SB 648

Department of Legislative Services

Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 648 (Senator Teitelbaum, *et al.*)
Finance and Budget and Taxation

State Government - Department of Technology - Creation and Duties

This bill creates a Department of Technology as a principal department of State government.

The bill is effective October 1, 2003.

Fiscal Summary

State Effect: General fund expenditures could increase by approximately $973,400 in FY 2004, which accounts for the bill's October 1, 2003 effective date. Out-year estimates reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	$0	$0	$0	$0	$0
GF Expenditure	0	973,400	1,158,300	1,205,800	1,256,300
Net Effect	$0	($973,400)	($1,158,300)	($1,205,800)	($1,256,300)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill requires the Secretary of the Department of Technology to: (1) direct the formulation of a comprehensive technology program budget; (2) hold agency heads accountable for their actions in the conduct of their information technology (IT) powers and duties; (3) direct the development, maintenance, and enforcement of statewide IT standards, policies, and procedures; (4) monitor trends and advances in fundamental technologies of interest and importance to Maryland's economy; (5) direct and approve a stakeholder-driven technology strategy development process view of research and development goals for industry, academia, and government; (6) work with the appropriate federal research agencies; (7) direct the development plans and programs for strengthening the State's technology industry sectors; (8) direct the development of plans and programs for improving access to capital for technology-based entrepreneurs; (9) review major IT projects for consistency with statewide plans, policies, and standards; (10) review each unit's annual project plan to make information and services available over the Internet; and (11) develop and maintain a statewide IT master plan.

The bill requires the Secretary to report annually to the General Assembly and the Joint Technology Oversight Committee established under Chapter 11 of 2000 on the status and problems of technology programs being developed. The bill also adds the Secretary to the membership of the State Information Technology Board.

The bill repeals provisions establishing the IT Chief within the Department of Budget and Management (DBM) and transfers the IT Chief's duties in developing the State's nonvisual access clause to the Secretary of Technology.

The bill does not address the administration of the Information Technology Investment Fund (ITIF).

Current Law: The IT Chief in DBM is responsible for the following duties: (1) developing, maintaining, and enforcing statewide IT standards, policies, and procedures; (2) providing technical assistance, advice, and recommendations to the Secretary; (3) reviewing major IT projects for consistency with statewide plans, policies, and standards; (4) reviewing each unit's annual project plan to make information and services available to the public over the Internet; (5) developing and maintaining a statewide IT master plan; and (6) adopting by regulation and enforcing nonvisual access standards for IT procurement and services.

Excluded from review by the IT Chief are changes relating to or the purchase, lease, or rental of IT by: (1) public institutions of higher education solely for academic or research purposes; (2) the Maryland Port Administration; or (3) the University System of Maryland.

By November 1 of each year, the IT Chief must report to the Governor and the budget committees of the General Assembly on: (1) the financial status of ITIF and a summary of its operations for the preceding fiscal year; (2) an accounting for the preceding fiscal year of all moneys for each of the specified revenue sources, including any expenditures from ITIF; and (3) a description of each project receiving moneys from ITIF and the status of each project with a comparison of estimated and actual costs and any known or anticipated changes in scope or costs.

In consultation with the State Information Technology Board, the IT Chief is responsible for development and implementation for the State's nonvisual access policy for IT and Internet services.

The Joint Technology Oversight Committee, established under Chapter 11 of 2000, sunsets June 30, 2005.

State Expenditures: This bill establishes a new cabinet level position with oversight over the State's governmental IT projects and support of technology businesses IT by the State. Some of the new department's functions are currently performed by the State IT Chief. Most of those functions, and the staff who perform them, could be transferred from DBM to the new department.

It is assumed that at least 74 positions and certain contractual services would transfer from DBM to the Department of Technology, with associated costs of about $27 million. However, some of the internal IT staff from DBM would remain to perform functions within DBM, including managing ITIF. The bill also establishes new functions for the Department of Technology. General expenditures could increase by an estimated $973,400 in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects the cost of adding 17 new positions to staff the newly created department and to perform some of the internal functions at DBM now performed by staff who would transfer to the Department of Technology. The estimate also includes the cost of rent for the Department of Technology. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	$734,300
Rent	114,800
Other Operating Expenses	124,300
Total FY 2004 State Expenditures	**$973,400**

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses. It is assumed that moving costs could be handled with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Legislative Services

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lsc/jr

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