

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4892

(SENATE AUTHORS: GUSTAFSON)

DATE	D-PG	OFFICIAL STATUS
03/13/2024	12187	Introduction and first reading Referred to State and Local Government and Veterans

1.1

A bill for an act

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relating to state government; clarifying discretionary powers and duties for the

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Department of Information Technology Services; making conforming changes;

1.4

amending Minnesota Statutes 2022, sections 15.994; 16E.01, subdivision 2; 16E.03,

1.5

subdivisions 3, 4, 5, 7; 16E.04, subdivisions 2, 3; 16E.07; Minnesota Statutes 2023

1.6

Supplement, sections 16E.01, subdivision 3; 16E.03, subdivision 2; repealing

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Minnesota Statutes 2022, sections 16E.03, subdivision 5; 16E.035; 16E.0465,

1.8

subdivisions 1, 2; 16E.055; 16E.20.

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

1.10

ARTICLE 1

1.11

DISCRETIONARY POWERS

1.12

Section 1. Minnesota Statutes 2022, section 16E.01, subdivision 2, is amended to read:

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Subd. 2. **Discretionary powers.** The department may:

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(1) enter into contracts for goods or services with public or private organizations and

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charge fees for services it provides;

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(2) apply for, receive, and expend money from public agencies;

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(3) apply for, accept, and disburse grants and other aids from the federal government

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and other public or private sources;

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(4) enter into contracts with agencies of the federal government, local governmental

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units, the University of Minnesota and other educational institutions, and private persons

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and other nongovernmental organizations as necessary to perform its statutory duties;

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(5) sponsor and conduct conferences and studies, collect and disseminate information,

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and issue reports relating to information and communications technology issues;

(6) review the technology infrastructure of regions of the state and cooperate with and make recommendations to the governor, legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of information and communications technology infrastructure development potential;

(7) sponsor, support, and facilitate innovative and collaborative economic and community development and government services projects or initiatives, including technology initiatives related to culture and the arts, with public and private organizations; and

(8) review and recommend alternative sourcing strategies for state information and communications systems.

Sec. 2. Minnesota Statutes 2023 Supplement, section 16E.01, subdivision 3, is amended to read:

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

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

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

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

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

(5) ~~promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world~~ continue to collaborate on the development of MN.gov, the state's official comprehensive online service and information initiative;

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

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

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

(9) identify, sponsor, develop, and execute shared information and telecommunications technology projects and initiatives, and ongoing operations;

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

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

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

(c) A state agency that has an information and telecommunications technology project or initiative, whether funded as part of the biennial budget or by any other means, shall register with the department by submitting basic project or initiative startup documentation as specified by the chief information officer in both format and content. State agency business and technology project leaders, in accordance with policies and standards set forth by the chief information officer, must demonstrate that the project or initiative will be properly managed, ensure alignment with enterprise technology strategic direction, provide updates to the project or initiative documentation as changes are proposed, and regularly report on the current status of the project or initiative on a schedule agreed to with the chief information

officer. The chief information officer has the authority to define a project or initiative for the purposes of this chapter.

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

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

(f) The chief information officer shall report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the department ~~regarding projects the department has reviewed under paragraph (a), clause (10)~~ on the status of the state's comprehensive project and initiatives portfolio. The report must include: descriptions of each project and its current status, information technology costs associated with the project, and estimated date on when the information technology project is expected to be completed.

~~(1) each project in the IT portfolio whose status is either active or on hold;~~

~~(2) each project presented to the office for consultation in the time since the last report;~~

~~(3) the information technology cost associated with the project;~~

~~(4) the current status of the information technology project;~~

~~(5) the date the information technology project is expected to be completed; and~~

~~(6) the projected costs for ongoing support and maintenance after the project is complete.~~

Sec. 3. Minnesota Statutes 2023 Supplement, section 16E.03, subdivision 2, is amended to read:

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

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

(2) ~~coordinate, review, and approve all information and telecommunications technology projects~~ develop and implement processes for review, approval, and monitoring and oversee the state's information and telecommunications technology systems and services;

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

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

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

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

Sec. 4. Minnesota Statutes 2022, section 16E.03, subdivision 3, is amended to read:

Subd. 3. **Evaluation and approval.** A state agency may not undertake an information and telecommunications technology project or initiative until it has been evaluated according to the procedures developed under subdivision 4. The chief information officer or delegate shall ~~give written approval of the proposed project~~ record project approval as a part of the project.

Sec. 5. Minnesota Statutes 2022, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects or initiatives proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, ~~and flexibility of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options~~ cost, and benefits of the project or initiative.

Sec. 6. Minnesota Statutes 2022, section 16E.03, subdivision 5, is amended to read:

Subd. 5. **Report to legislature.** The chief information officer shall submit to the legislature, at the same time as the governor's budget required by section 16A.11, a concise narrative explanation of any information and communication technology project or initiative being proposed as part of the governor's budget that involves collaboration between state agencies and an explanation of how the budget requests of the several agencies collaborating on the project or initiative relate to each other.

Sec. 7. Minnesota Statutes 2022, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **Cyber security systems.** (a) In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall ~~install~~ advise, implement, and administer state data security ~~systems~~ solutions and practices on the state's ~~computer facilities~~ information technology services, systems, and applications consistent with these policies, guidelines, standards, and state law to ensure the integrity, confidentiality, and availability of ~~computer-based and other~~ information technology systems and services, and data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy.

(b) The state chief information officer, or state chief information security officer, may advise and consult on security strategy and programs for state entities and political subdivisions not subject to section 16E.016.

Sec. 8. Minnesota Statutes 2022, section 16E.04, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The office ~~shall~~ may develop and establish a state information architecture to ensure:

(1) that state agency information and communications systems, equipment, and services do not needlessly duplicate or conflict with the systems of other agencies; and

(2) enhanced public access to data can be provided consistent with standards developed under section 16E.05, subdivision 4.

When state agencies have need for the same or similar public data, the chief information officer, in coordination with the affected agencies, shall manage the most efficient and

cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(b) The office shall review and approve agency requests for funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(c) The office ~~shall~~ may review and approve agency requests for grant funding that have an information and technology component.

(d) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

(3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency.

(e) The office shall review the operation of information systems by state agencies and ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

Sec. 9. Minnesota Statutes 2022, section 16E.04, subdivision 3, is amended to read:

Subd. 3. **Risk assessment and mitigation.** (a) A risk assessment and risk mitigation plan are required for all information systems development projects or initiatives undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project or initiative estimated to cost more than ~~\$5,000,000~~ \$10,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project or initiative. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project or initiative is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the information and telecommunications technology project or initiative.

Sec. 10. Minnesota Statutes 2022, section 16E.07, is amended to read:

16E.07 NORTH STAR ONLINE GOVERNMENT INFORMATION SERVICES.

Subdivision 1. **Definitions** ~~Definition~~. (a) The ~~definitions~~ definition in this subdivision ~~apply~~ applies to this section.

~~(b) "Core services" means accessible information system applications required to provide secure information services and online applications and content to the public from government units. Online applications may include, but are not limited to:~~

~~(1) standardized public directory services and standardized content services;~~

~~(2) online search systems;~~

~~(3) general technical services to support government unit online services;~~

~~(4) electronic conferencing and communication services;~~

~~(5) secure electronic transaction services;~~

~~(6) digital audio, video, and multimedia services; and~~

~~(7) government intranet content and service development.~~

~~(e)~~ (b) "Government unit" means a state department, agency, commission, council, board, task force, or committee; a constitutional office; a court entity; the Minnesota State Colleges and Universities; a county, statutory or home rule charter city, or town; a school district; a special district; or any other board, commission, district, or authority created under law, local ordinance, or charter provision.

Subd. 2. **Established**. The ~~office~~ department shall establish "North Star" as the state's ~~comprehensive government online information service. North Star is the state's governmental framework for coordinating and collaborating in providing online government information and services. Government agencies that provide electronic access to government information are requested to make available to North Star their most frequently requested public data~~ collaborate with state agencies to maintain MN.gov and associated websites that provide online government information services.

Subd. 3. **Access to data**. The legislature determines that the greatest possible access to certain government information and data is essential to allow citizens to participate fully in a democratic system of government. Certain information and data, including, but not limited

to the following, must be provided free of charge or for a nominal cost associated with reproducing the information or data:

(1) directories of government services and institutions, ~~including an electronic version of the guidebook to state agency services published by the commissioner of administration;~~

(2) legislative and rulemaking information, including an electronic version of the State Register, public information newsletters, bill text and summaries, bill status information, rule status information, meeting schedules, and the text of statutes and rules;

(3) supreme court and court of appeals opinions and general judicial information;

(4) opinions of the attorney general;

(5) Campaign Finance and Public Disclosure Board and election information;

(6) public budget information;

(7) local government documents, such as codes, ordinances, minutes, meeting schedules, and other notices in the public interest;

(8) official documents, releases, speeches, and other public information issued by government agencies; and

(9) the text of other government documents and publications that government agencies determine are important to public understanding of government activities.

~~Subd. 4. **Staff.** The chief information officer shall appoint the manager of the North Star online information service and hire staff to carry out the responsibilities of the service.~~

~~Subd. 5. **Participation; consultation; guidelines.** The North Star staff shall consult with governmental and nongovernmental organizations to establish rules for participation in the North Star service. Government units planning, developing, or providing publicly accessible online services shall provide access through and collaborate with North Star and formally register with the office. The University of Minnesota is requested to establish online connections and collaborate with North Star. Units of the legislature shall make their services available through North Star. Government units may be required to submit standardized directory and general content for core services but are not required to purchase core services from North Star. North Star shall promote broad public access to the sources of online information or services through multiple technologies.~~

~~Subd. 6. **Fees.** The office shall may establish fees for technical and transaction services for government units through North Star. Fees must be credited to the North Star account.~~

10.1 The office may not charge a fee for viewing or inspecting data made available through North
10.2 Star MN.gov or linked facilities, unless specifically authorized by law.

10.3 Subd. 7. **North Star Online government information service account.** The North Star
10.4 online government information service account is created in the special revenue fund. The
10.5 account consists of:

- 10.6 (1) grants received from nonstate entities;
- 10.7 (2) fees and charges collected by the office;
- 10.8 (3) gifts, donations, and bequests made to the office; and
- 10.9 (4) other money credited to the account by law.

10.10 Money in the account is appropriated to the office to be used to continue the development
10.11 of the North Star project online government information services.

10.12 Subd. 8. **Secure transaction system.** The office shall plan and develop a secure
10.13 transaction system systems to support delivery of government services electronically. A
10.14 state agency that implements electronic government services for fees, licenses, sales, or
10.15 other purposes ~~must use the~~ may be required to use secure transaction system systems
10.16 developed in accordance with this section.

10.17 Subd. 9. **Aggregation of service demand.** The office ~~shall~~ may identify opportunities
10.18 to aggregate demand for technical services required by government units for online activities
10.19 and may contract with governmental or nongovernmental entities to provide services. These
10.20 contracts are not subject to the requirements of chapters 16B and 16C, except sections
10.21 16C.04, 16C.08, and 16C.09.

10.22 Subd. 10. **Outreach.** The office may promote the availability of government online
10.23 information and services through public outreach and education. ~~Public network expansion~~
10.24 ~~in communities through libraries, schools, colleges, local government, and other community~~
10.25 ~~access points must include access to North Star. North Star may make materials available~~
10.26 ~~to those public sites to promote awareness of the service.~~

10.27 Subd. 11. **Advanced development collaboration.** The office shall identify information
10.28 technology services with broad public impact and advanced development requirements.
10.29 ~~Those services shall assist in the development of and utilization of core services to the~~
10.30 ~~greatest extent possible where appropriate, cost-effective, and technically feasible. This~~
10.31 ~~includes, but is not limited to, higher education, statewide online library, economic and~~
10.32 ~~community development, and K-12 educational technology services. North Star shall~~
10.33 ~~participate in electronic commerce research and development initiatives with the University~~

~~of Minnesota and other partners. The statewide online library service shall consult, collaborate, and work with North Star to ensure development of proposals for advanced government information locator and electronic depository and archive systems.~~

Subd. 12. **Private entity services; fee authority.** (a) The department may enter into a contract with a private entity to manage, maintain, support, and expand ~~North Star and~~ online government information services to citizens and businesses.

(b) A contract established under paragraph (a) may provide for compensation of the private entity through a fee established under paragraph (c).

(c) The department, subject to the approval of the agency or department responsible for the data or services involved in the transaction, may charge and may authorize a private entity that enters into a contract under paragraph (a) to charge a convenience fee for users of ~~North Star and~~ online government information services up to a total of \$2 per transaction, provided that no fee shall be charged for viewing or inspecting data. A fee established under this paragraph is in addition to any fees or surcharges authorized under other law.

(d) Receipts from the convenience fee shall be deposited in the ~~North Star~~ online government information service account established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts credited to the account are appropriated to the department for payment to the contracted private entity under paragraph (a). In lieu of depositing the receipts in the ~~North Star~~ online government information service account, the department can directly transfer the receipts to the private entity or allow the private entity to retain the receipts pursuant to a contract established under this subdivision.

~~(e) The department shall report~~ Information regarding any convenience fee receipts collected under paragraph (d) must be reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15 of each odd-numbered year ~~regarding the convenience fee receipts and the status of North Star projects and online government information services developed and supported by convenience fee receipts.~~

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, sections 16E.03, subdivision 5; 16E.035; 16E.0465, subdivisions 1 and 2; 16E.055; and 16E.20, are repealed.

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ARTICLE 2

CONFORMING CHANGE

12.3

Section 1. Minnesota Statutes 2022, section 15.994, is amended to read:

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15.994 INTERNET GRANT INFORMATION.

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A state agency with an Internet site must provide information on grants available through

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the agency and must provide a link to any grant application ~~under section 16E.20.~~

16E.03 STATE INFORMATION AND COMMUNICATIONS SYSTEMS.

Subd. 5. **Report to legislature.** The chief information officer shall submit to the legislature, at the same time as the governor's budget required by section 16A.11, a concise narrative explanation of any information and communication technology project that involves collaboration between state agencies and an explanation of how the budget requests of the several agencies collaborating on the project relate to each other.

16E.035 TECHNOLOGY INVENTORY.

The chief information officer must prepare a financial inventory of technology owned or leased by the Department of Information Technology Services. The inventory must include: (1) information on how the technology fits into the state's information technology architecture; and (2) a projected replacement schedule. The chief information officer must report the inventory to the legislative committees with primary jurisdiction over state technology issues by July 1 of each even-numbered year.

16E.0465 TECHNOLOGY APPROVAL.

Subdivision 1. **Application.** This section applies to an appropriation of more than \$1,000,000 of state or federal funds to a state agency for any information and telecommunications technology project or for any phase of such a project, device, or system. For purposes of this section, an appropriation of state or federal funds to a state agency includes an appropriation:

- (1) to a constitutional officer;
- (2) for a project that includes both a state agency and units of local government; and
- (3) to a state agency for grants to be made to other entities.

Subd. 2. **Required review and approval.** (a) A state agency receiving an appropriation for an information and telecommunications technology project subject to this section must divide the project into phases.

(b) An encumbrance or expenditure may not be made for any phase of a state agency information and telecommunications technology project subject to this section unless the Department of Information Technology Services has reviewed each phase of the project and based on this review, the chief information officer has determined for each phase that:

- (1) the project is compatible with the state information architecture and other policies and standards established by the chief information officer;
- (2) the agency is able to accomplish the goals of the phase of the project with the funds appropriated; and
- (3) the project supports the enterprise information technology strategy.

16E.055 ELECTRONIC GOVERNMENT SERVICES.

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

16E.20 ELECTRONIC CONDUCT OF STATE BUSINESS.

The chief information officer shall develop and implement a system under which:

- (1) state business can be conducted and permits or licenses obtained through electronic communication with the appropriate state agencies; and
- (2) applications for grants can be made electronically to state agencies when feasible.