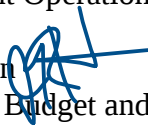




April 13, 2023

MEMORANDUM

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

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger Banegas *RGB*
Legislative Budget and Policy Analyst

RE: Office of Information Technology (OIT)
Fiscal Year 2024 Budget Review

Budget Overview

- The FY 2024 Proposed Budget for the Office of Information Technology is \$58,104,100, representing an increase of \$3,673,900, or 6.7%, above the FY 2023 Approved Budget. The overall increase is primarily due to increased costs in equipment to include the County's enterprise agreement license and cybersecurity operating center, increase in operating contracts for connecting 311 applications and SAP support services, increase in compensation due to mandatory salary requirements, and an increase in fringe benefits to align with projected expenses.
- In FY 2023 there was a one-time interfund transfer from the General Fund to the Information Technology Internal Service Fund in the amount of \$1,912,300. No transfers are planned for FY 2024 and the Office's budget will be fully funded through the Information Technology Internal Service Fund.
- The Office reports that a supplemental budget will not be necessary for FY 2023, unless the Office receives additional grant awards.
- Four million dollars of revenues in excess of expenditures is estimated for FY 2023, which will increase the FY 2024 Information Technology Internal Service Fund beginning fund balance from \$4.0 million in FY 2023 to \$8.1 million in FY 2024. In FY 2024, the Office has no plans to use any of the Information Technology Internal Service Fund's fund balance.

Fund Types	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	% Change - Est vs App	FY 2024 Proposed	\$ Change	% Change
General Fund	\$ -	\$ 1,912,300	\$ 1,912,300	0.0%	\$ -	\$ (1,912,300)	0.0%
Internal Service Funds	49,708,817	52,517,900	49,643,400	-5.5%	58,104,100	\$ 5,586,200	10.6%
Total	\$ 49,708,817	\$ 54,430,200	\$ 51,555,700	-5%	\$ 58,104,100	\$ 3,673,900	6.7%

Information Technology Internal Service Fund

Budget Comparison

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	% Change - Est vs App	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 7,550,176	\$ 8,378,500	\$ 7,972,900	-4.8%	\$ 8,923,200	\$ 544,700	6.5%
Fringe Benefits	5,141,364	4,498,700	4,280,900	-4.8%	4,791,600	292,900	6.5%
Operating Expenses	37,017,277	41,553,000	41,799,900	0.6%	44,389,300	2,836,300	6.8%
Total	\$ 49,708,817	\$ 54,430,200	\$ 54,053,700	-0.7%	\$ 58,104,100	\$ 3,673,900	6.7%

Authorized Staffing Count

	FY 2023 Approved	FY 2024 Proposed	Change Amount	Percentage Change
Full-Time	72	73	1	1.4%
Part-Time	2	2	0	0.0%
Total	74	75	1	1.4%

Staffing Changes and Compensation

- In FY 2024, compensation is proposed at \$8,923,200, representing an increase of \$544,700, or 6.5% above the FY 2023 approved amount. Compensation includes funding for 73 full-time positions and two (2) part-time positions.
- In addition to the 73 full-time positions, the Office relies on contracted personnel to meet its operational objectives.
- As of March 13, 2023, the Office reports nine (9) vacant full-time positions, which represents a 12.5% full-time vacancy rate.
- The Office reports that it lost three (3) employees to attrition in FY 2023 to date, which represents a 4.7% 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 impact on innovation. To address attrition, the Office will cope by temporarily reassigning some existing staff and use contractors to fulfill the duties of the employees who left. The positions lost to attrition in FY 2023 are:
 - Deputy Director – G as the Chief Information Security Officer
 - Info Tech Engineer 2G – Asset Management
 - Info Tech Engineer 4G – Network Infrastructure

- The Office also reports that it is “*working with OHRM to modernize IT classifications, so they are more attractive to the new generation of IT workers.*”

Fringe Benefits

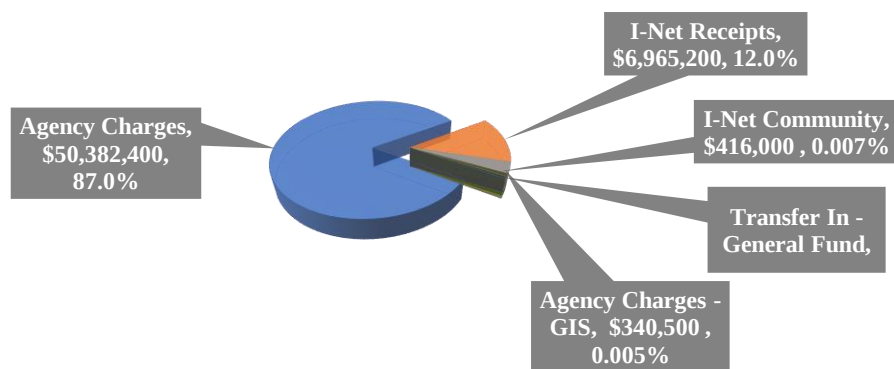
- FY 2024 Fringe Benefits are proposed at \$4,791,600, representing an increase of \$292,900, or 6.5% above the FY 2023 approved budget level. The Office’s fringe benefits expenditures include funding for Other Post-Employment Benefits (OPEB) totaling \$1,562,900.
- A five-year trend analysis of fringe benefit expenditures is included below:

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Proposed
Fringe Benefits Expenditures	\$ 3,624,657	\$ 4,537,118	\$ 5,141,364	\$ 4,280,900	\$ 4,791,600
Compensation Expenditures	\$ 6,837,119	\$ 7,138,397	\$ 7,550,176	\$ 7,972,900	\$ 8,923,200
Fringe as a Percentage	34.6%	38.9%	40.5%	34.9%	34.9%

Revenue Sources

- In FY 2024, funding for the Office is anticipated from the following revenue sources:

Proposed FY 2024 Revenue Sources



- Agency Charges: The Office charges each agency a fixed charge per year to provide information technology services. In FY 2024, the Office’s agency charges (technology cost allocations) are proposed at \$50.4 million, representing an increase of approximately \$5.6 million, or 12.4%, based on the anticipated countywide costs for technology. Please see **Attachment A** for a detailed list of OIT Agency Charges.
- I-Net Receipts: These charges reflect a portion of the Public, Educational, and Government Access Channels (PEG) fees collected by Comcast and Verizon to operate I-Net. FY 2024 I-Net Receipts are proposed at \$7.0, representing an increase of \$16,600, or 0.2%, above the FY 2023 Approved Budget.

- I-Net Community: \$416,000 is proposed for FY 2024, representing no change from the FY 2023 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 2024 in Agency Charges GIS, representing no change from FY 2023.

Operating Expenses

- In FY 2024, total operating expenses from the Information Technology Internal Service Fund are proposed at approximately \$44.4 million, representing an increase of \$2.8 million, or 6.8%, above the FY 2023 approved operating budget level.
- The accompanying table compares the FY 2024 Proposed Budget operating expenditures with the FY 2023 Approved Budget operating expenditures. In fourteen (14) of the categories, the FY 2024 Proposed Budget increases planned spending over the FY 2023 budget. In one (1) of the categories, the FY 2024 Proposed Budget level remains unchanged compared to the FY 2023 budget. In one (1) of the categories, the FY 2024 Proposed Budget level decreases significantly below the FY 2023 budget.

Operating Objects	FY 2022 Actual	FY 2023 Budget	FY 2024 Proposed	FY 2023 - FY 2024	
				\$ Change	% Change
Office & Op. Eq. Non Capital	\$ 20,449,940	\$ 21,661,900	\$ 23,727,000	\$ 2,065,100	9.5%
Op. Contracts Serv.	14,670,765	18,022,300	19,094,700	1,072,400	6.0%
GA Contracts	646,122	1,128,700	786,700	(342,000)	-30.3%
Telephone	167,236	164,800	169,700	4,900	3.0%
Data/Voice	471,129	222,900	229,500	6,600	3.0%
Interagency Charges	98,221	103,200	119,800	16,600	16.1%
Eq. Lease	111,496	97,700	100,600	2,900	3.0%
Gen. Office Supp.	47,618	55,200	58,200	3,000	5.4%
Vehicle Eq Repair/Maintenance	20,650	22,900	23,600	700	3.1%
Training	5,426	45,200	46,600	1,400	3.1%
Allowances	17,100	15,300	15,700	400	2.6%
Memb. Fees	10,170	5,300	9,200	3,900	73.6%
Gas & Oil	3,029	3,400	3,500	100	2.9%
Printing	-	2,000	2,100	100	5.0%
Travel Non-Training	2,828	2,100	2,200	100	4.8%
Mileage Reimbursement	-	200	200	-	0.0%
TOTAL	\$ 36,721,730	\$ 41,553,100	\$ 44,389,300	\$ 2,836,200	6.8%

- The most significant operating expenses dollar increases between the FY 2024 Proposed Budget and the FY 2023 Approved Budget is in *Office & Operational Equipment Non-Capital* (approx. \$2.1 million), due to the Microsoft EA agreement (\$2.2 million) and Cyber Security Operations Center (\$0.5 million), which are partially offset by hardware/software maintenance savings (\$0.7 million).

- *Operational Contracts* category is also increasing by approximately \$1.1 million, primarily due to connecting 311 applications (\$1.1 million) and SAP Support (\$0.8 million). These increases are partially offset by savings in Mainframe Staff Augmentation (\$0.5 million), DPIE Momentum Light (\$0.3 million), I-Net Staff Augmentation (\$0.1M), and Applications Staff Augmentation (\$0.1 million).

Workload & Program Management

- In FY 2023, the Office implemented a new website technical host, environment, search engine, user experience and content management platform.
- The Office also reported that it improved technology infrastructure by transitioning to a stable and secure data center host for SAP and the enterprise data center, refreshing the network equipment for the institutional network (I-Net), and expanding data storage options in FY 2023.
- The Office reports that it has enhanced cybersecurity program implementing multi-factor authentication and encryption, completed assessments for the cybersecurity enterprise and for the Police Department, and conducted cybersecurity awareness campaigns and training.
- The Office has been nationally ranked #1 Digital County by the Center for Digital Government for a second year.
- The replacement of aging infrastructure through the County-wide computer refresh continues to be one of the Office's key initiatives. The FY 2023 approved budget included approximately \$3.2 million for the laptop refresh. The Office plans to continue the network/hardware refresh initiatives in FY 2024. The table below depicts the FY 2024 proposed costs:

	Description	FY 2024 Equipment Cost (Proposed to be purchased)	Purpose for Request
1	Laptops/Desktops/Docking stations	\$ 3,265,400	Hardware Refresh
2	Network Infrastructure/Switches	883,600	Network Refresh
	Total	\$ 4,149,000	

- The Office's top priorities in FY 2024 include:
 - Support County priority initiatives to enable government services virtually and expand 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, utilize user access best practices and transition to a more modern and flexible work environment.

- Enhance the County’s website and digital experience profile by providing more modern capabilities which communicates a cohesive brand and inspires public engagement.
- According to the Office, the key information technology initiatives for FY 2024 are:
 - Digitization
 - Cyber Security
 - Office of Central Services Procurement to Pay System
 - Department of Permitting and Enforcement Momentum Light System

Additional details on these projects, including details on the total cost of each project, amount spent to date, and other details are available in response to the *FY 2024 First Round Budget Review Attachment E*.

- In FY 2023 the digitization efforts continue for the following “shovel ready” agencies:
 - Office of Human Resources Management
 - Department of Permitting, Inspections, and Enforcement
 - Office of the Sheriff – Warrants
 - State’s Attorney’s Office – Personnel files, case files
 - Police Department – Internal Affairs Division (IAD) files (new)

According to the Office: *“So far, the Office has worked over nine (9) agencies plus five (5) in process agencies, digitizing over seventeen (17) million documents (personnel files, case files, warrants, certifications, legislative, files, etc.)”*

- In addition, in FY 2024 \$3.0 million is being allocated in the Proposed CIP Budget to support the Strategic IT Initiatives capital project. According to the FY 2024 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”.

At this point, the specific use of the \$3.0 million dollars has not been finalized. IT needs are being evaluated and prioritized to determine which specific IT needs throughout the County Government will be met through this CIP project.

OFFICE OF INFORMATION TECHNOLOGY (OIT)
AGENCY CHARGES

Agency/Branch	Approved FY 2023	Proposed FY 2024	\$ Increase/ (Decrease)	% Change
Police	\$ 10,030,400	\$ 11,264,400	\$ 1,234,000	12.3%
Fire/EMS	6,966,300	7,828,900	862,600	12.4%
Corrections	3,171,400	3,593,000	421,600	13.3%
Health	2,886,700	3,250,500	363,800	12.6%
Permitting, Inspection and Enforcement	2,480,900	2,673,900	193,000	7.8%
Public Works & Transportation	1,994,100	2,260,800	266,700	13.4%
Environment	1,807,400	2,029,900	222,500	12.3%
Sheriff	1,808,100	2,048,400	240,300	13.3%
Circuit Court	1,772,600	2,032,000	259,400	14.6%
Central Services	1,464,600	1,726,400	261,800	17.9%
State's Attorney	1,268,300	1,445,500	177,200	14.0%
Homeland Security	1,097,400	1,243,300	145,900	13.3%
County Council	1,022,500	1,172,100	149,600	14.6%
Human Resources Management	875,400	1,020,800	145,400	16.6%
Finance	778,000	837,300	59,300	7.6%
Housing and Community Development	295,100	397,900	102,800	34.8%
Family Services	606,400	678,300	71,900	11.9%
Community Relations	406,100	617,200	211,100	52.0%
County Executive	565,500	623,100	57,600	10.2%
Housing Authority	407,200	407,200	-	0.0%
Management and Budget	381,700	511,100	129,400	33.9%
Revenue Authority	387,000	443,600	56,600	14.6%
Elections	376,200	380,900	4,700	1.2%
Employ Prince George's	348,800	399,800	51,000	14.6%
Social Services	310,600	356,000	45,400	14.6%
Law	303,200	339,200	36,000	11.9%
Office of Information Technology	206,500	-	(206,500)	-100.0%
Economic Development Corporation	195,900	224,600	28,700	14.7%
Office of Human Rights	161,600	74,400	(87,200)	-54.0%
License Commissioners	119,400	136,900	17,500	14.7%
Soil Conservation	100,300	115,000	14,700	14.7%
Police Accountability Board	54,700	31,900	(22,800)	-41.7%
Ethics and Accountability	57,300	65,700	8,400	14.7%
Experience Prince George's	57,400	65,700	8,300	14.5%
ACC	-	31,900	31,900	0.0%
Orphans Court	38,200	43,800	5,600	14.7%
Personnel Board	9,600	11,000	1,400	14.6%
TOTAL	\$ 44,812,800	\$ 50,382,400	\$ 5,569,600	12.4%