

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 345

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Information
Technology)

Education, Health, and Environmental Affairs

Health and Government Operations

State Government - Information Technology - Review of Projects and Proposals

This departmental bill increases, from \$100,000 to \$200,000, the dollar value threshold of a resource sharing agreement (RSA), or other similar agreement, that requires the agreement to be approved by the Board of Public Works (BPW). The bill also simplifies the approval process for an agreement that meets the BPW threshold by repealing the need for such an agreement to be advertised on eMaryland Marketplace and submitted to the Legislative Policy Committee (LPC) for review. The bill further clarifies that the Department of Information Technology (DoIT) advisement and the aforementioned approval process applies for any information technology (IT) proposal involving the sale, lease, exchange, or other disposition of communication sites, facilities, or frequencies for IT purposes.

Fiscal Summary

State Effect: DoIT and State agencies involved with RSA agreements may experience administrative efficiencies and minimal cost savings from the bill's simplified approval process. Overall, the bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: DoIT has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law:

Department of Information Technology – Oversight and Responsibilities

DoIT and the Secretary of Information Technology are responsible for:

- developing and enforcing IT policies, procedures, and standards;
- providing technical assistance, advice, and recommendations to any unit of State government;
- reviewing agency project plans to make information and services available to the public over the Internet;
- developing and maintaining a statewide IT master plan, as specified; and
- adopting and enforcing nonvisual access standards to be used in the procurement of IT services, as specified.

While DoIT oversees most State agencies, some agencies, such as the Maryland Stadium Authority, University System of Maryland, and Maryland Port Authority, are exempt from DoIT's oversight.

Information Technology Proposals Involving Resource Sharing and State Considerations

Specific to DoIT's project plan review and advisement responsibilities, an agency must generally confer with DoIT on any IT proposal involving resource sharing, the exchange of goods or services, or a gift, contribution, or grant of real or personal property. After being notified by an agency, DoIT must then determine if the value of resources, services, and/or property to be obtained by the State under the terms of the proposal equals or exceeds \$100,000.

If so, and DoIT and the agency agree to proceed with the proposal, the proposal must be (1) advertised for at least 30 days on eMaryland Marketplace and (2) submitted to LPC for a 60-day review and comment period during which the committee may recommend the proposal be treated as a procurement contract. Following the committee's comment period, the proposal is subject to approval by BPW.

Resource Sharing Agreements

The State's telecommunications RSA process was established by Chapter 87 of 1996 to allow State agencies to enter into contractual agreements with private companies for the nonexclusive, long-term use of State rights-of-way (land), communications infrastructure

(telecommunications towers), and real estate (buildings). Generally, RSAs permit private companies to install, operate, and maintain communications systems on State resources; in exchange, the private companies provide the State with monetary compensation, equipment, or services. DoIT advises that most RSAs do not include direct revenue for the State.

Background: DoIT advises that the low dollar value threshold and lengthy approval process for RSAs and other similar agreements that must be approved by BPW harm the State's ability to compete with neighboring states for new fiber optic infrastructure and more comprehensive cellular communications coverage. By increasing the threshold and simplifying the process under the bill, the State is in a better position to quickly respond and compete when these opportunities arise.

Additional Information

Prior Introductions: HB 1573 of 2020 was referred to the House Rules and Executive Nominations Committee, and no further action was taken.

Designated Cross File: None.

Information Source(s): Department of Information Technology; Department of Budget and Management; Department of General Services; Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 14, 2021
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Government - Information Technology - Review of Projects and Proposals

BILL NUMBER: SB 345

PREPARED BY: Patrick Mulford

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There may be some cost benefit to small business as the cellular communications coverage expands.