

HOUSE BILL 1188

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CF SB 982

By: **Delegate Kaiser**

Introduced and read first time: February 8, 2024

Assigned to: Health and Government Operations and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Information Technology – Modernization of Information Technology Projects**

3 FOR the purpose of altering the duties of the Secretary of Information Technology related
4 to modernization of information technology systems; altering the authority of the
5 Board of Public Works over certain information technology projects; establishing the
6 Information Technology Investment Fund as a special, nonlapsing fund and the
7 Technology Investment Board; altering the duties and membership of the Modernize
8 Maryland Oversight Commission; and generally relating to information technology
9 modernization.

10 BY repealing and reenacting, with amendments,
11 Article – State Finance and Procurement
12 Section 3.5–303(a)(4), 3.5–307, 3.5–316, and 12–101
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2023 Supplement)

15 BY adding to
16 Article – State Finance and Procurement
17 Section 3.5–309.1 and 3.5–309.2
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2023 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – State Finance and Procurement**

23 3.5–303.

24 (a) The Secretary is responsible for carrying out the following duties:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(4) developing and maintaining a statewide information technology master plan that will:

(i) **IN CONSULTATION WITH THE MODERNIZE MARYLAND OVERSIGHT COMMISSION ESTABLISHED UNDER § 3.5–316 OF THIS SUBTITLE,** centralize the management and direction of information technology policy within the Executive Branch of State government under the control of the Department;

(ii) include all aspects of State information technology including telecommunications, security, data processing, and information management;

(iii) consider interstate transfers as a result of federal legislation and regulation;

(iv) ensure that the State information technology plan and related policies and standards are consistent with State goals, objectives, and resources, and represent a long-range vision for using information technology to improve the overall effectiveness of State government;

(v) include standards to assure nonvisual access to the information and services made available to the public over the Internet; and

(vi) allows a State agency to maintain the agency's own information technology unit that provides for information technology services to support the mission of the agency;

3.5–307.

(a) (1) A unit of State government may not purchase, lease, or rent information technology unless consistent with the master plan.

(2) A unit of State government other than a public institution of higher education may not make expenditures for major information technology development projects or cybersecurity projects except as provided in § 3.5–308 of this subtitle.

(b) The Secretary may review any information technology project or cybersecurity project for consistency with the master plan.

(c) (1) A unit of State government shall advise the Secretary of any information technology proposal involving:

(i) resource sharing;

(ii) the exchange of goods or services;

(iii) a gift, contribution, or grant of real or personal property; or

(iv) the sale, lease, exchange, or other disposition of communications facilities or communications frequencies.

(2) The Secretary shall determine if the value of the resources, services, property, or other consideration to be obtained by the State under the terms of any proposal submitted in accordance with paragraph (1) of this subsection equals or exceeds \$100,000.

(3) If the value of any proposal submitted in accordance with this subsection equals or exceeds \$100,000 and the Secretary and unit agree to proceed with the proposal, information on the proposal shall be:

(i) advertised for a period of at least 30 days in the eMaryland Marketplace; and

(ii) submitted, simultaneously with the advertisement, to the Legislative Policy Committee for a 60-day review and comment period, during which time the Committee may recommend that the proposal be treated as a procurement contract under Division II of this article.

(4) **(I) [Following] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOLLOWING** the period for review and comment by the Legislative Policy Committee under paragraph (3) of this subsection, the proposal is subject to approval by the Board of Public Works.

(II) A PROPOSAL TO MODERNIZE AN INFORMATION TECHNOLOGY SYSTEM SHALL BE EXEMPT FROM APPROVAL BY THE BOARD OF PUBLIC WORKS AS PROVIDED IN § 12-101 OF THIS ARTICLE.

(5) This subsection may not be construed as authorizing an exception from the requirements of Division II of this article for any contract that otherwise would be subject to the State procurement process.

(6) THE DEPARTMENT SHALL HIRE A CONTRACTOR TO ASSESS THE PROCUREMENT PROCESS FOR INFORMATION TECHNOLOGY PROJECTS INVOLVING MODERNIZATION.

3.5-309.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FUND” MEANS THE INFORMATION TECHNOLOGY INVESTMENT FUND.

1 **(3) "LEGACY SYSTEM" MEANS A HARDWARE OR SOFTWARE SYSTEM**
2 **THAT IS OUTMODED OR OBSOLETE.**

3 **(B) THERE IS AN INFORMATION TECHNOLOGY INVESTMENT FUND.**

4 **(C) (1) THE PURPOSE OF THE FUND IS TO ASSESS AND REPLACE LEGACY**
5 **SYSTEMS.**

6 **(2) THE DEPARTMENT SHALL HIRE A CONSULTANT TO ASSESS A**
7 **LEGACY SYSTEM, PRIORITIZED BASED ON THE SECURITY RISK OF THE SYSTEM.**

8 **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

9 **(E) THE DEPARTMENT, IN CONSULTATION WITH EACH UNIT OF STATE**
10 **GOVERNMENT, SHALL DETERMINE THE FUNDING REQUIRED TO ASSESS EACH**
11 **LEGACY SYSTEM IN THE UNIT AND A 5-YEAR PROJECTION OF FUNDING REQUIRED**
12 **TO MODERNIZE THE LEGACY SYSTEM.**

13 **(F) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
14 **SUBJECT TO § 7-302 OF THIS ARTICLE.**

15 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
16 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

17 **(G) THE FUND CONSISTS OF:**

18 **(1) TO THE EXTENT PRACTICABLE, MONEY RECEIVED FROM THE SALE**
19 **OF STATE GENERAL OBLIGATION BONDS; AND**

20 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND.**

21 **(H) THE FUND MAY BE USED FOR LEGACY SYSTEM ASSESSMENTS AND**
22 **REPLACEMENTS.**

23 **(I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
24 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

25 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
26 **THE GENERAL FUND OF THE STATE.**

27 **(J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
28 **WITH THE STATE BUDGET.**

(K) (1) BEGINNING IN FISCAL YEAR 2026 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND.

(2) IN FISCAL YEAR 2026, THE APPROPRIATION MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE GREATER THAN THE DEPARTMENT'S BUDGET FOR FISCAL YEAR 2025 FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS.

(L) ON OR BEFORE JANUARY 1, 2028, THE DEPARTMENT SHALL:

(1) ESTABLISH A PROCESS THROUGH WHICH THE PROCESS TO ASSESS AND REPLACE LEGACY SYSTEMS IS REPLACED WITH THE PROCESS FOR APPROVING AND REVIEWING MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS UNDER § 3.5-308 OF THIS SUBTITLE, INCLUDING GUARDRAILS TO ENSURE COMPLIANCE WITH THE PROCESS; AND

(2) SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE PROCESS ESTABLISHED UNDER ITEM (1) OF THIS SUBSECTION.

3.5-309.2.

(A) IN THIS SECTION, "BOARD" MEANS THE TECHNOLOGY INVESTMENT BOARD.

(B) THERE IS A TECHNOLOGY INVESTMENT BOARD IN THE DEPARTMENT.

(C) THE BOARD CONSISTS OF:

(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;

(2) THE COMPTROLLER, OR THE COMPTROLLER'S DESIGNEE;

(3) THE STATE TREASURER, OR THE STATE TREASURER'S DESIGNEE;

(4) THE GOVERNOR, OR THE GOVERNOR'S DESIGNEE;

(5) A MEMBER OF THE PUBLIC, APPOINTED BY THE GOVERNOR; AND

(6) ANY OTHER MEMBERS THE GOVERNOR DETERMINES ARE APPROPRIATE.

(D) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL SERVE AS CHAIR OF THE BOARD.

(E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE BOARD.

(F) THE BOARD SHALL:

(1) DEVELOP ENTERPRISE ARCHITECTURE STANDARDS FOR UNITS OF STATE GOVERNMENT TO ASSIST IN IDENTIFYING LEGACY SYSTEMS THAT REQUIRE MODERNIZATION;

(2) BEGINNING JANUARY 1, 2028, EVALUATE AND APPROVE ALL MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS INVOLVING THE MODERNIZATION OF INFORMATION TECHNOLOGY AND LEGACY SYSTEMS; AND

(3) ADOPT AN INFORMATION TECHNOLOGY INVESTMENT MATURITY MODEL THAT INCLUDES:

(I) CRITERIA TO INFORM INVESTMENT DECISIONS;

(II) PROCESSES TO DEVELOP THE INFORMATION REQUIRED TO EVALUATE INVESTMENT PROPOSALS AGAINST THE CRITERIA UNDER ITEM (I) OF THIS ITEM; AND

(III) MANAGEMENT PROCESSES TO MONITOR THE IMPLEMENTATION OF APPROVED MODERNIZATION PROJECTS.

(G) ON OR BEFORE DECEMBER 1 EACH YEAR, THE BOARD SHALL REPORT FUNDING DECISIONS MADE UNDER SUBSECTION (F) OF THIS SECTION TO THE BOARD OF PUBLIC WORKS.

3.5–316.

(a) (1) In this section the following words have the meanings indicated.

(2) “Commission” means the Modernize Maryland Oversight Commission.

(3) “Critical system” means an information technology or cybersecurity system that is severely outdated, as determined by the Department.

(4) “LEGACY SYSTEM” HAS THE MEANING STATED IN § 3.5–309.1 OF THIS SUBTITLE.

(b) There is an independent Modernize Maryland Oversight Commission.

(c) The purpose of the Commission is to[:

(1) ensure the confidentiality, integrity, and availability of information held by the State concerning State residents; and

(2) advise the Secretary and State Chief Information Security Officer on:

(i) the appropriate information technology and cybersecurity investments and upgrades;

(ii) the funding sources for the appropriate information technology and cybersecurity upgrades; and

(iii) future mechanisms for the procurement of appropriate information technology and cybersecurity upgrades, including ways to increase the efficiency of procurements made for information technology and cybersecurity upgrades]
ENSURE BEST PRACTICES RELATED TO THE MODERNIZATION AND THE REPLACEMENT OF LEGACY SYSTEMS.

(d) The Commission consists of the following members:

(1) the Secretary;

(2) the State Chief Information Security Officer;

(3) three chief information security officers representing different units of State government, appointed by the Governor;

(4) one information technology modernization expert with experience in the private sector, appointed by the Governor;

(5) one representative from the Maryland Chamber of Commerce with knowledge of cybersecurity issues;

(6) two individuals who are end users of State information technology systems, appointed by the Governor;

(7) one representative from the Cybersecurity Association of Maryland;
[and]

(8) one individual who is either an instructor or a professional in the academic field of cybersecurity at a college or university in the State, appointed by the Governor; **AND**

**(9) ONE EMPLOYEE OF THE OFFICE OF LEGISLATIVE AUDITS,
APPOINTED BY THE LEGISLATIVE AUDITOR.**

(e) The cochairs of the Joint Committee on Cybersecurity, Information Technology, and Biotechnology shall serve as advisory, nonvoting members of the Commission.

**(F) THE UNIVERSITY OF MARYLAND GLOBAL CAMPUS SHALL STAFF THE
COMMISSION.**

[(f)] (G) The Commission shall:

[(1) advise the Secretary on a strategic roadmap with a timeline and budget that will:

(i) require the updates and investments of critical information technology and cybersecurity systems identified by the Commission in the first recommendations reported under paragraph (2) of this subsection to be completed on or before December 31, 2025; and

(ii) require all updates and investments of information technology and cybersecurity to be made on or before December 31, 2030;

(2) make periodic recommendations on investments in State information technology structures based on the assessments completed in accordance with the framework developed in § 3.5–317 of this subtitle;

(3) review and provide recommendations on the Department's basic security standards for use of the network established under § 3.5–404(b) of this title; and

(4) each year, in accordance with § 2–1257 of the State Government Article, report its findings and recommendations to the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, the House Appropriations Committee, the House Health and Government Operations Committee, and the Joint Committee on Cybersecurity, Information Technology, and Biotechnology.]

**(1) IDENTIFY BEST PRACTICES FOR INFORMATION TECHNOLOGY
MODERNIZATION AND THE REPLACEMENT OF LEGACY SYSTEMS;**

**(2) PROVIDE RECOMMENDATIONS FOR MODERNIZATION OF
INFORMATION TECHNOLOGY SYSTEMS TO EACH UNIT OF STATE GOVERNMENT AND
THE GENERAL ASSEMBLY;**

**(3) PROMOTE TRANSPARENCY IN MODERNIZATION EFFORTS IN UNITS
OF STATE GOVERNMENT; AND**

(4) EACH YEAR, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, AND THE JOINT COMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY, AND BIOTECHNOLOGY.

[(g)] (H) The report submitted under subsection [(f)(4)] (G)(4) of this section may not contain information about the security of an information system.

12-101.

(a) (1) This section does not apply to:

[(1)] (I) capital expenditures by the Department of Transportation or the Maryland Transportation Authority, in connection with State roads, bridges, or highways, as provided in § 12-202 of this title; [or]

[(2)] (II) procurements by the Department of General Services for the purpose of modernizing cybersecurity infrastructure for the State valued below \$1,000,000; OR

(III) PROCUREMENTS BY THE DEPARTMENT OF INFORMATION TECHNOLOGY TO MODERNIZE AN INFORMATION TECHNOLOGY SYSTEM.

(2) THE AMOUNT IN PARAGRAPH (1)(II) OF THIS SUBSECTION MAY BE ADJUSTED BY THE DEPARTMENT OF INFORMATION TECHNOLOGY EACH YEAR FOR INFLATION.

(b) (1) The Board may control procurement by units.

(2) To implement the provisions of this Division II, the Board may:

(i) set policy;

(ii) adopt regulations, in accordance with Title 10, Subtitle 1 of the State Government Article; and

(iii) establish internal operational procedures consistent with this Division II.

(3) The Board shall ensure that the regulations of the primary procurement units provide for procedures that are consistent with this Division II and Title

13, Subtitle 4 of the State Personnel and Pensions Article and, to the extent the circumstances of a particular type of procurement or a particular unit do not require otherwise, are substantially the same.

(4) The Board may delegate any of its authority that it determines to be appropriate for delegation and may require prior Board approval for specified procurement actions.

(5) Except as limited by the Maryland Constitution, the Board may exercise any control authority conferred on a primary procurement unit by this Division II and, to the extent that its action conflicts with the action of the primary procurement unit, the action of the Board shall prevail.

(c) On or before December 1 each year, the Department of General Services shall submit a report to the Board on procurements made under subsection (a)(2) of this section that shall include for each procurement:

(1) the purpose of the procurement;

(2) the name of the contractor;

(3) the contract amount;

(4) the method of procurement utilized;

(5) the number of bidders who bid on the procurement; and

(6) the contract term.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 1, 2024, the Secretary of Information Technology shall:

(1) develop a strategic plan that includes modernization efforts and proposed modernization investments of information technology systems that are:

(i) specific;

(ii) measurable;

(iii) achievable;

(iv) relevant; and

(v) time-bound;

1 (2) develop a strategy for centralization of information technology
2 management across the Executive Branch of State government under the Department of
3 Information Technology; and

4 (3) submit the strategic plan and centralization strategy to the Governor
5 and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2024.