

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 227

(Chair, Health and Government Operations  
Committee)(By Request - Departmental - Information  
Technology)

Health and Government Operations

Education, Energy, and the Environment

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**State Government - Information Technology - Major Information Technology  
Development Projects**

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This departmental bill makes various changes to the Department of Information Technology's (DoIT) oversight of Major Information Technology Development Projects (MITDPs), including modifying the criteria used to determine whether a project is considered an MITDP and expanding the authority of the Secretary of Information Technology related to MITDPs. The bill also expressly authorizes the Secretary to determine whether the information technology (IT) purchased, leased, or rented by a unit of State government is consistent with the IT Master Plan, clarifies that the definition of IT includes networking and software applications, and clarifies the definition of "oversight" as it pertains to DoIT's responsibilities. The Secretary may adopt regulations to implement the bill.

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**Fiscal Summary**

**State Effect:** While the bill is not anticipated to materially affect State government operations or finances, DoIT is likely to experience administrative efficiencies as it works with agencies to plan and oversee MITDPs and IT used by those agencies.

**Local Effect:** None.

**Small Business Effect:** DoIT has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

### Bill Summary:

#### *Major Information Technology Development Projects Eligibility*

The bill modifies one of the three criteria used to determine whether a project is considered an MITDP, subject to additional DoIT oversight. Under current law, a project that meets any of the three criteria is considered an MITDP. The bill modifies the first criterion as follows:

- the estimated total cost of development for a project must equal or exceed \$5.0 million (instead of \$1.0 million); and
- the Secretary must determine that (1) the project requires the oversight given to an MITDP; (2) 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 prior to project initiation; (3) there is no sufficient alternative within the State's IT inventory; and (4) the project will result in a single, comprehensive solution designed to meet a cohesive set of business and technology objectives.

Other existing criteria used to determine whether a project is an MITDP continue to apply.

#### *Major Information Technology Development Projects Applications by Agencies*

The bill modifies the MITDP application and management process in the following ways:

- Before submitting an IT project request, a unit of State government must submit information in support of the request required by the Secretary to determine whether any given project is an MITDP.
- The bill clarifies that the Secretary is responsible for "oversight" of the implementation of MITDPs, regardless of fund source, and defines "oversight" as the obligation to monitor, assess, and report on the implementation and financial status of MITDP. Oversight does not include project or program management support or responsibility over project activities.
- The Secretary must approve funding for MITDP and the expenditure of funds from the MITDP Fund only when (1) annual IT project funding requests have been reviewed and approved by the Secretary; (2) MITDPs are in compliance with statewide plans, policies, and standards, as determined by the Secretary; and (3) MITDPs are supported by an approved systems development life cycle plan.

- The bill adds clarity to the technical details that must be included in an approved systems development life cycle plan.

**Current Law:**

*Department of Information Technology*

DoIT and the Secretary of Information Technology are responsible for:

- developing and enforcing IT policies, procedures, and standards;
- providing technical assistance, advice, and recommendations to any unit of State government;
- reviewing agency project plans to make information and services available to the public over the Internet;
- developing and maintaining a statewide IT Master Plan, as specified;
- developing a statewide cybersecurity strategy, as specified;
- adopting and enforcing nonvisual access standards to be used in the procurement of IT services, as specified;
- in consultation with the Maryland Cybersecurity Coordinating Council (MCCC), advising and overseeing a consistent cybersecurity strategy for units of State government, as specified;
- advising and consulting with the Legislative and Judicial branches of State government regarding a cybersecurity strategy;
- in consultation with MCCC, developing guidance on consistent cybersecurity strategies for specified local government entities;
- upgrading IT and cybersecurity-related State government infrastructure; and
- annually evaluating (1) the feasibility of units of State government providing public services using artificial intelligence, machine learning, commercial cloud computer services, device-as-a-service procurement models, and other emerging technologies and (2) the development of data analytics capabilities to enable data-driven policymaking by units of State government.

“IT” means all electronic information processing, including maintenance, telecommunications, hardware, software, and associated services.

*Major Information Technology Development Projects*

In order to centralize State oversight and funding for major Executive Branch IT projects, Chapters 467 and 468 of 2002 established a review and approval process for MITDPs and the related MITDP Fund. The process and fund are both managed by DoIT.

The MITDP Fund may be used to pay for MITDPs in general funded agencies, although MITDPs are often funded through other means (including federal funds). Among other sources of revenue, the fund consists of money received from IT agreements involving resource sharing, but certain government entities (including the Maryland Public Broadcasting Commission, as well as the Legislative and Judicial branches) are exempt from paying any money into the fund. Special funded agencies manage funding for their major IT projects, although their projects remain subject to the review, approval, and oversight of DoIT.

For a project to be considered an MITDP, it must (1) be estimated to cost at least \$1.0 million; (2) support critical business functions associated with the public health, education, safety, or financial well-being of the citizens of Maryland; or (3) be determined to require special attention and consideration by the Secretary.

**Background:** DoIT advises that the bill is necessary to improve the effectiveness and administration of the State's MITDP process with the goal of ensuring that such projects are well-planned, financially viable, and align with the operational needs of the agency or department responsible.

DoIT also notes that the Office of Legislative Audits has recently issued multiple findings that relate to the effectiveness of DoIT's oversight over State IT projects. By granting the Secretary of IT additional authority and more clearly defining DoIT's oversight role, the bill allows DoIT to compel agencies to more closely adhere to DoIT's advice and MITDP policies, thereby addressing the audit findings.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 294 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Information Technology) - Education, Energy, and the Environment.

**Information Source(s):** Department of Information Technology; Department of Commerce; Maryland Department of Aging; Maryland Department of Emergency Management; Maryland Department of the Environment; Department of General Services; Department of Human Services; Department of Juvenile Services; Maryland Department of Labor; Maryland Department of Planning; Board of Public Works; Department of State Police; Department of Veterans Affairs; Department of Legislative Services

**Fiscal Note History:** First Reader - January 15, 2024  
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## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: State Government – Information Technology – Major Information  
Technology Development Projects

BILL NUMBER: HB0227

PREPARED BY: Patrick Mulford

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**