PRINCE GEORGE'S COUNTY COUNCIL
Budget & Policy Analysis Division

April 10, 2025

M E M O R A N D U M

TO: Ingrid Watson, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Joseph R. Hamlin
Director of Budget and Policy Analysis

FROM: Roger Banegas
Legislative Budget and Policy Analyst

RE: Office of Information Technology (OIT)
Fiscal Year 2026 Budget Review

Budget Overview

- The FY 2026 Proposed Budget for the Office of Information Technology Internal Service Fund is $66,649,800, representing an increase of $5,570,400, or 9.1%, above the FY 2025 Approved Budget. The overall increase is primarily due to an increase in operating costs for Office and Operating equipment due to the restoration of planned agency desktop refresh, computer network support, and cyber security enterprise solutions. There is also an increase in compensation due to mandatory salary requirements and there is an increase in fringe benefit costs to align with compensated adjustment and fringe rate increase from 53.7% to 57.3%.
- In FY 2025, the Office of Information Technology anticipates receiving a one-time County interfund transfer to the Information Technology Internal Service Fund in the amount of $737,800 to support former State and Local Fiscal Recovery (SLFR) funded IT digitization and cyber security projects through CB-022-2025.
- The Office reports that a supplemental budget request will be necessary for FY 2025 in the amount of $767,700.
- Revenues increase 9.1% in FY 2026 due to an increase in agency charges. Agency charges increase $6.4 million or 11.9% over the FY 2025 level as the charges are spread throughout each agency and operating funds. All other revenues are projected to remain at the FY 2026 budget level. The ending fund balance for the Information Technology Fund totals -$18,136,632. The overall balance is negative due to post-employment benefits (OPEB) and prior-year adjustments made in the FY 2018 ACFR.

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Fund Types	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	% Change - Est vs App	FY 2026 Proposed	$ Change	% Change
General Fund	$ -	$ -	$ 737,800	N/A	$ -	$ -	0.0%
Internal Service Funds	60,903,508	61,079,400	61,079,400	0.0%	66,649,800	$ 5,570,400	9.1%
Total	**$ 60,903,508**	**$ 61,079,400**	**$ 61,817,200**	**1%**	**$ 66,649,800**	$ 5,570,400	**9.1%**

Information Technology Internal Service Fund

Budget Comparison

Category	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	% Change - Est vs App	FY 2026 Proposed	$ Change	% Change
Compensation	$ 9,141,295	$ 10,350,400	$ 10,389,700	0.4%	$ 11,159,000	$ 808,600	7.8%
Fringe Benefits	6,109,150	5,563,300	5,603,400	0.7%	6,396,600	833,300	15.0%
Operating Expenses	45,653,063	45,165,700	45,086,300	-0.2%	49,094,200	3,928,500	8.7%
Total	**$ 60,903,508**	**$ 61,079,400**	**$ 61,079,400**	**0.0%**	**$ 66,649,800**	**$ 5,570,400**	9.1%

Authorized Staffing Count

	FY 2025 Approved	FY 2026 Proposed	Change Amount	Percentage Change
Full-Time	75	75	0	0.0%
Part-Time	1	1	0	0.0%
Total	**76**	**76**	0	**0.0%**

Staffing Changes and Compensation

- In FY 2026, compensation is proposed at $11,159,000, representing an increase of $808,600, or 7.8% above the FY 2025 Approved Budget. Compensation includes funding for 75 full-time positions and one (1) part-time position.

- In addition to the 75 full-time positions, the Office relies on 111 contracted personnel to meet its operational objectives.

- As of March 12, 2025, the Office reports eight (8) vacant full-time positions, which represents a 10.66% full-time vacancy rate.

- The Office reports that four (4) employees separated in FY 2025 to date, which represents a 5.88% attrition level. According to the Office, merit staff attrition is low and, therefore, has a limited impact on the Office's base operations level but has a significant negative impact on supporting County agencies in achieving goals in GIS, Data, and essential business systems. To address attrition, the Office can continue to function with the one (1) resignation in Geographic Information Systems by temporarily distributing that work to existing staff. This position has been advertised and the Office is in active recruitment. The positions lost to attrition in FY 2025 are:
  - Info Tech Manager 1G - GIS
  - Info Tech Engineer 4G – Server Administration

- Director's Office – Deputy Director
- Director's Office – Director

Fringe Benefits

- FY 2026 Fringe Benefits are proposed at $6,396,600, representing an increase of $833,300, or 15.0%, above the FY 2025 Approved Budget level. The Office's fringe benefits expenditures include funding for Other Post-Employment Benefits (OPEB) totaling $2,254,800.

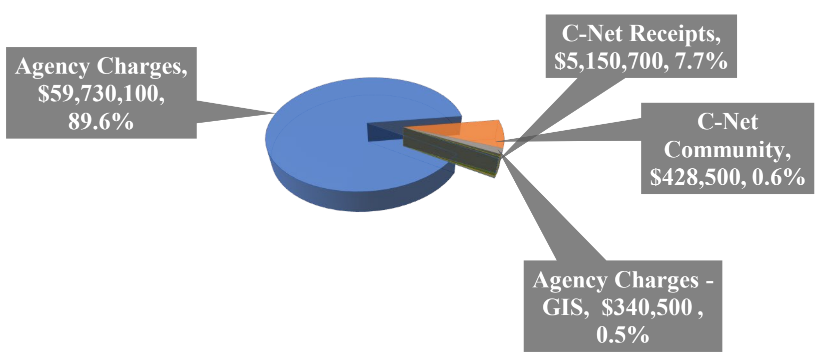
- A five-year trend analysis of fringe benefit expenditures is included below:

	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Proposed
Fringe Benefits Expenditures	$ 5,141,364	$ 3,102,305	$ 6,109,150	$ 5,603,400	$ 6,396,600
Compensation Expenditures	$ 7,550,176	$ 8,375,433	$ 9,141,295	$ 10,389,700	$ 11,159,000
Fringe as a Percentage	40.5%	27.0%	40.1%	35.0%	36.4%

Revenue Sources

- In FY 2026, funding for the Office is anticipated from the following revenue sources:

Proposed FY 2026 Revenue Sources



- Additionally, the C-Net Fund Balance is proposed at $1,000,000.

- <u>Agency Charges:</u> The Office charges each agency a fixed charge per year to provide information technology services. In FY 2026, the Office's agency charges (technology cost allocations) are proposed at $59.7 million, representing an increase of approximately $6,372,400, or 11.9%, based on the anticipated countywide costs for technology. Please see **Attachment A** for a detailed list of OIT Agency Charges.

- <u>C-Net Receipts</u>: These charges reflect a portion of the Public, Educational, and Government Access Channels (PEG) fees collected by Comcast and Verizon to operate C-Net. FY 2026 C-

Net Receipts are proposed at $5,150,700 million, representing a decrease of $1,814,500, or 26.1%, under the FY 2025 Approved Budget.

- C-Net Community: $428,500 is proposed for FY 2026, representing an increase of $12,500, or 3.0%, above the FY 2025 level.

- Agency Charges GIS: Geographic Information Systems (GIS) services provided to the Maryland-National Capital Park and Planning Commission (budgeted as a project charge to the M-NCPPC). $340,500 is proposed for FY 2026 in Agency Charges GIS, representing no change from FY 2025.

Operating Expenses

- In FY 2026, total operating expenses from the Information Technology Internal Service Fund are proposed at approximately $49,094,200, representing an increase of $3,928,500, or 8.7%, above the FY 2025 approved operating budget level.

- The accompanying table compares the FY 2026 Proposed Budget operating expenditures with the FY 2025 Approved Budget operating expenditures. In fourteen (14) of the categories, the FY 2026 Proposed Budget increases planned spending over the FY 2025 budget. In one (1) of the categories, the FY 2026 Proposed Budget level remains unchanged compared to the FY 2025 budget. In one (1) of the categories, the FY 2026 Proposed Budget level decreases significantly below the FY 2025 budget.

Operating Objects	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed	FY 2025 - FY 2026	
				$ Change	% Change
Office & Op. Eq. Non Capital	$ 21,806,610	$ 21,721,500	$ 25,796,900	$ 4,075,400	18.8%
Op. Contracts Serv.	20,885,904	21,870,900	21,665,300	(205,600)	-0.9%
GA Contracts	1,980,167	744,700	767,000	22,300	3.0%
Telephone	134,416	179,100	184,400	5,300	3.0%
Data/Voice	433,070	242,200	249,500	7,300	3.0%
Interagency Charges	120,182	130,000	141,200	11,200	8.6%
Eq. Lease	93,765	106,200	109,400	3,200	3.0%
Gen. Office Supp.	91,641	59,900	61,700	1,800	3.0%
Vehicle Eq Repair/Maintenance	20,400	27,200	29,900	2,700	9.9%
Training	4,997	49,100	50,600	1,500	3.1%
Allowances	15,000	16,600	17,100	500	3.0%
Memb. Fees	1,930	12,500	12,800	300	2.4%
Gas & Oil	3,184	3,400	3,500	100	2.9%
Printing	-	2,200	2,300	100	4.5%
Travel Non-Training	57,835	-	2,400	2,400	#DIV/0!
Mileage Reimbursement	3,962	200	200	-	0.0%
TOTAL	**$ 45,653,063**	**$ 45,165,700**	**$ 49,094,200**	**$ 3,928,500**	**8.7%**

- The most significant operating expenses dollar increases between the FY 2026 Proposed Budget and the FY 2025 Approved Budget are in *Office & Operating Equipment Non-Capital* (approx. $4.1 million), primarily due to the Restoration of Desktop Refresh ($2.7M), CNET Upgrade ($1M), and Cyber Security Back Up Rubik Solution ($0.3M).

- The most significant operating budget decrease is in Operating Contract Services (approx. $205,600) primarily due to Broadband and Information Technology Infrastructure Library (ITIL).

Workload & Program Management

- In FY 2025, the Office Developed a County-wide Artificial Intelligence (AI) framework, policy, and strategy.

- The Office reported that it implemented the first phase of the Zero Trust strategy, a cyber security best practice for the County.

- The Office developed a wide array of digital systems for County government agencies, encompassing applications, data repositories, integrations, dashboards, and enhancements to streamline operations across various departments and programs. These include but are not limited to time and attendance for summer youth program, special events application for fire, Emergency Management and stakeholder agencies, a new integration platform for enterprise and business applications, water and sewer inspections app, text messaging for 3-1-1 platform and virtual assistant for WEB, public safety officer tax credit, seniors tax credit, elections inventory, and mental health referral app. *For additional information, please see First Round Responses, Question #22, pg. 9.*

- The Office reports that it launched a new, cloud-hosted Amazon Web Services (AWS) website featuring an advanced content management platform, search engine, user experience tools, and data-driven navigation. This will provide a standardized web presence for all agencies while enabling ongoing agency-specific enhancements and business application integrations.

- The Office enhanced IT infrastructure by upgrading audio-visual technologies in meeting spaces, expanding digital signage with advanced features, and improving cellular and public radio signal coverage through a Distributed Antenna System, prioritizing public safety areas.

- For recruitment efforts, the Office continues to push out job announcements through other list services. The Office notes that for specific hard-to-fill positions, the commercial sector is lowering minimum education qualifications instead of relying on specialty and experience training.

- The replacement of aging infrastructure through the County-wide computer refresh continues to be one of the Office's key initiatives. The Desktop Refresh schedule will be restored in FY 2026 due to the FY 2025 funding offset for ongoing Cyber Security tools from an expired American Rescue Plan Act (ARPA) Grant. Additionally, The Office stated that "*upgrades to the CNET infrastructure will be made to enhance the network by increasing the network bandwidth to 100G to accommodate high-speed internet. The total cost is $5.4 Million ($1.4M* *in FY 2025 and $1.0M for the next four years)*. The table below depicts the FY 2026 proposed costs:

	Description	FY 2025 Equipment Cost (Planned to be purchased)	FY 2026 Equipment Cost (Proposed to be purchased)	Purpose for Request
1	CNET - Network Infrastructure Switches	$ 1,387,304.00	$ 1,000,000	CNET infrastructure upgrade. Backbone 10G EA requests to increase network bandwidth to 100G to accommodate high-speed internet. Total $5.4M. ($1.4M in FY 2025; $1.0M for the next 4 years). The CNET Committee Mandates it.
2	Office and Operating Equipment	-	2,928,400	Restoration of planned agency desktop refresh, computer and cyber security enterprise solutions.
	Total	1,387,304	$ 3,928,400	

- The Office's top priorities in FY 2026 include:
  - Support County Executive priorities and promises initiatives to enable government services virtually.
  - Continue to enhance the County's cybersecurity program and capabilities.
  - Maintain a sustainable and resilient technology infrastructure and user access for efficient and agile IT operations and rationalized data storage evolving to modern, flexible environments.
  - Optimize OIT through ongoing development and service realignment.
  - Enhance the County's website for improved digital experience, data access, and public engagement.
- In FY 2026, various IT projects will be supported for agencies including the Department of Permitting, Inspections & Enforcement (DPIE), Administrative Charging Committee, Office of Central Services, Fire/ EMS and the Sheriff's Office. 'Other' funding is $3 million of PAYGO funds.
  In addition, in FY 2026 $3.0 million is being allocated in the Proposed CIP Budget to support the Strategic IT Initiatives capital project. According to the FY 2026 Proposed CIP Budget Book:

  "Funding for technology enhancements is decentralized within the County. To optimize resources, a centralized fund to support strategic IT initiatives that support priority projects, improve citizen access to County services, promote government operations efficiencies and effectiveness, foster quality customer service, and enhance performance and security capabilities is required".

IT Initiatives

- In FY 2026, the Office plans to work on the following IT Initiatives:

Project	Budget	Agency
Maryland Police Accountability Act of 2021 Required Case Tracking System	$ 80,000	Administrative Charging Committee
ENERGYCAP Enhancement	$ 23,963	Central Services
WebChameleon and WebRescue Solutions	$ 17,580	Environment
Tax Billing and Collection Systems (Treasury) Replacement	$ 200,000	Finance
PGFD Motorola APEX Fireground Accountability Software System	$ 800,621	Fire/EMS Department
Loan Servicing Software	$ 9,000	Housing & Community Development
Budget System	$ 686,838	Management and Budget
Universal Design Bill	$ 175,000	Permits, Inspections & Enforcement
Momentum Lite	$ 450,000	Permits, Inspections & Enforcement
Digitization: • Digitize County Street Construction Docs (DPIE) • Domestic Violence Digitization (Sheriff)	$ 275,000	Multiple
Records Management System	$ 275,000	Sheriff
TOTAL	$ 2,993,002	

- Lastly, The Office reports that even though there are no plans to acquire new facilities in FY 2026, it is working in partnership with the Office of Central Services to secure permanent appropriated space so that the agency can build out space according to its needs.

Attachment A

OFFICE OF INFORMATION TECHNOLOGY (OIT)
AGENCY CHARGES

Agency/Branch	Approved FY 2025	Proposed FY 2026	$ Increase/ (Decrease)	% Change
Police	$ 11,840,300	$ 13,650,800	$ 1,810,500	15.3%
Fire/EMS	8,260,700	9,407,700	1,147,000	13.9%
Corrections	3,783,200	4,323,600	540,400	14.3%
Health	3,437,700	3,871,700	434,000	12.6%
Permitting, Inspection and Enforcement	2,921,500	3,232,700	311,200	10.7%
Public Works & Transportation	2,387,000	2,695,400	308,400	12.9%
Environment	2,148,200	2,417,000	268,800	12.5%
Sheriff	2,156,900	2,465,000	308,100	14.3%
Circuit Court	2,139,600	2,426,200	286,600	13.4%
Central Services	874,600	766,600	(108,000)	-12.3%
State's Attorney	1,524,200	1,724,600	200,400	13.1%
Homeland Security	1,309,100	1,496,100	187,000	14.3%
County Council	1,234,200	1,399,500	165,300	13.4%
Human Resources Management	1,040,700	1,058,600	17,900	1.7%
Redevelopment Authority	-	85,200	85,200	N/A
Finance	878,500	897,300	18,800	2.1%
Housing and Community Development	418,600	429,300	10,700	2.6%
Family Services	718,600	807,300	88,700	12.3%
Community Relations	658,500	651,200	(7,300)	-1.1%
County Executive	662,600	740,000	77,400	11.7%
Housing Authority	429,200	446,800	17,600	4.1%
Management and Budget	517,200	573,400	56,200	10.9%
Revenue Authority	467,100	500,600	33,500	7.2%
Elections	407,500	446,800	39,300	9.6%
Employ Prince George's	421,000	451,200	30,200	7.2%
Social Services	374,900	425,100	50,200	13.4%
Law	359,300	403,600	44,300	12.3%
Office of Procurement	1,158,700	1,016,100	(142,600)	-12.3%
Economic Development Corporation	236,500	253,400	16,900	7.1%
Office of Human Rights	78,600	80,500	1,900	2.4%
License Commissioners	144,200	163,500	19,300	13.4%
Soil Conservation	121,100	137,300	16,200	13.4%
Police Accountability Board	32,800	31,800	(1,000)	-3.0%
Ethics and Accountability	69,200	78,500	9,300	13.4%
Experience Prince George's	69,200	78,500	9,300	13.4%
Administrative Charging Committee	32,800	31,800	(1,000)	0.0%
Orphans Court	46,100	52,300	6,200	13.4%
Personnel Board	11,500	13,100	1,600	13.9%
TOTAL	**$ 53,371,600**	**$ 59,730,100**	**$ 6,358,500**	**11.9%**