

# SENATE BILL 982

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By: **Senator Hester**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment and Budget and Taxation

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## 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:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

20 3.5–307.

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

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

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

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

30 (i) resource sharing;

31 (ii) the exchange of goods or services;

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

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

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

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

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

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

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

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

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

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

28 **3.5-309.1.**

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

31 (2) **“FUND” MEANS THE INFORMATION TECHNOLOGY INVESTMENT**  
32 **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.**

1           **(K) (1) BEGINNING IN FISCAL YEAR 2026 AND EACH FISCAL YEAR**  
2 **THEREAFTER, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN**  
3 **APPROPRIATION TO THE FUND ALIGNED WITH THE STATE MODERNIZATION PLAN.**

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

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

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

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

17 **3.5-309.2.**

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

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

21           **(C) THE BOARD CONSISTS OF:**

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

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

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

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

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

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

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

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

4           **(F) THE BOARD SHALL:**

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

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

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

13                           **(I) CRITERIA TO INFORM INVESTMENT DECISIONS;**

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

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

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

22 3.5–316.

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

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

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

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

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

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

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

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

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

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

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

14 (d) The Commission consists of the following members:

15 (1) the Secretary;

16 (2) the State Chief Information Security Officer;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

10 12-101.

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

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

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

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

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

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

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

25                                   (i) set policy;

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

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

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

1 13, Subtitle 4 of the State Personnel and Pensions Article and, to the extent the  
2 circumstances of a particular type of procurement or a particular unit do not require  
3 otherwise, are substantially the same.

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

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

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

14 (1) the purpose of the procurement;

15 (2) the name of the contractor;

16 (3) the contract amount;

17 (4) the method of procurement utilized;

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

19 (6) the contract term.

20 SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 1,  
21 2024, the Secretary of Information Technology shall:

22 (1) develop a State Modernization Plan that includes:

23 (i) identification of technical debt and legacy systems including  
24 criticality, complexity, and risk to the State;

25 (ii) designation of priority systems and applications for  
26 modernization including rehosting, rebuilding, replacing, or retiring;

27 (iii) specific recommendations for the Annapolis Data Center  
28 mainframes and the development of a sunset goal; and

29 (iv) high level timeframe and cost estimates.

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 July  
7 1, 2024.