

The Evolution of North Dakota's Enterprise IT:

From Fragmentation to Unification (1995–2024)

I. Origins and Foundational Years (1995–1999)

See the "Enterprise IT Evolution Timeline" visual for a quick reference of milestones from the creation of LITC through the establishment of ITD.

North Dakota's enterprise IT journey began with growing concerns over fragmented technology systems and unsustainable costs. In 1995, the Legislature created the **Legislative Information Technology Committee (LITC)** and began requiring agencies to submit biennial IT plans. The **Information Services Division (ISD)** within OMB coordinated early efforts, but lacked enterprise authority.

A pivotal moment came with the **1998 Inteliant Statewide Telecommunications Study**, which identified redundant infrastructure, isolated networks, and inconsistent service levels across government. The result: a call for centralized IT governance.

In response, the 1999 Legislature passed **Senate Bill 2043**, creating the **Information Technology Department (ITD)** as a cabinet-level agency. ITD assumed responsibility for network services, infrastructure, and long-term IT planning across state agencies.

II. Enterprise Vision and Growing Pains (2000–2010)

The 2000s marked the rise of the **enterprise IT model**. ITD developed statewide architecture, promoted shared services, and implemented project oversight structures. IT became more visible in service delivery, including early e-government initiatives.

However, the **2004 PTI Organization and Management Study** revealed growing tensions:

- Agencies viewed ITD as a utility, not a strategic partner.
- Project and service delivery were inconsistent.
- Governance lacked clarity.

Recommendations included separating policy from operations, strengthening the CIO role, and introducing formal customer relationship models. While not fully implemented at the time, these ideas shaped later reforms.

III. Performance, Security, and Digital Demands (2011–2016)

As technology matured, so did expectations. From 2011 to 2016, LITC prioritized:

- Cybersecurity risk management
- Enterprise data sharing
- IT performance dashboards
- Customer service improvement

The **2014–15 Eide Bailly Desktop Support Consolidation Study** confirmed inefficiencies in duplicated support teams, outdated ticketing systems, and inconsistent service quality. The study recommended full consolidation of desktop support under ITD, with standardized tools, SLAs, and accountability measures. These findings helped fuel a statewide appetite for more ambitious reform.

By 2016, agencies increasingly criticized ITD's cost transparency, procurement agility, and responsiveness. LITC called for a comprehensive review of the IT model.

IV. The Great Recalibration and Unification (2017–2020)

In 2017, the Legislature commissioned a study on **executive branch IT unification**, examining inefficiencies from decentralized staffing, inconsistent security practices, and high operational costs.

Its findings led to **House Bill 1021 (2019)**, which launched the formal unification of IT:

- Over 400 IT staff were centralized under **North Dakota Information Technology (NDIT)**.
- NDIT became responsible for planning, service delivery, cybersecurity, and project portfolio management.

This transformation was the most significant since ITD's founding. It established clear enterprise authority, centralized service delivery, and created the state's first **Chief Information Security Officer (CISO)** role.

IV.a Challenges and Lessons Learned from Unification (2017–2020)

Despite the structural gains of IT unification, the transition period revealed several challenges:

- **Communication Gaps:** Many agency leaders and staff reported a lack of consistent communication around what unification meant, how it would be implemented, and what services would change.
- **Employee Displacement:** During the COVID-19 pandemic and ensuing remote work directives, many IT staff who had been embedded within agencies were reassigned or removed without coordinated planning. This created operational strain, weakened agency confidence, and disrupted longstanding working relationships.
- **Cultural Resistance:** The shift from agency-controlled IT to centralized service delivery introduced tensions around autonomy, responsiveness, and perceived loss of influence over IT priorities.

These lessons underscore the importance of clear expectations, change management, and sustained engagement with agency partners in future IT governance evolution.

V. Post-Unification: Stabilization and Maturity (2021–2024)

Following unification, NDIT focused on rebuilding trust and delivering value. Key priorities included:

- **Customer Success Manager / Technology Business Partner strategic planning program**
- Refinement of service level agreements and cost models
- Performance dashboards and agency engagement
- Advanced cybersecurity operations, audits, and COG planning

However, challenges persisted. The 2024 LITC report acknowledged agency frustration with billing transparency, service flexibility, and communication gaps. Additional concerns included:

- The **Customer Success Manager / Technology Business Partner (CSM/TBP) program** was launched without sufficient agency buy-in or communication.
- The program introduced a **fee-for-service funding model** that was unplanned and poorly understood by client agencies.
- The program lacked **dedicated technical support teams** for each agency, hindering service responsiveness and continuity.

Legislators and stakeholders called for a recalibrated model focused on shared ownership, responsiveness, and measurable outcomes.

VI. Consultant Study Milestones

1999 Inteliant Plan

- Led to ITD's creation
- Unified backbone recommended and built

2004 PTI Study

- Called for CIO empowerment, customer service reforms, governance clarity
- Foreshadowed structural realignments adopted post-2015

2014–15 Eide Bailly Study

- Identified fragmentation in desktop support
 - Catalyzed consolidation efforts and influenced IT unification language
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VII. Implemented Recommendations

- Creation of ITD (1999): Established centralized IT governance, resulting in statewide cost savings through shared infrastructure and reduced duplication.
- Centralized project oversight and lifecycle governance: Improved project delivery timelines and reduced risks associated with unmanaged initiatives.
- Statewide cybersecurity strategy with CISO leadership: Strengthened security posture and improved audit outcomes across all executive branch agencies.
- Adoption of enterprise architecture and IT planning standards: Enabled long-term strategic alignment and efficiency in technology procurement.
- Full IT staff unification (2019–2020): Led to economies of scale and more consistent IT support, though accompanied by transitional challenges.
- Launch of digital citizen services, unified portals, and mobile access: Significantly enhanced public access to government services, with measurable improvements in service delivery satisfaction and user engagement.
- Creation of ITD (1999)
- Centralized project oversight and lifecycle governance
- Statewide cybersecurity strategy with CISO leadership
- Adoption of enterprise architecture and IT planning standards
- Full IT staff unification (2019–2020)
- Launch of digital citizen services, unified portals, and mobile access

VIII. Major Projects Completed

- Statewide network backbone
- Medicaid MMIS; early stages of human services system modernization
- PeopleSoft / ConnectND development and implementation
- Small application migration off mainframe
- Statewide licensing, tax, and procurement platforms
- Statewide Active Directory and identity management

IX. Unfulfilled Recommendations

- Full adoption of chargeback model transparency
- Universal satisfaction with service delivery and billing clarity
- Formal separation of planning and operations within NDIT
- Continuous performance benchmarking against peer states

X. Application Portfolio Analysis and Technical Debt Insights (2024–2025)

In 2024–2025, North Dakota launched a statewide application rationalization initiative, evaluating the technical and business value of **1,722 applications** across agencies. These figures reflect the inventory as of March 25, 2025. The findings revealed:

Category Number of Applications Percentage

Review	834	48%
Retain	591	34%
Retire	166	10%
Refresh	130	8%

- **16% of applications** carry some degree of **technical debt**, indicating legacy technology, low scalability, or limited maintainability. These systems are costly to maintain, increasingly unreliable, and dependent on a shrinking pool of skilled programmers. Over time, the burden of supporting them compounds, placing increasing demands on budget, staffing, and risk management resources.
- **84% of applications** were classified as technical “assets” (modern, secure, high-value). Most of these applications provide medium to high business and technical value. They should continue to be maintained and updated while they retain value. New iterations of these solutions should be consolidated under a single license, duplicative programs removed, and future development should prioritize low-code/no-code platforms.

The analysis offers a foundation for:

- Prioritizing modernization investments
- Identifying consolidation opportunities
- Aligning IT resources with business criticality
- Reducing long-term support costs and security risk

This data-driven inventory will shape North Dakota’s future enterprise architecture, procurement strategy, and digital service transformation roadmap.

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- Applications were categorized as:
 - **Review** – 834 applications (48%)
 - **Retain** – 591 applications (34%)
 - **Retire** – 166 applications (10%)
 - **Refresh** – 130 applications (8%)
- The distribution of assets and liabilities varied significantly by agency, with some entities relying heavily on outdated systems, while others had modern, enterprise-grade platforms.
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How We Got to Now

North Dakota’s IT journey began with fragmented systems and isolated efforts. The Legislature responded with oversight (LITC), structure (ITD), and eventually, transformation (NDIT). Along the way, decades of reports, consultant insights, and user frustrations created a roadmap for a modern enterprise.

Today, NDIT is no longer just a service provider—it is a **strategic enabler** of digital government, cybersecurity resilience, and statewide innovation. But this evolution is ongoing. The next phase will require balancing structure with flexibility, cost control with service value, and unification with empowerment.

The question is no longer whether IT should be unified. The question is: **how do we make this model thrive for every citizen and agency it serves?**

Legislative Priorities for the Appropriations Committee:

- Support long-term funding for modernizing high-value, high-use applications.
- Invest in scalable platforms that reduce technical debt and increase system resilience.
- Align IT service funding models with agency needs and strategic outcomes.
- Improve oversight and transparency through dashboards and performance metrics.
- Prioritize continued cybersecurity maturity and incident preparedness.
- Ensure that customer engagement, service delivery, and technical support structures are sustainable and measurable.