ANNUAL REPORT

2022-2023

Empower People, Improve Lives, Inspire Success.

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OUR LEGACY—OUR VISION—OUR FUTURE

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Chief Information Officer

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Executive Summary from CIO and Deputy CIO

In reflecting upon the legacy of NDIT, it's imperative to acknowledge the transformative journey we've undertaken over the past decade. Our legacy is not merely a collection of technological milestones; it's a narrative of evolution, resilience, and a relentless pursuit of excellence. Over the years, NDIT continues to transition from being a reliable service provider to strategic partners, shaping the technology landscape of North Dakota.

As we glance back at our journey, the legacy is palpable – a legacy marked by the successful navigation of challenges, the establishment of trusted operations, and the continuous strive for innovation. In the last decade, we've honed our services, ensuring that technology not only supports but enables the core objectives of the state. This legacy is the foundation upon which we stand today, a testament to the dedication of our teams and the foresight of our leadership.

Our vision for the future is ambitious yet rooted in a profound understanding of our organizational identity. We envision a future where IT is not just a facilitator but a catalyst for positive change. Partnership is the cornerstone of our approach, guiding us to solve problems not in isolation but as integral parts of the broader organizational tapestry. The future we aspire to is one where IT seamlessly aligns with the strategic goals of North Dakota, anticipating needs, adapting swiftly, and building solutions that transcend expectations.

The journey from our past is one of continuous evolution. It involves redefining our role from trusted operators to innovators, from order-takers to strategic partners. We are committed to building on our legacy, leveraging it as a springboard to propel us into the future. Collaborative business analysis, journey mapping, and predictive adaptability are not just strategies; they are the tools that will shape our future narrative.

This annual report unfolds as a narrative of our legacy, our vision, and the steps we are taking to bridge the gap between the two. It's a story of resilience, adaptability, and a relentless pursuit of excellence. As we delve into the report, let it serve as a guide through the corridors of our past, the landscapes of our present, and the horizons of our future. Together, we are not just navigating change; we are architecting a future where technology is an enabler of North Dakota's success. Welcome to the journey.

OUR VISION

As NDIT readies itself for the future, our vision is a deliberate commitment to shape North Dakota's Technological landscape through the strategic pillars of Frictionless Experience, Provide Business Insights, Strengthen Operational Rhythm, Optimize Financial and Process Discipline, and a People-First Culture. This vision is a pledge to refine our identity and amplify our impact to our partners.

In the years ahead, we foresee a paradigm shift where technology transcends its role as a support system to become an integral force propelling the state toward enabling our partners to provide the Best Government Experience.

Our future envisions a strategic partnership between IT and broader government goals. It's a future where IT solutions are not mere responses but proactive catalysts for positive change. We are charting a course toward a future where IT seamlessly aligns with the dynamic needs of North Dakota, fostering anticipation, adaptability, and solutions that surpass expectations.

Here's how we are navigating this journey:

**EMPOWER PEOPLE, IMPROVE LIVES, INSPIRE SUCCESS**

Frictionless Experience

Recognizing the need to eliminate barriers for our partners, we prioritize creating a seamless and intuitive experience. This strategic pillar ensures that technology is not a hindrance but an enabler, allowing employees and citizens to interact with IT effortlessly.

Provide Business Insights

Our commitment to understanding the business goes beyond surface-level requirements. Through collaborative efforts and strategic analysis, we delve deep into the motivations and challenges of our partners. This pillar ensures that our IT initiatives align precisely with the expectations and strategic objectives of the organization.
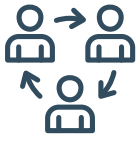
Strengthen Operational Rhythm

This pillar ensures our operations are not just reactive responses but proactive contributions to positive change. It transforms IT from a service provider to a strategic partner with a synchronized and impactful operational rhythm.

Optimize Financial and Process Discipline

Ensuring cost efficiency and process optimization are paramount. This pillar guides us in continuously optimizing our operations without compromising quality. It ensures our financial and process disciplines are aligned with the broader organizational goals.

People First Culture

Building trust is at the core of our vision, and this pillar underscores the importance of a people-first culture. As we excel in meeting the needs of our business partners, we pave the way for increased satisfaction, fostering collaborative relationships. This pillar positions IT as a key enabler of the organization's success.

In essence, our dedication lies in forging enduring relationships and crafting an IT landscape that anticipates, adapts, and becomes a driving force for the organization's success. Central to this vision is the enablement of our partners, ensuring they have the tools and support needed to deliver the Best Government Experience. This isn't just a future vision; it's a commitment to redefining the very fabric of North Dakota's technological evolution.

OUR FUTURE

Embracing a bold organizational transformation, NDIT envisions a future where every interaction is characterized by a profound customer-centric focus. Placing employees and citizens at the core, our aim is to orchestrate a frictionless and trusted experience for all. The journey extends beyond mere transactions; it's about weaving enduring relationships.

In our pursuit of excellence, we are not only transforming service delivery; we're undergoing a metamorphosis from a commodity-focused entity to proactive business partners. Security is not an afterthought; it's ingrained in our DNA. Our commitment to Whole-of-State Cybersecurity involves engaging local constituents, raising awareness through tabletop exercises, and implementing robust vulnerability management. The goal is clear – a secure and resilient North Dakota.

Looking to the horizon, we see a shift in the very fabric of citizen interactions. Understanding how citizens utilize our partners' services is at the heart of our consumer-centric approach. Our aspiration is not just to meet but to exceed expectations, creating a seamless and frictionless interaction with citizens through the convergence of digital and physical realms.

In navigating the landscape of trends and challenges, NDIT is pivoting toward business-centric IT operations, aligning technology with broader organizational goals. Our journey is marked by agility and innovation, where we embrace trends that allow us to adapt effectively to evolving technological landscapes. Cost efficiency is not a compromise on quality but a continuous pursuit of optimization. Addressing challenges in integrating emerging technologies within IT operations is not a distant goal; it's a journey we're committed to walking.

As we set our sights on forthcoming projects, NDIT is not merely aiming to enable an overall story; we're architecting it. Process optimization, reduction of technical debt, and the transition to cloud solutions are not just initiatives; they are keystones in building a future-ready organization. People and workforce empowerment are not abstract concepts; they are the pillars of our cultural transformation, ensuring adaptability and continuous development.

In the realm of artificial intelligence (AI), NDIT is not just fostering stakeholder education; we're igniting a revolution. Our workforce is preparing for the future; it's also shaping it by leveraging AI to transition mundane tasks into opportunities for innovation.

As we embark on this transformative journey, NDIT is not just redefining government operations; we're creating an ecosystem where innovation thrives, resilience is second nature, and North Dakota stands as a beacon of technological prowess. Welcome to the unfolding chapters.

PERFORMANCE MANAGEMENT 2022-2023

Mature HR practices and a well-thought-out workforce development strategy are key to recruiting and retaining talented staff in a competitive economy. This is especially true for IT, where specialties like cybersecurity have a zero percent unemployment rate.

Turnover by year


Turnover July 2022 - June 2023
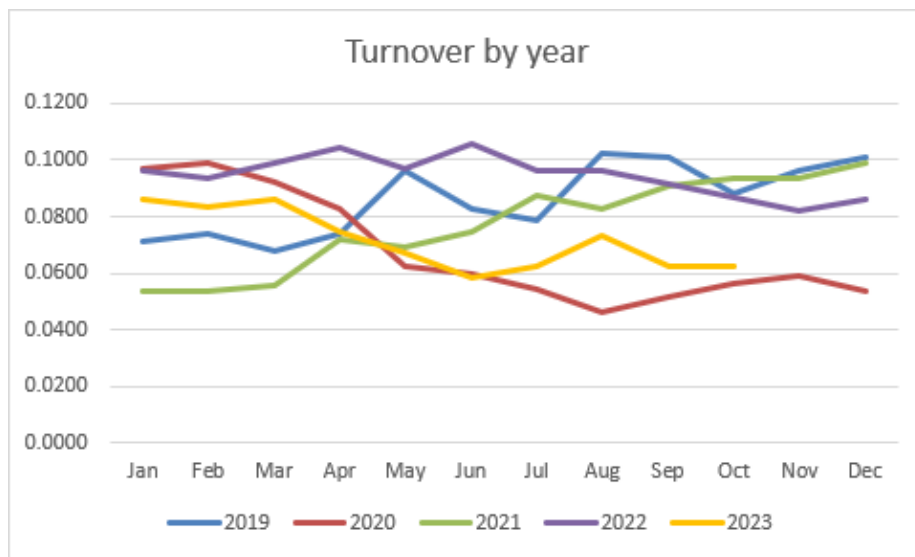
RECORDS MANAGEMENT 2022-2023

Records Management programs have been implemented in **105** state and local government agencies, higher education institutions, boards, and commissions. Last year, with **58%** reporting, state agencies, local government offices, and higher education institutions disposed of **11,832** cubic feet of records that satisfied their retention requirements. This savings in storage space, equipment, and related salaries resulted in a cost avoidance of **$4,544,340.59.** For the entities reporting a volume of electronic records, **37 TB** were disposed for a cost avoidance of **$45,983.05**.

The Records Management staff 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 provide guidance on records management best practices.

Highlights from the past year include:

- Implementation of House Bill 1528 (Amendments to NDCC 54-46 Records Management) relating to the final disposition of records, mandatory records retention policies, and the administration of employee accounts for supervisors and above upon unexpected employee departure from an agency

- Enhancements to the Records Management System (RMS) and Records Management website to better service users

- Onboarding of the JotForm tool for data collection to provide modernized options for state forms

- Establishment of quarterly training and education opportunities for Records Coordinators
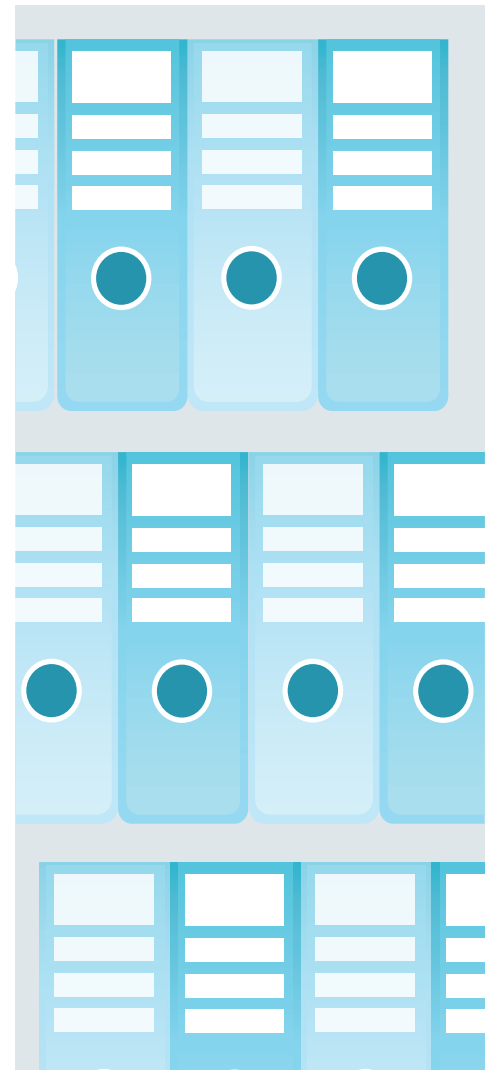
Program Improvements in Progress:

- **Data Governance Initiative:** will provide structured guidance for managing the entire life cycle of records and information for state agencies and other state and local entities using a wide spectrum of policies, standards and practices, and technology solutions.

- **Data Loss Prevention:** will enhance current data loss prevention and data privacy practices to ensure state records and other data are properly classified and protected when sent through email or other data sharing channels.

- **Program Review:** updates to the records management program review process will create efficiencies for records management staff and users and provide more focused recommendations for program improvement to agencies.

Program Recommendations:

The State of North Dakota should:

- Explore growth in the Records Management area, including additional personnel and software solutions to improve automation.

- Create policy and guidance around records and other data stored in cloud-based software applications, including email management in Outlook and other state data stored in Microsoft Teams, SharePoint, and OneDrive that would address how retention on those items will be managed.
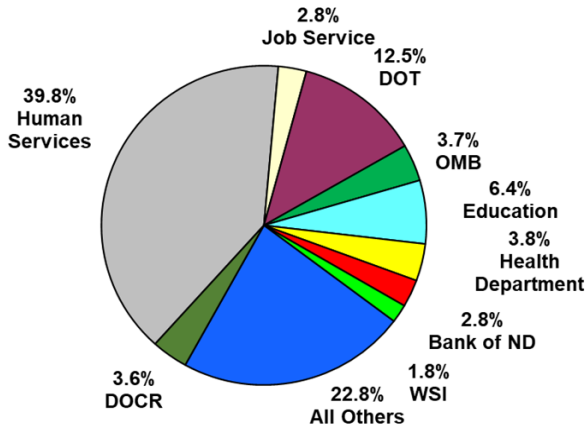
CYBERSECURITY

- Prevented or detected 509,000,000 network threats.
- Defended against more than 4,000,000 malware, phishing, and spam messages.
- Investigated over 1,500,000 alerts.
- Resolved over 52,000 security incidents.
- Performed risk assessments on nearly 100 third-party vendors hosting or transmitting state data.
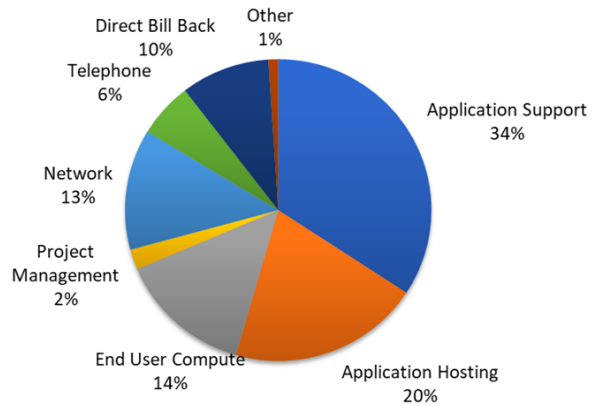
FINANCIAL MEASURES 2022-2023

ITD Revenue By Department
Fiscal Year 2023
Total Billing: $90,337,952

- 2.8% Job Service
- 12.5% DOT
- 3.7% OMB
- 6.4% Education
- 3.8% Health Department
- 2.8% Bank of ND
- 1.8% WSI
- 22.8% All Others
- 3.6% DOCR
- 39.8% Human Services

ITD Revenue By Service
Fiscal Year 2023
Total Billing: $90,337,952

- Direct Bill Back 10%
- Other 1%
- Telephone 6%
- Network 13%
- Project Management 2%
- End User Compute 14%
- Application Support 34%
- Application Hosting 20%

FINANCIAL STATEMENTS

Statement of Revenues, Expenses, and Changes in Fund Net Position for years ending June 30, 2022 & 2021

|	FY 2022	FY 2021
OPERATING REVENUE:		
Sales and Services	93,596,361	81,900,525
OPERATING EXPENSES:		
Salaries and Benefits	44,694,380	49,232,157
Operating	50,024,501	44,884,924
Depreciation	4,243,699	2,531,543
TOTAL OPERATING EXPENSES	98,962,580	96,648,624
OPERATING INCOME (LOSS)	(5,366,219)	(14,748,099)
NON-OPERATING REVENUES (EXPENSES):		
Loss on Sale of Capital Assets	47,360	-
Interest Expense	(209,516)	-
TOTAL NON-OPERATING REVENUE (EXPENSES)	(162,156)	0
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(5,528,375)	(14,748,099)
TOTAL NET POSITION-BEGINNING OF YEAR	-15,002,066	-253,967
TOTAL NET POSITION-END OF YEAR	-20,530,441	-15,002,066

Statement of Net Assets June 30, 2022 & 2021

	FY 2022	FY 2021
ASSETS		
Current Assets:		
Cash Deposits at BND	9,961,914	11,435,349
Intergovernmental Receivables	1,519,601	555,810
Accounts Receivable	221,506	733,004
Due From Other Funds	10,845,651	9,205,341
Prepaid Items	5,640,749	5,042,350
Total Current Assets	28,189,421	26,971,854
Non -current Assets :		
Building & Equipment - Net	9,082,348	4,218,056
Total Noncurrent Assets	9,082,348	4,218,056
Total Assets	37,271,769	31,189,910
DEFERRED OUTFLOWS OF RESOURCES		
Derived from Pensions	32,349,222	45,884,181
Derived from OPEB	743,223	838,150
TOTAL ASSETS & DEFERRED OUTFLOWS	70,364,214	77,912,241
LIABILITIES		
Current Liabilities:		
Accrued Payroll	3,430,912	3,109,447
Accounts Payable	3,506,438	1,131,181
Due to Other Funds	678,319	550,657
Capital Lease Payable	1,938,424	754,021
Interest Payable	34,539	0
Notes Payable	1,227,884	0
Total Current Liabilities	10,816,516	5,545,307
Non-Current Liabilities:		
Compensated Absences Payable	3,565,495	3,682,637
Capital Lease Liability	3,412,783	773,568
Interest Liability	15,914	0
Notes Liability	345,027	0
Net OPEB Liability	1,263,520	1,826,718
Net Pension Liability	24,184,258	70,454,124
Total non-current Liabilities	32,786,997	76,737,048
Total Liabilities	43,603,513	82,282,355
DEFERRED INFLOWS OF RESOURCES		
Derived to Pensions	46,773,329	10,526,394
Derived to OPEB	517,813	105,559
NET POSITION		
Invested in Capitol Assets, Net of Relate	9,082,348	2,630,811
Unrestricted	-29,612,789	-17,632,878
Total Net Positon	-20,530,441	-15,002,067
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITIO	70,364,214	77,912,241

RATE COMPARISONS

The following states have comparable rates to North Dakota Information Technology.
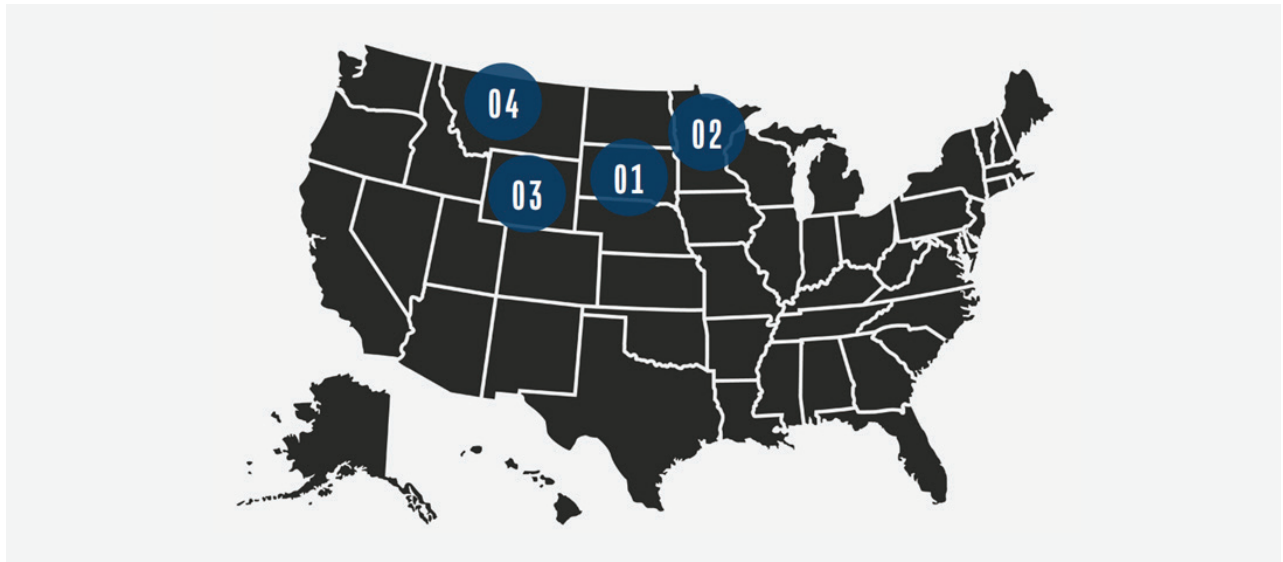
1. South Dakota

South Dakota Bureau of Information and Telecommunications
sd.gov/bit

2. Minnesota

Minnesota IT Services
mn.gov/mnit/government/services/rates/

3. Wyoming

Wyoming Department of Enterprise Services
ets.wyo.gov

4. Montana

Montana State Information Technology Services Division
sitsd.mt.gov

More information about NDIT rates can be viewed at ndit.nd.gov/support/billing

PROJECT HIGHLIGHTS

At NDIT, we provide support for a diverse range of initiatives, projects, and teams. Below are a few of the highlights from 2023.

IT Performance Dashboard

Implementation of the IT Performance Dashboard, a management operating system providing real-time visibility into state IT projects, employee experience in consuming IT services to foster transparency and accountability for both NDIT and partner agencies.

Removal of SITAC Committee

HB1159 moved the responsibility of ranking IT projects into the hands of the CIO with reporting responsibility to the interim Legislative IT Committee. This ultimately cuts red tape and streamlined large IT project approvals for agencies.

ServiceNow integration with MS Teams

With this integration you will be able to chat directly with the customer, and have the record automatically upload into the incident. This ensures government employees can easily communicate and access IT services within the collaboration environment they are already accustomed to.

Business Gateway

NDIT is starting the journey on a business gateway for the State of North Dakota. This initiative is a first of a kind within North Dakota, where we are transforming our interaction with our businesses and citizen stakeholders. The aim is to simplify the interaction with State Government and look at the experience from the perspective of the end user instead of each individual program or system that accomplishes a task.

Bill Signing of HB1398

This bill makes ND the first State to require Cybersecurity and Computer Science credits for high school graduation. Burgum said HB 1398 was in keeping with his administration's emphasis on developing student and citizen knowledge of computer science and cybersecurity, which he described as "one of the most pressing issues that we have in North Dakota."

VANTIS Program

NDIT, in partnership with the VANTIS program, is the first State in the nation to partner with federal aviation agencies and enter the testing phases for the exchange of data to support the BVLOS testing in our State.

Digital Equity

North Dakota has pioneered unparalleled educational technology services, recognizing that digital equity extends beyond infrastructure to ease of access. This year, the implementation of ClassLink for statewide single sign-on and analytics has significantly enhanced access to educational tools, saving time for students, parents, teachers, and technology staff. The analytics component provides insights into individual student success factors and aids in informed budget decisions for educational technology at the school level.

SB2073

This bill allows NDIT to provide IT services to tribal nations should they choose to utilize the services.

Service Desk

- NDIT resolved 120,249 Incidents
- NDIT resolved 49,000 Requests
- Average Customer Satisfaction Score of 9.55
- Throughout the year, NDIT resolution time decreased from 1,025 minutes to 699 minutes.
- The average wait time for the Service Desk was 23 seconds, the call handled rate was 94.5%.
- 86% of our customers are satisfied with desktops, laptops, mobile devices, etc.
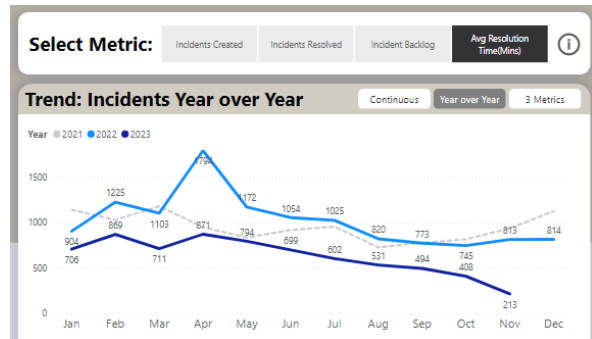
Trend of Incidents year over year, and average resolution time

Additional Accomplishments

- Enhanced Microsoft Dynamics 2.0
- Development of the Apprenticeship program and approval for 6 Full Time Positions.
- Launched Jotforms as an Enterprise Data Collection tool.
- Implemented the Statewide Interoperable Radio Network (SIRN) equipment within all Department of Corrections and Rehab facilities.
- Onboarded 7 additional agencies into NDIT Desktop as a Service
- NDIRF offers discounts for North Dakota cities, counties, and school districts that implement State of ND cyber tools.
- NDIT collaborates with Health and Human Services to develop a better solution for TANF, SNAP, and Medicaid applications and benefits to be submitted.
- ND first state-developed digital credential publishing application for high school transcripts as a verifiable credential launched.
- Cisco Networking Academy to offer skills training to all North Dakotans.
- In collaboration with Game and Fish, NDIT helped support the Tagged Fish Reporting application where anglers can help fisheries managers by reporting information from any tagged fish they catch.