

HB0738/753123/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 738

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**and Kipke**” and substitute “**Kipke, Alston, Bagnall, Bhandari, Cullison, Guzzone, Hutchinson, S. Johnson, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Ross, Szeliga, Taveras, White Holland, Woods, and Woorman**”; in line 2, strike “**Reporting Guidelines**” and substitute “**Major Information Technology Development Projects – Oversight**”; strike beginning with “altering” in line 3 down through “Technology” in line 7 and substitute “**providing that a unit of State government may not purchase, lease, contract for, or rent an information technology service or product under certain circumstances; providing that the Secretary of Information Technology is responsible for overseeing the implementation of major information technology development projects in the State; authorizing the Secretary of Information Technology and the Secretary of Budget and Management to withhold or reallocate major information technology development project funds under certain circumstances; altering the reporting requirements for allocations from the Information Technology Investment Fund; requiring the Department of Information Technology to publish a public dashboard with certain information about major information technology projects using the Information Technology Investment Fund; requiring Chief Information Officers for a unit of State government with a planned or ongoing major information technology development project to meet with the Secretary of Information Technology on a certain basis to discuss certain aspects of the projects; establishing the Maryland Office of Digital Experience within the Department to provide oversight, leadership, intervention, and strategic modernization for major information technology development projects; authorizing the Office to require units to provide certain reimbursement for services under certain circumstances; establishing the Maryland Digital Service Unit within the Maryland Office of Digital Experience to collaborate with units of State government to improve digital services; establishing the Major Information Technology Development**”

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Project Oversight Division to standardize, monitor, and support the implementation of major information technology development projects and expedited projects in the State; establishing the Information Technology Advisory Board to advise the Legislative Policy Committee; repealing a requirement that the Joint Audit and Evaluation Committee conduct a certain study and report certain recommendations to certain committees of the General Assembly; repealing the Modernize Maryland Commission; and generally relating to major information technology development projects and the Department of Information Technology”; strike in their entirety lines 8 through 12, inclusive; in line 15, strike “3.5–309(n) and (o)” and substitute “3.5–301, 3.5–307(a) and (d)(1), 3.5–308, and 3.5–309(o) and (p)”; and after line 17, insert:

“BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 3.5–309(a)
Annotated Code of Maryland General Assembly
(2021 Replacement Volume and 2024 Supplement)

BY repealing
Article – State Finance and Procurement
Section 3.5–309(n) and 3.5–316
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY adding to
Article – State Finance and Procurement
Section 3.5–309(o), (p), and (r); and 3.5–901 through 3.5–907 to be under the new
subtitle “Subtitle 9. Maryland Office of Digital Experience”
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY adding to
Article – State Government

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Section 2-411
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing

Chapter 497 of the Acts of the General Assembly of 2024
Section 4”.

AMENDMENT NO. 2

On page 1, after line 20, insert:

“3.5-101.

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

(b) “Cloud computing” means a service that enables on-demand self-service network access to a shared pool of configurable computer resources, including data storage, analytics, commerce, streaming, e-mail, document sharing, and document editing.

(c) “Department” means the Department of Information Technology.

(D) (1) “OVERSIGHT OF IMPLEMENTATION” MEANS MANAGEMENT OF THE PROCESS TO IMPLEMENT A NEW TECHNOLOGY, SYSTEM, OR PRODUCT INTO PRACTICE AND USE BY A UNIT.

(2) “OVERSIGHT OF IMPLEMENTATION” INCLUDES:

(I) PLANNING AND PREPARATION TO IMPLEMENT THE PRODUCT OR PRACTICE; AND

(Over)

(II) ONGOING MONITORING AND SUPPORT OF THE IMPLEMENTATION TEAM TO ENSURE SUCCESSFUL EXECUTION AND THAT THE PROJECT GOALS ARE MET.

(3) "OVERSIGHT OF IMPLEMENTATION" DOES NOT INCLUDE:

(I) RESPONSIBILITY FOR DAY-TO-DAY MANAGEMENT OF ANY INDIVIDUAL PROJECTS OR PRODUCTS; OR

(II) RESPONSIBILITY FOR IMPLEMENTING INDIVIDUAL-LEVEL PROCESS REQUIREMENTS FOR A PROJECT OR PRODUCT.

[(d)] (E) "Secretary" means the Secretary of Information Technology.

[(e)] (F) "Telecommunication" means the transmission of information, images, pictures, voice, or data by radio, video, or other electronic or impulse means.

[(f)] (G) "Unit of State government" means an agency or unit of the Executive Branch of State government.

3.5-307.

(a) (1) A unit of State government may not purchase, lease, CONTRACT FOR, or rent AN information technology SERVICE OR PRODUCT unless consistent with the master plan, as determined by the Secretary.

(2) A unit of State government other than a public institution of higher education may not make expenditures for major information technology development projects or cybersecurity projects except as provided in § 3.5-308 of this subtitle.

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(d) (1) The Department [of General Services], in consultation with the Department OF GENERAL SERVICES, 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.

3.5-308.

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

(b) Before submitting its information technology project requests, a unit of State government shall submit information in support of the request required by the Secretary for review and determination consistent with § 3.5-301(k) 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) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Secretary shall be responsible for overseeing the implementation of major information technology development projects, regardless of fund source.

(2) AS PART OF THE SECRETARY'S RESPONSIBILITIES UNDER THIS SECTION, THE SECRETARY SHALL ENSURE THAT NO FUNDING IS PROVIDED FOR THE IMPLEMENTATION OF A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT UNLESS:

(Over)

(I) THE SECRETARY DETERMINES THAT THE UNIT HAS THE INTERNAL CAPACITY TO ADEQUATELY SUPPORT THE PROJECT, PROGRAM MANAGEMENT, AND RESPONSIBILITY OVER PROGRAM ACTIVITIES, INCLUDING:

1. HUMAN CAPITAL;
2. SUBJECT MATTER EXPERTISE; AND
3. TECHNICAL INFRASTRUCTURE;

(II) WITHIN 30 DAYS OF AWARDING A CONTRACT, THE MANAGING UNIT SENDS TO THE BOARD OF PUBLIC WORKS AND THE LEGISLATIVE POLICY COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, NOTICE THAT:

1. IDENTIFIES THE PROJECT MANAGEMENT TEAM;
2. AFFIRMS THAT THE DEPARTMENT HAS REVIEWED AND APPROVED THE CONTRACT; AND
3. IS SIGNED BY THE HEAD OF THE UNIT ACKNOWLEDGING AND ACCEPTING THE ACCOUNTABILITY FOR THE IMPLEMENTATION OF THE INFORMATION TECHNOLOGY PROJECT OR PRODUCT; AND

(III) WHILE A UNIT IS MANAGING AN ACTIVE PROJECT OR PRODUCT, THE UNIT AGREES TO REPORT TO THE DEPARTMENT EVERY 3 MONTHS ON THE PROJECT STATUS IN A MANNER REQUESTED BY THE DEPARTMENT.

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(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) (I) The Secretary shall make a recommendation to the Secretary of Budget and Management [that] TO WITHHOLD project funds, regardless of fund source, [be withheld] if:

[(i)] 1. 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)] 2. 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.

(II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE SECRETARY OF BUDGET AND MANAGEMENT SHALL WITHHOLD ANY UNEXPENDED FUNDS APPROPRIATED IN A FISCAL YEAR FOR A MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT AT THE SECRETARY'S RECOMMENDATION ISSUED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) THE SECRETARY OF BUDGET AND MANAGEMENT MAY RELEASE FUNDS WITHHELD UNDER THIS PARAGRAPH AT THE DIRECTION OF THE SECRETARY IF THE SECRETARY DETERMINES THAT THE ISSUE LEADING TO THE INITIAL WITHHOLDING OF FUNDS HAS BEEN ADDRESSED.

(Over)

(3) WITHIN 30 DAYS AFTER FUNDING IS WITHHELD IN ACCORDANCE WITH THIS SUBSECTION, THE DEPARTMENT SHALL REPORT ON THE PURPOSE OF THE WITHHOLDING:

(I) TO THE GOVERNOR; AND

(II) SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO:

1. THE SENATE BUDGET AND TAXATION COMMITTEE;

2. THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT;

3. THE HOUSE APPROPRIATIONS COMMITTEE;

4. THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE; AND

5. THE JOINT COMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY, AND BIOTECHNOLOGY.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH:

1. THE SECRETARY MAY RECOMMEND TO THE SECRETARY OF BUDGET AND MANAGEMENT THAT FUNDING WITHHELD UNDER THIS SECTION BE REALLOCATED TO OTHER EXPENSES OF THE INFORMATION TECHNOLOGY INVESTMENT FUND UNDER § 3.5-309 OF THIS SUBTITLE; AND

2. THE SECRETARY OF BUDGET AND MANAGEMENT MAY, AT THEIR DISCRETION, FOLLOW THE SECRETARY'S RECOMMENDATION TO REALLOCATE FUNDS.

(II) IF THE REALLOCATED FUNDS EXCEED \$500,000, THE SECRETARY, IN CONSULTATION WITH THE SECRETARY OF BUDGET AND MANAGEMENT, SHALL SUBMIT A PROPOSAL TO THE LEGISLATIVE POLICY COMMITTEE FOR A 60-DAY REVIEW AND COMMENT PERIOD.

(g) (1) The Secretary shall approve funding for major information technology development projects, expedited projects, and other expenditures from the Fund only when:

(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:

(Over)

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A. the 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;

D. possible alternatives; and

E. the scope and complexity of the project; and

3. an estimate of:

A. the total costs required to complete through planning;
and

B. the fund sources available to support planning costs;
and

(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 business and technology outcomes to be achieved by the project and the metrics by which the success of those outcomes will be measured;

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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;

D. possible alternatives;

E. the scope and complexity of the project; and

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 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,] **ON OR BEFORE JULY 1, 2026, THE DEPARTMENT 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:

(Over)

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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 an Information Technology Investment Fund.

[(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, 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 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

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expedited project receiving funding from any source other than the Fund in the preceding fiscal year:

1. the status of the project and project funding decisions;
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
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.]

[(o)] (N) (1) 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)] (I) project funding decisions and project status, INCLUDING:

- 1. ESTIMATED PROJECT OR PRODUCT COSTS;**
- 2. FUNDING SOURCES;**

(Over)

3. ONGOING OPERATING COSTS AFTER THE PROJECT IS NO LONGER A MAJOR DEVELOPMENT PROJECT OR EXPEDITED PROJECT, INCLUDING:

A. COSTS ASSOCIATED WITH PROCURING AND MAINTAINING LICENSES; AND

B. SUPPORT TO CONTINUOUSLY MAINTAIN AND IMPROVE THE PROJECT OR PRODUCT:

[(2)] (II) any schedule, cost, and scope changes since the last annual report;

[(3)] (III) a risk assessment [including any problems identified by any internal or external review and any corrective actions taken; and] PROVIDED BY EITHER THE DEPARTMENT OR THE DESIGNATED UNIT OF STATE GOVERNMENT THAT DETAILS THE IDENTIFIED PROJECT OR PRODUCT RISK, INCLUDING:

1. A DESCRIPTION OF THE TYPE OF RISK, INCLUDING:

A. GOVERNANCE;

B. RESOURCE AVAILABILITY OR CAPABILITY;

C. FUNDING;

D. INTERDEPENDENCIES WITH OTHER SYSTEMS;

E. TECHNICAL ISSUES;

F. ORGANIZATIONAL CULTURE; OR

G. ABILITY TO SUPPORT IN THE LONG TERM; AND

2. THE RISK LIKELIHOOD;

3. THE RISK PRIORITY;

4. THE RISK OWNER;

5. PLANNED RISK MITIGATION STRATEGY; AND

6. THE RISK STATUS AS OF THE REPORT DATE;

(IV) PROJECT TRACKING METRICS, INCLUDING:

1. DESCRIBING THE FUNCTIONALITY AND FEATURES THAT HAVE BEEN DELIVERED AS OF THE REPORT DATE; AND

2. QUALITATIVE AND QUANTITATIVE DATA SHOWING PROGRESS TOWARDS PROJECT GOALS; AND

[(4)] (V) any change in the monitoring or oversight status.

(2) THE REPORT SUBMITTED UNDER THIS SUBSECTION:

(I) IS CONFIDENTIAL AND NOT SUBJECT TO DISCLOSURE UNDER TITLE 4 OF THE GENERAL PROVISIONS ARTICLE;

(Over)

(II) SHALL COMMUNICATE THE REQUISITE INFORMATION IN A CLEAR AND CONCISE MANNER THAT, TO THE GREATEST EXTENT POSSIBLE, AVOIDS THE USE OF TECHNICAL LANGUAGE OR RELIANCE ON EXISTING INDUSTRY KNOWLEDGE; AND

(III) SHALL INCLUDE AN EXECUTIVE SUMMARY OF KEY INFORMATION, INCLUDING:

1. THE TOTAL VALUE OF THE PORTFOLIO, INCLUDING:

A. ANNUAL DEVELOPMENT COSTS;

B. FUNDING SOURCES; AND

C. PROJECTED ONGOING OPERATING COSTS OVER THE NEXT 5 YEARS; AND

2. A SUMMARY OF NEW PROJECTS INCLUDING:

A. THE ADVANTAGES OF THE NEW PROJECTS; AND

B. ANY NEW OR INNOVATIVE ASPECTS OF DEVELOPMENT PROCESSES.

(O) (1) THE DEPARTMENT SHALL PUBLISH AND MAINTAIN A PUBLICLY AVAILABLE PROJECT AND PORTFOLIO DASHBOARD ON THE DEPARTMENT'S WEBSITE.

(2) THE DASHBOARD SHALL INCLUDE ALL MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS AND EXPEDITED PROJECTS, ORGANIZED BY THE ACCOUNTABLE UNIT OF STATE GOVERNMENT.

(3) FOR EACH PROJECT, THE DASHBOARD SHALL:

(I) SPECIFY THE SCHEDULE MANAGEMENT FOR THE PROJECT, INCLUDING:

- 1. THE PROJECT START DATE;**
- 2. ESTIMATED LENGTH OF THE PROJECT, BY PHASE;**
- 3. PLANNED MILESTONES WITH ESTIMATED COMPLETION DATES; AND**
- 4. COMPLETED MILESTONES WITH COMPLETION DATES;**

(II) LIST THE ESTIMATED PROJECT COST;

(III) LIST THE TOTAL AMOUNT APPROPRIATED FOR THE CURRENT FISCAL YEAR;

(IV) LIST THE TOTAL AMOUNT SPENT DURING THE PRIOR FISCAL YEAR, CATEGORIZED BY:

- 1. VENDOR COSTS;**

(Over)

- OTHER COSTS:
2. AGENCY LABOR;
 3. SOFTWARE LICENSES, SUBSCRIPTIONS, AND
 4. OTHER EXPENSES; AND
 5. TOTAL EXPENDITURES;

(V) FOR PROJECTS IN DEVELOPMENT:

1. THE PRIOR FISCAL YEAR FORECAST ACCOMPANIED BY ACTUAL DATA AND THE RESULTING VARIANCE; AND
2. THE CURRENT YEAR FORECAST; AND

(VI) SUBJECT TO SUBSECTION (P) OF THIS SECTION, IDENTIFY MAJOR PROJECT OR PRODUCT RISKS, INCLUDING:

1. RISK DESCRIPTION;
2. RISK IMPACT;
3. RISK LIKELIHOOD;
4. MITIGATION STRATEGY; AND
5. RISK STATUS.

(P) (1) THE DEPARTMENT MAY REDACT SPECIFIC RISKS IDENTIFIED UNDER SUBSECTION (O)(3)(VI) OF THIS SECTION FROM THE PUBLIC DASHBOARD IF THE DEPARTMENT DETERMINES THAT PUBLIC SHARING OF THE INFORMATION COULD POSE A RISK TO THE PROJECT.

(2) IF A RISK IS REDACTED FROM THE DASHBOARD, THE INFORMATION SHALL BE SHARED WITH THE LEGISLATIVE POLICY COMMITTEE.

(3) A RISK REDACTED FROM THE DASHBOARD IS CONFIDENTIAL AND NOT SUBJECT TO DISCLOSURE UNDER TITLE 4 OF THE GENERAL PROVISIONS ARTICLE.

~~[(p)]~~ (Q) (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;

(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.

(R) THE CHIEF INFORMATION OFFICER FOR A UNIT OF STATE GOVERNMENT WITH A PLANNED OR ONGOING MAJOR INFORMATION

TECHNOLOGY DEVELOPMENT PROJECT SHALL MEET WITH THE SECRETARY ON A QUARTERLY BASIS TO REPORT ON AND DISCUSS THE ONGOING INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS, INCLUDING:

- (1) PROJECT BUDGET;
- (2) PROJECT VENDOR PERFORMANCE OR NONPERFORMANCE;
- (3) PROJECT SCOPE;
- (4) PROJECT SCHEDULE;
- (5) THE CAPACITY OF THE UNIT TO IMPLEMENT THE PROJECT;

AND

(6) ANY OTHER ITEMS THE SECRETARY DEEMS RELEVANT TO THE SUCCESSFUL IMPLEMENTATION OF THE PROJECT.

SUBTITLE 9. MARYLAND OFFICE OF DIGITAL EXPERIENCE.

3.5-901.

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

(B) “DIVISION” MEANS THE MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT OVERSIGHT DIVISION.

(C) “OFFICE” MEANS THE MARYLAND OFFICE OF DIGITAL EXPERIENCE.

(D) “SERVICE” MEANS THE MARYLAND DIGITAL SERVICE UNIT.

3.5-902.

(A) THERE IS A MARYLAND OFFICE OF DIGITAL EXPERIENCE.

(B) THE PURPOSE OF THE OFFICE IS TO:

(1) PROVIDE OVERSIGHT, LEADERSHIP, INTERVENTION, AND STRATEGIC MODERNIZATION FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS, INCLUDING LARGE-SCALE, HIGH IMPACT, MULTI-AGENCY PROJECTS, IN A TRANSPARENT MANNER THAT ENSURES A POSITIVE RETURN ON INVESTMENT; AND

(2) DIRECT THE DEVELOPMENT OF MODERNIZED SYSTEMS IN A MANNER THAT:

(I) WHEN APPROPRIATE, PRIORITIZES A PRODUCT-BASED APPROACH TO THE DEVELOPMENT OF MODERNIZED SYSTEMS OVER A PROJECT-BASED APPROACH;

(II) IS COST-EFFECTIVE;

(III) LOWERS RISKS;

(IV) DELIVERS VALUE FASTER; AND

(V) OTHERWISE IMPROVES THE DELIVERY OF SERVICES FOR RESIDENTS OF THE STATE.

(Over)

3.5-903.

THE SECRETARY SHALL APPOINT A CHIEF DIGITAL EXPERIENCE OFFICER TO SERVE AS THE HEAD OF THE OFFICE.

3.5-904.

(A) (1) THE OFFICE MAY EMPLOY OR RETAIN REGULAR OR CONTRACTUAL EMPLOYEES AT THE DISCRETION OF THE CHIEF DIGITAL SERVICES OFFICER AND CHIEF OF THE DIVISION AS NECESSARY TO MEET THE REQUIREMENTS OF THE OFFICE.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE CHIEF DIGITAL SERVICES OFFICER AND CHIEF OF THE DIVISION MAY SET THE COMPENSATION FOR OFFICE EMPLOYEES.

(II) THE SECRETARY OF BUDGET AND MANAGEMENT SHALL APPROVE ANY COMPENSATION PROPOSED UNDER THIS SUBSECTION.

(B) THE OFFICE MAY USE A SHORT-TERM CONTRACT OR CONTRACTUAL HIRING TO SUPPORT HUMAN RESOURCE NEEDS TO SUPPORT THE RAPID HIRING OF OFFICE EMPLOYEES AND CONTRACTORS.

(C) TO MEET THE REQUIREMENTS OF THIS SUBTITLE, THE OFFICE MAY REQUIRE A UNIT TO PROVIDE REIMBURSEMENT FOR SERVICES PROVIDED BY THE OFFICE FROM FUNDS PROVIDED TO THE UNIT FROM THE INFORMATION TECHNOLOGY INVESTMENT FUND OR OTHER FUNDS ALLOCATED TO THE UNIT FOR AN INFORMATION TECHNOLOGY PROJECT OR PRODUCT.

3.5-905.

(A) THERE IS A MARYLAND DIGITAL SERVICE UNIT IN THE OFFICE.

(B) THE SERVICE SHALL COLLABORATE WITH UNITS OF STATE GOVERNMENT TO SUPPORT IMPROVED SERVICE DELIVERY TO STATE RESIDENTS AND AGENCY STAFF TO IMPLEMENT:

(1) USER-CENTERED DESIGN;

(2) SOFTWARE DEVELOPMENT; AND

(3) PROJECT MANAGEMENT BEST PRACTICES.

(C) THE SERVICE IS RESPONSIBLE FOR:

(1) ASSISTING UNITS OF STATE GOVERNMENT TO PRIORITIZE THE DEVELOPMENT AND PROCUREMENT OF USER-FRIENDLY, ACCESSIBLE, AND MULTILINGUAL DIGITAL PLATFORMS TO ENSURE THAT ALL STATE RESIDENTS, INCLUDING THOSE WITH DISABILITIES, CAN EASILY ACCESS AND USE GOVERNMENT SERVICES AND INFORMATION;

(2) WORKING COLLABORATIVELY WITH UNITS OF STATE GOVERNMENT TO:

(i) CONSOLIDATE AND STREAMLINE STATE WEBSITES AND DIGITAL APPLICATIONS TO REDUCE REDUNDANCY, COMPLEXITY, AND MAINTENANCE COSTS; AND

(Over)

(II) PRIORITIZE PROJECTS THAT ARE FINANCIALLY EFFICIENT AND DRIVE POSITIVE OUTCOMES FOR STATE RESIDENTS; AND

(3) OVERSEEING THE IMPLEMENTATION OF USER-CENTERED DESIGN PRINCIPLES, ACCESSIBILITY STANDARDS, AND BEST PRACTICES ACROSS UNITS OF STATE GOVERNMENT.

(D) UNITS OF STATE GOVERNMENT SHALL COLLABORATE WITH THE SERVICE TO ENSURE THAT THE ALIGNMENT AND FUNDING OF A DIGITAL INITIATIVE IS CONSISTENT WITH:

(1) THE OVERALL GOALS AND PRIORITIES OF THE STATE; AND

(2) THE STATEWIDE INFORMATION TECHNOLOGY MASTER PLAN.

3.5-906.

(A) THERE IS MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT OVERSIGHT DIVISION IN THE OFFICE.

(B) THE DIVISION, IN CONSULTATION WITH THE DEPARTMENT, SHALL:

(1) ADOPT NEW STANDARDS BY WHICH MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS AND EXPEDITED PROJECTS ARE REQUIRED TO COMPLY, IN ALIGNMENT WITH THE STATE SYSTEM DEVELOPMENT LIFE CYCLE;

(2) MONITOR THE PERFORMANCE OF PROJECT MANAGEMENT TEAMS FOR MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS AND EXPEDITED PROJECTS AND ENSURE THE TEAMS HAVE THE APPROPRIATE TALENT AND EXPERTISE NECESSARY TO DELIVER THE INTENDED PROJECT VALUE; AND

(3) PROVIDE EXPERTISE, SUPPORT, AND INTERVENTION AS NECESSARY FOR THE PROJECT MANAGEMENT TEAM TO SUCCESSFULLY IMPLEMENT A PROJECT IN A MANNER CONSISTENT WITH STANDARDS ADOPTED UNDER ITEM (1) OF THIS SUBSECTION.

(C) THE DIVISION SHALL ESTABLISH AND STAFF A DISCOVERY TEAM TO DEPLOY TEAM MEMBERS TO HELP UNITS OF STATE GOVERNMENT ASSIST THE UNIT IN IDENTIFYING:

(1) WHAT PROBLEM THE USE OF AN INFORMATION TECHNOLOGY PROJECT OR PRODUCT IS SOLVING;

(2) WHO THE USERS OF THE PROJECT OR PRODUCT WILL BE;

(3) WHAT A SUCCESSFUL SOLUTION WOULD LOOK LIKE; AND

(4) OTHER ISSUES TO ENSURE SUCCESSFUL IMPLEMENTATION OF THE PROJECT OR PRODUCT.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY MAY DELEGATE ANY MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT TO THE DIVISION THAT THE SECRETARY DETERMINES

IS APPROPRIATE TO SERVE AS A PILOT PROJECT FOR THE DIVISION TO PROVIDE THE SERVICES DESCRIBED IN THIS SECTION.

3.5-907.

BEGINNING DECEMBER 31, 2025, AND EACH JULY 1 AND DECEMBER 31 THEREAFTER, THE DEPARTMENT OF GENERAL SERVICES, IN CONSULTATION WITH THE DEPARTMENT, SHALL REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON ANY PROJECTS OVER \$1,000,000 UNDERTAKEN BY A UNIT OF STATE GOVERNMENT UNDER A MASTER CONTRACT FOR STATEWIDE AGILE RESOURCES AND TEAMS CONTRACT OR WORK ORDER APPROVED BY THE BOARD OF PUBLIC WORKS IN FISCAL YEAR 2025, INCLUDING:

(1) THE CONTRACT OR WORK ORDER AMOUNT AND TOTAL ESTIMATED PROJECT COST;

(2) WHETHER THE SECRETARY OF GENERAL SERVICES AND THE SECRETARY HAVE DETERMINED THAT THE UNIT HAS THE INTERNAL CAPACITY TO ADEQUATELY SUPPORT THE PROJECT AND PROGRAM MANAGEMENT RESPONSIBILITIES, INCLUDING ADEQUATE:

(I) HUMAN CAPITAL;

(II) SUBJECT MATTER EXPERTISE; AND

(III) TECHNICAL INFRASTRUCTURE;

(3) WHETHER THE HEAD OF THE UNIT ACCEPTED ACCOUNTABILITY FOR THE OVERSIGHT AND IMPLEMENTATION OF THE PROJECT;

(4) THE MEMBERS OF THE PROJECT MANAGEMENT TEAM; AND

(5) AFFIRMATIVE AGREEMENTS THAT, AS PART OF THE CONTRACT OR WORK ORDER APPROVAL, THE UNIT OF STATE GOVERNMENT SUBMITS A REPORT REGARDING PROJECT STATUS TO THE DEPARTMENT EVERY 3 MONTHS.

Article – State Government

2-411.

(A) IN THIS SECTION, “BOARD” MEANS THE INFORMATION TECHNOLOGY ADVISORY BOARD.

(B) THERE IS AN INFORMATION TECHNOLOGY ADVISORY BOARD TO ADVISE THE LEGISLATIVE POLICY COMMITTEE.

(C) (1) THE BOARD CONSISTS OF EIGHT MEMBERS OF THE PUBLIC WITH EXPERTISE IN:

(I) ENTERPRISE INFORMATION TECHNOLOGY MANAGEMENT EXPERIENCE; AND

(II) SPECIFIC TECHNOLOGY EXPERIENCE, INCLUDING EXPERIENCE WITH ARTIFICIAL INTELLIGENCE AND CYBERSECURITY.

(2) (I) THE PRESIDENT OF THE SENATE SHALL APPOINT FOUR OF THE BOARD MEMBERS.

(Over)

(II) THE SPEAKER OF THE HOUSE SHALL APPOINT FOUR OF THE BOARD MEMBERS.

(3) THE PRESIDENT AND THE SPEAKER SHALL JOINTLY DESIGNATE A MEMBER TO SERVE AS CHAIR OF THE BOARD.

(D) A MEMBER OF THE BOARD:

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

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

(2) IS SUBJECT TO THE PUBLIC ETHICS LAW; AND

(3) SHALL DISCLOSE TO THE STATE ETHICS COMMISSION IF THE MEMBER:

(I) IS EMPLOYED BY AN ENTITY THAT CURRENTLY DOES BUSINESS WITH THE STATE THAT IS RELATED TO THE MATTERS BEFORE THE BOARD; OR

(II) HAS A FINANCIAL INTEREST IN AN ENTITY THAT CURRENTLY DOES BUSINESS WITH THE STATE THAT IS RELATED TO THE MATTERS BEFORE THE BOARD.

(E) THE BOARD SHALL BE STAFFED BY THE DEPARTMENT OF LEGISLATIVE SERVICES.

(F) THE BOARD SHALL:

(1) SERVE AS AN EXPERT ADVISORY ENTITY TO THE GENERAL ASSEMBLY; AND

(2) REVIEW ANY STATE REPORTS OR OTHER AVAILABLE INFORMATION REGARDING EXISTING MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS, INCLUDING:

(I) PROJECT MANAGEMENT AND OVERSIGHT REPORTS PROVIDED CONFIDENTIALLY TO THE DEPARTMENT OF LEGISLATIVE SERVICES;

(II) ANY CONFIDENTIAL INFORMATION REGARDING PROJECT RISKS SUBMITTED TO THE LEGISLATIVE POLICY COMMITTEE;

(III) THE STATE MODERNIZATION PLAN;

(IV) LEGACY SYSTEM STANDARDS, INVENTORY, AND FUNDING PROJECTIONS;

(V) STATE USE OF THE INFORMATION TECHNOLOGY INVESTMENT MATURITY MODEL;

(VI) THE STATE CENTRALIZATION STRATEGIES FOR:

1. INFORMATION TECHNOLOGY MANAGEMENT; AND

(Over)

2. CYBERSECURITY; AND

(VII) THE STATE ARTIFICIAL INTELLIGENCE ROADMAP DEVELOPED BY THE GOVERNOR’S ARTIFICIAL INTELLIGENCE SUBCABINET.

(G) ON OR BEFORE DECEMBER 15 EACH YEAR, THE BOARD SHALL SUBMIT TO THE LEGISLATIVE POLICY COMMITTEE AND THE JOINT COMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY, AND BIOTECHNOLOGY, IN ACCORDANCE WITH § 2-1257 OF THIS TITLE, A REPORT THAT:

(1) INTERPRETS AND SUMMARIZES THE REPORTS AND OTHER INFORMATION REVIEWED UNDER SUBSECTION (F)(2) OF THIS SECTION;

(2) PROVIDES ADVICE TO THE STATE BASED ON THE REPORTS AND OTHER INFORMATION REVIEWED; AND

(3) COMMUNICATES THE REQUISITE INFORMATION IN A CLEAR AND CONCISE MANNER THAT, TO THE GREATEST EXTENT POSSIBLE, AVOIDS THE USE OF TECHNICAL LANGUAGE OR RELIANCE ON EXISTING INDUSTRY KNOWLEDGE.

Chapter 497 of the Acts of 2024

[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

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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.]”.

On pages 1 through 4, strike in their entirety the lines beginning with line 21 on page 1 through line 23 on page 4, inclusive.

On page 4, after line 23, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 3.5–316 of Article – State Finance and Procurement of the Annotated Code of Maryland be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2026, the Secretary of Budget and Management, with the approval of the Governor, to meet the requirements of this Act, may transfer by budget amendment to the Maryland Office of Digital Experience, as enacted by Section 1 of this Act, the following appropriations included in the fiscal year 2026 operating budget, as enacted by Chapter (H.B. 350) of the Acts of the General Assembly of 2025:

- (1) up to \$4,300,000 in staff augmentation funds; and
- (2) up to 20% of the remaining appropriation to the Information Technology Investment Fund under § 3.5–309 of the State Finance and Procurement Article.

SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law:

(Over)

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(1) on or before June 30, 2026, the Governor may transfer to the Maryland Office of Digital Experience, as enacted by Section 1 of this Act, up to 50 positions, vacant or filled, along with the associated funds and unexpended appropriations that were included in the fiscal year 2026 operating budget, as enacted by Chapter (H.B. 350) of the Acts of the General Assembly of 2025; and

(2) an individual who is a permanent or contractual staff member in a budgeted position in the Department of Information Technology or a unit of the State executive branch whose position is transferred to the Maryland Office of Digital Experience shall be transferred without any decrease to or loss of the individual's rights, pay, status, working conditions, benefits, or retirement benefit status.

SECTION 5. AND BE IT FURTHER ENACTED, That, in fiscal year 2026, the Department of Information Technology:

(1) shall work with units of State government to find economies of scale through use of one statewide productivity suite under one State license but may provide for specific exceptions as necessary to meet specific unit needs;

(2) shall identify any other technology licensing or costs that could be reduced with a statewide contract for licensing or services; and

(3) provide that any savings identified through the provisions of this section shall accrue to the Information Technology Investment Fund to assist in implementing the provisions of this Act.

SECTION 6. AND BE IT FURTHER ENACTED, That in fiscal year 2026, except for funds transferred under Sections 3 and 4 of this Act, no additional general funds beyond those appropriated for the Department of Information Technology in the fiscal year 2026 operating budget, as enacted by Chapter (H.B. 350) of the Acts of the General Assembly of 2025, may be used to implement this Act.

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SECTION 7. AND BE IT FURTHER ENACTED, That the Senate Budget and Taxation Committee and the House Health and Government Operations Committee shall convene a workgroup to evaluate the provisions of this Act, including:

(1) the duties and responsibilities that should be assigned to the Department of Information Technology, the Maryland Office of Digital Experience, the Major Information Technology Development Project Oversight Division, the Maryland Digital Service Unit, or other offices in the Department;

(2) what, if any, additional actions should be taken to ensure adequate resolution of the findings made by the Office of Legislative Audits in 2024;

(3) whether it would be efficient and effective to have a Department of Information Technology employee embedded on-site in units of State government with a major information technology development project to assist in project management, to provide expertise, and to serve as a liaison between the unit and the Department;

(4) whether additional or independent procurement authority should be given to the Department of Information Technology; and

(5) whether there are more efficient and effective ways or mechanisms, including establishment of an independent information technology project management authority to provide project and program management and implementation.”.

On page 4, in line 24, strike “2.” and substitute “8.”.