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**Testimony of Helene T. Grady, Secretary of the Department of Budget and Management in support of SENATE BILL 659/HOUSE BILL 709 - Comptroller - Modernization of State Financial Systems - Report**

**DATE: March 9, 2023**

**COMMITTEE: Senate Budget and Taxation**

I appreciate Comptroller Lierman taking the lead and prioritizing this issue. The Modernization of State Financial Systems bill is a much-needed directive to research, adopt, and implement a new accounting system for the State of Maryland. Our state government needs to modernize its existing technologies to process a large volume of financial data effectively and efficiently. To provide the streamlined customer service that Marylanders deserve, we must bring our antiquated payment systems up to date.

Maryland is currently one of the only states still using the Financial Management Information System (FMIS), which comprises accounting, budgeting, purchasing, and inventory applications and mechanisms to produce reports for our departments. FMIS runs on an outdated mainframe technology instead of the modern cloud computing systems that are now standard in nearly every other state. Programming on these archaic systems is performed in an almost obsolete computer language, therefore hiring programmers to work in the system has become challenging.

With the passage of the Modernization of State Financial Systems bill, we will be able to develop strategies and best practices to help state agencies prepare for the replacement of outdated technology, determine the needs of the Comptroller's Office and partner agencies, and finally, develop and oversee an implementation plan for this new system. This bill directs the Comptroller's Office, the State Treasurer's Office, the Department of Budget and Management, the Department of Information Technology, and the Department of General Services to coordinate this effort. I look forward to working with my partners in government - Comptroller Lierman and Treasurer Davis - on this important effort.

I urge you to vote favorably for the Modernization of State Financial Systems bill. The State of Maryland must begin to replace the outdated FMIS system to guarantee continued service to vendors, businesses, and non-profits who rely on timely payments while also maintaining administrative order and processes within our agencies.

Helene T. Grady, Secretary  
Maryland Department of Budget and Management