



State IT Consolidation

Phase One Tactical Plan

August 17, 2011

Introduction

The purpose of this plan is to identify the immediate steps necessary to implement the consolidation measures contained in Laws of Minnesota 2011, First Special Session chapter 10, article 4 (see appendix 1). The plan provides a high-level strategy for the overall two-year milestones as outlined in the law, but will focus on the immediate tasks in Phase One, as identified below.

The plan has been developed by OET's IT Consolidation Steering Team with input from agency CIOs and consultation with the Governor's Office and Minnesota Management and Budget, in order to establish a framework for the State and all agencies within the executive branch during the early stages of planning.

The team has used as guidelines several important tenants and values based on input from agency and state leadership, as well as legislative intent.

- The framework should emphasize and facilitate the alignment of authority, responsibility and accountability for information technology at the enterprise level as priority number one.
- Business leadership is and always will be the customer of information technology, regardless of how it is delivered and by whom. Therefore, new organizational structures and processes should not break the close tie between information technology operations and agency business lines and programs.
- Consolidation phases should be designed to minimize disruption of the daily business of government and without changing the priorities of the State and of individual agencies.
- Thorough resource analysis will be a key success factor to creating a central organization that has the resources to serve the State well. It is in everybody's interest to "get it right." We should utilize lessons learned (what worked and what *didn't* work) from other states and private sector in similarly scoped consolidation efforts, and aim to be a national model for innovative reform.
- The plan should respect the specialized skills, experience and value of state IT employees.
- The planning process should emphasize communication at all times so that agency business partners and employees understand the context of changes.

It is important to note that this plan is a reflection of the earliest stage of planning and is subject to change as analysis activity begins.

Required Milestones

The following milestones are specified in the new legislation.

- 1. Milestone: Agency CIOs transfer**
Date: August 20, 2011¹
- 2. Milestone: State IT employees, powers, duties transfer**
Date: October 1, 2011
- 3. Milestone: Service Level Agreements (SLA)**
Date: Now through July 1, 2012
 - a. Authority to enter into the SLA's is effective immediately and must take place before July 1, 2012
 - b. The CIO, with assistance from the commissioner of MMB, must enter into an SLA governing the provision of IT systems and services, assets, and personnel with each state agency
 - i. Must include services to be provided
 - ii. Must include charges or cost allocation for these services
- 4. Milestone: MnGEO Transfer**

¹ Although legislation specifies August 20, 2011, agreements will be dated and signed Monday, August 22.

Date: Now through July 1, 2013

- a. Authority to transfer is effective immediately and must take place before July 1, 2013
- b. Functions of the Geospatial Information Office are transferred to OET
- c. State CIO is to appoint a Chief Geospatial Information Officer

5. Milestone: IT Advisory Committee

Date: Now through July 1, 2013

- a. Members appointed by Governor
- b. Authority to form the advisory committee is effective immediately and must take place before July 1, 2013

6. Milestone: Report to Legislature

Date: January 15, 2012

- a. State CIO must report to the legislature any statutory changes needed to implement consolidation

7. Milestone: IT Projects

Date: 2013

- a. Effective July 1, 2013 (Not retroactive)
- b. Appropriation for state IT projects will be made to the State CIO
- c. The State CIO must manage and disburse the appropriation on behalf of the sponsoring state agency

8. Milestone: Report to Legislature

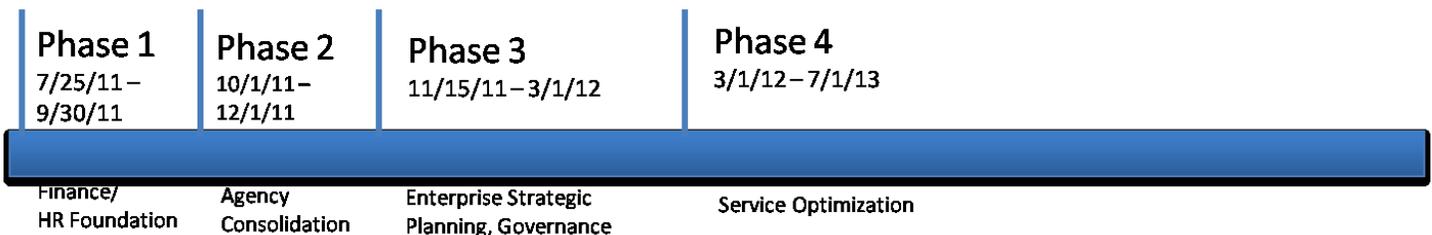
Date: 2014

- a. January 15, 2014
- b. CIO must report to the legislature on the feasibility and desirability of the office entering into SLA's with the State Lottery, the Statewide Radio Board, pension funds, and the Campaign Finance and Public Disclosure Board

Phased Implementation

The planning and implementation of consolidation will be divided into four phases. This plan focuses primarily on Phase One. Because of the size and the scope of this project is large, the timing and sequencing of this plan is subject to change.

Executive Branch IT Consolidation Timeline



Phase One: Finance / HR Foundation

July 25 – September 30, 2011

Planning Process

In order to accomplish significant planning and deliverables in a short period of time, OET has created an IT Consolidation working group, led by an executive-level steering team within the agency. In addition, OET is holding weekly meetings with agency CIOs as well as informational meetings with deputies, CFOs, HR directors, and others to share information. As specified in the legislation, OET is consulting with Minnesota Management and Budget on matters related to finance and human resources. These meetings will continue throughout Phase One.

OET has instituted program management rigor for this planning process, with a steering team and a dedicated working team. The program consists of the following projects. Additional detail can be found in Appendix 3.

Phase One IT Consolidated Program, July 23 – October 1

Projects	Description
Cabinet CIO Reporting Change	Strategic development and execution of the required change in CIO reporting, August 22.
Agency IT Spend Analysis and Budget Agreement	Strategic development and execution of a methodology to account for IT spending within agencies
Non-cabinet Entities Reporting Change	Identification of and grouping of non-cabinet agencies for ongoing technology lead support, and financial analysis of current resources and activity.
OET Reorganization	Development of an organizational structure for the central organization that addresses and prepares for both immediate and end-state changes and scaling
Enterprise Governance	Redesign of Minnesota’s enterprise IT governance based on the changes in reporting responsibility of CIOs and the specification of an advisory committee; this includes preparations for the enterprise-wide strategic planning and the launch of new governance in Phase Three.
Agency Centralization Prep	Development of a toolkit for agencies centralization activity in Phase Two
MNGeo Pre-planning	Preliminary planning for the transfer of MNGeo responsibilities and staff to OET
Enterprise Communications Build-out	Development of a State IT SharePoint site and other communications for ongoing interagency communications
Program Management	Standard program management activity including reporting, communications, risk and issues management, project financial management, Phase Two pre-planning.

Defining Scope

As the first step in Phase One, OET researched, in consultation with MMB, the Governor’s Office, the Attorney General’s Office and the Reviser’s Office, to identify any and all entities in scope of the consolidation legislation. The list of agencies deemed to be in scope can be found in Appendix 2.

The definition of what services and employees are in scope for IT consolidation will be determined in Phase One through an analytical process to determine the current fully burdened costs of delivering IT to the executive branch. The process will include consultation with MMB and agency CIOs, but the State CIO has final authority in determining the scope and definition of the consolidation. The interpretation will be based on all resources, regardless of classification and funding source, that perform IT-related duties and/or support IT-related staff. The goal will be to reflect all of the costs and responsibilities of IT management and delivery in order to ensure that service levels for agencies do not decrease in the transfer of authority and responsibility.

To help the analysis, therefore, certain classifications will be included automatically in the initial guidelines. The agency CIO will have discretion to include individuals based on their performing functions rather than their classifications, and to exclude individuals that may have IT classifications but perform primarily business functions for the agency.

Anticipated Outcomes, Phase One

The following outcomes are the anticipated framework towards which we will work. As details are worked out, the timing and deliverables may change as part of the planning process.

People

- Agency CIOs will report and be accountable to the State CIO for all IT operations, planning and management at the agency, board or commission, but will have an administrative reporting relationship to the agency commissioner or deputy commissioner in order to ensure that the agency's IT strategic direction and business relationships are maintained. The agency CIO will maintain all appropriate delegated, hiring, purchasing and payroll authority to manage agency staff and budgets.
- Entities without a CIO or equivalent will share one or more technology manager hired by the State CIO. This technology manager will perform the CIO function described here and will report to the State CIO.
- Management of all agency IT resources will transfer to the agency CIO on October 1, but structural reorganization of the agency's IT management structure will occur in Phase Two.
- On October 1, all state IT employees will be under the direction of the Office of Enterprise Technology, but will remain administratively within their existing agency. This includes the agency CIO, staff that currently reports to the agency CIO, and all other agency staff deemed to be in scope. The determination of roles, responsibilities, and classifications of those employees in scope will occur during Phase One.
- Support for agency IT resources (finance, HR, etc.) will continue to be provided by the agency, and all employment procedures (payroll, etc.) will be managed by the agency as approved by the agency CIO in an operating level agreement (OLA).
- OET has ultimate employment decision-making authority, which will generally be delegated to the agency CIO.
- No changes will occur statewide in classifications, compensation levels or seniority during this phase. Individual agency seniority levels and classifications will remain in effect.
- Communications to state IT employees will continue primarily to be managed at the agency level through the agency CIO. However, at the end of Phase One there will be new communications channels for all state IT employees through OET.

Finance

- At the end of Phase One, all financial assets and resources related to information technology will be redirected to a dedicated IT budget that is managed within and by the agency CIO on behalf of OET. This budget includes all annual direct costs as well as a common ratio for support services determined by Minnesota Management and Budget.
- The scope and size of this budget will be determined through a careful financial analysis during Phase One and confirmed and agreed to by agency leadership in writing, at which time this will be the agency CIO's annual budget for all IT-related expenses for a predetermined period of time².
- OET has final financial authority over the agency's annual IT budgeting. The agency CIO will provide regular financial reporting to OET.
- The agency CIO will enter into an operational level agreement (OLA) with the agency for agreed-upon costs and levels of administrative support.

² Changes in volume and/or new activity related to agency program changes, new service requirements and/or new projects will be an add-on exception.

Services

- During Phase One, agency IT services will continue to be delivered through the existing mix of sourcing, i.e., internal delivery, contracted to OET, and/or externally sourced. Service costs will be determined and allocated to the agency IT budget.
- Enterprise service improvements/projects, will continue, including but not limited to data center relocation, implementation of the utility BPOS service, and Identity and Access Management (IAM).

Projects

- IT-component funding for projects will be located and accounted for in the IT budget that is managed by the agency CIO. Project management of those projects will be provided back to the agency program director that owns the project.
- On October 1, management of current agency IT-related projects will occur under the direction of the agency CIO and all state IT project management staff will report to OET through the agency CIO.
- All projects will follow established enterprise project and portfolio management standards and reporting requirements.

Deliverables in Phase One (some dates are subject to change)

1. **Interagency Agreement** (August 22): Individual agreements between agency commissioners and the State CIO for the transfer of cabinet-level CIO reporting authority in August and all IT-related employees October 1.
2. **Initial financial analysis** (August 26): OET/MMB analysis from several data sources of the “global” IT spend and individual IT budgets, to be verified by agency CIOs and non-cabinet technical leads.
3. **State IT SharePoint site** (September 1): Creation of a new state collaboration space for enterprise-wide communications (state employees, governance and CIOs)
4. **Interagency Agreement Amendment** (September 30): Confirmed agency IT spend specified for agency IT account, agreement to freeze the IT spend for a period of two years. This includes non-cabinet agencies, boards and commissions without designated CIOs.
5. **SWIFT Accounting Structure** (October 1): Initial accounting structure populated with IT funding for each individual agency.
6. **OLA Template for Agency IT-related Support:** Template agreement between agency CIOs and agency business leadership for levels of, and accounting for administrative support.
7. **Consolidation Toolkit** (October 1): Templates and tools for agency CIO organizational consolidation, including available coaching resources for Phase Two.

Communications, Phase One

Clear and frequent communications is vital to the success of this program and the smooth transition of authority and responsibility.

Audiences

Audience	Need To Know	Primary Mediums / Frequency
Governor's Office	Program strategy, scope and structure; timelines, key issues, key successes, problem areas to help solve	Regular updates to Chief of Staff. Forward program status reports.
Key Legislators	Program strategy, scope and structure; high-level project reports, issues identified that may need statutory changes	Visits and emails (no more than monthly)
MMB	Program strategy, scope and structure; finance plan, HR plan, key issues to solve; mechanics of financial strategy, confirmation of financial analysis	Meetings and email; general executive employee communications forwarded to deputy commissioner.
Commissioners and non-cabinet equivalents	Program strategy, scope and structure; program updates; results of financial analysis; regular reporting from agency CIO	State CIO email update weekly Leadership Team meetings as requested
Deputies	Program strategy, scope and structure; detailed timelines, finance plan, HR plan; regular detailed updates from State CIO and agency CIO	Regular status reports (email and special meetings) Document-sharing site (SharePoint) for deputies
Agency HR Directors	Program strategy, scope and structure; HR plan, issues that arise	Regular status reports (email and special meetings)
Agency CFOs	Program strategy, scope and structure; results of analysis finance plan; issues that arise; Swift instructions for account changes	Updates and instructions (email and special meetings)
Agency CIOs – cabinet and non-cabinet equivalents	Program strategy, scope and structure; Phase One responsibilities and timelines; tools and instructions for consolidation; reporting templates for OET and for business managers; talking points and memos for agency employees; updates on communications to leadership;	Weekly meetings Email instructions and updates SharePoint sub-site and discussion board in StateIT (separate from Governance site)
Executive Branch IT Staff, including OET	Program strategy, scope and structure; clear understanding of roles, expectations and changes; sense of belonging to a larger organization	Regular emails from State CIO, distributed by agency CIO StateIT SharePoint site (discussion board and documents) StateIT virtual and/or live events Regular FAQs (website and SharePoint) Regular project reporting (OET website) Welcome packet, October 1 Face Book (informal communications)

OET Staff	In addition to communications to Executive Branch IT staff, organizational changes affecting OET employees only	Emails from leadership, OET IntraNews
Media		Updates on OET website; interview in response to inquiries
General Public		Updates on OET website

Additional Phases: Summary

Phase Two: Agency Centralization and Analysis

October 1 – December 1, 2011

Details for Phase Two activity and outcomes will be determined in the execution of Phases One and Two. The information below is an outline of anticipated outcomes and is subject to change.

Anticipated Outcomes, Phase Two

People

- At the end of Phase Two, each agency will have in place an implementation plan for centralization of IT staff. In this plan, all IT-related employees within the scope of this agreement will be within a centralized agency management structure headed by the agency CIO. New roles and responsibilities will be determined by the agency CIO in consultation with and direction by OET. This may include changes in organizational structure and physical moves within the agency.
- All other agency relationships and processes will remain as described in Phase One.
- Planning for the structural re-organization will be assisted by OET through planning templates and/or special assistance.

Finance

- At the end of Phase Two, internal and budgeting and accounting transfers for the remainder of FY2012 will be made through an established methodology in the SWIFT accounting system, and all IT-related expenditures and purchasing will be under the management and approval of the agency CIO.
- All other agency relationships and processes will remain as described in Phase One.

Services

- At the end of Phase Two, agencies not currently consuming enterprise utility services will have a plan to transfer provisioning to OET, customized agency by agency. Examples include, phone service, email service, network services, etc.
- All services, regardless of source, will be accounted for within the CIO's overall IT budget.

Projects

- Project management roles and responsibilities will remain as described in Phase One.

Phase Three: Enterprise Strategic Planning and Governance

November 15, 2011 – March 1, 2012

Phase Three will focus on the longer-range planning that will commence once the mechanics of Phases Two and Three are complete. Below is an outline of anticipated outcomes.

Anticipated Outcomes, Phase Three

People

- All agency relationships, processes and reporting will remain as described in Phase Two.
- At the end of Phase Three, OET will have developed, with agency and employee input:
 - An ongoing governance structure that ensures agency business input into the strategic management of enterprise-wide information technology; this governance will include but not be limited to the Technology Advisory Board established in the enabling legislation.
 - An enterprise IT resource management strategy that allows the State to effectively manage retirements and attrition, skills refresh and development, seniority, standard classifications, succession planning for all State IT, and establishes interagency career paths that attract and keep a highly skilled technical workforce. This will include identification of a resource management program and tool designed to inventory employee skills statewide.

Finance

- All agency finance processes will remain as described in Phase Two.

Services

- OET will have developed, with agency and employee input:
 - A long-range (five-year) plan for the effective delivery of IT services, determining those that can benefit from shared or centralized services, and those that are agency-unique.
 - A two-year tactical plan that outlines an order and methodology for centralizing and sourcing those common good services deemed to be appropriate for central delivery, with a parallel staff consolidation plan that identifies the best deployment over the timeframe.

Projects

- Project management roles and responsibilities will remain as described in Phase One.

Phase Four: Optimization

March 1, 2012 – July 1, 2013 and beyond

The following description is a framework that will be fleshed out in Phase Three, the planning phase. No additional details will be available until the Phase Three planning – which will include a full governance process – is complete.

Anticipated Outcomes, Phase Four

People

- At the end of this phase, services will shift from local provisioning to enterprise provisioning and will be rendered to agencies based on service level agreements. Related shifts in staffing will occur over time based on business planning and requirements.

- Where staff work and how they will be managed will be determined in the tactical strategic plan. Staff that needs to be physically located and work closely with agencies on individual projects and/or applications will be assigned to the appropriate agency but will report to and work under the authority of OET.
- The agency CIO will remain the primary business partner with agency business leaders.

Finance

- Agency IT budgets will continue to be managed by the agency CIO on behalf of OET; however, services rendered by the central organization will be contracted through the established service rates.

Services

- All IT service management will be managed from the central IT organization, regardless of the sourcing of that service (state provided or external).
- Standard service level agreements for all IT services will be in place and will specify service costs, quality metrics, availability, etc.

Projects

- Effective July 1, 2013, appropriation for state IT projects will be made by the legislature to the State CIO. The State CIO must manage and disburse the appropriation on behalf of the sponsoring state agency. The implementation of this requirement will be planned during Phase Three.
- At the end of Phase Four, all project management will be centralized. However, where appropriate, project management staff may be deployed to agencies for projects.

Appendix 1: Legislative Language

Minnesota Session Laws

Key: (1) ~~language to be deleted~~ (2) new language

2011, 1st Special Session

This document represents the act as presented to the governor. The version passed by the legislature is the final engrossment. It does not represent the official 2011 session law, which will be available here summer 2011.

<https://www.revisor.mn.gov/laws/?id=10&doctype=Chapter&year=2011&type=1>

CHAPTER 10--S.F.No. 12

An act

relating to state government operations; requiring appropriation reductions for executive agencies due to savings established; requiring a tax compliance program for tax assessment and collection; allowing adjustments for end of session budgetary analysis; changing the number of members on Legislative Commission on Pensions and Retirements; establishing the sunset advisory commission and Minnesota Pay-For-Performance Act; permitting issuing and selling appropriations bonds; allowing certain cities to use a certified public accountant for audits; establishing an employee gainsharing program; establishing e-verify program for vendors and subcontractors; implementing federal offset program for collection of debts owed to state agencies; permitting state agriculture society to use either a private auditor or legislative auditor; allowing the legislative auditor to carry forward certain funds; requiring a request for proposals for recommendations on state building efficiency, state vehicle management, and strategic sourcing; implementing state employee efficient use of health care incentive program; requiring dependent verification for state employee insurance coverage; requiring state job classification and performance appraisal system redesign; determining funds for Help America Vote Act; providing for employee pension service credit during government shutdown; extending a wholesale retailer's alcohol permit and identification card for a certain period; waiving racing day requirements during government shutdown; consolidating information technology services; limiting appropriations to settle claims arising out of government shutdown; requiring reports; making certain appropriation changes; appropriating money; amending Minnesota Statutes 2010, sections 3.85, subdivision 3; 6.49; 16A.1286, subdivision 2; 16B.99, as amended; 16E.04, subdivision 2; 37.06; 161.1419, subdivision 8; 270C.41; 270C.545; 471.697, subdivision 2; Laws 2009, chapter 101, article 2, section 106; Laws 2010, chapter 215, article 6, section 4; Laws 2010, chapter 361, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapters 16A; 16C; 16D; 16E; proposing coding for new law as Minnesota Statutes, chapter 3D; repealing Minnesota Statutes 2010, section 197.585, subdivision 5.

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

ARTICLE 4
CONSOLIDATION OF INFORMATION TECHNOLOGY SERVICES

Section 1. Minnesota Statutes 2010, section 16B.99, as amended by Laws 2011, chapter 68, sections 1 and 2, is amended to read:

16B.99 GEOSPATIAL INFORMATION OFFICE.

Subdivision 1. **Creation.** The Minnesota Geospatial Information Office is created under the supervision of the ~~commissioner of administration~~ chief geospatial information officer, who is appointed by the chief information officer.

Subd. 2. **Responsibilities; authority.** The office has authority to provide coordination, guidance, and leadership, and to plan the implementation of Minnesota's geospatial information technology. The office must identify, coordinate, and guide strategic investments in geospatial information technology systems, data, and services to ensure effective implementation and use of Geospatial Information Systems (GIS) by state agencies to maximize benefits for state government as an enterprise.

Subd. 3. **Duties.** The office must:

- (1) coordinate and guide the efficient and effective use of available federal, state, local, and public-private resources to develop statewide geospatial information technology, data, and services;
- (2) provide leadership and outreach, and ensure cooperation and coordination for all Geospatial Information Systems (GIS) functions in state and local government, including coordination between state agencies, intergovernment coordination between state and local units of government, and extragovernment coordination, which includes coordination with academic and other private and nonprofit sector GIS stakeholders;
- (3) review state agency and intergovernment geospatial technology, data, and services development efforts involving state or intergovernment funding, including federal funding;
- (4) provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;
- (5) coordinate management of geospatial technology, data, and services between state and local governments;
- (6) provide coordination, leadership, and consultation to integrate government technology services with GIS infrastructure and GIS programs;
- (7) work to avoid or eliminate unnecessary duplication of existing GIS technology services and systems, including services provided by other public and private organizations while building on existing governmental infrastructures;
- (8) promote and coordinate consolidated geospatial technology, data, and services and shared geospatial Web services for state and local governments; and
- (9) promote and coordinate geospatial technology training, technical guidance, and project support for state and local governments.

Subd. 4. **Duties of chief geospatial information officer.** (a) In consultation with the state geospatial advisory council, the commissioner of administration, the commissioner of management and budget, and the ~~Minnesota~~ chief geospatial information officer, the chief geospatial information officer must identify when it is cost-effective for agencies to develop and use shared information and geospatial technology systems, data, and services. The chief geospatial information officer may require agencies to use shared information and geospatial technology systems, data, and services.

(b) The chief geospatial information officer, in consultation with the state geospatial advisory council, must establish reimbursement rates in cooperation with the commissioner of management and budget to bill agencies and other governmental entities sufficient to cover the actual development, operation, 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.

Subd. 5. **Fees.** (a) The chief geospatial information officer must set fees under section 16A.1285 that reflect the actual cost of providing information products and

services to clients. Fees collected must be deposited in the state treasury and credited to the Minnesota Geospatial Information Office revolving account. Money in the account is appropriated to the chief ~~geospatial~~ information officer for providing Geospatial Information Systems (GIS) consulting services, software, data, Web services, and map products on a cost-recovery basis, including the cost of services, supplies, material, labor, and equipment as well as the portion of the general support costs and statewide indirect costs of the office that is attributable to the delivery of these products and services. Money in the account must not be used for the general operation of the Minnesota Geospatial Information Office.

(b) The chief ~~geospatial~~ information officer may require a state agency to make an advance payment to the revolving account sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from the operation of the account must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund must reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

Subd. 6. **Accountability.** The chief geospatial information officer is appointed by the ~~commissioner of administration and must work closely with the~~ Minnesota chief information officer who shall advise on technology projects, standards, and services.

Subd. 7. **Discretionary powers.** The office may:

- (1) enter into contracts for goods or services with public or private organizations and charge fees for services it provides;
- (2) apply for, receive, and expend money from public agencies;
- (3) apply for, accept, and disburse grants and other aids from the federal government and other public or private sources;
- (4) enter into contracts with agencies of the federal government, local government units, the University of Minnesota and other educational institutions, and private persons and other nongovernment organizations as necessary to perform its statutory duties;
- (5) appoint committees and task forces to assist the office in carrying out its duties;
- (6) sponsor and conduct conferences and studies, collect and disseminate information, and issue reports relating to geospatial information and technology issues;
- (7) participate in the activities and conferences related to geospatial information and communications technology issues;
- (8) review the Geospatial Information Systems (GIS) 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 GIS information and technology infrastructure development potential;
- (9) sponsor, support, and facilitate innovative and collaborative geospatial systems technology, data, and services projects; and
- (10) review and recommend alternative sourcing strategies for state geospatial information systems technology, data, and services.

Subd. 8. **Geospatial advisory councils created.** The chief ~~geospatial~~ information officer must establish a governance structure that includes advisory councils to provide recommendations for improving the operations and management of geospatial technology within state government and also on issues of importance to users of geospatial technology throughout the state.

(a) A statewide geospatial advisory council must advise the Minnesota Geospatial Information Office regarding the improvement of services statewide through the coordinated, affordable, reliable, and effective use of geospatial technology. The ~~commissioner of administration, chief information officer~~ must appoint the members of the council. The members must represent a cross-section of organizations including counties, cities, universities, business, nonprofit organizations, federal agencies, tribal governments, and state agencies. No more than 20 percent of the members may be employees of a state agency. In addition, the chief geospatial information officer must be a nonvoting member.

(b) A state government geospatial advisory council must advise the Minnesota Geospatial Information Office on issues concerning improving state government services through the coordinated, affordable, reliable, and effective use of geospatial technology.

The ~~commissioner of administration~~ chief information officer must designate up to 15 state government agencies and constitutional offices, including the Office of Enterprise Technology and the Minnesota Geospatial Information Office, to be represented on the council. The council must be chaired by the chief geographic information officer. A representative of the statewide geospatial advisory council must serve as a nonvoting member.

(c) Members of both the statewide geospatial advisory council and the state government advisory council must be recommended by a process that ensures that each member is designated to represent a clearly identified agency or interested party category. Members of the statewide geospatial advisory council must be selected in compliance with the state's open appointment process. Members of the state government geospatial advisory council must be appointed by the heads of their respective agencies or constitutional offices. One member of the state government geospatial advisory council must be appointed by the Legislative Coordinating Commission. Members shall serve a term of two years.

(d) The Minnesota Geospatial Information Office must provide administrative support for both geospatial advisory councils.

(e) This subdivision expires June 30, 2015.

Subdivision 9 repealed by Laws 2011, chapter 68, section 2.

Sec. 2. [16E.0151] RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

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

(1) state data centers;

(2) mainframes including system software;

(3) servers including system software;

(4) desktops including system software;

(5) laptop computers including system software;

(6) a data network including system software;

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

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

(9) help desk for the components listed in clauses (1) to (8);

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

(11) regular upgrades and replacement for the components listed in clauses (1) to (8); and

(12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Office of Enterprise Technology. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the office to perform work exclusively for another state agency.

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

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

EFFECTIVE DATE. This section is effective October 1, 2011.

Sec. 3. **[16E.036] ADVISORY COMMITTEE.**

(a) The Technology Advisory Committee is created to advise the chief information officer. The committee consists of six members appointed by the governor who are individuals actively involved in business planning for state executive branch agencies, one county member designated by the Association of Minnesota Counties, one member appointed by the governor as a representative of a union that represents state information technology employees, and one member appointed by the governor to represent private businesses.

(b) Membership terms, removal of members, and filling of vacancies are as provided in section 15.059. Members do not receive compensation or reimbursement for expenses.

(c) The committee shall select a chair from its members. The chief information officer shall provide administrative support to the committee.

(d) The committee shall advise the chief information officer on:

(1) development and implementation of the state information technology strategic plan;

(2) critical information technology initiatives for the state;

(3) standards for state information architecture;

(4) identification of business and technical needs of state agencies;

(5) strategic information technology portfolio management, project prioritization, and investment decisions;

(6) the office's performance measures and fees for service agreements with executive branch agencies;

(7) management of the state enterprise technology revolving fund; and

(8) the efficient and effective operation of the office.

Sec. 4. Minnesota Statutes 2010, section 16E.04, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) In addition to other activities prescribed by law, the office shall carry out the duties set out in this subdivision.

(b) The office shall develop and establish a state information architecture to ensure:

(1) that state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and 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.

(c) The office shall ~~assist, in cooperation with~~ state agencies ~~in the planning and management, plan and manage the development and improvement~~ of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology strategy. By January 15 of each year, the chief information officer must report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over the office regarding the assistance provided under this paragraph. The report must include a listing of agencies that have developed or are developing plans under this paragraph.

(d) 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.

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

(f) 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.

(f)(g) 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.

(g)(h) The office shall conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost-beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

Sec. 5. **[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 Enterprise Technology is transferred to the chief information officer.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to appropriations made on or after that date.

Sec. 6. **TRANSFERS; TRANSITION.**

(a) Powers, duties, responsibilities, personnel, and assets relating to functions assigned to the chief information officer in Minnesota Statutes, section 16E.0151, are transferred to the Office of Enterprise Technology from all other state agencies, as defined in Minnesota Statutes, section 16E.03, subdivision 1, paragraph (e), by October 1, 2011, with the exception of state agency chief information officers which are transferred 30 days after final enactment.

(b) The chief information officer, with assistance from the commissioner of Minnesota Management and Budget, must enter into a service-level agreement with each state agency governing the provision of information technology systems and services, assets, and personnel in Minnesota Statutes, section 16E.0151, by July 1, 2012. The agreements must specify the services to be provided and the charges or cost allocation for these services. As specified in Minnesota Statutes, section 16E.0151, the chief information officer may allow an agency to obtain these services from an outside vendor, rather than from the Office of Enterprise Technology when appropriate. Authority to enter into agreements under this paragraph is effective the day following final enactment, with the resulting agreements in place no later than July 1, 2012. By January 15, 2012, the chief information officer shall submit to the legislature any statutory changes needed to complete implementation of any transfer in this section.

(c) By July 1, 2013, the state chief information officer shall control and direct all information and telecommunication technology spending authorized under Minnesota Statutes, section 16E.0151. This shall be reflected in the fiscal year 2014-2015 biennial budget.

(d) After approval by the state chief information officer, powers, duties, responsibilities, assets, personnel, and appropriations relating to geospatial information systems are transferred from the commissioner of administration to the Office of Enterprise Technology by July 1, 2013.

(e) Minnesota Statutes, section 15.039, applies to transfers in this section. Executive

branch officials may use authority under Minnesota Statutes, section 16B.37, as necessary to implement this section.

(f) The transfer of authority to the Office of Enterprise Technology in this article does not require expansion or consolidation of office space, data centers, help desks, or other systems. The chief information officer may implement expansion, relocation, or consolidation to the extent feasible and desirable with existing resources, or to the extent that savings resulting from the expansions or consolidations will pay for the costs associated with these activities during the biennium ending June 30, 2013.

(g) State agencies must cooperate and comply with the Office of Enterprise Technology in the transfer of functions and other implementation of sections 1 to 6. In consultation with the commissioners of Minnesota Management and Budget and administration, the state chief information officer has final authority in determining the meaning of sections 1 to 6. The state chief information officer may establish policies and standards to implement and clarify the meaning of sections 1 to 6.

Sec. 7. STUDY.

The chief information officer in the Office of Enterprise Technology shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15, 2014, on the feasibility and desirability of the office entering into service-level agreements with the State Lottery, the Statewide Radio Board, Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, and the Campaign Finance and Public Disclosure Board regarding provision of information technology systems and services to those entities.

Sec. 8. REVISOR'S INSTRUCTION.

Upon enactment of section 6, paragraph (d), the revisor of statutes shall recodify Minnesota Statutes, section 16B.99, into Minnesota Statutes, chapter 16E.

Sec. 9. EFFECTIVE DATE.

Sections 1 to 8 are effective the day following final enactment unless stated otherwise.

Appendix 2: List of In-Scope Agencies

Cabinet Level Agencies

Administration Department	Mediation Services Bureau
Agriculture Department	Military Affairs Department
Commerce Department	Minnesota Management and Budget
Corrections Department	Natural Resources Department
Education Department	Office of Enterprise Technology
Employment & Economic Development Department	Office of Higher Education
Health Department	Pollution Control Agency
Housing Finance Agency	Public Safety Department
Human Rights Department	Revenue Department
Human Services Department	Transportation Department
Iron Range Resources & Rehabilitation	Veterans Affairs Department
Labor & Industry Department	

Non-Cabinet Level Agencies, Offices, Boards, Commissions, Councils

Accountancy Board	Podiatric Medicine Board
Architecture Board	Psychology Board
Administrative Hearings Office	Social Work Board
Aging Board	Veterinary Medicine Board
Animal Health Board	Amateur Sports Commission
Capitol Area Architectural and Planning Board	Arts Board, Minnesota
Explore Minnesota Tourism	Asian-Pacific Minnesotans Council
Peace Officers Standards and Training Board	Black Minnesotans Council
Private Detectives Board	Chicano Latino Affairs Council
Faribault Academies	Combative Sports Commission
Minnesota Zoo	Disability Council
Barber & Cosmetologist Examiners	Gambling Control Board
Behavioral Health & Therapy Board	Higher Education Facilities Authority
Chiropractic Examiners Board	Indian Affairs Council
Cosmetologist Examiners Board	Ombudsman for Mental Health & Developmental Disabilities
Dentistry Board	Ombudsperson for Families
Dietetics & Nutrition Practices Board	Perpich Center for Arts Education
Emergency Medical Services Board	Public Utilities Commission
Marriage & Family Therapy Board	Racing Commission
Medical Practices Board	Sentencing Guidelines Commission
Nursing Board State of Minnesota Standards	Tax Court
Nursing Home Administrations Board of Examiners	Water & Soil Resources Board
Optometry Board	Workers Compensation Court of Appeals
Pharmacy Board	
Physical Therapy Board	

Appendix 3

The following diagram shows the OET program plan for Phase One.

