

Chapter 23

(House Bill 709)

AN ACT concerning

~~21st Century Financial Systems Council – Establishment~~
Modernization of State Financial Systems – 21st Century Financial Systems Enterprise

FOR the purpose of ~~establishing the 21st Century Financial Systems Council to modernize the financial management information systems infrastructure in the State; specifying the responsibilities and priorities of the Council; establishing the position of the 21st Century Financial Systems Director in the Office of the Comptroller; and generally relating to the 21st Century Financial Systems Council~~ requiring the Office of the Comptroller, the Office of the State Treasurer, the Department of Budget and Management, the Department of Information Technology, and the Department of General Services, in consultation with a representative of the Modernize Maryland Oversight Commission, to develop, implement, manage, and oversee the 21st Century Financial Systems Enterprise; and generally relating to the modernization of State financial systems and the 21st Century Financial Systems Enterprise.

BY adding to

Article – State Government
 Section 4–113
 Annotated Code of Maryland
 (2021 Replacement Volume and 2022 Supplement)

Preamble

WHEREAS, Substantial risk and waste are generated from the continued use of the State’s existing accounting and payments platform, the Financial Management and Information System (FMIS), due to limited development resources, cybersecurity risks, and difficulties delivering functional enhancements to meet evolving end–user needs and legislative mandates; and

WHEREAS, The State must consider how future systems will integrate across the State’s broader ecosystem and understand that there is substantial risk if key finance functions remain fractured in multiple systems; and

WHEREAS, The State’s financial systems and applications are operated and maintained by different departments, which contributes to a complex information technology ecosystem and governance challenges; and

WHEREAS, The Office of the Comptroller, as the chief financial officer of the State, should lead the effort to consolidate and modernize the financial systems under a single

21st Century Financial Systems Enterprise that shall become the State's financial system of record; and

WHEREAS, The Office of the Comptroller should partner with the Office of the State Treasurer, the Department of Budget and Management, the Department of Information Technology, and the Department of General Services to consolidate and modernize the financial systems under a single 21st Century Financial Systems Enterprise; and

WHEREAS, Because the Modernize Maryland Oversight Commission is responsible for a substantial amount of the State's information technology and cybersecurity collaboration, input and participation by that body and the constituent agencies it supports will be essential to the creation of the 21st Century Financial Systems Enterprise; and

WHEREAS, Because the State has multiple information technology modernization initiatives currently underway that may impact the implementation of a new financial management and payroll system, a coordinated strategy and strong legislative directive is required to minimize additional information technology complexities, technical debt, process inefficiency, and overall cost; now, therefore,

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

Article – State Government

4-113.

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(2) "COUNCIL" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS COUNCIL.~~

~~(3) "DIRECTOR" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS DIRECTOR.~~

~~(4) "ENTERPRISE" MEANS THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE.~~

~~(B) THERE IS A 21ST CENTURY FINANCIAL SYSTEMS COUNCIL.~~

~~(C) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:~~

~~(1) THE COMPTROLLER, OR THE COMPTROLLER'S DESIGNEE;~~

~~(2) THE STATE TREASURER, OR THE TREASURER'S DESIGNEE;~~

~~(3) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE SECRETARY'S DESIGNEE;~~

~~(4) THE SECRETARY OF INFORMATION TECHNOLOGY, OR THE SECRETARY'S DESIGNEE; AND~~

~~(5) THE SECRETARY OF GENERAL SERVICES, OR THE SECRETARY'S DESIGNEE.~~

~~(D) (1) THE PRESIDENT OF THE SENATE MAY APPOINT ONE MEMBER OF THE SENATE TO SERVE IN AN ADVISORY CAPACITY ON THE COUNCIL.~~

~~(2) THE SPEAKER OF THE HOUSE MAY APPOINT ONE MEMBER OF THE HOUSE OF DELEGATES TO SERVE IN AN ADVISORY CAPACITY ON THE COUNCIL.~~

~~(E) THE COMPTROLLER, OR THE COMPTROLLER'S DESIGNEE, SHALL CHAIR THE COUNCIL.~~

~~(F) THE OFFICE OF THE COMPTROLLER SHALL PROVIDE STAFF FOR THE COUNCIL.~~

~~(G) A MEMBER OF THE COUNCIL:~~

~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEPARTMENTS" MEANS:

(I) THE OFFICE OF THE COMPTROLLER;

(II) THE OFFICE OF THE STATE TREASURER;

(III) THE DEPARTMENT OF BUDGET AND MANAGEMENT;

(IV) THE DEPARTMENT OF INFORMATION TECHNOLOGY; AND

(V) THE DEPARTMENT OF GENERAL SERVICES.

(3) “FINANCIAL MANAGEMENT INFRASTRUCTURE” MEANS THE INFORMATION TECHNOLOGY INFRASTRUCTURE THAT IS USED TO MAINTAIN THE GENERAL LEDGER AND ACCOUNTANCY FOR THE STATE, INCLUDING SUBLEDGER FUNCTIONS THAT ENABLE THE MANAGEMENT OF ALL PAYMENTS AND FUND TRANSFERS THROUGHOUT THE STATE.

(4) “21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE” MEANS A MODERN CLOUD–BASED INFORMATION TECHNOLOGY INFRASTRUCTURE.

~~(H)~~ (B) THE COUNCIL IN CONSULTATION WITH A DESIGNATED REPRESENTATIVE FROM THE MODERNIZE MARYLAND OVERSIGHT COMMISSION, THE DEPARTMENTS SHALL:

(1) SET POLICIES, OBJECTIVES, AND PRIORITIES FOR THE TRANSFORMATION OF THE STATE’S FINANCIAL MANAGEMENT INFORMATION SYSTEMS INFRASTRUCTURE INTO THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(2) LEARN THE NEEDS AND PRIORITIES OF ALL USERS OF THE FINANCIAL MANAGEMENT INFORMATION SYSTEMS AND FUTURE KNOWN USERS OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(3) COLLABORATE WITH CONSULTANTS TO CREATE A PROJECT PROPOSAL FOR, AND OVERSEE IMPLEMENTATION OF, THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(4) OVERSEE, COORDINATE, AND AUTHORIZE THE ASSIGNMENT OF RESOURCES ~~TO~~ FOR THE DEVELOPMENT OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(5) ESTABLISH WORKING GROUPS AS NEEDED; AND

(6) RECOMMEND ANY LEGISLATIVE CHANGES CONSIDERED NECESSARY BY THE ~~COUNCIL~~ DEPARTMENTS TO ADDRESS FINANCIAL MANAGEMENT INFORMATION SYSTEMS ISSUES.

~~(H)~~ (C) THE COUNCIL IN CONSULTATION WITH A DESIGNATED REPRESENTATIVE FROM THE MODERNIZE MARYLAND OVERSIGHT COMMISSION, THE DEPARTMENTS SHALL SET PRIORITIES TO:

(1) STANDARDIZE FINANCIAL MANAGEMENT FOR ALL STATE AGENCIES BY REQUIRING ALL STATE AGENCIES TO PARTICIPATE IN THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE;

(2) PROVIDE SUPPORT TO PARTICIPATING UNITS IN ACCORDANCE WITH THE POLICIES AND OBJECTIVES ESTABLISHED BY THE ~~COUNCIL~~ DEPARTMENTS;

(3) CONFORM TO MODERNIZED BUSINESS AND TECHNOLOGY STANDARDS; ~~AND~~

(4) HOST AND MANAGE MODERNIZED APPLICATIONS AND SHARED DATA FOR THE DELIVERY OF ALL ACCOUNTING SERVICES IN THE STATE;

~~(J) (1) THERE IS A 21ST CENTURY FINANCIAL SYSTEMS DIRECTOR IN THE OFFICE OF THE COMPTROLLER.~~

~~(2) THE DIRECTOR SHALL BE APPOINTED BY AND SERVE AT THE PLEASURE OF THE COMPTROLLER.~~

~~(3) THE DIRECTOR SHALL BE PART OF THE STAFF OF THE OFFICE OF THE COMPTROLLER FOR ADMINISTRATIVE, STAFFING, AND BUDGETARY PURPOSES.~~

~~(4) THE DIRECTOR SHALL:~~

~~(I) (5)~~ USE AND MANAGE THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE TO ACHIEVE THE GOALS AND OBJECTIVES SET BY THE ~~COUNCIL~~ DEPARTMENTS;

~~(II) (6)~~ FACILITATE AND COORDINATE THE DELIVERY OF PORTFOLIO PRODUCTS AND SERVICES;

~~(III) (7)~~ ENSURE THE FAITHFUL EXECUTION OF ALL AGREEMENTS ENTERED INTO ON BEHALF OF THE ~~COUNCIL~~ DEPARTMENTS; AND

~~(IV) (8)~~ OVERSEE AND BE RESPONSIBLE FOR THE OVERSIGHT, IMPLEMENTATION, AND MANAGEMENT OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE.

(D) THE OFFICE OF THE COMPTROLLER, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, SHALL REPORT TO THE GENERAL ASSEMBLY ON THE STATUS OF THE DEVELOPMENT OF THE 21ST CENTURY FINANCIAL SYSTEMS ENTERPRISE

BEGINNING ON OR BEFORE DECEMBER 31, 2023, AND EVERY 6 MONTHS THEREAFTER, ENDING WITH THE FINAL REPORT DUE ON OR BEFORE JANUARY 1, 2027.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2023.

Approved by the Governor, April 11, 2023.