

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 1226 (Delegate Barve)
 Health and Government Operations

State Operations - Study of the State's Reliance on and the Costs of High Volume Transaction Processing Systems

This bill requires a study of the State's reliance on and the costs of high volume transaction processing systems to be conducted by the Chief of Information Technology. The chief is required to report findings and recommendations to the Governor, the Information Technology Board, the Secretary of Budget and Management, and the General Assembly by December 31, 2008.

The bill takes effect July 1, 2008 and terminates December 31, 2008.

Fiscal Summary

State Effect: General fund expenditure increase of \$1.8 million in FY 2009 only. No effect on revenues.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,808,000	0	0	0	0
Net Effect	(\$1,808,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill defines a “high volume transaction processing system” or HVTPS as a computer or a designated network of computers that in daily operations

- supports or is capable of supporting more than 50 million transactions per hour; or
- is used to store more than one terabyte of State data. Under this definition, the computer or network of computers must also be used for critical computing needs, including
- bulk data processing;
- transaction processing;
- resource planning;
- statistic generation;
- process monitoring; and
- process modeling.

“HVTPS” includes the applications, operating system, and other support software, hardware add-ons, and maintenance services required by the HVTPS.

The bill requires the Chief of Information Technology to study

- the nature of operations supported by existing HVTPSs;
- the costs associated with existing HVTPSs;
- the State’s reliance on nonemployees for system maintenance;
- the overall value of existing HVTPSs;
- the availability, feasibility, cost, and value to the State of comparable HVTPSs in the marketplace.

The Chief of Information Technology is required to redact sensitive or confidential commercial information from the public version of the report in accordance with State law, including technical trade secrets, but not including pricing information.

Background: Each of the 63 executive agencies in the State uses thousands of computers, most of which are networked. Certain agencies, such as the Maryland Department of Transportation, employ vast amounts of computing power on a daily basis. In addition, one terabyte of computer data storage (for example, two 500 gigabyte hard drives) can currently be purchased for less than \$500.

State Expenditures: The study required by the bill encompasses an enormous range of computer systems from every Executive Branch agency. In order to analyze these systems in the manner and short timeframe required by the bill, the Department of Budget and Management Office of Information Technology advises that it would have to hire an outside contractor at an estimated price of \$1,808,000.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2008
mll/ljm

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