

HB1188/203229/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 1188  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**Delegate Kaiser**” and substitute “**Delegates Kaiser, Alston, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hill, Hutchinson, S. Johnson, Kerr, Kipke, R. Lewis, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Szeliga, Taveras, White Holland, and Woods**”; strike beginning with “altering” in line 4 down through “Board,” in line 7 and substitute “renaming the Major Information Technology Development Fund; requiring a certain amount of the Fund to be set aside for certain projects each fiscal year; requiring the Board of Public Works to expedite the placement on an agenda and approval of certain contracts;”; in line 7, strike “duties” and substitute “name, duties,”; in line 8, after “Commission;” insert “providing for the terms of certain Commission members;”; in line 12, strike “3.5–303(a)(4), 3.5–307, 3.5–316, and 12–101” and substitute “3.5–201, 3.5–301, 3.5–307, 3.5–308, 3.5–309, and 3.5–316”; and in line 17, strike “3.5–309.1 and 3.5–309.2” and substitute “12–101(d)”.

AMENDMENT NO. 2

On page 1, after line 22, insert:

“3.5–201.

(A) There is a Department of Information Technology established as a principal department of State government.

(B) SUBJECT TO THE PROVISIONS OF § 3.5–302 OF THIS TITLE, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT RESPONSIBILITY AND OVERSIGHT OF THE INFORMATION TECHNOLOGY PROJECTS FOR UNITS OF STATE GOVERNMENT BE CENTRALIZED AT THE DEPARTMENT AND THAT PRIORITY BE GIVEN TO FUNDING INFORMATION TECHNOLOGY PROJECTS THAT ADDRESS THE NEEDS

FOR THE PUBLIC HEALTH, EDUCATION, SAFETY, OR FINANCIAL WELL-BEING OF  
THE RESIDENTS OF MARYLAND.

3.5-301.

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

(b) “Cybersecurity” means processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.

(c) “Cybersecurity strategy” means a vision, a plan of action, or guiding principles.

(d) (1) “Development” means all expenditures for a new information technology system or an enhancement to an existing system including system:

(i) planning;

(ii) creation;

(iii) installation;

(iv) testing; and

(v) initial training.

(2) “Development” does not include:

(i) ongoing operating costs, software or hardware maintenance, routine upgrades, or modifications that merely allow for a continuation of the existing level of functionality; or

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(ii) expenditures made after a new or enhanced system has been legally accepted by the user and is being used for the business process for which it was intended.

(e) **“EXPEDITED PROJECT” MEANS A PROJECT THAT IS NOT A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT THAT RECEIVES MONEY FROM THE FUND IN A MANNER THAT ALLOWS FOR MODERNIZATION PROJECTS CONSISTENT WITH THE STATE MODERNIZATION PLAN TO MOVE FORWARD IN A NIMBLE AND EXPEDITED MANNER.**

(F) **“Fund” means the [Major Information Technology Development Project Fund] INFORMATION TECHNOLOGY INVESTMENT FUND.**

**[(f)] (G)** “Information technology” means all electronic information processing, including:

(1) maintenance;

(2) **NETWORKING;**

(3) telecommunications;

**[(3)] (4)** hardware;

**[(4)] (5)** software AND APPLICATIONS; and

**[(5)] (6)** associated services.

**[(g)] (H)** “Information technology services” means information provided by electronic means by or on behalf of a unit of State government.

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(I) “LEGACY SYSTEM” MEANS A HARDWARE OR SOFTWARE SYSTEM THAT IS END OF SUPPORT OR END OF LIFE.

[(h)] (J) (1) “Major information technology development project” means any information technology development project that meets one or more of the following criteria:

[(1)] (I) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, the estimated total cost of development equals or exceeds [\$1,000,000] \$5,000,000;

[(2)] (II) the project is undertaken to support a critical business function associated with the public health, education, safety, or financial well-being of the [citizens] RESIDENTS of Maryland; or

[(3)] (III) the Secretary determines that the project requires the special attention and consideration given to a major information technology development project due to:

[(i)] 1. the significance of the project’s potential benefits or risks;

[(ii)] 2. the impact of the project on the public or local governments;

[(iii)] 3. the public visibility of the project; or

[(iv)] 4. other reasons as determined by the Secretary.

(2) “MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT” DOES NOT INCLUDE:

(I) TECHNOLOGY THAT IS REOCCURRING, STANDARD OPERATING TECHNOLOGY AS DETERMINED BY THE SECRETARY AND SUBMITTED TO THE LEGISLATIVE POLICY COMMITTEE FOR A 30-DAY REVIEW AND COMMENT PERIOD; OR

(II) A PROJECT WITH AN ESTIMATED TOTAL COST OF DEVELOPMENT THAT IS:

1. LESS THAN \$5,000,000 AND IS FUNDED WITH MONEY SET ASIDE FOR EXPEDITED PROJECTS IN THE FUND; OR

2. MORE THAN \$5,000,000 AND IS FUNDED WITH THE MONEY SET ASIDE FOR EXPEDITED PROJECTS IN THE FUND IF THE SECRETARY DETERMINES THAT:

A. THE UNIT OF STATE GOVERNMENT HAS SUFFICIENT IMPLEMENTATION RESOURCES, INCLUDING HUMAN CAPITAL, SUBJECT MATTER EXPERTISE, AND TECHNOLOGICAL INFRASTRUCTURE, OR HAS THE MEANS TO OBTAIN THESE RESOURCES BEFORE PROJECT INITIATION;

B. THERE IS NO SUFFICIENT ALTERNATIVE WITHIN THE STATE’S INFORMATION TECHNOLOGY INVENTORY; AND

C. THE PROJECT WILL RESULT IN A COMPREHENSIVE SOLUTION DESIGNED TO MEET A COHESIVE SET OF BUSINESS AND TECHNOLOGICAL OBJECTIVES.

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**[(i)] (K)** “Master plan” means the statewide information technology master plan and statewide cybersecurity strategy.

**[(j)] (L)** “Nonvisual access” means the ability, through keyboard control, synthesized speech, Braille, or other methods not requiring sight to receive, use, and manipulate information and operate controls necessary to access information technology in accordance with standards adopted under § 3.5–303(b) of this subtitle.

**[(k)] (M)** “Resource sharing” means the utilization of a State resource by private industry in exchange for the provision to the State of a communication service or other consideration.

**(N) “STATE MODERNIZATION PLAN” MEANS THE PLAN DEVELOPED AND ADOPTED BY THE SECRETARY TO MODERNIZE STATE INFORMATION TECHNOLOGY.**

**[(l)] (O)** “Systems development life cycle plan” means a plan that defines all actions, functions, or activities to be performed by a unit of State government in the definition, planning, acquisition, development, testing, implementation, operation, enhancement, and modification of information technology systems.”.

On pages 1 and 2, strike in their entirety the lines beginning with line 23 on page 1 through line 19 on page 2, inclusive.

On page 2, in line 22, after “plan” insert “, **AS DETERMINED BY THE SECRETARY**”.

On page 3, in line 15, strike “(I)”; in the same line, strike the brackets; in lines 15 and 16, strike “**EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOLLOWING**”; strike in their entirety lines 19 through 21, inclusive; and strike in their entirety lines 25 through 27, inclusive, and substitute:

“(D) (1) THE DEPARTMENT OF GENERAL SERVICES, IN CONSULTATION WITH THE DEPARTMENT, SHALL HIRE A CONSULTANT TO ASSESS THE PROCUREMENT PROCESS FOR INFORMATION TECHNOLOGY PROJECTS INVOLVING MODERNIZATION AND MAKE RECOMMENDATIONS TO INCREASE THE STATE’S ABILITY TO PROCEED WITH A MODERNIZATION PROJECT IN A RAPID AND RESPONSIVE MANNER.

(2) (I) ON OR BEFORE JULY 1, 2025, THE DEPARTMENT SHALL INVENTORY AND ASSESS THE STATE’S LEGACY SYSTEMS AND PRIORITIZE MODERNIZATION.

(II) ON OR BEFORE JANUARY 1, 2026, AND EVERY OTHER JANUARY 1 THEREAFTER, THE DEPARTMENT, IN CONSULTATION WITH EACH UNIT OF STATE GOVERNMENT, SHALL SUBMIT A REPORT TO THE GOVERNOR, THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THAT PROVIDES:

1. AN ESTIMATE OF THE FUNDING REQUIRED TO MODERNIZE EACH LEGACY SYSTEM IN THE UNIT; AND

2. A 5-YEAR PROJECTION OF FUNDING REQUIRED TO MODERNIZE EACH LEGACY SYSTEM.

3.5-308.

(a) This section does not apply to a public institution of higher education.

(b) [In] BEFORE submitting its information technology project requests, a unit of State government shall [designate projects which are major information

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technology development projects] SUBMIT INFORMATION IN SUPPORT OF THE REQUEST REQUIRED BY THE SECRETARY FOR REVIEW AND DETERMINATION CONSISTENT WITH § 3.5-301(J) OF THIS SUBTITLE.

(c) In reviewing information technology project requests, the Secretary may change a unit's designation of a major information technology development project.

(d) The Secretary shall review and, with the advice of the Secretary of Budget and Management, approve major information technology development projects and specifications for consistency with all statewide plans, policies, and standards, including a systems development life cycle plan.

(e) The Secretary shall be responsible for overseeing the implementation of major information technology development projects, regardless of fund source.

(f) (1) With the advice of the Secretary of Budget and Management, expenditures for major information technology development projects shall be subject to the approval of the Secretary who shall approve expenditures only when those projects are consistent with statewide plans, policies, and standards.

(2) THE SECRETARY SHALL MAKE A RECOMMENDATION TO THE SECRETARY OF BUDGET AND MANAGEMENT THAT PROJECT FUNDS, REGARDLESS OF FUND SOURCE, BE WITHHELD IF:

(I) A UNIT OF STATE GOVERNMENT IS NOT CONSISTENTLY REPORTING ON THE STATUS OF A PROJECT OR PROJECTS TO THE DEPARTMENT IN THE FORM AND MANNER REQUIRED BY THE DEPARTMENT; OR

(II) THE DEPARTMENT DETERMINES THAT PROJECT IMPLEMENTATION ISSUES EXIST, INCLUDING PROJECT TIMELINE DELAYS, SIGNIFICANT COST INCREASES, VENDOR NONPERFORMANCE, DECREASED

AGENCY CAPACITY, OR OTHER ISSUES THAT INDICATE ISSUES OF CONCERN THAT  
COULD JEOPARDIZE SUCCESSFUL IMPLEMENTATION.

(g) (1) The Secretary shall approve funding for major information  
technology development projects, EXPEDITED PROJECTS, AND OTHER  
EXPENDITURES FROM THE FUND only when [those]:

(I) THE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT  
PROJECTS OR THE EXPEDITED PROJECTS ARE IN COMPLIANCE WITH STATEWIDE  
PLANS, POLICIES, AND STANDARDS, AS DETERMINED BY THE SECRETARY; AND

(II) THE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT  
projects are supported by an approved systems development life cycle plan.

(2) An approved systems development life cycle plan shall include  
submission of:

(i) a project planning request that details initial planning for the  
project, including:

1. the project title, appropriation code, and summary;

2. a description of:

A. the [needs addressed by the project] BUSINESS AND  
TECHNOLOGY OUTCOMES TO BE ACHIEVED BY THE PROJECT;

B. THE FEATURES AVAILABLE TO THE END USER ON  
COMPLETION, INCLUDING USER ACCEPTANCE TESTING AND ACCESSIBILITY  
PLANS;

C. the potential risks associated with the project;

[C.] D. possible alternatives; and

[D.] E. the scope and complexity of the project; and

3. an estimate of:

and

A. the total costs required to complete through planning;

and

B. the fund sources available to support planning costs;

(ii) a project implementation request to begin full design, development, and implementation of the project after the completion of planning, including:

1. the project title, appropriation code, and summary;

2. a description of:

A. the [needs addressed by the project] BUSINESS AND TECHNOLOGY OUTCOMES TO BE ACHIEVED BY THE PROJECT AND THE METRICS BY WHICH THE SUCCESS OF THOSE OUTCOMES WILL BE MEASURED;

B. THE FEATURES AVAILABLE TO THE END USER ON COMPLETION, INCLUDING USER ACCEPTANCE TESTING AND ACCESSIBILITY PLANS;

C. the potential risks associated with the project;

[C.] D. possible alternatives;

[D.] E. the scope and complexity of the project; and

[E.] F. how the project meets the goals of the statewide  
master plan; and

3. an estimate of:

A. the total project cost, BY PHASE; and

B. the fund sources [available] TO BE UTILIZED.

(3) The Secretary may approve funding incrementally, consistent with  
the systems development life cycle plan.

**(H) THE DEPARTMENT, IN CONSULTATION WITH THE MODERNIZE  
MARYLAND COMMISSION ESTABLISHED UNDER § 3.5-316 OF THIS SUBTITLE,  
SHALL:**

**(1) DEVELOP STANDARDS FOR UNITS OF STATE GOVERNMENT TO  
ASSIST IN IDENTIFYING LEGACY SYSTEMS THAT REQUIRE MODERNIZATION  
PROJECTS APPROPRIATE TO BE FINANCED AS AN EXPEDITED PROJECT THROUGH  
THE FUND;**

**(2) ADOPT AN INFORMATION TECHNOLOGY INVESTMENT  
MATURITY MODEL THAT INCLUDES:**

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(I) CRITERIA TO INFORM AND PRIORITIZE INVESTMENT DECISIONS;

(II) PROCESSES TO DEVELOP THE INFORMATION REQUIRED TO EVALUATE INVESTMENT PROPOSALS AGAINST THE CRITERIA UNDER ITEM (I) OF THIS ITEM; AND

(III) MANAGEMENT PROCESSES TO MONITOR THE IMPLEMENTATION OF APPROVED MODERNIZATION PROJECTS; AND

(3) DEVELOP A STATE MODERNIZATION PLAN.

3.5-309.

(a) There is [a Major Information Technology Development Project Fund] AN INFORMATION TECHNOLOGY INVESTMENT FUND.

(b) The purpose of the Fund is to support major information technology development projects AND EXPEDITED PROJECTS.

(c) The Secretary:

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

(2) subject to the provisions of § 2-201 of this article and § 3.5-307 of this subtitle, may receive and accept contributions, grants, or gifts of money or property.

(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of this article.

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(2) The State Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(3) The State Treasurer shall invest and reinvest the money of the Fund in the same manner as other State money may be invested.

(4) Any investment earnings of the Fund shall be paid into the Fund.

(e) Except as provided in subsection (f) of this section, the Fund consists of:

(1) money appropriated in the State budget to the Fund;

(2) as approved by the Secretary, money received from:

(i) the sale, lease, or exchange of communication sites, communication facilities, or communication frequencies for information technology purposes; or

(ii) an information technology agreement involving resource sharing;

(3) that portion of money earned from pay phone commissions to the extent that the commission rates exceed those in effect in December 1993;

(4) money received and accepted as contributions, grants, or gifts as authorized under subsection (c) of this section;

(5) general funds appropriated for major information technology development projects of any unit of State government other than a public institution of higher education that:

(i) are unencumbered and unexpended at the end of a fiscal year;

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(ii) have been abandoned; or

(iii) have been withheld by the General Assembly or the Secretary;

(6) any investment earnings; and

(7) any other money from any source accepted for the benefit of the Fund.

(f) The Fund does not include any money:

(1) received by the Department of Transportation, the Maryland Transportation Authority, Baltimore City Community College, or the Maryland Public Broadcasting Commission;

(2) received by the Judicial or Legislative branches of State government; or

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

(g) The Governor shall submit with the State budget:

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

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

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(3) a descriptive listing of MAJOR INFORMATION TECHNOLOGY DEVELOPMENT projects reflecting projected costs for the fiscal year for which the State budget is submitted and any estimated future year costs; AND

(4) THE AMOUNT PROPOSED TO BE SET ASIDE FOR EXPEDITED PROJECTS.

(h) Expenditures from the Fund shall be made only:

(1) in accordance with an appropriation approved by the General Assembly in the annual State budget; [or]

(2) through an approved State budget amendment under Title 7, Subtitle 2, Part II of this article, provided that a State budget amendment for any project not requested as part of the State budget submission or for any project for which the scope or cost has increased by more than 5% or \$250,000 shall be submitted to the budget committees allowing a 30-day period for their review and comment; OR

(3) FOR EXPEDITED PROJECT CONTRACTS APPROVED FOR FUNDING BY THE SECRETARY AND APPROVED BY THE BOARD OF PUBLIC WORKS AS PROVIDED IN § 12-101 OF THIS ARTICLE.

(i) The Fund may be used:

(1) for major information technology development projects;

(2) as provided in subsections (j) and [(l)] (M) of this section; [or]

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(3) notwithstanding § 3.5–301(b)(2) of this subtitle, for the costs of the first 12 months of operation and maintenance of a major information technology development project;

**(4) FOR EXPEDITED PROJECTS; OR**

**(5) FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS AND EXPEDITED PROJECTS THROUGH A REVOLVING LOAN PROCESS THROUGH WHICH AN AGENCY MAY REIMBURSE THE FUND IN FUTURE FISCAL YEARS AS ESTABLISHED BY THE SECRETARY IN REGULATION.**

(j) Notwithstanding subsection (b) of this section and except for the cost incurred in administering the Fund, each fiscal year up to \$1,000,000 of this Fund may be used for:

(1) educationally related information technology projects;

(2) application service provider initiatives as provided for in Title 9, Subtitle 22 of the State Government Article; or

(3) information technology projects, including:

(i) pilots; and

(ii) prototypes.

(k) A unit of State government or local government may submit a request to the Secretary to support the cost of an information technology project with money under subsection (j) of this section.

(L) (1) EACH FISCAL YEAR, AT LEAST 20% OF THE AMOUNT INCLUDED IN THE GOVERNOR'S ALLOWANCE AND APPROPRIATED TO THE FUND SHALL BE SET ASIDE TO BE USED FOR EXPEDITED PROJECTS.

(2) ANY AMOUNT SET ASIDE UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT IS NOT USED IN THE FISCAL YEAR THAT IT IS SET ASIDE SHALL REMAIN SET ASIDE IN THE FUND AND AVAILABLE TO BE USED FOR FUTURE EXPEDITED PROJECTS.

[(L)] (M) (1) Notwithstanding subsection (b) of this section and in accordance with paragraph (2) of this subsection, money paid into the Fund under subsection (e)(2) of this section shall be used to support:

(i) the State telecommunication and computer network established under § 3.5-404 of this title, including program development for these activities; and

(ii) the Statewide Public Safety Interoperability Radio System, also known as Maryland First (first responder interoperable radio system team), under Title 1, Subtitle 5 of the Public Safety Article.

(2) The Secretary may determine the portion of the money paid into the Fund that shall be allocated to each program described in paragraph (1) of this subsection.

[(m)] (N) (1) On or before November 1 of each year, the Secretary shall report to the Governor[,] AND the Secretary of Budget and Management[, and to the budget committees of the General Assembly and submit a copy of the report to the General Assembly.] AND, in accordance with § 2-1257 of the State Government Article, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT, THE HOUSE

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APPROPRIATIONS COMMITTEE, THE HOUSE HEALTH AND GOVERNMENT  
OPERATIONS COMMITTEE, AND THE JOINT COMMITTEE ON CYBERSECURITY,  
INFORMATION TECHNOLOGY, AND BIOTECHNOLOGY.

(2) The report shall include:

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

(ii) an accounting for the preceding fiscal year of all money from  
each of the revenue sources specified in subsection (e) of this section, including any  
expenditures made from the Fund; and

(iii) for each project receiving money from the Fund in the  
preceding fiscal year and for each major information technology development project **OR  
EXPEDITED PROJECT** receiving funding from any source other than the Fund in the  
preceding fiscal year:

- DECISIONS:
1. the status of the project **AND PROJECT FUNDING**
  2. a comparison of estimated and actual costs of the  
project;
  3. any known or anticipated changes in scope or costs of  
the project;
  4. an evaluation of whether the project is using best  
practices; and

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5. a summary of any monitoring and oversight of the project from outside the agency in which the project is being developed, including a description of any problems identified by any external review and any corrective actions taken.

**[(n)] (O)** On or before January 15 of each year, for each major information technology development project OR EXPEDITED PROJECT currently in development or for which operations and maintenance funding is being provided in accordance with subsection (i)(3) of this section, subject to § 2-1257 of the State Government Article, the Secretary shall provide a summary report to the Department of Legislative Services with the most up-to-date project information including:

- (1) project FUNDING DECISIONS AND PROJECT status;
- (2) any schedule, cost, and scope changes since the last annual report;
- (3) a risk assessment including any problems identified by any internal or external review and any corrective actions taken; and
- (4) any change in the monitoring or oversight status.

**(P) (1) THE SECRETARY MAY ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.**

**(2) THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO ESTABLISH A PROCESS FOR UNITS OF STATE GOVERNMENT TO REQUEST AND RECEIVE FUNDING FOR AN EXPEDITED PROJECT ALIGNED WITH THE STATE MODERNIZATION PLAN THAT SHALL:**

**(I) ALLOW UNITS OF STATE GOVERNMENT TO APPLY FOR PROJECT FUNDING BIANNUALLY;**

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**(II) BE CONSISTENT WITH THE GOALS AND PREFERENCES ESTABLISHED UNDER TITLE 14 OF THIS ARTICLE AND ENCOURAGE SMALL AND MINORITY BUSINESS ENTERPRISE VENDORS; AND**

**(III) PROVIDE MEASURES THAT ENSURE COMPLIANCE WITH THIS SUBTITLE AND THE DEPARTMENT’S REGULATIONS BY BOTH VENDORS AND UNITS OF STATE GOVERNMENT.**

On pages 3 through 6, strike in their entirety the lines beginning with line 28 on page 3 through line 21 on page 6, inclusive.

On page 6, in lines 24 and 29, in each instance, strike “Oversight”; and strike in their entirety lines 27 and 28.

On page 7, in line 12, strike “ENSURE” and substitute “**RECOMMEND**”; in line 15, after “Secretary” insert “**, OR THE SECRETARY’S DESIGNEE**”; in line 16, after “Officer” insert “**, OR THE CHIEF INFORMATION SECURITY OFFICER’S DESIGNEE**”; in line 21, strike “from” and substitute “**RECOMMENDED BY**”; in line 22, after “issues” insert “**, APPOINTED BY THE GOVERNOR**”; in line 25, strike “from” and substitute “**RECOMMENDED BY**”; and in the same line, after “Maryland” insert “**, APPOINTED BY THE GOVERNOR**”.

On page 8, strike beginning with “ONE” in line 1 down through “AUDITOR” in line 2 and substitute “**ONE REPRESENTATIVE OF THE INFORMATION TECHNOLOGY INDUSTRY, APPOINTED BY THE GOVERNOR**”; strike in their entirety lines 6 and 7 and substitute:

**“(F) A MEMBER OF THE COMMISSION:**

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

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

(G) (1) THE TERM OF AN APPOINTED MEMBER IS 3 YEARS.

(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON JULY 1, 2024.

(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(H) (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF LEGISLATIVE SERVICES, SHALL PROVIDE STAFF TO THE COMMISSION.

(2) THE SECRETARY OR THE SECRETARY'S DESIGNEE IS THE CHAIR OF THE COMMISSION.”;

in line 8, strike “(G)” and substitute “(I)”; in line 30, strike “EACH UNIT OF STATE GOVERNMENT” and substitute “THE GOVERNOR, THE SECRETARY,”; and in line 32, after “(3)” insert “PROVIDE RECOMMENDATIONS TO”.

On page 9, in line 2, after “TO” insert “THE GOVERNOR, THE SECRETARY,”; in line 8, strike “(H)” and substitute “(J)”; and in the same line, strike “(G)(4)” and substitute “(I)(4)”.

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On pages 9 and 10, strike in their entirety the lines beginning with line 10 on page 9 through line 5 on page 11, inclusive, and substitute:

“12–101.

**(D) A CONTRACT TO MODERNIZE AN INFORMATION TECHNOLOGY SYSTEM OR TO PROCEED WITH AN EXPEDITED PROJECT AS DEFINED IN § 3.5–301 OF THIS ARTICLE SHALL BE EXPEDITED FOR APPROVAL BY THE BOARD AND PLACED ON THE AGENDA OF THE BOARD AS SOON AS PRACTICABLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 1, 2025, the Secretary of Information Technology shall:

- (1) develop a State Modernization Plan that includes:
  - (i) identification of technical debt and legacy systems, including their criticality, complexity, and risk to the State;
  - (ii) designation of priority systems and applications for modernization including rehosting, rebuilding, replacing, or retiring;
  - (iii) in consultation with the Comptroller, specific recommendations for a process to remove State agencies from the Annapolis Data Center mainframes consistent with the January 1, 2029, sunset goal of the Comptroller;
  - (iv) high level timeframe and cost estimates;
  - (v) identification of funding sources for the appropriate information technology and cybersecurity upgrades; and
  - (vi) plans to train and uptrain existing employees to be able to fully utilize technology as part of a modernization project.
- (2) develop a strategy for centralization of information technology management across the Executive Branch of State government under the Department of Information Technology;

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(3) identify positions in the Department of Information Technology that would be suitable for independent salary setting authority or greater flexibility in position classification to ensure the Department can recruit and retain the necessary staff to meet the mission of the Department; and

(4) submit the strategic plan and centralization strategy to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 3. AND BE IT FURTHER ENACTED, That, beginning in fiscal year 2026, the Governor shall include in the annual budget bill two position identification numbers and an appropriation in an amount sufficient to create two positions within the Department of Information Technology to carry out duties as follows:

(1) one shall assist in administering the process for units of State government to apply for expedited projects under this Act; and

(2) one position shall be a grants administrator responsible for aggressively seeking all possible federal or private grant funding to support major information technology projects or expedited projects under this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2024, the Joint Audit and Evaluation Committee, in consultation with the Joint Committee on Cybersecurity, Information Technology, and Biotechnology, shall study and make recommendations for any statutory and operational changes necessary to address the findings of the audit issued on April 2, 2024, by the Office of Legislative Audits in the Department of Legislative Services and shall report on any recommendations for statutory changes to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly, including the Senate Budget and Taxation Committee, the Senate Committee on Education, Energy, and the Environment, the House Appropriations Committee, and the House Health and Government Operations Committee.

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SECTION 5. AND BE IT FURTHER ENACTED, That the terms of the appointed members of the Modernize Maryland Commission shall expire as follows:

- (1) two members on July 1, 2024, as determined by the Governor;
- (2) two members on July 1, 2025, as determined by the Governor; and
- (3) the remaining appointed member on July 1, 2026.”.

On page 11, in line 6, strike “3.” and substitute “6.”; and in line 7, strike “October” and substitute “July”.