SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 5020

(SENATE AUTHORS: WIKLUND)

DATE	D-PG	OFFICIAL STATUS
04/09/2026	7934	Introduction and first reading Referred to State and Local Government

A bill for an act

relating to state government; establishing an information technology modernization account; allocating general fund surplus dollars to the account; requiring a report; transferring money; amending Minnesota Statutes 2024, section 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches $2,852,098,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; ~~and~~

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount~~.~~; and

(5) the technology obsolescence reduction keystone account under section 16A.627 until that account reaches $80,000,000.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 2. **[16A.627] TECHNOLOGY OBSOLESCENCE REDUCTION KEYSTONE ACCOUNT.**

The technology obsolescence reduction keystone account is established in the special revenue fund. Money in the account is available for appropriation by the legislature to fund the modernization or replacement of outdated or inadequate information technology infrastructure and systems used by the state or local units of government to administer state programs.

Sec. 3. **INFORMATION TECHNOLOGY MODERNIZATION PLAN REQUIRED.**

No later than February 1, 2027, the commissioner of Minnesota Information Technology Services must submit an information technology modernization plan to the chairs and ranking minority members of the legislative committees with jurisdiction over state government and the chairs and ranking minority members of the house of representatives Committee on Ways and Means and the senate Committee on Finance. The plan must identify and rank information technology infrastructure and systems most in need of modernization or replacement, with priority given to outdated or inadequate systems used by local units of government to administer state programs. For each project, the report must identify the anticipated cost and the commissioner's recommendation of whether to modernize or replace the infrastructure or system.

Sec. 4. **TRANSFER.**

$30,000,000 in fiscal year 2027 is transferred from the general fund to the technology obsolescence reduction keystone account established under Minnesota Statutes, section 16A.627. This is a onetime transfer.