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House Chair
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THE MARYLAND HOUSE OF DELEGATES
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**Testimony in Support of HB1188: Information Technology - Modernization of
Information Technology Projects
March 5, 2024**

Madam Chair Peña-Melnyk and esteemed members of the Health and Government Operations Committee, it is my pleasure to come before you and offer testimony in favor of **House Bill 1188: Information Technology - Modernization of Information Technology Projects**. This bill will establish the Information Technology Investment Fund to accelerate the modernization of our state's information technology.

Maryland's outdated, and in some cases obsolete, hardware and software impinge on our ability to provide appropriate assistance/services. According to a DOIT survey, 46% of state agencies have at least one identified "legacy system," one that is too old to be updated, is often expensive to operate or maintain, and presents a significant risk to the continuity of government operations.

In 2022, the General Assembly passed **HB1205**, which created the Modernize Maryland Commission as part of the overall cybersecurity package. The Commission's purpose is to ensure that appropriate IT investments were happening, identify and take advantage of funding sources, especially federal funds, and help increase the efficiency of procurement.

The Commission identified a funding model established by Congress (**Technology Modernization Fund**). There are three advantages to the fund:

- Enables the modernization effort to deliver a quicker return on investments by taking projects out of the annual budget cycle;
- Provides for a structured approval process and accountability for the implementation; and
- Creates an opportunity for savings, because of money being paid back into the fund.

Further, the IT Investment Fund model would do the following: 1) Create a fund from which investments can be financed throughout the year; 2) Allow agencies to apply for projects that can range from \$1 million to \$5 million; and 3) Allow agencies to return all or some portion of the efficiency savings to help recapitalize the Investment Fund. Further, this bill would require an annual report to the Governor, the General Assembly, and the Board of Public Works.

In summary, this bill provides a significant opportunity to accelerate and improve the efficiency of updating our legacy systems.

Thank you for your consideration of this important issue. I urge a favorable report on **House Bill 1188**.