SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 910

(SENATE AUTHORS: KIFFMEYER, Anderson, P. and Jasinski)

DATE	D-PG	OFFICIAL STATUS
02/07/2019	287	Introduction and first reading Referred to State Government Finance and Policy and Elections
02/21/2019	492	Author added Jasinski
03/11/2019	736a	Comm report: To pass as amended and re-refer to Rules and Administration
03/26/2019	1273a	Comm report: To pass as amended and re-refer to Finance

A bill for an act

relating to state government; permitting agencies more flexibility in contracting for information technology services; reforms to MN.IT business practices and business software implementation; consolidation of information technology services for the Department of Human Services; creating a legislative commission on information technology; expanding topics for review by the legislative auditor; appropriating money; amending Minnesota Statutes 2018, sections 3.97, subdivision 3a; 16E.016; 16E.0466, subdivision 1; 16E.055; 16E.14, subdivision 3; 16E.18, subdivisions 4, 6; proposing coding for new law in Minnesota Statutes, chapter 3.

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

ARTICLE 1
REFORMS

Section 1. Minnesota Statutes 2018, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to state agencies:

(1) state data centers;

(2) mainframes including system software;

(3) servers including system software;

~~(4) desktops including system software;~~

~~(5) laptop computers including system software;~~

~~(6)~~ (4) a data network including system software;

~~(7) database,~~ (5) electronic mail~~, office systems, reporting, and other standard software tools~~;

~~(8) business application software and related technical support services;~~

~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);

~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to ~~(8)~~ (5); and

~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to ~~(8); and~~ (5).

~~(12) network-connected output devices.~~

(b) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to a state agency, at the request of the agency:

(1) desktops including system software;

(2) laptop computers including system software;

(3) database, office systems, reporting, and other standard software tools;

(4) business application software and related technical support services;

(5) help desk for the components listed in clauses (1) to (4);

(6) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (4);

(7) regular upgrades and replacement for the components listed in clauses (1) to (4); and

(8) network-connected output devices.

~~(b)~~ (c) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Office of MN.IT Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the office to perform work exclusively for another state agency.

~~(c)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside

vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that Agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to contracts entered into on or after that date.

Sec. 2. Minnesota Statutes 2018, section 16E.0466, subdivision 1, is amended to read:

Subdivision 1. **Consultation required.** (a) Every state agency with an information or telecommunications project must consult with the Office of MN.IT Services to determine the information technology cost of the project if the Office of MN.IT Services is selected by an agency to perform the project. Upon agreement between the commissioner of a particular agency and the chief information officer, the agency must transfer the information technology cost portion of the project to the Office of MN.IT Services. Service level agreements must document all project-related transfers under this section. Those agencies specified in section 16E.016, paragraph ~~(d)~~ (e), are exempt from the requirements of this section.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, subject to the review of the Legislative Advisory Commission, under section 16E.21, subdivision 3.

Sec. 3. Minnesota Statutes 2018, section 16E.055, is amended to read:

16E.055 ELECTRONIC GOVERNMENT SERVICES.

A state agency that implements electronic government services for fees, licenses, sales, or other purposes ~~must~~ may use the single entry site created by the chief information officer for all agencies to use for electronic government services.

Sec. 4. Minnesota Statutes 2018, section 16E.14, subdivision 3, is amended to read:

Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each agency shall reimburse the MN.IT services revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the chief information officer is authorized and directed to furnish an agency. The chief information officer shall report the rates to be charged for the revolving fund no later than ~~July 1 each~~ June 1 each even-numbered calendar year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Office of MN.IT Services. These rates shall apply for the biennium beginning July 1 of the following calendar year.

Sec. 5. Minnesota Statutes 2018, section 16E.18, subdivision 4, is amended to read:

Subd. 4. **Program participation.** The chief information officer may ~~require~~ request the participation of state agencies ~~and~~, the commissioner of education, ~~and may request the participation of~~ the Board of Regents of the University of Minnesota, and the Board of Trustees of the Minnesota State Colleges and Universities~~,~~ in the planning and implementation of the network to provide interconnective technologies. The Board of Trustees of the Minnesota State Colleges and Universities may opt out of participation as a subscriber on the network, in whole or in part, if the board is able to secure telecommunications services from another source that ensures it will achieve the policy objectives set forth in subdivision 1.

Sec. 6. Minnesota Statutes 2018, section 16E.18, subdivision 6, is amended to read:

Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) An invoice or statement to an agency from the chief information officer must include clear descriptions of the services the Office of MN.IT Services has provided. The invoice or statement must categorize or code services in a manner prescribed by the agency, or the chief information officer must provide supplemental information with an invoice or statement that categorizes or codes all services reflected on the invoice or statement in a manner prescribed by the agency.

(c) Except as otherwise provided in subdivision 4, a direct appropriation made to an educational institution for usage costs associated with the state information infrastructure

must only be used by the educational institution for payment of usage costs of the network as billed by the chief information officer.

Sec. 7. **CONSOLIDATION OF INFORMATION TECHNOLOGY FOR HUMAN SERVICES UNDER MN.IT.**

By January 1, 2020, the Office of MN.IT Services shall be responsible for information technology services for the Department of Human Services, consistent with Minnesota Statutes, chapter 16E. The commissioner of human services and the chief information officer shall begin immediately to transfer duties, employees, and information technology assets to complete the transfer by January 1, 2020. By January 15, the commissioner of human services and the chief information officer shall report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over human services policy and finance and state government on the status of the completed transfer.

Sec. 8. **DRAFT LEGISLATION FROM MN.IT.**

By January 15, 2020, the chief information officer shall submit to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over state government policy and finance, draft legislation developed with assistance by the revisor of statutes, to address the recommendation of the legislative auditor on page 82, as described on pages 79 to 82, of the 2019 evaluation report on the "Office of Minnesota Information Technology Services (MNIT)" to clarify MN.IT's authorizing statutes.

ARTICLE 2
LEGISLATIVE COMMISSION ON INFORMATION TECHNOLOGY

Section 1. **[3.889] LEGISLATIVE COMMISSION ON INFORMATION TECHNOLOGY.**

Subdivision 1. **Membership.** (a) The Legislative Commission on Information Technology consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

(b) To the extent possible, the appointing authorities must appoint members with knowledge of technical aspects or management of information technology.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission must consider the issues raised in the 2019 evaluation report of the Office of the Legislative Auditor titled "Office of Minnesota Information Technology Services (MNIT)." The commission must prepare draft legislation, as appropriate, and develop plans or advice to implement the recommendations of the legislative auditor.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's information technology. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Sunset.** The commission sunsets January 30, 2028.

Sec. 2. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON INFORMATION TECHNOLOGY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Information Technology by July 1, 2019.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Information Technology under Minnesota Statutes, section 3.888, to convene the first meeting by August 15, 2019. The commission must select a chair from among the senate members at the first meeting.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 3
LEGISLATIVE AUDITOR

Section 1. Minnesota Statutes 2018, section 3.97, subdivision 3a, is amended to read:

Subd. 3a. **Evaluation topics.** (a) The commission shall periodically select topics for the legislative auditor to evaluate. Topics may include any agency, program, or activity established by law to achieve a state purpose, or any topic that affects the operation of state government, but the commission shall give primary consideration to topics that are likely, upon examination, to produce recommendations for cost savings, increased productivity, or the elimination of duplication among public agencies. The commission shall also give consideration to information technology projects and to the delivery of information technology services from the Office of MN.IT Services to state agencies. Legislators and legislative committees may suggest topics for evaluation, but the legislative auditor shall only conduct evaluations approved by the commission.

(b) The commission is requested to direct the auditor, in response to a suggestion from an individual legislator of an evaluation topic, to estimate the scope of the proposed evaluation and the time required to complete it. The estimate must be reported to the legislator who submitted the suggestion and to the commission. The commission must determine within 60 days of receiving the estimate whether to proceed with the suggested evaluation and must convey its decision to the legislator along with the reasons for its decision.

Sec. 2. **APPROPRIATION.**

$..... is appropriated to the Legislative Coordinating Commission for the Office of the Legislative Auditor to be used for increasing the capabilities of the legislative auditor to evaluate information technology projects and the delivery of information technology services from the Office of MN.IT Services to state agencies.