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By: **Delegates Rawlings, Cadden, and W. Baker**  
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CHAPTER \_\_\_\_\_

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~~ 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  
18 Technology Investment Fund shall be transferred to the Major Information  
19 Technology Development Project Fund; providing that certain existing projects  
20 in the Governor's Fiscal 2003 Operating Budget are subject to the provisions of  
21 this Act; providing that certain information technology projects may not be  
22 implemented without the approval of the Chief and the Secretary of the  
23 Department of Budget and Management; authorizing the Department of Budget  
24 and Management to conduct emergency procurements under certain  
25 circumstances; authorizing the Secretary of Budget and Management to create  
26 new programs to implement the provisions of this Act; requiring the Chief to  
27 provide certain assistance, advice, and recommendations to certain units of  
28 State government; requiring the Department to submit a certain report by a

1 certain date each year; defining certain terms; and generally relating to the  
2 Department of Budget and Management and major information technology  
3 development projects.

4 BY repealing and reenacting, with amendments,  
5 Article - State Finance and Procurement  
6 Section 3-402, 3-405, and 3-410  
7 Annotated Code of Maryland  
8 (2001 Replacement Volume)

9 BY adding to  
10 Article - State Finance and Procurement  
11 Section 3-410.1 and 3-410.2  
12 Annotated Code of Maryland  
13 (2001 Replacement Volume)

14 BY repealing  
15 Article - State Finance and Procurement  
16 Section 7-316  
17 Annotated Code of Maryland  
18 (2001 Replacement Volume)

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

21 **Article - State Finance and Procurement**

22 3-402.

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

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

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

26 (D) (1) "DEVELOPMENT" MEANS ALL EXPENDITURES FOR A NEW  
27 INFORMATION TECHNOLOGY SYSTEM OR AN ENHANCEMENT TO AN EXISTING  
28 SYSTEM INCLUDING SYSTEM:

29 (I) PLANNING;

30 (II) PROCUREMENT;

31 (III) CREATION;

32 (IV) INSTALLATION;

33 (V) TESTING; AND

1 (VI) INITIAL TRAINING.

2 (2) "DEVELOPMENT" DOES NOT INCLUDE:

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

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

9 (E) "FUND" MEANS THE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT  
10 PROJECT FUND.

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

13 (1) maintenance;

14 (2) telecommunications; and

15 (3) associated consulting services.

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

18 (H) "MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT" MEANS  
19 ANY INFORMATION TECHNOLOGY DEVELOPMENT PROJECT THAT MEETS ONE OR  
20 MORE OF THE FOLLOWING CRITERIA:

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

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

26 (3) THE SECRETARY DETERMINES THAT THE PROJECT REQUIRES THE  
27 SPECIAL ATTENTION AND CONSIDERATION GIVEN TO A MAJOR INFORMATION  
28 TECHNOLOGY DEVELOPMENT PROJECT DUE TO:

29 (I) THE SIGNIFICANCE OF THE PROJECT'S POTENTIAL BENEFITS  
30 OR RISKS;

31 (II) THE IMPACT OF THE PROJECT ON THE PUBLIC OR LOCAL  
32 GOVERNMENTS;

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

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

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

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

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

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

15 (M) (1) "UNIT" MEANS AN AGENCY OR UNIT OF THE EXECUTIVE BRANCH OF  
 16 STATE GOVERNMENT.

17 (2) "UNIT" DOES NOT INCLUDE A PUBLIC INSTITUTION OF HIGHER  
 18 EDUCATION.

19 3-405.

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

23 (2) ~~AN AGENCY OR UNIT OF THE EXECUTIVE BRANCH OF THE STATE~~  
 24 ~~GOVERNMENT A UNIT~~ MAY NOT MAKE EXPENDITURES FOR ~~THE DEVELOPMENT OF~~  
 25 MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS EXCEPT AS  
 26 PROVIDED IN ~~§§ 3-410.1 AND 3-410.2~~ § 3-410.1 OF THIS SUBTITLE.

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

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

32 (c) (1) A unit ~~of government in the Executive Branch of State government~~  
 33 shall advise the Chief of any information technology proposal involving resource  
 34 sharing, the exchange of goods or services, or a gift, contribution, or grant of real or  
 35 personal property.

36 (2) The Chief shall determine if the value of the resources, services, and  
 37 property to be obtained by the State under the terms of any proposal submitted in

1 accordance with the provisions of paragraph (1) of this subsection equals or exceeds  
2 \$100,000.

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

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

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

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

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

18 3-410.

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

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

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

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

26 (1) developing, maintaining, and enforcing statewide information  
27 technology standards, policies, and procedures;

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

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

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

35 [(5)] (4) developing and maintaining a statewide information technology  
36 master plan that will:

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

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

5 (iii) consider interstate transfers due to federal legislation and  
6 regulation;

7 (iv) ensure that information technology plans and budgets are  
8 consistent;

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

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

15 [(6)] (5) adopting by regulation and enforcing nonvisual access  
16 standards to be used in the procurement of information technology and the provision  
17 of information technology services by or on behalf of units of State government.

18 3-410.1.

19 (A) ~~IN SUBMITTING THEIR ITS INFORMATION TECHNOLOGY PROJECT~~  
20 ~~REQUESTS, AN AGENCY OR A UNIT OF STATE GOVERNMENT SHALL DESIGNATE IF~~  
21 ~~THEY PROJECTS WHICH ARE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT~~  
22 ~~PROJECTS.~~

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

26 (C) THE CHIEF SHALL REVIEW AND APPROVE MAJOR INFORMATION  
27 TECHNOLOGY DEVELOPMENT PROJECTS AND SPECIFICATIONS FOR CONSISTENCY  
28 WITH STATEWIDE PLANS, POLICIES, AND STANDARDS, INCLUDING A SYSTEMS  
29 DEVELOPMENT LIFE CYCLE PLAN.

30 (D) ~~FUNDING FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT~~  
31 ~~PROJECTS SHALL BE PROVIDED ONLY THROUGH THE MAJOR INFORMATION~~  
32 ~~TECHNOLOGY DEVELOPMENT PROJECT FUND THE CHIEF SHALL BE RESPONSIBLE~~  
33 ~~FOR OVERSEEING THE IMPLEMENTATION OF MAJOR INFORMATION TECHNOLOGY~~  
34 ~~DEVELOPMENT PROJECTS REGARDLESS OF FUND SOURCE.~~

35 (E) EXPENDITURES FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT  
36 PROJECTS SHALL BE SUBJECT TO THE APPROVAL OF THE CHIEF WHO SHALL  
37 APPROVE EXPENDITURES ONLY WHEN THOSE PROJECTS ARE CONSISTENT WITH  
38 STATEWIDE PLANS, POLICIES, AND STANDARDS.

1 (F) (1) THE CHIEF SHALL APPROVE FUNDING FOR MAJOR INFORMATION  
2 TECHNOLOGY PROJECTS ONLY WHEN THOSE PROJECTS ARE SUPPORTED BY AN  
3 APPROVED SYSTEMS DEVELOPMENT LIFE CYCLE PLAN.

4 (2) THE CHIEF MAY APPROVE FUNDING INCREMENTALLY CONSISTENT  
5 WITH THE SYSTEMS DEVELOPMENT LIFE CYCLE PLAN.

6 3-410.2.

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

9 (B) THERE IS A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT  
10 FUND.

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

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

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

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

18 (2) MONEYS RECEIVED FROM THE SALE, LEASE, OR EXCHANGE OF  
19 COMMUNICATION SITES OR COMMUNICATION FREQUENCIES FOR INFORMATION  
20 TECHNOLOGY PURPOSES AS DETERMINED BY THE CHIEF AND AS APPROVED BY THE  
21 SECRETARY;

22 (3) MONEYS RECEIVED AS COMMISSIONS, REBATES, REFUNDS, RATE  
23 REDUCTIONS, OR TELECOMMUNICATION BYPASS AGREEMENTS RESULTING FROM  
24 INFORMATION TECHNOLOGY SERVICES OR PURCHASES;

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

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

30 (6) GENERAL FUNDS APPROPRIATED FOR MAJOR INFORMATION  
31 TECHNOLOGY PROJECTS OF ANY UNIT THAT:

32 (I) ARE UNENCUMBERED AND UNEXPENDED AT THE END OF A  
33 FISCAL YEAR;

34 (II) HAVE BEEN ABANDONED; OR

1 (III) HAVE BEEN WITHHELD BY THE GENERAL ASSEMBLY OR THE  
2 SECRETARY.

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

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

6 (2) RECEIVED BY THE JUDICIAL OR LEGISLATIVE BRANCHES OF STATE  
7 GOVERNMENT; OR

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

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

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

16 (3) INVESTMENT EARNINGS SHALL ACCRUE TO THE CREDIT OF THE  
17 FUND.

18 (H) THE CHIEF:

19 (1) SHALL ADMINISTER THE FUND IN ACCORDANCE WITH THIS  
20 SECTION; AND

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

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

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

29 ~~(5) SHALL APPROVE FUNDING FOR MAJOR INFORMATION TECHNOLOGY~~  
30 ~~PROJECTS ONLY WHEN THOSE PROJECTS ARE SUPPORTED BY AN APPROVED~~  
31 ~~SYSTEMS DEVELOPMENT LIFE CYCLE PLAN. THE CHIEF MAY APPROVE FUNDING~~  
32 ~~INCREMENTALLY CONSISTENT WITH THE SYSTEMS DEVELOPMENT LIFE CYCLE~~  
33 ~~PLAN.~~

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



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

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

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

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

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

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

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

20 ~~(B)~~ (B) ~~THE BUDGET AMENDMENT AND SUPPORTING~~  
 21 ~~DOCUMENTATION HAVE BEEN SHALL BE SUBMITTED TO THE BUDGET COMMITTEES~~  
 22 ~~ALLOWING A 60-DAY 30-DAY PERIOD FOR THEIR REVIEW AND COMMENT.~~

23 (K) THE FUND MAY BE USED FOR:

24 (1) MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS; OR

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

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

29 (1) EDUCATIONALLY RELATED INFORMATION TECHNOLOGY PROJECTS;

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

32 (3) INFORMATION TECHNOLOGY PROJECTS, INCLUDING:

33 (I) PILOTS; AND

34 (II) PROTOTYPES.

1 ~~(L)~~ (M) ANY AGENCY, A UNIT OF STATE GOVERNMENT, OR LOCAL  
2 GOVERNMENT MAY SUBMIT A REQUEST TO THE CHIEF TO SUPPORT THE COST OF AN  
3 INFORMATION TECHNOLOGY PROJECT WITH MONEYS UNDER SUBSECTION ~~(K)~~ (L) OF  
4 THIS SECTION.

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

9 (2) THE REPORT SHALL INCLUDE:

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

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

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

19 [7-316.

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

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

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

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

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

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

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

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

35 (d) The Fund is a continuing, nonlapsing special fund that is not subject to §  
36 7-302 of this subtitle.

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

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

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

7 (3) moneys received as commissions, rebates, refunds, rate reductions, or  
8 telecommunication bypass agreements resulting from information technology  
9 services or purchases;

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

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

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

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

18 (2) received by the Judicial or Legislative Branches of State government;  
19 or

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

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

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

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

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

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

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

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

4 (i) The Chief of Information Technology:

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

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

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

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

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

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

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

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

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

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

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

25 2. the budget amendment and supporting documentation  
26 have been submitted to the budget committees allowing a 60-day period for their  
27 review and comment.

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

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

32 (1) educationally related information technology projects;

33 (2) State information technology projects, including:

- 1 (i) pilots;
- 2 (ii) prototypes;
- 3 (iii) kiosk systems;
- 4 (iv) graphical user interface for citizen access to governmental  
5 services;
- 6 (v) document imaging systems;
- 7 (vi) State and campuswide networks; and
- 8 (vii) the Maryland electronic capital; and

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

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

12 (2) The account consists of:

13 (i) moneys dedicated from the Fund for application service  
14 provider initiatives;

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

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

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

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

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

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

32 (o) (1) By November 1 of each year, the Chief of Information Technology  
33 shall report to the Governor and to the budget committees of the General Assembly

1 and submit a copy of the report to the General Assembly in accordance with § 2-1246  
2 of the State Government Article.

3 (2) The report shall include:

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

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

10 (iii) a description of information technology projects receiving  
11 moneys from the Fund in the preceding fiscal year and the status of each project with  
12 a comparison of estimated and actual costs and any known or anticipated changes in  
13 scope or costs.]

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

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

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

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

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

