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Education, Health, and
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Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Sponsor Testimony for SB 811 - The Modernize Maryland Act of 2022

March 1st, 2022

Chairman Guzzone, Vice Chair Rosapepe, and members of the Committee, thank you for your consideration of SB811 - the Modernize Maryland Act of 2022 - which establishes a strategy, mechanism, and oversight process for identifying and prioritizing IT systems within our state agencies for modernization.

As you heard during our January 27th briefing, During the 2021 interim, a Maryland Cybersecurity Council subcommittee studied the threat posed by cybercrime to state and local governments. The subcommittee included the Maryland Department of Information Technology, The Maryland Department of Emergency Management, the University of Maryland Center for Health & Homeland Security, the Maryland Association of Counties (MACo), and the Maryland Municipal League (MML). I have uploaded a copy of this report with my testimony today.

As part of this research the Department of Information Technology (DoIT) surveyed all 114 IT systems utilized by our state agencies, and the results were concerning to say the least. Almost half of our agencies rely on outdated "legacy systems," which no longer meet minimum security requirements or receive technical support from their manufacturer or developer, in order to complete their day-to-day operations. It goes without saying, then, that these systems are both expensive to maintain and introduce significant vulnerabilities to state systems, as well as any local systems that rely on the state for support.

The attack against our Department of Health last year is the epitome of this case. As a result of these disruptions, our local governments and hospitals are still struggling to conduct their day-to-day operations, including nursing licensure, distributing HIV/AIDS medication, and even ordering basic meals and prescriptions. The current estimate is that $50M will bring MDH back to the status quo; however, modernization of our full MDH IT infrastructure is estimated to cost $2B. We must recognize that our IT systems are out of date, and that will require modernizing them just as we repair and replace our bridges, highways, and public transit systems.

In order to resolve these issues and finally bring our state's IT and cybersecurity capacity into the 21st century, SB811 as currently amended does three things:

- First, SB811 establishes an independent Statewide Reporting Framework and Oversight Commission to develop our state's modernization roadmap for the next decade and to ensure that information held by state agencies on our residents maintains its confidentiality and integrity. To this effect, the Commission's membership contains key representatives from the Executive Branch, General Assembly, private sector experts in modernization, and citizen representatives. The roadmap will require a specific timeline and budgetary projections in order to update critical systems by 2026 and all systems by 2030.
- Second, SB811 requires the Department to hire an independent contractor to develop a framework for analysis, identification, and prioritization of systems for modernization based on their technical fit, business fit, customer experience, and the maintenance/operational costs.
- Finally, once this roadmap and framework have been developed, the bill authorizes DoIT as a primary procurement unit specifically for IT and cybersecurity-related modernization efforts. This streamlining of the procurement process is absolutely critical to ensure timely and efficient modernization of our most out-dated and most critical systems, and is in-line with the procurement process for the Maryland Dept. of Transportation and University System of Maryland.

You should have a copy of the amendment and interlineated language on your desk. I will note that there is currently $334M in the budget for the Major IT Development Projects (MITDP) fund. This is a significant starting investment, and probably more than we can spend in 1 year given the current pace of procurement, however, it is not nearly enough given the magnitude of the problem we face. Again, I would remind the committee that $2B may be required just to modernize our Department of Health.

I cannot stress the importance of this legislation in ensuring that our citizens' data is safe, and that they receive high-quality, modern governmental services. Each of us has had to manage constituent cases where there is an unacceptable delay in licensing, permitting, or another application process, and we've seen the kinetic impacts of outdated IT and cybersecurity systems grow for years in Maryland. SB811 provides a well-structured, targeted method for our state to take necessary modernization steps, and for that reason, **I respectfully request a favorable report from the committee.**

Sincerely,

Senator Katie Fry Hester
Howard and Carroll Counties