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Office of MN.IT Services

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AT A GLANCE

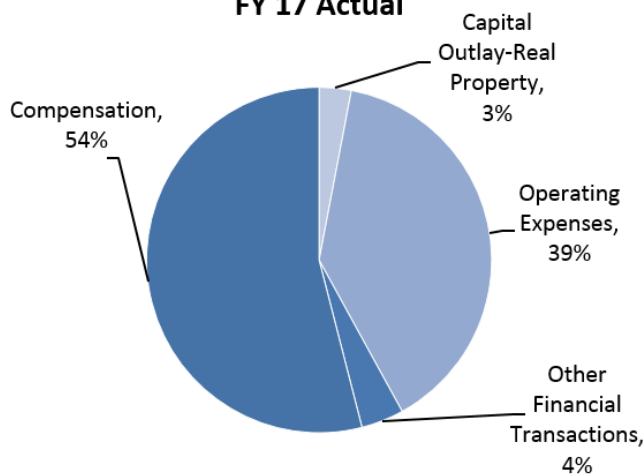
- Provides all information technology (IT) services to 64 executive branch entities and offers a sub-set of services to cities, counties and other non-executive branch entities
- Responsible for 2,271 IT employees in FY 18
- Hosting and support of more than 2,800 agency applications in FY 18
- Manages security for systems and applications at 135 locations
- Oversight of executive branch IT application and project portfolio

PURPOSE

We partner with Minnesota state agencies to deliver technology solutions that transform how government connects to provide services for the people of Minnesota. As the State’s provider of efficient and cost-effective IT services for agencies and citizens, MN.IT Services directly contributes to the State’s results-based outcome of: **Efficient and accountable government services**. In addition, we support all of the results-based outcomes, including health, public safety, employment and economic development, education and natural resources, by providing IT computing and telecommunications resources to support agency business goals, and by managing the applications that run agency programs.

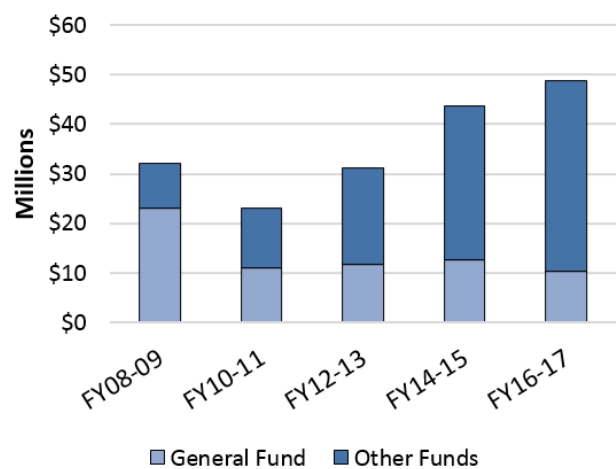
BUDGET

**Spending by Category
FY 17 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Note: This chart excludes enterprise chargebacks to agencies and includes other agency funds dedicated to Information and Telecommunications Account projects.

Source: Consolidated Fund Statement

MN.IT spending is primarily funded by chargebacks to agencies for IT services through the enterprise technology fund (excluded from Spending Chart above), which, in budget fiscal year 2017, totaled \$472.8 million. General fund appropriations provide funding for the Chief Information Officer (CIO) office, enterprise security, and geospatial (MNGeo) functions and some projects. General fund spending increased in FY 2008-09 primarily for enterprise security, which was reduced in subsequent biennia. The remaining spending occurs in the special revenue fund, which consists of agency contributions to enterprise IT projects.

Since the 2011 Legislature enacted IT consolidation, MN.IT consolidated finances, purchasing, and data centers to produce cost avoidance for the state. Current enterprise service projects focus on those IT functions that can be more efficiently delivered through a centralized service. These projects are managed in stages to avoid disruption to state business and for efficiency.

STRATEGIES

Securing the State – As part of MN.IT’s efforts to protect Minnesotans from cyber threats and protect the State’s sensitive data assets, MN.IT is currently implementing an Information Security Strategic Plan. The plan prioritizes initiatives for the management, control, and protection of assets, including:

- Proactively managing risk
- Improving situational awareness
- Having a robust crisis and incident response
- Partnering with public and private entities to ensure success

Optimizing Enterprise Services – As part of a multi-year effort to fully realize the benefits of IT consolidation, MN.IT is transitioning agencies from a diverse, decentralized IT delivery model to a common, centralized IT service model for a subset of IT services that can be more efficiently and effectively consumed as a commodity service. Maximizing shared technologies gives the state the opportunity to provide high value services to customers. This approach improves the security of agency systems and allows our agency partners to focus on serving citizens and building value-added business applications.

Strengthening IT Modernization Program Management – With Minnesota’s executive branch state agencies in the midst of several concurrent IT system modernization efforts, MN.IT is strengthening IT program management and oversight practices through its Enterprise Program Management Office (ePMO) to maximize the potential for project success, apply lessons learned across agency silos, bring consistency to project reporting and tracking, and ensure project risks are appropriately mitigated.

MN.IT Services legal authority comes from M.S. 16E
(<https://www.revisor.leg.state.mn.us/statutes/?id=16E&view=chapter>).

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base FY20 FY21 | | Enacted Budget FY20 FY21 | |
|--------------------------------------|----------------|----------------|----------------|------------------|----------------------------|----------------|-----------------------------|----------------|
| <u>Expenditures by Fund</u> | | | | | | | | |
| 1000 - General | 4,796 | 5,443 | 4,339 | 4,151 | 2,599 | 2,599 | 7,599 | 7,599 |
| 2000 - Restrict Misc Special Revenue | 6,067 | 2,927 | 2,841 | 1,126 | 1,717 | 1,717 | 1,717 | 1,717 |
| 2001 - Other Misc Special Revenue | 18,091 | 11,579 | 13,869 | 321,857 | 262,849 | 240,815 | 262,849 | 240,815 |
| 5000 - Master Lease | 4,411 | 3,860 | 9,372 | 10,700 | 9,350 | 8,950 | 9,350 | 8,950 |
| 5500 - MN.IT Services | 340,705 | 462,040 | 483,105 | 178,024 | 199,019 | 202,111 | 199,019 | 202,111 |
| Total | 374,069 | 485,848 | 513,526 | 515,858 | 475,534 | 456,192 | 480,534 | 461,192 |
| Biennial Change | | | | 169,467 | | (97,658) | | (87,658) |
| Biennial % Change | | | | 20 | | (9) | | (9) |
| Enacted Budget Change from Base | | | | | | | | 10,000 |
| Enacted Budget % Change from Base | | | | | | | | 1 |

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base FY20 FY21 | | Enacted Budget FY20 FY21 | |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|--------------|-----------------------------|--------------|
| 1000 - General | | | | | | | | |
| Balance Forward In | 4,807 | 3,647 | 3,048 | 1,411 | | | | |
| Direct Appropriation | 2,526 | 2,622 | 2,642 | 2,670 | 2,679 | 2,679 | 7,679 | 7,679 |
| Transfers In | 735 | 2,096 | 200 | 150 | | | | |
| Transfers Out | 25 | 25 | 140 | 80 | 80 | 80 | 80 | 80 |
| Cancellations | | 25 | | | | | | |
| Balance Forward Out | 3,248 | 2,874 | 1,411 | | | | | |
| Expenditures | 4,796 | 5,443 | 4,339 | 4,151 | 2,599 | 2,599 | 7,599 | 7,599 |
| Biennial Change in Expenditures | | | | (1,748) | | (3,292) | | 6,708 |
| Biennial % Change in Expenditures | | | | (17) | | (39) | | 79 |
| Enacted Budget Change from Base | | | | | | | | 10,000 |
| Enacted Budget % Change from Base | | | | | | | | 192 |

2000 - Restrict Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In | 13,699 | 9,059 | 6,892 | 4,391 | 3,605 | 2,228 | 3,605 | 2,228 |
| Transfers In | 340 | 328 | 340 | 340 | 340 | 340 | 340 | 340 |
| Cancellations | | 0 | | | | | | |
| Balance Forward Out | 7,972 | 6,460 | 4,391 | 3,605 | 2,228 | 851 | 2,228 | 851 |
| Expenditures | 6,067 | 2,927 | 2,841 | 1,126 | 1,717 | 1,717 | 1,717 | 1,717 |
| Biennial Change in Expenditures | | | | (5,027) | | (533) | | (533) |
| Biennial % Change in Expenditures | | | | (56) | | (13) | | (13) |
| Enacted Budget Change from Base | | | | | | | | 0 |
| Enacted Budget % Change from Base | | | | | | | | 0 |

2001 - Other Misc Special Revenue

| | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Balance Forward In | 40,854 | 26,121 | 30,874 | 19,304 | 8,360 | 3,891 | 8,140 | 3,671 |
| Receipts | 2,712 | 3,178 | 2,300 | 310,913 | 258,380 | 239,155 | 258,380 | 239,155 |
| Transfers In | 23,344 | 12,048 | | | | | | |
| Transfers Out | 25,030 | | 5 | 220 | | | | |
| Cancellations | | 0 | | | | | | |
| Balance Forward Out | 23,788 | 29,769 | 19,300 | 8,140 | 3,891 | 2,231 | 3,671 | 2,011 |
| Expenditures | 18,091 | 11,579 | 13,869 | 321,857 | 262,849 | 240,815 | 262,849 | 240,815 |
| Biennial Change in Expenditures | | | | 306,056 | | 167,938 | | 167,938 |
| Biennial % Change in Expenditures | | | | 1,032 | | 50 | | 50 |

MN.IT Services

Agency Financing by Fund

(Dollars in Thousands)

| | Actual FY16 | Actual FY17 | Actual FY18 | Estimate FY19 | Forecast Base FY20 FY21 | | Enacted Budget FY20 FY21 | |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|--|-----------------------------|---|
| Enacted Budget Change from Base | | | | | | | | 0 |
| Enacted Budget % Change from Base | | | | | | | | 0 |

5000 - Master Lease

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Balance Forward In | 0 | 0 | | | | | | |
| Receipts | 4,411 | 3,859 | 9,372 | 10,700 | 9,350 | 8,950 | 9,350 | 8,950 |
| Balance Forward Out | 0 | | | | | | | |
| Expenditures | 4,411 | 3,860 | 9,372 | 10,700 | 9,350 | 8,950 | 9,350 | 8,950 |
| Biennial Change in Expenditures | | | | 11,802 | | (1,772) | | (1,772) |
| Biennial % Change in Expenditures | | | | 143 | | (9) | | (9) |
| Enacted Budget Change from Base | | | | | | | | 0 |
| Enacted Budget % Change from Base | | | | | | | | 0 |

5500 - MN.IT Services

| | | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Balance Forward In | 11,753 | 14,583 | 20,011 | 117,279 | 7,203 | 8,749 | 7,203 | 8,749 |
| Receipts | 345,639 | 459,514 | 475,646 | 178,023 | 200,640 | 200,640 | 200,640 | 200,640 |
| Transfers In | 290,178 | 314,473 | 110,014 | | | | | |
| Transfers Out | 236,203 | 320,396 | 5,286 | 110,075 | 75 | 75 | 75 | 75 |
| Balance Forward Out | 70,662 | 6,133 | 117,279 | 7,203 | 8,749 | 7,203 | 8,749 | 7,203 |
| Expenditures | 340,705 | 462,040 | 483,105 | 178,024 | 199,019 | 202,111 | 199,019 | 202,111 |
| Biennial Change in Expenditures | | | | (141,615) | | (259,999) | | (259,999) |
| Biennial % Change in Expenditures | | | | (18) | | (39) | | (39) |
| Enacted Budget Change from Base | | | | | | | | 0 |
| Enacted Budget % Change from Base | | | | | | | | 0 |

(Dollars in Thousands)

| | FY19 | FY20 | FY21 | Biennium 2020-21 |
|---|----------------|----------------|----------------|---------------------|
| Direct | | | | |
| Fund: 1000 - General | | | | |
| FY2019 Appropriations | 2,670 | 2,670 | 2,670 | 5,340 |
| Base Adjustments | | | | |
| Pension Allocation | | 9 | 9 | 18 |
| Forecast Base | 2,670 | 2,679 | 2,679 | 5,358 |
| Change Items | | | | |
| Securing the State | | 5,000 | 5,000 | 10,000 |
| Total Enacted Budget | 2,670 | 7,679 | 7,679 | 15,358 |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Planned Spending | 743 | 1,377 | 1,377 | 2,754 |
| Forecast Base | 743 | 1,377 | 1,377 | 2,754 |
| Total Enacted Budget | 743 | 1,377 | 1,377 | 2,754 |
| Fund: 2001 - Other Misc Special Revenue | | | | |
| Planned Spending | 321,857 | 262,849 | 240,815 | 503,664 |
| Forecast Base | 321,857 | 262,849 | 240,815 | 503,664 |
| Total Enacted Budget | 321,857 | 262,849 | 240,815 | 503,664 |
| Fund: 5000 - Master Lease | | | | |
| Planned Spending | 10,700 | 9,350 | 8,950 | 18,300 |
| Forecast Base | 10,700 | 9,350 | 8,950 | 18,300 |
| Total Enacted Budget | 10,700 | 9,350 | 8,950 | 18,300 |
| Fund: 5500 - MN.IT Services | | | | |
| Planned Spending | 178,024 | 199,019 | 202,111 | 401,130 |
| Forecast Base | 178,024 | 199,019 | 202,111 | 401,130 |
| Total Enacted Budget | 178,024 | 199,019 | 202,111 | 401,130 |
| Revenue Change Summary | | | | |
| Dedicated | | | | |
| Fund: 2001 - Other Misc Special Revenue | | | | |
| Forecast Revenues | 310,913 | 258,380 | 239,155 | 497,535 |
| Total Enacted Budget | 310,913 | 258,380 | 239,155 | 497,535 |
| Fund: 5000 - Master Lease | | | | |

MN.IT Services

Agency Change Summary

(Dollars in Thousands)

| | FY19 | FY20 | FY21 | Biennium 2020-21 |
|------------------------------------|---------|---------|---------|---------------------|
| Forecast Revenues | 10,700 | 9,350 | 8,950 | 18,300 |
| Total Enacted Budget | 10,700 | 9,350 | 8,950 | 18,300 |
| Fund: 5500 - MN.IT Services | | | | |
| Forecast Revenues | 178,023 | 200,640 | 200,640 | 401,280 |
| Total Enacted Budget | 178,023 | 200,640 | 200,640 | 401,280 |

(Dollars in Thousands)

| | FY19 | FY20 | FY21 | Biennium 2020-21 | FY22 | FY23 | Biennium 2022-23 |
|--|------|------|------|---------------------|------|------|---------------------|
|--|------|------|------|---------------------|------|------|---------------------|

Securing the State

This provision is for enhancements to cybersecurity across state government to defend state systems and information. Funding is provided for MNIT's cybersecurity program to reduce the state's cyber risk by improving security posture and capability.

| | | | | | | | |
|---|----------|--------------|--------------|---------------|--------------|--------------|---------------|
| 1000 - General Fund Cost (Savings) | 0 | 5,000 | 5,000 | 10,000 | 5,000 | 5,000 | 10,000 |
| Expenditures | 0 | 5,000 | 5,000 | 10,000 | 5,000 | 5,000 | 10,000 |

MNIT Cash Flow Assistance

This provision authorizes cash flow assistance of up to \$50 million in the FY 2020-21 biennium and repayment with interest by the end of the FY 2021 closing period. This assistance addresses the working capital needs of MNIT's rate-based enterprise services in the MNIT Services enterprise technology fund, due to the time between MNIT incurring expenses on behalf of agencies and receipt of agency payments for those expenses.

Information and Telecommunications Account Cancellation

This provision cancels unused funds from the Information and Telecommunications Account at MNIT Services to the general fund. These funds are not subject to the lapse language in Minnesota Statutes 16E.21 subdivision 4.

| | | | | | | | |
|--|------------|----------|----------|----------|----------|----------|----------|
| 2001 - Other Misc Special Revenue Fund Cost (Savings) | 220 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | 220 | 0 | 0 | 0 | 0 | 0 | 0 |