



February 21, 2024

The Honorable Brian J. Feldman  
Chair, Education, Energy, and the Environment Committee  
Maryland State Senate

The Honorable Cheryl C. Kagan  
Vice Chair, Education, Energy, and the Environment Committee  
Maryland State Senate

**Re: Support of Senate Bill 982 (Information Technology – Modernization of IT Projects)**

Dear Chair Feldman, Vice-Chair Kagan, and Members of the Committee:

The Alliance for Digital Innovation (ADI) is a nonpartisan alliance of technology companies focused on accelerating change in the public sector through the adoption of commercial technology. Our members are some of the most prominent and innovative technology firms in the nation, including many that already proudly serve the State of Maryland.

**ADI supports Senate Bill 982 and strongly encourages you to advance this legislation from your committee to the Senate floor.**

Public agencies must be equipped with the best technology and cybersecurity tools available to deliver effective services to the people of the State of Maryland. The unfortunate reality is that there are many outdated legacy information technology (IT) systems with weak security still in use across government.

True digital transformation and the adoption of modern, agile development and procurement processes, coupled with the decommissioning of current legacy systems, is a time-consuming endeavor that typically crosses multiple budget cycles. Even when planned judiciously, worthwhile efforts to provide better, more secure citizen services through commercial capabilities are often hampered by appropriations timelines and inflexibilities in the process.

By creating the Information Technology Investment Fund, Senate Bill 982 provides an important opportunity to modernize and secure Maryland's IT systems and networks. Namely, this creates a capacity to enable necessary, and long overdue, investments in modern commercial capabilities across state government to transform legacy IT systems and improve Maryland's cybersecurity posture.

In the federal government, a similar program known as the Technology Modernization Fund (TMF) has existed since 2016. It has proven to be successful and served as an important tool in the nation's response to the COVID-19 pandemic. The TMF has invested in fifty-one IT projects across nearly thirty federal agencies to date, with most of these projects addressing urgent IT modernization or cybersecurity challenges.<sup>1</sup> The primary objective

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<sup>1</sup> <https://tmf.cio.gov/projects>

of the TMF is to address the longstanding challenge of aging and insecure federal IT systems, which poses risks to data security, hinder efficiency, and impede the delivery of citizen services. The TMF operates as a central pool of money for which federal agencies can apply to finance certain categories of IT modernization projects.

One of the key features of the TMF is its emphasis on a rigorous project evaluation process. Agencies interested in accessing funds must submit comprehensive proposals detailing their modernization plans, including projected cost savings, timelines, and anticipated benefits. The proposals undergo a thorough review by the Technology Modernization Board, a panel of experts appointed to oversee the allocation of funds. Most importantly, the board works with TMF administrators to establish clear eligibility criteria that applies to all applications. This competitive and merit-based approach ensures that the funds are directed toward projects with the greatest potential for impact and success.

Other states have adopted versions of this funding strategy for IT modernization projects, with California<sup>2</sup> and Texas<sup>3</sup> being the most prominent. These modernization funds allow their state's IT leaders to balance diverse needs across state agencies and prioritize investments in a transparent manner. **Senate Bill 982 incorporates the key features of these modernization funds and creates a version that works best for the State of Maryland.**

Going forward, it will be critical for legislative leaders to work with the proposed Technology Investment Board to identify sufficient funding for this program. Ultimately, IT modernization is about moving agencies off insecure and increasingly expensive legacy systems and ensuring modern commercial technology is being acquired and used to deliver better value and superior digital services to taxpayers. **To enable the State of Maryland to truly modernize at scale and better leverage cutting edge commercial technology, ADI strongly encourages members of the Committee to support Senate Bill 982 and work with the Budget and Taxation Committee to ensure sufficient funding is available for this new program to be successful.**

Thank you for your attention to this effort to create sustainable funding to help modernize the State of Maryland's public systems. Please consider ADI as a resource as the committee deliberates on this important legislation.

Sincerely,



Dan Wolf

Director of State Programs  
Alliance for Digital Innovation

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<sup>2</sup> <https://cdt.ca.gov/tmf/>

<sup>3</sup> <https://capitol.texas.gov/tlodocs/87R/billtext/html/HB04018F.HTM>