Office of Information Technology - Fiscal Year 2023 Budget Review Summary

Proposed FY 2023 Operating Budget

Fund Types	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	% Change - Est vs App	FY 2023 Proposed	$ Change	% Change
General Fund	$ 4,711,100	$ -	$ -	N/A	$ 1,650,000	$ 1,650,000	N/A
Internal Service Funds	46,803,245	49,881,700	49,643,400	-0.5%	52,517,900	$ 2,636,200	5.3%
Total	$ 51,514,345	$ 49,881,700	$ 49,643,400	0%	$ 54,167,900	$ 4,286,200	8.6%

Authorized Staffing

	FY 2022 Approved	FY 2023 Proposed	Change Amount	Percentage Change
Full-Time	71	72	1	1.4%
Part-Time	4	2	-2	-50.0%
Total	75	74	-1	-1.3%

FY 2023 Proposed Budget – Key Highlights

- Increased Operating Cost: Support INET upgrades and workstation sustainment improvements **($1.5 million)**, operating management system upgrades **($420,700)**, general contracts to support operations **($32,900)**, and net increase operating costs **($25,700).**

- Vacancies (As of March 2022): Thirteen (13) vacant positions of which eleven (11) are full-time positions, and two (2) part-time positions. In FY 2023, all of the vacant positions will be funded.

- The Office has enhanced cyber security to mitigate breaches by increasing 24-hour IT security infrastructure protections. FY 2023 Proposed Budget: $3.2 million

- The Office supported the County Forward initiative, an important digitization effort that will enable employees to perform government services virtually. FY 2023 Proposed Budget: $2 million

- The Office plans to implement the new Performance Management Dashboard Solution (OpenGov) as part of the County Executive's initiative. FY 2023 Proposed Budget: $185,400

Expenditures by Category

Internal Service Fund

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	% Change - Est vs App	FY 2023 Proposed	$ Change	% Change
Compensation	$ 7,138,397	$ 7,935,100	$ 7,777,400	-2.0%	$ 8,212,000	$ 276,900	3.5%
Fringe Benefits	4,537,118	4,054,600	3,974,000	-2.0%	4,402,900	348,300	8.6%
Operating Expenses	35,127,730	37,892,000	37,892,000	0.0%	39,903,000	2,011,000	5.3%
Total	$ 46,803,245	$ 49,881,700	$ 49,643,400	-0.5%	$ 52,517,900	$ 2,636,200	5.3%

THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 14, 2022

M E M O R A N D U M

TO: Edward P. Burroughs, III, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Turkessa M. Green, County Auditor

FROM: Malcolm Moody, Legislative Budget and Policy Analyst

RE: Office of Information Technology (OIT)
Fiscal Year 2023 Budget Review

Budget Overview

The FY 2023 Proposed Budget for the Office of Information Technology is $54,167,900, an increase of $4,286,200, or 8.6%, over the FY 2022 Approved Budget. The overall increase is primarily due to increased costs to support INET upgrades and workstation sustainment improvements, operating management system upgrades, and an increase in fringe benefits.

The FY 2023 Proposed County interfund transfer to the Information Technology Internal Service Fund totals $1,650,000, an increase of 100% over the FY 2022 Approved Budget.

The Office reports that a supplemental budget will not be necessary for FY 2022.

Budget Summary

Fund Types	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	% Change - Est vs App	FY 2023 Proposed	$ Change	% Change
General Fund	$ 4,711,100	$ -	$ -	N/A	$ 1,650,000	$ 1,650,000	N/A
Internal Service Funds	46,803,245	49,881,700	49,643,400	-0.5%	52,517,900	$ 2,636,200	5.3%
Total	$ 51,514,345	$ 49,881,700	$ 49,643,400	0%	$ 54,167,900	$ 4,286,200	8.6%

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Budget Comparison – Information Technology Internal Service Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	% Change - Est vs App	FY 2023 Proposed	$ Change	% Change
Compensation	$ 7,138,397	$ 7,935,100	$ 7,777,400	-2.0%	$ 8,212,000	$ 276,900	3.5%
Fringe Benefits	4,537,118	4,054,600	3,974,000	-2.0%	4,402,900	348,300	8.6%
Operating Expenses	35,127,730	37,892,000	37,892,000	0.0%	39,903,000	2,011,000	5.3%
Total	**$ 46,803,245**	**$ 49,881,700**	**$ 49,643,400**	**-0.5%**	**$ 52,517,900**	**$ 2,636,200**	**5.3%**

Authorized Staffing Count - Information Technology Fund

	FY 2022 Approved	FY 2023 Proposed	Change Amount	Percentage Change
Full-Time	71	72	1	1.4%
Part-Time	4	2	-2	-50.0%
Total	**75**	**74**	**-1**	**-1.3%**

Staffing Changes and Compensation

- In FY 2023, compensation is proposed at $8,212,000, an increase of $276,900, or 3.5% over the FY 2022 approved amount. Compensation includes funding for 72 full-time positions and two (2) part-time positions.

- In addition to the 72 full-time positions, OIT staff includes 91 contract positions. (See **Attachment C)** of the responses to the First Round Questions (pages 23-24) for a list of the outsourced positions.

- As of March 2022, the Office reports thirteen (13) vacant positions of which eleven (11) are full-time positions, and two (2) part-time positions. All of the positions are funded in FY 2023.

- The Office reports that employee retirement and resignations have contributed to its current attrition level of 3.3%. The Office reported that attrition has temporarily reduced its capacity to fulfill escalating requests for services. The stiff competition in the area for skilled IT professionals at rationalized market compensation rates is contributing to the impact. The positions most affected by attrition are:
    - IT Engineer – Cybersecurity area
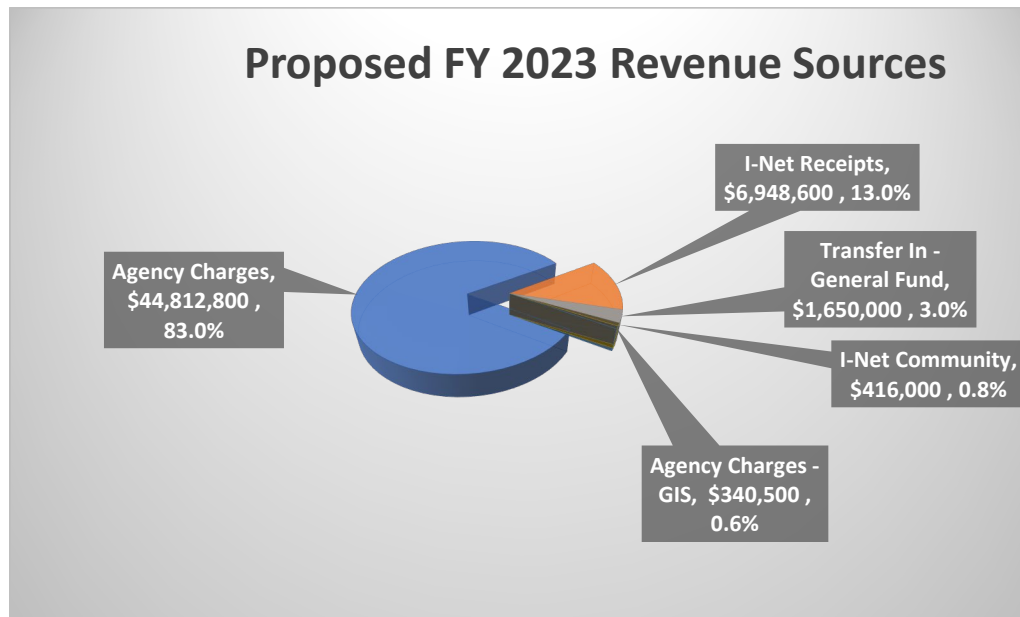   - IT Programming Engineer – GIS area

Fringe Benefits

▪ FY 2023 Fringe Benefits increased by $348,300, or 8.6% over the FY 2022 budget. Fringe benefit expenditures include funding for Other Post-Employment Benefits (OPEB) totaling $1,568,700.

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

Fringe Benefits Historical Trend					
	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Proposed
Fringe Benefits	$ 2,904,314	$ 3,624,657	$ 4,537,118	$ 3,974,000	$ 4,402,900
As a % of Compensation	45.4%	53.0%	63.6%	51.1%	53.6%

Revenue Sources

▪ Funding for the Office is anticipated from the following sources:

Proposed FY 2023 Revenue Sources

- I-Net Receipts, $6,948,600 , 13.0%
- Transfer In - General Fund, $1,650,000 , 3.0%
- Agency Charges, $44,812,800 , 83.0%
- I-Net Community, $416,000 , 0.8%
- Agency Charges - GIS, $340,500 , 0.6%

▪ Agency Charges: OIT charges each agency a fixed charge per year to provide information technology services. In FY 2023, OIT's agency charges (technology cost allocation) are proposed to increase by approximately $2.7 million based on the anticipated countywide costs for technology. See **Attachment A** for a detailed list of Agency Charges by Branch/Department/Agency.

- ▪ <u>I-Net Receipts</u>: A portion of the Public, Educational, and Government Access Channels (PEG) fees collected by Comcast and Verizon to operate I-Net. Proposed FY 2023 I-Net Receipts remain unchanged compared to the FY 2022 Approved Budget.

- ▪ <u>Agency Charges - GIS</u>: Geographic Information Systems (GIS) services provided to the Maryland-National Capital Park and Planning Commission (budgeted as a project charge to the M-NCPPC). Agency Charges – GIS remains unchanged in FY 2023.

Operating Expenses

- ▪ In FY 2023, total operating expenses from the internal service fund are proposed at approximately $39.9 million, an increase of $2,011,000, or 5.3%, over the FY 2022 approved level.

- ▪ The accompanying table compares the FY 2023 Proposed Budget operating expenditures with the FY 2022 Approved Budget operating expenditures. In thirteen (13) of the categories, the FY 2023 Proposed Budget increases planned spending over the FY 2022 budget. In three (3) of the categories, the FY 2023 Proposed Budget level remains unchanged compared to the FY 2022 budget.

Operating Objects	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposed	FY 2022 - FY 2023	
				$ Change	% Change
Office & Op. Eq. Non Capital	$ 17,701,378	$ 19,398,400	$ 21,350,800	$ 1,952,400	10.1%
Op. Contracts Serv.	14,892,617	16,685,000	18,333,300	1,648,300	9.9%
GA Contracts	575,712	1,095,800	1,128,700	32,900	3.0%
Telephone	5,405	156,600	164,800	8,200	5.2%
Data/Voice	368,996	216,400	222,900	6,500	3.0%
Interagency Charges	91,808	98,200	103,200	5,000	5.1%
Eq. Lease	173,863	94,900	97,700	2,800	3.0%
Gen. Office Supp.	51,991	53,600	55,200	1,600	3.0%
Vehicle Eq Repair/Maintenance	24,350	21,600	22,900	1,300	6.0%
Training	-	43,900	45,200	1,300	3.0%
Allowances	17,100	14,800	15,300	500	3.4%
Memb. Fees	5,300	5,200	5,300	100	1.9%
Gas & Oil	1,339	3,300	3,400	100	3.0%
Printing	-	2,000	2,000	-	0.0%
Travel Non-Training	(559)	2,100	2,100	-	0.0%
Mileage Reimbursement	-	200	200	-	0.0%
TOTAL	$ 33,909,300	$ 37,892,000	$ 41,553,000	$ 3,661,000	9.7%

- ▪ The most significant dollar increase between the FY 2023 Proposed Budget and the FY 2022 Approved Budget is in Office & Op. Eq. Non Capital **(approx. $2.0 million),** due to costs workstation sustainment, INET upgrades, data storage, and the Microsoft EA agreement and Enhancement Project.

- ▪ Operational Contracts are also increasing by approximately $1.6 million, primarily to support the Office of Central Services' procurement to pay system.

- The Proposed FY 2023 beginning fund balance for the Information Technology Internal Service Fund is $7,823,323. In FY 2023, the Office has no plans to use any funds in the fund balance, leaving a projected $7.8 million in the fund as of June 30, 2023. (See **Attachment B** - Fund Operating Summary)

Highlights

- In FY 2022, the Office supported the Prince George's Forward Taskforce initiative by modernizing County services with optimal efficiency and productivity, converting over a million paper documents to digital formats.

- The Office also reported that it provided applications and data work to support County priorities and community health and safety in FY 2022.

- The Office reports that it has established several important cybersecurity and technology infrastructure enhancements, including a virtual Cybersecurity Operations Center (SOC), upgraded multi-factor authentication, and end-point protection.

- The Office has been nationally recognized for programs and innovation with several technology industry and governmental associations in data, cyber, and digital transformation.

- The Office previously reported the replacement of aging infrastructure and a County-wide computer refresh as key initiatives in FY 2021, which continues in the current Fiscal Year. The FY 2022 approved budget included approximately $2.6 million for the laptop refresh.

- The Office plans to continue the network/hardware refresh initiatives in FY 2023. The Office reports that there are 6,000 workstations that remain eligible for the laptop refresh. The Police MDC, Kiosks, Conference Room, and Training Rooms are ineligible. The table below depicts the FY 2023 proposed costs:

	Description	FY 2023 Equipment Cost (Proposed to be purchased)	Purpose for Request
1	Laptops/Desktops/Docking stations	$ 3,170,300	Hardware Refresh
2	Network Infrastructure/Switches	779,000	Network Refresh
	Total	$ 3,949,300	

- The Office's top priorities in FY 2023 include:

  - Support the Prince George's Forward Taskforce priorities to enable government services virtually, expanding digitization efforts to reduce paper processes.

  - Enhance cybersecurity program and capabilities.

  - Promote use of shared IT platforms across agencies as appropriate.

□ Maintain a sustainable and resilient technology infrastructure and user access by implementing efficient and agile IT operations.

□ Continuing the website redesign which will include a digital experience to enhance the overall website appearance, and the capability to integrate with internal and external services. The website will also inspire public engagement. **(FY 2023 Proposed Budget: $0)**.

□ The Office previously reported plans to relocate its data center from the Largo Government Center (LGC) to a commercial service. The total project cost reported by OIT is $234,295 and the anticipated completion date for this initiative is 2022.

Workload & Program Impact

▪ The Office reported that the following legislation(s), which passed the Maryland General Assembly 2022 Session, will have a direct impact on its programs and operations to include staffing, cybersecurity capabilities, process, and solutions. For a full list of legislation considered during the Maryland General Assembly 2022 session, that could impact the Office of Information Technology's budget or opreations, see the *2nd Round Responses.*

□ **HB 1346 – Establishing the Office of Security Management within the Department of Information Technology (DoIT) 2022**

Establishing the Office of Security Management within the Department of Information Technology (DoIT); establishing the Cybersecurity Coordination and Operations Unit in DoIT; requiring each unit of the Executive Branch of State government and certain local entities to report certain cybersecurity incidents; requiring the Secretary of Information Technology to develop and maintain a statewide cybersecurity master plan; establishing the Maryland Cybersecurity Coordinating Council; etc.

OIT reports that if the Bill is signed by the Governor, that OIT and the Office of Emergency Management (OEM) would need to hire more staff to work with the new State agencies' organizations, navigate through likely redundant processes that are established in the legislation, as well as associated technical, administrative, and financial aspects.

□ **SB 0812 – State Government - Cybersecurity - Coordination and Governance**

Establishing the Office of Security Management within the Department of Information Technology, establishing the Maryland Cybersecurity Coordinating Council; requiring certain IT unites to certify compliance with certain cybersecurity standards; requiring each unit of the Executive Branch of State government and certain local entities to report certain cybersecurity incidents in a certain manner; requiring the Department of General Services to establish certain basic security requirements in be included in certain contracts; etc.

OIT reports that the Bill, if signed by the Governor, would present burdensome impacts that include redundant governance, financial, and operational aspects. Additionally, the Bill legislates oversight and reporting to the State regarding the County's IT infrastructure and data health and status and would affect the County's independence in selecting IT solutions; and the heavy compliance and coordination activities to deal with multiple state entities and

offices with overlapping and/or redundant responsibilities would require additional OIT Cyber office staff resources to comply.

□ **SB 0754 – Local Government Cybersecurity - Coordination and Operations (Local Cybersecurity Support Act of 2022)**

Establishing the Cyber Preparedness Unit in the Maryland Department of Emergency Management; establishing certain responsibilities of the Unit; requiring local governments to report certain cybersecurity incidents in a certain manner and under certain circumstances; requiring the State Security Operations Center to notify appropriate agencies of a cybersecurity incident in a certain manner; establishing the Office of Security Management within the Department of Information Technology and certain Office positions; etc.

OIT reports that the Bill, if signed by the Governor, would require the Office to establish more staff in the locality to manage through and comply with the requirements coming down from the State.

□ **HB 1202 – Local Government Cybersecurity - Coordination and Operations (Local Cybersecurity Support Act of 2022) - To Governor (Passed Both Chambers)**

Establishing the Cyber Preparedness Unit in the Maryland Department of Emergency Management; establishing certain responsibilities of the Unit; requiring local governments to report certain cybersecurity incidents in a certain manner and under certain circumstances; requiring the Maryland Joint Operations Center to notify appropriate agencies of a cybersecurity incident; establishing the Office of Security Management within the Department of Information Technology and certain Office positions; etc.

OIT reports that the Bill, if signed by the Governor, would present burdensome impacts that include redundant governance, financial, and operational aspects since some local agencies receive direction from the State agencies. OIT Cyber Security Office work would expand for compliance and reconciliation with State mandates. Due to the heavy compliance and coordination activities to deal with multiple state entities and offices with overlapping and/or redundant responsibilities would require additional OIT Cyber office staff resources to comply.

Attachment A

OFFICE OF INFORMATION TECHNOLOGY (OIT)
AGENCY CHARGES

Agency/Branch	Approved FY 2022	Proposed FY 2023	$ Increase/ (Decrease)	% Change
Police	$ 9,444,400	$ 10,030,400	$ 586,000	6.2%
Fire/EMS	6,558,300	6,966,300	408,000	6.2%
Corrections	2,986,300	3,171,400	185,100	6.2%
Health	2,715,700	2,886,700	171,000	6.3%
Permitting, Inspection and Enforcement	2,351,600	2,480,900	129,300	5.5%
Public Works & Transportation	1,876,300	1,994,100	117,800	6.3%
Environment	1,700,200	1,807,400	107,200	6.3%
Sheriff	1,702,500	1,808,100	105,600	6.2%
Circuit Court	1,668,200	1,772,600	104,400	6.3%
Central Services	1,382,900	1,464,600	81,700	5.9%
State's Attorney	1,193,500	1,268,300	74,800	6.3%
Homeland Security	1,033,400	1,097,400	64,000	6.2%
County Council	1,022,800	1,022,500	(300)	0.0%
Human Resources Management	826,200	875,400	49,200	6.0%
Finance	732,800	778,000	45,200	6.2%
Housing and Community Development	661,000	295,100	(365,900)	-55.4%
Family Services	570,400	606,400	36,000	6.3%
Community Relations	381,800	406,100	24,300	6.4%
County Executive	531,800	565,500	33,700	6.3%
Housing Authority	-	407,200	407,200	N/A
Management and Budget	367,200	381,700	14,500	3.9%
Revenue Authority	364,200	387,000	22,800	6.3%
Elections	353,200	376,200	23,000	6.5%
Employ Prince George's	328,200	348,800	20,600	6.3%
Social Services	292,300	310,600	18,300	6.3%
Law	285,200	303,200	18,000	6.3%
Office of Information Technology	-	206,500	206,500	N/A
Economic Development Corporation	184,400	195,900	11,500	6.2%
Office of Human Rights	151,900	161,600	9,700	6.4%
License Commissioners	112,400	119,400	7,000	6.2%
Soil Conservation	94,400	100,300	5,900	6.3%
Police Accountability Board	-	54,700	54,700	N/A
Ethics and Accountability	54,000	57,300	3,300	6.1%
Experience Prince George's	54,000	57,400	3,400	6.3%
Citizen Complaint Oversight Panel	51,400	-	(51,400)	-100.0%
Orphans Court	36,000	38,200	2,200	6.1%
Personnel Board	9,000	9,600	600	6.7%
TOTAL	**$ 42,077,900**	**$ 44,812,800**	**$ 2,734,900**	**6.5%**

Attachment B

OFFICE OF INFORMATION TECHNOLOGY (OIT)
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND
FUND OPERATING SUMMARY

Description	FY 2021 Budget	FY 2022 Budget	FY 2022 Estimated	FY 2023 Proposed	Dollar Change	% Change
Beginning Fund Balance	$ 5,548,839	$ 6,704,109	$ 7,684,123	$ 7,823,323	$ 1,119,214	16.7%
Revenues:						
Agency Charges	$ 37,405,900	$ 42,077,500	$ 42,077,500	$ 44,812,800	2,735,300	6.5%
I-Net Receipts	6,447,592	6,948,600	6,948,600	6,948,600	-	0.0%
I-Net Community	343,019	416,000	416,000	416,000	-	0.0%
Agency Charges - GIS	-	340,500	340,500	340,500	-	0.0%
Miscellaneous (loss of disposal asset)	30,918	-	-	-	-	N/A
Appropriated Fund Balance	-	99,100	-	-	(99,100)	-100.0%
Transfer In - General Fund	4,711,100	-	-	1,650,000	1,650,000	N/A
Total Revenues	$ 48,938,529	$ 49,881,700	$ 49,782,600	$ 54,167,900	$ 4,286,200	8.6%
Expenditures:						
Compensation	$ 7,138,397	$ 7,935,100	$ 7,777,400	$ 8,212,000	$ 276,900	3.5%
Fringe Benefits	4,537,118	4,054,600	3,974,000	4,402,900	348,300	8.6%
Operating Expenses	28,337,119	30,527,400	30,527,400	34,188,400	3,661,000	12.0%
Operating Expenses - I-Net	6,790,611	7,364,600	7,364,600	7,364,600	-	0.0%
Total Expenditures	$ 46,803,245	$ 49,881,700	$ 49,643,400	$ 54,167,900	$ 4,286,200	8.6%
Excess Revenues over Expenditures	2,135,284	-	139,200	-	-	0.0%
Other Adjustments	-	(99,100)	-	-	99,100	-100.0%
Ending Fund Balance	$ 7,684,123	$ 6,605,009	$ 7,823,323	$ 7,823,323	$ 1,218,314	18.4%