15.0157.03000

FISCAL NOTE

Requested by Legislative Council
12/19/2014

Revised
Bill/Resolution No.: HB 1053

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$6,193,713	$0	$3,867,240
Expenditures	$0	$0	$5,185,737	$7,201,689	$3,283,800	$4,450,680
Appropriations	$0	$0	$5,185,737	$7,201,689	$3,283,800	$4,450,680

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	$0	$0	$0
Cities	$0	$0	$0
School Districts	$0	$0	$0
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1053 would require 29 state agencies to obtain desktop support services from ITD. Section 1 of the bill requires ITD to provide desktop services to these 29 agencies.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1053 has the following fiscal impact from Section 1 of the bill. 10 of the 29 agencies have already requested these services from ITD and the funding impact for those 10 agencies is included in the Governor's budget. This fiscal note includes the impact for all 29 agencies. Four desktop support FTE will be added to ITD's staff (2.00 are already included in the executive recommendation) to support the staffing to computer ratios recommended in the Desktop Study report.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

2015-17: Revenue that will be received from agencies for desktop services is $6,193,713 (including $873,659 in the Executive Recommendation).

2017-19: $3,867,240 for Special Fund Revenue that will come to ITD from rates charged to State Agencies

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The following items are the double expenditure impact that must be reflected in agency budgets since ITD receives its funding from charges to agencies.

2015-17:

$6,193,713 in Special Fund Expenditures in ITD's budget for six incremental FTE's, hardware, software and operating expenses to provide the desktop support services to state agencies.

$5,185,737 for General Fund Expenditures in agency budgets for fees from ITD; $1,007,976 for Other Fund Expenditures and for Other Fund Appropriations in agency budgets for fees from ITD.

2017-19:
$3,867,240 in Special Fund Expenditures in ITD's budget for staffing, hardware, software and operating expenses to provide the desktop support services to state agencies.

$3,283,800 for General Fund Expenditures and $583,440 for Other Fund Expenditures in agency budgets for fees from ITD.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The following items are the double appropriation impact that must be reflected in agency budgets since ITD receives its funding from charges to agencies. Assuming each affected agency has normal line item appropriations these appropriations would all be line 30 appropriations.

2015-17:
$6,193,713 in Special Fund Appropriations in ITD's budget for six incremental FTE's, hardware, software and operating expenses to provide the desktop support services to state agencies. The appropriation would be in Fund 780 with $1,179,068 in line 10 and the remaining appropriation in line 30.

$5,185,737 for General Fund Appropriations in agency budgets for fees from ITD; $1,007,976 for Other Fund Appropriations in agency budgets for fees from ITD. Included in those appropriations is $802,328 general fund authority and $71,331 other fund authority in agency budgets in the executive recommendation.

2017-19: $3,867,240 in Special Fund Appropriations in ITD's budget for staffing, hardware, software and operating expenses to provide the desktop support services to state agencies. The appropriation would be in Fund 780 with $1,179,068 in line 10 and the remaining appropriation in line 30.

$3,283,800 for General Fund Appropriations and $583,440 for Other Fund Appropriations in agency budgets for fees from ITD.

Name: Lori Laschkewitsch

Agency: Office of Management and Budget

Telephone: 701-328-2685

Date Prepared: 03/11/2015

HB 1053 Fiscal Note Worksheet

Agencies Included in HB 1053

Agencies included in Executive Recommendation	Cost for 2015-2017 Biennium							2017-2019 Biennium		
	One-Time		Ongoing		Total One-time and Ongoing			Total		
	General	Other	General	Other	General	Other	Total	General	Other	Total
Center for Tobacco		35,371		21,460	-	56,831	**56,831**		40,560	40,560
Council on the Arts			15,800		15,800	-	**15,800**	17,280		17,280
Dept of Agriculture			352,912		352,912	-	**352,912**	317,760		317,760
Dept of Labor			46,118		46,118	-	**46,118**	32,640		32,640
Indian Affairs	9,775		12,000		21,775	-	**21,775**	15,120		15,120
Protection and Advocacy			132,838		132,838	-	**132,838**	83,280		83,280
Secretary of State *	*77,805*		96,000		173,805		**173,805**	102,240		102,240
State Treasurer			20,880		20,880	-	**20,880**	27,840		27,840
State Auditors			69,200	14,500	69,200	14,500	**83,700**	167,760	-	167,760
Securities			46,805		46,805	-	**46,805**	36,960		36,960
Total Executive Recommendation:	87,580	35,371	792,553	35,960	880,133	71,331	**951,464**	800,880	40,560	841,440
Agencies without Appropriation										
Admin Hearings		9,150		14,400	-	23,550	**23,550**		14,400	14,400
Aeronautics	12,230		17,280		29,510	-	**29,510**	17,280		17,280
Career and Tech Ed	106,750		123,840		230,590	-	**230,590**	123,840		123,840
Commerce	190,160		221,280		411,440	-	**411,440**	221,280		221,280
Trust Lands		93,145		138,720	-	231,865	**231,865**		138,720	138,720
Dept of Public Instruction	242,510		363,360		605,870	-	**605,870**	363,360		363,360
Financial Institutions		65,015		89,040	-	154,055	**154,055**		89,040	89,040
Governor's Office	45,585		52,920		98,505	-	**98,505**	52,920		52,920
Historical	308,590		373,200		681,790	-	**681,790**	373,200		373,200
Insurance		87,770		132,720	-	220,490	**220,490**		132,720	132,720
Legal Council	122,275		148,080		270,355	-	**270,355**	148,080		148,080
ND Public Employees		77,370		94,080	-	171,450	**171,450**		94,080	94,080
Office of Management and Budget	200,150		290,400		490,550	-	**490,550**	290,400		290,400
Parks & Rec	204,725		297,600		502,325	-	**502,325**	297,600		297,600
Retirement and Investment		61,315		73,920	-	135,235	**135,235**		73,920	73,920
School for Deaf	152,426		237,600		390,026	-	**390,026**	237,600		237,600
State Library	128,638		208,800		337,438	-	**337,438**	208,800		208,800
University System	81,750		93,600		175,350	-	**175,350**	93,600		93,600
Veterans Affairs	26,895		54,960		81,855	-	**81,855**	54,960		54,960
Total Other Agencies	1,822,684	393,765	2,482,920	542,880	4,305,604	936,645	**5,242,249**	2,482,920	542,880	3,025,800
Total All Agencies	1,910,264	429,136	3,275,473	578,840	5,185,737	1,007,976	**6,193,713**	3,283,800	583,440	3,867,240

**One-time Secretary of State $77,805 not included in Executive Recommendation*

15.0157.03000

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Revised
Bill/Resolution No.: HB 1053

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$6,193,713	$0	$3,867,240
Expenditures	$0	$0	$5,712,912	$6,674,514	$3,584,520	$4,149,960
Appropriations	$0	$0	$5,712,912	$6,674,514	$3,584,520	$4,149,960

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	$0	$0	$0
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HB1053 would require 29 state agencies to obtain desktop support services from ITD. Section 1 of the bill requires ITD to provide desktop services to these 29 agencies.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1053 has the following fiscal impact from Section 1 of the bill. 10 of the 29 agencies have already requested these services from ITD and the funding impact for those 10 agencies is included in the Governor's budget. This fiscal note includes the impact for all 29 agencies. Four desktop support FTE will be added to ITD's staff (2.00 are already included in the executive recommendation) to support the staffing to computer ratios recommended in the Desktop Study report.

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$5,712,912 for General Fund Expenditures in agency budgets for fees from ITD; $480,801 for Other Fund Expenditures and for Other Fund Appropriations in agency budgets for fees from ITD.

2017-19:
$3,867,240 in Special Fund Expenditures in ITD's budget for staffing, hardware, software and operating expenses to provide the desktop support services to state agencies.

$3,584,520 for General Fund Expenditures and $282,720 for Other Fund Expenditures in agency budgets for fees from ITD.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Name: Lori Laschkewitsch

Agency: Office of Management and Budget

Telephone: 701-328-2685

Date Prepared: 01/06/2015

HB 1053 Fiscal Note Worksheet

Agencies Included in HB 1053

Agencies included in Executive Recommendation	One-Time		Cost for 2015-2017 Biennium					2017-2019 Biennium		
			Ongoing		Total One-time and Ongoing			Total		
	General	Other	General	Other	General	Other	Total	General	Other	Total
Center for Tobacco		35,371		21,460	-	56,831	**56,831**		40,560	40,560
Council on the Arts			15,800		15,800	-	**15,800**	17,280		17,280
Dept of Agriculture			352,912		352,912	-	**352,912**	317,760		317,760
Dept of Labor			46,118		46,118	-	**46,118**	32,640		32,640
Indian Affairs	9,775		12,000		21,775	-	**21,775**	15,120		15,120
Protection and Advocacy			132,838		132,838	-	**132,838**	83,280		83,280
Secretary of State *	*77,805*		96,000		173,805		**173,805**	102,240		102,240
State Treasurer			20,880		20,880	-	**20,880**	27,840		27,840
State Auditors			69,200	14,500	69,200	14,500	**83,700**	167,760	-	167,760
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Total Executive Recommendation:	87,580	35,371	792,553	35,960	880,133	71,331	**951,464**	800,880	40,560	841,440
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Trust Lands		93,145		138,720	-	231,865	**231,865**		138,720	138,720
Dept of Public Instruction	242,510		363,360		605,870	-	**605,870**	363,360		363,360
Financial Institutions		65,015		89,040	-	154,055	**154,055**		89,040	89,040
Governor's Office	45,585		52,920		98,505	-	**98,505**	52,920		52,920
Historical	308,590		373,200		681,790	-	**681,790**	373,200		373,200
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School for Deaf	152,426		237,600		390,026	-	**390,026**	237,600		237,600
State Library	128,638		208,800		337,438	-	**337,438**	208,800		208,800
University System	81,750		93,600		175,350	-	**175,350**	93,600		93,600
Veterans Affairs	26,895		54,960		81,855	-	**81,855**	54,960		54,960
Total Other Agencies	2,049,139	167,310	2,783,640	242,160	4,832,779	409,470	**5,242,249**	2,783,640	242,160	3,025,800
Total All Agencies	2,136,719	202,681	3,576,193	278,120	5,712,912	480,801	**6,193,713**	3,584,520	282,720	3,867,240

**One-time Secretary of State $77,805 not included in Executive Recommendation*

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	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$5,189,657	$0	$2,987,040
Expenditures	$0	$0	$4,204,419	$6,174,896	$2,472,540	$3,501,540
Appropriations	$0	$0	$4,204,419	$6,174,896	$2,472,540	$3,501,540

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
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2017-19: $2,987,040 for Special Fund Revenue that will come to ITD from rates charged to State Agencies

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The following items are the double expenditure impact that must be reflected in agency budgets since ITD receives its funding from charges to agencies.

2015-17:

$5,189,657 in Special Fund Expenditures in ITD's budget for six incremental FTE's, hardware, software and operating expenses to provide the desktop support services to state agencies.

$4,204,419 for General Fund Expenditures in agency budgets for fees from ITD; $985,239 for Other Fund Expenditures and for Other Fund Appropriations in agency budgets for fees from ITD.

2017-19:
$2,987,040 in Special Fund Expenditures in ITD's budget for staffing, hardware, software and operating expenses to provide the desktop support services to state agencies.

$2,472,540 for General Fund Expenditures and $514,500 for Other Fund Expenditures in agency budgets for fees from ITD.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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2017-19: $2,987,040 in Special Fund Appropriations in ITD's budget for staffing, hardware, software and operating expenses to provide the desktop support services to state agencies. The appropriation would be in Fund 780 with $1,179,068 in line 10 and the remaining appropriation in line 30.

$2,472,540 for General Fund Appropriations and $514,500 for Other Fund Appropriations in agency budgets for fees from ITD.

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Agency: Office of Management and Budget

Telephone: 701-328-2685

Date Prepared: 01/06/2015

HB 1053 Fiscal Note

Agencies included in Executive Recommendation				2017-2019		
Agency	**General**	**Other**	**Total**	**General**	**Other**	**Total**
Center for Tobacco	-	56,831	56,831	-	23,520	23,520
Council on the Arts	15,800	-	15,800	14,700	-	14,700
Dept of Agriculture	352,912	-	352,912	226,380	-	226,380
Dept of Labor	46,118	-	46,118	38,220	-	38,220
Indian Affairs	21,775	-	21,775	14,700	-	14,700
Protection and Advocacy	132,838	-	132,838	82,320	-	82,320
Secretary of State	96,000		96,000	91,140	-	91,140
State Treasurer	20,880	-	20,880	23,520	-	23,520
State Auditors	69,200	14,500	83,700	158,760	-	158,760
Securities	46,805	-	46,805	26,460	-	26,460
Total Executive Recommendation	802,328	71,331	873,659	676,200	23,520	699,720

Remaining Agencies included in Desktop Study						
Agency	**General**	**Other**	**Total**	**General**	**Other**	**Total**
Governor's Office	78,390		78,390	52,920		52,920
Admin Hearings		27,363	27,363		14,700	14,700
Aeronautics	32,835		32,835	17,640		17,640
Career and Tech Ed	147,758		147,758	79,380		79,380
Commerce	377,603		377,603	202,860		202,860
Trust Lands		169,648	169,648		91,140	91,140
DPI	547,250		547,250	294,000		294,000
Financial Institutions		158,703	158,703		85,260	85,260
Historical	377,603		377,603	202,860		202,860
Insurance		273,625	273,625		147,000	147,000
Legal Council	180,593		180,593	97,020		97,020
NDPERS		180,593	180,593		97,020	97,020
OMB	716,898		716,898	385,140		385,140
Parks & Rec	300,988		300,988	161,700		161,700
RIO		103,978	103,978		55,860	55,860
Deaf	246,263		246,263	132,300		132,300
Sec of State	78,508		78,508	-		-
Library	164,175		164,175	88,200		88,200
University System	109,450		109,450	58,800		58,800
Veterans Affairs	43,780		43,780	23,520		23,520
Total Other Agencies	3,402,091	913,908	4,315,998	1,796,340	490,980	2,287,320
Total All Agencies	**4,204,419**	**985,239**	**5,189,657**	**2,472,540**	**514,500**	**2,987,040**

2015 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1053

2015 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

HB 1053
1/15/2015
22020

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to centralized desktop support services

Minutes: Attachments #1-6

Chairman Kasper opened the hearing on HB 1053.

Rep. Weisz appeared in support of HB 1053. He has chaired the interim IT Committee. The bill lists 21 agencies that would be under desktop support services. Currently, 10 agencies are now under desktop support services. Your committee did this largely based on the result of a study that was commissioned. The study made the recommendation that we should continue the process of consolidation. A big reason that your committee agreed to support this is the fact that security is becoming a big issue. The fiscal note is fairly large. Every one of these agencies incur costs currently that aren't always obvious. I hope you would consider that as you look at this that the cost, where it may seem to be huge, isn't necessarily completely reflective of the overall shift in the budget. The uniformity, efficiency, and the security are important.

Rep. Steiner Earlier Tag Anderson stated their policy at the state level is to retain as long as a business needs. Did you discuss that in your committee? Are we going to end up with a uniform policy not only for State Board for Higher Ed. but statewide?

Rep. Weisz Yes, the committee did discuss that. The discussion was that we probably need to look to a uniform policy among all state agencies. We decided to not to go that far at the time. There is no question that it is confusing. You have your open records law. This information should be available and trying to determine when it is appropriate to delete that record and then not be in violation of open records is difficult. I think the interim IT Committee will be looking at that in the future whether this should be applied uniformly across all state agencies.

Rep. Laning Is this going to result in a shift of personnel from one department to another? Is IT going to need more FTEs?

Rep. Weisz ITD was asking for 4 FTEs for the current help desk. Part of the study did point out that in some cases, depending on the agencies, they were extremely overstaffed for their help desk support.

Rep. Louser Were there any agencies understaffed that this would be a benefit to them?

Rep. Weisz I don't think any did. I do know from past experience when we have made transitions with other agencies and looked at consolidating services, many agencies were very happy because it freed up time for their core work.

Rep. Wallman Would the idea in rolling this out be that the IT staff that are at some remote locations across the state just switch and start reporting to the university system IT?

Rep. Weisz This doesn't address the university system because they are exempt.

Rep. Wallman The State Board of Higher Ed.? Could you just walk through desktop support and how it would be under the control of the State Board?

Rep. Weisz This has nothing to do with the Board of Higher Education. State Board of Higher Ed. is exempt. They aren't under these provisions. Legislators are subject to open record laws.

Rep. Mooney Could you outline what that desktop support does look like?

Rep. Weisz The IT Department could much better spell it out. Desktop support services are described in the bill. It means technical assistance and device management relating to the use of personal computers and peripheral devices.

Rep. Streyle appeared in support and presented Attachments #1 and 2(14:17-26:50)

Rep. B. Koppelman In Section 1, are all these listed agencies, agencies that are exempt from this or agencies that are included in this?

Rep. Streyle There is a listing of them on the third page of the fiscal note that would be included. Yes, they are exempt.

Rep. B. Koppelman These agencies could more opt in if they chose to?

Rep. Streyle Yes, but ITD obviously would need a heads up on that, because they would either need to transfer staff or add additional staff. The ones that are exempt are large agencies with large staff.

Rep. B. Koppelman As far as the equipment they are using in an individual agency, I am assuming that being it is a per user cost if they wanted to have an additional monitor or an additional computer set up in their agency, they would just request that and incur the cost of $100 a month. How much latitude in terms of what equipment they use?

Rep. Streyle I believe on a committee hearing there was proposed for three options. I don't know if that would be the exact plan--a low level, a high performance level, and a laptop. Knowing ITD the way I do, they wouldn't mandate they take this.

Rep. Louser Was that 250 to 1 ratio attainable?

Rep. Streyle Yes, and I would argue we could probably even go higher. Industry average is higher than that. As far as the legislators, we are probably a bit more needy than most.

Rep. Wallman Did the IT Committee address the issue of flexibility?

Rep. Streyle On the third page of the fiscal note are 10 that had it in the budget. The other ones are included in there. Every agency is going to be somewhat unique obviously on the different tool sets. This doesn't stop them from installing agency specific software on their machines. I think ITD would be very flexible.

Vice Chair Rohr Those departments that would take advantage of the flexibility and have their own tool sets, who would maintain those tool sets and respond to any issues they might have?

Rep. Streyle ITD would do that as well. Keep in mind, this doesn't mandate that any of their current part-time or full-time--it doesn't force them into ITD. It doesn't force them to lose their job. I fully expect some agencies are not going to support this, because people don't like change and this is a pretty big change.

Chairman Kasper If any of the agencies impacted by this bill have unique needs within their agency, this bill would not prohibit their unique needs from being available to them. Is that correct?

Rep. Streyle I would agree with that.

Chairman Kasper Is there any circumstance where the agency would say to ITD we really need this and ITD could say you can't have it?

Rep. Streyle I wouldn't think so. If this would pass, they are not all going to come in at once. They would trickle them in.

Chairman Kasper If this bill would pass, in your opinion, if the security measures that the various departments have, if you have a scale of 1-100, would you estimate where the security protection might be right now compared to if we changed, according to this bill, how much higher you would estimate that the security and protection of hacking would be with this change?

Rep. Streyle Not without digging into it real deep. There would be an obvious change. Security would go up. It isn't the firewall that causes me problems. It is the user.

Opposition

Pam Sharp, Office of Management and Budget, appeared in opposition and presented Attachment #3. (37:26-41:37)

Rep. B. Koppelman The $717,000 that you referred to and comparing that to the staff time I don't know if that is a fair comparison, because I am pretty sure this includes software licensing, hardware costs, and many other things. That would have to be in addition to your quarter staff time. Would you agree with that?

Pam Sharp For the proposed budget for next biennium, that amount of money would have to be added to our budget. The following biennium (2017-2019), the amount would be $385,000. I presume it is because there would be some equipment that would be purchased in this biennium that wouldn't have to be purchased then.

Rep. B. Koppelman So you are suggesting that for the current biennium you have no dollars budgeted for the technology hardware or software licensing that they would be providing?

Pam Sharp I am not saying that all. We do have that amount budgeted but we would still have to add $717,000 to have ITD provide those services for next biennium.

Rep. B. Koppelman How much do you have budgeted, because if they are providing that for you, you are not paying for it yourself and then paying them $717,000?

Pam Sharp We do have some money in our base. ITD is here. Would we net out some money that is in our current budget?

Mike Ressler, ITD, came to the podium. There is probably some equipment dollars that they put in their budget this biennium. I don't know the dollar amount that would be included in the $700,000. When we came up with that calculation, we made an assumption that we are going to replace all their hardware which probably wouldn't happen. Until we would sit down with each agency and determine what it is, that is one year old, two years old, or three years old, we would then do that calculation.

Chairman Kasper What you are actually doing is giving us a guess from data you have no idea really what is there yet? This is your worst case scenario?

Mike Ressler Absolutely correct with the exception of the 10 that actually put it in their budget.

Chairman Kasper I am talking just OMB.

Mike Ressler That is correct. It is the worst case scenario.

Pam Sharp If the legislature determines that OMB should receive our desktop support from ITD, we are very happy to do that.

Chairman Kasper How difficult would it be for you to give us the age of your hardware for 130 people?

Pam Sharp I presume we do have that information. We have an inventory. We have a schedule of when we replace each piece of equipment.

Chairman Kasper I would assume logically then if you have a schedule that you would replace the equipment, that may be the same schedule that ITD would work under? That might be helpful for you to supply that information to the committee.

Pam Sharp Certainly

Chairman Kasper Give us a dollar amount, how much per year over the next 2-4 years, and the dollar amount per year which would coincide to equal your $700,000 of cost that you put in your testimony.

Steve Snow, MIS Director, Department of Public Instruction, appeared in opposition and presented Attachment #4. (46:16-52:50)

Chairman Kasper You indicated that some of the organizations might not be able to go out and do some of the things that they currently do by going remote?

Steve Snow The School for the Deaf have their services in place. They have to go out and support some of the adaptive technologies at some of the schools for those students with disabilities with hearing impaired. We also do some in house supportive.

Rep. Wallman Some of these entities would need to retain IT staffing for these more peripheral reasons in addition to buying into the centralized system.

Steve Snow That is correct. We still need IT staff for various reasons and we had to incur cost to bring it in. Our biggest opposition, of course, is the additional cost without seeing additional increase. I agree with Pam. IT does provide excellent support, and we work with them a lot on a lot of services they provide.

Rep. Wallman Over the biennium it looks like about $1.5 million for all of the agencies you are speaking on behalf of.

Steve Snow For the reoccurring cost or for the one-time cost? The last column is the totals.

Rep. Wallman Got it.

Rep. Steiner If we funded it and maybe amended out the School for the Deaf and provided the money, would you support the bill?

Steve Snow We still need our IT staff, so we aren't going to save any money, but if the funding was there, we could support. It is an additional expense of $600,000 for us. It is $247,000 for School for the Deaf and roughly $381,000 for the State Library.

Chairman Kasper I am going to ask Mr. Ressler to later address how ITD could help alleviate some of the committee's concerns.

Rep. B. Koppelman Would it be safe to say that at the statewide DPI level, there is some level of staff support that would no longer be absolutely necessary?

Steve Snow My entire staff is roughly 11 people. I have 4 programmers, 4 researchers, 2 dedicated IT staff. At the time of the study we had a web multimedia person. We have a federal reporting person. Since then we have added intranet. A lot of our services are contracted out. If they were to move those two IT staff away, we, of course, would get the funding for those bodies and it kind of offset those costs, but the services need to be provided somewhere.

Rep. Seibel Could you expand upon what the intranet is you are speaking of?

Steve Snow We set up an intranet which is basically internet for just our staff.

Chairman Kasper On your projection of costs, does this chart assume that if IT would took over all of the functions in the departments you are talking about, you would have to incur all the costs for the next biennium to replace all of the hardware and so on? How did you get to these numbers?

Steve Snow That, again, is a worst case. We do have an estimated roughly half of our PCs be replaced on the cycle. That is the very top number in green. It is $89,000. It is my understanding that ITD would prorate so if we have a four-year replacement cycle, a $27,000 replacement, and it is a two-year machine, we would incur just half of that cost.

Chairman Kasper This coming biennium?

Steve Snow Yes.

Chairman Kasper Theoretically, these numbers could be cut in half?

Steve Snow They could be cut in half. The reoccurring cost of 320 would stay about where it is, but the one-time fees would have to be adjusted.

Chairman Kasper You indicated that you are concerned about some specialty needs that your areas might need. Have you had any discussion with ITD about them being able to provide those specialty needs for you being they have a lot of expert programmers in their department?

Steve Snow We do, in most cases, do utilize a lot of ITD services for some of the programs. One instance is the foundation aid program which is the school funding.

Chairman Kasper Would you provide for the committee by taking the chart and assume your normal replacement of your hardware over the next four year years and give us an annual number of cost to your department under your normal replacement schedule, so we

have a judgment on really what our annual costs are compared to being frightened by all these big fiscal numbers? (Received Attachment #6 on 1-16-15 from DPI)

Linda Fisher, Deputy Commissioner of Operations, ND Department of Trust Lands appeared in opposition and presented Attachment #5. (1:04:41-1:08:20)

Neutral

Mike Ressler, State Chief Information Officer, Information Technology Department, appeared and is neutral. When Eide Bailly conducted the study which ITD commissioned and the results came back, I met with the Governor. The Governor's position was to not force agencies to do this. His position was if an agency was interested in funding this request, to have them put it in their budget, and he would support the funding.

Rep. Louser Referring to the 250 to 1 ratio, do you feel with the additional FTEs that if this were to pass, you are able to fulfill the request?

Mike Ressler Yes. That is 250 devices to 1. What we actually did is we looked at the number of staff, so you could argue that maybe we got a higher ratio than 250 to 1, but not every individual maybe has a computer. It was a conservative guess that we believe we will be able to handle. We asked for 2 FTEs in our current budget based on the 10 agencies that have requested this service. In the event this bill would pass, we would ask for an additional four. We are confident today that those six would be sufficient.

Rep. B. Koppelman It seems to me that the people that wanted exemptions are making the case that ITD couldn't provide either the level of service, quality of service, or price of service at an equivalent rate to what they can do on their own. Do you believe that is true?

Mike Ressler I will address two points. One would be the competency portion. Every agency that talked about their unique and special is a true statement. Each one of those agencies has some software that they run to do their business. It would be their responsibility today to maintain that software as well as in the future. ITD would never dictate to them what type of software they should buy to run their business. Thus, in the Eide Bailly report when you look at why they didn't recommend taking any staff away from the agencies and moving them over to ITD is because they felt there was that responsibility that is still going to reside back at the agency. We would know the operating system applications and office product applications. ITD would have to be flexible. Our approach has always been we want to offer service and we want our customers to buy from us, not be forced to buy from us.

Rep. Amerman To implement this would you go from agency to agency?

Mike Ressler There would be a group of agencies that are exempt. If you remember in the study, there were those that had over the 100 and a few that were under 100, they would continue to be exempt. That is how we would roll it out. Even if the bill doesn't pass and we have the 10 agencies who said they would like to buy service from us, we would probably roll them out one at a time.

Rep. Amerman Say it wasn't mandatory and right now you have 10 that are requesting to do this, and say over the course of next year, two other agencies request your services, would that work better?

Mike Ressler For sure we will do this in phases.

Rep. Louser Was the worst case scenario for each agency included in the fiscal note?

Mike Ressler We determined the fiscal note for those 19 agencies by saying we have two types of services, desktop and laptop. We said 75% of all the requests will be laptops, 25% will be desktops. We also said we are going to go in with the idea that worst case scenario. We went in and said we are going to replace all their hardware right up front. If ITD ever puts their budget rates together and we underestimate it, because we are special funded in state government, which means we get all our money from billing out our services, they are very quick to remind us they don't have the money.

Vice Chair Rohr Regarding the most recent testimony from the ND Department of Trust Lands, obviously you would be providing the operating equipment support. She indicated they have a lot of proprietary and specialized software. For the nonexempt agencies, you would keep track of what type of specialized software they have? Would you also keep a list of the exempt ones?

Mike Ressler We do not track that software. The terms sometimes get confusing. We have heard a lot about help desk support. I like to call it desktop services which is providing that laptop and that mobile device and maintaining the software on that. We also have a help desk service that a number of agencies participate in. Our help desk support is if they have issues, instead of having their own help desk staff, they call into ITD central help desk staff, and if it is something we can solve, we fix it. If it is not, of course, then we need a contact in the agency to turn it over to them.

Rep. Mooney You don't actually bill until you actually provide the services?

Mike Ressler That is correct. When you see how OMB put the fiscal note together, they put it together correctly. You see that it is doubled up. The reason it is doubled up is because you appropriate the dollars to the agency, but to make the fiscal note look correct, you have to appropriate the appropriation to ITD. We only bill for the services we provide.

Rep. Amerman If all these agencies are mandated to adopt your services, is anybody going to lose your job?

Mike Ressler Based on the Eide Bailly recommendation, nobody would lose their job. You heard Steve Snow talk about another study, and I believe in that bill, which I am not real familiar with, they recommended some transfer of positions.

Chairman Kasper About how long do you think it would take your department to roll into the system all the agencies that would be impacted?

Mike Ressler I have not put a lot of thought to that. I think it would take at least 6 months to deploy those first 10.

Chairman Kasper The other ones that are impacted, we are looking at least the next biennium before you can think of all of them being rolled into the system?

Mike Ressler I would say at the end of this biennium, but we would need the full biennium to deploy all 29 agencies.

Chairman Kasper As far as safety, are there any advantages for safety, or would our previous bill be the bill that would help in the area of safety of the privacy of the records, and so on?

Mike Ressler You are talking about security. We don't know what many of the agencies do for security. I really can't answer that question. We know what we deploy for security is the best that we know how to deploy so they would be incorporated into ours.

Chairman Kasper In previous testimony there was a statement about being able to buy software or hardware at big discounts. I would assume your department gets the best discounts out there. Can you comment on that?

Mike Ressler We have a state procurement practice going on right now. Even though those agencies aren't participating in an ITD service, they are getting the same deals that ITD is getting for that hardware because of the procurement practices that we do.

Rep. Mooney Rep. Weisz, did the committee have discussion for opt in?

Rep. Weisz They can already opt in. The idea was we need to get more uniformity.

Rep. Wallman It sounds to me that uniformity and consistency is the driving factor. Did the IT Committee discuss the efficiency both fiscally and also in terms of being able to do it and whether it might be more useful to have uniform guidelines and then ask the ITD to do audits for compliance on a regular basis?

Rep. Weisz If they are not in compliance, then what? The IT Department doesn't have the ability to tell them they have to comply with anything. This is really what this bill is saying. We want those services. There is flexibility. We are not eliminating their unique functions.

The hearing was closed.

2015 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

HB 1053
1/15/2015
22048

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to centralized desktop support services

Minutes: "Click to enter attachment information."

Chairman Kasper opened the discussion on HB 1053. This is relating to the powers and duties of the IT Department. You will recall that there are a number of state agencies that are exempt from utilizing the centralized desktop support service. The bill brings other agencies into the central desktop support services. We had a few departments that came in and asked to be exempt.

Rep. Dockter If we do pass this, all the entities that are included would have to adjust their budgets.

Chairman Kasper It will be rerefered to appropriations.

Rep. B. Koppelman Does this affect state boards? There seemed to be a lot of fuzzy math. Everyone had a worst case scenario. Nobody knew how the pieces fit.

Chairman Kasper Good summation.

Rep. Seibel The Secretary of State is listed on the 10 that have opted in on their own. Then under the next group, we have a Sec. of State. I imagine that is the same agency.

Chairman Kasper It is a small number but it is duplicative.

Rep. Laning I would move to amend the bill to include these three agencies that objected.

Rep. Mooney seconded the motion.

Rep. Wallman Mr. Snow was representing others interested in not participating.

Chairman Kasper Rep. Laning did you wish to include the DPI gave testimony on the Deaf and State Library in your motion?

Rep. Laning Yes, those that were recommended this morning.

Chairman Kasper Rep. Mooney would you allow it to be included? She agreed.

Rep. Dockter I don't think just because they testified that they are opposed that we should reward them by amending this and allowing them to be exempt.

Chairman Kasper I noticed a little bit of unsettling body language when I asked Pam Sharp about a breakdown of what their cost would be over the next year by year as opposed to their big fiscal note. We get the worst case scenarios on the fiscal notes.

Rep. Louser My comment prior to the motion was going to be directed specifically to OMB. With 130 FTEs when the threshold was a 100, and looking at that number and realizing that maybe it wasn't quite accurate, but the FTEs were, I would vote against this motion. My suggestion was to exclude OMB specifically.

A roll call vote was taken. 5 Yeas, 7 Nays, 2 Absent. Motion fails.

Rep. Louser made a motion to amend the bill to exclude OMB.

Rep. Karls seconded the motion.

Rep. B. Koppelman I think OMB would be just fine under this. I am going to vote no to the amendment.

Chairman Kasper You will recall that Miss Sharp did say at the end if they are required to stay in, they will work with it.

A roll call vote was taken. 5 Yeas, 7 Nays, 2 Absent. Motion fails.

Rep. Seibel If you had a 6-6 vote, what happens?

Chairman Kasper Fails.

Rep. B. Koppelman made a motion for a DO PASS AND REREFER TO APPROPRIATIONS.

Rep. Dockter seconded the motion.

A roll call vote was taken. 10 Yeas, 2 Nays, 2 Absent.

Rep. Louser will carry the bill.

The meeting was adjourned.

Date: 1-15-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1053

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Laning Seconded By Mooney

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper		X	Rep. Bill Amerman	X	
Vice Chair Karen Rohr		X	Rep. Gail Mooney	X	
Rep. Jason Dockter		X	Rep. Mary Schneider	X	
Rep. Mary C. Johnson	—	—	Rep. Kris Wallman	X	
Rep. Karen Karls		X			
Rep. Ben Koppelman		X			
Rep. Vernon Laning	X				
Rep. Scott Louser		X			
Rep. Jay Seibel		X			
Rep. Vicky Steiner	—	—			

Total (Yes) 5 No 7 motion fails

Absent 2

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: To Exempt OMB, DPI, State Library, School Deaf for the Trust Lands

Date: 1-15-15
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1053

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description:

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Louser Seconded By Karls

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper		X	Rep. Bill Amerman	X	
Vice Chair Karen Rohr		X	Rep. Gail Mooney		X
Rep. Jason Dockter		X	Rep. Mary Schneider		X
Rep. Mary C. Johnson	—		Rep. Kris Wallman	X	
Rep. Karen Karls	X				
Rep. Ben Koppelman		X			
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Jay Seibel		X			
Rep. Vicky Steiner	—				

Total (Yes) 5 No 7 Motion fails

Absent 2

Floor Assignment

If the vote is on an amendment, briefly indicate intent: To Exclude OMB

Date: 1-15-15
Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1053

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Koppelman Seconded By Dockter

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Bill Amerman		X
Vice Chair Karen Rohr	X		Rep. Gail Mooney	X	
Rep. Jason Dockter	X		Rep. Mary Schneider	X	
Rep. Mary C. Johnson	—		Rep. Kris Wallman		X
Rep. Karen Karls	X				
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Jay Seibel	X				
Rep. Vicky Steiner	—				

Total (Yes) 10 No 2

Absent 2

Floor Assignment Louser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1053: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1053 was rereferred to the **Appropriations Committee**.

2015 HOUSE APPROPRIATIONS

HB 1053

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1053
2/9/2015
Recording Job# 23449

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Alisa Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the information technology department.

Minutes: "Click to enter attachment information."

Chairman Thoreson: Opened the discussion on HB1053.

Representative Scott Louser, District 5, ND Legislative Assembly: There was testimony in favor of the bill and there were a handful of agencies that felt they should be excluded from the language. The testimony that was presented to us suggested that any department that had less than 100 employees should be included. There was a motion to amend the bill to take out the agencies that testified and that failed. There was a second motion to remove OMB; that also failed. We moved ahead with a motion for a "Do Pass" as written.

Chairman Thoreson: So this version that we see in front of us is the one that came out of your committee un-amended. Is that correct?

Representative Louser: Correct. Representative Streyle brought the bill before us and we had some testimony from the agencies; he and one other legislator were in favor and all the other testimony was in opposition. Not to the bill in full, but to the agency being included that was testifying. The bill seeks policy wise to increase the efficiency to have desktop support services. It was brought out in testimony that legislators use the desktop support services more than anyone in the capitol. I believe the goal was to have one support staff for every 250 employees. Right now it's one employee to 100.

Representative Kempenich: Are these increases or just shifting of general or other funds from the agency's budget?

Representative Louser: When we had the motion to "Do Pass"; this was heard already in their budget. The attempt of the committee was to bring out how much of this is already

built into the budget vs how much is new money. That's not something that we had a clear answer on.

Representative Glassheim: What was the thinking of deleting OMB from the requirement? What was the thinking about doing this in general?

Representative Louser: The thinking behind the motion to amend OMB was that they would benefit from the efficiencies. They made a good argument to say that having that many employees warranted them being excluded. Looking at the fiscal note, there were a number of agencies that are excluded.

Representative Skarphol: On the fiscal note, the secretary of state is reflected both in the upper group as being included in the executive recommendation and in the lower group as remaining in the study. There are two different dollar amounts associated with the secretary of state. Can you clarify that for us?

Representative Louser: We didn't have an explanation of why that was. We would like to know the answer also.

Lori Laschkewitsch Fiscal Analyst, ND Office of Management and Budget: The reason that they're reflected in both sections is that in their budget services they're paying to ITD; they didn't request the desktop services the way they're being proposed here. They're budget would be short the amount of money that's listed in the bottom section.

Representative Roscoe Streyle, District 3, ND Legislative Assembly: There was a study done by I. Bailey and their study indicated what was in the bill. The study was $130,000.00. There were 32 agencies that were thought to benefit from this. This bill doesn't force them to go to ITD. The recommended ratio was 250:1; and this is an industry standard.

Chairman Thoreson: The study is available online?

Representative Streyle: It may be online I have it in a digital form and I can email the committee also.

Representative Streyle went through the fiscal note.

Representative Skarphol: How is it that it can cost $3.4 million in general fund dollars and no personnel move. If you're going to spend that kind of money to provide a help desk for an agency; apparently, they have costs currently in their budget that are being paid for. What are those people going to do if they no longer have that responsibility and why should there not be some personnel movements? How did the consultant explain that?

Representative Streyle: The reason that they recommended not transferring was their main reason was how they could profit from it. A lot of agencies don't have IT personnel; so it could be the person who's answering the phone or the administrative assistant that's doing a dual job. To me that's frightening because security is a big deal. In some of them you will see an increased cost.

Representative Streyle continued with the fiscal note.

Representative Kempenich: Is that where you're coming up with the 40% rolled through that replacement cycle?

Representative Streyle: The 40% is an estimate. I think it's a fairly accurate estimate.

Representative Glassheim: Does OMB agree with this 40% that's already in budgets for the same IT they would be getting and therefore would not be new money?

Lori Lasckewitsch: We would have to do further analysis of what that amount is. While agencies do have replacement in their budgets and we do know that the 19 agencies on the bottom that those numbers would have to be further refined. We've not had that conversation with them to find out what's in their budget. In the IT equipment under $5,000.00 there other things such as printers, copiers; that are not just hardware/computer replacement.

Representative Streyle: If they're having someone do this; 10% to 15% of their duties are completely gone. You'd have to put a dollar amount on that also as there is clearly a cost and they're doing a job they would no longer be doing should this pass.

Pam Sharp, Director, ND Office of Management and Budget: In OMB's situation, we do have a full-time IT person on staff.

Chairman Thoreson: One person?

Pam Sharp: One person. Part of her job description and it's 25% of her job description is desktop support.

Chairman Thoreson: What are her other jobs?

Pam Sharp: We have many different IT applications and she supports those applications. She works on projects, surplus property and implements new systems.

Chairman Thoreson: Everything under the job that she does is IT related?

Pam Sharp: Everything she does is IT related. In OMB's situation, this fiscal note would cost $717,000.00 for next biennium. We do have $95,000.00 in our budget for computer equipment; so that $717,000.00 could be netted by $95,000.00. It would be new money of $622,000.00; and when we look at the cost benefit of having 25% more of her time available the cost of that would be the $622,000.00. For us, the cost benefit is not there.

Representative Skarphol: Can you provide us with a breakdown of that $622,000.00? Why is there an increased cost of that much to make this shift?

Pam Sharp: The billings from ITD would cost that much; because they're going to charge us every month a certain amount per employee.

Representative Skarphol: Either ITD or OMB needs to give us a breakdown of that. I fully understand that there are some unique applications that we probably aren't going to replace because they're unique in nature. But to say costs would increase because of the 4 year replacement cycle; in my mind has to be a little bogus. We need to have some idea of the FTE numbers for each agency on here so we can translate. I'd like to know agency by agency how much time is dedicated to this job in that agency.

Chairman Thoreson: You said that .25 was for desktop support for one employee. Is that correct?

Pam Sharp: Exactly and she only works on IT related duties. I testified in opposition only because of the fiscal note. I do support ITD providing desktop support.

Chairman Thoreson: This would add to that number?

Pam Sharp: That's correct.

Mike Ressler, CIO, ND Information Technology Department: Pam referenced the governor's direction was to not mandate the I. Bailey study. His intention was that if agencies were interested to put it in the budget.

Mike Ressler further explained the fiscal note.

Representative Skarphol: Can you provide the committee with the information as to how many computers in each entity that's on this list?

Mike Ressler: We can show you the detail for the 10 agencies.

Representative Skarphol: For the bottom also.

Mike Ressler: What we did was we counted their number of devices and decided to replace all of them. We estimated 75% of those would be laptops and 25% would be desktops.

Representative Skarphol: Why haven't they been replacing on a 3 or 4 year cycle? What reason do they have?

Mike Ressler: I bet they are replacing on a 4 year cycle. Representative Streyle mentioned there 40% in their budget already for replacement of hardware and software; that's what I think he's referring to.

Representative Skarphol: Can you provide us with a list like this with all the information currently on here and with the number that you think is appropriate agency by agency?

Mike Ressler: I think we can.

Representative Hogan: You talked about some of these agencies having private contracts to provide desktop support; do you have a list of those by agency?

Mike Ressler: We do not. Agencies were forced to buy their own service; and others were required to find a contractor. The Association of Counties was doing this for many of the state agencies; but, they've been forced to raise their rates. The reason you're seeing two items for the secretary of state was because we were doing a pilot for the department of agriculture and the secretary of state; we were billing each one $4,000.00/month. The $96,000.00 is what they've been paying. When we gave budget instructions, we had a model in place that's an all-inclusive service and told them how to budget.

Chairman Thoreson: What's included in the service?

Mike Ressler: It includes all your labor costs, all hardware/software costs, the support; that's the $100.00 that Representative Streyle talked about. We can give you a breakdown of that. For the secretary of state, the balance is what's needed if they use our new rates which will include the equipment and software that we didn't include in our pilot project.

Representative Skarphol: Can you provide the contract costs in an agency that are incurred because they're using contract services for desktop support?

Mike Ressler: If you were trying to do a true apples to apples comparison you would need to see that information as well.

Representative Skarphol: To the best of your ability.

Mike Ressler: Yes. We will probably contact some agencies also.

Steve Snow, LMS Unit, Department of Public Instruction: We did a prorated amount so ITD has a one-time cost for doing the service. It would be roughly $580,000.00 for the first year and $320,000.00 for the second year. We did budget $90,000.00 for pc replacement for this next cycle.

Representative Glassheim: How many employees do you have that do IT and then desktop?

Steve Snow: We have two dedicated IT staff for DPI; and we have roughly 100 employees.

Representative Glassheim: What percent of the time is for desktop?

Steve Snow: I would estimate about 10% to 15% doing desktop support.

Representative Skarphol: The work that these two FTE's do is it dedicated to the applications that the department has or is it all desktop support?

Steve Snow: They do desktop about 10 to 15% of their work and then they also provide support for our intranet.

Representative Skarphol: Mr. Ressler in the example of DPI; if they were to move I would assume that you wouldn't do the 85% of the things he just referred to but only the 15%. Is that a correct assumption?

Mike Ressler: That's correct.

Representative Skarphol: How can the costs incurred be as high as the fiscal note would reflect if you're only taking on 15% of the workload that their employees are doing?

Mike Ressler: I Bailey used Gartner to as a best practice to say that each desktop person can support 250 people. We find that we might be a little higher in support.

Don LaFleur, Information Management Officer, ND State Auditor's Office: We are one of the agencies that is included in our budget. Our agency is generally in favor of this. Right now my staff is a total of 5 and it's about 25% of our time for the desktop support. Not all of that 25% is pure desktop support; some of it is supporting the auditors when they need information pulled.

Chairman Thoreson: There are 5 people and each one is doing desktop support 25% of their time.

Don LaFleur: Yes. For the costs included in the budget I just took the monthly rate ITD had; we have roughly 60 computers and 53 staff. I multiplied that times the $100.00 and subtracted out what we already had in the budget for replacing hardware and software. The number I gave you should be pretty accurate.

Representative Glassheim: It sounds more like 15% because with the 25% they'll be doing things that won't be taken over. With the move of the desktop services will this free them up to do more of their auditing work? Will this help to move things along?

Don LaFleur: That is what my hope is and why I'm in favor of this.

Chairman Thoreson: Closed the discussion.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1053
2/16/2015
Recording Job# 23917

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the information technology department.

Minutes: "Click to enter attachment information."

Chairman Thoreson: Opened the discussion on HB1053.

Representative Kempenich: Truthfully, I think we should just cut that in half and put it to $2.4 million and leave the $800,000.00; so we'd have about $3 million total and put a "Do Pass" on the bill.

Chairman Thoreson: You'd like to amend it to have $3 million?

Representative Kempenich: Yes.

Vice Chairman Brandenburg: Seconded the motion.

Representative Boehning: Where are we taking the $3 million; would it be general funds or other funds?

Representative Kempenich: The agencies are in the budget. Obviously some of these agencies don't want to go there and they were throwing everything into this number.

Lori Laschkewitsch, Fiscal Analyst, ND Office of Management and Budget: You're probably looking at the third sheet of the fiscal note. These numbers were a calculation that was made by ITD based on the number of FTE's that those agencies have and how much it would cost to purchase those computers.

Representative Skarphol: None of this money that's reflected or will be reflected is any budget anywhere. Correct?

Lori Laschkewitsch: The top 10 agencies are included in those budget recommendations; the bottom agencies aren't included as an appropriation in any budget.

Representative Skarphol: So the attorney general, tax commissioner; you're saying the top 10?

Chairman Thoreson: The third page of the fiscal note is what you're referring to.

Lori Laschkewitsch: That's correct.

Chairman Thoreson: The center for tobacco, arts, agriculture; those are the top 10. Anything beginning with the governor's office on down to veteran's affairs is not included in any budgets at this time. Is that correct?

Lori Laschkewitsch: That's correct.

Representative Kempenich: What DPI had down here was actually higher than what they were spending.

Lori Laschkewitsch: That is correct that there would be in these budgets; they may have a small amount of money, depending on what their replacement schedule is for purchasing their computers. A big portion of this money is ongoing money; which is the monthly fee that would be paid to ITD for the support and FTE.

Chairman Thoreson: So you're going to have an updated document that will be ready by tomorrow?

Lori Lasckewitsch: That's correct.

Representative Skarphol: Using DPI as an example, they have two support folks in their department that work on the applications. Would you envision them being gone?

Lori Laschkewitsch: No.

Representative Skarphol: So what you envision would be the other help desk characteristics.

Lori Laschkewitsch: That's correct. DPI has their business of supporting their programs that have to do with education. Those people would stay in their departments to support that and this is just supporting the staff's desktop.

Representative Skarphol: In this new document that you're going to be producing are you going to list the number of people that would be able to not be in those departments? Are you going to list the remaining people that will be there for the business applications? Are you going to give us some indication or not if there's actually FTE's moving as a result of this money from departments into ITD?

Lori Lasckewitsch: These are small agencies there are very few IT people that are working in these agencies. If they are it's because the agency has a business function that those FTE are doing; not the desk top support.

Representative Skarphol: We're not going to save any money in the agency budgets; we're only going to spend more money moving this help desk to ITD for these bottom agencies on this list.

Lori Laschkewitsch: That's correct. It will cost more money because they will be getting the standardized services.

Representative Skarphol: That money would be in their budget and that's the money you're referring to that you may be able to show us.

Lori Laschkewitsch: That's correct. They would be 4 year replacements for desktops and a 3 year replacement for laptops. Some of these agencies are not replacing their computers on that type of schedule.

Representative Kempenich: Removed his motion.

Vice Chairman Brandenburg: Removed his second.

Representative Boehning: I'm looking at the fiscal note and looking at the bill. Where's the attorney general listed on the fiscal note?

Chairman Thoreson: The ones listed on the bill are the agencies excluded.

Mike Ressler: That's correct.

Representative Kempenich: The fiscal note was based on replacing every computer.

Chairman Thoreson: Closed the discussion.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1053
2/17/2015
Recording Job# 23949

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the information technology department.

Minutes: Attachment A

Chairman Thoreson: Opened the discussion on HB1053.

Adam Mathiak, Fiscal Analyst, ND Office of Management and Budget: See attachment A.

Representative Kempenich: Made a motion for a "Do Pass".

Vice Chairman Brandenburg: Seconded the motion.

Roll Call vote: 5 Yeas, 2 Nays 1 Absent

Motion carried

Representative Kempenich carried the bill

Chairman Thoreson: Closed the discussion.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1053
2/18/2015
24073

☐ Subcommittee
☐ Conference Committee

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to the centralized desktop support services; and to amend and reenact section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the Information Technology Department.

Minutes:

Chairman Jeff Delzer: Opened the hearing on HB 1053. Do you have a carrier Rep. Thoreson?

Rep. Thoreson: Rep. Kempenich is carrying the bill I believe

Vice Chairman Keith Kempenich: I move a Do Pass on HB 1053

Rep. Thoreson: Seconds the Motion

Representative Streyle: This was an interim committee bill and there was an outside study by Eide Bailley; help desk scenario. Referred to page 3 of fiscal note.
Real number was $1M; but virtually none of these agencies would be doing the IT job; which; you can't quantify that number. Hard to do; but it would be less than $1M; huge issue of security breaches.

Representative Pollert: In our section we struggled with this; after passing 3 budgets.
When we starting asking questions; it doesn't mean its desktop support; and it will be more than what IT talked about. It's not always as simple as that.

Representative Nelson: When we pass this and we get into a situation where all support is offered by ITD; that they break out that area of new services we are asking for, because that is hidden in the bigger number. We can't determine what new services they are asking for in the next biennium. If we could figure that out then I think we would answer the question.

Chairman Jeff Delzer: Brady (Larson) please make a note of that for next session.

Representative Glassheim: Where are the numbers?

Chairman Jeff Delzer: In the OMB budget, or take it out of their hide.

Vice Chairman Keith Kempenich: We did get into that when we went into bars. OMB's number is higher here than what they had. These are inflated numbers.

Representative Glassheim: If they would be 40%.

Chairman Jeff Delzer: We will look at it in the second half

Representative Streyle: If it's $100; it's much easier to budget.
OMB's charges $5300 a computer; that's not reasonable. The numbers apply to 100% replacing every computer. They don't need to replace every computer. The ration they use is 1 help desk to 250 users which is an industry norm.

Representative Skarphol: The real question is if you're saying their costs are going to increase by $700,000 what is it that ITD is going to do that you aren't doing today. Is it necessary? If so; why aren't you doing it? Are you doing everything that needs to be done, if you are then there should be no increased cost.

Motion carries

Roll Call Vote: Yes 22, No 1, 0 Absent.

Motion Carries

Rep. Streyle carries the Bill

Date: 2/17/2015
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1053

House Appropriations - Government Operations Divison Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Kempenich Seconded By Representative Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Thoreson	X		Representative Hogan		x
Vice Chairman Brandenburg	X		Representative Glassheim		
Representative Kempenich	X				
Representative Vigesaa		x			
Representative Boehning	x				
Representative Skarphol	x				

Total (Yes) 5 No 2

Absent 1

Floor Assignment Representative Kempenich

If the vote is on an amendment, briefly indicate intent:

Date: 2/18/15

Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1053

House **Appropriations Committee**

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☑ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By: Kempenich Seconded By: Thoreson

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓			Representative Nelson	✓			Representative Boe	✓		
Vice Chairman Keith Kempenich	✓			Representative Pollert	✓			Representative Glassheim	✓		
Representative Bellew	✓			Representative Sanford	✓			Representative Guggisberg	✓		
Representative Brandenburg	✓			Representative Schmidt	✓			Representative Hogan		✓	
Representative Boehning	✓			Representative Silbernagel	✓			Representative Holman	✓		
Representative Dosch	✓			Representative Skarphol	✓						
Representative Kreidt	✓			Representative Streyle	✓						
Representative Martinson	✓			Representative Thoreson	✓						
Representative Monson	✓			Representative Vigesaa	✓						

Totals

(Yes)	22
No	1
Absent	0
Grand Total	23

Motion Carries

Floor Assignment: Repres. Streyle

If the vote is on an amendment, briefly indicate intent: _____

REPORT OF STANDING COMMITTEE

HB 1053: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS** (22 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1053 was placed on the Eleventh order on the calendar.

2015 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1053

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Missouri River Room, State Capitol

HB 1053
3/12/2015
Job # 24719

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Carie Wiening

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the information technology department.

Minutes:

Attachments 1 - 7

Chairman Dever: Opened the hearing on HB 1053.

Representative Weisz, District 14: Testified as interim committee representative and in support of the bill. Explained the bill. The fiscal note assumes that everything is going to get transferred right away and that is not necessarily going to be the case. Any desktop that is newer than 4 years should not be replaced.

(5:00)Chairman Dever: I see that this was introduced at the 3000 version as we see it?

Representative Weisz: Yes.

Chairman Dever: When I look at the fiscal note worksheet, agencies included in the executive recommendation, other agencies do not have the money in their budgets for that.

Representative Weisz: That is correct. The seven or eight agencies were already part of the Governor's recommendation that they should be moved over into the consolidated desktop services. So any dollar costs are already allocated in those budgets.

Chairman Dever: Do those agencies have the ability to negotiate these services with ITD now without the bill?

Representative Weisz: Any agency can request ITD to take over their desktop services without the bill.

Chairman Dever: Does this include all state agencies that are not currently served then?

Representative Weisz: The 21 agencies listed are excluded and would not be required to be under the desktop support. The consultants went through and looked at each agency and their specifics and they came up with the list of these 21 agencies that would not be at an advantage to be included and therefore they were excluded. They can ask ITD to provide desktop services for them if they choose. It is not prohibiting them.

(7:56)Representative Streyle, District 3: See Attachment #1 for testimony in support of the bill containing a copy of a portion of the interim study.

(21:00)Senator Flakoll: In a quick review of the report, I think this is one of those occasions that we did get value for our money in terms of the consultant. With the Department of Public Instruction, they have two divisions underneath them - business services and the school for the deaf. Why was only one of them pulled in? Was that the recommendation of the consultant?

Representative Streyle: So you are asking why the school for the blind was not included?

Senator Flakoll: Yes. I understand that they have a lot of employees that are physically in this building where the others are more at a separate location.

Representative Streyle: There had to be a reason why. I am not sure on that particular one. I would have to look into the study to refresh my memory. There is an appendix to the study that I can provide to you that has all of the specifics for each agency.

Chairman Dever: How do those agencies that are remote from Bismarck get access to desktop services?

Representative Streyle: It is no different than where I work. We have four locations and I do not ever go those locations. There is remote control software that you load onto the computer to do what you need to do. If you need to replace the hardware, then you would ship it out and they would plug it in.

Chairman Dever: It seems odd that not included in the Governor's budget are the Governor's office and OMB.

Representative Streyle: I completely agree. They should lead by example and I am fairly disappointed that they did not request to be put in. They will argue because of the cost. The new fiscal note shows a dramatic drop in the cost.

(24:57)Pam Sharp, Office of Management and Budget: See Attachment #2 for testimony in opposition to the bill.

(29:45) Chairman Dever: The 10 agencies that have funding in this, I assume that they have requested that they contract with ITD for those services?

Pam Sharp: That is correct and we provided the funding in the budget for that. They did not have dedicated IT staff and it is totally important that they have professionals doing their desktop support. We did reach out and they indicated that they wanted that service.

Chairman Dever: Do they need the bill to accomplish that?

Pam Sharp: They have funding in their bill already. That funding was put in the Governor's recommendation. I am not sure if some of that funding has been adjusted or not.

Chairman Dever: So agencies can negotiate with ITD without legislative directive?

Pam Sharp: Yes they can.

Senator Davison: In your first paragraph you talk about the need for professional desktop support but in the first paragraph of your testimony you say that agencies have no one trained in desktop support and one of the staff members just accepts that responsibility. Is that really something that we should expect someone to have except to support IT in there office?

Pam Sharp: That is why we did include 10 agencies in there and provide funding for them so that they could get their desktop support. In OMB we have dedicated professional IT staff and there are a few other agencies that have that. I could not tell you exactly which ones do and which ones don't. That is why we left it up to the agencies that felt they need that support.

Senator Davison: So you are comfortable with parts of the bill but you would prefer for OMB not to be in there?

Pam Sharp: I am comfortable with the concept of ITD providing desktop support. I think the cost of this fiscal note, and with the way that budgets are being scrutinized, I think we have better uses for $3 million. The agencies that have their own IT staff will probably would be served just fine continuing that and not increasing the cost of state government to do that.

Chairman Dever: So what would become the status of dedicated IT staff in those agencies if this bill were to pass?

Pam Sharp: In our situation, this is not suggesting that any IT staff be eliminated. In our situation, we would get an extra 25% of her time that she does not have to spend on desktop support anymore.

Senator Marcellais: Has OMB done a cost savings analysis if we go to this system?

Pam Sharp: We did supply the fiscal note, but we did receive the numbers from ITD. I do not see a cost saving. It would more of efficiency. It would be a more consistent form of delivering desktop support rather than what we have right now, but it would cost more money.

Senator Marcellais: If you did not do a cost analysis, how do you know that it is going to cost more money?

Pam Sharp: The fiscal note is the cost analysis.

Senator Marcellais: Compared to the support that is going to be offered for the other agencies I am saying. If you consolidate, that will cut back on some of the other agencies that have IT people.

Pam Sharp: This bill is not suggesting in any way that current IT staff be eliminated so there is no elimination of FTE's.

Senator Marcellais: They could transfer to ITD.

Pam Sharp: In OMB's case it is only 25% of one FTE. You cannot transfer 25% of one FTE. They would have freed up time to spend on other duties but not be eliminated.

Senator Marcellais: You could transfer the funding for them right?

Pam Sharp: We still need our funding to pay our IT staff. The funding that we have for IT equipment would be offset by the fiscal note. We still need to pay the staff that we have hired 100% of the time.

Senator Marcellais: I have worked ITD for 27 years and I always looked for consolidation and cost savings in my agencies that I supported.

Pam Sharp: That is how it works in state government as well.

(37:55)Steve Snow, Director, Management Information Systems, Department of Public Instruction: See Attachment #3 for testimony in opposition to the bill.

(43:10) Chairman Dever: Do you know how they arrived at who was and was not included?

Steve Snow: I think they looked at any specific software needs and if they had less than 100 employees, they would need the servicing and those above 100 were excluded.

Chairman Dever: It is not that the school for blind made their argument during the study and the school for the deaf did not?

Steve Snow: I do not believe so. I think they looked at the FTE count and also if there is very specific stuff that agencies did or did not do or need to do.

Senator Marcellais: How much is your overall budget?

Steve Snow: I would have to get back to you on that. I know we have $110,000 just for replacement of computers. We do have 2 staff that are IT and 15% of their time is used for desktop support.

Senator Marcellais: So what is the total?

Steve Snow: The two IT FTE's are $283,000 for just those two, but we do have a total of 14 different FTE's. We do budget roughly $110,000 for PC replacement based on the four year replacement cycle.

Senator Marcellais: That is just your employees, you are not talking about hardware or software are you?

Steve Snow: The hardware is $110,000.

Senator Marcellais: What about software?

Steve Snow: The software we estimated roughly $25,000 to $30,000.

Chairman Dever: Do you provide services to school districts?

Steve Snow: They do not come through us.

(46:23) Linda Fischer, North Dakota Department of Trust Lands: See Attachment #4 for testimony in opposition to the bill and for a proposed amendment.

(49:55) Senator Marcellais: What is your overall IT budget?

Linda Fischer: We have budgeted $50,000 for equipment for the next biennium and we have one FTE that we would say would be completely in desktop support that we would fund and I do not have that number in front of me. That would include salary and benefits for that one FTE.

(51:00) Wayne Kutzer, Director, Department of Career and Technical Education: See Attachment #5 for testimony in opposition to the bill.

(52:00) Sandy McMerty, Co-Deputy, Department of Commerce: See Attachment #6 for testimony in opposition to the bill.

(54:22)Senator Marcellais: Does this include your remote sites?

Sandy McMerty: Yes, this would include any desktop support for those that are outside of our offices as well.

Senator Flakoll: If we make it "may", it does nothing to change the fiscal note correct?

Sandy McMerty: The agency would then have a choice. Those agencies that are not exempt in this particular bill would have the option of using the services of ITD, which is an option that we currently have. Commerce uses ITD for a number of services and we pay for those services. Our desktop services are in house so we would have to come up with that gap that is noted in the fiscal note.

(55:45)David Hunter, Executive Director, North Dakota Retirement and Investment Office: See Attachment #7 for testimony in opposition to the bill.

(57:26) Donald Lafleur, Information Systems Audit Manager, State Auditor's Office: Appeared in a neutral position as one of the agencies that is included and was funded by the Governor. I am here if you have any questions. There are five of us in the office including me. We spend about 25% of our time generally on support total. We do not have a breakdown of what is exactly desktop support but I estimate it is about 10% of our time. We are generally in support of this. There is a lot of concern in the IT division and in the auditor's office about doing it because we do have electronic working papers. We depend on that. If we do not have our computers, and don't have that service, we send them home because there is nothing for them to do. We are concerned about how quickly we could be supported by ITD. We do struggle within our office to keep our systems patched and up to date.

(58:42) Chairman Dever: As the state auditor's office audits various agencies, do they make these kinds of recommendations?

Donald Lafleur: This is not something that we have studied before. I think you have the report from the consultant. I do not think it is something that we have even considered doing as part of an audit.

Chairman Dever: Closed the hearing on HB 1053.

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Missouri River Room, State Capitol

HB 1053
3/12/2015
Job # 24755

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Carrie Winings

Minutes: No Attachments

Chairman Dever: Opened HB 1053 for committee discussion.

Committee Discussion: The committee stated that they would like more time to look at the interim study before acting on the bill. They discussed the agencies that were listed in the bill. The validity of the fiscal note was also discussed.

Chairman Dever: Asked Lisa Feldner to come up to answer a few questions.

(2:00) Senator Davison: Is there an image that they are going to ghost to reimage all of the machines that are out there that are not underneath here? Is that why the cost is so much?

Lisa Feldner, NDUS: I think that is part of the argument. When this started and where I think some of the problem is coming in, is what I understood, the university system office here with 30 people, we buy desktop support from ITD. It is really stupid for us to employ someone for 30 people.

Senator Davison: What does that include?

Lisa Feldner: It does not include the hardware. I thought when they were doing this they were going to include the hourly rate plus things like licensing etc. What we do is we provide them with an image for our machines and their techs install it.

Chairman Dever: I think in section 2, page 5, it talks about "shall make available procurement services" for information technology hardware, inventory management, and so on.

Lisa Feldner: I think what they were doing, when the fiscal note started to get large, they started to include the equipment replacement. There were some agencies that had desktops on their desk, but they have laptops in the closet for when the wanted to go out of town. So, it was not cost effective because they did not understand that you can take the laptops and have monitors etc. They just decided in order to do this right they needed to include the hardware and everything. That is what I was hearing.

Senator Davison: So in order for the department to do it right, they thought we should just include the hardware and everything.

Lisa Feldner: I think that is why the fiscal note got so large. You are right; it needs to go over time.

Senator Davison: So is the service valuable to you that is provided by ITD?

Lisa Feldner: Absolutely.

Senator Davison: How are the fees charged?

Lisa Feldner: This last biennium we paid them an hourly rate.

Senator Flakoll: (Reads from Line 11) Help me understand why the system office is not included?

Lisa Feldner: The last thing that we would want to do is include the campuses under here. My office does not even do that.

Senator Flakoll: But you are not excluded?

Lisa Feldner: I think we are excluded.

Senator Cook: Checked and stated that they are in.

Senator Nelson: When you look at the fiscal note for those that are not covered, the university system office is listed.

Senator Flakoll: I think this has strong potential for so called small shops but it seems like we are locking up a lot of money on what may or may not happen. I am a little surprised, if they had the same testimony in the House, that this went through two different committees and had no amendments on it.

Senator Nelson: When you saw the difference in what it costs to get the operating system like windows, $27 to $477, it is ridiculous.

Chairman Dever: I am not sure that the number of 100 employees is necessarily a magical between what is appropriate and what is not.

Senator Marcellais: I agree with Senator Davison. There are 10 agencies here that are looking at using this and maybe that is a start to get the other agencies to. Once IT get a reputation of doing a great job it may sell the system.

Chairman Dever: Closed the committee discussion on HB 1053.

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Missouri River Room, State Capitol

HB 1053
3/20/2015
Job # 25185

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Minutes: Attachments 1

Chairman Dever: Opened HB 1053 for committee discussion.

Senator Davison: I visited with Representative Streyle and Mike Ressler and there are nine or ten agencies that wanted to be included and even if we killed this bill as it stands, those 2 FTE's and the money is already in the budget that came over from the House for those top ten organizations. The question is if other agencies want to be included in there. ITD said to me if there are some that is great and they do not want to take any one kicking and screaming. It does not work. By next Thursday I would like to come to you with a list of agencies that want to be included and what the fiscal note would be based on the second half of the year. The first ten would go in the first year of the biennium so then there would be a fiscal note for the second half of the biennium and then the fiscal not moving forward into 2017-2019 for agencies that want to come in and that is what we could act on if people wanted to do it or we could kill the bill and leave it for those agencies and see how that goes through.

Chairman Dever: Would you want to leave it as a fiscal note or include an appropriation to cover the costs for those agencies? It seems to me that some agencies prefer to handle their desktop services as they are now and the objection that some agencies have is that the appropriation is not in their budget.

Senator Davison: Correct. They would like the service but they do not want to come up with the money. An example would be career and technical education. I sent an e mail and asked if the money were in the budget if they would like to have ITD service and the answer was yes. I believe you talked to Veteran Services and they said they would like it if it were in their budget.

Chairman Dever: I talked to the Department of Commerce and they said they would not.

Senator Cook: Is anyone looking at the actual fees that ITD charges for their services? I am hearing from agency heads that it is awfully expensive and it would cost them a whole lot more money. I do not know what the competitive cost would be for those types of services.

Senator Marcellais: That is why I recommend that we do a cost benefit analysis and include the auditors in this. There is probably a lot of waste and abuse going on here.

Senator Davison: The organization that I run has 17 FTE's and 50 part time employees and you can get by as cheaply as you can but what you have to consider is when things are going haywire and you have three people around a computer trying to figure something out there is a lot of benefit of having a benefit to having a phone number to call with people that are familiar with the machine and they take care of it. It is a matter of efficiency.

Chairman Dever: See Attachment # 1 for a listing of ITD fees.

Senator Davison: Do we know how often we go out for bid on those computers and laptops that they buy? Maybe that is something that we need to look at is how often and if it includes the hardware.

Chairman Dever: I understand that ITD cycles on a 3 or 4 year basis. If there is a cost to the agencies that is not currently in there budget that needs to be addressed either through a fiscal note or an appropriation. Closed the discussion on HB 1053.

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Missouri River Room, State Capitol

HB 1053
3/26/2015
Job # 25519

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Carrie Wimmer

Minutes: No Attachments

Chairman Dever: Opened HB 1053 for committee discussion.

Senator Davison: Chairman Dever asked me to do some work on this and I met with Representative Streyle and Mike Ressler from ITD. We went through some of the pricing and what was included in the pricing. (Reviewed the fiscal note.)

Committee Discussion: The committee members discussed the fiscal note and the fact that, this biennium from a funding standpoint, it is not going to work. The 10 agencies that wanted to use ITD can still do that.

Senator Davison: My recommendation from the conversations that I had is to kill the bill.

Senator Flakoll: That is what I was thinking too.

Senator Nelson: Moved a Do Not Pass.

Senator Flakoll: Seconded.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 1 absent.

Motion Carried.

Senator Davison will carry the bill.

Date: 3/24
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1053

Senate Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☑ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Nelson Seconded By Flakoll

Senators	Yes	No	Senators	Yes	No
Chairman Dever	✓		Senator Marcellais	✓	
Vice Chairman Poolman	✓		Senator Nelson	✓	
Senator Cook	AB				
Senator Davison	✓				
Senator Flakoll	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Davison

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1053: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1053 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HB 1053

#1
1053
1-15-15

HB 1053: Interim Information Technology Committee - Centralize Desktop Support - DO PASS

Rep. Roscoe Streyle, District 3 Testimony

Overview:

Last session SB 2021 directed ITD to commission an independent study of all state agencies information technology desktop support to determine feasibility and desirability of centralization of desktop support services through Information Technology Department (ITD).

Study Contractor and Cost: Eide Bailly - $130,000

Key Recommendations:

1) 32 State Agencies would benefit from centralized desktop support from ITD.
2) Agencies with fewer than 100 users are generally among the recommended agencies.
3) ITD would require additional 4 FTEs for current Help Desk.
4) 250:1 Ratio is recommended. Meaning 250 users per 1 ITD Help Desk employee, not devices.
5) ITD should implement formal process for annually evaluating service options with each agency.
6) ITD establish consistent support processes and data collection across a common set of tools.
7) ITD should define expect SLA (Service Level Agreements) for Desktop Support.
8) ITD should establish standards for Desktop Support related tools.

Current Environment:

1) Eide Bailly conducted on-site or phone interviews with each agency in the study.
2) Eide Bailly collected the following information: Current Support Staff, Current Desktop Support Costs and FTEs, Desktop and Device Deployment Standards, Devices and Applications Supported, Support-Related Tools Used, and Support Statistics and Methods, if available. Page 5
3) Eide Bailly also collected the following service specific data: End-User Help Desk Services, Device Deployment & Lifestyle Management, Procurement, Ticketing System, Desktop Patch Management, Mobile Device Management, Desktop/Laptop System Imaging, Asset Management & Inventory, Remote Device Control, Anti-Virus Software, and License Management. Pages 6-7
4) Current staffing at all agencies surveyed is inefficient, with support staff to staff personnel ratio ranging from 68:1 to 171:1. Again the recommendation is based on 250:1 model. Pages 8-9
5) Key Technical Highlights:
    a. Low adoption of Laptop Hardware Drive Encryption - Page 12
    b. Low adoption of Mobile Device Management - Page 12
    c. Low consistency of Patch Management - Page 13
    d. Low consistency of Remote Control Software - Page 13
    e. Low consistency and adoption of Monitoring Tools - Page 13
    f. Low consistency and adoption of Ticketing Systems - Page 14
    g. Low consistency of Application and Devices Supported - Page 14
6) Current Environment Structure
    a. Agencies with current full-time IT staff (generally with 50+ FTEs to support), Desktop Support is frequently not identified as a specific full-time position. These staff members are generally also preforming other duties for the agency. Page 15
    b. Agencies smaller than 50 FTEs are generally using external vendors or Internal Staff who are considered "very part-time". Page 15

c. In many agency environments desktop support duties are split between multiple resources or organizations. Page 15
d. Best Practices are listed on pages 17-20.

Summary of Recommendations: Page 21-26

Benefits:

1) Centralized, Unified, Simplified Platform (hardware, OS, software).
2) Experts (ITD) managing IT infrastructure assets (desktops, laptops), not part-time or limited knowledge staff.
3) New hardware replacement included in ITD costs.
4) All inclusive rate $100/user/month, replacement of desktop every 4 years and laptop 3 years.
5) Help Desk Ticking System - All support calls or emails are logged and centrally managed.
6) Easier to budget for agencies.
7) Centralized listing of Assets and Software Licenses. License compliance is major concern.
8) Agencies transfer risk to the experts (ITD), freeing them to do what they do best in their agency.
9) Centralized anti-malware, remote control, patch management, workstation security, and monitoring are just as important as firewalls.
10) Centralized Help Desk, one stop shop to address all IT issues.
11) Cost savings for the state and agencies.

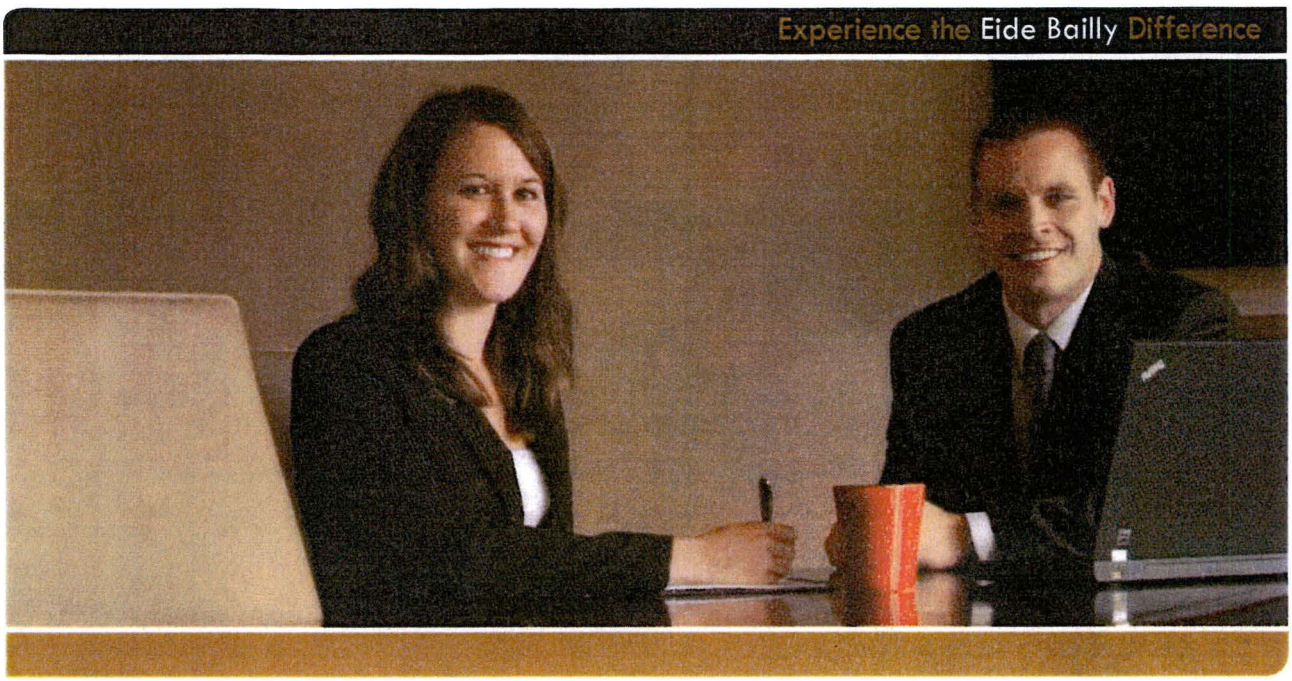
Fiscal Note:

1) 10 Agencies requested Desktop Support in their 2015-2017 budgets.
2) 20 of the recommended Agencies did not put Desktop Support in their budgets.
3) The final page of the fiscal note explains the costs very well.
4) The cost is roughly $3M/biennium after the first biennium.
5) The first year of the biennium $873,659 should be removed; it's already in agencies budgets.
6) Roughly 40% of agencies IT budgets are associated with hardware, meaning they are paying this matter if this bill passes or not. That amounts to $1.2M+ per biennium.

Additional Information:

See additional study done by Eide Bailly titled "Management Information Systems Staffing Analysis" State of North Dakota - Department of Public Instruction. I printed the first part of the study where it indicates that DPI should move 2 FTEs to ITD and turnover the Desktop Support function to ITD.

Secretary of State, Department of Agriculture, and State Treasurer already get Desktop Support services from ITD.



November, 2013

Desktop Study

State of North Dakota – Information Technology Department

P 4

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Executive Summary

Project Goals & Objectives

Eide Bailly has completed an analysis of the Desktop Support environment for the State of North Dakota. The review was completed to satisfy the legislative intent of SB 2021. Section nine of that bill requires the Information Technology Department (ITD) to perform a "study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies."

As part of this study, the current Desktop Support staffing models, processes and tools were all evaluated to determine a recommendation for a future Desktop Support model. As part of our analysis, Eide Bailly compared the overall costs of Desktop Support within the State of North Dakota's environment to industry benchmarks and best practices.

For the purposes of this analysis, the scope of Desktop Support includes end-user support and operations of a broad set of typical end-user devices and peripherals, such as:

- Desktop PCs
- Laptops
- Mobile Devices (Tablets & Smartphones)
- Printers
- General Application Support (Microsoft Office, Web Browsers, etc.)

Key Findings and Recommendations

A complete detailed list of Eide Bailly's findings and recommendations can be found later in this document. The following summarizes key findings and recommendations for the Desktop Study project:

- **People Findings & Recommendations** – A portion of our recommendations are centered on where support staff for Desktop Support should be managed – within ITD and / or with the agencies. Our "people" recommendations are as follows:
    1. 32 agencies have been identified that would benefit from at least some level of Desktop Support services from ITD. For these agencies we recommend proceeding with a transition to ITD for Desktop Support services as budgeting and planning allows.
    2. Agencies where we are recommending Desktop Support be centralized through ITD are generally under 100 users, have primarily "generic" Desktop Support and operations needs or are currently receiving at least some level of Desktop Support services from ITD.
    3. To support current and planned agency transitions for Desktop Support, ITD will require approximately 8 FTEs, which is an additional four FTEs to current Help Desk and

Desktop Support staff (Note: This aligns with the recommended ratio of approximately 250 users to 1 Desktop Support FTE).

4. ITD should enhance the current Service Desk capabilities to include traditional "Tier 1" help desk capabilities as part of staffing up to support agency desktop services. Our overall staffing recommendation for ITD includes the additional staff required to satisfy the "Tier 1" support needs of agencies recommended for ITD Desktop Support.

- **Process Findings & Recommendations** – Achieving the desired benchmark measures, efficiencies and quality will also require significant process changes for Desktop Support, including the following:

    1. ITD should implement a formal process for annually evaluating service options with each agency and / or transitioning to standardized tools for Desktop Support management.
    2. Establish consistent support processes and data collection across a common set of tools for all agencies. (e.g., Collect complete and consistent data on support tickets, volume, etc. for all users and agencies, whether ITD or agency supported.)
    3. ITD should define expected Service Level Agreement(s) for their various Desktop Support related services and tools. In addition, regular reporting on ITD's performance against these services levels should be provided to each agency receiving Desktop Support services from ITD. (Note: Other agencies should be encouraged to utilize common tools and metrics to monitor their own internal agency Desktop Support service performance.)

- **Technology Findings & Recommendations** – Establishing broader standards for desktop support and operations tools will be a key contributor to improved desktop support efficiency.

    1. ITD should establish standards (some "Mandatory" and other "Optional") for Desktop Support related tools for use across all agencies.

High-Level Project Process Overview

The following provides a summary of the process followed by Eide Bailly in working with the State of North Dakota to complete this project:

- *Phase I: Project Plan Development & Confirmation* - A plan for completing the project and required deliverables was developed by Eide Bailly and the designated State of North Dakota Project Manager.
- *Phase II: Current Environment Data Collection* – Data on the current environment for Desktop Support was gathered via on-site interviews with agencies that have over 100 FTEs and telephone interviews with agencies that have fewer than 100 FTEs.
- *Phase III: Analysis & Report Production* – The recommendations and report were developed by analyzing the State of North Dakota's current Desktop Support environment and comparing it to industry best practices.
- *Phase IV: Post Deliverable Support* – As needed Eide Bailly will assist OMB and ITD with further clarification and support associated with the final deliverable.

List of Final Deliverables

Key deliverables for the project included the following:

- *Project Plan* – Our project management tools and schedule for completion of the project within the State of North Dakota's desired timeline.
- *Deliverable Outline* – During the first month of the project, Eide Bailly worked with ITD to develop an outline of the final deliverable to be produced for the project. This outline served as the basis for the content of this final report.
- *Current Environment Summary* – An overview of the current Desktop Support environment within the State of North Dakota IT environment. This included a summary of staffing (internal agency, ITD and contract resources) and tools currently utilized to provide Desktop Support services.
- *Draft Deliverable* – A complete draft of the final analysis and recommendations for the project, including recommendations and priorities for implementation.
- *Final Deliverable* – The final work product for the project including:
    - A Microsoft Word report detailing the findings and recommendations from the project.
    - A Power Point summary of the findings and recommendations from the project.

Current Environment Summary

Introduction

During the first major phase in completing the Desktop Study project, Eide Bailly conducted on-site or phone interviews with each agency identified as in-scope for the project. In most cases, Eide Bailly conducted onsite interviews with agencies having over 100 Full-Time-Equivalent (FTE) staff and phone interviews with agencies have fewer than 100 Full-Time-Equivalent (FTE) staff. During both on-site and phone interviews, data in the following areas was collected:

- Current Support Staff
- Current Desktop Support Costs and / or Desktop Support FTEs (With internal agency staff, ITD services and / or an external provider)
- Desktop and Device Deployment Standards
- Details on Devices and Applications Supported
- Support-Related Tools Utilized (Either agency provided and / or provided by ITD)
- Current Support Statistics and Methods (If available)

Our detailed, data from the agency current environment interviews is contained in Appendix A. The "Current Environment Summary" section contains the following summary information collected as part of the Current Environment review phase of the project:

- **Summary of Services Provided By Agencies** – This section identifies current Desktop Support related services by each agency and how they are being delivered.
- **Current Staffing Summary** – This section documents each agency's staffing in the Desktop Support area. (If available)
- **Resource Geographic Summary** – While most agency Desktop Support resources are located in the Bismarck / Mandan area, there are isolated cases where Desktop Support staff is distributed to other state locations.
- **Technical Environment Summary** – Where available, the project team utilized this Current Environment phase of the project as an opportunity to gather data about the current Desktop Support related technologies in use at each agency.
- **Current Environment Desktop Support Cost Estimate** – With the current Desktop Support environment being largely "agency-based" (e.g., Desktop Support staff are primarily agency staff); the current cost of Desktop Support is not always readily available. However, as part of this effort Eide Bailly is using some reasonable assumptions and rules to effectively estimate current costs.

Summary of Services Provided By Agencies

During the Current Environment assessment phase of the project, the project team was focused on identifying and documenting the services currently delivered by agency Desktop Support staff, ITD Desktop Support staff and by external vendors.

Throughout the interviews and data collection efforts, it became apparent that a key factor in our analysis would be establishing a consistent definition of what is included in "Desktop Support". In some agencies the current view of Desktop Support is primarily a "Help Desk" (including application support). In other agencies the current view of Desktop Support is broader and would include several additional services, such as: deployment of new PCs, advanced support of agency applications, procurement, license management, etc.

For this phase of the project no effort was made to standardize a complete definition of Desktop Support. However, for many of the most common services that are viewed as part of agency, ITD or vendor Desktop Support activities, data was gathered on who is providing these services. This data was utilized to develop our recommendations and service definition for Desktop Support (see "Technology Recommendation Detail").

The table below provides a summary of the service delivery information gathered during our interviews with agency staff:

Service & Definition	Agency Staff Delivered (Qty.)	ITD Delivered (Qty.)	External Vendor Delivered (Qty.)	Unknown / None (Qty.)
End-User Help Desk Services – Telephone or email based user support services. These services are either delivered via direct calls or email to agency IT staff and / or to a centralized agency help desk number.	36	17	14	0
Device (Desktop, Laptop, Mobile, etc.) Deployment & Lifecycle Management – Management of devices from installation through disposal.	36	10	12	0
Procurement – The purchasing of new hardware based on pricing from the WSCA (Western States Contracting Alliance) contract.	47	5	0	0
Ticketing System – System used to track, manage and respond to support requests.	8	10	1	32

Service & Definition	Agency Staff Delivered (Qty.)	ITD Delivered (Qty.)	External Vendor Delivered (Qty.)	Unknown / None (Qty.)
Desktop Patch Management – WSUS (Windows Server Update Services) and SCCM (System Center Configuration Manager) are available for agencies to leverage for Microsoft and third party software updates. Some agencies utilize their own configured WSUS or patch management system such as Altiris or LAN Guard.	17	28	2	6
Mobile Device Management –Agencies appeared to be waiting for a solution or had already deployed a solution specific to their platform of choice. A mobile device management system monitors, secures, manages and supports mobile devices.	4	20	1	25
Desktop / Laptop System Imaging – Utilizing a system imaging tool helps standardize and expedite the desktop deployment process. Agencies have leveraged this technology through ITD's SCCM or by purchasing their own solution.	4	7	0	39
Asset Management & Inventory – System utilized for tracking all local agency technology assets.	26	6	0	18
Remote Device Control –Tools utilized to provide remote support and management of devices.	17	6	1	16
Anti-Virus Software – Software used to prevent, detect and remove malware.	2	22	1	25
License Management – Purchasing and compliance management for all software licensing.	19	6	0	25

Note: In several cases, services are jointly delivered by agency staff and ITD or were unknown by agency staff; therefore, not all quantity numbers add up to the total number of agencies interviewed.

Current Staffing Summary (Desktop Support Services Only)

With the current highly distributed model of support, analyzing the current staffing levels for Desktop Support is a difficult effort. However, during our Current Environment data collection phase, information was gathered on key metrics related to Desktop Support staffing. The following information was gathered on each agency to assist in documenting current Desktop Support staffing levels:

- Source of Desktop Support Services (Agency, ITD or External Vendor)
- FTEs Dedicated to Desktop Support (Follows the agency's definition of "Desktop Support" and frequently estimated to include only a portion of internal agency staff time e.g., Agency Desktop Support staff frequently have other duties, so agencies were asked to estimate the percentage of time these staff were dedicating to Desktop Support.)
- Vendors Utilized for Desktop Support
- Total Agency FTEs Supported by the Current Desktop Support Resources

The following table summarizes current Desktop Support staffing at each agency:

	Small Agency (0-49 FTEs)	Medium Agency (50-99 FTEs)	Large Agency (100+ FTEs)
Total # of Agencies	24	9	15
Total FTEs	524	662	6685
Total Desktop Support Staff	3.25	9.75	43.5
Support Staff Ratio (FTEs Supported Per Desktop Support FTE)	171:1	68:1	151:1

Notes:

1. Several agencies support public use of their technology as well, indicating that support often extends beyond just state of North Dakota FTEs. (Examples of public user support include: Web-sites and Driver's License Testing public use kiosks)
2. In addition to agency FTE staff, several agencies identified that there are additional permanent or periodic contractor staff that are supported by their Desktop Support staff. Specific examples of this include the following:
   - Adjutant General's Office – Temporary staff are hired to run emergency operations centers. In addition, Desktop Support staff frequently provide support to FEMA users when they are on-site in North Dakota for disaster recovery.
   - Agriculture Department – Seasonal inspectors are employed, beyond the year-round staff.
   - Bank of North Dakota – Selected non-agency staff working on-site at the Bank of North Dakota are supported by Bank of North Dakota IT staff.
   - Game & Fish Department – The Game & Fish Department provides public support for licensing websites / applications. In addition, the game & Fish Department has a significant seasonal staff, above and beyond their FTE count.

3. Estimated Desktop Support FTEs is determined using the following data points:
   - Estimated time split (as stated in agency interviews) for staff with additional duties outside of Desktop Support.
   - Outside companies providing Desktop Support services are not included. (Unless full-time contract resources are being provided)
4. ITD has an additional 4 FTEs dedicated to Desktop Support; however, they are not included in the above staffing analysis statistics. ITD Desktop Support FTEs are not included because of the following:
   - ITD's current Desktop Support team provides services to both ITD users, as well as provides varying levels of Desktop Support services to several additional agencies.
   - ITD's current help desk provides some additional Desktop Support and customer service support related services. Because the help desk team's scope of service is well beyond Desktop Support, they are not included in our analysis or FTE counts.

Resource Geographic Summary

While the majority of agency staff requiring desktop support are located in the Bismarck / Mandan area, there are a significant number of staff located either remotely or in offices located throughout North Dakota. Most non-Bismarck / Mandan area staff requiring desktop support services are part of the Department of Human Services or they are remote / mobile users.

Outside of Bismarck / Mandan, the following locations have significant offices with concentrations of users requiring Desktop Support:

- Williston(*)
- Dickinson(*)
- Minot(*)
- Rolla(*)
- Devils Lake(*)
- Jamestown(*)
- Valley City
- Wahpeton(*)
- Fargo(*)
- Grand Forks(*)
- Grafton(*)

Note: Locations note with a (*) are primarily Department of Human Services locations – Regional Human Service Centers, Development Center and State Hospital - with existing local Desktop Support resources within the agency.

To support their large distributed staff, the Department of Human Services has IT staff located at their Regional Human Service Centers, The Development Center and The State Hospital. Job Service is the only other agency within the scope of this project that has non-Bismarck / Mandan area IT staff. (Qty. 2 – located at regional locations.) In addition, several agencies have designated "super users" that assist with occasional on-site support needs for staff that are distributed throughout the state.

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Technical Environment Summary

In gathering information about the current Desktop Support environment, it was critical to also gather several key pieces of technical information about the devices and applications being supported by the current largely agency-based model of Desktop Support. This data will be used to support our analysis and recommendations efforts for the project.

During our Current Environment data collection efforts the project team focused on collecting selected technical environmental information in the following areas:

- Devices Supported
- Management and Monitoring Tools Utilized
    - Patch Management
    - System Imaging
    - Monitoring
    - Ticketing System(s)
    - Anti-Virus Management
    - Remote Control
    - Mobile Device Management
- Hardware & Device Standards
- Use of Laptop Hard Drive Encryption
- Applications Supported
- Desktop Operating Systems

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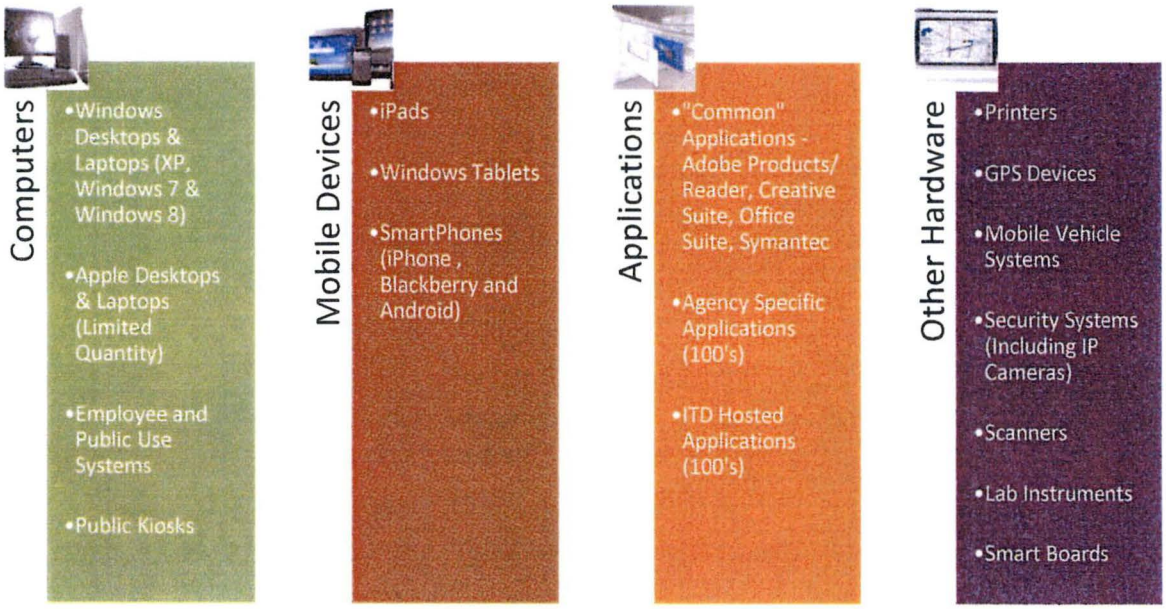
The following are some key highlights of the current technical environment being supported:



Additional details on each of the technical areas gathered are provided in the table below. As part of the Current Environment analysis, "consistency" and "adoption" ratings have been assigned to each area. The consistency rating provides insight as to how consistent / similar each technical area is from agency to agency. The adoption rating provides insight into how widely deployed each technical area is across all agencies.

Understanding the current level of technical consistency in these areas provided the project team with a key data point to understanding any potential efficiency gains or barriers with particular Desktop Support models.

Consistency Rating Key:

High Consistency = Very consistent across agencies

Medium Consistency = Some consistency across agencies

Low Consistency = Little consistency across agencies

Adoption Rating Key:

High Adoption Consistency = Majority of agencies utilizing the technology

Medium Adoption Consistency = Some agencies utilizing the technology

Low Adoption Consistency = Few agencies utilizing the technology

Technical Area	Consistency Rating	Adoption Rating	Comments
Anti-Virus Management	High	High	• ITD's current Symantec anti-virus solution is one of the most consistently and widely deployed Desktop Support services utilized by agencies.
Laptop Hardware Drive Encryption	High	Low	• A limited number of agencies are utilizing hard drive encryption for their laptops. Those that are were migrating towards ITD's standard Wave self-encrypting drive solution.
Mobile Device Management	High	Low	• Most agencies that indicated use of a Mobile Device Management (MDM) solution indicated that they are utilizing ITD's provided solution. However, many agencies were not fully aware of the current solution's capabilities and were relying on ITD for any policy deployment or configuration. • One agency indicated they were utilizing their own MDM – Cisco / Meraki.
Desktop Operating Systems	High	High	• Nearly all agencies reported having standardized on Windows 7 for a desktop operating system. • There are limited deployments of Mac OS installed at a few agencies. • Most agencies reported having a "few" Windows XP machines still in production; however, most are planned for replacement within the next 6 months.

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Technical Area	Consistency Rating	Adoption Rating	Comments
Hardware & Device Standards	Medium	High	• Nearly all agencies indicated that they purchase desktop and laptop hardware off of the state of North Dakota's participation in the WSCA contract. • A majority of agencies "try to follow" pre-configured desktop and laptop hardware standards on the WSCA contract; however, there were specific exceptions noted for nearly all large agencies. • A majority of agencies have internal IT staff with specific hardware procurement responsibilities.
Patch Management	Medium	High	• While a majority of agencies utilize ITD's Windows Update Server Service (WSUS) for "critical" and "security" patches; there are several additional patch management solutions currently deployed at various agencies. • In addition to the widely utilized ITD WSUS solution, the following patch management solutions are also in use: o Direct Windows Updates to Microsoft o LAN Guard
Remote Control	Medium	High	• To facilitate Desktop Support, many agencies utilize remote PC control tools. • Remote control tools currently in use at agencies include the following: o Bomgar o TightVNC o Windows Remote Desktop o Dameware
Monitoring	Medium	Low	• Most agencies are not widely utilizing "monitoring" tools. Agencies that are utilizing monitoring tools are frequently utilizing ITD's SCCN and / or Altiris tools.
System Imaging	Low	Low	• System imaging solutions are not widely deployed throughout the agencies. This is, in part, due to the diversity of systems being deployed and supported. • Imaging solutions currently utilized at agencies include the following: o Microsoft System Center Configuration Manager (SCCM) o CloneZilla

Technical Area	Consistency Rating	Adoption Rating	Comments
Ticketing System(s)	Low	Low	• The majority of agencies do not use any ticketing systems for management of Desktop Support requests. • For agencies that utilize a ticketing system, there are several disparate systems in use, including: o ITSM o WMS (This system is not typically used for support tickets, but several agencies indicated it was utilized for support tickets.) o Heat
Applications Supported	Low	N/A	• **Common Applications** – Nearly all agencies utilize some common applications. Examples: Microsoft Office, Adobe Acrobat, etc. • **Agency Specific Applications** – In addition to the applications that most agencies have in common, hundreds of agency specific applications are supported almost exclusively by agency IT staff.
Devices Supported	Low	N/A	• **Common Devices** – All agencies have common / standard devices that are supported by their desktop support staff. These typically include: PCs, Laptops, Tablets, SmartPhones and Printers • **Agency Specific Devices** – All large agencies have at least some unique devices supported by their current desktop support staff. Significant examples of agency specific devices being supported include the following: o *Department of Transportation* – GPS, public use computers, kiosks, field data collection hardware o *Department of Human Services* – County users, hospital systems, photo and video editing software o *Highway Patrol* – Digital video hardware, GPS, security systems, dispatch hardware o *Department of Correction and Rehabilitation* – IP security cameras, security systems, video surveillance systems o *Adjutant General* – 911 system hardware, state radio hardware, mobile command centers o *State Library* – Microfiche hardware, book scanners, public use labs

As the above table indicates there is a great deal of diversity in the desktop support related environment across agencies. This high level of inconsistency is not just with the hardware and software being supported, but also extends to the tools, processes and resources deployed to provide the current desktop support services.

Current Environment Desktop Support Cost Estimate

In the current (largely agency distributed) Desktop Support environment specific costs for providing Desktop Support services is difficult to ascertain. Specific current environment characteristics that make determining agency-level costs for desktop support difficult include the following:

- For agencies with current full-time IT staff (generally agencies with 50+ FTEs to support), "Desktop Support" is frequently not identified as a specific full-time position. Agency IT staff that are providing desktop support are generally also performing other duties for the agencies. In several agencies desktop support staff are also performing other non-IT related duties.
- At smaller agencies (generally agencies with fewer than 50 FTEs), Desktop Support in generally provided via one of two models:
    - *External Vendors* – With this model, desktop support is generally provided via an external vendor as part of a broader set of IT services that includes more than just desktop support.
    - *Internal "very part-time" Staff* – With this model someone on the agency staff that does not have primarily an IT role is providing desktop support on a very limited and highly variable basis.
- In many agency environments, desktop support duties are split between multiple resources or organizations.

While these current environment characteristics make it difficult to estimate the costs associated with the current desktop support environment, there is enough data available to provide a solid working estimate for desktop support costs across all agencies. Based on data gathered during our agency interviews, our estimate of current desktop support costs is based on the following key data points and assumptions:

- Average Agency Desktop Support FTE Cost
    - Average Salary: $49,000 (Source: Agency interviews)
    - Average Benefit Cost: 35.5% of Salary (Source: Bureau of Labor Statistics – State & Local Government Employees)
    - Average Total Cost per Desktop Support FTE: $49,000 + 35.5% (Benefits) = $66,395
- Ratio of Agency Desktop Support Staff to FTEs Supported
    - Small Agencies (0 - 49 FTEs): 171:1
    - Medium Agencies (50 – 99 FTEs): 40:1
    - Large Agencies (100+ FTEs): 151:1

The following table illustrates the current staff desktop support calculation across all agencies:

	Small Agency (0-49 FTEs)	Medium Agency (50-99 FTEs)	Large Agency (100+ FTEs)	Agency Shared ITD Desktop Support Staff	Totals
Total Desktop Support Staff	3.25	9.75	43.5	4	**60.5**
Cost per FTE (Including benefits)	$66,395	$66,395	$66,395	$66,395	**$66,395**
Total Agency Desktop Support FTE Cost	**$215,784**	**$647,351**	**$2,888,183**	**$265,580**	**$4,016,898**

In addition to the direct desktop support staff costs identified above, there are several additional added costs with the current largely agency-based support model.

Specific areas where the current support structure is driving up support costs include the following:

- Ticketing Systems
- Remote Desktop Control Tools
- Imaging Solutions
- Procurement
- License Management
- Lifecycle Management
- Hardware Consistency
- Software Consistency

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Best Practices Analysis

Benchmark and Best Practice Data

There are four main benchmarks and best practice criteria that were used for comparison and in development of our recommendations:

- Ratio of support technicians to end users
- Technician salary and cost per desktop
- Level of desktop manageability
- Service level metrics

Support Staff to End User Ratio

While it is a fact that larger organizations will generally have higher support staff to end-user ratios (e.g., more users supported per Desktop Support FTE), it is also important to consider the highly diverse nature of support requirements across the State of North Dakota government agencies when comparing to industry standard metrics. While as a whole, State of North Dakota agency users collectively are the size of a "larger" organization (2,000 – 10,000 users in our benchmark comparison), it is also important to consider that the complexities associated with Desktop Support within each agency result in comparisons to "smaller" organization (under 2,000 users in our benchmark comparison) being more appropriate.

Based on these facts and characteristics of the information technology environments at state agencies, our conclusion is that the proper comparison for Desktop Support staffing and cost ratio is to consider appropriate benchmark metrics as being somewhere between the "small" and "medium" organizations included in the graphic below:

Number of End Users per Support Technician (Agency)		
Small Sized Organizations (Less than 2,000 Users)	Medium Sized Organization (2,000 - 10,000 Users)	North Dakota Agency
Median Ratio 150:1	Median Ratio 375:1	Average Ratio 128:1

(Source: HDI – Staffing Desktop Support – March 2013)

As indicated in the above graphic, the current Desktop Support environment within the State of North Dakota does utilize higher staffing levels than should be required in a typical similar organization.

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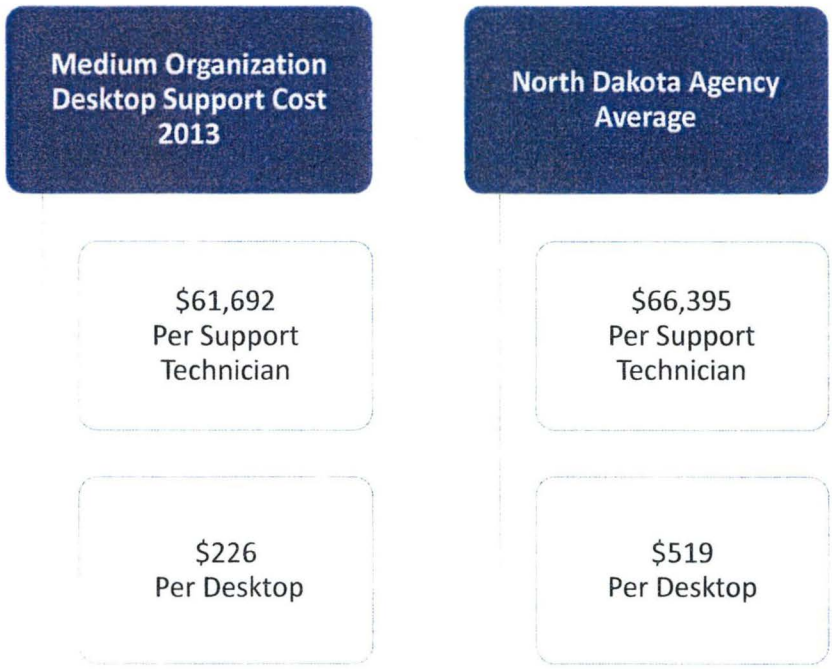
Support Costs

The costs of technician salaries and per desktop support are based on 2,500 users which is slightly higher than the user base per agency at the State of North Dakota. These benchmarks indicate that North Dakota can achieve lower costs per desktop by providing support to a larger user base.



(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

Level of Desktop Manageability

In their "Desktop Total Cost of Ownership: 2013 Update" report, Gartner utilizes the concept of assigning a "level of manageability" to desktops and estimating costs for ownership based on this categorization. In the report, Gartner identifies the following categories for level of manageability:

- Unmanaged - Users can install applications and change settings; limited to no management tools are being used for desktop operations and support
- Somewhat Managed - Limited management tools are in place; however, processes and policies are not fully established.
- Moderately Managed - Tools and processes are widely established; however, user can still install software and change limited settings.
- Locked and Well Managed - Tools and processes are widely established; and users cannot install software or change important settings.

(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

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Gartner's report estimates the "End-User Cost" associated with managing and supporting desktops for each level of manageability. The following diagram summarizes the differences in only the "Tier 1" (e.g., First Call) & "Tier 2" (e.g., Escalated) end-user support costs identified in this report:

Tier 1 & Tier 2 User Support Costs – By Level of Manageability

(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

Based on our review of the Desktop Support environment within the State of North Dakota, Eide Bailly has observed a wide range of manageability within the agencies. However, in most cases the level of manageability would be categorized as "Somewhat Managed" or "Moderately Managed".

This data suggests that by improving the management practices for desktops from "Somewhat Managed" to "Locked and Well Managed", end-user support costs can be reduced to approximately 35% from $256 per year to $165 per year. This data highlights the important role desktop management tools and configurations can play in reducing overall desktop management costs.

Based on our analysis of the State of North Dakota's Desktop Support requirements and of industry benchmark data, we recommend a targeted staffing level of approximately 250 users supported by one ITD FTE providing Desktop Support services (250:1). Achieving this ratio of user to Desktop Support staff would result in the State of North Dakota Desktop Support costs (for staff) being roughly consistent with industry benchmarks.

The following scenario illustrates that a targeted user to Desktop Support staff ratio of approximately 250:1 is required to achieve the benchmark cost per desktop financial results:

- 2000 Users (Agency Staff)
- 250:1 Desktop Support Staff Ratio = 8 FTEs required
- 2000 Users / (8 Staff * $66,395) = $299 / Per User / Desktop

Service Levels

The level of service provided by a Desktop Support team has a significant impact on the cost of service delivery. Unlike many other standardized ITD services, the current service levels for Desktop Support within the state agencies are generally not published or tracked. Without this data, it is difficult (if not impossible) to fully evaluate the effectiveness of the current agency Desktop Support staff. However, as the State of North Dakota moves forward with the implementation of the recommended Desktop Support model, it will become critical to establish expected services levels to measure the success of the effort. These new Desktop Support Service Level Agreements ("SLAs") should be documented as extensions to the current SLAs published and monitored for other ITD services. Establishing these Desktop Support SLAs will provide a mechanism for ITD (and other agencies) to manage and monitor the quality and volume of Desktop Support services being provided.

The following table provides selected industry benchmarks for measuring Desktop Support performance. At a minimum, ITD will need to measure their performance against these metrics for all agencies they provide Desktop Support services to.

Desktop Support Service Levels		
	Break/Fix	Request for a Service
Average number of tickets resolved by one desktop support technician per month	101-125	
Average time to respond to a typical desktop support ticket	1-2 hours	2-4 hours
Average time to resolve a desktop support ticket	8-24 hours	8-24 hours
Average time worked on a ticket	1-2 hours	1-2 hours
Percentage of tickets resolved on first attempt	70-80%	70-80%

(Source: HDI – Desktop Support Metrics – September 2013)

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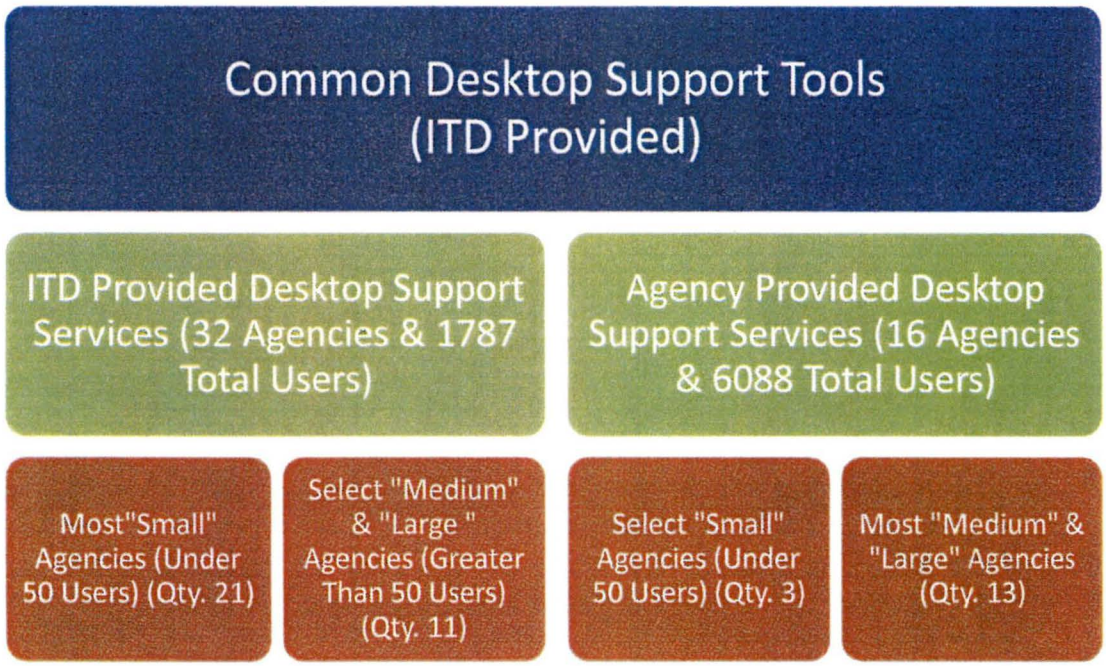
Recommendations

Summary of Recommendations

Based on our analysis of the current Desktop Support environment, agency Desktop Support requirements, cost-benefit data and industry Desktop Support benchmarks, Eide Bailly is recommending a "Hybrid" model of desktop support. With this model, agencies will be supported by either ITD or with local agency Desktop Support staff, based on their unique requirements and attributes. The following diagram illustrates a high-level profile of the Desktop Support environment when the recommended hybrid Desktop Support model has been fully implemented:

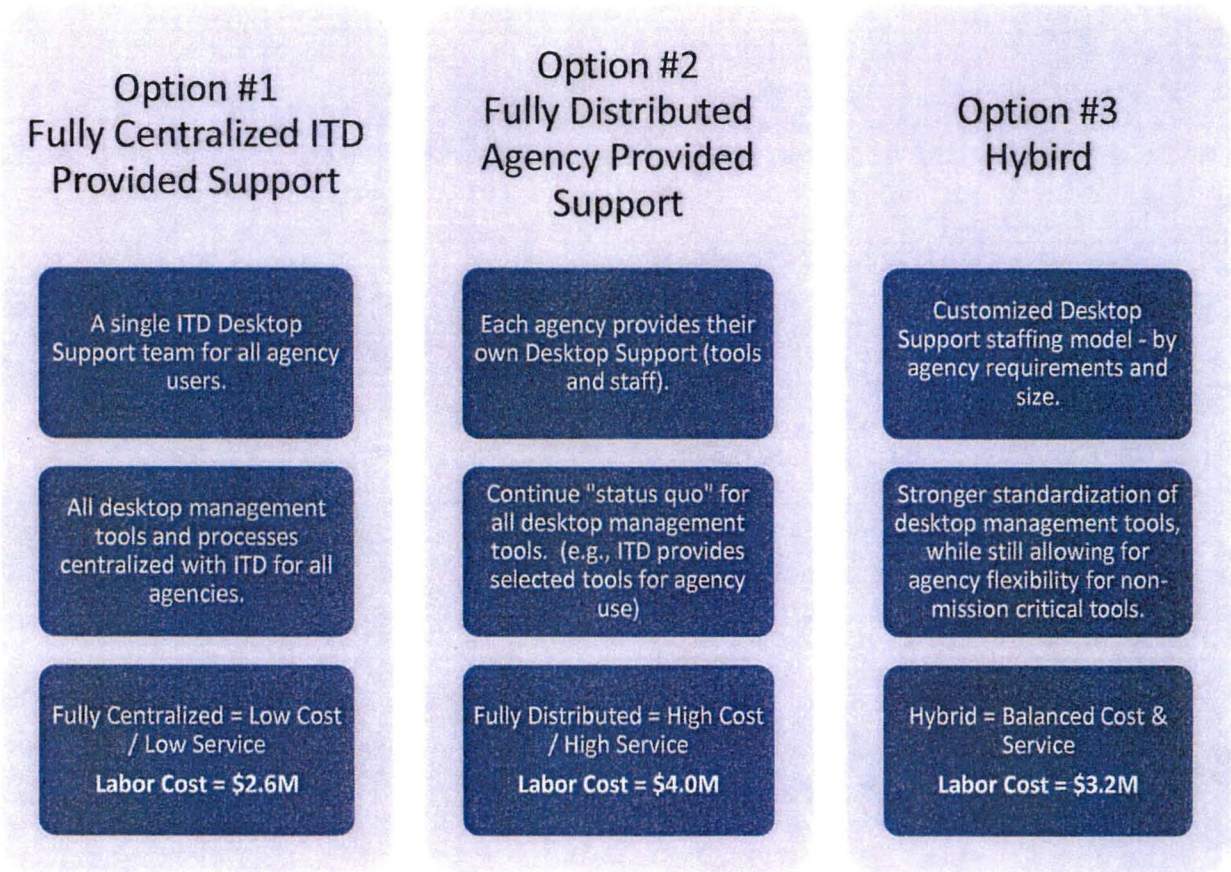


Our analysis for the assignment of agencies to either ITD or agency Desktop Support staffing is included below. This analysis includes people, process and technology perspectives. Each of these areas will play a critical role in determining the ultimate success of implementing the recommendations.

People (e.g., Staffing) Recommendations Details

Support Model Options

In our evaluation of Desktop Support models for the State of North Dakota, there were three primary models of Desktop Support staffing that were considered:



Based on our analysis of the desktop environment currently deployed within the state of North Dakota government agencies, Eide Bailly recommends a hybrid model of support for implementation across all agencies. While not the lowest cost option, this model will provide the State of North Dakota users and agencies the best balance of quality customer service, value for their Desktop Support investment and efficient use of Desktop Support staff. In addition, the recommended hybrid model preserves agency flexibility for allocating Desktop Support duties as part of an overall FTE's responsibilities.

Recommended Hybrid Support Model

Hybrid Model Key Statistics		
Estimated Desktop Support FTEs: **48 Total** (8 ITD & 40 Agency)	Estimated Annual Labor Cost: **$3.2M**	Targeted User to Desktop Support FTE Ratio: **250:1**

Our recommended support model for future Desktop Support services includes the following key attributes:

- A targeted user to Desktop Support FTE ratio of 250:1 for all Desktop Support Resources (e.g., 250 Users supported by 1 Desktop Support FTE).
- Expand ITD's service offerings in the Desktop Support area to include more standardization of support and operations tools throughout agencies. (Note: Some tools and services are already available – with varying levels of adoption.) (See "Technology Recommendations" for details)
- Our analysis included identifying specific agencies that would be the best served by ITD provided Desktop Support services. We have defined the following criteria for selection of agencies that we recommend receiving Desktop Support services through ITD (e.g., Agencies where any or all of the following key criteria are met.):
    - Agencies that have indicated a desire for receiving Desktop Support services from ITD.
    - Agencies that currently receive some level of Desktop Support services from ITD.
    - Agencies that are under 100 users.
    - Agencies where Desktop Support needs would be categorized as "common" applications and tools. (e.g., There are not highly specialized / unique applications to support.)

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- Based on the above criteria, the following agencies would be best served by a centralized model of Desktop Support services delivered through ITD:

Agency	User Count	Agency	User Count
Information Technology Dept.	340	Financial Institutions	29
Job Service *	251	State Library	30
Bank of North Dakota *	180	Protection & Advocacy	28
Office of Management & Budget	131	Career and Technical Education	27
Public Instruction	100	Retirement & Invest Office	19
Agriculture Department	77	University System (System Office Staff in Bismarck Only)	20
Commerce Department	69	Governor's Office	18
Historical Society ND State	69	Department of Labor	13
Parks & Recreation Department	55	Securities Commissioner	9
Auditors Office, ND State	54	Center for Tobacco Prevention and Control Policy	8
Insurance Department	50	Veterans Affairs Dept.	8
School for the Deaf	45	Treasurer's Office	8
Legal Counsel for Indigents	33	Aeronautics Commission	6
Public Employees Retire System	33	ND Council on the Arts	5
Secretary of State	31	Indian Affairs Commission	5
Department of Trust Lands	31	Administrative Hearings	5
Agency Count: 32 / Total Users: 1,787			

*Notes: * Job Service and Bank of North Dakota are currently receiving "Tier 1" (e.g., First call) support services from ITD. Our recommendation includes continuing with this level of service.*

- In addition to added efficiency, the recommended centralization of Desktop Support for the above agencies provides the following key benefits for the State of North Dakota:
    - Through implementation of common tools and processes for Desktop Support, it is anticipated that a higher level of overall desktop security will be achieved than many agencies are currently achieving via their current Desktop Support model.

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- By having dedicated Desktop Support staff (through ITD), users will experience improved support response and system uptime. This provides a significant benefit in terms of user productivity and reduced desktop downtime.
- In some cases, agencies are nearing the point where they are considering requests for additional Desktop Support staff (or increasing the FTE status of existing staff's Desktop Support responsibilities). Centralizing Desktop Support through ITD for these agencies will provide the additional efficiencies to avoid future FTE hires within agencies. (Note: The Department of Agriculture's agreement with ITD for Desktop Support services is a recent example of this benefit.)

- We have identified the following criteria for identification of agencies that we recommend continue receiving Desktop Support services their current agency-based staffing model. (e.g., Agencies where any or all of the following key criteria are met.):
  - Agencies that currently have an efficient Desktop Support staffing model that is within our referenced industry benchmarks for users supported per Desktop Support FTE.
  - Agencies that have a highly unique application and / or hardware infrastructure to support.
  - Agencies that are substantially exempt from hosting their server infrastructure with ITD.
  - Agencies with a current Desktop Support environment that is substantially different from ITD standards.
  - Agencies that have unique regulator and / or security requirements that would more difficult to achieve with ITD providing expanded Desktop Support services.
- Based on the above criteria, our recommendation is that the following agencies <u>continue with their current agency-based staffing model for Desktop Support services</u>:

Agency	User Count	Agency	User Count
Human Services (Includes all service centers & Dev. Ctr & State Hospital)	2201	Game & Fish Department	158
Transportation, Department of	1080	Tax Commissioner	134
Department of Corrections	814	Veterans' Home	121
Health Department	354	Industrial Commission	99
Workforce Safety and Insurance	250	Water Commission	90
Adjutant General	246	Public Service Commission	44
Attorney General's Office	214	ND Public Finance Authority	40
Highway Patrol	213	School for the Blind	30
Agency Count: 16 / Total Users: 6,088			

Summary of Recommended Hybrid Support Model & Benefits

When fully transitioned to the recommended Desktop Support model, the following key environmental statistics will apply:

- **Users Receiving Desktop Support From ITD: 1,787**
- **Agencies Receiving Desktop Support Services From ITD: 32**
- **Required ITD Desktop Support FTEs: 8** (This represents an increase of 4 FTEs over current ITD Desktop Support FTEs. Assumes achievement of the targeted 250:1 ratio for users to Desktop Support staff.)
- **Reduction of Agency-Based Desktop Support FTEs: 16.75**
- **Net Reduction of Total Desktop Support FTEs: 12.75** (All FTEs would be currently agency staff. However, in many cases agency plans are to reallocate staff to their primary job function and not to reduce actual FTE counts.)
- **Reduced Outside Contractor Costs:** While very limited data was available from agencies on specific outside contractor costs, there is clearly some savings to be realized with the recommended Desktop Support model.

Transitioning to the recommended Desktop Support model also provides the State of North Dakota agencies with several non-economic benefits, including the following:

- A more tightly controlled, monitored and managed desktop environment for ITD supported agencies. This will reduce the overall IT security risk, particularly at the smaller agencies.
- With dedicated ITD Desktop Support staff, users would experience improved support response and system downtime.
- For agencies that would transition to ITD for Desktop Support services, a higher-level of service than currently being received should be expected.
- Agencies that currently have an adequate agency-based Desktop Support staff that meets their needs and are well within industry benchmark guidelines for support would be allowed to continue with their preferred Desktop Support model.
- ITD would be providing all agencies with consistent tools and services that will help reduce the overall staffing burden on agencies for Desktop Support services.
- Many of the Medium and Large agencies would be allowed to continue with their preferred model of staff being shared between IT / Desktop Support duties and other agency-specific "functional" roles.

Justification For Not Utilizing a Fully Centralized Desktop Support Model

Fully Centralized Model Key Statistics		
Estimated Desktop Support FTEs: **38.5 Total** (All ITD)	Estimated Annual Labor Cost: **$2.6M**	Targeted User to Desktop Support FTE Ratio: **200:1**

Our analysis and experience indicates that a fully centralized support model (Option #1) is not the most efficient and effective solution for the State of North Dakota Desktop Support environment for the following reasons:

- Many of the larger agencies have very complex desktop environments to support (hundreds of applications, highly specialized users, desktops that are utilized by the public for various purposes, etc.). A single centralized Desktop Support team would not be able to effectively support such a diverse environment without a significant impact to the quality and speed of service.
- The added complexity associated with a fully centralized model of support would likely make it more difficult to achieve industry benchmark standards than with the recommended hybrid model.
- Many of the largest agencies are currently operating at a user to Desktop Support resource ratio that is consistent with industry benchmarks; therefore, additional efficiencies would not be gained by centralizing Desktop Support with ITD.
- At most mid-sized and large agencies, the primary support needs are not for "generic" support (Microsoft Office, Printing, etc.), they are for agency specific applications.
- Nearly all agency Desktop Support staff serve in other capacities, in many cases these additional job duties are outside of Desktop Support or even outside of IT altogether. Centralizing Desktop Support would require that these staff be reduced to something less than full-time status, in most cases this is not practical and would result in higher costs to the agencies.
- Establishing an effective centralized support model requires willing and supportive partnerships to be successful. This may not be the case with several agencies that currently provide their own internal Desktop Support.

Justification For Not Utilizing a Fully Distributed Desktop Support Model

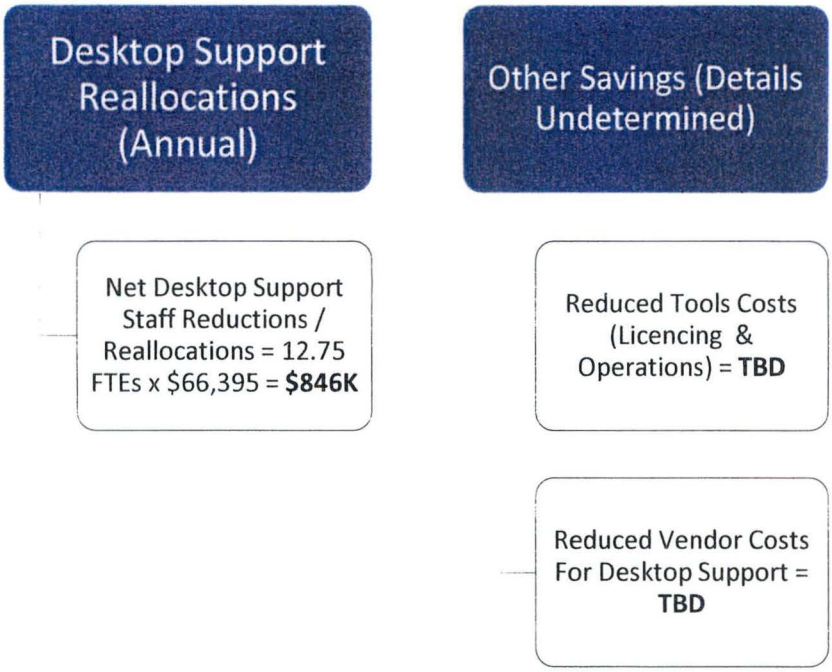
Fully Distributed Model Key Statistics		
Estimated Desktop Support FTEs: **60 Total** (4 ITD & 56.5 Agency)	Current Annual Labor Cost: **$4M**	Current Average User to Desktop Support FTE Ratio: **128:1**

Similarly, our analysis and experience indicates that a fully distributed agency support model (Option #2) of Desktop Support where all Desktop Support services reside in the agencies would not be the most efficient and effective solution for the State of North Dakota Desktop Support environment for the following reasons:

- When deployed across all agencies (particularly at small and mid-sized agencies) this model has proven to be inefficient and costly, as illustrated in the current desktop support staff ratio and cost data.
- Where the State of North Dakota's Desktop Support costs are higher than industry standards / benchmarks, it appears that a significant contributor is the limited standardization of tools and processes across agencies. (e.g., The State of North Dakota is paying to purchase, manage and support multiple desktop management tools where a single standardized tool set is more appropriate.)
- A fully distributed Desktop Support model provides the least amount of control around desktop security, therefore increasing the risk of data loss and / or privacy breaches.

Return on Investment Analysis

With a successful transition to the recommended hybrid Desktop Support model the State of North Dakota will achieve significant savings in their overall Desktop Support costs. Specifically, if the targeted ratio of user to Desktop Support staff (250:1) is achieved, the following savings to overall desktop support can be realized:



Notes: *1) Reduced Desktop Support tools costs will clearly be achieved through the recommended further standardization. However, specific cost analysis for the current tools was not within the scope of this project.*

2) Agencies that currently utilize vendors for Desktop Support (generally smaller agencies) were unable to provide sufficient details on specific annual spending. There are clear savings to be gained through the consolidations of Desktop Support in this area; however, without detailed current cost information, the specific savings are not currently determined.

There are several key assumptions that will ultimately determine the ability of the State of North Dakota to achieve the savings available through migration to the recommended hybrid Desktop Support model, these assumptions include:

- ITD is able to achieve the targeted 250:1 ratio of users to Desktop Support staff.
- Agencies can either reduce Desktop Support FTEs and / or reallocate existing Desktop Support FTEs to other required positions within their agencies.
- Tools will be further standardized to support more efficient Desktop Support staffing. (This is particularly important for ITD to accomplish for all desktop / agency environment that they will be providing Desktop Support services for.)
- Clear Desktop Support SLAs will be established for all agencies that ITD will provide Desktop Support services to.

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Process Recommendations Details

Current Desktop Support processes and the availability of service level metrics across agencies are highly variable with the current Desktop Support model. In nearly all cases, the current Desktop Support environment does not include any standardization of the following key processes:

- **ITD Service Management** – Most agencies do not appear to have any formal knowledge or understanding of "optional ITD services". An example of this in the current environment includes: Mobile Device Management, Hard Drive Encryption and Patch Management. There is no formal method of determining which agencies should be using which ITD services.
- **Metrics Reporting** – This includes data collection and monitoring of current Desktop Support performance. While there are limited cases where such metrics are tracked and monitored, there are no standards for performance within the State of North Dakota technical environment to evaluate performance against.
- **Service Level Agreements (SLAs)** – In most environment's the size of the State of North Dakota's, standards for performance (hours of operation, response times, resolution times, etc.) have been defined for Desktop Support personnel. Most agencies do not have these types of SLAs formally defined.
- **Support Processes** – Each agency generally has an "informal" process for users to request support. This frequently includes emailing or directly calling the agency IT staff for most support needs. Users are, at times, directed to contact the ITD Help Desk for specific needs. As a result current support processes appear to be confusing for users.

In addition to establishing more formal, well defined and managed services offerings from ITD (See "Technology Recommendations" for details), Eide Bailly also recommends that ITD establish an annual "Service Planning" process with each agency . While this process can (and should) extend beyond Desktop Support services, from a Desktop Support service perspective we envision this process including the following key communications between the agencies and ITD:

Current ITD Services Review	Planned Services Review	Agency Planning and Guidance
• Service Quality	• What additional services can / should ITD be providing?	• Review agency goals for the upcoming year(s)
• SLA Achievement	• Review new / planned service offerings for the upcoming year	• Identify opportunities for technology to improve agency operations / results
• Scope of Services Provided		

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Technology Recommendations Details

As noted in our metrics and best practices analysis, the state of North Dakota agency Desktop Support currently requires more resources than industry best practices / benchmarks. Based on our agency interviews and analysis, Eide Bailly believes that in addition to the staffing inefficiencies already discussed, the lack of wide-spread adoption of Desktop Support tool standards throughout the State of North Dakota environment is a contributing factor to higher Desktop Support staffing requirements. Without standards for key Desktop Support related tools, it is difficult to achieve the potential efficiency gains available with such tools.

Eide Bailly's recommendations for improving the efficiency and effectiveness of Desktop Support with the state of North Dakota government IT environment centers largely around stronger standardization of many of the technical tools utilized to provide operations and support services. Specifically, our recommendations include further deployment and standardization of the tools identified in the following tables.

For ease of analysis, we have categorized our recommended Desktop Support related tools into two broad categories:

- Service & Support
- Operational Management

Service Support

- Remote Management
- Monitoring Solution
- Help Desk Ticketing System
- Anti-Virus
- System Imaging
- Remote Desktop Services (VDI/RDS)
- 24x7 On Call Support

Operational Management

- Procurement
- Asset and Inventory Management
- Managed Print Services

In our recommended environment, ITD would work with each agency to implement a set of services that is customized to meet the needs of each agency. These customized solutions would, at a minimum include all services / tools that have been identified as "mandatory"; however, for several agencies the scope of ITD services could include complete ITD management and support of their desktop environment and support.

For each of the recommended tools, the tables below provide a summary of:

- **Required / Optional** – A recommendation as to whether or not the use of the tool should be required for all agencies or if use of the tool should be optional and at the agency's discretion.
    - **Required** – Our recommendation is that these tools be standardized throughout all devices and agencies on the State of North Dakota government network. These tools are being recommended as "mandatory" because requirements for all agencies are common and they support the use of a single standardized tool set.
    - **Optional** – Our recommendation is that ITD and agencies work together to standardize the use of these tools where practical. These tools are not being recommended as "mandatory" for all agencies because there may be functional and / or technical requirements that do not allow for the use of a single standardized tool set.
- **Expected Benefits** – Key benefits that the State of North Dakota should expect to see through further implementation of the recommended tool.

Operational Management

Service Offering: Procurement	Mandatory

Service Definition:

Centralize all Desktop related purchasing within ITD. Centralized purchasing of desktop related hardware will provide improved standardization within the Desktop Support environment. Providing a procurement service is key to developing an internal asset and management system as well as developing hardware lifecycle and planning for future replacement costs.

Key Benefits:

- Buy more efficiently and reduce duplication of common purchasing activities.
- Establish better control of asset and inventory.
- Limits signing or purchasing authority of individual agencies.
- License compliance can also be achieved throughout all agencies by centralizing the location for all purchases.

P. 36

Tool: Asset & Inventory Management	Mandatory

Service Definition:

A system utilized for tracking all local agency technology assets.

Key Benefits:

- Improved lifecycle management.
- More accurate planning for future needs.
- Improved record keeping for regulation, standards, or law.
- Increased accountability and reduction of loss.

Tool: Managed Print Services	Optional

Service Definition:

A system to gain visibility and control costs for printing. This service may be delivered via a consolidated state contract for such a service.

Key Benefits:

- Reduces cost by standardizing on appropriately sized devices.
- Increases operational effectiveness while reducing warehousing costs.
- Reduce help desk time by providing proactive alerts to toner low or device malfunction.
- Improve accountability through access control solutions.
- Simplifies print driver management.

P. 37

Service & Support

Tool: Remote Management	Optional

Service Definition:

Tools utilized to provide remote support and management of devices.

Key Benefits:

- Quickly deliver a more unified support experience to end users.
- Reduces support costs by solving more problems in less time.
- Service computers even when workers are away.
- Improves end user satisfaction.
- Ability to provide ad-hoc training via screen sharing.
- Ability to support any device regardless of operating system.

Tool: Monitoring Solution	Optional

Service Definition:

A system that constantly monitors a computer network to identify possible bottlenecks or failing devices that may result in down time.

Key Benefits:

- Allow support staff to be more proactive.
- Warns about potential issues before they result in work loss for employees.
- Optimize resource utilization by measuring key metrics to prevent from over or under utilizing resources.
- Assists with providing a more reliable network infrastructure to ensure quality delivery of voice, data and video conferencing.
- By utilizing a monitoring system preconfigured alerts can be sent to notify ITD or individual agency staff for events such as device down, low drive space, or toner low. This will warn ITD or agency staff and allow them to become more proactive to a potential network, system, or device problem.

Tool: Help Desk Ticketing System	Mandatory

Service Definition:

Issue tracking system designed to allow end users to create and update tickets based on their support needs and track each item to closure with the technical support team.

Key Benefits:

- Single point of contact for end user ticket submission.
- Ability to respond and track ongoing support issues.
- Improve service by reducing time to resolve support issues utilizing helpdesk history information provided by previous tickets.
- End user access to knowledgebase for 'self-help' information.
- Provides visibility into Service Level Agreement attainment and reporting capabilities.

Tool: Anti-virus Software	Mandatory

Service Definition:

Software used to prevent, detect and remove malware.

Key Benefits:

- Protection from viruses and malware.
- Protection valuable information on the PC and network.
- Reduces potential support need from removing viruses and restoring information.

Tool: Mobile Device Management	Mandatory

Service Definition:

A mobile device management system monitors, secures, manages and supports mobile devices.

Key Benefits:

- Reduces loss of sensitive information due to lost or stolen devices.
- Locate or remotely wipe lost or stolen devices.
- Uniform configuration of client applications.
- Remote configuration and monitoring.
- Backup and restoration of data.
- Standard set of security controls regardless of device or operating system.
- Encryption of mobile devices.

Tool: PC Imaging and Deployment	Optional

Service Definition:

A system imaging tool helps standardize and expedite the desktop deployment process.

Key Benefits:

- Provides a reliable and repeatable PC deployment process.
- Reduces troubleshooting time.
- Reduces time to deploy new computers.
- Hardware and software inventory to efficiently manage deployments.

Tool: Remote Desktop Technology (VDI, Terminal Services)	Optional

Service Definition:

A method of consolidating the users' desktop experience to a central location.

Key Benefits:

- Provides a cost effective solution as an alternative to deploying dedicated PCs to all users.
- Reduces costs associated with hardware failures.
- Enhanced security and easier management.
- Increased performance, scalability and redundancy.
- Reduces the time it takes to deploy a client device.
- Protection valuable information on the PC and network.
- Rapid Application management.
- Non platform specific, can be used from any device regardless of operating system.

Tool: 24x7 On Call Support	Optional

Service Definition:

IT support services provided for agency employees that do not work regular business hours.

Key Benefits:

- Maximize uptime by resolving support issues before regular business hours.
- Improved support turnaround time for staff that works irregular work hours.

Tool: Tier 1 Help Desk Services	Optional

Service Definition:

First line of support available to agencies for initial troubleshooting process.

Key Benefits:

- Increases productivity of other IT resources to perform their duties.
- Single point of contact for trouble ticket reporting.
- Staff augmentation during personal leave and vacations.

High-Level Implementation Plan

An effective implementation strategy to transition towards the recommended Desktop Support model will be a key step towards realizing the benefits identified in this analysis. Eide Bailly recommends the following high-level implementation plan be followed:

- **Phase I – Scoping and Planning**
  - Formalize service definitions and service levels standards
  - Confirm the scope of services to be delivered for each ITD supported agency (Note: In several cases there will be a need to somewhat customize the Desktop Support process to meet agency requirements.)
  - Establish formal / written Service Level Agreements (SLAs) for each agency's Desktop Support services. SLAs should include items such as:
    - Hours of Support
    - Support Response Time Commitments
    - Definition of ITD and Agency Responsibilities

        - Escalation Processes and Timelines
        - Define SLA Reporting Requirements
    - Establish on-boarding timelines for each agency

- **Phase II – Tools & Process Standardization**
    - Product evaluation and selection (where required)
    - Confirm each agency's participation with the each newly established Desktop Support tool.
    - Tool implementation (where required)
    - Migration of the desktop environment to the selected tools

    Note: At a minimum ITD should have completed the migration to standard Desktop Support tools prior to on-boarding agencies with ITD for Desktop Support.

- **Phase III – Agency Desktop Support On-Boarding**
    - Migrate selected agencies to ITD centralized support. (Eide Bailly recommends migrating no more than 10 agencies per quarter.)

Appendix

- Appendix A – Current Environment Desktop Support Data

1053 #2
1-15-15

March 2014

Management Information Systems Staffing Analysis

State of North Dakota – Department of Public Instruction

P2

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Project Summary

Project Goals & Objectives

The North Dakota Department of Public Instruction (DPI) was asked by the legislature to review any overlap of duties and responsibilities between their Management Information Systems (MIS) unit and the State of North Dakota's Information Technology Department (ITD). The intent of the review was to look for efficiencies and any duplication of effort. ND House Bill 1013 Section 15 mandated the review and allotted dollars from the general fund for DPI to complete the project. Specifically, ND House Bill 1013 Section 15 states:

> *"The analysis must include a review of the department of public instruction information technology staffing duties, responsibilities, and staffing levels and must consider the feasibility and desirability of transferring additional information technology positions to the information technology department and must provide recommendations regarding the appropriate level of information technology staff for the department of public instruction."*

Eide Bailly worked with DPI's leadership and MIS staff to complete this analysis. The analysis also included a review of other organizations that share customers and data with DPI, such as EduTech and ITD, in an effort to identify any potential efficiency and / or quality of service improvements that may be achieved through a tighter working relationship amongst the organizations.

Key Findings and Recommendations

When reviewing the current DPI MIS staffing levels, several key points become immediately apparent for the analysis:

- Current DPI MIS staffing levels are not as high as they appear if one were to review the positions on the current organization chart. Traditional MIS staffing levels within DPI MIS are 7 FTEs, not the 12 positions that it appears to be under the current organization chart.
- While there are multiple organizations servicing the State of North Dakota's educational technology needs (DPI MIS, EduTech and ITD), each organization does play a distinctly separate role and there is only minimal overlap in the current organizations.
- Based on the current centralization of many key education technology services in the State of North Dakota (with ITD and EduTech) and compared to other states, true DPI MIS staffing levels are consistent with expectations and assigned duties.
- There is a need to increase the utilization levels of the current research team.
- The level of data collection requirements for the multiple education programs is the primary driving force for the number of DPI MIS staff (e.g., Federal reporting requirements are complex and require a significant technology investment to sustain).

Based on our analysis of the organizations reviewed as a part of this project, Eide Bailly recommends the following:

1. **Establish a clear organizational separation between the "Research" and "MIS" functions within DPI.**
    - The current DPI MIS organization includes 4 FTEs that are performing various "research" functions for the department. Members of this team may appear to be "MIS" or "IT" staff; however, their day-to-day duties are not significantly related to those typically associated with an MIS function.
    - Currently, the Researchers are largely focused on public, legislative and internal DPI requests for information. These duties are far more functional than technical in nature. Research staff need to be focused on how to effectively use and report on the information being collected by DPI, not on simply responding to requests for information.
    - There is the potential to consider shared Research FTEs with the North Dakota University System (NDUS). Implementation of such a structure would allow for better analysis of data across the entire Pre-K through university education spectrum.
2. **Maintain the current DPI "Programmer" organizational structure (4 FTEs).**
    - DPI's current MIS "Programmer" staff is appropriate for their assigned responsibilities.
    - While the DPI Programmer staff does spend a significant portion of their time designing, coding, testing and maintaining various DPI applications, they also provide significant "Business Analyst" skills to the department.
    - In many cases, the DPI Programmer staff are more than just a software development team – they provide deep expertise in DPI's data collection and reporting requirements. These skills could not easily be replicated by simply moving the software development responsibilities to another department (e.g., ITD).
3. **Re-align the current internal MIS support staff (2 FTEs) under the state of North Dakota's Information Technology Department (ITD).**
    - As discussed in the prior Desktop Study analysis completed for the State of North Dakota Information Technology Department (ITD) and Office of Management and Budget (OMB), DPI's internal support needs can be more effectively and efficiently met through a shared support team within ITD.
    - The support needs of DPI staff are not sufficiently unique to require dedicated internal support staff, these functions can be effectively supported by centralized resources that support the needs of multiple agencies.
4. **Establish a new "Measurement and Accountability" section (currently 4 FTEs) within DPI.**
    - This new section should serve as a re-cast version of the current Research function within DPI.

- The current Researchers will likely require additional leadership (e.g., A new department Manager / Director) to achieve DPI's goals associated with more effective use of information. In addition, new leadership of this function will allow for management and focus of the team's efforts on projects that are truly required and / or better-aligned efforts with DPI's goals.
- Note: This section is the area where there is the potential to share resources with NDUS.

5. **Establish a shared technical support function with EduTech.**
    - Currently, DPI MIS and EduTech both support K-12 public schools. EduTech's focus is primarily on supporting core technology systems for many school districts and DPI MIS' focus is primarily on supporting their internally developed data collection applications.
    - DPI currently provides their support to schools primarily through calls directly from school users to the MIS programming staff. EduTech has an established Help Desk for providing technical support to their K-12 users.
    - The current structure is confusing and inconsistent for schools. DPI would benefit significantly in efficiency and quality of support by establishing a shared support / Help Desk system with EduTech. Such a system would require establishing formal escalation processes between the two organizations.
6. **Complete the planned data mapping project to confirm how all collected data is being utilized by the department.**
    - DPI provides a common point of data collection for most data required for federally funded education programs. Data collection requirements frequently change over time and DPI's systems are frequently updated to reflect these changes. However, there is currently not a complete picture of what data is currently required and where it is used.
    - Completion of the planned data mapping exercise will provide DPI with a clear baseline of what data is required and where it is utilized. This is important for the DPI MIS staffing analysis, as it would provide significant clarification on the scale and scope of DPI MIS data collection and reporting responsibilities.
    - This effort would also help DPI establish a solid baseline for assessing the complexity and manageability of federal and state data collection requirements.

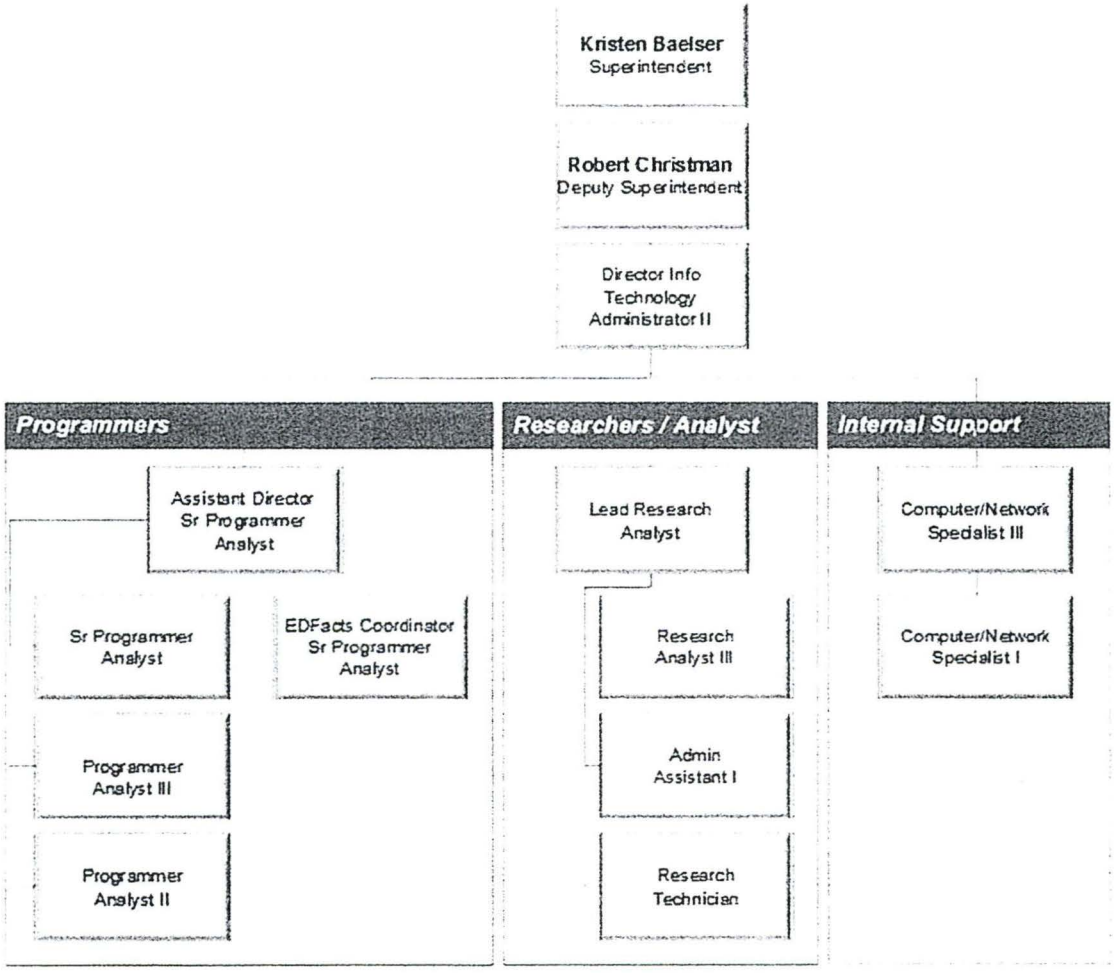
Organizational Structure

If fully implemented, the above recommendations would result in changes to the current DPI MIS organizational structure. Completing these recommended changes would provide the following benefits:

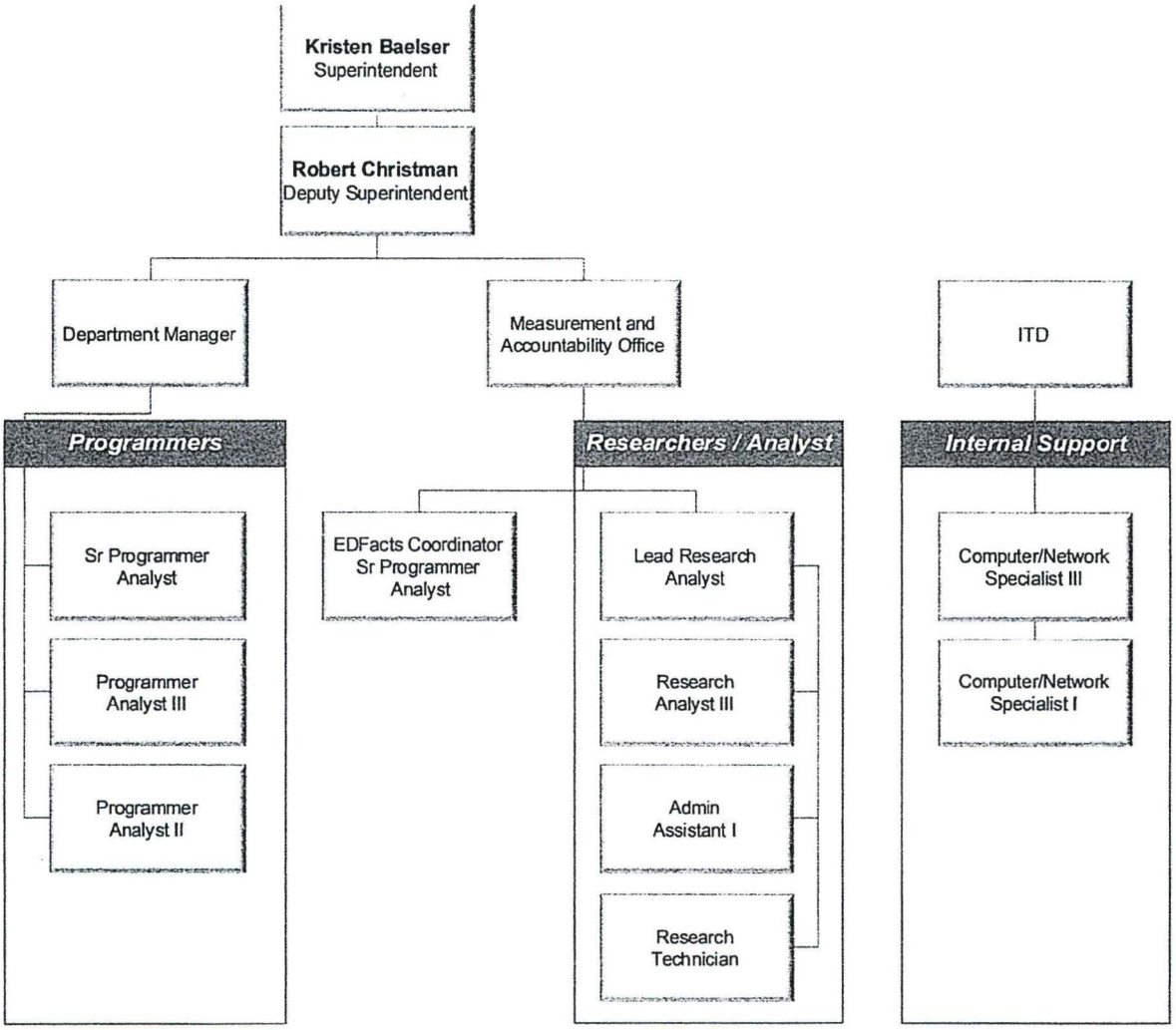
- **Clearly Defined Duties** – The current organizational structure creates the impression that DPI has 12 MIS / IT FTEs. In reality, based on staffs' assigned duties this is not the case. Approximately 7 FTEs on the current DPI MIS team are traditional MIS / IT resources.

- **Higher Quality External Customer Support** – Establishing a single support mechanism (through the EduTech Help Desk) would provide a clear support model for common customers of DPI and EduTech. In addition, a formal Help Desk model for support will provide customers with a more reliable and consistently available solution for support.
- **More Efficient Internal Support** – Internal DPI user support will be more efficient and cost effective through the planned ITD Desktop Support model.
- **Better Use of Data** – Effective use of all the data collected by DPI would be more easily achieved by having a portion of the organization dedicated to this function. In addition, focused leadership of the research team will provide DPI with an opportunity to increase the team's utilization and productivity.

The following diagram illustrates the current DPI MIS organizational structure:



The following diagram illustrates how the DPI MIS organizational structure would look if full implementation of Eide Bailly's recommendations were completed:



The final result of completing the recommended changes would change the reporting structure and departments that staff are located:

- DPI MIS organization staffing would go from the current 12 FTE count to 4 FTEs in the new MIS organization.
- The new Measurement and Accountability Office would have 6 FTEs and possibly be shared with NDUS.
- Overall staffing within DPI would be reduced by 2 FTEs; however, these FTEs would essentially become part of ITD (as recommended in the prior Desktop Study report).

1053 #3

House Bill 1053
Government and Veteran's Affairs Committee
January 15, 2015

Pam Sharp
Office of Management and Budget

Good morning Chairman Kasper and members of the Government and Veteran's Affairs committee.

I am testifying in opposition to House Bill 1053. I do not oppose ITD providing desktop support; however, I do oppose the mandatory requirement that ITD provide desktop support to all agencies not exempted in this bill.

While working on the executive budget recommendation, we did recognize that some small agencies that do not have dedicated staff for desktop support would benefit from being able to receive that support from ITD. To that end we did include funding for ten small agencies that indicated their desire to receive desktop support services from ITD. Two of those agencies, the Secretary of State and the Department of Agriculture were already receiving those services from ITD. The other agencies were Center for Tobacco, Council on the Arts, Department of Labor, Indian Affairs, Protection and Advocacy, State Treasurer, State Auditor's Office, and the Securities Commission. In addition, we provided two FTEs in ITD for those services to be provided. ITD would bill the agencies identified and that would fund the two additional FTEs.

In the situation of OMB, we do have a dedicated staff person that provides desktop support. This individual is a Computer and Network Specialist III. About 25% of her time is spent on desktop support. The remainder of her time is spent on application support and other IT related duties in the agency.

If this bill passes as it is, OMB would receive desktop support from ITD and that 25% of our staff's time would be freed up to do other duties. While we have plenty of other things for this person to do, the cost of that 25% of her time would be $716,898 according to the fiscal note for this bill. That means that

nearly $717,000 of general funds would have to be added to OMB's budget to pay for the desktop support services from ITD.

OMB is going to get good desktop services either way – whether from our own staff or ITD, but there are better ways to spend $717,000 of general fund dollars.

The total cost to the general fund for this bill is $4.2 million. $802,000 of that funding is already included in the executive recommendation for those small agencies that would like to obtain those services from ITD. The remaining $3.4 million would have to be added to agency budgets if this bill is passed.

If you do pass this bill, I request that OMB be added to the list of agencies exempt from centralized desktop support services. The desktop study recommended desktop support to agencies with fewer than 100 FTEs. OMB has 130 FTEs. Exempting OMB would be consistent with that philosophy.

I support the concept of ITD being able to provide desktop services to those agencies that desire the services and where it makes fiscal sense, but we do oppose the mandatory requirement because of the increased cost to state government.

1053
#4

TESTIMONY ON HB 1053
House Government and Veterans Affairs COMMITTEE
15 January 2015
By: Steve Snow, MIS Director
701-328-2189
Department of Public Instruction

Chairman Kasper and Members of the Committee:

My name is Steve Snow and I am the director of the MIS (Management Information Systems) unit with the Department of Public Instruction (DPI). I am here to speak in opposition to HB 1053. I have also been asked to speak on behalf of the North Dakota State Library and the North Dakota School for the Deaf/Resource Center for Deaf and Hard of Hearing.

DPI and the Information Technology Department (ITD) have enjoyed a long standing and mutually beneficial partnership. DPI receives many information technology (IT) services from ITD and have worked together on several large projects. However, we see the proposed desktop support service centralization to be an unnecessary expense without adding necessary return on service.

DPI has two dedicated IT staff that provide desktop support in addition to a multitude of other task including support for our new intranet and support for specialized Software-as-a-Service programs utilized by DPI staff. Based on the number of personal computers (a mix of laptops and desktops) and the cost published

by ITD, we estimate an additional expense of $600,000 for the biennium (with a recurring cost of $320,000 for subsequent biennium).

The North Dakota State Library provides many services to the libraries throughout North Dakota as well as the patrons that visit our library. In addition to the normal desktop support our IT staff provides, they also support a public computer lab, a microfilm PC and several Online Public Access Computers, or OPACs, which is how patrons search our collection and the collections of libraries across the state. The computer lab is used throughout the day by citizens of North Dakota.

A vital service that State Library IT staff provides to the public libraries throughout the state is onsite technology support. This can be everything from helping the library install a computer funded through a grant to training staff to be able to troubleshoot public access computers to provide better service to their patrons. In addition, the IT staff also assists libraries with being in compliance with Federal regulations as well as being able to answer technology related questions on their annual report.

State Library IT staff supports over 80 computers, devices and technology equipment used by State Library staff. The State Library does not fit the model for desktop support by ITD that has been developed because they have staff that share workstations, have multiple workstations and specialized

equipment, such as their digitization equipment. They estimate an additional expense of $380,000 for the biennium (with a recurring cost of $208,000 for subsequent biennium).

The North Dakota School for the Deaf/ Resource Center for Deaf and Hard of Hearing (NDSD/RCDHH) is a school system and have a number of education programs on their computers that are used to provide quality education for their students. These computers are in the classrooms and a computer lab which increases the number of computers they work with.

They use IPads and smart boards on a regular basis in their teaching. It is vital that they have a technology expert on site who can address specific problems immediately when they are providing instruction to students. Devils Lake is a distance from Bismarck and this distance would affect their on-site support service

They use extensive adaptive equipment when working with individuals with disabilities. This equipment needs to be monitored at the local site and adjusted for individual needs. Their outreach staff work in homes and public schools throughout the state. Their laptop computers are used in a variety of settings.

The approximate costs for our school would be over $450,000 the first year and $220,000 the following years. This bill would substantially increase our costs and would not be saving to the state. We would need to pay the ITD costs and continue to hire our own technology expert.

They request that NDSD/RCDHH, as a school, be given exempt status in the bill similar to the North Dakota vision services – school for the blind.

Each of the entities represented (DPI, State Library, and School for the Deaf) also receive significant education and library discounts from software and hardware vendors. The State Library and DPI have recently partnered under a single contract with Dell to receive our desktop office suite at a substantial discount along with other software assurance services. State Library IT staff also provides procurement services for our libraries. It would be cumbersome if their staff could not continue to procure in-house equipment and use the educational discount. It is unclear how receiving desktop support services from ITD will affect these discounts.

To summarize, the Department of Public Instruction, the School for the Deaf/Resource Center for Deaf and Hard of Hearing and the North Dakota State Library would like to be identified as exempted from the required use of centralized desktop support services provided by ITD as outlined in HB1053 for the following reasons:

- Additional and unnecessary cost (including possible loss of educational and library discounts)
- Specialized services and support provided by each entity

We do understand that some agencies are requesting this service from ITD. We could support this bill if it was written "*Each state agency may obtain*

centralized ..... " This would allow the agencies to choose to use ITD or their own computer expert or a combination of the two.

Chairman Kasper and Members of the Committee that concludes my prepared testimony and I will stand for any questions that you may have.

P. 6

To: Chairman Kasper and members of the House Government and Veterans Affair Committee

I am Dr. Connie Hovendick, Superintendent of the North Dakota School for the Deaf/ Resource Center for Deaf and Hard of Hearing (NDSD/RCDHH). I would like to address HB# 1053. I am opposed to the bill in its current form.

The approximate costs for our school would be over $450,000 the first year and $220,000 the following years. This bill would substantially increase our costs and would not be saving to the state. We would need to pay the ITD costs and continue to hire our own technology expert.

We are a school system and have a number of education programs on our computers that are used to provide quality education for our students. These computers are in the classrooms and a computer lab which increases the number of computers we work with.

We use Ipads and smart boards on a regular basis in our teaching. It is vital that we have a technology expert on site who can address specific problems immediately when we are providing instruction to students. Devils Lake is a distance from Bismarck and this distance would affect our on-site support service.

We use extensive adaptive equipment when working with individuals with disabilities. This equipment needs to be monitored at the local site and adjusted for individual needs. Our outreach staff work in homes and public schools throughout the state. Their laptop computers are used in a variety of setting.

I request that NDSD/RCDHH, as a school, be given exempt status in the bill similar to the North Dakota vision services – school for the blind.

I understand some agencies are requesting this service from ITD. I could support this bill if it was written "*Each state agency <u>may</u> obtain centralized ……..*" This would allow the agencies to choose to use ITD or their own computer expert.

Thank You, members of the North Dakota Legislature, for your ongoing support in serving persons who are deaf or hard of hearing.

P. 1

TESTIMONY ON HB1053
HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE

Mary J. Soucie
State Librarian
North Dakota State Library
(701) 328-2492

Dear Chairman Kasper & members of the House Government and Veterans Affairs Committee,

The North Dakota State Library provides many services to the libraries throughout North Dakota as well as the patrons that visit our library. In addition to the normal desktop support our IT staff provides, they also support a public computer lab, a microfilm PC and several Online Public Access Computers, or OPACs, which is how patrons search our collection and the collections of libraries across the state. The computer lab is used throughout the day by citizens of North Dakota.

A vital service that our IT staff provides to the public libraries throughout the state is onsite technology support. This can be everything from helping the library install a computer funded through a grant to training staff to be able to troubleshoot public access computers to provide better service to their patrons. In addition, the IT staff also assists libraries with being in compliance with Federal regulations as well as being able to answer technology related questions on their annual report.

Our IT staff supports over 50 computers, devices and technology equipment used by our staff. We do not fit the model for desktop support by ITD that has been developed because we have staff that share workstations, have multiple workstations and specialized equipment, such as our digitization equipment.

In addition to the services that are already outlined above, our IT staff also provides procurement services for our libraries. We are able to take advantage of educational discounts available to schools and libraries. It would be cumbersome if our staff could not continue to procure in-house equipment and use the educational discount.

We work very closely with ITD on a number of projects, including Internet access in a number of our public libraries. However, due to the unique services that our IT staff provides to members of the public as well as to libraries, we would like to be identified as one of the agencies that is exempted from the required use of centralized desktop support services provided by ITD as outlined in HB1053.

Thank you for your time and attention.

Install fee includes the device, monitor, peripherals and Microsoft Office Suite
Some stations require dual monitor and specific software outside MS Office Suite

DPI (current PC replacement budget)

Desktop	19	$2,350.00	$44,650.00
Laptop	37	$1,225.00	$45,325.00
	56		$89,975.00

DPI	PCs	One-Time fee	One-Time Cost	Recurring fee	Recurring (month)	Recurring (yearly)	Recurring (Bienium	Total
Desktop	30	$1,955.00	$58,650.00	$100.00	$3,000.00	$36,000.00	$72,000.00	
Laptop	80	$2,725.00	$218,000.00	$130.00	$10,400.00	$124,800.00	$249,600.00	
	110		$276,650.00				$321,600.00	$598,250.00

School for the Deaf (PCs)	PCs	One-Time fee	One-Time Cost	Recurring fee	Recurring (month)	Recurring (yearly)	Recurring (Bienium	Total
Desktop	47	$1,955.00	$91,885.00	$100.00	$4,700.00	$56,400.00	$112,800.00	
Laptop	37	$2,725.00	$100,825.00	$130.00	$4,810.00	$57,720.00	$115,440.00	
	84		$192,710.00				$228,240.00	$420,950.00

School for the Deaf (FTEs)	PCs	One-Time fee	One-Time Cost	Recurring fee	Recurring (month)	Recurring (yearly)	Recurring (Bienium	Total
Desktop	30	$1,955.00	$58,650.00	$100.00	$3,000.00	$36,000.00	$72,000.00	
Laptop	20	$2,725.00	$54,500.00	$130.00	$2,600.00	$31,200.00	$62,400.00	
	50		$113,150.00				$134,400.00	$247,550.00

School for the Deaf (Head Start)	PCs	One-Time fee	One-Time Cost	Recurring fee	Recurring (month)	Recurring (yearly)	Recurring (Bienium	Total
Desktop	65	$1,955.00	$127,075.00	$100.00	$6,500.00	$78,000.00	$156,000.00	
Laptop	49	$2,725.00	$133,525.00	$130.00	$6,370.00	$76,440.00	$152,880.00	
	114		$260,600.00				$308,880.00	$569,480.00

State Library	PCs	One-Time fee	One-Time Cost	Recurring fee	Recurring (month)	Recurring (yearly)	Recurring (Bienium	Total
Desktop	62	$1,955.00	$121,210.00	$100.00	$6,200.00	$74,400.00	$148,800.00	
Laptop	19	$2,725.00	$51,775.00	$130.00	$2,470.00	$29,640.00	$59,280.00	
	81		$172,985.00				$208,080.00	$381,065.00

1053
#5

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DEPARTMENT OF
ND TRUST LANDS
INVESTING FOR EDUCATION

Lance D. Gaebe, Commissioner

TESTIMONY OF LINDA FISHER
DEPUTY COMMISSIONER OF OPERATIONS
North Dakota Department of Trust Lands

IN OPPOSITION TO HOUSE BILL 1053

HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE
January 15, 2015

Chairman Kasper, and members of the Committee, I am Linda Fisher, Deputy Commissioner of Operations for the Department of Trust Lands.

I am here to testify in opposition to this bill; more specifically to the exclusion of the Department of Trust Lands (Department) in the list of exempted agencies.

In reviewing the *Key Findings and Recommendations* in Eide Bailly's Desktop Study report, one of the recommendations was to include agencies with less than 100 employees under the umbrella of possible ITD Desktop Support.

The Department certainly falls within that criteria. However, the responsibilities of the Department are varied and diverse for the size of the agency. Responsibilities include management of:

- Real property associated with surface leasing and mineral/oil and gas development;
- Billions of dollars of financial investments;
- Grants associated with the Energy Infrastructure and Impact Office;
- Custody of confidential information essential for the administration of the Uniform Unclaimed Property Act.

We are seeking exemption due in part to:

- The number of specialized software programs used in the Department for royalty reporting compliance, real estate management, and confidential data management.

- The number of part-time/seasonal field inspectors deployed throughout the state. These individuals are working out of home offices and operate exclusively on the use of specialized proprietary land management software for noxious weed inspections, right-of-way siting, reclamation compliance, range utilization assessment and more. Internal desktop support is responsible for hardware and software maintenance and technical support for these users.

- Hardware and software expertise is required to support off-site quarterly oil and gas lease auctions and statewide bi-annual surface lease auctions.

Currently a portion of one FTE in the Department is assigned to desktop support. The current structure is efficient, expedient, and relatively low cost. For this and all the reasons previously stated, we believe it is justifiable to respectfully request that the Department of Trust Lands be included in the list of exempted agencies in House Bill 1053.

#6
1053
1-16-15

TESTIMONY ON HB 1053
House Government and Veterans Affairs COMMITTEE
15 January 2015
By: Steve Snow, MIS Director
701-328-2189
Department of Public Instruction

Copies of the requested updated cost estimates in relation to HB 1053

Also included a comparison of state pricing vs. education pricing

Product	Education Pricing	State Pricing **
Office 2013 Professional Plus (with software Assurance)	$23.63/yr	$577.29
Windows 7 Professional	$49.86	$119.81
Windows 7 Enterprise	*	$188.27
Windows 8 Professional	$65.00	$119.81
Windows 8 Enterprise	*	$188.27

* Not previously purchased

** Pricing from current State Contract with Dell

	15/17	subsequent Biennium
ND DPI - desktop support - estimated cost	$588,036.00	$363,360.00
ND School for the Deaf - desktop support - estimated cost	$391,832.00	$237,600.00

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1-16-15
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Department of Public Instruction
Revised Help Desk Support estimate

P 3

	Full Fee	Yearly Adjust	Recurring Fee
Desktop Fee	$1,955.00	$488.75	$100.00
Laptop Fee	$2,725.00	$908.33	$130.00

Laptop Replacement	3 year	15/17 Biennium	**$588,036.00**
Desktop Replacement	4 year	Subsequent Biennium	**$363,360.00**

Fee Total	Monthly Total	Biennium Total
$224,676.00	$15,140.00	$363,360.00

Date Purchased	PC Type	Yrs. Old	Adjusted Fee	Recurring Fee	
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2011	Desktop	4	$1,955.00	$100	$2,400
2011	Desktop	4	$1,955.00	$100	$2,400
2011	Desktop	4	$1,955.00	$100	$2,400
2011	Desktop	4	$1,955.00	$100	$2,400
2011	Desktop	4	$1,955.00	$100	$2,400
2011	Desktop	4	$1,955.00	$100	$2,400
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120
2012	Laptop	3	$2,724.99	$130	$3,120

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2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Desktop	3	$1,466.25	$100	$2,400
2012 Laptop	3	$2,724.99	$130	$3,120
2012 Laptop	3	$2,724.99	$130	$3,120
2013 Desktop	2	$977.50	$100	$2,400
2013 Desktop	2	$977.50	$100	$2,400
2013 Desktop	2	$977.50	$100	$2,400
2013 Desktop	2	$977.50	$100	$2,400
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120

Department of Public Instruction
Revised Help Desk Support estimate

2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Laptop	1	$908.33	$130	$3,120
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2013 Desktop	2	$977.50	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400
2014 Desktop	1	$488.75	$100	$2,400

North Dakota School for the Deaf
Revised Help Desk support estimate

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	Full Fee	Yearly Adjust	Recurring Fee
Desktop Fee	$1,955.00	$488.75	$100.00
Laptop Fee	$2,725.00	$908.33	$130.00

Laptop Replacement	3 year	15/17 Biennium	**$391,832.16**
Desktop Replacement	4 year	Subsequent Biennium	**$237,600.00**

Fee Total	Monthly Total	Biennium Total
$154,232.16	$9,900.00	$237,600.00

Date Purchased	PC Type	Yrs. Old	Adjusted Fee	Recurring Fee		
2007	Desktop	4	$1,955.00	$100	$2,400	1
2008	Desktop	4	$1,955.00	$100	$2,400	2
2008	Laptop	3	$2,724.99	$130	$3,120	3
2009	Laptop	3	$2,724.99	$130	$3,120	4
2009	Desktop	4	$1,955.00	$100	$2,400	5
2009	Desktop	4	$1,955.00	$100	$2,400	6
2009	Desktop	4	$1,955.00	$100	$2,400	7
2009	Laptop	3	$2,724.99	$130	$3,120	8
2011	Desktop	4	$1,955.00	$100	$2,400	9
2011	Desktop	4	$1,955.00	$100	$2,400	10
2011	Desktop	4	$1,955.00	$100	$2,400	11
2011	Desktop	4	$1,955.00	$100	$2,400	12
2011	Desktop	4	$1,955.00	$100	$2,400	13
2011	Desktop	4	$1,955.00	$100	$2,400	14
2011	Desktop	4	$1,955.00	$100	$2,400	15
2011	Desktop	4	$1,955.00	$100	$2,400	16
2011	Desktop	4	$1,955.00	$100	$2,400	17
2011	Laptop	3	$2,724.99	$130	$3,120	18
2011	Laptop	3	$2,724.99	$130	$3,120	19
2011	Laptop	3	$2,724.99	$130	$3,120	20
2012	Desktop	3	$1,466.25	$100	$2,400	21
2012	Desktop	3	$1,466.25	$100	$2,400	22
2012	Desktop	3	$1,466.25	$100	$2,400	23
2012	Desktop	3	$1,466.25	$100	$2,400	24
2012	Desktop	3	$1,466.25	$100	$2,400	25
2012	Desktop	3	$1,466.25	$100	$2,400	26
2012	Desktop	3	$1,466.25	$100	$2,400	27
2012	Desktop	3	$1,466.25	$100	$2,400	28
2012	Desktop	3	$1,466.25	$100	$2,400	29
2012	Desktop	3	$1,466.25	$100	$2,400	30
2012	Laptop	3	$2,724.99	$130	$3,120	31
2012	Laptop	3	$2,724.99	$130	$3,120	32
2013	Laptop	2	$1,816.66	$130	$3,120	33
2013	Laptop	2	$1,816.66	$130	$3,120	34
2013	Laptop	2	$1,816.66	$130	$3,120	35
2013	Desktop	2	$977.50	$100	$2,400	36
2013	Desktop	2	$977.50	$100	$2,400	37
2013	Desktop	2	$977.50	$100	$2,400	38
2013	Desktop	2	$977.50	$100	$2,400	39
2013	Desktop	2	$977.50	$100	$2,400	40
2013	Desktop	2	$977.50	$100	$2,400	41
2013	Desktop	2	$977.50	$100	$2,400	42
2013	Desktop	2	$977.50	$100	$2,400	43
2013	Desktop	2	$977.50	$100	$2,400	44
2013	Desktop	2	$977.50	$100	$2,400	45
2014	Desktop	1	$488.75	$100	$2,400	46
2014	Desktop	1	$488.75	$100	$2,400	47
2014	Desktop	1	$488.75	$100	$2,400	48
2014	Desktop	1	$488.75	$100	$2,400	49
2014	Desktop	1	$488.75	$100	$2,400	50

North Dakota School for the Deaf
Revised Help Desk support estimate

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2014 Desktop	1	$488.75	$100	$2,400	51
2014 Desktop	1	$488.75	$100	$2,400	52
2014 Desktop	1	$488.75	$100	$2,400	53
2014 Desktop	1	$488.75	$100	$2,400	54
2014 Desktop	1	$488.75	$100	$2,400	55
2014 Desktop	1	$488.75	$100	$2,400	56
2014 Laptop	1	$908.33	$130	$3,120	57
2014 Laptop	1	$908.33	$130	$3,120	58
2014 Laptop	1	$908.33	$130	$3,120	59
2014 Laptop	1	$908.33	$130	$3,120	60
2014 Laptop	1	$908.33	$130	$3,120	61
2007 Laptop	3	$2,724.99	$130	$3,120	62
2011 Laptop	3	$2,724.99	$130	$3,120	63
2011 Laptop	3	$2,724.99	$130	$3,120	64
2012 Laptop	3	$2,724.99	$130	$3,120	65
2012 Laptop	3	$2,724.99	$130	$3,120	66
2012 Laptop	3	$2,724.99	$130	$3,120	67
2004 Laptop	3	$2,724.99	$130	$3,120	68
2009 Laptop	3	$2,724.99	$130	$3,120	69
2011 Laptop	4	$3,633.32	$130	$3,120	70
2012 Laptop	3	$2,724.99	$130	$3,120	71
2012 Desktop	3	$1,466.25	$100	$2,400	72
2013 Laptop	2	$1,816.66	$130	$3,120	73
2013 Laptop	2	$1,816.66	$130	$3,120	74
2013 Laptop	2	$1,816.66	$130	$3,120	75
2013 Laptop	2	$1,816.66	$130	$3,120	76
2014 Laptop	1	$908.33	$130	$3,120	77
2005 Laptop	3	$2,724.99	$130	$3,120	78
2006 Laptop	3	$2,724.99	$130	$3,120	79
2009 Laptop	3	$2,724.99	$130	$3,120	80
2009 Desktop	6	$2,932.50	$100	$2,400	81
2012 Laptop	3	$2,724.99	$130	$3,120	82
2012 Laptop	3	$2,724.99	$130	$3,120	83
2012 Laptop	3	$2,724.99	$130	$3,120	84
2012 Laptop	3	$2,724.99	$130	$3,120	85
2012 Laptop	3	$2,724.99	$130	$3,120	86
2012 Laptop	3	$2,724.99	$130	$3,120	87

HB 1053: Interim Information Technology Committee - Centralize Desktop Support - DO PASS #1 pg 1

Rep. Roscoe Streyle, District 3 Testimony – Senate GVA 3/12/15 @ 9:45am

[redacted]erview:

Last session SB 2021 directed ITD to commission an independent study of all state agencies information technology desktop support to determine feasibility and desirability of centralization of desktop support services through Information Technology Department (ITD).

Study Contractor & Cost: Eide Bailly - $130,000

Interim Committee Vote: Unanimous Do Pass

North Dakota House Vote: 72-21

Key Recommendations:

1) 32 State Agencies would benefit from centralized desktop support from ITD.
2) Agencies with fewer than 100 users are generally among the recommended agencies, but not in all cases.
3) ITD would require additional 4 FTEs for current Help Desk.
4) 250:1 Ratio is recommended. Meaning 250 users per 1 ITD Help Desk employee, not devices.
5) ITD should implement formal process for annually evaluating service options with each agency.
6) ITD establish consistent support processes and data collection across a common set of tools.
7) ITD should define expect SLA (Service Level Agreements) for Desktop Support.
8) ITD should establish standards for Desktop Support related tools.

[redacted]rent Environment:

1) Eide Bailly conducted on-site or phone interviews with each agency in the study.
2) Eide Bailly collected the following information: Current Support Staff, Current Desktop Support Costs and FTEs, Desktop and Device Deployment Standards, Devices and Applications Supported, Support-Related Tools Used, and Support Statistics and Methods, if available. Page 5
3) Eide Bailly also collected the following service specific data: End-User Help Desk Services, Device Deployment & Lifestyle Management, Procurement, Ticketing System, Desktop Patch Management, Mobile Device Management, Desktop/Laptop System Imaging, Asset Management & Inventory, Remote Device Control, Anti-Virus Software, and License Management. Pages 6-7
4) Current staffing at all agencies surveyed is inefficient, with support staff to staff personnel ratio ranging from 68:1 to 171:1. Again the recommendation is based on 250:1 model. Pages 8-9
5) Key Technical Highlights:
    a. Low adoption of Laptop Hardware Drive Encryption - Page 12
    b. Low adoption of Mobile Device Management - Page 12
    c. Low consistency of Patch Management - Page 13
    d. Low consistency of Remote Control Software - Page 13
    e. Low consistency and adoption of Monitoring Tools - Page 13
    f. Low consistency and adoption of Ticketing Systems - Page 14
    g. Low consistency of Application and Devices Supported - Page 14
6) Current Environment Structure

a. Agencies with current full-time IT staff (generally with 50+ FTEs to support), Desktop Support is frequently not identified as a specific full-time position. These staff members are generally also preforming other duties for the agency. Page 15
b. Agencies smaller than 50 FTEs are generally using external vendors or Internal Staff who are considered "very part-time". Page 15
c. In many agency environments desktop support duties are split between multiple resources or organizations. Page 15
d. Best Practices are listed on pages 17-20.

Summary of Recommendations: Page 21-26

Benefits:

1) Centralized, Unified, Simplified Platform (hardware, OS, software).
2) Experts (ITD) managing IT infrastructure assets (desktops, laptops), not part-time or limited knowledge staff.
3) All inclusive rate $100/user/month, replacement of desktop every 4 years and laptop 3 years.
4) Help Desk Ticking System - All support calls or emails are logged and centrally managed.
5) Easier to budget for agencies, count computers take it times the ITD rate.
6) Centralized listing of Assets and Software Licenses. License compliance is major concern. Large fines have been imposed at many companies and states in the past ten years.
7) Agencies transfer risk to the experts (ITD), freeing them to do what they do best and that's running their agency.
8) Centralized anti-malware, remote control, patch management, workstation security, and monitoring are just as important as firewalls.
9) Centralized Help Desk, one stop shop to address all IT issues.
10) Cost savings for the state and agencies.

cal Note:

1) 10 Agencies requested Desktop Support in their 2015-2017 budgets.
2) 20 of the recommended Agencies did not put Desktop Support in their budgets.
3) The final page of the fiscal note (page 3) explains the costs well, ignore pages 1-2 they just creates confusion.
4) The cost is roughly $3M/biennium after the first biennium. Now $3.8M/biennium?
5) The 2015-2017 biennium assumes that all computers at all agencies need to be replaced. "One-Time" Column.
6) The first year of the biennium $873,659 should be removed; it's already in agencies budgets. Now $951,464?
7) Roughly 40% of agencies IT budgets are associated with hardware, meaning they are paying this matter if this bill passes or not. That amounts to $1.2M+ per biennium.
8) OMB added about $1M on page 3 from House version of the fiscal note. Why?
9) OMB, who opposed the bill in the House went from $716,898 to $490,550. Why?
10) You have to exclude the 10 agencies on the top of page 3 of the fiscal note, because it's already in budgets.
11) Can ITD implement full desktop support for the 32 agencies in one biennium?

Additional Information:

See additional study done by Eide Bailly titled "Management Information Systems Staffing Analysis" State of North Dakota - Department of Public Instruction. I printed the first part of the study where it indicates that DPI should move 2 FTEs to ITD and turnover the Desktop Support function to ITD.

retary of State, Department of Ag., and State Treasurer already get a form of Desktop Support services from ITD.

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HB 1053 Fiscal Note

Agencies included in Executive Recommendation				2017-2019		
Agency	General	Other	Total	General	Other	Total
Center for Tobacco	-	56,831	56,831	-	23,520	23,520
Council on the Arts	15,800	-	15,800	14,700	-	14,700
Dept of Agriculture	352,912	-	352,912	226,380	-	226,380
Dept of Labor	46,118	-	46,118	38,220	-	38,220
Indian Affairs	21,775	-	21,775	14,700	-	14,700
Protection and Advocacy	132,838	-	132,838	82,320	-	82,320
Secretary of State	96,000		96,000	91,140	-	91,140
State Treasurer	20,880	-	20,880	23,520	-	23,520
State Auditors	69,200	14,500	83,700	158,760	-	158,760
Securities	46,805	-	46,805	26,460	-	26,460
Total Executive Recommendation	802,328	71,331	873,659	676,200	23,520	699,720

Remaining Agencies included in Desktop Study						
Agency	General	Other	Total	General	Other	Total
Governor's Office	78,390		78,390	52,920		52,920
Admin Hearings		27,363	27,363		14,700	14,700
Aeronautics	32,835		32,835	17,640		17,640
Career and Tech Ed	147,758		147,758	79,380		79,380
Commerce	377,603		377,603	202,860		202,860
Trust Lands		169,648	169,648		91,140	91,140
DPI	547,250		547,250	294,000		294,000
Financial Institutions		158,703	158,703		85,260	85,260
Historical	377,603		377,603	202,860		202,860
Insurance		273,625	273,625		147,000	147,000
Legal Council	180,593		180,593	97,020		97,020
NDPERS		180,593	180,593		97,020	97,020
OMB	716,898		716,898	385,140		385,140
Parks & Rec	300,988		300,988	161,700		161,700
RIO		103,978	103,978		55,860	55,860
Deaf	246,263		246,263	132,300		132,300
Sec of State	78,508		78,508	-		-
Library	164,175		164,175	88,200		88,200
University System	109,450		109,450	58,800		58,800
Veterans Affairs	43,780		43,780	23,520		23,520
Total Other Agencies	3,402,091	913,908	4,315,998	1,796,340	490,980	2,287,320
Total All Agencies	**4,204,419**	**985,239**	**5,189,657**	**2,472,540**	**514,500**	**2,987,040**

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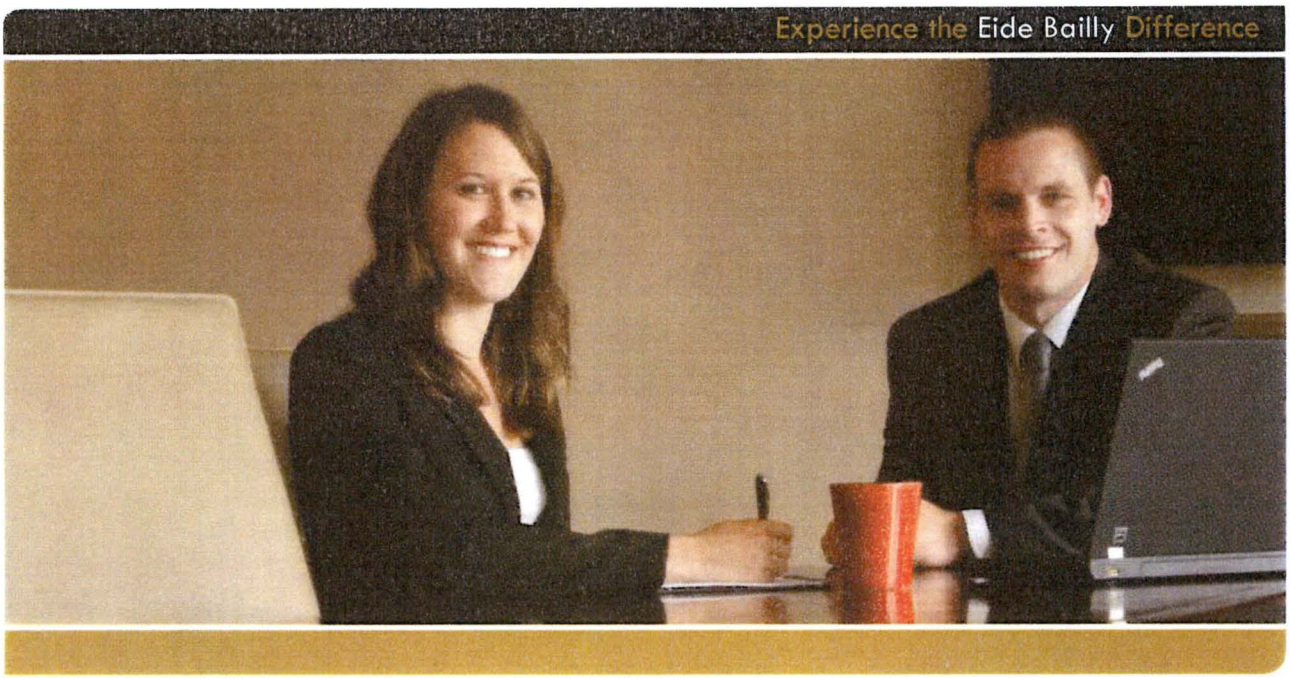

November, 2013

Desktop Study

State of North Dakota – Information Technology Department

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Executive Summary

Project Goals & Objectives

Eide Bailly has completed an analysis of the Desktop Support environment for the State of North Dakota. The review was completed to satisfy the legislative intent of SB 2021. Section nine of that bill requires the Information Technology Department (ITD) to perform a "study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies."

As part of this study, the current Desktop Support staffing models, processes and tools were all evaluated to determine a recommendation for a future Desktop Support model. As part of our analysis, Eide Bailly compared the overall costs of Desktop Support within the State of North Dakota's environment to industry benchmarks and best practices.

For the purposes of this analysis, the scope of Desktop Support includes end-user support and operations of a broad set of typical end-user devices and peripherals, such as:

- Desktop PCs
- Laptops
- Mobile Devices (Tablets & Smartphones)
- Printers
- General Application Support (Microsoft Office, Web Browsers, etc.)

Key Findings and Recommendations

A complete detailed list of Eide Bailly's findings and recommendations can be found later in this document. The following summarizes key findings and recommendations for the Desktop Study project:

- **People Findings & Recommendations** – A portion of our recommendations are centered on where support staff for Desktop Support should be managed – within ITD and / or with the agencies. Our "people" recommendations are as follows:
    1. 32 agencies have been identified that would benefit from at least some level of Desktop Support services from ITD. For these agencies we recommend proceeding with a transition to ITD for Desktop Support services as budgeting and planning allows.
    2. Agencies where we are recommending Desktop Support be centralized through ITD are generally under 100 users, have primarily "generic" Desktop Support and operations needs or are currently receiving at least some level of Desktop Support services from ITD.
    3. To support current and planned agency transitions for Desktop Support, ITD will require approximately 8 FTEs, which is an additional four FTEs to current Help Desk and

Desktop Support staff (Note: This aligns with the recommended ratio of approximately 250 users to 1 Desktop Support FTE).

4. ITD should enhance the current Service Desk capabilities to include traditional "Tier 1" help desk capabilities as part of staffing up to support agency desktop services. Our overall staffing recommendation for ITD includes the additional staff required to satisfy the "Tier 1" support needs of agencies recommended for ITD Desktop Support.

- **Process Findings & Recommendations** – Achieving the desired benchmark measures, efficiencies and quality will also require significant process changes for Desktop Support, including the following:

    1. ITD should implement a formal process for annually evaluating service options with each agency and / or transitioning to standardized tools for Desktop Support management.
    2. Establish consistent support processes and data collection across a common set of tools for all agencies. (e.g., Collect complete and consistent data on support tickets, volume, etc. for all users and agencies, whether ITD or agency supported.)
    3. ITD should define expected Service Level Agreement(s) for their various Desktop Support related services and tools. In addition, regular reporting on ITD's performance against these services levels should be provided to each agency receiving Desktop Support services from ITD. (Note: Other agencies should be encouraged to utilize common tools and metrics to monitor their own internal agency Desktop Support service performance.)

- **Technology Findings & Recommendations** – Establishing broader standards for desktop support and operations tools will be a key contributor to improved desktop support efficiency.

    1. ITD should establish standards (some "Mandatory" and other "Optional") for Desktop Support related tools for use across all agencies.

High-Level Project Process Overview

The following provides a summary of the process followed by Eide Bailly in working with the State of North Dakota to complete this project:

- *Phase I: Project Plan Development & Confirmation* - A plan for completing the project and required deliverables was developed by Eide Bailly and the designated State of North Dakota Project Manager.
- *Phase II: Current Environment Data Collection* – Data on the current environment for Desktop Support was gathered via on-site interviews with agencies that have over 100 FTEs and telephone interviews with agencies that have fewer than 100 FTEs.
- *Phase III: Analysis & Report Production* – The recommendations and report were developed by analyzing the State of North Dakota's current Desktop Support environment and comparing it to industry best practices.
- *Phase IV: Post Deliverable Support* – As needed Eide Bailly will assist OMB and ITD with further clarification and support associated with the final deliverable.

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List of Final Deliverables

Key deliverables for the project included the following:

- *Project Plan* – Our project management tools and schedule for completion of the project within the State of North Dakota's desired timeline.
- *Deliverable Outline* – During the first month of the project, Eide Bailly worked with ITD to develop an outline of the final deliverable to be produced for the project. This outline served as the basis for the content of this final report.
- *Current Environment Summary* – An overview of the current Desktop Support environment within the State of North Dakota IT environment. This included a summary of staffing (internal agency, ITD and contract resources) and tools currently utilized to provide Desktop Support services.
- *Draft Deliverable* – A complete draft of the final analysis and recommendations for the project, including recommendations and priorities for implementation.
- *Final Deliverable* – The final work product for the project including:
    - A Microsoft Word report detailing the findings and recommendations from the project.
    - A Power Point summary of the findings and recommendations from the project.

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Current Environment Summary

Introduction

During the first major phase in completing the Desktop Study project, Eide Bailly conducted on-site or phone interviews with each agency identified as in-scope for the project. In most cases, Eide Bailly conducted onsite interviews with agencies having over 100 Full-Time-Equivalent (FTE) staff and phone interviews with agencies have fewer than 100 Full-Time-Equivalent (FTE) staff. During both on-site and phone interviews, data in the following areas was collected:

- Current Support Staff
- Current Desktop Support Costs and / or Desktop Support FTEs (With internal agency staff, ITD services and / or an external provider)
- Desktop and Device Deployment Standards
- Details on Devices and Applications Supported
- Support-Related Tools Utilized (Either agency provided and / or provided by ITD)
- Current Support Statistics and Methods (If available)

Our detailed, data from the agency current environment interviews is contained in Appendix A. The "Current Environment Summary" section contains the following summary information collected as part of the Current Environment review phase of the project:

- **Summary of Services Provided By Agencies** – This section identifies current Desktop Support related services by each agency and how they are being delivered.
- **Current Staffing Summary** – This section documents each agency's staffing in the Desktop Support area. (If available)
- **Resource Geographic Summary** – While most agency Desktop Support resources are located in the Bismarck / Mandan area, there are isolated cases where Desktop Support staff is distributed to other state locations.
- **Technical Environment Summary** – Where available, the project team utilized this Current Environment phase of the project as an opportunity to gather data about the current Desktop Support related technologies in use at each agency.
- **Current Environment Desktop Support Cost Estimate** – With the current Desktop Support environment being largely "agency-based" (e.g., Desktop Support staff are primarily agency staff); the current cost of Desktop Support is not always readily available. However, as part of this effort Eide Bailly is using some reasonable assumptions and rules to effectively estimate current costs.

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Summary of Services Provided By Agencies

During the Current Environment assessment phase of the project, the project team was focused on identifying and documenting the services currently delivered by agency Desktop Support staff, ITD Desktop Support staff and by external vendors.

Throughout the interviews and data collection efforts, it became apparent that a key factor in our analysis would be establishing a consistent definition of what is included in "Desktop Support". In some agencies the current view of Desktop Support is primarily a "Help Desk" (including application support). In other agencies the current view of Desktop Support is broader and would include several additional services, such as: deployment of new PCs, advanced support of agency applications, procurement, license management, etc.

For this phase of the project no effort was made to standardize a complete definition of Desktop Support. However, for many of the most common services that are viewed as part of agency, ITD or vendor Desktop Support activities, data was gathered on who is providing these services. This data was utilized to develop our recommendations and service definition for Desktop Support (see "Technology Recommendation Detail").

The table below provides a summary of the service delivery information gathered during our interviews with agency staff:

Service & Definition	Agency Staff Delivered (Qty.)	ITD Delivered (Qty.)	External Vendor Delivered (Qty.)	Unknown / None (Qty.)
End-User Help Desk Services – Telephone or email based user support services. These services are either delivered via direct calls or email to agency IT staff and / or to a centralized agency help desk number.	36	17	14	0
Device (Desktop, Laptop, Mobile, etc.) Deployment & Lifecycle Management – Management of devices from installation through disposal.	36	10	12	0
Procurement – The purchasing of new hardware based on pricing from the WSCA (Western States Contracting Alliance) contract.	47	5	0	0
Ticketing System – System used to track, manage and respond to support requests.	8	10	1	32

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Service & Definition	Agency Staff Delivered (Qty.)	ITD Delivered (Qty.)	External Vendor Delivered (Qty.)	Unknown / None (Qty.)
Desktop Patch Management – WSUS (Windows Server Update Services) and SCCM (System Center Configuration Manager) are available for agencies to leverage for Microsoft and third party software updates. Some agencies utilize their own configured WSUS or patch management system such as Altiris or LAN Guard.	17	28	2	6
Mobile Device Management –Agencies appeared to be waiting for a solution or had already deployed a solution specific to their platform of choice. A mobile device management system monitors, secures, manages and supports mobile devices.	4	20	1	25
Desktop / Laptop System Imaging – Utilizing a system imaging tool helps standardize and expedite the desktop deployment process. Agencies have leveraged this technology through ITD's SCCM or by purchasing their own solution.	4	7	0	39
Asset Management & Inventory – System utilized for tracking all local agency technology assets.	26	6	0	18
Remote Device Control –Tools utilized to provide remote support and management of devices.	17	6	1	16
Anti-Virus Software – Software used to prevent, detect and remove malware.	2	22	1	25
License Management – Purchasing and compliance management for all software licensing.	19	6	0	25

Note: In several cases, services are jointly delivered by agency staff and ITD or were unknown by agency staff; therefore, not all quantity numbers add up to the total number of agencies interviewed.

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Current Staffing Summary (Desktop Support Services Only)

With the current highly distributed model of support, analyzing the current staffing levels for Desktop Support is a difficult effort. However, during our Current Environment data collection phase, information was gathered on key metrics related to Desktop Support staffing. The following information was gathered on each agency to assist in documenting current Desktop Support staffing levels:

- Source of Desktop Support Services (Agency, ITD or External Vendor)
- FTEs Dedicated to Desktop Support (Follows the agency's definition of "Desktop Support" and frequently estimated to include only a portion of internal agency staff time e.g., Agency Desktop Support staff frequently have other duties, so agencies were asked to estimate the percentage of time these staff were dedicating to Desktop Support.)
- Vendors Utilized for Desktop Support
- Total Agency FTEs Supported by the Current Desktop Support Resources

The following table summarizes current Desktop Support staffing at each agency:

	Small Agency (0-49 FTEs)	Medium Agency (50-99 FTEs)	Large Agency (100+ FTEs)
Total # of Agencies	24	9	15
Total FTEs	524	662	6685
Total Desktop Support Staff	3.25	9.75	43.5
Support Staff Ratio (FTEs Supported Per Desktop Support FTE)	171:1	68:1	151:1

Notes:

1. Several agencies support public use of their technology as well, indicating that support often extends beyond just state of North Dakota FTEs. (Examples of public user support include: Web-sites and Driver's License Testing public use kiosks)
2. In addition to agency FTE staff, several agencies identified that there are additional permanent or periodic contractor staff that are supported by their Desktop Support staff. Specific examples of this include the following:
   - Adjutant General's Office – Temporary staff are hired to run emergency operations centers. In addition, Desktop Support staff frequently provide support to FEMA users when they are on-site in North Dakota for disaster recovery.
   - Agriculture Department – Seasonal inspectors are employed, beyond the year-round staff.
   - Bank of North Dakota – Selected non-agency staff working on-site at the Bank of North Dakota are supported by Bank of North Dakota IT staff.
   - Game & Fish Department – The Game & Fish Department provides public support for licensing websites / applications. In addition, the game & Fish Department has a significant seasonal staff, above and beyond their FTE count.

3. Estimated Desktop Support FTEs is determined using the following data points:
   - Estimated time split (as stated in agency interviews) for staff with additional duties outside of Desktop Support.
   - Outside companies providing Desktop Support services are not included. (Unless full-time contract resources are being provided)
4. ITD has an additional 4 FTEs dedicated to Desktop Support; however, they are not included in the above staffing analysis statistics. ITD Desktop Support FTEs are not included because of the following:
   - ITD's current Desktop Support team provides services to both ITD users, as well as provides varying levels of Desktop Support services to several additional agencies.
   - ITD's current help desk provides some additional Desktop Support and customer service support related services. Because the help desk team's scope of service is well beyond Desktop Support, they are not included in our analysis or FTE counts.

Resource Geographic Summary

While the majority of agency staff requiring desktop support are located in the Bismarck / Mandan area, there are a significant number of staff located either remotely or in offices located throughout North Dakota. Most non-Bismarck / Mandan area staff requiring desktop support services are part of the Department of Human Services or they are remote / mobile users.

Outside of Bismarck / Mandan, the following locations have significant offices with concentrations of users requiring Desktop Support:

- Williston(*)
- Dickinson(*)
- Minot(*)
- Rolla(*)
- Devils Lake(*)
- Jamestown(*)
- Valley City
- Wahpeton(*)
- Fargo(*)
- Grand Forks(*)
- Grafton(*)

Note: Locations note with a (*) are primarily Department of Human Services locations – Regional Human Service Centers, Development Center and State Hospital - with existing local Desktop Support resources within the agency.

To support their large distributed staff, the Department of Human Services has IT staff located at their Regional Human Service Centers. The Development Center and The State Hospital. Job Service is the only other agency within the scope of this project that has non-Bismarck / Mandan area IT staff. (Qty. 2 – located at regional locations.) In addition, several agencies have designated "super users" that assist with occasional on-site support needs for staff that are distributed throughout the state.

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Technical Environment Summary

In gathering information about the current Desktop Support environment, it was critical to also gather several key pieces of technical information about the devices and applications being supported by the current largely agency-based model of Desktop Support. This data will be used to support our analysis and recommendations efforts for the project.

During our Current Environment data collection efforts the project team focused on collecting selected technical environmental information in the following areas:

- Devices Supported
- Management and Monitoring Tools Utilized
    - Patch Management
    - System Imaging
    - Monitoring
    - Ticketing System(s)
    - Anti-Virus Management
    - Remote Control
    - Mobile Device Management
- Hardware & Device Standards
- Use of Laptop Hard Drive Encryption
- Applications Supported
- Desktop Operating Systems

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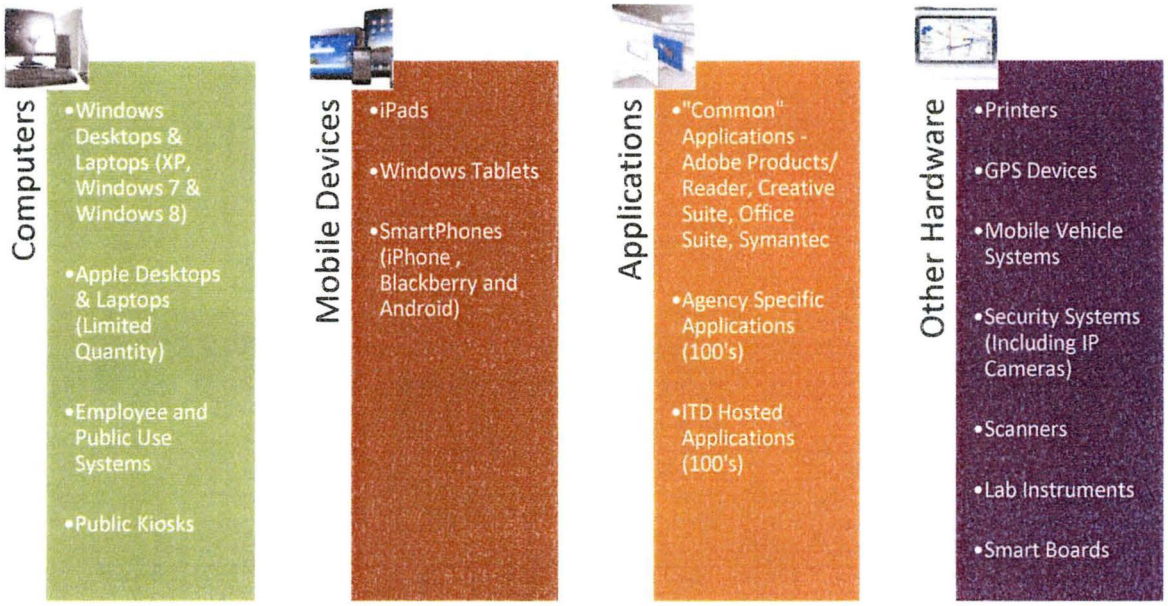
The following are some key highlights of the current technical environment being supported:



Additional details on each of the technical areas gathered are provided in the table below. As part of the Current Environment analysis, "consistency" and "adoption" ratings have been assigned to each area. The consistency rating provides insight as to how consistent / similar each technical area is from agency to agency. The adoption rating provides insight into how widely deployed each technical area is across all agencies.

Understanding the current level of technical consistency in these areas provided the project team with a key data point to understanding any potential efficiency gains or barriers with particular Desktop Support models.

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Consistency Rating Key:

High Consistency = Very consistent across agencies

Medium Consistency = Some consistency across agencies

Low Consistency = Little consistency across agencies

Adoption Rating Key:

High Adoption Consistency = Majority of agencies utilizing the technology

Medium Adoption Consistency = Some agencies utilizing the technology

Low Adoption Consistency = Few agencies utilizing the technology

Technical Area	Consistency Rating	Adoption Rating	Comments
Anti-Virus Management	High	High	• ITD's current Symantec anti-virus solution is one of the most consistently and widely deployed Desktop Support services utilized by agencies.
Laptop Hardware Drive Encryption	High	Low	• A limited number of agencies are utilizing hard drive encryption for their laptops. Those that are were migrating towards ITD's standard Wave self-encrypting drive solution.
Mobile Device Management	High	Low	• Most agencies that indicated use of a Mobile Device Management (MDM) solution indicated that they are utilizing ITD's provided solution. However, many agencies were not fully aware of the current solution's capabilities and were relying on ITD for any policy deployment or configuration. • One agency indicated they were utilizing their own MDM – Cisco / Meraki.
Desktop Operating Systems	High	High	• Nearly all agencies reported having standardized on Windows 7 for a desktop operating system. • There are limited deployments of Mac OS installed at a few agencies. • Most agencies reported having a "few" Windows XP machines still in production; however, most are planned for replacement within the next 6 months.

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Technical Area	Consistency Rating	Adoption Rating	Comments
Hardware & Device Standards	Medium	High	• Nearly all agencies indicated that they purchase desktop and laptop hardware off of the state of North Dakota's participation in the WSCA contract. • A majority of agencies "try to follow" pre-configured desktop and laptop hardware standards on the WSCA contract; however, there were specific exceptions noted for nearly all large agencies. • A majority of agencies have internal IT staff with specific hardware procurement responsibilities.
Patch Management	Medium	High	• While a majority of agencies utilize ITD's Windows Update Server Service (WSUS) for "critical" and "security" patches; there are several additional patch management solutions currently deployed at various agencies. • In addition to the widely utilized ITD WSUS solution, the following patch management solutions are also in use: o Direct Windows Updates to Microsoft o LAN Guard
Remote Control	Medium	High	• To facilitate Desktop Support, many agencies utilize remote PC control tools. • Remote control tools currently in use at agencies include the following: o Bomgar o TightVNC o Windows Remote Desktop o Dameware
Monitoring	Medium	Low	• Most agencies are not widely utilizing "monitoring" tools. Agencies that are utilizing monitoring tools are frequently utilizing ITD's SCCN and / or Altiris tools.
System Imaging	Low	Low	• System imaging solutions are not widely deployed throughout the agencies. This is, in part, due to the diversity of systems being deployed and supported. • Imaging solutions currently utilized at agencies include the following: o Microsoft System Center Configuration Manager (SCCM) o CloneZilla

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Technical Area	Consistency Rating	Adoption Rating	Comments
Ticketing System(s)	Low	Low	• The majority of agencies do not use any ticketing systems for management of Desktop Support requests. • For agencies that utilize a ticketing system, there are several disparate systems in use, including: ○ ITSM ○ WMS (This system is not typically used for support tickets, but several agencies indicated it was utilized for support tickets.) ○ Heat
Applications Supported	Low	N/A	• **Common Applications** – Nearly all agencies utilize some common applications. Examples: Microsoft Office, Adobe Acrobat, etc. • **Agency Specific Applications** – In addition to the applications that most agencies have in common, hundreds of agency specific applications are supported almost exclusively by agency IT staff.
Devices Supported	Low	N/A	• **Common Devices** – All agencies have common / standard devices that are supported by their desktop support staff. These typically include: PCs, Laptops, Tablets, SmartPhones and Printers • **Agency Specific Devices** – All large agencies have at least some unique devices supported by their current desktop support staff. Significant examples of agency specific devices being supported include the following: ○ *Department of Transportation* – GPS, public use computers, kiosks, field data collection hardware ○ *Department of Human Services* – County users, hospital systems, photo and video editing software ○ *Highway Patrol* – Digital video hardware, GPS, security systems, dispatch hardware ○ *Department of Correction and Rehabilitation* – IP security cameras, security systems, video surveillance systems ○ *Adjutant General* – 911 system hardware, state radio hardware, mobile command centers ○ *State Library* – Microfiche hardware, book scanners, public use labs

As the above table indicates there is a great deal of diversity in the desktop support related environment across agencies. This high level of inconsistency is not just with the hardware and software being supported, but also extends to the tools, processes and resources deployed to provide the current desktop support services.

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Current Environment Desktop Support Cost Estimate

In the current (largely agency distributed) Desktop Support environment specific costs for providing Desktop Support services is difficult to ascertain. Specific current environment characteristics that make determining agency-level costs for desktop support difficult include the following:

- For agencies with current full-time IT staff (generally agencies with 50+ FTEs to support), "Desktop Support" is frequently not identified as a specific full-time position. Agency IT staff that are providing desktop support are generally also performing other duties for the agencies. In several agencies desktop support staff are also performing other non-IT related duties.
- At smaller agencies (generally agencies with fewer than 50 FTEs), Desktop Support in generally provided via one of two models:
    - *External Vendors* – With this model, desktop support is generally provided via an external vendor as part of a broader set of IT services that includes more than just desktop support.
    - *Internal "very part-time" Staff* – With this model someone on the agency staff that does not have primarily an IT role is providing desktop support on a very limited and highly variable basis.
- In many agency environments, desktop support duties are split between multiple resources or organizations.

While these current environment characteristics make it difficult to estimate the costs associated with the current desktop support environment, there is enough data available to provide a solid working estimate for desktop support costs across all agencies. Based on data gathered during our agency interviews, our estimate of current desktop support costs is based on the following key data points and assumptions:

- Average Agency Desktop Support FTE Cost
    - Average Salary: $49,000 (Source: Agency interviews)
    - Average Benefit Cost: 35.5% of Salary (Source: Bureau of Labor Statistics – State & Local Government Employees)
    - Average Total Cost per Desktop Support FTE: $49,000 + 35.5% (Benefits) = $66,395
- Ratio of Agency Desktop Support Staff to FTEs Supported
    - Small Agencies (0 - 49 FTEs): 171:1
    - Medium Agencies (50 – 99 FTEs): 40:1
    - Large Agencies (100+ FTEs): 151:1

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The following table illustrates the current staff desktop support calculation across all agencies:

	Small Agency (0-49 FTEs)	Medium Agency (50-99 FTEs)	Large Agency (100+ FTEs)	Agency Shared ITD Desktop Support Staff	Totals
Total Desktop Support Staff	3.25	9.75	43.5	4	**60.5**
Cost per FTE (Including benefits)	$66,395	$66,395	$66,395	$66,395	**$66,395**
Total Agency Desktop Support FTE Cost	**$215,784**	**$647,351**	**$2,888,183**	**$265,580**	**$4,016,898**

In addition to the direct desktop support staff costs identified above, there are several additional added costs with the current largely agency-based support model.

Specific areas where the current support structure is driving up support costs include the following:

- Ticketing Systems
- Remote Desktop Control Tools
- Imaging Solutions
- Procurement
- License Management
- Lifecycle Management
- Hardware Consistency
- Software Consistency

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Best Practices Analysis

Benchmark and Best Practice Data

There are four main benchmarks and best practice criteria that were used for comparison and in development of our recommendations:

- Ratio of support technicians to end users
- Technician salary and cost per desktop
- Level of desktop manageability
- Service level metrics

Support Staff to End User Ratio

While it is a fact that larger organizations will generally have higher support staff to end-user ratios (e.g., more users supported per Desktop Support FTE), it is also important to consider the highly diverse nature of support requirements across the State of North Dakota government agencies when comparing to industry standard metrics. While as a whole, State of North Dakota agency users collectively are the size of a "larger" organization (2,000 – 10,000 users in our benchmark comparison), it is also important to consider that the complexities associated with Desktop Support within each agency result in comparisons to "smaller" organization (under 2,000 users in our benchmark comparison) being more appropriate.

Based on these facts and characteristics of the information technology environments at state agencies, our conclusion is that the proper comparison for Desktop Support staffing and cost ratio is to consider appropriate benchmark metrics as being somewhere between the "small" and "medium" organizations included in the graphic below:

Number of End Users per Support Technician (Agency)		
Small Sized Organizations (Less than 2,000 Users)	Medium Sized Organization (2,000 - 10,000 Users)	North Dakota Agency
Median Ratio	Median Ratio	Average Ratio
150:1	375:1	128:1

(Source: HDI – Staffing Desktop Support – March 2013)

As indicated in the above graphic, the current Desktop Support environment within the State of North Dakota does utilize higher staffing levels than should be required in a typical similar organization.

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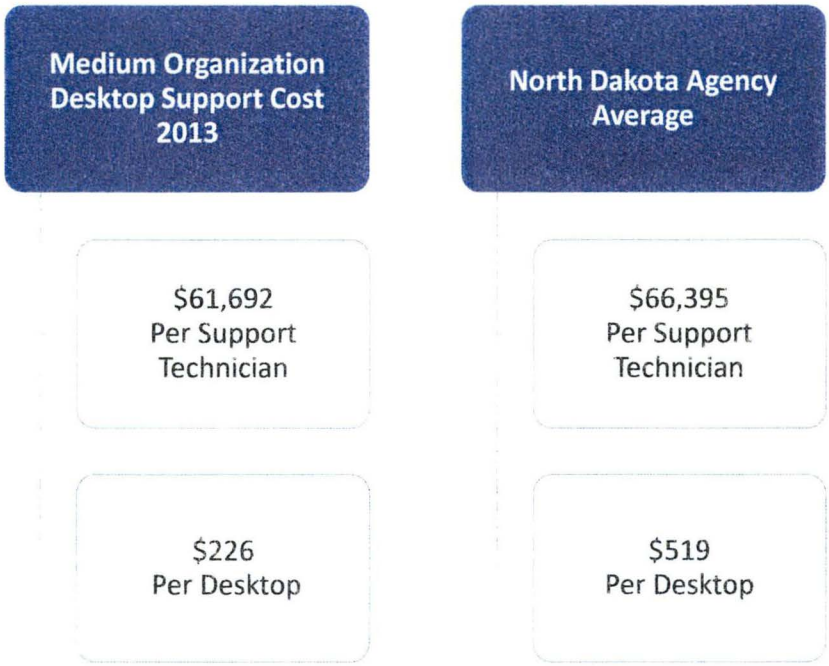
Support Costs

The costs of technician salaries and per desktop support are based on 2,500 users which is slightly higher than the user base per agency at the State of North Dakota. These benchmarks indicate that North Dakota can achieve lower costs per desktop by providing support to a larger user base.



(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

Level of Desktop Manageability

In their "Desktop Total Cost of Ownership: 2013 Update" report, Gartner utilizes the concept of assigning a "level of manageability" to desktops and estimating costs for ownership based on this categorization. In the report, Gartner identifies the following categories for level of manageability:

- Unmanaged - Users can install applications and change settings; limited to no management tools are being used for desktop operations and support
- Somewhat Managed - Limited management tools are in place; however, processes and policies are not fully established.
- Moderately Managed - Tools and processes are widely established; however, user can still install software and change limited settings.
- Locked and Well Managed - Tools and processes are widely established; and users cannot install software or change important settings.

(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

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Gartner's report estimates the "End-User Cost" associated with managing and supporting desktops for each level of manageability. The following diagram summarizes the differences in only the "Tier 1" (e.g., First Call) & "Tier 2" (e.g., Escalated) end-user support costs identified in this report:

Tier 1 & Tier 2 User Support Costs – By Level of Manageability

(Source: Gartner – Desktop Total Cost of Ownership: 2013 Update)

Based on our review of the Desktop Support environment within the State of North Dakota, Eide Bailly has observed a wide range of manageability within the agencies. However, in most cases the level of manageability would be categorized as "Somewhat Managed" or "Moderately Managed".

This data suggests that by improving the management practices for desktops from "Somewhat Managed" to "Locked and Well Managed", end-user support costs can be reduced to approximately 35% from $256 per year to $165 per year. This data highlights the important role desktop management tools and configurations can play in reducing overall desktop management costs.

Based on our analysis of the State of North Dakota's Desktop Support requirements and of industry benchmark data, we recommend a targeted staffing level of approximately 250 users supported by one ITD FTE providing Desktop Support services (250:1). Achieving this ratio of user to Desktop Support staff would result in the State of North Dakota Desktop Support costs (for staff) being roughly consistent with industry benchmarks.

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The following scenario illustrates that a targeted user to Desktop Support staff ratio of approximately 250:1 is required to achieve the benchmark cost per desktop financial results:

- 2000 Users (Agency Staff)
- 250:1 Desktop Support Staff Ratio = 8 FTEs required
- 2000 Users / (8 Staff * $66,395) = $299 / Per User / Desktop

Service Levels

The level of service provided by a Desktop Support team has a significant impact on the cost of service delivery. Unlike many other standardized ITD services, the current service levels for Desktop Support within the state agencies are generally not published or tracked. Without this data, it is difficult (if not impossible) to fully evaluate the effectiveness of the current agency Desktop Support staff. However, as the State of North Dakota moves forward with the implementation of the recommended Desktop Support model, it will become critical to establish expected services levels to measure the success of the effort. These new Desktop Support Service Level Agreements ("SLAs") should be documented as extensions to the current SLAs published and monitored for other ITD services. Establishing these Desktop Support SLAs will provide a mechanism for ITD (and other agencies) to manage and monitor the quality and volume of Desktop Support services being provided.

The following table provides selected industry benchmarks for measuring Desktop Support performance. At a minimum, ITD will need to measure their performance against these metrics for all agencies they provide Desktop Support services to.

Desktop Support Service Levels		
	Break/Fix	Request for a Service
Average number of tickets resolved by one desktop support technician per month	101-125	
Average time to respond to a typical desktop support ticket	1-2 hours	2-4 hours
Average time to resolve a desktop support ticket	8-24 hours	8-24 hours
Average time worked on a ticket	1-2 hours	1-2 hours
Percentage of tickets resolved on first attempt	70-80%	70-80%

(Source: HDI – Desktop Support Metrics – September 2013)

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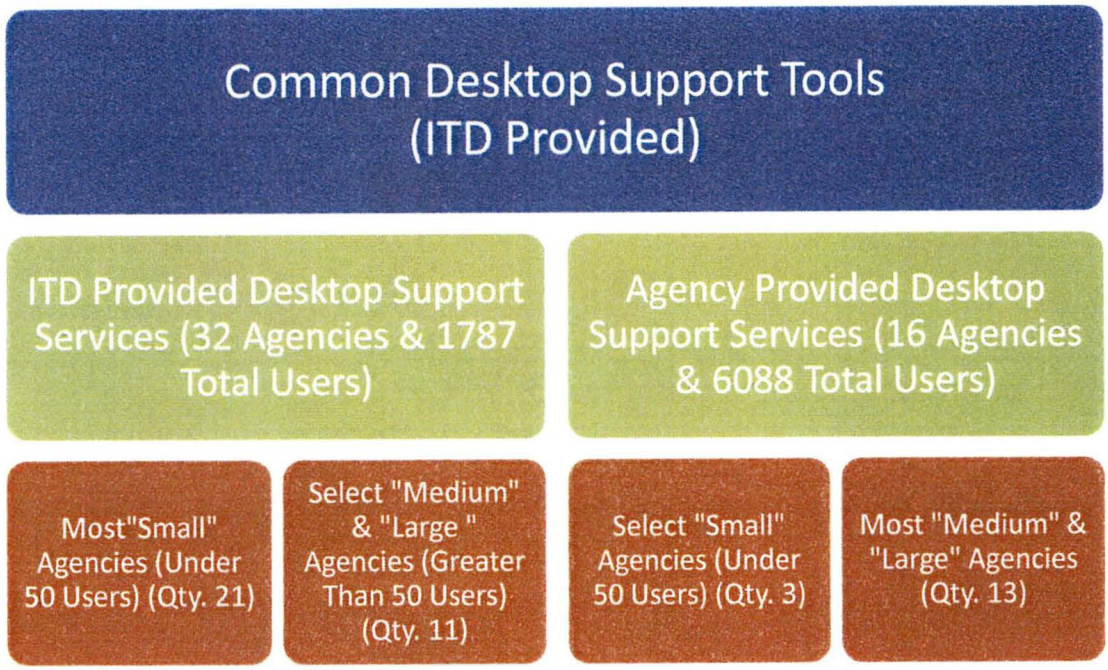
Recommendations

Summary of Recommendations

Based on our analysis of the current Desktop Support environment, agency Desktop Support requirements, cost-benefit data and industry Desktop Support benchmarks, Eide Bailly is recommending a "Hybrid" model of desktop support. With this model, agencies will be supported by either ITD or with local agency Desktop Support staff, based on their unique requirements and attributes. The following diagram illustrates a high-level profile of the Desktop Support environment when the recommended hybrid Desktop Support model has been fully implemented:



Our analysis for the assignment of agencies to either ITD or agency Desktop Support staffing is included below. This analysis includes people, process and technology perspectives. Each of these areas will play a critical role in determining the ultimate success of implementing the recommendations.

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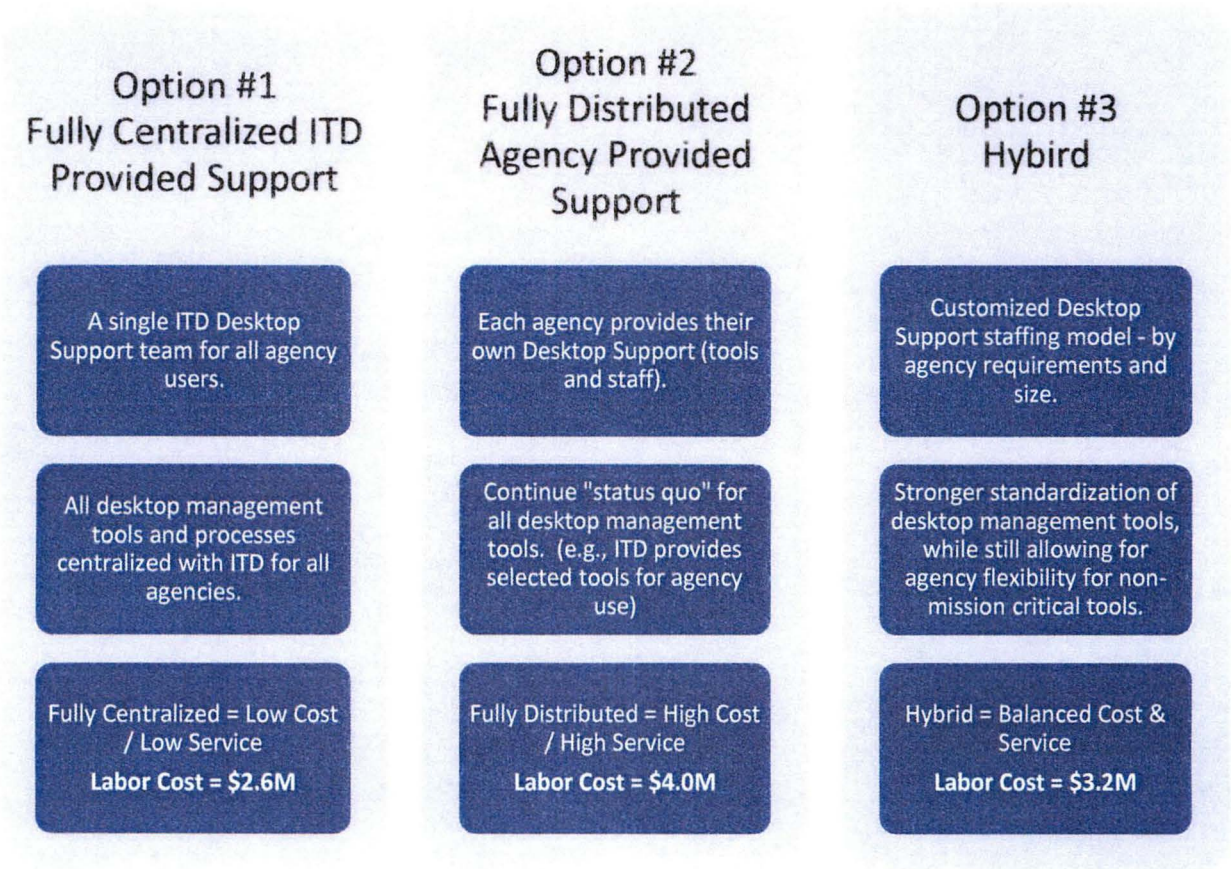
People (e.g., Staffing) Recommendations Details

Support Model Options

In our evaluation of Desktop Support models for the State of North Dakota, there were three primary models of Desktop Support staffing that were considered:



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Based on our analysis of the desktop environment currently deployed within the state of North Dakota government agencies, Eide Bailly recommends a hybrid model of support for implementation across all agencies. While not the lowest cost option, this model will provide the State of North Dakota users and agencies the best balance of quality customer service, value for their Desktop Support investment and efficient use of Desktop Support staff. In addition, the recommended hybrid model preserves agency flexibility for allocating Desktop Support duties as part of an overall FTE's responsibilities.

Recommended Hybrid Support Model

Hybrid Model Key Statistics		
Estimated Desktop Support FTEs: **48 Total** (8 ITD & 40 Agency)	Estimated Annual Labor Cost: **$3.2M**	Targeted User to Desktop Support FTE Ratio: **250:1**

Our recommended support model for future Desktop Support services includes the following key attributes:

- A targeted user to Desktop Support FTE ratio of 250:1 for all Desktop Support Resources (e.g., 250 Users supported by 1 Desktop Support FTE).
- Expand ITD's service offerings in the Desktop Support area to include more standardization of support and operations tools throughout agencies. (Note: Some tools and services are already available – with varying levels of adoption.) (See "Technology Recommendations" for details)
- Our analysis included identifying specific agencies that would be the best served by ITD provided Desktop Support services. We have defined the following criteria for selection of agencies that we recommend receiving Desktop Support services through ITD (e.g., Agencies where any or all of the following key criteria are met.):
    - Agencies that have indicated a desire for receiving Desktop Support services from ITD.
    - Agencies that currently receive some level of Desktop Support services from ITD.
    - Agencies that are under 100 users.
    - Agencies where Desktop Support needs would be categorized as "common" applications and tools. (e.g., There are not highly specialized / unique applications to support.)

#1 pg 28

- Based on the above criteria, the following agencies would be best served by a centralized model of Desktop Support services delivered through ITD:

Agency	User Count	Agency	User Count
Information Technology Dept.	340	Financial Institutions	29
Job Service *	251	State Library	30
Bank of North Dakota *	180	Protection & Advocacy	28
Office of Management & Budget	131	Career and Technical Education	27
Public Instruction	100	Retirement & Invest Office	19
Agriculture Department	77	University System (System Office Staff in Bismarck Only)	20
Commerce Department	69	Governor's Office	18
Historical Society ND State	69	Department of Labor	13
Parks & Recreation Department	55	Securities Commissioner	9
Auditors Office, ND State	54	Center for Tobacco Prevention and Control Policy	8
Insurance Department	50	Veterans Affairs Dept.	8
School for the Deaf	45	Treasurer's Office	8
Legal Counsel for Indigents	33	Aeronautics Commission	6
Public Employees Retire System	33	ND Council on the Arts	5
Secretary of State	31	Indian Affairs Commission	5
Department of Trust Lands	31	Administrative Hearings	5
Agency Count: 32 / Total Users: 1,787			

*Notes: * Job Service and Bank of North Dakota are currently receiving "Tier 1" (e.g., First call) support services from ITD. Our recommendation includes continuing with this level of service.*

- In addition to added efficiency, the recommended centralization of Desktop Support for the above agencies provides the following key benefits for the State of North Dakota:
    - Through implementation of common tools and processes for Desktop Support, it is anticipated that a higher level of overall desktop security will be achieved than many agencies are currently achieving via their current Desktop Support model.

- By having dedicated Desktop Support staff (through ITD), users will experience improved support response and system uptime. This provides a significant benefit in terms of user productivity and reduced desktop downtime.
- In some cases, agencies are nearing the point where they are considering requests for additional Desktop Support staff (or increasing the FTE status of existing staff's Desktop Support responsibilities). Centralizing Desktop Support through ITD for these agencies will provide the additional efficiencies to avoid future FTE hires within agencies. (Note: The Department of Agriculture's agreement with ITD for Desktop Support services is a recent example of this benefit.)

- We have identified the following criteria for identification of agencies that we recommend continue receiving Desktop Support services their current agency-based staffing model. (e.g., Agencies where any or all of the following key criteria are met.):
  - Agencies that currently have an efficient Desktop Support staffing model that is within our referenced industry benchmarks for users supported per Desktop Support FTE.
  - Agencies that have a highly unique application and / or hardware infrastructure to support.
  - Agencies that are substantially exempt from hosting their server infrastructure with ITD.
  - Agencies with a current Desktop Support environment that is substantially different from ITD standards.
  - Agencies that have unique regulator and / or security requirements that would more difficult to achieve with ITD providing expanded Desktop Support services.
- Based on the above criteria, our recommendation is that the following agencies continue with their current agency-based staffing model for Desktop Support services:

Agency	User Count	Agency	User Count
Human Services (Includes all service centers & Dev. Ctr & State Hospital)	2201	Game & Fish Department	158
Transportation, Department of	1080	Tax Commissioner	134
Department of Corrections	814	Veterans' Home	121
Health Department	354	Industrial Commission	99
Workforce Safety and Insurance	250	Water Commission	90
Adjutant General	246	Public Service Commission	44
Attorney General's Office	214	ND Public Finance Authority	40
Highway Patrol	213	School for the Blind	30
Agency Count: 16 / Total Users: 6,088			

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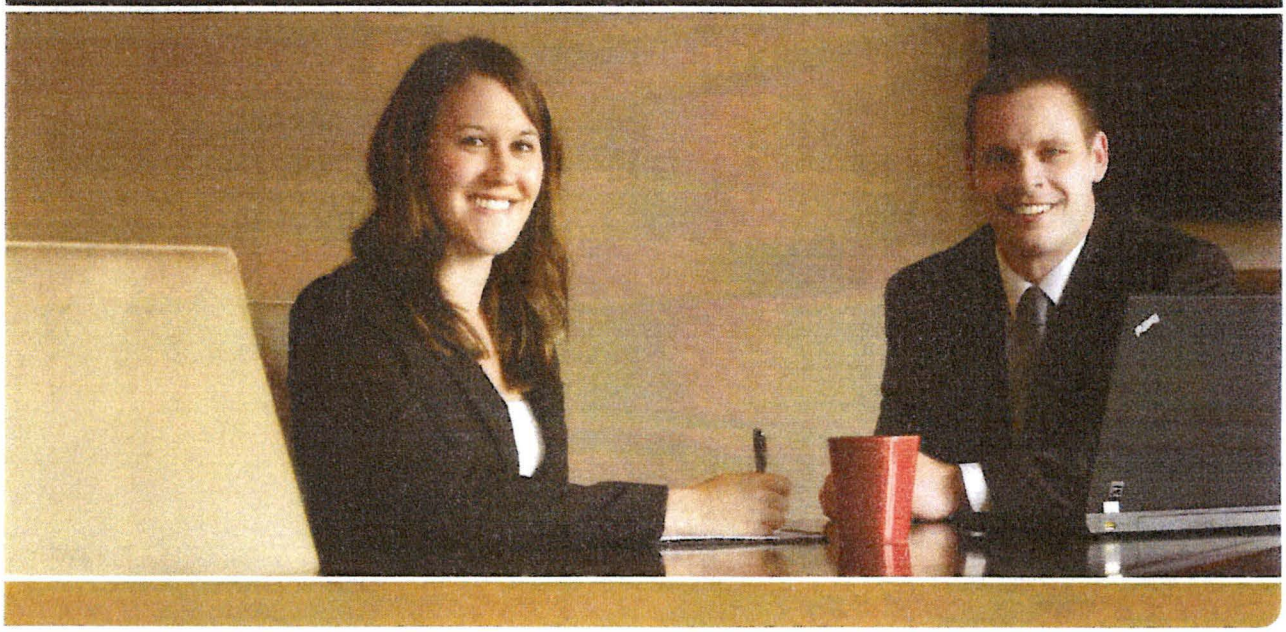

March 2014

Management Information Systems Staffing Analysis

State of North Dakota – Department of Public Instruction

#1 pg 31

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Project Summary

Project Goals & Objectives

The North Dakota Department of Public Instruction (DPI) was asked by the legislature to review any overlap of duties and responsibilities between their Management Information Systems (MIS) unit and the State of North Dakota's Information Technology Department (ITD). The intent of the review was to look for efficiencies and any duplication of effort. ND House Bill 1013 Section 15 mandated the review and allotted dollars from the general fund for DPI to complete the project. Specifically, ND House Bill 1013 Section 15 states:

> *"The analysis must include a review of the department of public instruction information technology staffing duties, responsibilities, and staffing levels and must consider the feasibility and desirability of transferring additional information technology positions to the information technology department and must provide recommendations regarding the appropriate level of information technology staff for the department of public instruction."*

Eide Bailly worked with DPI's leadership and MIS staff to complete this analysis. The analysis also included a review of other organizations that share customers and data with DPI, such as EduTech and ITD, in an effort to identify any potential efficiency and / or quality of service improvements that may be achieved through a tighter working relationship amongst the organizations.

Key Findings and Recommendations

When reviewing the current DPI MIS staffing levels, several key points become immediately apparent for the analysis:

- Current DPI MIS staffing levels are not as high as they appear if one were to review the positions on the current organization chart. Traditional MIS staffing levels within DPI MIS are 7 FTEs, not the 12 positions that it appears to be under the current organization chart.
- While there are multiple organizations servicing the State of North Dakota's educational technology needs (DPI MIS, EduTech and ITD), each organization does play a distinctly separate role and there is only minimal overlap in the current organizations.
- Based on the current centralization of many key education technology services in the State of North Dakota (with ITD and EduTech) and compared to other states, true DPI MIS staffing levels are consistent with expectations and assigned duties.
- There is a need to increase the utilization levels of the current research team.
- The level of data collection requirements for the multiple education programs is the primary driving force for the number of DPI MIS staff (e.g., Federal reporting requirements are complex and require a significant technology investment to sustain).

Based on our analysis of the organizations reviewed as a part of this project, Eide Bailly recommends the following:

1. **Establish a clear organizational separation between the "Research" and "MIS" functions within DPI.**
    - The current DPI MIS organization includes 4 FTEs that are performing various "research" functions for the department. Members of this team may appear to be "MIS" or "IT" staff; however, their day-to-day duties are not significantly related to those typically associated with an MIS function.
    - Currently, the Researchers are largely focused on public, legislative and internal DPI requests for information. These duties are far more functional than technical in nature. Research staff need to be focused on how to effectively use and report on the information being collected by DPI, not on simply responding to requests for information.
    - There is the potential to consider shared Research FTEs with the North Dakota University System (NDUS). Implementation of such a structure would allow for better analysis of data across the entire Pre-K through university education spectrum.
2. **Maintain the current DPI "Programmer" organizational structure (4 FTEs).**
    - DPI's current MIS "Programmer" staff is appropriate for their assigned responsibilities.
    - While the DPI Programmer staff does spend a significant portion of their time designing, coding, testing and maintaining various DPI applications, they also provide significant "Business Analyst" skills to the department.
    - In many cases, the DPI Programmer staff are more than just a software development team – they provide deep expertise in DPI's data collection and reporting requirements. These skills could not easily be replicated by simply moving the software development responsibilities to another department (e.g., ITD).
3. **Re-align the current internal MIS support staff (2 FTEs) under the state of North Dakota's Information Technology Department (ITD).**
    - As discussed in the prior Desktop Study analysis completed for the State of North Dakota Information Technology Department (ITD) and Office of Management and Budget (OMB), DPI's internal support needs can be more effectively and efficiently met through a shared support team within ITD.
    - The support needs of DPI staff are not sufficiently unique to require dedicated internal support staff, these functions can be effectively supported by centralized resources that support the needs of multiple agencies.
4. **Establish a new "Measurement and Accountability" section (currently 4 FTEs) within DPI.**
    - This new section should serve as a re-cast version of the current Research function within DPI.

- The current Researchers will likely require additional leadership (e.g., A new department Manager / Director) to achieve DPI's goals associated with more effective use of information. In addition, new leadership of this function will allow for management and focus of the team's efforts on projects that are truly required and / or better-aligned efforts with DPI's goals.
- Note: This section is the area where there is the potential to share resources with NDUS.

5. **Establish a shared technical support function with EduTech.**
   - Currently, DPI MIS and EduTech both support K-12 public schools. EduTech's focus is primarily on supporting core technology systems for many school districts and DPI MIS' focus is primarily on supporting their internally developed data collection applications.
   - DPI currently provides their support to schools primarily through calls directly from school users to the MIS programming staff. EduTech has an established Help Desk for providing technical support to their K-12 users.
   - The current structure is confusing and inconsistent for schools. DPI would benefit significantly in efficiency and quality of support by establishing a shared support / Help Desk system with EduTech. Such a system would require establishing formal escalation processes between the two organizations.
6. **Complete the planned data mapping project to confirm how all collected data is being utilized by the department.**
   - DPI provides a common point of data collection for most data required for federally funded education programs. Data collection requirements frequently change over time and DPI's systems are frequently updated to reflect these changes. However, there is currently not a complete picture of what data is currently required and where it is used.
   - Completion of the planned data mapping exercise will provide DPI with a clear baseline of what data is required and where it is utilized. This is important for the DPI MIS staffing analysis, as it would provide significant clarification on the scale and scope of DPI MIS data collection and reporting responsibilities.
   - This effort would also help DPI establish a solid baseline for assessing the complexity and manageability of federal and state data collection requirements.

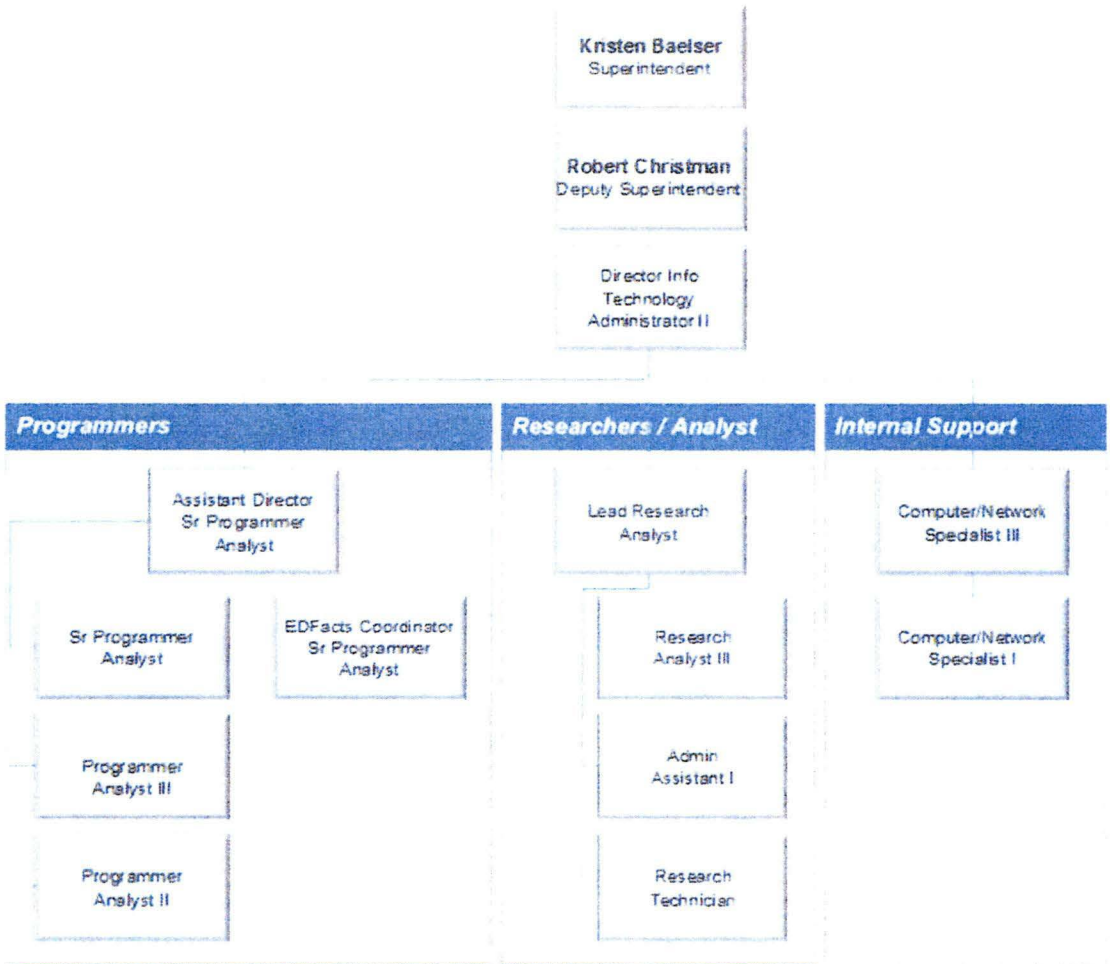
Organizational Structure

If fully implemented, the above recommendations would result in changes to the current DPI MIS organizational structure. Completing these recommended changes would provide the following benefits:

- **Clearly Defined Duties** – The current organizational structure creates the impression that DPI has 12 MIS / IT FTEs. In reality, based on staffs' assigned duties this is not the case. Approximately 7 FTEs on the current DPI MIS team are traditional MIS / IT resources.

- **Higher Quality External Customer Support** – Establishing a single support mechanism (through the EduTech Help Desk) would provide a clear support model for common customers of DPI and EduTech. In addition, a formal Help Desk model for support will provide customers with a more reliable and consistently available solution for support.
- **More Efficient Internal Support** – Internal DPI user support will be more efficient and cost effective through the planned ITD Desktop Support model.
- **Better Use of Data** – Effective use of all the data collected by DPI would be more easily achieved by having a portion of the organization dedicated to this function. In addition, focused leadership of the research team will provide DPI with an opportunity to increase the team's utilization and productivity.

The following diagram illustrates the current DPI MIS organizational structure:



#2 pg 1

Senate Government and Veteran's Affairs
HB 1053
Pam Sharp, Office of Management and Budget
March 12, 2015

As the Director of OMB, I support the concept of ITD providing desktop support, and believe that every agency that wants to receive desktop support from ITD should have the ability to do so. In many cases, agencies have no one trained in desktop support at all and one of the staff members just accepts that responsibility along with their regular duties.

The executive budget provided $880,000 in general funds for 10 agencies that indicated their desire to receive desktop support from ITD. In addition, we added 2 FTEs for ITD to provide that support.

In OMB's situation, we do have a dedicated IT person. This person spends 25% of her time doing desktop support. The remainder of her time is spend on IT related duties like supporting the many applications OMB has and supporting IT projects throughout the agency.

If OMB were to receive desktop support from ITD, it would free up 25 percent of our IT person's time and would cost $490,000.

I don't believe this is a good use of general funds. We are going to get good support whether it is from our own staff or ITD, and I believe there are better ways to spend general fund dollars.

As the fiscal note indicates, the total cost of this bill is $5.2 million in general funds. $880,000 of this has already been funded in 10 budgets, so that means that if you pass this bill, you will have to add $4.3 million to agency budgets to provide that desktop support. We have better uses for $4.3 million.

Again, I support the concept. Especially for those agencies that have no IT staff, and that is why we added funding in their budgets for this support.

This bill, as submitted by the Interim IT Committee, and as passed by the House, has no funding in it. Agencies cannot absorb this into their budgets. I urge you to kill this bill. However, if you do believe it is critical that ITD be the supplier of desktop services to agencies not exempted by this bill, then I request that OMB be added to the list of exemptions, and those agencies that are not exempt be provided the funding that is needed to meet the requirements of this bill.

TESTIMONY ON HB 1053
Government and Veterans Affairs Committee
Mar 12, 2015
By: Steve Snow, MIS Director
701-328-2189
Department of Public Instruction

Mr. Chairman and Members of the Committee:

My name is Steve Snow and I am the director of the MIS (Management Information Systems) unit with the Department of Public Instruction (DPI). I am here to speak in opposition to HB 1053. I have also been asked to speak on behalf of the North Dakota State Library and the North Dakota School for the Deaf/Resource Center for Deaf and Hard of Hearing.

DPI and the Information Technology Department (ITD) have enjoyed a long standing and mutually beneficial partnership. DPI receives many information technology (IT) services from ITD and have worked together on several large projects. However, we see the proposed desktop support service centralization to be an unnecessary expense without adding necessary return on service.

DPI has two dedicated IT staff that provide desktop support in addition to a multitude of other task including support for our new intranet and support for specialized Software-as-a-Service programs utilized by DPI staff. Based on the number of personal computers (a mix of laptops and desktops) and the cost published

by ITD, we estimate an additional expense of $588,000 for the biennium (with a recurring cost of $363,000 for subsequent biennium).

The North Dakota State Library provides many services to the libraries throughout North Dakota as well as the patrons that visit our library. In addition to the normal desktop support the State Library's IT staff provides, they also support a public computer lab, a microfilm PC, volunteer PCs and several Online Public Access Computers, or OPACs, which is how patrons search our collection and the collections of libraries across the state. The computer lab is used throughout the day by citizens of North Dakota.

A vital service that State Library IT staff provides to the public libraries throughout the state is onsite technology support. This can be everything from helping the library procure and install a computer funded through a grant to training staff to be able to troubleshoot public access computers to provide better service to their patrons. In addition, the IT staff also assists libraries with being in compliance with Federal and State regulations as well as being able to answer technology related questions on their annual report.

State Library IT staff supports over 80 computers, devices and technology equipment used by State Library staff, the public and volunteers at the library as well as hardware that is offsite. The State Library does not fit the model for desktop support by ITD that has been developed because there is a 2:1 ratio of

computers to staff members, and some staff share workstations, or have multiple workstations. There are also multiple workstations that are exclusively used by the public as well as volunteers. They also have specialized equipment and projects that require constant hardware change, such as their digitization equipment. They estimate an additional expense of $380,000 for the biennium (with a recurring cost of $208,000 for subsequent biennium).

The North Dakota School for the Deaf/ Resource Center for Deaf and Hard of Hearing (NDSD/RCDHH) is a school system and have a number of education programs on their computers that are used to provide quality education for their students. These computers are in the classrooms and a computer lab which increases the number of computers they work with.

They use IPads and smart boards on a regular basis in their teaching. It is vital that they have a technology expert on site who can address specific problems immediately when they are providing instruction to students. Devils Lake is a distance from Bismarck and this distance would affect their on-site support service

They use extensive adaptive equipment when working with individuals with disabilities. This equipment needs to be monitored at the local site and adjusted for individual needs. Their outreach staff work in homes and public schools throughout the state. Their laptop computers are used in a variety of settings.

The approximate costs for our school would be over $391,000 the first year and $237,000 the following years. This bill would substantially increase our costs and would not be saving to the state. We would need to pay the ITD costs and continue to hire our own technology expert.

They request that NDSD/RCDHH, as a school, be given exempt status in the bill similar to the North Dakota vision services – school for the blind.

Each of the entities represented (DPI, State Library, and School for the Deaf) also receive significant education and library discounts from software and hardware vendors. The State Library and DPI have recently partnered under a single contract with Dell to receive our desktop office suite at a substantial discount along with other software assurance services. State Library IT staff also provides procurement services for our libraries. It would be cumbersome if their staff could not continue to procure in-house equipment and use the educational discount. It is unclear how receiving desktop support services from ITD will affect these discounts.

If the goal of this legislation is to increase efficiency; it will not accomplish that for DPI, the School for the Deaf or the State Library. Each agency has IT staff that are focused on their unique line of business needs. The proposed ITD desktop support would only satisfy a small portion of their duties while adding unnecessary cost.

If the goal if this legislation is to increase standardization; these agencies already comply with ITD standards. Each agency will continue to work with ITD to ensure compliance and security of the state network.

To summarize, the Department of Public Instruction, the School for the Deaf/Resource Center for Deaf and Hard of Hearing and the North Dakota State Library would like to be identified as exempted from the required use of centralized desktop support services provided by ITD as outlined in HB1053 for the following reasons:

- Specialized services and support provided by IT staff for each entity
- Additional and unnecessary cost (including possible loss of educational and library discounts)
- Each entity currently complies with state standards

We do understand that some agencies are requesting this service from ITD. We could support this bill if it was written "*Each state agency may obtain centralized .....*" This would allow the agencies to choose to use ITD or their own computer expert or a combination of the two.

Mr. Chairman and Members of the Committee that concludes my prepared testimony and I will stand for any questions that you may have.

Product	Education Pricing	State Pricing **
Office 2013 Professional Plus (with software Assurance)	$23.63	$577.29
Windows 7 Professional	$49.86	$119.81
Windows 7 Enterprise	*	$188.27
Windows 8 Professional	$65.00	$119.81
Windows 8 Enterprise	*	$188.27
Windows 8.1 Pro	$49.86	
Windows 8.1 Enterprise	$78.43	
Windows Enterprise with software assurance	$83.00	

* Not previously purchased

** Pricing from current State Contract with Dell

	15/17	subsequent Biennium
ND DPI - desktop support - estimated cost	$588,036.00	$363,360.00
ND School for the Deaf - desktop support - estimated cost	$391,832.00	$237,600.00
ND State Library - desktop support - estimated cost	$369,353.00	$208,800.00

	15/17	15%
DPI Staff (1 FTE) - salary/fringe with proposed 15/17 5% increase	$155,309.00	$23,296.35
DPI Staff (1 FTE) - salary/fringe with proposed 15/17 5% increase	$128,460.00	$19,269.00
	$283,769.00	$42,565.50

	15/17
DPIs current PC replacement budget	$110,225.00

#3 pg 4

#4 pg 1

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DEPARTMENT OF
ND TRUST LANDS
INVESTING FOR EDUCATION

Lance D. Gaebe, Commissioner

TESTIMONY OF LINDA FISHER
DEPUTY COMMISSIONER OF OPERATIONS
North Dakota Department of Trust Lands

IN OPPOSITION TO HOUSE BILL 1053

SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE
March 12, 2015

Chairman Dever, and members of the Committee, I am Linda Fisher, Deputy Commissioner of Operations for the Department of Trust Lands; the operating arm of the ND Board of University and School Lands.

I am here to testify in opposition to this bill; more specifically to the fact that the Commissioner of Trust Lands is not on the list of exempted agencies.

In reviewing the *Key Findings and Recommendations* in Eide Bailly's Desktop Study report, one of the key recommendations was to include agencies with less than 100 employees under the umbrella of possible ITD Desktop Support.

The Department certainly falls within that criteria. However, we believe we can make the case that it is the unique scope of responsibility for an agency the size of ours that sets us apart from the rest. Essentially, we use very little off-the-shelf software beyond products such as Microsoft Office. For our unique management responsibilities there is little or no off-the-shelf software that ITD could support.

We are seeking exempt status due in part to the following:

1. The number of specialized software programs used in the Department for royalty reporting compliance, oil and gas lease management, agricultural real estate management, trust fund management, and confidential data management.

   As we understand it, if this bill were to pass, ITD resources would be available for software support related to off-the-shelf products suited to use by the general public. In assessing software support requests within our agency, we have found that questions and support related to off-the-shelf products comprise less than 5% of the total. Questions about off-the-shelf software such as Microsoft Office are so basic that they can be answered by other users within our Department or with a quick click of an on-line tutorial. Roughly 95% of the requests relate to specialized, proprietary software solutions utilized by our staff in the office, in the field, and in remote staff locations.

#4 pg 2

2. The number of part-time/seasonal field inspectors deployed throughout the state. These individuals are working out of home offices and operate almost exclusively using specialized proprietary land management software for noxious weed inspections, right-of-way siting, reclamation compliance, range utilization assessment and more. Internal desktop support is responsible for hardware and software maintenance and technical support for these users. As we heard in testimony related to this bill during the House hearing, ITD would not provide any assistance in supporting these users.

3. The necessity of specialized hardware and software expertise required to support proprietary software deployed throughout the state each year to conduct public lease auctions – supporting these events would also be something ITD would defer to our staff.

4. The North Dakota Department of Trust Lands is a special fund agency with a fiduciary responsibility to the trusts we manage. The trusts currently pay ITD for supporting communications and servers. These services are generic and clearly a direct and quantifiable benefit to the trust funds. However, desktop support from ITD as proposed in HB 1053 would be unnecessary and would not be a beneficial expenditure of trust fund moneys. Furthermore, our participation in a migration to ITD desktop support in a pool with other agencies would essentially be an inappropriate and unallowable diversion of trust fund dollars to bolster/support general fund initiatives. For example, the trusts can purchase a desktop computer with trust fund dollars to be used only for trust fund purposes. However, the trusts cannot contribute to a pool of money which is also used to purchase equipment and provide support for general fund agencies unless there is a direct and quantifiable benefit to the trusts.

One final note: We understand ITD would assume responsibility for software and hardware inventory and replacement. That assistance would also be of little value to the Department of Trust Lands. We have a replacement schedule in place (replacements for this fiscal year were only recently received) and we purchase from existing state contracts. As such, very little time is spent on procurement.

Currently one FTE in the Department is assigned to desktop support. That FTE would need to remain in place to support essential operations ITD support would not cover. The current structure is efficient, expedient, and relatively low cost. If this bill were to pass without adding the Department of Trust Lands to the list of exempted agencies, the Department would be required to pay ITD for software support without receiving the benefits, resulting in significant and unnecessary, duplicative expenditures from the trust funds.

For these reasons, we believe it is justifiable to respectfully request that the Department of Trust Lands be exempted from the potential requirements of House Bill 1053. Attached is an amendment we have prepared for the Committee's consideration.

#4 pg 3

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DEPARTMENT OF
ND TRUST LANDS
INVESTING FOR EDUCATION

Lance D. Gaebe, Commissioner

ND Department of Trust Lands
Proposed Amendments to HB 1053
March 12, 2015

Page 1, after line 8, insert "22. Commissioner of University and School Lands"

Renumber accordingly.

#5

Testimony on HB 1053
House Government and Veterans Affairs Committee
Department of Career and Technical Education
March 12, 2015

Mr. Chairman and members of the committee, my name is Wayne Kutzer, Director of the Department of Career and Technical Education. Our agency is in opposition to this bill as it is currently written. While I support the concept of the bill, it mandates that we shall obtain the desktop services but it does not provide any funding for our Department.

CTE is not one of the exempt agencies and it is one of the agencies that did not have funds placed in our budget to implement it. We simply do not have the funds in our operating budget. We currently spend about $16,000 per biennium to update computers in our agency; our computers are on a four year replacement cycle. The amount currently forecasted by ITD for our agency is $137,710.

We do not have any FTE or any portion of an FTE that is designated as IT support so we have no cost savings there. We have staff that have the ability to handle most IT issues but it does take time away from their primary function.

As it stands we cannot support this bill. I would be glad to answer any questions.

#6

North Dakota
LEGENDARY

DEPARTMENT OF COMMERCE TESTIMONY ON HOUSE BILL 1053
MARCH 12, 2015, 9:45 A.M.
SENATE GOVERNMENT & VETERANS AFFAIRS COMMITTEE
MISSOURI RIVER ROOM
SEN. DICK DEVER, CHAIRMAN

SANDY MCMERTY – CO-DEPUTY COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman and members of the committee, my name is Sandy McMerty and I am Co-Deputy Commissioner for the North Dakota Department of Commerce.

I am here today in opposition to House Bill 1053. As the bill currently stands, it mandates already optional services that are a benefit to some agencies and costly to others. For Commerce, House Bill 1053 would result in no additional services at far greater costs, all with the potential of reduced agency efficiency.

Commerce maintains a staff of 69 and ¼ FTEs with a total of 76 devices in the desktop support category. We have a trained information technology (IT) professional, at less than ½ time, who currently provides desktop services, as well as services to printers, active directory and other software and custom databases that are not supported by this legislation. Commerce works closely with the Information Technology Department (ITD) and is in compliance with state security protocols and device rotation schedules. Our devices are replaced every 4 years, or 50% each biennium. For the 2015-2017 biennium, Commerce has budgeted $68,700 for these 76 devices for desktop support and software.

Under House Bill 1053, Commerce's cost for these same services in 2015-2017 on the new fiscal note would be $411,440. For continuation of these services in the 2017-2019 biennium, it is estimated to be $221,280. These services would not cover printers, active directory, other software or the custom database support we currently maintain with our IT staff.

The services offered by House Bill 1053 are already available to agencies for which it would be a cost effective option. Those agencies have already included funding to support that in their executive budget and Commerce supports their option to use ITD for these services.

Because of the significant additional costs, reduced efficiencies and no additional services beyond what we currently provide in-house, Commerce asks that you consider:

1) Making the services optional rather than mandated; or
2) Exempting the Department of Commerce based on the costs and inefficiencies already shared; or
3) Fully fund the services mandated by House Bill 1053.

Mr. Chairman and members of the Government & Veterans Affairs Committee, that concludes my testimony and I am happy to entertain any questions.

#7

ENGROSSED HOUSE BILL 1053

North Dakota Retirement and Investment Office ("RIO")
Testimony to the Senate Government and Veterans Affairs Committee
David Hunter, Executive Director/CIO

March 12, 2015

I am here to testify in opposition to House Bill 1053. Based on the criteria stated in the Eide Bailly Desktop Study report ("Study"), RIO is one of the agencies that would be better served by a centralized model of ITD Desktop Support services. Although we are open to exploring ITD proposals, I am not certain that House Bill 1053 as currently proposed provides a more efficient or cost effective solution than RIO's current IT service platform. Some of our concerns are as follows:

- RIO uses specialized software programs and current IT staff has the experience and knowledge to ensure this software operates smoothly. Given that our retirement benefit services team is responsible for delivering and supporting member services to over 18,000 public school teachers and administrators, and while noting that RIO's investment team assists the State Investment Board in managing over $10 billion of client assets, we seek to maintain a high service level in order to meet or exceed client expectations.

- RIO has 2 FTE's in our IT department and each FTE spends approximately 5% of their time on desktop support. The other 95% of their time is spent on other IT functions and tasks.

- Our current IT staff is efficient and has the experience to be proactive and resolve issues immediately. With the proposed 1 Desktop Support FTE for every 250 users, we feel that it may cause delays and in turn, cause our employees downtime.

- If this bill passes, RIO will be required to adopt the Study's proposed centralized model of Desktop Support services. Alternatively, if this bill was revised to be optional, the individual agencies can elect the best option to meet their specific needs.

- Based on the Fiscal Note created by OMB for this bill, RIO would need an additional $75,000 - $100,000 in our budget for the 2015-17 biennium.

In conclusion, we feel that RIO's current IT structure is efficient and cost effective while we are uncertain if the current ITD service proposal would meet our current needs or generate any cost savings. In contrast, it appears that our RIO budget request would need to be increased by up to $100,000 in order to comply with this proposed bill.

I sincerely thank you for your thoughtful consideration of our concerns related to this important matter.

3/20 HB 1053 #1

North Dakota Information Technology Department (ITD)

Desktop Support

Desktop Support is a comprehensive approach to managing all of the personal computers within an organization.

July, 2015

Customers may choose a Standard PC, High-end PC, or Laptop computer. (Includes replacement costs.)

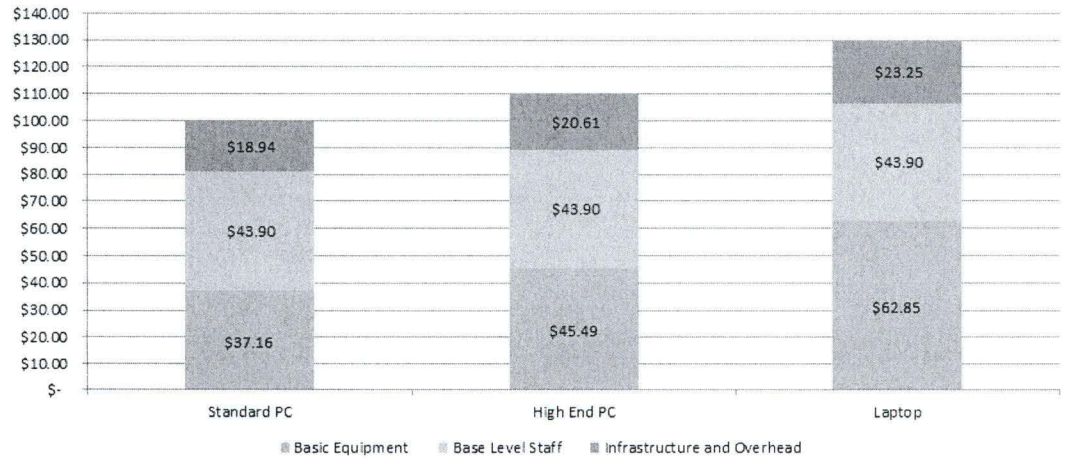
Tiered Rate Overview

Option	Monthly	One Time Fee
Standard PC	$100	$1,955
High End PC	$110	$2,355
Laptop	$130	$2,725

One Time Fee

- Prorated based upon the life-cycle of existing hardware
- Includes device, monitor, peripherals, and Microsoft Office Suite
- Only paid once; future device replacements in accordance with the EA PC Life Cycle Guidelines (http://www.nd.gov/itd/standards/pc-life-cycle-guideline) are included in the monthly rate

Monthly Rate Components



Current Rate: Custom
Current One Time Fee: Custom
Current Rate Effective Date: July, 2013 - June, 2015

Budgeted Rate: Tiered
Budgeted One Time Fee: Tiered
Budgeted Rate Effective Date: July, 2015 - June, 2017

Associated Services:
Desktop Support (/itd/services/desktop-support)

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