

The engine of modernization: Minnesota's Technology Modernization Fund

State of Minnesota: Minnesota IT Services

Category: State CIO Office Special Recognition

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Executive summary

Minnesota delivers faster, more secure, and more user-centered digital services by transforming how it funds and governs technology. Under the leadership of the State Chief Information Officer (CIO), Minnesota IT Services (MNIT) launched the Technology Modernization Fund (TMF) — a \$40 million enterprise initiative designed to address aging systems, reduce technical debt, and accelerate high-impact modernization across government.

The TMF replaces fragmented, project-by-project funding with a coordinated, enterprise approach that prioritizes speed, value, and reuse. The model enables Minnesota to move beyond siloed technology investments toward coordinated enterprise modernization.

To date, it has supported more than 50 projects across 28 agencies — reducing delivery timelines from years to months, strengthening cybersecurity, and improving services for millions of Minnesotans. Strong demand — more than \$75 million in requests — demonstrates broad confidence in the model and the need for scalable modernization.

By prioritizing shared solutions and measurable outcomes, the TMF reduces duplication, addresses high-risk legacy systems, and enables agencies to respond quickly to emerging needs. The TMF helps agencies modernize systems that otherwise may have remained delayed for years due to limited agency-level funding capacity.

Why it matters: The TMF turns enterprise priorities into real results — redefining how Minnesota delivers modern, secure, and user-centered government services at scale under strong CIO leadership. The initiative combines centralized governance with agency partnership, allowing Minnesota to modernize faster while maintaining enterprise standards.

“The Technology Modernization Fund has been instrumental in modernizing the Workforce and Equal Pay Certificates division at the Department of Human Rights.”

— **Nicki Mukanda**,
Director of Process Improvement and Systems
Management, Minnesota Department of Human Rights

Idea

Reimagining how Minnesota funds technology

Minnesota reimagined how it funds technology to overcome long-standing barriers to modernization. Traditional funding models fragmented delivery across agencies, extended timelines, and limited the state’s ability to scale solutions or respond quickly to changing needs.

In 2023, under the leadership of the State CIO, the Minnesota Legislature invested \$40 million over four years to establish the TMF. MNIT designed the TMF as a new enterprise model that prioritizes speed, value, and reuse — enabling agencies to deliver high-impact improvements in less than one year and scale successful solutions across government.

Minnesota manages more than 2,800 applications and digital services — many built on aging, highly customized technology. These systems often fall below the threshold of large modernization efforts, allowing technical debt to accumulate over time. As a result, they increase cybersecurity risk, limit performance, and constrain the State’s ability to improve services.

At the same time, MNIT’s funding model historically lacked the flexibility to address these issues at scale. More than 98% of MNIT’s budget comes from agency-paid services, leaving limited capacity to proactively modernize smaller, high-risk systems. This created a structural gap — where critical but lower-visibility systems continued to age without a clear path to modernization.

Rather than funding isolated projects, the TMF focuses on investments that improve customer experience, strengthen security, modernize business processes, and advance shared, reusable capabilities aligned to the [One Minnesota Plan](#).

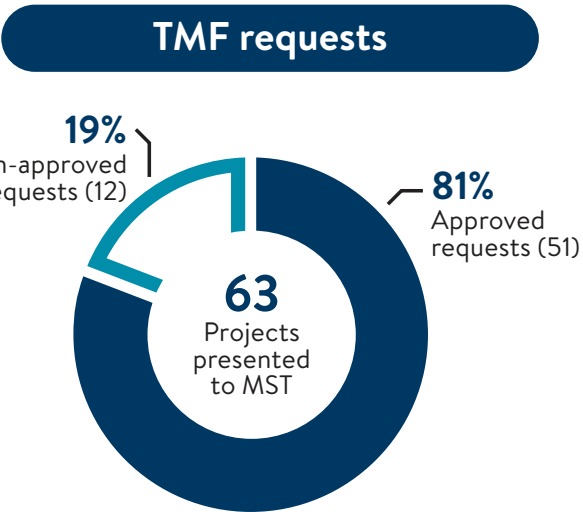
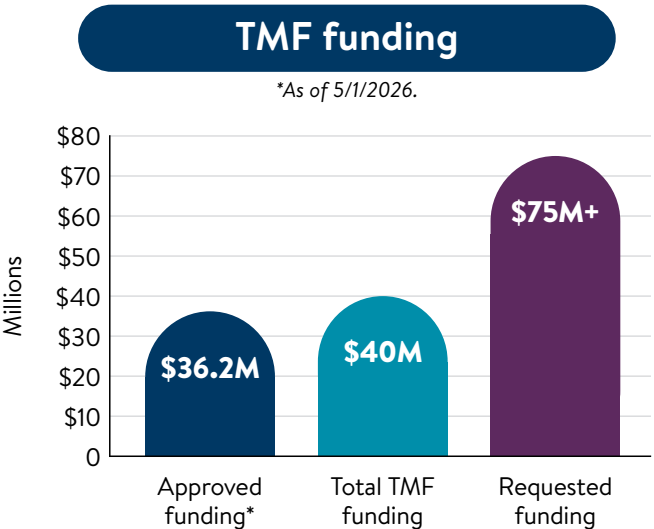
A cross-agency Modernization Steering Team (MST), comprised of MNIT and agency partners, guides investments and monitors progress to ensure alignment with statewide priorities and measurable outcomes.

The TMF focuses on delivering improvements that matter most — streamlining digital services, strengthening cybersecurity, modernizing business processes, and improving how people access and experience government. The fund advances shared, reusable solutions, aligns with the One Minnesota Plan, and encourages the responsible use of AI and automation.

To date, the TMF has supported projects across 28 agencies, with 63 presentations to the Modernization Steering Team with 51 approved (81%) — totaling \$36.2 million in funded initiatives. This approach accelerates delivery timelines, reduces duplication, and lowers technical risk while strengthening security and improving the digital experience for Minnesotans.

Funded projects reflect a balanced, enterprise approach: 35% focused on customer experience, 25% on reducing security risk, and 40% on process improvement — aligning investments to the state’s core modernization priorities.

By replacing fragmented funding with a coordinated, CIO-led approach, Minnesota now delivers faster, more secure, and more user-centered services at enterprise scale — turning modernization strategy into measurable results.



28 agencies have TMF-supported projects

Implementation

Executing a CIO-led enterprise model

Under the leadership of the State CIO, MNIT implemented the TMF as a deliberate enterprise strategy to transform how the state prioritizes, funds, and delivers technology. Rather than distributing funding through isolated agency budgets, MNIT established a centralized, CIO-led model that aligns investments to enterprise priorities and measurable outcomes.

The TMF represents a fundamental shift in how Minnesota governs and funds technology. MNIT replaced fragmented, project-by-project funding with a coordinated enterprise approach focused on speed, value, and reuse. The State set clear investment criteria – prioritizing projects that deliver in under one year, cost less than \$1 million, and produce high business value. This model reduces delivery timelines from years to months, enabling agencies to respond quickly to emerging needs.

To put this model into practice, MNIT strengthened enterprise governance through the Modernization Steering Team, a cross-agency body of MNIT and agency partner leadership. MST brings together Deputy and Assistant Commissioners from across government – establishing the State’s first truly cross-agency governance model for technology investment.

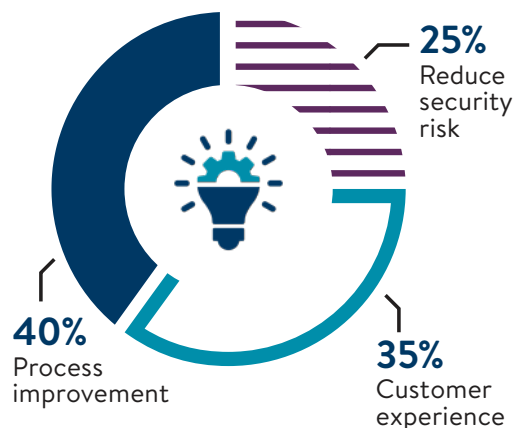
MST uses a structured, criteria-based process to evaluate proposals, assessing business value, feasibility, stakeholder impact, and delivery confidence. Proposals must define a clear problem, measurable outcomes, and strong agency support before MST recommends them for approval and monitors performance to ensure results.

To date, MST has reviewed 63 proposals and approved 51 (81%), ensuring investments align with enterprise priorities and deliver measurable outcomes.

TMF funds will be for efforts that:

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|---|--|
|  Improve customer experience |  Address a security risk |
|  Create or improve digital services |  Align to the One Minnesota Plan |
|  Modernize a business process |  Leverage AI or automation |
|  Improve resiliency, operational efficiency, and/or risk reduction |  Move to a shared or market-based technology solution |

TMF project priorities



This governance model increases transparency, strengthens accountability, and aligns investments with statewide priorities, including the One Minnesota Plan — a framework focused on delivering equitable, accessible, and high-quality services for all Minnesotans.

The TMF also embeds the State’s [Modernization Playbook](#) into every funded effort — requiring teams to modernize business processes alongside technology and focus on improving customer and user experiences. By standardizing this approach, MNIT ensures modernization efforts deliver meaningful, measurable improvements rather than incremental technical upgrades.

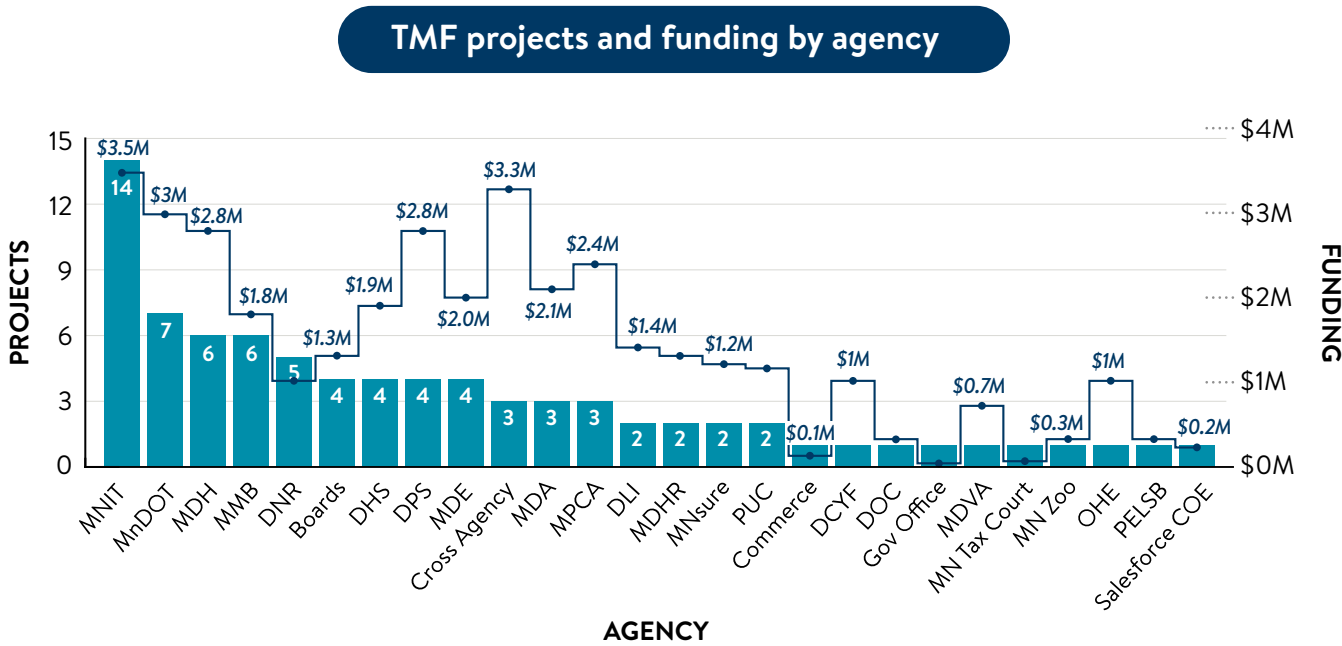
The fund’s open, ongoing intake process invites participation from agencies, boards, councils, commissions, and Tribal Nations, expanding access to innovation and strengthening collaboration across government. By prioritizing shared and market-based solutions, as well as the responsible use of AI and automation, the TMF reduces duplication and accelerates the adoption of scalable capabilities across agencies.

Through this CIO-led strategy, Minnesota has moved from fragmented decision-making to a unified, enterprise approach — improving how government delivers services, strengthens security, and responds to the evolving needs of Minnesotans.

Impact

Turning investment into impact

The TMF delivers measurable results by accelerating high-impact projects that improve how government serves Minnesotans. Since launch, it has funded initiatives across more than 28 agencies — supporting over 50 projects that modernize systems, reduce risk, and improve outcomes statewide — unlocking more than \$18 million in digital improvements.





“I viewed the TMF award as critical “kick-start” funding that would accelerate MDVA’s long-term transformation toward a more data-driven organization.”

— **Eric Meittunen**, Deputy Commissioner, Veterans Healthcare
Minnesota Department of Veterans Affairs

In partnership with the Minnesota Department of Veterans Affairs (MDVA), MNIT has worked to transform how veterans receive care and services through a major modernization effort focused on data, analytics, and operational efficiency. MDVA supports more than 1,000 residents across its veterans homes system and serves a growing veteran population with increasingly complex healthcare needs.

With TMF support, MDVA modernized how staff collect, analyze, and use data to improve care delivery, employee engagement, regulatory compliance, and operational decision-making. The initiative gives leaders and staff faster access to actionable insights, helping them improve service quality, strengthen workforce support, and better measure outcomes across veterans healthcare operations.

By replacing fragmented reporting processes with modern dashboards and analytics tools, the project gives MDVA greater visibility into performance, satisfaction, health equity, and care trends. These improvements help MDVA strengthen care coordination and deliver better experiences for veterans, families, and employees statewide.

The project also helped establish a stronger culture of innovation and data-driven decision-making within MDVA. Shortly after implementation, the agency held its first multidisciplinary ideation session focused on future data and technology opportunities, generating more than 20 potential initiatives.

Through established IT governance processes, MDVA prioritized future investments and launched the next phase of its analytics transformation focused on workforce retention and employee engagement insights.

At the enterprise level, the TMF shifts delivery from multi-year timelines to solutions completed in under one year — enabling agencies to respond quickly to policy changes, emerging risks, and customer needs. This approach allows the state to test, prove, and scale high-value solutions rapidly.

The TMF also advances innovation by funding secure, scalable AI capabilities that help agencies responsibly deploy generative AI to improve productivity, enhance service delivery, and embed governance, privacy, and security from the start.

The TMF delivers enterprise impact by reducing duplication through shared solutions, strengthening cybersecurity through modernization of high-risk systems, and improving efficiency across agencies. By standardizing how the state funds and delivers technology, Minnesota creates consistent, measurable results at scale. Recent legislative actions that expand investments through this centralized model further demonstrate confidence in the approach and reinforce continued support for enterprise technology modernization.

Turning investment into impact

These examples showcase high-impact executive branch projects advancing modernization, efficiency, and public service.

Minnesota Stroke Portal

IMPACT | Improving stroke care quality and securing critical health reporting statewide

Modernized Minnesota's statewide stroke data system with real-time dashboards, stronger security, and streamlined reporting to help 121 hospitals improve stroke care quality and outcomes. The upgraded portal supports more than 20,000 stroke cases annually, strengthens compliance with state and federal reporting requirements, and helps healthcare providers improve patient outcomes through faster, more reliable data access.

Department of Public Safety Website

IMPACT | Improving public access to critical safety information and services

Rebuilt the Department of Public Safety website into a mobile-friendly, accessible platform that improves access to critical public services, safety information, and public records. The modernization improves usability, accessibility, and reliability for Minnesotans seeking time-sensitive public safety resources and services.

MNsure Easy Enrollment

IMPACT | Connecting more uninsured Minnesotans to healthcare coverage

Automated health coverage outreach through state tax forms, helping uninsured Minnesotans connect more easily to healthcare programs and financial assistance. The initiative simplifies enrollment, reduces barriers to coverage, and expands access to affordable healthcare through a more proactive and user-centered approach.

Minnesota Geospatial Commons

IMPACT | Expanding public access to trusted statewide geospatial data

Upgraded Minnesota's geospatial data platform with a modern web services architecture to improve scalability, security, reliability, and public access to statewide mapping resources. The Geospatial Commons supports more than 1,000 data resources from 48 publishers and serves hundreds of thousands of users annually, including local governments, researchers, planners, and developers across Minnesota.

Workers' Compensation Campus Platform

IMPACT | Simplifying services supporting more than 2 million claims statewide

Enhanced the Campus platform with user-centered improvements that streamlined workflows, reduced complexity, and improved customer experience across more than 2 million workers' compensation claims. The modernization effort reduced administrative burden, improved usability for staff and external users, and strengthened digital access to critical workers' compensation services.

Minnesota Tax Court Case Management

IMPACT | Modernizing court operations and improving digital access to justice

Replacing the Minnesota Tax Court's outdated case management system with a modern cloud-based platform to improve efficiency, accessibility, compliance, and service delivery while reducing long-term operational risk and costs. The new platform strengthens reliability, improves access to court information and services, and supports more efficient case management for court staff and the public.