

HOUSE BILL 835

Unofficial Copy
P1

2002 Regular Session
(21r2630)

ENROLLED BILL

-- Commerce and Government Matters and Appropriations/Budget and Taxation and Finance --

Introduced by **Delegates Rawlings, Cadden, and W. Baker**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER 468

1 AN ACT concerning

2 **Department of Budget and Management - Major Information Technology**
3 **Development Projects**

4 FOR the purpose of prohibiting ~~an agency or~~ a unit of State government from making
5 certain expenditures except under certain circumstances; requiring ~~an agency or~~
6 a unit of State government to designate certain projects in submitting certain
7 requests; authorizing the Chief to change a certain designation by ~~an agency or~~
8 a unit of State government; requiring the Chief to review and approve certain
9 projects; ~~requiring funding for major information technology development~~
10 ~~projects to be provided only through a certain fund~~; creating the Major
11 Information Technology Development Project Fund; specifying the purpose of
12 the Fund and the authorized uses of the Fund; requiring the Governor to submit
13 a certain summary with the budget; authorizing the Chief of Information
14 Technology to review certain projects and specifications for consistency with the
15 statewide information technology master plan; specifying the source of moneys
16 in the Fund; repealing the Information Technology Investment Fund; providing
17 that, effective on a certain date, any unencumbered balance in the Information

1 Technology Investment Fund shall be transferred to the Major Information
 2 Technology Development Project Fund; providing that certain existing projects
 3 in the Governor's Fiscal 2003 Operating Budget are subject to the provisions of
 4 this Act; providing that certain information technology projects may not be
 5 implemented without the approval of the Chief and the Secretary of the
 6 Department of Budget and Management; authorizing the Department of Budget
 7 and Management to conduct emergency procurements under certain
 8 circumstances; authorizing the Secretary of Budget and Management to create
 9 new programs to implement the provisions of this Act; requiring the Chief to
 10 provide certain assistance, advice, and recommendations to certain units of
 11 State government; requiring the Department to submit a certain report by a
 12 certain date each year; defining certain terms; and generally relating to the
 13 Department of Budget and Management and major information technology
 14 development projects.

15 BY repealing and reenacting, with amendments,
 16 Article - State Finance and Procurement
 17 Section 3-401(b), 3-402, 3-405, and 3-410
 18 Annotated Code of Maryland
 19 (2001 Replacement Volume)

20 BY adding to
 21 Article - State Finance and Procurement
 22 Section 3-410.1 and 3-410.2
 23 Annotated Code of Maryland
 24 (2001 Replacement Volume)

25 BY repealing
 26 Article - State Finance and Procurement
 27 Section 7-316
 28 Annotated Code of Maryland
 29 (2001 Replacement Volume)

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

32 **Article - State Finance and Procurement**

33 3-401.

34 (b) Notwithstanding any other provision of law, except as provided in
 35 subsection (a) of this section and [§ 3-403(c)] §§3-403(C), 3-405(A)(2), 3-410.1, AND
 36 3-410.2 of this subtitle, this subtitle applies to all units of the Executive Branch of
 37 State government including public institutions of higher education other than the
 38 University System of Maryland.

1 3-402.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) "Board" means the Information Technology Board.

4 (c) "Chief" means the Chief of Information Technology.

5 (D) (1) "DEVELOPMENT" MEANS ALL EXPENDITURES FOR A NEW
6 INFORMATION TECHNOLOGY SYSTEM OR AN ENHANCEMENT TO AN EXISTING
7 SYSTEM INCLUDING SYSTEM:

8 (I) PLANNING;

9 (II) PROCUREMENT;

10 (III) CREATION;

11 (IV) INSTALLATION;

12 (V) TESTING; AND

13 (VI) INITIAL TRAINING.

14 (2) "DEVELOPMENT" DOES NOT INCLUDE:

15 (I) ONGOING OPERATING COSTS, SOFTWARE OR HARDWARE
16 MAINTENANCE, ROUTINE UPGRADES, OR, MODIFICATIONS THAT MERELY ALLOW
17 FOR A CONTINUATION OF THE EXISTING LEVEL OF FUNCTIONALITY; OR

18 (II) EXPENDITURES MADE AFTER A NEW OR ENHANCED SYSTEM
19 HAS BEEN LEGALLY ACCEPTED BY THE USER AND IS BEING USED FOR THE BUSINESS
20 PROCESS FOR WHICH IT WAS INTENDED.

21 (E) "FUND" MEANS THE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT
22 PROJECT FUND.

23 [(d)] (F) "Information technology" means all electronic information processing
24 hardware and software, including:

25 (1) maintenance;

26 (2) telecommunications; and

27 (3) associated consulting services.

28 [(e)] (G) "Information technology services" means information provided by
29 electronic means by or on behalf of a unit of State government.

1 (H) "MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT" MEANS
 2 ANY INFORMATION TECHNOLOGY DEVELOPMENT PROJECT THAT MEETS ONE OR
 3 MORE OF THE FOLLOWING CRITERIA:

4 (1) THE ESTIMATED TOTAL COST OF DEVELOPMENT EQUALS OR
 5 EXCEEDS \$1 MILLION;

6 (2) THE PROJECT IS UNDERTAKEN TO SUPPORT A CRITICAL BUSINESS
 7 FUNCTION ASSOCIATED WITH THE PUBLIC HEALTH, EDUCATION, SAFETY, OR
 8 FINANCIAL WELL-BEING OF THE CITIZENS OF MARYLAND; OR

9 (3) THE SECRETARY DETERMINES THAT THE PROJECT REQUIRES THE
 10 SPECIAL ATTENTION AND CONSIDERATION GIVEN TO A MAJOR INFORMATION
 11 TECHNOLOGY DEVELOPMENT PROJECT DUE TO:

12 (I) THE SIGNIFICANCE OF THE PROJECT'S POTENTIAL BENEFITS
 13 OR RISKS;

14 (II) THE IMPACT OF THE PROJECT ON THE PUBLIC OR LOCAL
 15 GOVERNMENTS;

16 (III) THE PUBLIC VISIBILITY OF THE PROJECT; OR

17 (IV) OTHER REASONS AS DETERMINED BY THE SECRETARY.

18 [(f)] (I) "Nonvisual access" means the ability, through keyboard control,
 19 synthesized speech, Braille, or other methods not requiring sight, to receive, use and
 20 manipulate information, and operate controls necessary to access information
 21 technology.

22 (J) "SYSTEMS DEVELOPMENT LIFE CYCLE PLAN" MEANS A PLAN WHICH
 23 DEFINES ALL ACTIONS, FUNCTIONS, OR ACTIVITIES TO BE PERFORMED BY ~~AN~~
 24 ~~AGENCY OR A~~ UNIT OF STATE GOVERNMENT IN THE DEFINITION, PLANNING,
 25 ACQUISITION, DEVELOPMENT, TESTING, IMPLEMENTATION, OPERATION,
 26 ENHANCEMENT, AND MODIFICATION OF INFORMATION TECHNOLOGY SYSTEMS.

27 [(g)] (K) "Telecommunications" has the meaning provided in § 3-701 of this
 28 title.

29 [(h)] (L) "Resource sharing" means the utilization of a State resource by
 30 private industry in exchange for the provision to the State of a communication service
 31 or other consideration.

32 (M) ~~(+)~~ "UNIT OF STATE GOVERNMENT" MEANS AN AGENCY OR UNIT OF THE
 33 EXECUTIVE BRANCH OF STATE GOVERNMENT.

34 ~~(2)~~ "UNIT" DOES NOT INCLUDE A PUBLIC INSTITUTION OF HIGHER
 35 EDUCATION.

1 3-405.

2 (a) (1) A unit OF STATE GOVERNMENT ~~of the Executive Branch of the State~~
3 ~~government~~ may not purchase, lease, or rent information technology unless
4 consistent with the statewide information technology master plan.

5 (2) ~~AN AGENCY OR UNIT OF THE EXECUTIVE BRANCH OF THE STATE~~
6 ~~GOVERNMENT A UNIT OF STATE GOVERNMENT OTHER THAN A PUBLIC INSTITUTION~~
7 OF HIGHER EDUCATION MAY NOT MAKE EXPENDITURES FOR ~~THE DEVELOPMENT OF~~
8 MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS EXCEPT AS
9 PROVIDED IN §§ ~~3-410.1 AND 3-410.2~~ § 3-410.1 OF THIS SUBTITLE.

10 (b) (1) The [Secretary] CHIEF may review any information technology
11 project for consistency with the statewide information technology master plan.

12 (2) Any information technology project selected for review may not be
13 implemented without the [Secretary's] approval ~~OF THE CHIEF AND THE~~
14 ~~SECRETARY~~.

15 (c) (1) A unit OF STATE GOVERNMENT ~~of government in the Executive~~
16 ~~Branch of State government~~ shall advise the Chief of any information technology
17 proposal involving resource sharing, the exchange of goods or services, or a gift,
18 contribution, or grant of real or personal property.

19 (2) The Chief shall determine if the value of the resources, services, and
20 property to be obtained by the State under the terms of any proposal submitted in
21 accordance with the provisions of paragraph (1) of this subsection equals or exceeds
22 \$100,000.

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

26 (i) advertised for a period of at least 30 days in the "Contract
27 Weekly", as published by the Office of the Secretary of State; and

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

32 (4) Following the period for review and comment by the Legislative
33 Policy Committee under paragraph (3) of this subsection, the proposal is subject to
34 approval by the Board of Public Works.

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

1 3-410.

2 (a) The Chief of Information Technology is established within the Department.

3 (b) The Chief shall be appointed by the Secretary and serves at the Secretary's
4 pleasure.

5 (c) The Chief shall be provided appropriate professional and administrative
6 staff by the Secretary as provided in the budget.

7 (d) The Chief is responsible to the Secretary in carrying out the following
8 duties:

9 (1) developing, maintaining, and enforcing statewide information
10 technology standards, policies, and procedures;

11 (2) providing technical assistance, advice, and recommendations to the
12 Secretary ~~AND ANY AGENCY OR UNIT~~ OF STATE GOVERNMENT OF THE STATE
13 ~~GOVERNMENT~~ concerning information technology matters;

14 (3) [reviewing major information technology projects for consistency
15 with statewide plans, policies, and standards;

16 (4)] reviewing each unit's annual project plan to make information and
17 services available to the public over the Internet;

18 [(5)] (4) developing and maintaining a statewide information technology
19 master plan that will:

20 (i) be the basis for the management and direction of information
21 technology within the Executive Branch of State government;

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

24 (iii) consider interstate transfers due to federal legislation and
25 regulation;

26 (iv) ensure that information technology plans and budgets are
27 consistent;

28 (v) ensure that State information technology plans, policies, and
29 standards are consistent with State goals, objectives, and resources, and represent a
30 long-range vision for using information technology to improve the overall
31 effectiveness of State government; and

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

1 [(6)] (5) adopting by regulation and enforcing nonvisual access
 2 standards to be used in the procurement of information technology and the provision
 3 of information technology services by or on behalf of units of State government.

4 3-410.1.

5 (A) THIS SECTION DOES NOT APPLY TO A PUBLIC INSTITUTION OF HIGHER
 6 EDUCATION.

7 ~~(A)~~ (B) IN SUBMITTING ~~THEIR~~ ITS INFORMATION TECHNOLOGY PROJECT
 8 REQUESTS, ~~AN AGENCY OR A~~ UNIT OF STATE GOVERNMENT SHALL DESIGNATE ~~IF~~
 9 THEY PROJECTS WHICH ARE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT
 10 PROJECTS.

11 ~~(B)~~ (C) IN REVIEWING ~~AGENCY~~ INFORMATION TECHNOLOGY ~~PROJECTS~~
 12 PROJECT REQUESTS, THE CHIEF MAY CHANGE ~~AN AGENCY'S OR A~~ UNIT'S
 13 DESIGNATION OF A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT.

14 ~~(C)~~ (D) THE CHIEF SHALL REVIEW AND APPROVE MAJOR INFORMATION
 15 TECHNOLOGY DEVELOPMENT PROJECTS AND SPECIFICATIONS FOR CONSISTENCY
 16 WITH STATEWIDE PLANS, POLICIES, AND STANDARDS, INCLUDING A SYSTEMS
 17 DEVELOPMENT LIFE CYCLE PLAN.

18 ~~(D)~~ (E) ~~FUNDING FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT~~
 19 ~~PROJECTS SHALL BE PROVIDED ONLY THROUGH THE MAJOR INFORMATION~~
 20 ~~TECHNOLOGY DEVELOPMENT PROJECT FUND~~ THE CHIEF SHALL BE RESPONSIBLE
 21 FOR OVERSEEING THE IMPLEMENTATION OF MAJOR INFORMATION TECHNOLOGY
 22 DEVELOPMENT PROJECTS, REGARDLESS OF FUND SOURCE.

23 ~~(E)~~ (F) EXPENDITURES FOR MAJOR INFORMATION TECHNOLOGY
 24 DEVELOPMENT PROJECTS SHALL BE SUBJECT TO THE APPROVAL OF THE CHIEF
 25 WHO SHALL APPROVE EXPENDITURES ONLY WHEN THOSE PROJECTS ARE
 26 CONSISTENT WITH STATEWIDE PLANS, POLICIES, AND STANDARDS.

27 ~~(F)~~ (G) (1) THE CHIEF SHALL APPROVE FUNDING FOR MAJOR
 28 INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS ONLY WHEN THOSE
 29 PROJECTS ARE SUPPORTED BY AN APPROVED SYSTEMS DEVELOPMENT LIFE CYCLE
 30 PLAN.

31 (2) THE CHIEF MAY APPROVE FUNDING INCREMENTALLY, CONSISTENT
 32 WITH THE SYSTEMS DEVELOPMENT LIFE CYCLE PLAN.

33 3-410.2.

34 (A) IN THIS SECTION, "FUND" MEANS THE MAJOR INFORMATION
 35 TECHNOLOGY DEVELOPMENT PROJECT FUND.

36 (B) THERE IS A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT
 37 FUND.

1 (C) THE PURPOSE OF THE FUND IS TO SUPPORT MAJOR INFORMATION
2 TECHNOLOGY DEVELOPMENT PROJECTS.

3 (D) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT IS NOT
4 SUBJECT TO § 7-302 OF THIS ARTICLE.

5 (E) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE FUND
6 CONSISTS OF:

7 (1) ALL MONEYS APPROPRIATED IN THE STATE BUDGET TO THE FUND;

8 (2) MONEYS RECEIVED FROM THE SALE, LEASE, OR EXCHANGE OF
9 COMMUNICATION SITES OR COMMUNICATION FREQUENCIES FOR INFORMATION
10 TECHNOLOGY PURPOSES AS DETERMINED BY THE CHIEF AND AS APPROVED BY THE
11 SECRETARY;

12 (3) MONEYS RECEIVED AS COMMISSIONS, REBATES, REFUNDS, RATE
13 REDUCTIONS, OR TELECOMMUNICATION BYPASS AGREEMENTS RESULTING FROM
14 INFORMATION TECHNOLOGY SERVICES OR PURCHASES;

15 (4) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THAT
16 PORTION OF MONEYS EARNED FROM PAY PHONE COMMISSIONS TO THE EXTENT
17 THAT THE COMMISSION RATES EXCEED THOSE IN EFFECT IN DECEMBER 1993; ~~AND~~

18 (5) ANY MONEYS RECEIVED AND ACCEPTED AS GIFTS, CONTRIBUTIONS,
19 OR GRANTS AS AUTHORIZED UNDER SUBSECTION (H) OF THIS SECTION; AND

20 (6) GENERAL FUNDS APPROPRIATED FOR MAJOR INFORMATION
21 TECHNOLOGY DEVELOPMENT PROJECTS OF ANY UNIT OF STATE GOVERNMENT
22 OTHER THAN A PUBLIC INSTITUTION OF HIGHER EDUCATION THAT:

23 (I) ARE UNENCUMBERED AND UNEXPENDED AT THE END OF A
24 FISCAL YEAR;

25 (II) HAVE BEEN ABANDONED; OR

26 (III) HAVE BEEN WITHHELD BY THE GENERAL ASSEMBLY OR THE
27 SECRETARY.

28 (F) THE FUND DOES NOT INCLUDE ANY MONEYS:

29 (1) RECEIVED BY THE DEPARTMENT OF TRANSPORTATION, MARYLAND
30 TRANSPORTATION AUTHORITY, OR MARYLAND PUBLIC BROADCASTING COMMISSION;

31 (2) RECEIVED BY THE JUDICIAL OR LEGISLATIVE BRANCHES OF STATE
32 GOVERNMENT; OR

33 (3) GENERATED FROM PAY PHONE COMMISSIONS THAT ARE CREDITED
34 TO OTHER ACCOUNTS OR FUNDS IN ACCORDANCE WITH OTHER PROVISIONS OF LAW
35 OR ARE AUTHORIZED FOR OTHER PURPOSES IN THE BUDGET OR THROUGH AN
36 APPROVED BUDGET AMENDMENT.

1 (G) (1) THE STATE TREASURER SHALL HOLD AND THE STATE
2 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

3 (2) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME
4 MANNER AS OTHER STATE FUNDS.

5 (3) INVESTMENT EARNINGS SHALL ACCRUE TO THE CREDIT OF THE
6 FUND.

7 (H) THE CHIEF:

8 (1) SHALL ADMINISTER THE FUND IN ACCORDANCE WITH THIS
9 SECTION; AND

10 (2) SUBJECT TO THE PROVISIONS OF §§ 2-201 AND 3-405 OF THIS
11 ARTICLE, MAY RECEIVE AND ACCEPT CONTRIBUTIONS, GRANTS, OR GIFTS OF MONEY
12 OR PROPERTY;

13 ~~(3) SHALL BE RESPONSIBLE FOR OVERSEEING THE IMPLEMENTATION~~
14 ~~OF PROJECTS FUNDED BY MONEYS FROM THE FUND;~~

15 ~~(4) SHALL APPROVE FUNDING FOR MAJOR INFORMATION TECHNOLOGY~~
16 ~~PROJECTS ONLY WHEN THOSE PROJECTS ARE CONSISTENT WITH STATEWIDE PLANS,~~
17 ~~POLICIES, AND STANDARDS; AND~~

18 ~~(5) SHALL APPROVE FUNDING FOR MAJOR INFORMATION TECHNOLOGY~~
19 ~~PROJECTS ONLY WHEN THOSE PROJECTS ARE SUPPORTED BY AN APPROVED~~
20 ~~SYSTEMS DEVELOPMENT LIFE CYCLE PLAN. THE CHIEF MAY APPROVE FUNDING~~
21 ~~INCREMENTALLY CONSISTENT WITH THE SYSTEMS DEVELOPMENT LIFE CYCLE~~
22 ~~PLAN.~~

23 (I) THE GOVERNOR SHALL SUBMIT WITH THE BUDGET:

24 (1) A SUMMARY SHOWING THE UNENCUMBERED BALANCE IN THE FUND
25 AS OF THE CLOSE OF THE PRIOR FISCAL YEAR AND A LISTING OF ANY
26 ENCUMBRANCES;

27 (2) AN ESTIMATE OF PROJECTED REVENUE FROM EACH OF THE
28 SOURCES SPECIFIED IN SUBSECTION (E) OF THIS SECTION FOR THE FISCAL YEAR
29 FOR WHICH THE BUDGET IS SUBMITTED; AND

30 (3) A DESCRIPTIVE LISTING OF PROJECTS REFLECTING PROJECTED
31 COSTS FOR THE FISCAL YEAR FOR WHICH THE BUDGET IS SUBMITTED AND ANY
32 ESTIMATED FUTURE YEAR COSTS.

33 (J) EXPENDITURES FROM THE FUND SHALL BE MADE ONLY:

34 (1) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
35 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

1 (2) THROUGH AN APPROVED BUDGET AMENDMENT UNDER ~~PART II OF~~
 2 ~~SUBTITLE 2 OF THIS TITLE~~ TITLE 7, SUBTITLE 2, PART II OF THIS ARTICLE, PROVIDED
 3 THAT:

4 ~~(H)~~ A BUDGET AMENDMENT ~~IS SUBMITTED~~ FOR ANY PROJECT NOT
 5 REQUESTED AS PART OF THE BUDGET SUBMISSION OR FOR ANY PROJECT ~~WHERE~~
 6 ~~FOR WHICH THE SCOPE OR COST HAS INCREASED BY MORE THAN 5% OR \$250,000 FOR~~
 7 ~~A PROJECT THAT WAS REQUESTED AS PART OF THE BUDGET SUBMISSION; AND~~

8 ~~(H)~~ ~~THE BUDGET AMENDMENT AND SUPPORTING~~
 9 ~~DOCUMENTATION HAVE BEEN~~ SHALL BE SUBMITTED TO THE BUDGET COMMITTEES
 10 ALLOWING A ~~60-DAY~~ 30-DAY PERIOD FOR THEIR REVIEW AND COMMENT.

11 (K) THE FUND MAY BE USED FOR:

12 (1) MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS; OR

13 (2) AS PROVIDED IN SUBSECTION (L) OF THIS SECTION.

14 (L) NOTWITHSTANDING SUBSECTION (C) OF THIS SECTION AND EXCEPT FOR
 15 THE COST INCURRED IN ADMINISTERING THE FUND, EACH FISCAL YEAR UP TO \$1
 16 MILLION OF THIS FUND MAY BE USED FOR:

17 (1) EDUCATIONALLY RELATED INFORMATION TECHNOLOGY PROJECTS;

18 (2) APPLICATION SERVICE PROVIDER INITIATIVES AS PROVIDED FOR IN
 19 TITLE 9, SUBTITLE 22 OF THE STATE GOVERNMENT ARTICLE; AND

20 (3) INFORMATION TECHNOLOGY PROJECTS, INCLUDING:

21 (I) PILOTS; AND

22 (II) PROTOTYPES.

23 ~~(L)~~ (M) ~~ANY AGENCY, A~~ UNIT OF STATE GOVERNMENT; OR LOCAL
 24 GOVERNMENT MAY SUBMIT A REQUEST TO THE CHIEF TO SUPPORT THE COST OF AN
 25 INFORMATION TECHNOLOGY PROJECT WITH MONEYS UNDER SUBSECTION ~~(K)~~ (L) OF
 26 THIS SECTION.

27 ~~(M)~~ (N) (1) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE CHIEF SHALL
 28 REPORT TO THE GOVERNOR AND TO THE BUDGET COMMITTEES OF THE GENERAL
 29 ASSEMBLY AND SUBMIT A COPY OF THE REPORT TO THE GENERAL ASSEMBLY IN
 30 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

31 (2) THE REPORT SHALL INCLUDE:

32 (I) THE FINANCIAL STATUS OF THE FUND AND A SUMMARY OF ITS
 33 OPERATIONS FOR THE PRECEDING FISCAL YEAR;

1 (II) AN ACCOUNTING FOR THE PRECEDING FISCAL YEAR OF ALL
2 MONEYS FROM EACH OF THE REVENUE SOURCES SPECIFIED IN SUBSECTION (E) OF
3 THIS SECTION, INCLUDING ANY EXPENDITURES MADE FROM THE FUND; AND

4 (III) A DESCRIPTION OF PROJECTS RECEIVING MONEYS FROM THE
5 FUND IN THE PRECEDING FISCAL YEAR AND THE STATUS OF EACH PROJECT WITH A
6 COMPARISON OF ESTIMATED AND ACTUAL COSTS AND ANY KNOWN OR ANTICIPATED
7 CHANGES IN SCOPE OR COSTS.

8 [7-316.

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

10 (2) "Chief of Information Technology" means the Chief of Information
11 Technology within the Department of Budget and Management.

12 (3) "Fund" means the Information Technology Investment Fund.

13 (4) "Information technology" has the meaning provided in § 3-402 of this
14 article.

15 (5) "Secretary" means the Secretary of Budget and Management.

16 (b) There is an Information Technology Investment Fund.

17 (c) (1) The Fund is established to encourage State agencies to be more
18 effective in their use of information technology and to fund information technology
19 initiatives in accordance with the provisions of this section.

20 (2) It is the policy of the State that State agencies use their resources to
21 promote the advancement of information technology. It is the intent of the State that
22 private use of a State resource should further a legitimate public purpose and not be
23 used as a means to compete with the private sector.

24 (d) The Fund is a continuing, nonlapsing special fund that is not subject to §
25 7-302 of this subtitle.

26 (e) Except as provided in subsection (f) of this section and subject to the
27 limitations of subsection (h) of this section, the Fund consists of:

28 (1) all moneys appropriated in the State budget to the Fund;

29 (2) moneys received from the sale, lease, or exchange of communication
30 sites or communication frequencies for information technology purposes as
31 determined by the Chief of Information Technology and as approved by the Secretary;

32 (3) moneys received as commissions, rebates, refunds, rate reductions, or
33 telecommunication bypass agreements resulting from information technology
34 services or purchases;

1 (4) except as provided in subsection (f) of this section, that portion of
2 moneys earned from pay phone commissions to the extent that the commission rates
3 exceed those in effect in December 1993; and

4 (5) any moneys received and accepted as gifts, contributions, or grants
5 as authorized under subsection (i) of this section.

6 (f) The Fund does not include any moneys:

7 (1) received by the Department of Transportation, Maryland
8 Transportation Authority, or Maryland Public Broadcasting Commission;

9 (2) received by the Judicial or Legislative Branches of State government;
10 or

11 (3) generated from pay phone commissions that are credited to other
12 accounts or funds in accordance with other provisions of law or are authorized for
13 other purposes in the budget or through an approved budget amendment.

14 (g) (1) The State Treasurer shall hold and the State Comptroller shall
15 account for the Fund.

16 (2) The Fund shall be invested and reinvested in the same manner as
17 other State funds.

18 (3) Investment earnings shall accrue to the credit of the Fund.

19 (h) (1) The Fund is subject to a ceiling on the amount of moneys that may be
20 credited to the Fund for the fiscal year for which the budget is submitted.

21 (2) The Governor shall include in the annual State budget a proposed
22 ceiling for the Fund.

23 (3) The ceiling on the Fund is set as enacted in the annual State budget
24 bill.

25 (4) Any revenues earned in excess of the ceiling on the amount of moneys
26 that may be credited to the Fund in a fiscal year shall be credited to the General Fund
27 of the State.

28 (i) The Chief of Information Technology:

29 (1) shall administer the Fund in accordance with this section;

30 (2) subject to the provisions of §§ 2-201 and 3-405 of this article, may
31 receive and accept contributions, grants, or gifts of money or property; and

32 (3) shall be responsible for overseeing the implementation of projects
33 funded by moneys from the Fund.

34 (j) The Governor shall submit with the budget:

1 (1) a summary showing the unencumbered balance in the Fund as of the
2 close of the prior fiscal year and a listing of any encumbrances;

3 (2) an estimate of projected revenue from each of the sources specified in
4 subsection (e) of this section for the fiscal year for which the budget is submitted; and

5 (3) a descriptive listing of projects reflecting projected costs for the fiscal
6 year for which the budget is submitted and any estimated future year costs.

7 (k) (1) Expenditures from the Fund shall be made only:

8 (i) in accordance with an appropriation approved by the General
9 Assembly in the annual State budget; or

10 (ii) through an approved budget amendment under Part II of
11 Subtitle 2 of this title, provided that:

12 1. a budget amendment is submitted for any project not
13 requested as part of the budget submission or for any project where the scope or cost
14 has increased for a project that was requested as part of the budget submission; and

15 2. the budget amendment and supporting documentation
16 have been submitted to the budget committees allowing a 60-day period for their
17 review and comment.

18 (2) The ceiling imposed on the Fund, as provided under subsection (h) of
19 this section, may not be increased by budget amendment.

20 (l) Subject to the provisions of subsection (n) of this section and except for the
21 cost incurred in administering the Fund, the Fund may be used for:

22 (1) educationally related information technology projects;

23 (2) State information technology projects, including:

24 (i) pilots;

25 (ii) prototypes;

26 (iii) kiosk systems;

27 (iv) graphical user interface for citizen access to governmental
28 services;

29 (v) document imaging systems;

30 (vi) State and campuswide networks; and

31 (vii) the Maryland electronic capital; and

1 (3) application service provider initiatives as provided for in Title 9,
2 Subtitle 22 of the State Government Article.

3 (m) (1) There is an application service provider account in the Fund.

4 (2) The account consists of:

5 (i) moneys dedicated from the Fund for application service
6 provider initiatives;

7 (ii) moneys received as a direct result of application service
8 provider projects, including reimbursements, repayments, interest, or other revenue;
9 and

10 (iii) moneys made available to the account through appropriate
11 federal programs or private contributions.

12 (3) Expenditures from the account shall be made in accordance with
13 subsections (j) and (k) of this section.

14 (n) (1) Any agency or unit of State government may submit a request to the
15 Chief of Information Technology to support the cost of an information technology
16 project with moneys from the Fund.

17 (2) In consultation with the Information Technology Board, established
18 under § 3-406 of this article and subject to the final approval of the Secretary, the
19 Chief of Information Technology shall approve a project as eligible for funding only if
20 the project is consistent with the State information technology master plan.

21 (3) As part of the budget submission required under subsection (j) of this
22 section, the Governor may request use of moneys from the Fund to support any
23 project approved in accordance with this subsection.

24 (o) (1) By November 1 of each year, the Chief of Information Technology
25 shall report to the Governor and to the budget committees of the General Assembly
26 and submit a copy of the report to the General Assembly in accordance with § 2-1246
27 of the State Government Article.

28 (2) The report shall include:

29 (i) the financial status of the Fund and a summary of its
30 operations for the preceding fiscal year;

31 (ii) an accounting for the preceding fiscal year of all moneys from
32 each of the revenue sources specified in subsection (e) of this section, including any
33 revenues in excess of the annual limit that are credited to the General Fund, and
34 expenditures made from the Fund; and

35 (iii) a description of information technology projects receiving
36 moneys from the Fund in the preceding fiscal year and the status of each project with

1 a comparison of estimated and actual costs and any known or anticipated changes in
2 scope or costs.]

3 SECTION 2. AND BE IT FURTHER ENACTED, That, effective July 1, 2002,
4 the unencumbered balance in the Information Technology Investment Fund shall be
5 transferred to the Major Information Technology Development Project Fund.

6 SECTION 3. AND BE IT FURTHER ENACTED, That all projects listed in
7 Volume V of the Governor's Fiscal 2003 Operating Budget are subject to the
8 provisions of this Act. These projects, listed by appropriation and subprogram code
9 are: E00A0402/0001; F10A0406/P001; M00C0105/B501; M00C0105/B502;
10 M00Q0108/T801; N00F0002/6B01; N00F0002/6B02; N00F0002/6B03;
11 K00A0107/a134; Q00A0107/1720; Q00A0107/1730; Q00A0107/1740; Q00A0107/1750;
12 Q00A0107/1760; U00A0502/5201; R62I0034/1201; D80Z0102/1100; D80Z0102/1200;
13 G20J0102/2300; R00A0106/f1xx; and C98F0002/2000.

14 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of
15 Budget and Management is authorized to conduct emergency procurements to obtain
16 the necessary resources to implement the provisions of this Act.

17 SECTION 5. AND BE IT FURTHER ENACTED, That the Secretary of Budget
18 and Management may create new programs to implement the provisions of this Act.

19 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 June 1, 2002.