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2016-17 Biennial Budget – MN.IT Services

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<http://mn.gov/mnit/>

**AT A GLANCE**

- Provides all information technology (IT) services to 70 executive branch entities and offers a sub-set of services to cities, counties and other non-executive branch entities
- Responsible for 2,100 IT employees
- Hosting and support of 2,300 agency applications
- Manages security for systems and applications at 135 locations
- Oversight of executive branch IT project portfolio including 18 biennial IT projects

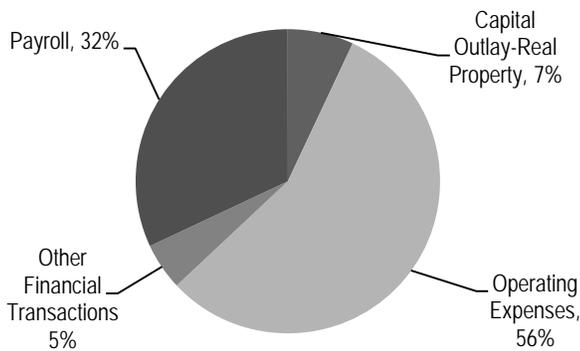
**PURPOSE**

The mission of MN.IT Services is to provide high-quality, secure and cost-effective information technology that meets the business needs of government, fosters innovation and improves outcomes 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.

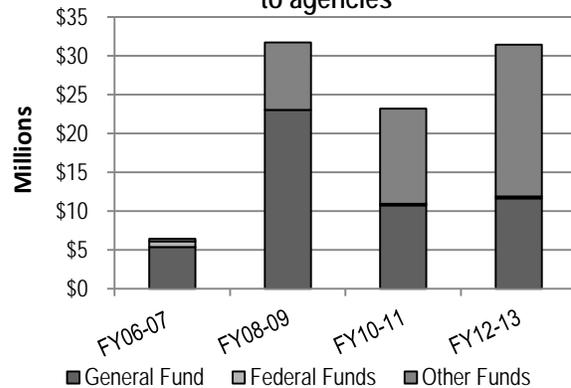
**BUDGET**

**Spending by Category  
FY 13 Actual**



Source: BPAS

**Historical Spending  
Note: Excludes Enterprise chargebacks to agencies**



Note: Excludes Enterprise chargebacks to agencies

Source: Consolidated Fund Statement

MN.IT Services is responsible for biennial IT spending of approximately \$900 million, of which \$700 million comes from chargebacks from agencies. MN.IT spending is primarily funded by chargebacks to agencies for IT services through the Enterprise Technology Fund and, to a much lesser extent, by general fund appropriations for the Chief Information Officer (CIO) office, enterprise security and geospatial (MNGeo) functions and by special revenue funds. The FY 2008-09 biennium was the first biennium that MN.IT had authority for the Special Revenue Fund that consists of agency contributions to enterprise IT projects. General fund spending increased in FY 2008-09 primarily for enterprise security, which was reduced in subsequent biennia. The Historical Spending budget chart shown above **excludes** the chargebacks to agencies for enterprise IT services. MN.IT Services (established as a separate entity starting in FY2006) includes the following budget activities for which there are separate narratives: Standard IT Services, Applications, Projects and Initiatives, and IT Leadership.

Since IT consolidation legislation was enacted by the legislature in 2011, MN.IT has focused on administrative and financial consolidation and the development and implementation of the agency's Tactical Plan. The Plan's purpose is to make the State's IT infrastructure more efficient in order to focus staff, budget, and creativity on the services that most directly make a difference for state

government and citizens. Consolidated finances and purchasing, as well as data center consolidation, have been implemented to produce cost savings and cost avoidance for the State. Current Tactical Plan projects focus on those IT functions that can more efficiently be delivered through a centralized service. These projects will be managed in stages to avoid disruption to state business and to manage the changes efficiently.

## STRATEGIES

MN.IT Services strives to fulfill its mission through five key operational strategies as defined below.

### 1. Improve service management

Standardize and improve service level management for all services, both centrally delivered and agency based, in order to improve service outcomes, service costs, and accountability.

Adopt common service management processes, tools, and metrics in order to coordinate management and reporting.

Develop service strategies in a way that makes business sense and represents good value to our customers, and actively seek to deliver on a short-list of "early wins."

### 2. Focus the State portfolio

Reassess and revitalize key enterprise initiatives that take into account the new consolidated environment and meet the goals of the IT Master Plan.

Assess and improve statewide project and portfolio management, increasing the overall success of project execution and completion.

### 3. Implement organizational consistency

Standardize agency policies and management practices, and develop functional alignment between MN.IT Central and agency based offices in order to better define roles, skills and expectations and to foster collaboration and interoperability.

Analyze and address inconsistencies in employment terms and practices to facilitate agile staff deployment and increase career path options for MN.IT employees.

### 4. Foster leadership and encourage high performance and innovation

Set clear expectations and provide training and mentoring to build leadership and management skills within our organization and work to clear administrative barriers to attracting and rewarding strong IT leadership talent to the State.

Monitor employee satisfaction and productivity. Actively and consistently manage performance and results in order to build trust and improve service, and recognize and reward individual performance and effectiveness.

Institute policy and provide tools that allow MN.IT employees to work effectively from anywhere to meet the customers' needs.

### 5. Practice financial management and accountability

Standardize financial management of IT budget(s) based on total cost of ownership in order to increase transparency and manage resources.

Revise IT procurement functions and processes in order to maximize the effectiveness of contract management and the power of enterprise contracts.

Develop and execute a strategy for reinvestment of savings.

Practice clear governance and decision-making at all levels of our organization based on the best interests of the State, our customers, and our employees.

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

**Program:** MN.IT Services

**Activity:** IT Standard Services

<http://mn.gov/mnit/>

### AT A GLANCE

- Data center management for 4 enterprise data centers
- Service desk and desktop support for 30,000 customers
- Enterprise communication/collaboration tools for 37,000 users
- MNET (Minnesota's Network for Enterprise Telecommunications)- the State network for education, local governments and agencies with 900 locations and 32 regional network hubs
- Local and long distance telephone service delivered by 70 different vendors to 100 customers

### PURPOSE & CONTEXT

This activity meets the need for an effective, secure and reliable IT infrastructure capable of providing the wide range of IT services and business functionality required by agencies to meet program goals and objectives. The activity is comprised of both enterprise standard services and those that are provided at the agency-based office level. The primary customers are state government entities and, by extension, the citizens of Minnesota.

### SERVICES PROVIDED

Standard IT Services include all of the computing, telecommunications and Wide Area Network (WAN) services that underlie and support the program applications upon which state agencies rely:

- Client Computing (i.e. knowledge-worker support): Service Desk, Mobile Device Management, Workstation Management
- Contact Center Minnesota-call center providing customer solutions
- Contracted Telecom Services-local and long distance voice services contracted through 3<sup>rd</sup> party telephone vendors
- Local Area Network (LAN)-communications network connecting devices within a building or campus
- Internet protocol (IP)-the state's voice over internet phone system
- Enterprise Unified Communication and Collaboration (EUCC): email, instant messaging, SharePoint, video and voice conferencing
- Wide Area Network Services (WAN)-services that enable the use of the state's communications network for voice, data, and video

Standard IT Services also includes the underlying mainframe and server infrastructure required to run agency applications, as well as data center management.

The MN.IT Tactical Plan establishes priorities aimed at making the IT infrastructure more efficient so we can focus MN.IT's staff, budget and creativity on the application-layer services that most directly make a difference for customers and citizens. Priorities for the coming biennium include:

- Combine all agency user active directory (AD) systems and resources into a single executive branch active directory system. An active directory (AD) authenticates and authorizes all users and computers in a Windows domain type network.
- Increase resiliency and versatility in the State network core in order to improve performance and to facilitate the movement to cloud-based services.
- Design and create an enterprise server environment and a managed hosting service that is delivered by a dedicated enterprise team, allowing the State to decrease the number of data centers it operates and the square footage of state data center space and to improve the security of the State's data assets.
- Initiate and operate a common mobile device management service to manage state and personally owned mobile devices that are permitted to have access to state resources and data.
- Create a single, centrally managed service desk and work management function and processes for all executive branch agencies.
- Combine individual agency SharePoint and other collaboration tools in order to leverage our investment in the cloud-based EUCC infrastructure.
- Embed security functionality and monitoring into enterprise infrastructure services such as hosting and storage.

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>   | <i>Previous</i> | <i>Current</i> | <i>Dates</i>          |
|------------------------|--|-----------------|----------------|-----------------------|
| Quantity               | Total data center space (square feet). Increased efficiency comes as a result of consolidating data centers into fewer square footage. | 74,781          | 65,217         | FY 2010,<br>FY 2015   |
| Results                | Customer Survey Results. Percent of respondents reporting they are 'Very Satisfied, Satisfied, or Somewhat Satisfied'.                 | N.A.            | 97%            | New<br>March 2014     |
| Results                | State network core. On an annual basis, the percent of time the network is available to users.   | 99.95%          | 99.99%         | FY 2014,<br>FY 2015   |
| Quantity               | Disk capacity in TeraBytes (TB). Increase in capacity meets growth in demand for storage.  | 942             | 2,251          | Aug 2013,<br>Jul 2014 |
| Results                | Email availability. On an annual basis, the percent of time users have access to email.  | 99.950%         | 99.924%        | Jul 2013,<br>Jul 2014 |
| Quantity               | Email mailboxes. Expanded capacity accommodates a greater number of users.   | 40,016          | 48,388         | Jan 2012,<br>Jul 2014 |

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

**Program:** MN.IT Services

**Activity:** Application Developmnt/Support

<http://mn.gov/mnit/>

### AT A GLANCE

- Responsible for 2,200 business applications that are used for state programs and functions, many of which are used directly by citizens. For example, applications assist with tax revenue collection, statewide budgeting, state permits, offender records, and grants for public schools.
- Contract management for application customization and/or design and builds.

### PURPOSE & CONTEXT

Applications are the systems state government uses to deliver services to the people of Minnesota. These include both highly visible (citizen-facing) applications as well as behind-the-scenes (back-office) applications that operate the day-to-day business of the State. MN.IT develops, manages and supports all state applications, both enterprise-level and agency-specific, and this budget activity covers both enterprise and agency based functions.

### SERVICES PROVIDED

The activities listed below are the necessary components for the development and support of both internally- and externally-facing applications:

- Application development--the process of defining business and security requirements, design, build, and testing of business applications
- Application support--on-going management of business applications and systems
- Business intelligence and analysis--software applications used to aggregate and analyze data for decision making and planning
- Database administration--design, implementation and maintenance of specialized software
- Middleware administration--design, implementation and maintenance of the software layer that sits between software components and user applications
- Web content management system(s)--website development, content management, and web hosting
- Geospatial tools and applications--applications involving the storage and processing of electronic maps and related data

MN.IT's Tactical Plan, updated in March 2014, sets the following Applications priorities over the coming biennium:

- Transition state websites to common web content management applications
- Migrate individual agency geospatial data and services to the new shared infrastructure, referred to as the Minnesota Geospatial Commons
- Emphasize the development and use of web-based tools and mobile technology to allow citizens to efficiently transact business with government
- Execute the development and implementation of the 2014-15 biennium portfolio of business application development projects (BIT Projects), consisting of both enterprise wide applications (such as an upgrade of the statewide accounting and financial system), and individual agency-specific applications. These projects include new applications as well as the modernization of existing systems for the purposes of functionality and security, including a number of vital systems at the Department of Human Services.

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>   | <i>Previous</i> | <i>Current</i> | <i>Dates</i>         |
|------------------------|--|-----------------|----------------|----------------------|
| Quality                | Digital State Survey by the Center for Digital Government, a review of all 50 states' electronic government capabilities | A-              | B+             | Sept 2013, Sept 2014 |
| Quantity               | Number of enterprise-wide software licenses  | 4               | 7              | FY13, FY15           |
| Results                | Cost avoidance from leveraging shared applications and through enterprise contract negotiations                          | \$11,522,453    | \$14,762,045   | 2013, 2014           |

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

**Program:** MN.IT Services

**Activity:** Projects/Initiatives

<http://mn.gov/mnit/>

**AT A GLANCE**

- Project management policies and standards
- MN.IT's portfolio includes:
  - 40 enterprise projects, including projects to implement organizational and service improvements as outlined in MN.IT's Tactical Plan
  - Agency-specific projects (services shared by several agencies or unique agency business applications and services)
  - 18 biennial IT (BIT) projects requested by agencies and managed by MN.IT

**PURPOSE & CONTEXT**

Projects & Initiatives is responsible for the on-time and on-budget delivery of approved projects, both enterprise and agency specific. Their work focuses on citizen-facing systems development as well as smaller, internal systems development, upgrades and operational improvements. An example of a citizen-facing system is the Department of Employment and Economic Development's Unemployment Insurance system, which enables citizens to apply for and obtain unemployment insurance benefits through an online, self-service system.

**SERVICES PROVIDED**

Projects and Initiatives include all of the activities related to the development and operation of IT project and portfolio management for the State. This includes:

- Enterprise project and portfolio management, including creation of standards for project management, business analysis and quality assurance.
- Enterprise-level projects such as Tridion (web content management system).
- Agency-based projects as approved by business and outlined in MN.IT service level agreements. This includes projects budgeted in agency-based office budgets, projects that stem from agency-contributed funds to the special Odyssey fund, and FY 2014-15 biennial IT (BIT) business application projects for agencies (\$12.6 million in FY 2015).
- Development and operations around project standards and governance.

**RESULTS**

| <i>Type of Measure</i> | <i>Name of Measure</i>       | <i>Previous</i> | <i>Current</i> | <i>Dates</i>              |
|------------------------|------------------------------|-----------------|----------------|---------------------------|
| Quantity               | Number of projects completed | 91              | 100            | FY 2011-12,<br>FY 2013-14 |

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Program: MN.IT Services

Activity: Leadership

<http://mn.gov/mnit/>

**AT A GLANCE**

IT Leadership includes the following functions:

- State Chief Information Officer (CIO) office (strategy, direction, planning)
- IT Management
- Procurement/Contracts for 475 contracts and over 3,000 purchase orders
- Administrative Support
- Financial Management for \$450 million in IT spending
- Human Resources for 2,200 employees
- Customer Support and Service Development
- Security Services
- Architecture
- Communications and Planning

**PURPOSE & CONTEXT**

IT leadership covers the administrative and oversight functions of an agency with over 30 locations. It provides the management strategy and high-level tactics that help MN.IT Services fulfill its mission and provides organizational management based on the agency's five key operational strategies. In addition, IT leadership develops and guides IT consolidation priorities and projects. Key partners are the Governor's Office, the legislature, agency business leadership and MN.IT services management and staff.

**SERVICES PROVIDED**

The functions listed above provide the leadership, planning, and support that allow IT services to be delivered to customers in a high-value and cost-effective manner. IT leadership priorities for the FY 2016-17 biennium are:

- Establish an enterprise architecture reference model that provides a clear blueprint of recommended technologies and transitions
- IT spend to a managed portfolio of strategic products
- Complete financial consolidation whereby all IT funding and budgets are the responsibility of and managed by MN.IT Services and all IT services are billed back to customers based on service rates
- Migrate all agency geospatial infrastructure to the new shared infrastructure (Minnesota Geospatial Commons)
- Implement standard tools for all projects managed by MN.IT
- Deliver core security services to the executive branch as efficiently and effectively as possible by reorganizing staff and optimizing security service delivery processes
- Implement improvements in the next-generation service level agreement (SLA) that specifically define customer expectations and service results
- Manage the migration of infrastructure workloads from agency-based offices to enterprise services
- Enterprise license agreements for commercial and cloud-based applications

**RESULTS**

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>Previous</i> | <i>Current</i> | <i>Dates</i>     |
|------------------------|---|-----------------|----------------|------------------|
| Quantity               | IT Spend percent of total state expenditures . As a comparison, Gartner, a marketing research firm, reported IT Spend (as a % of expenditures) for all state/local government entities in their survey as follows: FY14, 2.25%; FY15, 2.1%. | 1.49%           | 1.32%          | FY12-13, FY14-15 |
| Quantity               | Average amount spent for employee development (training) per IT staff   | \$505           | \$939          | FY12/13, FY14/15 |

| <i>Type of Measure</i> | <i>Name of Measure</i>   | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Results                | Annual customer survey-'Very Satisfied/Satisfied/Somewhat Satisfied'         | N/A             | 97%            | March 2014   |
| Quantity               | Number of agencies adopting Geographic Information Services (GIS) technology | 16              | 17             | FY13, FY15   |
| Quality                | Percent service level agreements complete and up-to-date                     | 100%            | 100%           | FY13, FY15   |

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