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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. **4137**

03/21/2018 Authored by Nash
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to state government; abolishing the Office of MN.IT Services; establishing
1.3 a division of information technology within the Department of Administration;
1.4 requiring agencies to obtain competitive bids for information technology projects;
1.5 amending Minnesota Statutes 2016, sections 16E.01, subdivision 1; 16E.015, by
1.6 adding a subdivision; 16E.016; 16E.02; 16E.055; 16E.14; 16E.18, subdivision 4;
1.7 Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 1; proposing
1.8 coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes
1.9 2016, section 16E.145.

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

1.11 Section 1. **[3.9736] EVALUATION OF INFORMATION TECHNOLOGY**
1.12 **PROJECTS.**

1.13 Subdivision 1. **Definition.** For purposes of this section, "information technology project"
1.14 means a project performed by the Division of Information Technology under a service-level
1.15 agreement for a state agency.

1.16 Subd. 2. **Selection of project for review; schedule for evaluation; report.** Annually,
1.17 the legislative auditor shall submit to the Legislative Audit Commission a list of three to
1.18 five information technology projects proposed for review. In selecting projects to include
1.19 on the list, the legislative auditor may consider the cost of the project to the state, the impact
1.20 of the project on state agencies and public users, and the legislature's interest in ensuring
1.21 that state agencies meet the needs of the public. The legislative auditor may include
1.22 completed projects and ongoing projects and shall give particular consideration to forensic
1.23 review of high-profile problematic projects from which recommendations may be developed
1.24 to prevent problems on future projects. Annually, the Legislative Audit Commission shall
1.25 select at least one information technology project for the legislative auditor's evaluation.

2.1 The legislative auditor shall evaluate the selected information technology project according
 2.2 to an evaluation plan established under subdivision 3 and submit a written report to the
 2.3 Legislative Audit Commission.

2.4 Subd. 3. **Evaluation plan.** By November 1, 2018, the Legislative Audit Commission
 2.5 shall establish an evaluation plan that identifies elements the legislative auditor must include
 2.6 in an evaluation of an information technology project. The Legislative Audit Commission
 2.7 may modify the evaluation plan as needed.

2.8 Sec. 2. Minnesota Statutes 2016, section 16E.01, subdivision 1, is amended to read:

2.9 Subdivision 1. ~~Creation; chief information officer.~~ The Office of MN.IT Services
 2.10 Division of Information Technology, referred to in this chapter as the "~~office,~~" "division,"
 2.11 ~~is an agency in the executive branch headed by a~~ under the supervision of the commissioner;
 2.12 ~~who also is the state chief information officer~~ of administration. The appointment of the
 2.13 commissioner is subject to the advice and consent of the senate under section 15.066.

2.14 Sec. 3. Minnesota Statutes 2016, section 16E.015, is amended by adding a subdivision to
 2.15 read:

2.16 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of administration.

2.17 Sec. 4. Minnesota Statutes 2016, section 16E.016, is amended to read:

2.18 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
 2.19 **AND EQUIPMENT.**

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

2.23 (1) state data centers;

2.24 (2) mainframes including system software;

2.25 (3) servers including system software;

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

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

2.28 ~~(6)~~ (4) a data network including system software;

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

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

3.2 ~~(9) (6) help desk for the components listed in clauses (1) to (8) (5);~~

3.3 ~~(10) (7) maintenance, problem resolution, and break-fix for the components listed in~~
 3.4 ~~clauses (1) to (8) (5); and~~

3.5 ~~(11) (8) regular upgrades and replacement for the components listed in clauses (1) to~~
 3.6 ~~(8); and (5).~~

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

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

3.11 (1) desktops including system software;

3.12 (2) laptop computers including system software;

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

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

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

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

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

3.19 (8) network-connected output devices.

3.20 ~~(b) (c)~~ (c) All state agency employees whose work primarily involves functions specified
 3.21 in paragraph (a) are employees of the Office of MN.IT Services in the Division of Information
 3.22 Technology under the Department of Administration. This includes employees who directly
 3.23 perform the functions in paragraph (a), as well as employees whose work primarily involves
 3.24 managing, supervising, or providing administrative services or support services to employees
 3.25 who directly perform these functions. The chief information officer may assign employees
 3.26 of the ~~office~~ division to perform work exclusively for another state agency.

3.27 ~~(e) (d)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow
 3.28 a state agency to obtain services specified in paragraph (a) through a contract with an outside
 3.29 vendor when the chief information officer and the agency head agree that a contract would
 3.30 provide best value, as defined in section 16C.02, under the service-level agreement. The
 3.31 chief information officer must require that Agency contracts with outside vendors ensure

4.1 that systems and services are compatible with standards established by ~~the Office of MN.IT~~
 4.2 ~~Services~~ the Division of Information Technology.

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

4.7 Sec. 5. Minnesota Statutes 2016, section 16E.02, is amended to read:

4.8 **16E.02 OFFICE OF MN.IT SERVICES DIVISION OF INFORMATION**
 4.9 **TECHNOLOGY; STRUCTURE AND PERSONNEL.**

4.10 Subdivision 1. **Office management and structure.** (a) The chief information officer is
 4.11 appointed by the ~~governor~~ commissioner, subject to the advice and consent of the senate
 4.12 under section 15.066. The chief information officer serves in the unclassified service at the
 4.13 pleasure of the ~~governor~~ commissioner. The chief information officer must have experience
 4.14 leading enterprise-level information technology organizations. The chief information officer
 4.15 is the state's chief information officer and information and telecommunications technology
 4.16 advisor to the governor.

4.17 (b) The chief information officer may appoint other employees of the ~~office~~ division.
 4.18 The staff of the ~~office~~ division must include individuals knowledgeable in information and
 4.19 telecommunications technology systems and services and individuals with specialized
 4.20 training in information security and accessibility.

4.21 (c) The chief information officer may appoint a Webmaster responsible for the supervision
 4.22 and development of state Web sites under the control of the ~~office~~ division. The Webmaster,
 4.23 if appointed, shall ensure that these Web sites are maintained in an easily accessible format
 4.24 that is consistent throughout state government and are consistent with the accessibility
 4.25 standards developed under section 16E.03, subdivision 9. The Webmaster, if appointed,
 4.26 shall provide assistance and guidance consistent with the requirements of this paragraph to
 4.27 other state agencies for the maintenance of other Web sites not under the direct control of
 4.28 the ~~office~~ division.

4.29 Subd. 1a. **Accountability.** The chief information officer reports to the ~~governor~~
 4.30 commissioner. The chief information officer must consult regularly with the commissioners
 4.31 of ~~administration~~, management and budget, human services, revenue, and other
 4.32 commissioners as designated by the governor, on technology projects, standards, and services
 4.33 as well as management of resources and staff utilization.

5.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 1, is amended
5.2 to read:

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

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

5.17 Sec. 7. Minnesota Statutes 2016, section 16E.055, is amended to read:

5.18 **16E.055 ELECTRONIC GOVERNMENT SERVICES.**

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

5.22 Sec. 8. Minnesota Statutes 2016, section 16E.14, is amended to read:

5.23 **16E.14 ~~MN.IT SERVICES~~ INFORMATION TECHNOLOGY REVOLVING**
5.24 **FUND.**

5.25 Subdivision 1. **Creation.** The ~~MN.IT services~~ information technology revolving fund
5.26 is created in the state treasury.

5.27 Subd. 2. **Appropriation and uses of fund.** Money in the ~~MN.IT services~~ information
5.28 technology revolving fund is appropriated annually to the ~~chief information officer~~
5.29 commissioner to operate information and telecommunications services, including
5.30 management, consultation, and design services.

5.31 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each
5.32 agency shall reimburse the ~~MN.IT services~~ information technology revolving fund for the

6.1 cost of all services, supplies, materials, labor, and depreciation of equipment, including
 6.2 reasonable overhead costs, which the ~~chief information officer~~ commissioner is authorized
 6.3 and directed to furnish an agency. The ~~chief information officer~~ commissioner shall report
 6.4 the rates to be charged for the revolving fund no later than July 1 each year to the chair of
 6.5 the committee or division in the senate and house of representatives with primary jurisdiction
 6.6 over the budget of the ~~Office of MN.IT Services~~ Division of Information Technology.

6.7 Subd. 4. **Cash flow.** The commissioner of management and budget shall make appropriate
 6.8 transfers to the revolving fund when requested by the chief information officer. The chief
 6.9 information officer may make allotments and encumbrances in anticipation of such transfers.
 6.10 In addition, the ~~chief information officer~~ commissioner, 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~~ division's estimated obligation for a
 6.13 period of at least 60 days. All reimbursements and other money received by the ~~chief~~
 6.14 ~~information officer~~ commissioner under this section must be deposited in the ~~MN.IT services~~
 6.15 information technology revolving fund.

6.16 Subd. 5. **Liquidation.** If the ~~MN.IT services~~ information technology revolving fund is
 6.17 abolished or liquidated, the total net profit from the operation of the fund must be distributed
 6.18 to the various funds from which purchases were made. The amount to be distributed to each
 6.19 fund must bear to the net profit the same ratio as the total purchases from each fund bears
 6.20 to the total purchases from all the funds during the same period of time.

6.21 Sec. 9. Minnesota Statutes 2016, section 16E.18, subdivision 4, is amended to read:

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

6.31 Sec. 10. **OFFICE OF MN.IT SERVICES; TRANSFER.**

6.32 Minnesota Statutes, sections 15.039 and 43A.045, apply to the transfer from the Office
 6.33 of MN.IT Services to the commissioner of administration.

7.1 Sec. 11. **REVISOR'S INSTRUCTION.**

7.2 (a) The revisor of statutes shall change "Office of MN.IT Services" to "Division of
7.3 Information Technology" and change "commissioner of MN.IT Services" to "commissioner
7.4 of administration" wherever these terms occur in Minnesota Statutes. The revisor of statutes
7.5 shall change "the office" to "the division" throughout Minnesota Statutes, chapter 16E.

7.6 (b) The revisor of statutes shall recodify Minnesota Statutes, chapter 16E, in Minnesota
7.7 Statutes, chapter 16B.

7.8 Sec. 12. **REPEALER.**

7.9 Minnesota Statutes 2016, section 16E.145, is repealed.

7.10 Sec. 13. **EFFECTIVE DATE.**

7.11 Sections 1 to 12 are effective July 1, 2018, and apply to contracts entered into on or after
7.12 that date.

16E.145 INFORMATION TECHNOLOGY APPROPRIATION.

An appropriation for a state agency information and telecommunications technology project must be made to the chief information officer. The chief information officer must manage and disburse the appropriation on behalf of the sponsoring state agency. Any appropriation for an information and telecommunications technology project made to a state agency other than the Office of MN.IT Services is transferred to the chief information officer.