



Department of Natural Resources: Electronic Licensing System

Special Examination

April 2026

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

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April 8, 2026

Members
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Sarah Strommen, Commissioner
Department of Natural Resources

Jon Eichten, Commissioner and Chief Information Officer
Minnesota IT Services

This report presents the results of our special examination of the Department of Natural Resources' Electronic Licensing System (ELS) modernization project. We conducted this examination to identify the factors contributing to the delays in the system's launch and to identify ongoing concerns that could impact the project's overall success.

This audit was conducted by Joe Sass, CISA, (IT Audit Director); and auditors Deb Frost, CISA; and Dustin Juell, CompTIA Security+.

We received the full cooperation of the Department of Natural Resources and Minnesota IT Services staff while performing this audit.

Sincerely,



Judy Randall
Legislative Auditor



Lori Leysen, CPA
Deputy Legislative Auditor



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Introduction

The Department of Natural Resources (DNR) manages the state’s wildlife and natural resources through regulation and enforcement. DNR issues various licenses, permits, and passes for outdoor sporting and recreation, including fishing licenses, hunting licenses, and trail and ski passes. It is also responsible for titling and registering watercraft, all-terrain vehicles, off-highway motorcycles, and off-road vehicles. DNR, working with approximately 170 deputy registrars and nearly 1,500 point-of-sale licensing agents throughout Minnesota, utilizes its Electronic Licensing System (ELS) for license, permit, and pass sales, and for registration and titling. DNR’s current ELS has been in place for more than 25 years.

DNR is replacing its ELS to deliver a modern, mobile-friendly platform with a goal of providing Minnesotans and visitors a way to quickly and easily obtain licenses and permits. A major component of this modernization is the move to electronic or digital licenses and permits.

DNR and Minnesota IT Services (MNIT) had originally planned to launch the new ELS in March 2025. However, prior to the March 2025 launch, DNR and MNIT delayed the rollout of the new system indefinitely due to persistent gaps in essential functions and technical quality issues. Throughout 2025, the agencies and their vendor, PayIt, continued to develop the new system. Although DNR has not publicly announced a new launch date, the agencies and PayIt are working toward a spring 2026 launch of the new ELS.

In late January 2026, DNR and MNIT’s project documentation showed both a potential March 9, 2026, launch date and many outstanding project tasks that were necessary for a successful system launch. In response, we sent a letter to the commissioners of DNR and MNIT expressing our concern with the potential launch timeline.¹ Subsequently, DNR and MNIT notified OLA that they would launch the new ELS in phases, beginning in “spring of 2026,” with licensing functions for hunting and fishing. DNR and MNIT have not set dates for the initial phase of the system launch or remaining planned system phases.

We conducted this review of the ongoing ELS modernization project to identify the factors contributing to the delays in the system’s launch and to identify ongoing concerns that could impact the project’s overall success. Although DNR and MNIT continue to address project issues—including reducing the scope of their planned spring 2026 initial system launch—we continue to have ongoing concerns regarding the upcoming potential ELS launch and the ongoing project. We discuss these items in more detail in the remainder of this report.

¹ See the Appendix for a copy of this letter.



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Report Summary

Conclusion

We have significant concerns regarding the Department of Natural Resources' and Minnesota IT Services' upcoming spring 2026 launch of its new electronic licensing system. We identified concerns related to project success criteria, launch preparation activities, service level agreements, statutory changes, ongoing project work, and legacy systems, all of which may jeopardize the success of the overall project and continue to cause system launch delays.

Ongoing Project Concerns

Concern 1. The Department of Natural Resources' Electronic Licensing System project has not met its critical success criteria necessary for launch. (p. 12)

Recommendation

Prior to beginning launch preparation activities for the Electronic Licensing System, the Department of Natural Resources and Minnesota IT Services should ensure that all project critical success criteria are met.

Concern 2. The Department of Natural Resources and Minnesota IT Services may not meet a spring 2026 launch date without significantly compressing or cutting necessary launch preparation activities, increasing overall project risk. (p. 13)

Recommendations

- The Department of Natural Resources and Minnesota IT Services should ensure that necessary testing activities occur after the project meets the critical success criteria for launch.
 - The Department of Natural Resources and Minnesota IT Services should set its launch date for the first phase of the Electronic Licensing System to allow adequate time for launch preparation activities.
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Concern 3. The Department of Natural Resources and Minnesota IT Services have not finalized a service level agreement with the Electronic Licensing System vendor. (p. 15)

Recommendation

The Department of Natural Resources and Minnesota IT Services should finalize a detailed service level agreement with the Electronic Licensing System vendor prior to launching the system.

Concern 4. Phased implementation of the Electronic Licensing System makes it unclear how to implement statutory changes. (p. 16)

Recommendations

- The Department of Natural Resources should determine which statutory changes are necessary for each Electronic Licensing System project phase.
 - The Department of Natural Resources should work with the Legislature to ensure that statutory changes are effective based on the phased rollout of the Electronic Licensing System.
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Concern 5. Ongoing project work is required to address functional gaps and complete the full Electronic Licensing System, following initial system launch. (p. 17)

Recommendations

- The Department of Natural Resources and Minnesota IT Services should establish critical success criteria for each subsequent planned launch phase of the Electronic Licensing System and establish launch schedules based on satisfaction of the criteria.
 - The Department of Natural Resources and Minnesota IT Services should amend their contract with the vendor to define development obligations and any anticipated additional costs.
 - The Department of Natural Resources and Minnesota IT Services should ensure that adequate funding remains available to complete the Electronic Licensing System project.
-

Concern 6. Deviations from project management best practices present ongoing project risks for additional delays. (p. 19)

Recommendations

- The Department of Natural Resources and Minnesota IT Services should ensure that related work items are linked in the project management tool.
 - The Department of Natural Resources and Minnesota IT Services should require the vendor to provide deliverable timelines for each future phase and functional area of the Electronic Licensing System and incorporate these timelines into the state's contract with the vendor.
-

Concern 7. The initial Electronic Licensing System launch will not eliminate the Department of Natural Resources' legacy systems and their associated risks. (p. 20)

Recommendations

- The Department of Natural Resources and Minnesota IT Services should consider ways in which known risks with legacy systems can be mitigated prior to their replacement.
 - The Department of Natural Resources and Minnesota IT Services should identify opportunities to reduce known operation complexities and prioritize project tasks that contribute to simplifying ongoing operations and reducing legacy systems risk.
-

Electronic Licensing System

The Department of Natural Resources' (DNR's) Electronic Licensing System (ELS) is the platform that the state uses to sell hunting and fishing licenses, issue additional permits or stickers for outdoor activities, and manage titles and registrations for watercraft and other recreational vehicles (all-terrain vehicles, off-highway motorcycles, and off-road vehicles).

DNR has had its current ELS in place for more than 25 years.² The system runs on an outdated platform, which makes support and enhancements difficult while also increasing potential security risks. DNR's system for tracking items such as firearms safety courses and certifications, referred to as the Event Management System, is currently separate from ELS and also operates on an outdated platform. DNR plans to add the event management functionality within the new ELS in a future release.

For more than nine years, DNR has been working to plan, develop, and implement a modernized ELS.³

DNR Electronic Licensing by the Numbers

- More than \$90 million in license sales
- More than 2.3 million license and permit transactions
- 1.4 million licensed anglers
- 548,000 licensed hunters and trappers
- 812,000 registered watercraft
- 578,000 registered snowmobiles and off-highway vehicles
- 1,500 point-of-sale locations for hunting and fishing licenses
- 170 registration and titling agent locations

Source: Department of Natural Resources, 2026–27 Biennial Budget Base (November 2024), and license-year 2025 sales data.

Modernization Project Overview

DNR and Minnesota IT Services (MNIT) intend for the new ELS to provide a modern, mobile-friendly experience that allows Minnesotans and visitors to obtain the licenses and passes required to enjoy the state's extensive outdoor opportunities. A primary feature of this modernization project includes implementing electronic hunting and fishing licenses, to be available through both DNR's website and a mobile phone application. DNR and MNIT also intend for the new ELS to enhance data accessibility and streamline internal business processes for DNR staff, license agents, and deputy registrars.

² The current ELS is provided by Aspira Connect. DNR's contract with Aspira Connect was set to expire at the end February 2026. However, on February 27, 2026, DNR finalized a new agreement with Aspira Connect to extend the operation, support, and maintenance of its ELS through February 2029.

³ DNR issued a request for proposals to find a suitable replacement for its ELS in 2017. However, DNR was unable to come to a contract agreement with the selected vendor. DNR issued a second request for proposals in May 2022, which resulted in the contract that is the subject of this review.

The new ELS is designed to include modules to support sales, enforcement, and customer engagement, as detailed below:

- **Licensing:** Online tools and mobile application for electronic licensing, special permits, hunting lotteries, and harvest validation and registration.
- **Vehicle Management:** Watercraft and recreational vehicle titling and registration tools for deputy registrars and the DNR license center, plus self-service renewals online or in the mobile application.
- **Events Management:** Tools for locating, registering, and paying for education and safety training classes.
- **Customer Relationship Management Integration:** Marketing and sales data tools supporting customer outreach and analytics.
- **Enforcement Mobile Application:** Mobile application allowing conservation and enforcement officers to verify electronic licenses, including offline search and validation when cellular service is unavailable.

The project's overall scope also encompasses accounting functions, printing and mailing fulfillment processes for watercraft registration decals, interfacing with other state systems and the U.S. Fish and Wildlife Service, centralized authentication via LoginMN, and migration of historical data from DNR legacy systems.⁴

DNR and MNIT published a detailed request for proposals in May 2022, documenting 245 functional system requirements and almost 100 nonfunctional requirements.⁵

Vendor Solution—PayIt

After a competitive solicitation process, DNR and MNIT selected and contracted with Sovereign Sportsman Solutions (S3) in April 2023.⁶ In May 2023, approximately one month after the contract between the state and S3 was finalized, PayIt, LLC, (PayIt) announced that it would acquire S3.

PayIt provides cloud-based platforms for state and local governments, supporting payment processes for motor vehicles, taxes, utilities, permits, and other public services. With its acquisition of S3, PayIt expanded its market into conservation and natural resources agencies.

⁴ LoginMN is Minnesota's centralized sign-on service, allowing residents to access various state systems with a single username and password. Under MNIT's Constituent Identity and Access Management Standard, all state systems that require the public to provide private data must use LoginMN by July 1, 2027.

⁵ Functional requirements describe the things that the ELS must be capable of doing. Nonfunctional requirements describe general requirements, such as information security, disaster recovery, training and support, and data migration.

⁶ DNR and MNIT's ELS contract with Sovereign Sportsman Solutions (S3) was effective beginning April 17, 2023. Following PayIt's acquisition of S3, the state's contract remains with S3—doing business as PayIt—but, for simplicity within this report, we refer to the state's contract as being with PayIt.

S3's platform provided purpose-built systems for state conservation agencies. Before its acquisition, S3 was developing its "Core" platform, designed to provide standardized hunting and fishing licensing and recreational vehicle title and registration functions centered around a shopping cart. PayIt has continued this development, now as its "Outdoors Core" platform. Through the acquisition, PayIt inherited S3's customer base, consisting of states running S3's legacy platform and others in various phases of implementation of the new Outdoors Core platform. PayIt has also continued to sell the platform to additional states.⁷

PayIt launched portions of its Outdoors Core platform in Arkansas in August 2023, followed by additional functionality rollouts in September 2025 for events management and in December 2025 for specialty permits.⁸ PayIt went live in Mississippi in February 2025, and in Louisiana in November 2025.⁹ Both Mississippi and Louisiana reported system issues in late 2025 and early 2026, respectively.¹⁰

Project Financials

PayIt ELS Transaction Fees

Once the system is live, DNR will pay fees to the vendor based on the transactions processed by the system. Per the contract, transaction fees are:

- **\$0.75** per chargeable hunting and fishing licensing transaction.
- **\$1.24** per chargeable watercraft or recreational vehicle title and registration transaction.
- **No fee** for events-related transactions.

PayIt is largely developing ELS at no upfront cost to Minnesota, a provision that DNR included in its request for proposals for the system. DNR will pay PayIt transaction-based fees only after the system goes live and only for actual transactions processed. The contract between the state and PayIt contained one upfront cost to the state: \$300,000 for developing a customized Enforcement Mobile Application. The state paid the full \$300,000 on November 22, 2023.¹¹

⁷ As of February 2026, some of S3's previous customers—Michigan, Missouri, New Hampshire, and Ohio—remain on S3's legacy platform. Others, such as Arkansas, Mississippi, and Louisiana, have launched systems using PayIt's new Outdoors Core platform.

⁸ Arkansas had used S3's platform since 2017 and migrated to PayIt's Outdoors Core platform in August 2023. In September 2025, Arkansas and PayIt rolled out volunteer and events management functions within its ELS. In December 2025, Arkansas and PayIt added specialty permit functions, allowing individuals to apply for and purchase certain permits for things like retail bait fish dealing, trout importation/stocking, and shoreline stabilization and dredging work. Some other specialty permits continue to use a paper-based process.

⁹ PayIt system functionality in Louisiana is limited to boat registration renewal. Additional functions to transfer registrations and to register and title new boats are expected in a future rollout.

¹⁰ "New MS Hunting, Fishing License Sale System Has Bugs. What to Know," Clarion Ledger, November 4, 2025, <https://www.clarionledger.com/story/sports/outdoors/2025/11/04/new-ms-hunting-fishing-license-sale-system-has-bugs-what-to-know/87082763007>.

On January 9, 2026, Louisiana's Department of Wildlife and Fisheries posted to its Facebook page that it was "experiencing a delay in printing and mailing boat registrations and decals due to technical issues with [their] new registration system," https://www.facebook.com/story.php?story_fbid=1323474253157045&id=100064834477006.

¹¹ State of Minnesota and Sovereign Sportsman Solutions, "State of Minnesota Professional and Technical Services Contract, SWIFT Contract Number 227335," Section 5.1.1.2, Offline Enforcement Mobile App Development (April 17, 2023), 8. The contract allows for 25 percent (or \$75,000) of these costs to be refunded to the state for each additional state that goes live with the enforcement mobile application, up to 75 percent or \$225,000.

Overall, the contract between the state and PayIt defines a total obligation for transaction fees, developing the Enforcement Mobile Application, and application and data hosting not to exceed \$16.4 million through the life of the contract, ending April 16, 2028.¹²

DNR and MNIT reported total project expenditures of approximately \$4.2 million through the end of Fiscal Year 2025. These funds came from a variety of sources:

- Early in the project, DNR and MNIT utilized MNIT's Technology Modernization Fund, DNR and MNIT Odyssey Funds, and portions of DNR's biennial budget to pay for staff time and other limited, project expenses.¹³
- The 2024 Minnesota Legislature appropriated \$2.6 million in Fiscal Year 2025 to "support the development and implementation of a modern electronic licensing system."¹⁴ These funds are a onetime appropriation, available until June 30, 2026. As of December 31, 2025, DNR had spent approximately \$1.16 million, or approximately 45 percent, of the \$2.6 million legislative appropriation.

The majority of these funds were used to pay for DNR staff time (salary, benefits, and overtime) and MNIT services (primarily staffing). DNR staff working on the project include subject matter experts in areas such as licensing and regulation, enforcement, communications, and accounting. MNIT staff include project managers, business analysts, and quality assurance testers. Most of these staff are permanent state employees of DNR and MNIT, such that their salary presents an ongoing liability to the agencies, regardless of the ELS project.

DNR and MNIT estimate total project costs to be approximately \$5.2 million. However, the longer the project continues, the more costs will increase and may exceed this estimate. Currently, DNR and MNIT estimate ongoing project costs at approximately \$93,000 per month.

¹² In addition to the ongoing transaction fees, the contract also sets ongoing application and data hosting costs for the Enforcement Mobile Application at \$25,000 annually.

¹³ MNIT's Technology Modernization Fund is intended to fund projects and efforts that modernize, secure, and improve the customer experience of executive branch technology systems. Odyssey Funds allow an agency to move funds into the next biennium to fund future technology efforts, such as large technical projects. Additional project expenses include the \$300,000 payment to PayIt for the Custom Enforcement Mobile application, project supplies, mailing/shipping, and cellular phones for staff and testing.

¹⁴ *Laws of Minnesota* 2024, chapter 116, art. 1, sec. 3, subd. 5. These funds were appropriated from various DNR funds and accounts, the majority being from the Game and Fish Fund.

System Launch

DNR and MNIT originally planned to launch the new ELS in March 2025. However, by early 2025, DNR and MNIT project staff had identified numerous issues with the new ELS development. Due to the persistent functional gaps and technical quality issues, DNR and MNIT publicly delayed the launch indefinitely. Internally, DNR and MNIT had considered summer and fall 2025 launch dates. However, the system remained unready to launch through the remainder of 2025.

Minnesota’s major hunting and fishing seasons shape DNR’s calendar. These overlapping peak seasons leave narrow windows for DNR to introduce a new system without risking a disruption to hunters and anglers. Because so many Minnesotans rely on DNR’s ELS to participate in these activities, the system must remain fully available for sales and reliable for game registration, enforcement, and license verification. DNR leadership had identified spring 2026, specifically March, as its first potential launch opportunity of the year. Sales began for the 2026 license year for both fishing and turkey hunting on March 1, 2026, in the legacy ELS.

DNR notified OLA on February 6, 2026, that it intended to launch portions of the new ELS in phases, beginning with the first phase in “spring of 2026,” with various licensing and permitting functions for hunting, fishing, and other activities. DNR and MNIT plan to deliver additional licensing and permitting functions, title and registration functions for watercraft and recreational vehicles, and events management for firearm safety training in subsequent releases. Because the initial launch will not fully replace the current ELS or the events management system, the legacy systems and processes supporting these functions must remain online and in place until all functions are live in the new ELS. As of February 27, 2026, DNR and MNIT had not set a specific date for the initial or future ELS launches.

**Minnesota 2026
Hunting and Fishing Seasons**

Turkey

February 13 – Spring turkey lottery deadline
March 1 – License sales begin
April 15 – Spring turkey season opens

Fishing

March 1 – License sales begin
April 11 – Stream trout season opens
May 9 – General fishing season opens
June 6 – Muskellunge (Muskie) season opens

Bear

May 1 – Bear hunt lottery deadline
August 1 – License purchase deadline

Deer

September 19 – Deer archery season opens
October 15 – Deer youth and early antlerless season opens
November 7 – Deer general firearm season opens

Waterfowl and Small Game

September through January – Duck, goose, and other waterfowl seasons

Late-October through Mid-March – Badger, fox, opossum and raccoon seasons

Game bird and small game seasons vary by species and location. Various seasons run throughout the fall and winter months.

Source: Office of the Legislative Auditor, based on Department of Natural Resources data. Designed using resources from Flaticon.com.



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Ongoing Project Concerns

During our review of the Electronic Licensing System (ELS) modernization project, we identified concerns related to the upcoming launch of the first ELS phase and the ongoing work to complete the remaining project phases. While the ELS vendor, PayIt, is responsible for providing a functional system, responsibility for managing and resolving any ongoing issues is shared between the Department of Natural Resources (DNR), Minnesota IT Services (MNIT), and PayIt.

Launch Readiness

In response to ongoing issues and limited progress in developing ELS, DNR and MNIT established a set of “critical success criteria” in July 2025. These criteria outline clear measures of progress and are designed to help both the state’s project team and PayIt focus on the highest-priority items needed to resolve issues, reduce risk, and work toward launch readiness. Following the February 6, 2026, decision to release ELS in phases, DNR and MNIT modified the criteria to reflect functional items necessary for only the initial launch.

ELS Initial Launch Scope	
Licensing	Lottery
Charter Boat	Bear
Fishing (incl. stamps)	Turkey
Small Game	Additional Functions
Spring Light Goose	Combination Licenses
Spring Turkey	Exclusion Policies
Trapping	Internal Reports
Passes	Lifetime Licenses
Horse Pass	Linked Accounts
Non-Resident Off Road	Sports Licenses
Ski Pass	
Vehicle Trail Pass	
Walk-in Access Pass	

Examples of the critical success criteria include requirements such as:

- Delivering 100 percent of highest-priority features for spring launch.¹⁵
- Resolving 75 percent of the issues flagged as HIGHEST priority.¹⁶
- Resolving 50 percent of the issues flagged as high priority.¹⁷

¹⁵ In late January 2026, DNR and MNIT changed this criterion to be “100% of delivery of Highest Priority Features that require development” for the initial spring ELS launch. This indicates that PayIt had completed software development work and deployed the changes for the state to test, but not that it had passed the state’s quality assurance testing.

¹⁶ In late January 2026, DNR and MNIT separated this criterion into two separate criteria identifying (1) whether PayIt had delivered a fix and (2) whether the fix passed Minnesota’s tests and the issue had been resolved. This separation can help project leadership understand whether the state is waiting on a fix or if the fix is in testing. Items that fail testing will need to be readdressed by PayIt.

¹⁷ This criterion was met in September 2025.

- Addressing the top priorities identified by the state’s deputy registrars.¹⁸
- Validating data migration from the legacy ELS to the new ELS.
- Completing necessary integrations and interfaces with other systems.¹⁹

Completion of or meeting these success criteria is contingent on completion of hundreds of work items within PayIt’s project management system, including testing and approval by DNR and MNIT. Project managers provide regular status reports to DNR and MNIT’s commissioners on progress toward meeting the critical success criteria.

DNR’s commissioner had stated that they intended for these criteria to be completed “no later than end of calendar year 2025” and that they are committed to ensuring that the criteria are met prior to publicly communicating a launch date and beginning “go-live” processes.²⁰ In late December 2025, DNR and MNIT moved the deadline for PayIt to provide deliverables addressing the critical success criteria to January 12, 2026. As of February 27, 2026, more than half of the project’s critical success criteria had not been met.²¹ PayIt’s inability to meet these deadlines has directly contributed to ELS launch delays.

CONCERN 1

The Department of Natural Resources’ Electronic Licensing System project has not met its critical success criteria necessary for launch.

Measuring progress against the ELS project’s critical success criteria for launch helps DNR and MNIT leadership understand weekly progress toward launch readiness. Despite passed deadlines, these criteria continue to be unmet—indicating that the system is not ready to go live.

6 of the 11
critical success criteria for
launch had not been met
as of February 27, 2026

In late January 2026, DNR and MNIT modified the critical success criteria to help show whether the state is waiting on fixes from PayIt or if project staff are testing PayIt’s fixes. However, testing is a circular process, requiring PayIt to complete its work, the state to test the work, and PayIt to work on modifications if testing identifies problems. Not only had PayIt not met the critical success criteria of addressing 75 percent of the highest priority bugs and implementation tasks as of

¹⁸ The February 6, 2026, decision to launch watercraft and recreational vehicle title and registration functions in a later phase provides more time for DNR, MNIT, and PayIt to address deputy registrars’ priorities, which are largely vehicle-specific items.

¹⁹ Integrations and interfaces necessary for watercraft and recreational vehicle title and registration are no longer part of the proposed spring 2026 release of ELS. However, work needed on nonvehicle interfaces remains.

²⁰ Sarah Strommen, Commissioner, Minnesota Department of Natural Resources, letter to Tom Nieto, President and Chief Operating Officer, PayIt, October 8, 2025.

²¹ DNR and MNIT noted that they and PayIt had made additional progress on the critical success criteria following the completion of our audit fieldwork.

February 27, less than half of those items that could be tested by DNR and MNIT had passed quality assurance testing. The critical success criteria must be met by PayIt and passed by DNR and MNIT before the agencies can move forward with system launch activities in preparation for go-live.

RECOMMENDATION

Prior to beginning launch preparation activities for the Electronic Licensing System, the Department of Natural Resources and Minnesota IT Services should ensure that all project critical success criteria are met.

Launching a large public-facing government system, such as ELS, requires numerous launch preparation activities to ensure a successful rollout. These activities, such as final system testing and validation, internal and external user training, contracting with system vendors and license agents, and public communication, must be completed prior to launch. However, each of these activities requires a stable, reliable system and a firm launch timeline. While DNR had not officially announced a spring 2026 date for the ELS first-phase launch, DNR and MNIT's commissioners continued to internally push a potential March launch timeframe in anticipation of completion of the critical success criteria.

CONCERN 2

The Department of Natural Resources and Minnesota IT Services may not meet a spring 2026 launch date without significantly compressing or cutting necessary launch preparation activities, increasing overall project risk.

Despite delays in the completion of work on ELS, a spring 2026 launch remains under consideration by DNR and MNIT. Without delaying the launch date, the timeframe to complete necessary launch preparation activities compresses each day the system remains under development.

Ongoing system development and configuration work by PayIt to address the critical success criteria means that DNR and MNIT will continue to receive additional software releases and updates. DNR and MNIT project staff must not only test the functionality delivered in each release, but also ensure that these changes or new functions do not introduce any new issues or cause previously working functions to break (known as regression testing). The following broad system testing activities should also take place prior to system launch:

- **End-to-End Testing:** Validates that the entire process works correctly, from creating an account, to buying a license, registering and validating a harvest, and ultimately revoking or expiring a license.
- **Performance, Load, and Stress Testing:** Confirms that the system stays available and performs as expected under high user demand and identifies any issues that occur under heavy use.

- **Security Testing:** Ensures that the system and its supporting infrastructure is securely configured and meets required information security standards.
- **Mock Go-Live:** Validates that the launch process can be executed smoothly, is understood by everyone involved, and ready for launch day.

Prior to executing each of these types of testing, all necessary system functions should be in place and not subject to additional updates or revisions.

DNR staff, enforcement officers, and deputy registrars and license agents working at point-of-sale locations throughout Minnesota must know how to use the new ELS prior to its launch. While DNR and PayIt are currently developing training content, doing so in an incomplete or changing system poses risks. The way that a process looks or functions may differ once system development is completed. Therefore, if training occurs while development is still underway, the state's trainers must ensure that any changes are communicated during training and that training materials are updated once PayIt completes system development.

As part of the transition to the new ELS, DNR must complete updated contract agreements with the state's licensing agents and deputy registrars. And, because ELS will launch in phases, DNR must also amend its contract with the current ELS vendor to ensure that the watercraft and recreational vehicle title and registration system components remain available until replaced in a future ELS phase. While DNR finalized the new contract with its current ELS vendor on February 27, 2026, the new agreements with the license agents and deputy registrars are still in process.

Finally, DNR must communicate the upcoming changes, including a system launch date, to the public and ensure that adequate resources are available to support hunters and anglers making the transition to electronic licenses.

RECOMMENDATIONS

- **The Department of Natural Resources and Minnesota IT Services should ensure that necessary testing activities occur after the project meets the critical success criteria for launch.**
 - **The Department of Natural Resources and Minnesota IT Services should set its launch date for the first phase of the Electronic Licensing System to allow adequate time for launch preparation activities.**
-

As part of the transition from project development to a live production system, it is essential to define and agree on service level expectations with the hosting vendor. A service level agreement (SLA) formalizes this commitment by outlining vendor responsibilities; performance standards; and requirements for reporting, issue resolution, and system maintenance.²²

²² "Service Level Agreement (SLA)," National Institute of Standards and Technology, accessed January 13, 2026, https://csrc.nist.gov/glossary/term/service_level_agreement.

MNIT standards require state contracts with third parties that store, process, or transmit state data to “establish service level agreements that define expectations of performance, describe measurable outcomes, and identify remedies and response requirements for any identified instance of non-compliance.”²³ Further, the state’s contract with PayIt requires the parties to “work together in good faith” to develop an SLA and amend the contract to incorporate the SLA prior to going live with the new ELS. However, the contract also includes a clause stating “any failure to mutually agree to a service level agreement shall not result in a delay in the ELS go-live or give rise to any right of termination under this contract.”²⁴

CONCERN 3

The Department of Natural Resources and Minnesota IT Services have not finalized a service level agreement with the Electronic Licensing System vendor.

Although an SLA is not required until system launch, the absence of a completed SLA, and the potential of launching the ELS without it, raises concerns in light of the project’s history. The state has encountered multiple delays and implementation challenges with the ELS project. Proceeding with the ELS launch without a detailed SLA would expose the state to additional risk, as it would limit the state’s ability to hold PayIt accountable to agreed-upon performance obligations.

Although DNR and MNIT have drafted an SLA, they have not finalized the agreement with PayIt. Once approved by all parties, and prior to launching the first phase of ELS, DNR and MNIT should incorporate the SLA into the state’s contract with PayIt.

RECOMMENDATION

The Department of Natural Resources and Minnesota IT Services should finalize a detailed service level agreement with the Electronic Licensing System vendor prior to launching the system.

Statutory Changes

The 2024 Legislature made more than 50 statutory changes in support of the ELS implementation, which includes moving from physical paper to electronic permits and hunting and fishing licenses.²⁵ By law, these changes “are effective upon full implementation of the replacement electronic licensing system. The commissioner of natural resources must notify the revisor of statutes when the replacement electronic

²³ Minnesota IT Services, *Secure Systems Development and Acquisition Standard*, version 1.9, Control 25, revised August 6, 2025.

²⁴ State of Minnesota and Sovereign Sportsman Solutions contract, “SWIFT Contract Number 227335,” Section 2.8, Service Levels, 3–4.

²⁵ *Laws of Minnesota 2024*, chapter 90, art. 1.

license system is fully implemented.”²⁶ As written, the law does not align with the planned partial initial launch and phased ELS implementation.

CONCERN 4

Phased implementation of the Electronic Licensing System makes it unclear how to implement statutory changes.

Because DNR plans to launch the new ELS in phases, it will not “fully implement” ELS upon its initial launch. Therefore, it is unclear when statutory changes, contingent on full system implementation, can or will be effective. This lack of clarity could cause potential public confusion and issues with enforcement regarding statutory changes and the new ELS.

For example, amendments to statutes, adopted by the 2024 Legislature and contingent upon full system implementation, replace the traditional physical tagging process with electronic harvest registration and validation. Today, someone who catches and keeps a lake sturgeon must attach a physical tag to the tail fin and keep the tag attached during transport, then mail in a registration card within 48 hours. After the new system goes live, DNR will stop providing both the physical tags and the paper registration cards and require hunters and anglers to either use the new ELS for electronic harvest registration and validation or a printed site validation form. Similar process changes exist for other game and fish as well. If the statutory changes are not effective at (partial) system launch, it is unclear whether hunters and anglers would still be legally required to use the physical tags; it is also unclear which version of the law DNR could enforce.

Additional statutory changes enable electronic snowmobile trail passes, eliminating the need for physical stickers or decals to be affixed to the vehicle. If the statutory changes are not in effect by the upcoming winter snowmobiling season, DNR may still be legally required to issue physical stickers until the new updates take effect.

To avoid these types of issues and impacts to the public, it is important that DNR work with the Legislature to align the effective dates of these statutory changes with the actual launch of related ELS functions.

RECOMMENDATIONS

- **The Department of Natural Resources should determine which statutory changes are necessary for each Electronic Licensing System project phase.**
 - **The Department of Natural Resources should work with the Legislature to ensure that statutory changes are effective based on the phased rollout of the Electronic Licensing System.**
-

²⁶ *Laws of Minnesota 2024*, chapter 90, art 1, sec. 52.

System Gaps and Project Work

DNR began the ELS project with the intention of implementing an integrated ELS, providing licensing, title and registration, and events management functions within a single system. The first planned launch phase of ELS addresses only licensing and only requirements that are the “highest” priority. DNR and MNIT plan for other major ELS functional areas to launch in later ELS phases. These major functional areas include watercraft and recreational vehicle title and registration, events management for firearm safety courses and certifications, and offline search functions within the enforcement mobile application.

CONCERN 5

Ongoing project work is required to address functional gaps and complete the full Electronic Licensing System, following initial system launch.

At the end of November 2025, DNR performed an analysis comparing the 245 ELS functional requirements (as defined in the request for proposals for the system) to the functionality of the system that PayIt had delivered thus far. DNR’s analysis of the functional requirements identified that PayIt had met only approximately 7.5 percent (18) of the requirements without gaps or need for additional work. PayIt had only partially met 73.5 percent (180) of the requirements, indicating that PayIT had met some portions of these requirements, but additional work or refinement was still needed. For 19 percent (47) of the requirements, PayIT still needed to conduct significant work or redesign. In the months since DNR performed the analysis, DNR staff told us that PayIt has made some progress toward meeting the requirements, but significant gaps and work to address them remain.

Exhibit 1

Functional Gap Analysis: System Functional Requirements vs. ELS Delivered

Functional Requirement	Partially Met	Not Met	Requirement Met
Marketing and Customer Engagement	30%	—	70%
Product Catalog and Management	85%	3%	13%
User Management	84%	5%	11%
Financial Management	91%	—	9%
Inventory, Supply, and Fulfillment	82%	12%	6%
Sales	88%	7%	5%
Document Management	100%	—	—
Validation, Harvest Registration, and Site Tags	100%	—	—
Notification System	100%	—	—
Reporting	84%	16%	—
Enforcement	20%	80%	—
Event Management System (EMS)	—	100%	—

Note: Totals may not sum correctly due to rounding.

Source: Office of the Legislative Auditor, based on Department of Natural Resources data as of November 2025.

DNR told us that it plans to amend the contract with PayIt to reflect the phased launches of ELS. To help plan and prioritize future ELS launch phases, DNR and MNIT should identify the critical success criteria for each ELS launch phase. The state should then require PayIt to provide a schedule by which it will deliver the critical success criteria items and amend the contract to include these deliverables. Incorporating the success criteria and schedule into the contract will allow the state to plan its future potential ELS launch dates based on these timelines.

The state's contract with PayIt provides 2,000 software development hours, at no additional cost, for ELS "enhancements" during the two-year period following the system go-live. The contract then specifies hourly rates for work beyond these 2,000 hours. Given the extent of the gaps identified by DNR staff and the remaining large functional areas slated for future phases, development work—likely to exceed 2,000 hours—will be necessary. However, by going live with the initial ELS launch, it is unclear whether this additional, necessary development work will be considered an "enhancement" to PayIt's Outdoors Core platform and consume these billable hours, or whether this additional work is part of the original system development agreement. DNR's commissioner told us that they intend to amend the contract to ensure this work is delivered without additional cost to the state. However, DNR and MNIT must work with PayIt to clarify the parties' ongoing obligations and ensure they are clearly specified within the contract.

The project's \$2.6 million legislative appropriation expires on June 30, 2026, after which any unspent funds will revert to their source. Because project work is expected to continue into Fiscal Year 2027, an extension of the appropriation allowing for use of these unspent funds will likely be required to fund the project through to completion.

RECOMMENDATIONS

- **The Department of Natural Resources and Minnesota IT Services should establish critical success criteria for each subsequent planned launch phase of the Electronic Licensing System and establish launch schedules based on satisfaction of the criteria.**
 - **The Department of Natural Resources and Minnesota IT Services should amend their contract with the vendor to define development obligations and any anticipated additional costs.**
 - **The Department of Natural Resources and Minnesota IT Services should ensure that adequate funding remains available to complete the Electronic Licensing System project.**
-

PayIt is responsible for defining project plans and delivery schedules, and maintaining the project management backlog system of record. The U.S. Government Accountability Office's (GAO's) *Agile Assessment Guide* describes best practices for implementing agile software development in projects.²⁷ However, in our review of the ELS project, we identified that PayIt had deviated from these recommended project management best practices related to requirement traceability and performance measures.

CONCERN 6

Deviations from project management best practices present ongoing project risks for additional delays.

PayIt did not always maintain clear and complete records in its project management system to show how it connected the requirements in the ELS contract to the specific work items created to meet those requirements. Per GAO, "when requirements are managed well, they can be traced from the source requirement to lower-level requirements and back again. Such traceability helps to determine whether all source requirements have been completely addressed and whether all lower-level requirements can be traced to a valid source."²⁸ For example, development work that is designed to meet a specific functional business requirement should link within the project management system identifying a relationship between the requirement and the individual work items, such as the tasks to build or configure system features. Our testing showed that only approximately 31 percent of requirements and related work items were linked. When problems are found with this work, the related issues or bugs should also be linked to the work items in which they were identified. However, we found inconsistency here, as well, with approximately 58 percent of the items linked. As a result, the project lacked a clear view of how different items were connected and how delays or problems in one area could affect other work.

Accurate and complete recordkeeping is necessary to track progress, monitor performance, and ensure that contract requirements are fully delivered. Because PayIt did not consistently maintain this information, project leadership had limited visibility into overall project status, risks, and remaining work.

Further, PayIt did not consistently use standard performance measures to report progress. For example, it did not regularly track how much work was completed during a set period, how many or which features were delivered, or how long it took to complete tasks. GAO recommends frequently communicating metrics that measure team performance and product quality, and would support data-driven decision-making by DNR and MNIT leadership.²⁹ Without these measures, and without reliable estimates of the effort required, PayIt increased the risk of overstating the amount of completed work and understating the amount of work remaining. This increased the likelihood of unexpected delays and has made long-term timeline planning difficult.

²⁷ U.S. Government Accountability Office (GAO), *Agile Assessment Guide: Best Practices for Adoption and Implementation* (Revised December 15, 2023).

²⁸ GAO, *Agile Assessment Guide*, p. 110.

²⁹ GAO, *Agile Assessment Guide*, pp. 201–202.

To compensate for these gaps, project leads from DNR and MNIT tracked deliverable-based metrics outside of PayIt's project management system via daily data extracts and spreadsheet metrics. This allowed them to gain some visibility into backlogs, work completed, and testing progress, supporting the critical success criteria metrics. However, because PayIt did not provide reliable effort estimates, clear timelines, or consistent output, DNR and MNIT still faced challenges in planning and forecasting project timelines.

Overall, these weaknesses in PayIt's project management controls required additional state oversight and resources to maintain visibility into contract performance and project progress.

RECOMMENDATIONS

- **The Department of Natural Resources and Minnesota IT Services should ensure that related work items are linked in the project management tool.**
 - **The Department of Natural Resources and Minnesota IT Services should require the vendor to provide deliverable timelines for each future phase and functional area of the Electronic Licensing System and incorporate these timelines into the state's contract with the vendor.**
-

Legacy System Support

DNR undertook the ELS modernization project with a goal of replacing its legacy ELS and events management systems. Due to aging technology infrastructure, these systems present ongoing risks for system maintenance, support, and security. However, by launching the new ELS in phases, DNR will not be able to fully replace its legacy systems with its initial ELS launch.

CONCERN 7

The initial Electronic Licensing System launch will not eliminate the Department of Natural Resources' legacy systems and their associated risks.

The initial planned ELS launch focuses functionality on selling hunting and fishing licenses. As a result, DNR must keep its current legacy ELS online in order to continue to provide watercraft and recreational vehicle title and registration functions. DNR must also keep its legacy events management system, which maintains firearm safety course certifications, available as well. With the launch of the first phase of the new ELS, DNR will be adding a third system, rather than replacing these legacy systems.

Operating multiple systems in parallel will likely increase complexity for DNR staff and system users. Staff will need to manage separate platforms and maintain overlapping processes. This structure will increase the potential for errors, inefficiencies, inconsistent information, and possible user confusion or other issues. Having multiple systems may be particularly troublesome for deputy registrars who sell hunting and fishing licenses, as they must learn and use the new system for license sales, while also continuing to use the old system for watercraft and recreational vehicle title and registration functions.

In the short term, launching the new ELS will not reduce the operational, security, or maintenance risks associated with the legacy platforms; rather, the state will continue to rely on aging technology while also assuming the costs, risks, and operational burden of implementing and maintaining a new system. At the time of initial launch, the project will not achieve meaningful risk reduction or operational simplification, both of which are key objectives of system modernization. Instead, the state will assume new implementation and operational risks, while legacy system risks remain fully in place.

RECOMMENDATIONS

- **The Department of Natural Resources and Minnesota IT Services should consider ways in which known risks with legacy systems can be mitigated prior to their replacement.**
 - **The Department of Natural Resources and Minnesota IT Services should identify opportunities to reduce known operation complexities and prioritize project tasks that contribute to simplifying ongoing operations and reducing legacy systems risk.**
-



OLA

Appendix – OLA Letter of ELS Launch Concerns to DNR and MNIT



Judy Randall, Legislative Auditor
State of Minnesota

January 28, 2026

Sarah Strommen, Commissioner
Department of Natural Resources
500 Lafayette Rd
St. Paul, MN 55155
Sent via email: Sarah.Strommen@state.mn.us

Tarek Tomes, Commissioner and Chief Information Officer
Minnesota IT Services
600 N. Robert St., Suite 2800
St. Paul, MN 55146
Sent via email: Tarek.Tomes@state.mn.us

Dear Commissioners Strommen and Tomes:

As you are aware, the Office of the Legislative Auditor has been performing a review of the Department of Natural Resources' (DNR's) Electronic Licensing System (ELS) modernization project. While our report is forthcoming, we would like to convey some of our concerns regarding the proposed March 9, 2026, launch of ELS.

We acknowledge the substantial efforts by DNR and Minnesota IT Services (MNIT) staff to rectify issues with the ELS project and the recent improvements made toward addressing ongoing bugs and project impediments. However, based on our current understanding of the ELS project and its status, we believe a March 9, 2026, system launch would present substantial risks for the state and DNR's licensing functions. Based on our review, we believe that significant work and testing are still needed to minimize this risk and ensure a successful launch for DNR staff, deputy registrar and license agent partners, and the citizens of Minnesota and its visitors.

As of today, we understand that the project remains in an overall "red" status. Further, the project's Critical Path Success Criteria for Launch have not been met, despite efforts to ensure progress and ongoing involvement from your assistant and deputy commissioners. DNR and MNIT testers continue to log new "Highest Priority" bugs, while other issues persist. A March 9, 2026, launch will require critical prelaunch preparation activities, such as stakeholder training, user acceptance testing, and final regression testing, to occur within an abbreviated time period. And, because ongoing releases will likely have bug fixes and additional features, these prelaunch activities must now also occur in an incomplete and changing system environment.

Sarah Strommen, Commissioner
Tarek Tomez, Commissioner and Chief Information Officer
January 28, 2026
Page 2

Given the concerns outlined above—and other concerns that will be further detailed in our forthcoming report—we strongly recommend that DNR and MNIT reconsider its proposed launch timeline for ELS. We realize that it is unusual for the Office of the Legislative Auditor to issue a letter like this prior to the release of a report. However, given the nature of our concerns and the likelihood that our report will be released after March 9, we believe it is appropriate to advise you of our concerns so that you can make an informed launch decision.

Please note that the contents of this letter are currently classified as confidential or protected nonpublic pursuant to *Minnesota Statutes* 2025, 3.979, subd. 3(b). Further, the contents of this letter retain that classification pursuant to *Minnesota Statutes* 2025, 13.03, subd. 4(c), and 13.392, subd. 1. Consequently, until our report on this matter is released, we ask that you share this letter only with persons who require access to the information it contains.

Please reach out if you would like to set up a meeting—we would be happy to meet with you to discuss our concerns further.

Sincerely,



Judy Randall
Legislative Auditor

cc: Bob Meier, Assistant Commissioner, Department of Natural Resources
Kelly Straka, Fish and Wildlife Division Director, Department of Natural Resources
Jon Eichten, Deputy Commissioner, Minnesota IT Services
Jenna Covey, Chief Business Technology Officer, Minnesota IT Services

April 2, 2026

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
140 Centennial Office Building
658 Cedar Street Saint Paul, MN 55155

Dear Auditor Randall:

Thank you for the opportunity to review and respond to the Office of the Legislative Auditor's (OLA's) review, *Department of Natural Resources: Electronic Licensing System*. The Department of Natural Resources (DNR) and Minnesota IT Services (MNIT) greatly value the expertise and dedication of your office, and we appreciate the independent look you have provided for the electronic licensing system (ELS). Overall, the concerns and recommendations provided in your report align with the project management issues and actions on which we are already actively working.

Both agencies have been working in partnership during this modernization effort of the DNR's ELS since the contract award with S3 in April 2023. Since that time, great strides have been made towards this modernization goal. At the same time, Minnesota's large and complex licensing product catalog and complicated statutory vehicle requirements have presented a challenge from the beginning. Additionally, there have been unforeseen circumstances, such as the original vendor company sale/merger after project award, and project leadership/team member changes. Even with these challenges, both MNIT and DNR are confident in the work of the ELS project team and the vendor to bring forward a modernized ELS product that meets the needs of DNR and users of the system.

Below please find our responses to the review's concerns and recommendations.

Response to the OLA's Concerns and Recommendations

OLA Concern 1

- The Department of Natural Resources' Electronic Licensing System project has not met its critical success criteria necessary for launch.

OLA Recommendations pertaining to Concern 1

- Prior to beginning launch preparation activities for the Electronic Licensing System, the Department of Natural Resources and Minnesota IT Services should ensure that all project critical success criteria are met.

Agency Response to Concern 1

- **Narrative Response:** The DNR and MNIT agree that completion of critical success criteria is a necessary step before launching the new ELS. We have been consistent in our actions and intentions

to that end, including carefully tracking the metrics on a weekly basis. As of March 31, seven of the 11 success criteria have been met, with others close to being met.

- **Current Status:** In progress
- **Completion Date:** DNR, MNIT, and PayIT are implementing a plan to meet all success criteria before April 30, 2026.

OLA Concern 2

- The Department of Natural Resources and Minnesota IT Services may not meet a Spring 2026 launch date without significantly compressing or cutting necessary launch preparation activities, increasing overall project risk.

OLA Recommendations pertaining to Concern 2

- The Department of Natural Resources and Minnesota IT Services should ensure that necessary testing activities occur after the project meets the critical success criteria for launch.
- The Department of Natural Resources and Minnesota IT services should set its launch date for the first phase of the Electronic Licensing System to allow adequate time for launch preparation activities.

Agency Response to Concern 2

- **Narrative Response:** The DNR and MNIT agree with the recommendations. Neither DNR nor MNIT have any intention of launching the new ELS without adequate testing, training, and other necessary launch preparation activities. Our project plan includes steps for meeting the success criteria, robust functional and user acceptance testing, and training for staff and agents.
- **Current Status:** A plan to ensure the recommended actions are in place is complete. Implementation is in progress.

OLA Concern 3

- The Department of Natural Resources and Minnesota IT Services have not finalized a service level agreement with the Electronic Licensing System Vendor.

OLA Recommendations pertaining to Concern 3

- The Department of Natural Resources and Minnesota IT Services should finalize a detailed service level agreement with the Electronic Licensing System vendor prior to launching the system.

Agency Response to Concern 3

- **Narrative Response:** The Department of Natural Resources and Minnesota IT Services agree with this recommendation, and the service level agreement negotiations are in progress.
- **Current Status:** In progress
- **Completion Date:** The service level agreement will be finalized no later than April 30, 2026.

OLA Concern 4

- Phased implementation of the Electronic Licensing System makes it unclear how to implement statutory changes.

OLA Recommendations pertaining to Concern 4

- The Department of Natural Resources should determine which statutory changes are necessary for each Electronic Licensing System project phase.
- The Department of Natural Resources should work with the Legislature to ensure that statutory changes are effective based on the phased rollout of the Electronic Licensing System.

Agency Response to Concern 4

- **Narrative Response:** The decision to proceed with a phased launch occurred after legislative changes were made to accommodate the new system. The DNR reviewed the language in MN Laws 2024, Chapter 90 and identified relevant sections tied to licensing implementation and those tied to vehicles implementation. DNR has already initiated conversations with the Revisor and legislators and will continue to work with the legislature to clarify the effective date language.
- **Current Status:** Recommendation 1 is complete. Recommendation 2 is in progress.
- **Completion Date:** The statutory language will be clarified no later than May 31, 2026, assuming legislative action.

OLA Concern 5

- Ongoing project work is required to address functional gaps and complete the full Electronic Licensing System, following initial system launch.

OLA Recommendations pertaining to Concern 5

- The Department of Natural Resources and Minnesota IT Services should establish critical success criteria for each subsequent planned launch phase of the Electronic Licensing System and establish launch schedules based on satisfaction of the criteria.
- The Department of Natural Resources and Minnesota IT services should amend their contract with the vendor to define development obligations and any anticipated additional costs.
- The Department of Natural Resources and Minnesota IT Services should ensure that adequate funding remains available to complete the Electronic Licensing System project.

Agency Response to Concern 5

- **Narrative Response:** The DNR and MNIT previously developed success criteria for the vehicles function, and we will ensure those are met before that phase launches. We also will develop other success criteria as needed. Further, on March 3, 2026, the DNR and MNIT notified PayIT by letter that we would be requiring a contract amendment to reflect a phased and fast follow launch. We are now in the process of negotiating and executing that contract amendment and expect to have that in place very soon. The contract amendment will define development obligations, including delivery timelines, and cost structures. Finally, the DNR and MNIT are committed to continued funding for the ELS project, including working with the legislature to extend an appropriation.
- **Current Status:** In progress
- **Completion Date:** The amended contract will be finalized no later than April 15, 2026. DNR's work to extend financial appropriations will be complete no later than May 31, 2026, assuming legislative action. Finally, the completion of additional success criteria will depend on the timing of the launch of the vehicles module, which is not yet scheduled.

OLA Concern 6

- Deviations from project management best practices present ongoing project risks for additional delays.

OLA Recommendations pertaining to Concern 6

- The Department of Natural Resources and Minnesota IT Services should ensure that related work items are linked in the project management tool.
- The Department of Natural Resources and Minnesota IT services should require the vendor to provide deliverable timelines for each future phase and functional area of the Electronic Licensing System and incorporate these timelines into the state's contract with the vendor.

Agency Response to Concern 6

- **Narrative Response:** The DNR and MNIT agree that sound project management tools are essential. As the project moves forward, we will ensure that work items are linked in the project management tool. As part of our contract amendment, we have requested that PayIt deliver timelines for future phases in functional areas.
- **Current Status:** In progress
- **Completion Date:** The amended contract will be finalized no later than April 15, 2026.

OLA Concern 7

- The initial Electronic Licensing System launch will not eliminate the Department of Natural Resources' legacy systems and their associated risks.

OLA Recommendations pertaining to Concern 7

- The Department of Natural Resources and Minnesota IT Services should consider ways in which known risks with legacy systems can be mitigated prior to their replacement.
- The Department of Natural Resources and Minnesota IT services should identify opportunities to reduce known operation complexities and prioritize project tasks that contribute to simplifying ongoing operations and reducing legacy systems risk.

Agency Response to Concern 7

- **Narrative Response:** The DNR and MNIT agree that the legacy ELS system presents risks due to its age. To mitigate the risk, the DNR and MNIT are assembling an ELS Operational Readiness Plan that identifies known operational complexities, as well as security and maintenance risks to ensure there are reasonable business solutions in place for launch. Separately, the DNR is working on a project to review our license structure for opportunities to simplify and modernize our product catalog.
- **Current Status:** In progress
- **Completion Date:** The ELS Operational Readiness Plan will be finalized by April 30, 2026.

In closing, we remain grateful for your office and for the benefits third party audits can provide. Thank you again for your efforts in the spirit of continuous improvement for the State of Minnesota.

Sincerely,



Sarah Strommen
Commissioner
Minnesota Department of Natural Resources



Jon Eichten
Commissioner
Minnesota IT Services

CC: Bob Meier, Assistant Commissioner, Department of Natural Resources
Kelly Straka, Fish and Wildlife Division Director, Department of Natural Resources
Brandon Hirsch, Deputy Commissioner, Minnesota IT Services
Jenna Covey, Chief Business Technology Officer, Minnesota IT Services



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