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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2053

02/20/2023

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The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act

1.2 relating to state government; MNIT statute modernization; amending Minnesota

1.3 Statutes 2022, sections 16E.01, subdivisions 1a, 3, by adding a subdivision;

1.4 16E.016; 16E.03, subdivision 2; 16E.14, subdivision 4; 16E.21, subdivisions 1,

1.5 2; repealing Minnesota Statutes 2022, section 16E.0466, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2022, section 16E.01, subdivision 1a, is amended to read:

1.8 Subd. 1a. **Responsibilities.** The department shall provide oversight, leadership, and

1.9 direction for information and telecommunications technology policy and the management,

1.10 delivery, accessibility, and security of executive branch information and telecommunications

1.11 technology systems and services in Minnesota. The department shall partner with executive

1.12 branch state agencies to manage strategic investments in information and telecommunications

1.13 technology systems and services to ensure sufficient access to and efficient delivery of

1.14 accessible government services and to maximize benefits for the state government as an

1.15 enterprise.

1.16 Sec. 2. Minnesota Statutes 2022, section 16E.01, is amended by adding a subdivision to
1.17 read:

1.18 Subd. 1b. **Deputy; appointments.** The commissioner may appoint a deputy, assistant

1.19 commissioners, and a confidential secretary. Each serves at the commissioner's pleasure in

1.20 the unclassified service.

1.21 Sec. 3. Minnesota Statutes 2022, section 16E.01, subdivision 3, is amended to read:

1.22 Subd. 3. **Duties.** (a) The department shall:

2.1 (1) manage the efficient and effective use of available federal, state, local, and
2.2 public-private resources to develop statewide information and telecommunications technology
2.3 systems and services and its infrastructure;

2.4 (2) approve state agency and intergovernmental information and telecommunications
2.5 technology systems and services development efforts involving state or intergovernmental
2.6 funding, including federal funding, provide information to the legislature regarding projects
2.7 reviewed, and recommend projects for inclusion in the governor's budget under section
2.8 16A.11;

2.9 (3) promote cooperation and collaboration among state and local governments in
2.10 developing intergovernmental information and telecommunications technology systems
2.11 and services;

2.12 (4) cooperate and collaborate with the legislative and judicial branches in the development
2.13 of information and communications systems in those branches, as requested;

2.14 ~~(5) continue the development of North Star, the state's official comprehensive online~~
2.15 ~~service and information initiative;~~

2.16 ~~(6)~~ (5) promote and coordinate public information access and network initiatives,
2.17 consistent with chapter 13, to connect Minnesota's citizens and communities to each other,
2.18 to their governments, and to the world;

2.19 ~~(7)~~ (6) manage and promote the regular and periodic reinvestment in the information
2.20 and telecommunications technology systems and services infrastructure so that state and
2.21 local government agencies can effectively and efficiently serve their customers;

2.22 ~~(8)~~ (7) facilitate the cooperative development of and ensure compliance with standards
2.23 and policies for information and telecommunications technology systems and services and
2.24 electronic data practices and privacy within the executive branch;

2.25 ~~(9)~~ (8) eliminate unnecessary duplication of existing information and telecommunications
2.26 technology systems and services provided by state agencies;

2.27 ~~(10)~~ (9) identify, sponsor, develop, and execute shared information and
2.28 telecommunications technology projects and ongoing operations;

2.29 ~~(11)~~ (10) ensure overall security of the state's information and technology systems and
2.30 services; and

2.31 ~~(12)~~ (11) manage and direct compliance with accessibility standards for informational
2.32 technology, including hardware, software, websites, online forms, and online surveys.

3.1 (b) The chief information officer, in consultation with the commissioner of management
3.2 and budget, must determine when it is cost-effective for agencies to develop and use shared
3.3 information ~~and telecommunications~~ technology systems, platforms, and services for the
3.4 delivery of ~~electronic~~ digital government services. The chief information officer may require
3.5 agencies to use shared information and telecommunications technology systems and services.
3.6 The chief information officer shall establish reimbursement rates in cooperation with the
3.7 commissioner of management and budget to be billed to agencies and other governmental
3.8 entities sufficient to cover the actual development, operating, maintenance, and administrative
3.9 costs of the shared systems. The methodology for billing may include the use of interagency
3.10 agreements, or other means as allowed by law.

3.11 (c) A state agency that has an information and telecommunications technology project,
3.12 whether funded as part of the biennial budget or by any other means, shall register with the
3.13 department by submitting basic project startup documentation as specified by the chief
3.14 information officer in both format and content. State agency project leaders, in accordance
3.15 with policies and standards set forth by the chief information officer, must demonstrate that
3.16 the project will be properly managed, provide updates to the project documentation as
3.17 changes are proposed, and regularly report on the current status of the project on a schedule
3.18 agreed to with the chief information officer. The chief information officer has the authority
3.19 to define a project for the purposes of this chapter.

3.20 (d) The chief information officer shall monitor progress on any active information and
3.21 telecommunications technology project with a total expected project cost of more than
3.22 \$5,000,000 and report on the performance of the project in comparison with the plans for
3.23 the project in terms of time, scope, and budget. The chief information officer may conduct
3.24 an independent project audit of the project. The audit analysis and evaluation of the projects
3.25 subject to paragraph (c) must be presented to agency executive sponsors, the project
3.26 governance bodies, and the chief information officer. All reports and responses must become
3.27 part of the project record.

3.28 (e) For any active information and telecommunications technology project with a total
3.29 expected project cost of more than \$10,000,000, the state agency must perform an annual
3.30 independent audit that conforms to published project audit principles adopted by the
3.31 department.

3.32 (f) The chief information officer shall report by January 15 of each year to the chairs
3.33 and ranking minority members of the legislative committees and divisions with jurisdiction
3.34 over the department regarding projects the department has reviewed under paragraph (a),

4.1 clause (10). The report must include ~~the reasons for the determinations made in the review~~
 4.2 ~~of each project and a description of its current status.:~~

- 4.3 (1) each project in the IT portfolio whose status is either active or on hold;
- 4.4 (2) each project presented to the office for consultation in the time since the last report;
- 4.5 (3) the information technology cost associated with the project;
- 4.6 (4) the current status of the information technology project;
- 4.7 (5) the date the information technology project is expected to be completed; and
- 4.8 (6) the projected costs for ongoing support and maintenance after the project is complete.

4.9 Sec. 4. Minnesota Statutes 2022, section 16E.016, is amended to read:

4.10 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
 4.11 **AND EQUIPMENT.**

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

- 4.15 (1) state data centers;
- 4.16 (2) mainframes including system software;
- 4.17 (3) servers including system software;
- 4.18 (4) desktops including system software;
- 4.19 (5) laptop computers including system software;
- 4.20 (6) a data network including system software;
- 4.21 (7) database, electronic mail, office systems, reporting, and other standard software
 4.22 tools;
- 4.23 (8) business application software and related technical support services;
- 4.24 (9) help desk for the components listed in clauses (1) to (8);
- 4.25 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
 4.26 (1) to (8);
- 4.27 (11) regular upgrades ~~and~~, replacement, and lifecycle management for the components
 4.28 listed in clauses (1) to (8); and
- 4.29 (12) network-connected output devices.

5.1 (b) All state agency employees whose work primarily involves functions specified in
5.2 paragraph (a) are employees of the Department of Information Technology Services. This
5.3 includes employees who directly perform the functions in paragraph (a), as well as employees
5.4 whose work primarily involves managing, supervising, or providing administrative services
5.5 or support services to employees who directly perform these functions. The chief information
5.6 officer may assign employees of the department to perform work exclusively for another
5.7 state agency.

5.8 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a
5.9 state agency to obtain services specified in paragraph (a) through a contract with an outside
5.10 vendor when the chief information officer and the agency head agree that a contract would
5.11 provide best value, as defined in section 16C.02, under the service-level agreement. The
5.12 chief information officer must require that agency contracts with outside vendors ensure
5.13 that systems and services are compatible with standards established by the Department of
5.14 Information Technology Services.

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

5.19 Sec. 5. Minnesota Statutes 2022, section 16E.03, subdivision 2, is amended to read:

5.20 Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

5.21 (1) design a ~~master~~ strategic plan for information and telecommunications technology
5.22 systems and services in the state and shall report on the plan to the governor and legislature
5.23 at the beginning of each regular session;

5.24 (2) coordinate, review, and approve all information and telecommunications technology
5.25 projects and oversee the state's information and telecommunications technology systems
5.26 and services;

5.27 (3) establish and enforce compliance with standards for information and
5.28 telecommunications technology systems and services that are cost-effective and support
5.29 open systems environments and that are compatible with state, national, and international
5.30 standards, including accessibility standards;

5.31 (4) maintain a library of systems and programs developed by the state for use by agencies
5.32 of government;

6.1 (5) direct and manage the shared operations of the state's information and
6.2 telecommunications technology systems and services; and

6.3 (6) establish and enforce standards and ensure acquisition of hardware ~~and~~₂ software,
6.4 and services necessary to protect data and systems in state agency networks connected to
6.5 the Internet.

6.6 Sec. 6. Minnesota Statutes 2022, section 16E.14, subdivision 4, is amended to read:

6.7 Subd. 4. **Cash flow.** (a) The commissioner of management and budget shall make
6.8 appropriate transfers to the revolving fund when requested by the chief information officer.
6.9 The chief information officer may make allotments and encumbrances in anticipation of
6.10 such transfers. In addition, the chief information officer, with the approval of the
6.11 commissioner of management and budget, may require an agency to make advance payments
6.12 to the revolving fund sufficient to cover the office's estimated obligation for a period of at
6.13 least 60 days. All reimbursements and other money received by the chief information officer
6.14 under this section must be deposited in the MNIT services revolving fund.

6.15 (b) Each biennium, the commissioner of management and budget is authorized to provide
6.16 cash flow assistance of up to \$60,000,000 from the special revenue fund or other statutory
6.17 general fund as defined in section 16A.671, subdivision 3, paragraph (a), to the Department
6.18 of Information Technology Services for the purpose of managing revenue and expenditure
6.19 differences. These funds shall be repaid with interest by the end of the closing period of the
6.20 second fiscal year of the same biennium.

6.21 Sec. 7. Minnesota Statutes 2022, section 16E.21, subdivision 1, is amended to read:

6.22 Subdivision 1. **Account established; appropriation.** The information and
6.23 telecommunications technology systems and services account is created in the special
6.24 revenue fund. Receipts credited to the account are appropriated to the Department of
6.25 Information Technology Services for the purpose of defraying the costs of personnel and
6.26 technology for activities that create government efficiencies, secure state systems, or address
6.27 project or product backlogs in accordance with this chapter.

6.28 Sec. 8. Minnesota Statutes 2022, section 16E.21, subdivision 2, is amended to read:

6.29 Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the Department of
6.30 Information Technology Services may collect a charge or receive a fund transfer under
6.31 section 16E.0466 for purchases of information and telecommunications technology systems
6.32 and services by state agencies and other governmental entities through state contracts for

7.1 purposes described in subdivision 1. Charges collected under this section must be credited
7.2 to the information and telecommunications technology systems and services account.

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

7.8 Sec. 9. **REPEALER.**

7.9 Minnesota Statutes 2022, section 16E.0466, subdivision 2, is repealed.

16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.

Subd. 2. **Legislative report.** No later than October 1, 2017, and annually thereafter, the state chief information officer must submit a comprehensive project portfolio report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance on projects requiring consultation under subdivision 1. The report must itemize:

- (1) each project presented to the office for consultation in the time since the last report;
- (2) the information technology cost associated with the project, including the information technology cost as a percentage of the project's complete budget;
- (3) the status of the information technology components of the project's development;
- (4) the date the information technology components of the project are expected to be completed;
and
- (5) the projected costs for ongoing support and maintenance of the information technology components after the project is complete.