

HOUSE BILL 709

P1, S1

3lr2502
CF SB 659

By: **The Speaker (By Request – Office of the Comptroller)**

Introduced and read first time: February 7, 2023

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2023

CHAPTER _____

1 AN ACT concerning

2 ~~21st Century Financial Systems Council – Establishment~~
3 Modernization of State Financial Systems – 21st Century Financial Systems
4 Enterprise

5 FOR the purpose of ~~establishing the 21st Century Financial Systems Council to modernize~~
6 ~~the financial management information systems infrastructure in the State;~~
7 ~~specifying the responsibilities and priorities of the Council; establishing the position~~
8 ~~of the 21st Century Financial Systems Director in the Office of the Comptroller; and~~
9 ~~generally relating to the 21st Century Financial Systems Council~~ requiring the
10 Office of the Comptroller, the Office of the State Treasurer, the Department of
11 Budget and Management, the Department of Information Technology, and the
12 Department of General Services, in consultation with a representative of the
13 Modernize Maryland Oversight Commission, to develop, implement, manage, and
14 oversee the 21st Century Financial Systems Enterprise; and generally relating to
15 the modernization of State financial systems and the 21st Century Financial
16 Systems Enterprise.

17 BY adding to
18 Article – State Government
19 Section 4–113
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2022 Supplement)

22 Preamble

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, Substantial risk and waste are generated from the continued use of the
 2 State's existing accounting and payments platform, the Financial Management and
 3 Information System (FMIS), due to limited development resources, cybersecurity risks, and
 4 difficulties delivering functional enhancements to meet evolving end-user needs and
 5 legislative mandates; and

6 WHEREAS, The State must consider how future systems will integrate across the
 7 State's broader ecosystem and understand that there is substantial risk if key finance
 8 functions remain fractured in multiple systems; and

9 WHEREAS, The State's financial systems and applications are operated and
 10 maintained by different departments, which contributes to a complex information
 11 technology ecosystem and governance challenges; and

12 WHEREAS, The Office of the Comptroller, as the chief financial officer of the State,
 13 should lead the effort to consolidate and modernize the financial systems under a single
 14 21st Century Financial Systems Enterprise that shall become the State's financial system
 15 of record; and

16 WHEREAS, The Office of the Comptroller should partner with the Office of the State
 17 Treasurer, the Department of Budget and Management, the Department of Information
 18 Technology, and the Department of General Services to consolidate and modernize the
 19 financial systems under a single 21st Century Financial Systems Enterprise; and

20 WHEREAS, Because the Modernize Maryland Oversight Commission is responsible
 21 for a substantial amount of the State's information technology and cybersecurity
 22 collaboration, input and participation by that body and the constituent agencies it supports
 23 will be essential to the creation of the 21st Century Financial Systems Enterprise; and

24 WHEREAS, Because the State has multiple information technology modernization
 25 initiatives currently underway that may impact the implementation of a new financial
 26 management and payroll system, a coordinated strategy and strong legislative directive is
 27 required to minimize additional information technology complexities, technical debt,
 28 process inefficiency, and overall cost; now, therefore,

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

31 **Article – State Government**

32 **4-113.**

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

1 ~~(2) "COUNCIL" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS~~
2 ~~COUNCIL.~~

3 ~~(3) "DIRECTOR" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS~~
4 ~~DIRECTOR.~~

5 ~~(4) "ENTERPRISE" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS~~
6 ~~ENTERPRISE.~~

7 ~~(B) THERE IS A 21ST CENTURY FINANCIAL SYSTEMS COUNCIL.~~

8 ~~(C) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:~~

9 ~~(1) THE COMPTROLLER, OR THE COMPTROLLER'S DESIGNEE;~~

10 ~~(2) THE STATE TREASURER, OR THE TREASURER'S DESIGNEE;~~

11 ~~(3) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE~~
12 ~~SECRETARY'S DESIGNEE;~~

13 ~~(4) THE SECRETARY OF INFORMATION TECHNOLOGY, OR THE~~
14 ~~SECRETARY'S DESIGNEE; AND~~

15 ~~(5) THE SECRETARY OF GENERAL SERVICES, OR THE SECRETARY'S~~
16 ~~DESIGNEE.~~

17 ~~(D) (1) THE PRESIDENT OF THE SENATE MAY APPOINT ONE MEMBER OF~~
18 ~~THE SENATE TO SERVE IN AN ADVISORY CAPACITY ON THE COUNCIL.~~

19 ~~(2) THE SPEAKER OF THE HOUSE MAY APPOINT ONE MEMBER OF THE~~
20 ~~HOUSE OF DELEGATES TO SERVE IN AN ADVISORY CAPACITY ON THE COUNCIL.~~

21 ~~(E) THE COMPTROLLER, OR THE COMPTROLLER'S DESIGNEE, SHALL~~
22 ~~CHAIR THE COUNCIL.~~

23 ~~(F) THE OFFICE OF THE COMPTROLLER SHALL PROVIDE STAFF FOR THE~~
24 ~~COUNCIL.~~

25 ~~(G) A MEMBER OF THE COUNCIL:~~

26 ~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE~~
27 ~~COUNCIL; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

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

(2) “DEPARTMENTS” MEANS:

(I) THE OFFICE OF THE COMPTROLLER;

(II) THE OFFICE OF THE STATE TREASURER;

(III) THE DEPARTMENT OF BUDGET AND MANAGEMENT;

(IV) THE DEPARTMENT OF INFORMATION TECHNOLOGY; AND

(V) THE DEPARTMENT OF GENERAL SERVICES.

(3) “FINANCIAL MANAGEMENT INFRASTRUCTURE” MEANS THE INFORMATION TECHNOLOGY INFRASTRUCTURE THAT IS USED TO MAINTAIN THE GENERAL LEDGER AND ACCOUNTANCY FOR THE STATE, INCLUDING SUBLEDGER FUNCTIONS THAT ENABLE THE MANAGEMENT OF ALL PAYMENTS AND FUND TRANSFERS THROUGHOUT THE STATE.

(4) “21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE” MEANS A MODERN CLOUD-BASED INFORMATION TECHNOLOGY INFRASTRUCTURE.

~~(H)~~ (B) THE COUNCIL IN CONSULTATION WITH A DESIGNATED REPRESENTATIVE FROM THE MODERNIZE MARYLAND OVERSIGHT COMMISSION, THE DEPARTMENTS SHALL:

(1) SET POLICIES, OBJECTIVES, AND PRIORITIES FOR THE TRANSFORMATION OF THE STATE’S FINANCIAL MANAGEMENT INFORMATION SYSTEMS INFRASTRUCTURE INTO THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(2) LEARN THE NEEDS AND PRIORITIES OF ALL USERS OF THE FINANCIAL MANAGEMENT INFORMATION SYSTEMS AND FUTURE KNOWN USERS OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(3) COLLABORATE WITH CONSULTANTS TO CREATE A PROJECT PROPOSAL FOR, AND OVERSEE IMPLEMENTATION OF, THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

1 (4) OVERSEE, COORDINATE, AND AUTHORIZE THE ASSIGNMENT OF
2 RESOURCES ~~TO~~ FOR THE DEVELOPMENT OF THE 21ST CENTURY FINANCIAL
3 SYSTEMS ENTERPRISE;

4 (5) ESTABLISH WORKING GROUPS AS NEEDED; AND

5 (6) RECOMMEND ANY LEGISLATIVE CHANGES CONSIDERED
6 NECESSARY BY THE ~~COUNCIL~~ DEPARTMENTS TO ADDRESS FINANCIAL
7 MANAGEMENT INFORMATION SYSTEMS ISSUES.

8 ~~(H)~~ (C) ~~THE COUNCIL~~ IN CONSULTATION WITH A DESIGNATED
9 REPRESENTATIVE FROM THE MODERNIZE MARYLAND OVERSIGHT COMMISSION,
10 THE DEPARTMENTS SHALL SET PRIORITIES TO:

11 (1) STANDARDIZE FINANCIAL MANAGEMENT FOR ALL STATE
12 AGENCIES BY REQUIRING ALL STATE AGENCIES TO PARTICIPATE IN THE 21ST
13 CENTURY FINANCIAL SYSTEMS ENTERPRISE;

14 (2) PROVIDE SUPPORT TO PARTICIPATING UNITS IN ACCORDANCE
15 WITH THE POLICIES AND OBJECTIVES ESTABLISHED BY THE ~~COUNCIL~~
16 DEPARTMENTS;

17 (3) CONFORM TO MODERNIZED BUSINESS AND TECHNOLOGY
18 STANDARDS; ~~AND~~

19 (4) HOST AND MANAGE MODERNIZED APPLICATIONS AND SHARED
20 DATA FOR THE DELIVERY OF ALL ACCOUNTING SERVICES IN THE STATE;

21 ~~(J) (1) THERE IS A 21ST CENTURY FINANCIAL SYSTEMS DIRECTOR IN~~
22 ~~THE OFFICE OF THE COMPTROLLER.~~

23 ~~(2) THE DIRECTOR SHALL BE APPOINTED BY AND SERVE AT THE~~
24 ~~PLEASURE OF THE COMPTROLLER.~~

25 ~~(3) THE DIRECTOR SHALL BE PART OF THE STAFF OF THE OFFICE OF~~
26 ~~THE COMPTROLLER FOR ADMINISTRATIVE, STAFFING, AND BUDGETARY PURPOSES.~~

27 ~~(4) THE DIRECTOR SHALL:~~

28 ~~(H)~~ (5) USE AND MANAGE THE 21ST CENTURY FINANCIAL
29 SYSTEMS ENTERPRISE TO ACHIEVE THE GOALS AND OBJECTIVES SET BY THE
30 ~~COUNCIL~~ DEPARTMENTS;

1 ~~(H)~~ **(6)** FACILITATE AND COORDINATE THE DELIVERY OF
2 PORTFOLIO PRODUCTS AND SERVICES;

3 ~~(H)~~ **(7)** ENSURE THE FAITHFUL EXECUTION OF ALL
4 AGREEMENTS ENTERED INTO ON BEHALF OF THE ~~COUNCIL~~ DEPARTMENTS; AND

5 ~~(IV)~~ **(8)** OVERSEE AND BE RESPONSIBLE FOR THE OVERSIGHT,
6 IMPLEMENTATION, AND MANAGEMENT OF THE 21ST CENTURY FINANCIAL SYSTEMS
7 ENTERPRISE.

8 **(D)** THE OFFICE OF THE COMPTROLLER, IN ACCORDANCE WITH § 2-1257
9 OF THIS ARTICLE, SHALL REPORT TO THE GENERAL ASSEMBLY ON THE STATUS OF
10 THE DEVELOPMENT OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE
11 BEGINNING ON OR BEFORE DECEMBER 31, 2023, AND EVERY 6 MONTHS
12 THEREAFTER, ENDING WITH THE FINAL REPORT DUE ON OR BEFORE JANUARY 1,
13 2027.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 ~~October~~ July 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.