

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 1374

(SENATE AUTHORS: OSMEK and Rest)

DATE
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OFFICIAL STATUS
Introduction and first reading
Referred to State Government Finance and Policy and Elections

1.1 A bill for an act
1.2 relating to state government; establishing a verification software pilot program;
1.3 requiring a report.

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

1.5 Section 1. **VERIFICATION SOFTWARE PILOT PROGRAM.**

1.6 Subdivision 1. **Implementation.** (a) As provided in this section, the commissioner of
1.7 administration must implement a pilot program to verify and review contractor activity
1.8 through automated monitoring software.

1.9 (b) The pilot program must include at least four contracts for professional or technical
1.10 services, each in excess of \$500,000, that provide services for at least two state agencies.
1.11 Contracts under section 2 are in addition to contracts required under this paragraph.

1.12 Subd. 2. **Contract requirements.** (a) A contract under the pilot program must require
1.13 a contractor and any subcontractors to use verification software to verify that hours billed
1.14 for work under the contract that are performed on a computer are legitimate. The contract
1.15 must specify that the agency will not pay for hours worked on a computer unless those hours
1.16 are verifiable by the software or by data collected by the software.

1.17 (b) The contractor must not charge the agency or an auditor of the agency for access to
1.18 or use of the work verification software, or for access to or retrievals of data collected by
1.19 the software.

1.20 Subd. 3. **Software capabilities.** Verification software used in the pilot program must:

1.21 (1) automatically gather verification of state-funded activity at least once every three
1.22 minutes, while continuously monitoring keystroke frequency and mouse-event frequency;

2.1 (2) include functionality for project management, including but not limited to progress
2.2 tracking, timelines, and task management tools;

2.3 (3) permit the agency or an auditor of the agency to have real-time access to data collected
2.4 and provided by the software, including but not limited to visibility of keystroke and mouse
2.5 frequency data in real time and on request;

2.6 (4) provide to the agency or an auditor of the agency automated real-time cost status of
2.7 each task;

2.8 (5) provide to the agency or an auditor of the agency the identity and professional
2.9 qualifications of the individual who is performing a task;

2.10 (6) permit the agency to provide immediate feedback to the contractor on work in
2.11 progress; and

2.12 (7) ensure appropriate treatment of data that are not public data, as defined in Minnesota
2.13 Statutes, section 13.02, subdivision 8a.

2.14 Subd. 4. **Data practices.** The contractor or subcontractor must store, or contract with
2.15 another entity to store, data collected by the software for a period of seven years after the
2.16 agency has remitted payment to the contractor for the work. Data collected are data of the
2.17 contractor or subcontractor but must be treated as private data on individuals or nonpublic
2.18 data, as defined in Minnesota Statutes, section 13.02, except to the extent the data would
2.19 be classified as confidential data on individuals or protected nonpublic data under Minnesota
2.20 Statutes, section 13.392. The contractor or subcontractor must make the data collected by
2.21 the software accessible to auditors of the contractor or of the agency and to a state or federal
2.22 agency for purposes related to tax administration or an audit or civil investigation. The
2.23 contractor or subcontractor must retrieve data on request of the agency, in the format
2.24 requested by the agency, at any time during the seven years as needed to comply with
2.25 requests under Minnesota Statutes, chapter 13, at no charge to the agency.

2.26 Subd. 5. **Legislative report.** (a) By June 30, 2020, the commissioner of administration
2.27 must submit a status notification on contracts entered into and verification software used
2.28 under the pilot program to the chairs and ranking members of the house of representatives
2.29 and senate committees with jurisdiction over state government finance and operations.

2.30 (b) By December 15, 2020, the commissioner of administration must submit a legislative
2.31 report on the pilot program to the chairs and ranking members of the house of representatives
2.32 and senate committees with jurisdiction over state government finance and operations. At
2.33 a minimum, the report must include a summary of the program, a review of impacts of the

3.1 verification software, and recommendations for implementing verification software
3.2 requirements for state contracting.

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

3.4 Sec. 2. **MNLARS DEVELOPMENT; VERIFICATION SOFTWARE.**

3.5 (a) For any contract relating to development or implementation of the driver and vehicle
3.6 information system known as the Minnesota Licensing and Registration System (MNLARS),
3.7 the commissioner of public safety and the state chief information officer must require the
3.8 contractor to meet the requirements under section 1, subdivisions 2 to 4.

3.9 (b) This section does not apply to a contract for audit or technical assessment of the
3.10 MNLARS project.

3.11 (c) The requirements under this section expire June 30, 2021.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.13 applies for contracts entered into on or after that date.