most recently, two application developers completed coursework specifically focusing on secure coding techniques sponsored by the SANS Institute – a leader in information security training.

Agency Success Stories and Initiatives

Department of Human Services

The Department of Human Services (DHS) and ITD Software Development collaborated on several projects over the past year to address the ever-changing policies and regulations related to the Affordable Care Act (ACA)

and other federal initiatives influencing the healthcare marketplace and healthcare service delivery.

ITD continues to provide ongoing support of the critical applications of the department. These applications are vital to the department and the citizens they serve. Several highlights include:

- ITD continues to support DHS and their prime vendor, Xerox, on the Medicaid Systems Project (MSP). This important project will replace the agency's legacy Medicaid Management Information System (MMIS) and Pharmacy Point-of-Sale (POS) systems. The Software Development Division's focus has been on developing and testing interfaces to existing DHS applications and assisting with the large data conversion effort.
- Preparation for the implementation of the federal Affordable Care Act regulations is currently underway:
  - The first phase of the Eligibility Systems Modernization project is focusing on retrofitting DHS's current Medicaid Eligibility Determination system to comply with the ACA mandates. This will expand Medicaid availability to new groups of citizens not previously eligible as well as allows individuals the ability to enroll in subsidized health insurance plans offered through health insurance exchanges.
  - The Operating Rules project is bringing DHS into compliance with Section 1104 of the Affordable Care Act. This enhancement to the MMIS application implements changes needed to comply with the requirements of the mandated CORE Operating Rules.
- NDVerify is a new web application that provides eligibility workers with intelligent, filtered, and well-organized information from many different state and federal resources. This information assists the worker in determining and verifying eligibility for medical and economic assistance programs. The simplified process will ultimately lead to a higher retention of recipients in their associated programs.
- Change data capture (CDC) is the process of capturing changes made to a data source and applying them to a target data source for other uses, such as data warehousing and analytical reporting efforts. The goal of CDC is to ensure data synchronicity. ITD recently joined with DHS to implement CDC in their Foster Care application. The success of this project has produced a significant reduction in the monthly IT costs associated with the demanding reporting needs of the application.

Information Technology Department

ITD is in the process of rewriting the ITD Billing applications. Currently there are three legacy billing applications running on several different technology platforms. This project involves the rewrite of two of these applications to a more current web-based technology. ITD is looking to gain internal process efficiency as well as provide ITD customers better access to billing information. The Data Processing (DP) application invoices ITD staffing, network, hosting, and several miscellaneous charges. The Telecommunications (TC) application focuses on invoicing phone access, phone features, and long distance services.

North Dakota Highway Patrol

North Dakota Highway Patrol (NDHP) and ITD successfully implemented several projects over the past year. These projects include:

- NDHP's overweight/oversized permitting application (ePermits) was enhanced to interface with the automated routing software procured through ProMiles. This integration provides an automatic determination of the best route to move overweight/oversized loads through the state and federal

roadways. This project went live in June 2013. Statistics for first day of implementation:

- Total permits sold: 489
- Total permits with automated route: 400
- 75% of the automated route permits sold were self-issued, providing significant efficiencies for the trucking companies and HP staff.

- The Receipts application also went into production in March 2013. This application was rewritten from PowerBuilder to a Java EE solution. With the new application, NDHP handles all requests for permit sales including: phone calls, in-person requests, and permits issued by officers in the field. As part of this implementation, changes were made to the ePermits application to provide a mobile-friendly user interface.
- The 'Permitting ND' website, designed to be a portal for county as well as state permitting information, also went live in March 2013. The website was developed in Drupal and allows NDHP staff to maintain and update website content.

ND Legislative Council

ND Legislative Council and ITD implemented new features that allow the public to stay connected and informed about bills, measures, and meetings. The application's bill-searching feature has been enhanced to provide quicker results for any keyword searches. The bill tracking system also provides the ability to receive RSS feeds on bills and measures. In addition, meeting notifications for these bills and measures can be easily added to an Outlook calendar with a click of the mouse.

Criminal Justice Information Sharing (CJIS)

CJIS and ITD worked together to implement a new approach to searching in the CJIS Portal. The new search feature is less structured and more flexible by allowing the user to enter the keyword(s) in free-form format. The new search provides the user with an easy way to filter the expected results. It also positions CJIS for improved searching options, such as Soundex and weighted-rating results.

Computer Systems

This past year's activity included design changes lending to the overall availability for our computer systems. Our data centers received capacity enhancements for power, fire suppression, and cooling systems. Redundancy and high-availability improvements were made to the Oracle and SQL Server enterprise databases. Improvements to our overall disaster recovery designs have been implemented and continue to be a core design for all applications.

Audit recommendations are advising the increased use of encryption for data and we have made improvements in many systems including our mobile environments, such as laptops and smartphones, which is where the majority of vulnerabilities exist. We are continuing the process of upgrading systems to encrypt data at rest and data in transit.

Our staff requires up-to-date knowledge to work with the latest languages and operating systems. We have and will continue to invest in staff education to help ensure our skills will allow agencies to keep their

L. Dean Glatt, Director of Computer Systems

applications running smoothly. When an application has an issue we need to bring it back to life in short order. We do this through knowledge obtained during training opportunities provided by classes and industry conferences. This knowledge directly benefits hosted applications for all agencies. Likewise, there continues to be waves of innovation and vendor acquisitions that will change the Information Technology landscape. Ongoing staff education in these areas is vital to successfully deploying this new and upgraded vendor software.

Cloud Strategy

We are continuously challenged to create efficiencies for state government while staying within budget. Thus cloud computing, with all its benefits, makes a convincing case for adoption. The vendor models are living up to their expectations. ITD, through our existing standardized platforms and applications, is in a good position to eventually migrate applications into the cloud systems. There is little question about cloud computing's potential to drive efficiency and lower costs.

Given the nature and sensitivity of the data we host, we are always watchful of the risks and regulations around security and privacy, especially as it relates to data in the cloud. The types of data and workloads (applications) that will be selected to operate in the cloud have a lot to do with successful use of the cloud.

An enterprise approach to cloud usage is necessary to realize the efficiencies and cost savings that can be had from the cloud. Workloads that require little or

no customization are prime candidates for cloud deployment. Opposite to the popular idea of the ease of cloud usage, complex workloads raise the risk associated with cloud deployment.

Strategy to the Cloud

Over the last 10 years ITD has consolidated computing environments in state government with advanced computing systems, designs, and skillsets that directly benefit all of state government. Consolidated computing has created benefits for all agencies:

- Standardized Windows, Linux, and mainframe systems - including virtualization.
- Managed security directories and schemes consistent among all agencies – including change and access controls.
- Internet naming standards - providing smooth transition for users navigating state government web sites.
- Highly-available designs for systems and databases - complex and costly for individual entities to assume each on their own.
- Highly-available network, power and cooling designs, and redundant components reduce the risk of outage.
- Standardized disaster recovery methods – allows for a planned approach to system recovery across all entities.
- Pools of IT skillsets to troubleshoot application bugs and issues – ITD supports nearly 1,000 different types of computing systems, tools, languages, and software versions.

Cloud computing is the next step to allow all agencies to benefit from a common design. Security, naming, and integration between agency applications are just some of the items that need a cohesive and common design to utilize the cloud correctly. Use of the cloud in and of itself doesn't constitute innovation or efficiencies - commonality within the applications deployed within it are crucial to realizing its benefits.

Consolidated computing is a crucial first step into managing ND government's cloud system. If consolidation didn't happen locally, it would not happen in an orderly manner in the cloud. Cloud computing will significantly alter the IT landscape for state government. Upcoming efforts will require ITD to act as a cloud broker on behalf of all entities. Consolidated efforts to utilize the cloud require contracts, terms and conditions, and a barrage of other legal efforts to ensure service level agreements, costs, and contracts are correctly managed. Advanced IT skillsets will continue to be in demand as the complexity for integration will increase.

Active Directory Objects

33,983
Users

10,671
Groups

14,655
Computers

Consolidated File & Print Support

1,425
Printers

1,055
Shares

66.1
Terabytes

Daily Email Activity (Averages)

1.09 Million
Inbound Messages

92%
Percent of Messages Removed by SPAM Filter

87,000
Inbound "Clean" Messages

Server Operating Systems

Physical	
Windows	102
Linux	25
Totals	127
Virtual	
Windows	964
Linux	213
AIX	172
MF/z-series	5
AS400/i-series	11
Totals	1,365
93% Virtualization	

Enterprise Databases

	Applications	Tables	GB
SQL Server	1,013	344,769	6,622
Oracle	936	98,000	8,657
ADABAS	96	514	182
DB2	493	14,810	943
MySQL	71	8,744	8
Totals	2,609	466,837	16,412

Network Services

STAGEnet

This past year the core backbone for North Dakota Statewide Technology Access for Government and Education Network, known as STAGEnet, was upgraded to meet the ongoing business requirements of government and education. Virtually every IT initiative for both government and education is dependent upon a feature-rich and reliable network. As government and education continues to embark upon various IT initiatives, such as consolidation of IT services, exploration and migration to cloud service, and enabling a mobile workforce, a solid network foundation is critical. The goals of the upgrade were quite simple. The first was to streamline and simplify the network design to improve responsiveness in supporting the ever-evolving and changing requirements of the user community. The second was to provide for capacity and performance to support the continual growth and utilization of the network. Those goals were achieved whereby the Network Services division is able to respond rapidly to new business requirements as well as providing for capacity for current and future needs.

Duane Schell, Director of Network Services

Voice Communications

The division has largely completed a multi-year effort to upgrade and modernize the voice communications solution utilized by state government. State government relies heavily on voice communications for efficient operations as well as constituent interaction. The modern system provides a reliable and robust solution that will continue to meet the business needs of state government moving forward. The modern solution also provides for a much tighter integration into a variety of collaboration tools and technologies as well as providing for a more positive experience empowering the mobile worker. The platform provides government workers with an intuitive and efficient technology solution to enhance and improve communications and collaboration not only among themselves, but also with external constituents and business partners.

Public Safety

A number of public safety officials have been quoted to say that radio communications is quite possibly the most important tool they have in performing their mission critical role. This past year the division supported the Department of Emergency Services in upgrading the state radio network and infrastructure. As part of the upgrade,

the solution is now utilizing an IP-based network to support the connectivity and internal communications of the system. By relying on an IP network the system is able to utilize a more robust network design providing for a higher level of redundancy. This higher level of redundancy will improve the reliability of this mission critical function provided by the Department of Emergency Services.

Consolidation of Video Services

Video technologies have been utilized to augment the educational opportunities for both K-12 and higher education for well over a decade. During that time, the division has partnered with higher education to deliver that service to students across the state. During the past year an analysis was conducted exploring the possibility of merging the infrastructure required to support video services for K-12 and higher education. Based on that analysis, the decision was made to proceed with a merger of infrastructure and staffing resources. The division is actively working on those efforts and will continue throughout the current year. This initiative will provide for a more consistent and integrated video solution across the entire education community and result in a more efficient utilization of the infrastructure required to support the distance education needs of the state.

Security Enhancement

The division actively participates in the overall Information Technology security of the users and the information assets that exist on STAGEnet. This past year multiple steps were taken to augment the security posture provided by STAGEnet. Those efforts include investment in and implementation of next generation firewall solutions, as well as improvements to the intrusion detection and prevention systems that exist on the network. This effort contributed to improving the overall security posture of the network and improving the division's ability to prevent and detect against an ever-evolving array of targeted and persistent advanced attacks.

Mobility

The smartphone has become an extremely popular technology solution for the mobile government workforce. In an effort to augment the ability to manage and support those devices, a new management solution was implemented. This solution provides for the ability to provision those devices more rapidly and provides for an improved ability to manage and support those devices throughout their lifecycle. Ultimately, the solution helps ensure that the devices that are designed to empower the mobile workforce, improving their efficiency and effectiveness, are managed in a similar manner.

Statistics

99.999%
Internet Availability

9,417,525
Long Distance Minutes

174
Fiber Sites

355
Ethernet Circuits

285
Broadband Connections

814
STAGEnet Sites

9,527
Phones Supported

661
Wireless Access Points

33,853
Video Events Supported

656
Video Endpoints

5 Gigabytes
Max Internet Volume

574
Government Smart Phones

Human Resources

Change brings about challenges as well as new opportunities for collaboration. As ITD experiences change in any format, the HR division must also strategically change in order to continue to meet business needs. We find this is best achieved by working closely as a team to meet our challenges head on, and consistently working to align HR strategies to overall business objectives.

Statewide HR Initiatives

The state implemented the Hay System statewide for classification and compensation in 2012. ITD continues to serve with a representative on the Job Evaluation Committee along with other HR representatives and personnel from HRMS to consider classification issues and new classifications. ITD is appreciative of the state's change to such a highly reputable system and remains excited about the ability to have more accurate salary trending results.

Shelly Miller, Director of Human Resources

ITD continues to work towards increased consistency in our utilization of the talent management module of PeopleSoft for our annual performance evaluations. Now that the Talent Management module has been implemented across the state, the focus has shifted to working on the implementation of the Recruiting Solutions module. It is an online job application system posting State jobs and allowing internal (state employees) and external (the public) users to apply for state jobs. The implementation of this module is especially important to ITD, not only for the efficiencies it will create but also in the perception made to IT applicants by the ability to submit their information electronically.

Training and Development

ITD is fully committed to ensuring that employees have the relevant knowledge, skills, and expertise to perform their work to consistently high standards and to achieve their full potential. We recognize that the training and the development of our staff is fundamental to the improvement of our operational performance and the achievement of our strategy and goals. Thus, ITD strives to make training and development an integral part of our operations and it is our goal to provide training and development opportunities that: enhance individual and collective team capabilities and competencies; build and retain a skilled and effective workforce; improve organizational performance; and maintain professional proficiency.

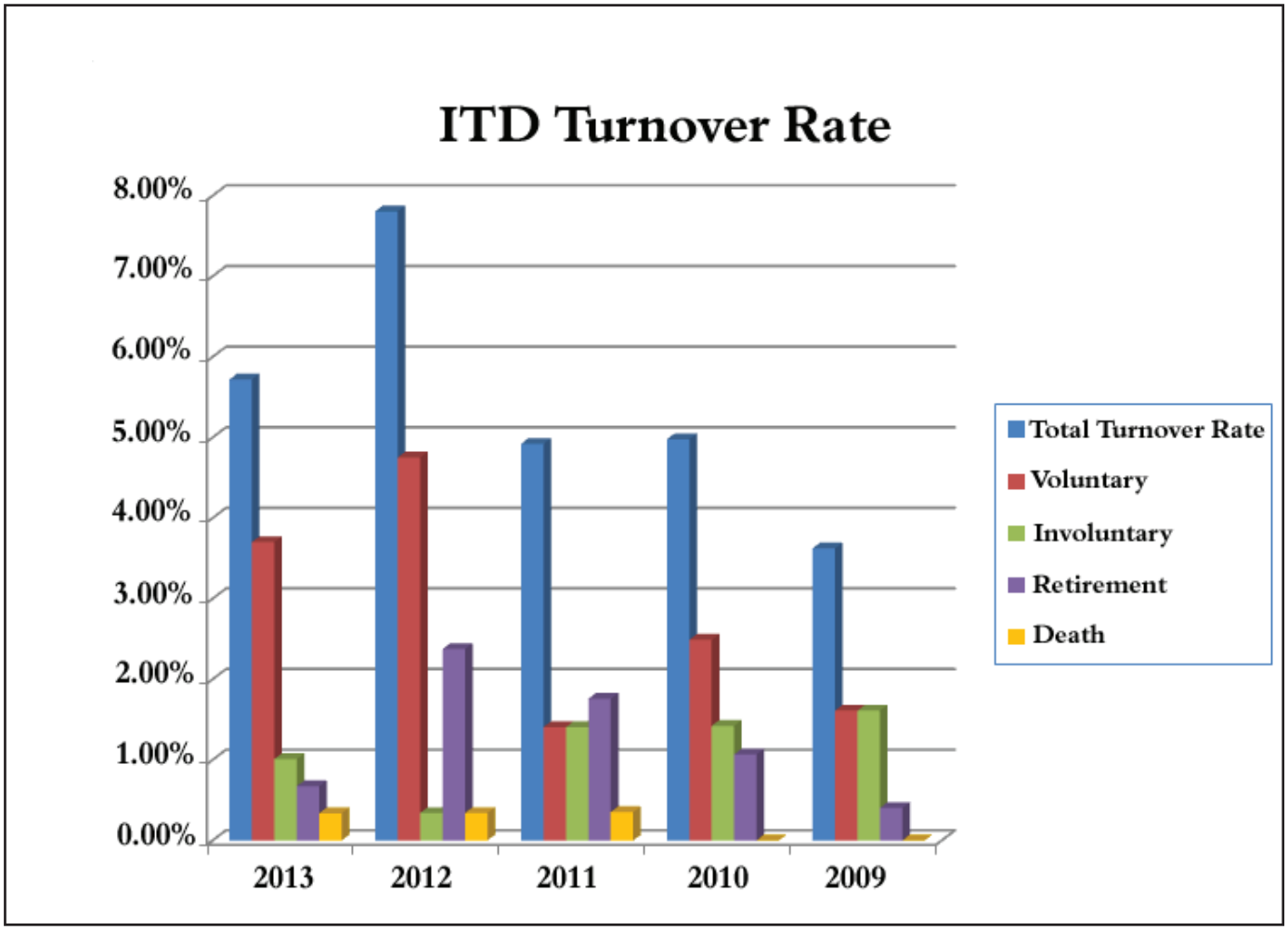
ITD is also committed to fostering an environment that encourages individuals to seek opportunities for professional growth and enrichment, as well as encourages supervisors and employees to identify education training and development opportunities that will improve job performance and develop employee potential in current or prospective positions. To that end, it is a collaborative effort between employees and management to identify relevant training. Through this effort, ITD works to allow employees the freedom to flourish and to optimize their talents. Because that's when people find meaning in their work; when they stop watching the clock; when they start engaging and embracing their role in moving the organization forward.

This area also illustrates an HR initiative for the 2013-2015 biennium on ITD's balanced scorecard. Employees have requested clarification in regards to career-path options within ITD. In other words, what options are available and what are the requirements to achieve each option. HR has worked with the policy committee to provide clarity through a revised policy on training and development. Also planned over the next year is a document on ITD's intranet illustrating the minimum qualifications required for each classification used in ITD and a listing of potential training resources available.

Recruitment

This remains a large commitment in regards to the time and efforts focused in this area, which is likely to continue in the coming years due to the increasingly tight IT market. ITD now has 340.3 FTEs (full time equivalents), and four temporary employees. ITD also augments its staff with contractors. For this reporting period, ITD has hired 41 new employees in addition to a number of internal movements. Following are ITD's recruitment statistics for both FTEs and contractors:

2012 ITD Position Statistics		2012 Contract Resources	
45	Different requistions/positions	**20**	Work orders
156	Interviews	**90**	Interviews
47	Offers	**44**	Contract Offers
41	Acceptances	**32**	Acceptances
13.31	Average size of applicant pool	**22**	Arrived on-site
56.60%	Average amount of qualified applicants		



Also affecting recruitment is ITD's turnover rate, which remains low at 5.72%, with a goal of below 6%, while the state average is 11%. Total turnover is comprised of resignations, retirements, involuntary terminations, and death. Thus, in an effort to provide further analysis regarding ITD's turnover rate, HR started reporting it by category. This has allows ITD divisions to take a more realistic look at turnover and has highlighted areas that are truly not concerning but may have previously been perceived as a concern. As illustrated by the chart, retirement has been a constant component to the total turnover and in looking at the potential retirements coming up; it will remain a constant component.

ITD is a service organization, and as such, we "sell" the knowledge and skills of our employees, our most valuable asset. Therefore, it behooves us to place a significant focus on retention efforts such as providing 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.

Compensation and Benefits

ITD's policy committee revised ITD's compensation policy in order to provide additional clarification as well as align more closely to the Hay Group's compensation theory. As an employer we believe it is in the best interest of both our organization and our employees to fairly compensate our workforce for the value of the work provided. ITD's goal is a compensation program, in alignment with the state's compensation philosophy (N.D.C.C. 54-44.3-01.2) that is designed to support ITD's mission and values, while also attracting, motivating, and retaining ITD's most significant asset, our employees.

As previously stated, ITD is excited to acquire consistent and accurate salary trends through the Hay Group. This was previously difficult to acquire as many organizations preferred not to share this information directly with ITD, but were willing to share with the Hay Group. The previous method was also not an accurate measurement of the true market (where you lose employees to and where you get employees from). Therefore, ITD anxiously awaits the results of the next salary survey update scheduled for 2014 and the continued trending results we will receive.

Due to a number of reasons, ITD made a major move in the FLSA classification status to the majority of ITD employees from nonexempt to exempt in October 2012. Under the Fair Labor Standards Act, an employer can always provide more benefit than required, but not less. Previous to this change, ITD paid overtime to most of its employees. However, research showed that in the workforce, most IT employees are typically classified as exempt (from overtime). This is logical with how "connected" employees are, especially IT employees, causing a blur at times in working hours. This change

required a lot of up-front communication with employees as ITD management listened to their thoughts and concerns. Overall, we feel this change is the right move for ITD.

Employee Relations

ITD HR continues to be service oriented as we work collaboratively with the various divisions to help achieve their business objectives in addition to serving ITD employees. As such, a strong focus is maintained on employee relations with various activities and initiatives such as our Employee Satisfaction Survey, cultural improvement events, monthly lunch meetings with ITD Managers, and personal "Meet and Greets" with each work unit within ITD.

The "Meet and Greets", scheduled on an annual basis, allow the CIO, the Deputy CIO, and the HR Director to personally 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 acquire 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. Many employees have also mentioned how nice it is to have the face-to-face time with ITD Executive Management.

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 strategies 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.

Administration

The Information Technology Department operates as an internal service fund. ITD tracks and monitors the expense of each service in cost centers and adjusts rates accordingly. 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 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. 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.

Dan Sipes, Director of Administrative Services

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's Security Framework centers around four core processes – Assess, Protect, Detect, and Respond – focused on four core security areas – Network security, Host security, Application security, and User security.

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.

Independent assessments of ITD's security policies and processes include, but are not limited to, 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.

The latest audit by the external security consultant was completed in September of 2012.

Raising the security posture of state network and state computing resources has been a focus over the past year. Related initiatives include the following:

- Initiating a multi-factor authentication project for systems that require advanced authentication
- Expanding the use of intrusion prevention and detection systems along with associated security correlation appliances.
- Expanding our proactive security scanning to include scanning of critical web applications.
- Providing solutions for agencies who require encryption of data at rest for critical data.

Contingency Planning

ITD's operates a second data center with a focus on minimizing data loss and providing a range of recovery options to customers in the event of a disaster. Minimizing data loss 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 continues to work 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 and a growing contingency planning awareness in state agencies, we are coordinating with more agencies as they review their Continuum of Government/Continuum of Operations posture related to disaster scenarios. Over the past year ITD has worked in partnership with select agencies to make additional investments to improve the RTO for critical business functions.

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.

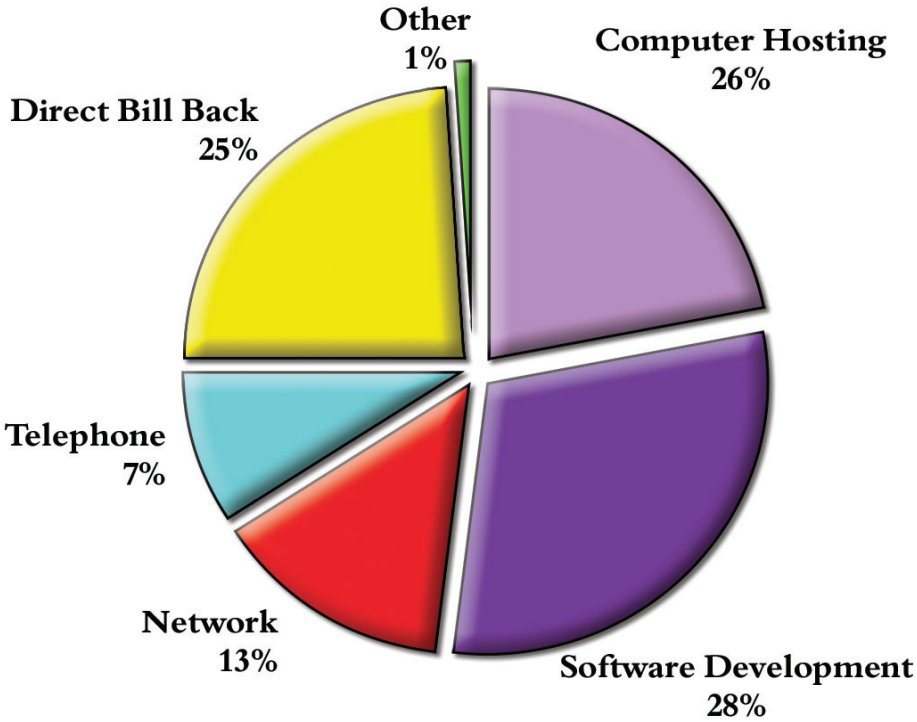
ITD has implemented records management programs in 94 state and local government agencies, higher education institutions, boards, and commissions. Last year state agencies, local government offices, and higher education institutions disposed of 29,552 cubic feet of records that satisfied their retention requirements. This savings in storage space, equipment, and related salaries resulted in a cost avoidance of $8,600,403. For the entities reporting a volume of electronic records, 3,065 GB were disposed for a cost avoidance of $1,931.

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 Service

Fiscal Year 2013

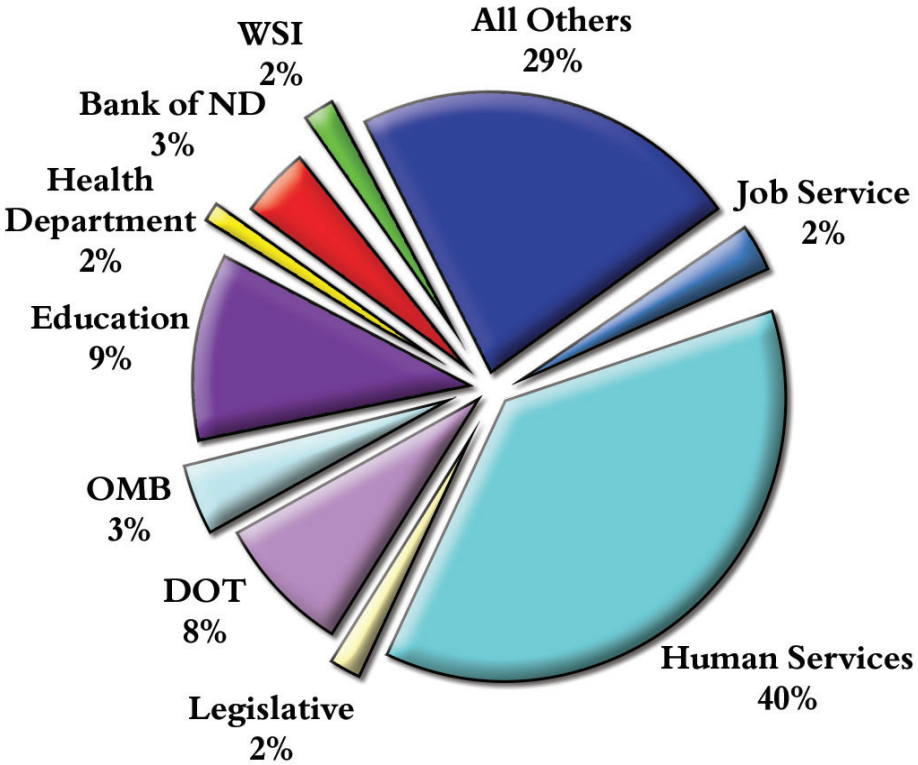
Total Billing: $57,662,206



ITD Revenue By Department

Fiscal Year 2013

Total Billing: $57,662,206



Rates and Trends

The Information Technology Department (ITD) generates revenues by providing 114 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.

Central Computer CPU Rates (per second)

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Batch CPU	**$ .64**	$ .69	$ 2.25	n/a
CICS CPU	**$ .64**	$ .69	$ 1.46	n/a
ADABAS CPU	**$ .64**	$ .69	$ .97	n/a
TSO CPU	**$. 64**	$ .69	$ 2.45	n/a

SD also charges $.05 per 1000 I/Os.

MN uses service units to bill rather than CPU seconds because they run three different processors.

Network Fees

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Technology Fee	**$ 49.50**	$ 56.00	$51.15	$ 50.00
LAN Administrative Fee	**n/a**	Included	$ 111.07 per hour	$ 105.00
Access/Information/ Enterprise Mgt. Fee	**Included**	$ 57.75	n/a	$ 85.00
DSL Service	**Cost + $175/5mb**	Actual Cost	Actual Cost	Cost + 15%
ETS-5 (5mbps bandwidth)	**$ 765.00**	Actual Cost	Acutal Cost	$220 + circuit

Telephone Fees

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
Telephone Line	**$ 24.00 - VoIP**	$ 22.00 - Analog	$ 26.96 - 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	$ 5.20	n/a
Additional Minutes	**n/a**	n/a	$ 2.52	n/a

Long Distance

	North Dakota ITD	South Dakota BIT	Montana ITSD	Minnesota OET
In-State	**$.06**	$ .06	$ .073	$ .049
Out-of-State	**$.06**	$ .07	$ .073	$ .065
800 Service	**$.07**	$ .07	$ .102	$ .080

Software Development Rate Comparison

Entity	Location	Billing Rate/Hour of Service
Information Technology Department	**State of North Dakota**	**$ 69 - $ 99**
Applied Engineering	Bismarck, ND	$ 88 - $ 102
Nexus Innovations	Bismarck, ND	$ 94 - $ 140
Eide Bailly	Bismarck, ND	$ 90 - $ 165
Agency Mabu	Bismarck, ND	$ 75 - $ 80
Connvertex	Sandy, UT	$ 100 - $ 130
Bpro, Inc	Pierre, SD	$ 55 - $ 75
Integration Architects	Minneapolis, MN	$ 90 - $ 125
QA Technologies	Omaha, NE	$ 88 - $ 95
Seven Seas Technologies	Chesterfield, MO	$ 88 - $ 103
TEK Systems	Atlanta, GA	$ 88 - $ 103

ITD Service Rate Trends

Software Developer

Service Rates	July 2013	July 2012	July 2011	July 2010
Software Developer	$ 69 - $ 99	$ 67 - $ 89	$ 67 - $ 86	$ 63 - $ 75

Central Computer CPU

Service Rates	July 2013	July 2012	July 2011	July 2010
Batch CPU	$ .64	$ .62	$ .74	$ 1.07
CICS CPU	$ .64	$ .62	$ .74	$ 1.07
ADABAS CPU	$ .64	$ .62	$ .84	$ 1.17
TSO CPU	$ .64	$ .62	$ .74	$ 1.07

Network Fees

Service Rates	July 2013	July 2012	July 2011	July 2010
Technology Fee	$ 49.50	$ 49.00	$ 49.00	$ 43.50
ETS-5 *	$ 765.00	$ 765.00	$ 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 2013	July 2012	July 2011	July 2010
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 2013	July 2012	July 2011	July 2010
In-State	$ .06	$ .07	$ .07	$ .07
Out-of-State	$ .06	$ .07	$ .07	$ .07
800 Service	$ .07	$ .07	$ .07	$ .07

Strategic Planning & Performance Measures

Measurement	Baseline (Previous Years)	Current (June 2013)	Target
Acceptable Level of Total Net Assets	2010 – 2.4 2011 – 1.7 2012 – 2.1	2013 – 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 2013)	Target
Percentage of ITD Rates Reported in Annual Report That Are Competitive	2010 – 100% 2011 – 100% 2012 – 100%	2013 – 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	2011	2012	2013	Target
Service Requests	36,871	40,949	43,131	MONITOR
Incidents	63,795	67,598	66,463	

SCORECARD PERSPECTIVE: CUSTOMER. 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 80,405 of the requests/incidents. Ninety 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
	2011	2012	2013	
Value	80.4%	84.6%	83.1%	92%
Timeliness	87.5%	79.1%	83.6%	97%
Quality	94.6%	89.6%	88.3%	97%
Knowledge	96.4%	92.5%	93.3%	98%
Professionalism & Courtesy	100%	97.0%	98.4%	100%

SCORECARD PERSPECTIVE: CUSTOMER. Each year, executives and business professionals were invited to join IT coordinators in completing ITD's Annual Customer Survey. As a result, 61 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 2013)	Target
Employee Satisfaction Index	2010/2011 – 2.21	2012/2013 – 2.20	>or = 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 2013)	Target
Total Employee Turnover	2011 – 4.9% 2012 – 6.9%	2013 – 5.72%	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 2013)	Target
Percentage of Service Levels Met	2012 – TBD	2013 – 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 2013)	Target
Percent of Strategic Business Plan Objectives Completed or On Schedule	2011 – 66% 2012 – 49%	2013 – 39%	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, 2012 & 2011

	FY 2012		FY 2011	
ASSETS				
CURRENT ASSETS:				
Cash Deposits at BND	7,680,592		6,025,344	
Restricted Cash	0		0	
Intergovernmental Receivables	122,223		197,418	
Accounts Receivable	192,346		245,151	
Due From Other Funds	4,966,963		4,600,796	
Prepaid Items	1,416,493		2,044,594	
Deferred Bond Issuance Costs	19,948		0	
TOTAL CURRENT ASSETS		14,398,566		13,113,303
NON-CURRENT ASSETS:				
Unamortized Bond Issuance Costs	0		26,597	
Capital Assets:				
Building & Equipment - Net	10,954,318		11,234,851	
Total Non-current Assets		10,954,318		11,261,448
TOTAL ASSETS		25,352,884		24,374,751
LIABILITIES				
CURRENT LIABILITIES:				
Accrued Payroll	1,891,261		1,666,747	
Accounts Payable	1,230,540		925,626	
Intergovernmental Payable	696		583	
Due to Other Funds	25,474		32,988	
Compensated Absences Payable	0		83,744	
Bonds Payable	0		710,658	
TOTAL CURRENT LIABILITIES		3,147,971		3,420,346
NON-CURRENT LIABILITIES:				
Compensated Absences Payable	1,811,191		1,555,084	
Bonds Payable	1,530,222		1,530,222	
TOTAL NON-CURRENT LIABILITIES		3,341,413		3,085,3062
TOTAL LIABILITIES		6,489,385		6,505,652
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	10,954,318		11,234,850	
Unrestricted	7,909,181		6,634,249	
TOTAL NET ASSETS		18,863,498		17,869,099
TOTAL LIABILITIES & NET ASSETS		25,352,883		24,374,751

Financial Statements

Statement of Revenues, Expenses and Changes in Fund Net Assets for years ending June 30, 2012 & 2011

	FY 2012		FY 2011	
OPERATING REVENUE:				
Sales and Services		53,268,446		49,841,497
OPERATING EXPENSES:				
Salaries and Benefits	22,029,781		20,108,001	
Operating	25,270,564		21,848,028	
Depreciation	4,900,782		5,383,099	
TOTAL OPERATING EXPENSES		52,201,126		47,339,128
OPERATING INCOME (LOSS)		1,067,319		2,502,369
NON-OPERATING REVENUES (EXPENSES):				
Interest and Investment Income	0		7,449	
Interest Expense	(89,028)		(296,376)	
Loss on Sale of Capital Assets				
Other	16,108		16,108	
TOTAL NON-OPERATING REVENUE (EXPENSES)		(72,920)		(272,819)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		994,400		2,229,550
TOTAL NET ASSETS - BEGINNING OF YEAR		17,869,099		15,639,549
TOTAL NET ASSETS - END OF YEAR		18,863,499		17,869,099

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

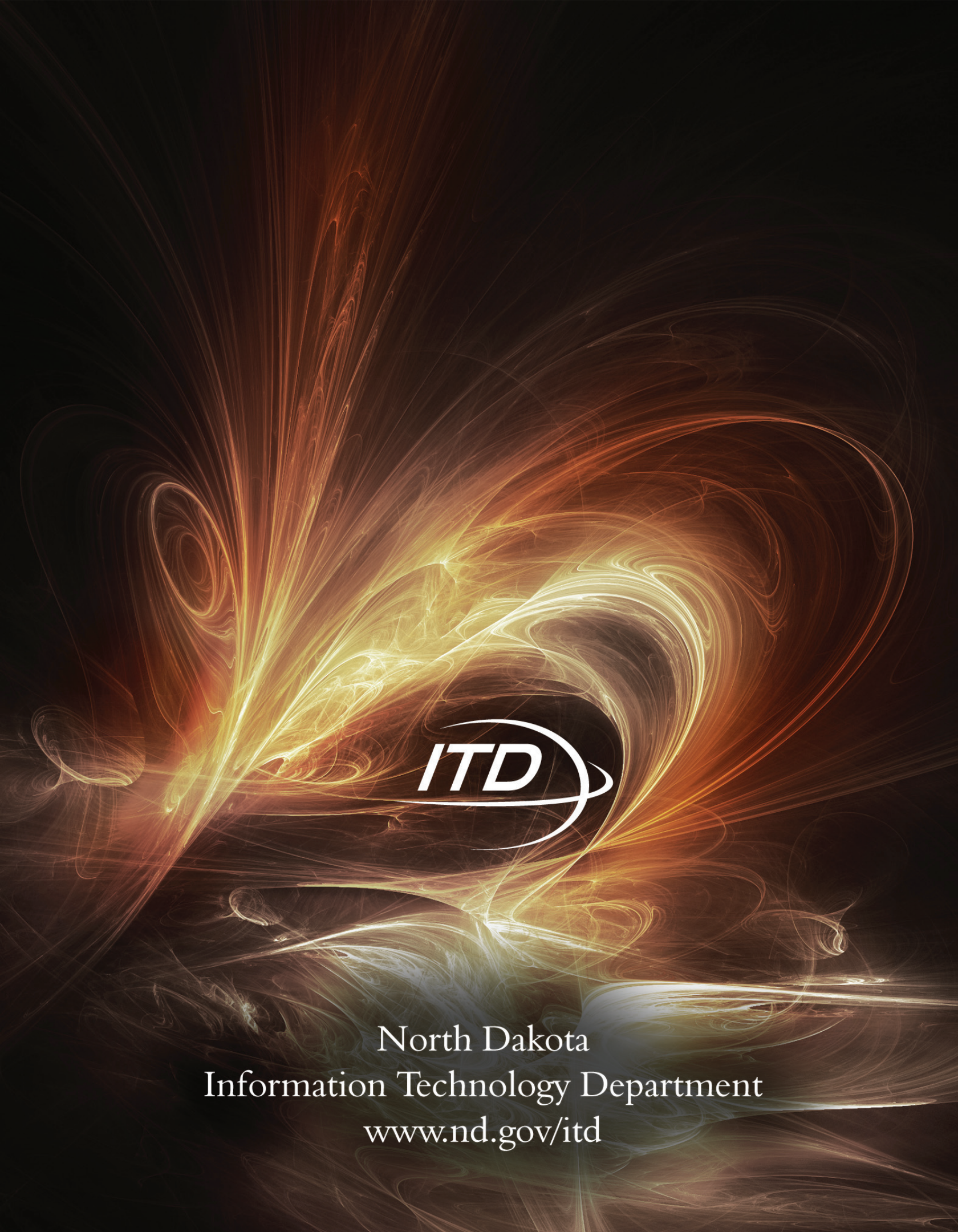
We believe customers are our business, so we hold ourselves accountable for a positive and professional customer experience.

Website & Additional Information

North Dakota State Portal
www.nd.gov

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

Information Technology Department's
Annual Report can be viewed by visiting
www.nd.gov/itd/publications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Information Technology Department
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