



SB 659 - 21st Century Financial Systems Council - Establishment
Senate Budget and Taxation Committee
March 9th, 2023
SUPPORT

Chair Guzzone, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 659. This bill would create a council to oversee upgrading Maryland's financial management system.

CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost half of CASH's tax preparation clients earn less than \$20,000.**

One of the challenges identified by the Comptroller's Transition Committee is that Maryland is using an outdated financial management system. To address this concern, the workgroup recommended for the Comptroller's Office to, "collaborate with the Treasurer and Secretary of the Department of Budget and Management to implement a new accounting system for the State to replace the current accounting system (FMIS)." The full transition committee report can be found here: [Transition Report Comptroller of Maryland 2023](#).

CASH receives multiple grants paid by state agencies, several of which are reimbursement grants. There have been several instances of data not being updated properly by agencies that led to the Comptroller holding back our payments. In one case, CASH had over \$200,000 in funding held up by a \$15 flag from Department of Labor, which they had never billed and immediately put into flag status.

HB 659 creates a 21st Century Financial Systems Council will ensure that the Comptroller's Office, and other relevant agencies and stakeholders will work together to investigate the best practices in implementing a better financial management system. Modernizing infrastructure will make the process more efficient and transparent for state agencies, businesses, and nonprofits across the state. Upgrading the system will be a prolonged process and require input from many different sources. SB 659 will create the 21st Century Financial Systems Director position to facilitate and coordinate the process of upgrading Maryland's financial management systems and oversee the implementation.

SB 659 will start the process of converting Maryland to a new financial management system that will be safe, effective, and the needs and priorities for all users will be considered.

We encourage you to return a favorable report for SB 659.

Creating Assets, Savings and Hope