

Office of Information Technology - Fiscal Year 2021 Budget Review Summary

Proposed FY 2021 Operating Budget

Expenditures by Fund Type

Fund	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
General Fund	\$ 1,861,900	\$ 1,861,900	\$ 3,061,100	\$ -	\$ 3,061,100	\$ 1,199,200	64.4%
Internal Service Funds	37,385,400	36,615,600	44,403,000	(750,000)	43,653,000	6,267,600	16.8%
Total	\$ 39,247,300	\$ 38,477,500	\$ 47,464,100	\$ (750,000)	\$ 46,714,100	\$ 7,466,800	19.0%

Authorized Staffing - All Classifications

Fund	FY 2020 Approved	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change	% Change
Internal Service Funds	74	75	0	75	1	1.4%
Total	74	75	0	75	1	1.4%

FY 2021 Proposed Budget – Key Highlights

- Increased Compensation Cost: One (1) new position – a Deputy Director/Cyber Security Officer position
- Vacancies (As of February 2020): Twelve (12) full-time vacant positions
- Increased Compensation Costs: Funding is included for mandated salary requirements (\$699,400 as originally proposed)
- The Office continues to expand the data warehouse efforts to include extracting data from various applications into a centralized repository. The data warehouse will be utilized to store old, not frequently used data that is impractical for new platforms.
- Increased Operating Cost for New Projects: OIT identified the website redesign and implementation of a new Customer Relationship Management (CRM) 3-1-1 system as key IT initiatives for FY 2021. Funding in the amount of \$750,000 (as revised by the County Executive) and \$1.2 million, respectively, is included in the FY 2021 Proposed Budget for these initiatives.

County Executive's Recommended Adjustments

- The FY 2021 revised proposed budget for the Information Technology Internal Service Fund is \$46.7 million, a decrease of \$750,000.
- Decreased Compensation: For anticipated FY 2021 salary adjustments (\$190,400).
- Decreased Fringe Benefit: Related to anticipated FY 2021 salary adjustments (\$97,300).
- Increased Operating: For anticipated contractual costs +(\$287,700).
- Decreased Operating: Reduced funding for website refresh (\$750,000).

Category	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change Amount	% Change
Compensation	\$ 7,255,100	\$ 6,759,700	\$ 8,125,500	\$ (190,400)	\$ 7,935,100	\$ 680,000	9.4%
Fringe Benefits	4,019,300	3,744,900	4,151,900	(97,300)	4,054,600	35,300	0.9%
Operating Expenses	27,972,900	27,972,900	35,186,700	(462,300)	34,724,400	6,751,500	24.1%
Total	\$ 39,247,300	\$ 38,477,500	\$ 47,464,100	\$ (750,000)	\$ 46,714,100	\$ 7,466,800	19.0%

Proposed FY 2021 - FY 2026 Capital Improvement Program

	Expended thru FY20	Proposed FY21 Capital Budget	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total Proposed CIP Funding
1 Project	\$ 71,305,000	\$ 2,437,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,742,000

Highlights

- The Proposed FY 2021 Capital Budget for the Office of Information Technology is \$2.4 million and is funded by General Obligation Bonds (100%).

Key Project:

- OIT reports that the Enterprise Resource Planning (ERP) project (\$73.7 million) is projected to be completed in FY 2021.
- In FY 2021, funding will support the continuation of automated strategies in the County's various business processes including: Employee Central (OHRM Project), Cloud Migration (OIT Project), New Tax Billing and Collections System



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 13, 2020

MEMORANDUM

TO: Todd M. Turner, Chair
Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor *DHV*
Turkessa M. Green, Deputy County Auditor *TMG*

FROM: Deneen Mackall, Staff Auditor *DM*

RE: Office of Information Technology (OIT)
Fiscal Year 2021 Budget Review

Budget Overview

The FY 2021 Proposed Budget for the Office of Information Technology is \$47,464,100, an increase of \$8,216,800, or 20.9%, over the FY 2020 Approved Budget. The overall increase is primarily due to increased operating costs to support application development, IT security program, a new website redesign to include a responsive design, and funding for the new Customer Relationship Management (CRM) 3-1-1 system.

Budget Comparison – Information Technology Internal Service Fund

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

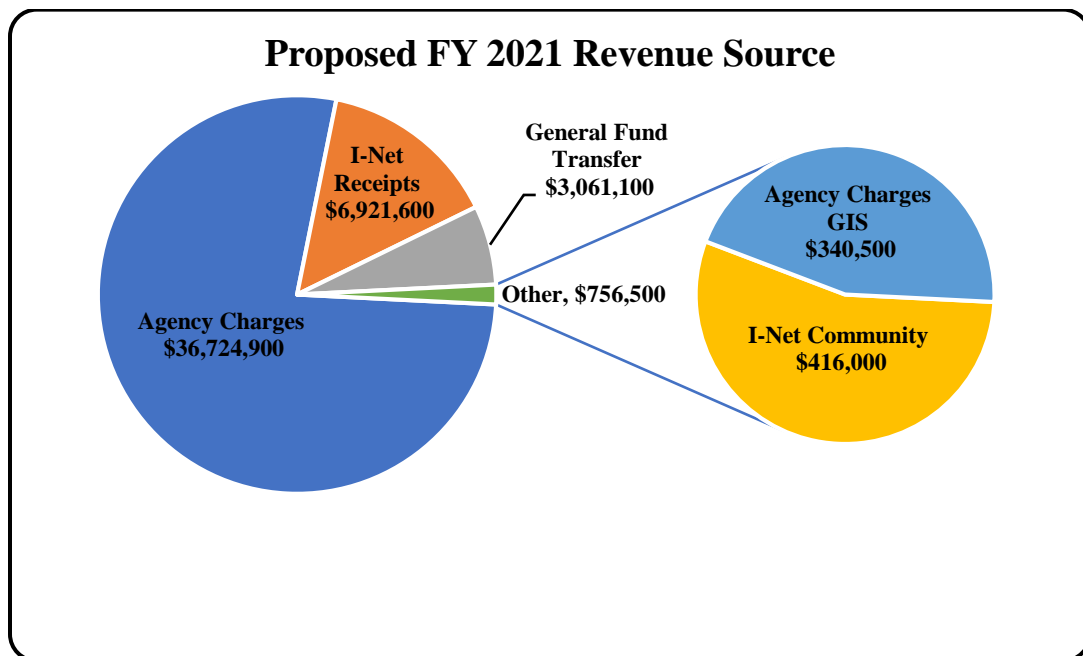
Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimate	% Change - Est vs App	FY 2021 Proposed	\$ Change	% Change
Compensation	\$ 6,401,350	\$ 7,255,100	\$ 6,759,700	-6.8%	\$ 8,125,500	\$ 870,400	12.0%
Fringe Benefits	2,904,314	4,019,300	3,744,900	-6.8%	4,151,900	132,600	3.3%
Operating Expenses	21,137,246	27,972,900	27,972,900	0.0%	35,186,700	7,213,800	25.8%
Total	\$ 30,442,910	\$ 39,247,300	\$ 38,477,500	-2.0%	\$ 47,464,100	\$ 8,216,800	20.9%

Authorized Staffing Count - Information Technology Fund

	FY 2020 Approved	FY 2021 Proposed	Change Amount	Percentage Change
Full-Time	70	71	1	1.4%
Part-Time	4	4	0	0.0%
Total	74	75	1	1.4%

Revenue Sources

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



- Agency Charges:** OIT charges each agency a “fixed-charge” per year to provide information technology services. For FY 2021, OIT’s agency charges (technology cost allocation) are proposed to increase by approximately \$7.0 million as a result of implementing a new methodology of calculating technology costs, based on agency usage. See **Attachment A** for a detailed list of Agency Charges by Branch/Department/Agency.
- I-Net Receipts:** A portion of the Public, Educational, and Government Access Channels (PEG) fees collected by Comcast and Verizon to operate I-Net. Proposed FY 2021 I-Net Receipts decrease by \$141,600 under the budgeted FY 2020 receipts.
- 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). Agency Charges – GIS remains unchanged in FY 2021.

Staffing Changes and Compensation

- In FY 2021, compensation is proposed at \$8,125,500, an increase of \$870,400, or 12.0%, above the FY 2020 approved amount. The increase in compensation is primarily due to anticipated cost-of-living adjustments and merit increases, partially offset by anticipated attrition and lapse. Funding is also included in the FY 2021 budget for one (1) new Deputy Director/Cyber Security Officer position.
- The FY 2021 Proposed Budget includes authorization for 71 full-time positions and four (4) part-time positions. This is an increase of one (1) full-time position over the FY 2020 approved level.
- In addition to the 71 full-time positions, OIT staff includes 94 contract positions. (See **Attachment C** of the responses to the First Round Questions (pages 19-20) for a list of the outsourced positions.)
- As of February 2020, the Office reported twelve (12) full-time vacant positions. In FY 2021, three (3) full-time vacant positions will not be funded. The remaining nine (9) vacant positions are funded.
- The Office reports that it has an Information Technology Manager assigned to the Office of the County Executive, and an Information Technology Project Coordinator assigned to the Department of Environment, in FY 2020. There are no staff members currently assigned to the Office from other County agencies.
- The Office reported that its current rate of attrition is 7.5%. The Office cites the key factors contributing to the current attrition level are retirement, promotional opportunities in another agency, and external opportunities.

Fringe Benefits

- FY 2021 Fringe Benefits are proposed at \$4,151,900 an increase of \$132,600, or 3.3%, over the FY 2020 approved, level due to compensation adjustments and one (1) new position.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated	FY 2021 Proposed
Fringe Benefits	\$ 3,624,344	\$ 2,987,680	\$ 2,904,314	\$ 3,744,900	\$ 4,151,900
As a % of Compensation	62.7%	51.1%	45.4%	55.4%	51.1%

Operating Expenses

- In FY 2021, total operating expenses are proposed at approximately \$35.2 million, an increase of \$7,213,800, or 25.8%, over the FY 2020 approved level.
- The accompanying table compares the FY 2021 Proposed Budget operating expenditures with the FY 2020 Approved Budget operating expenditures. In three (3) of the categories, the FY 2021 Proposed Budget increases planned spending over the FY 2020 budget. In thirteen (13) of the categories, the FY 2021 Proposed Budget level remains unchanged compared to the FY 2020 budget. FY 2021 expenditures decrease in three (3) categories.

Operating Objects	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	FY 2020 - FY 2021	
				\$ Change	% Change
Office and Operating Equipment Non-Capital	\$ 12,624,520	\$ 12,885,800	\$ 17,712,500	\$ 4,826,700	37.5%
Operational Contracts Serv.	6,740,872	13,365,100	15,709,400	2,344,300	17.5%
General & Administrative Contracts	840,314	955,900	1,063,900	108,000	11.3%
Telephone	139,299	152,400	152,400	-	0.0%
Equipment Lease	37,835	92,100	92,100	-	0.0%
General Office Supplies	36,629	52,000	52,000	-	0.0%
Training	20,971	42,600	42,600	-	0.0%
Allowances	8,700	14,400	14,400	-	0.0%
Membership Fees	1,270	5,000	5,000	-	0.0%
Gas & Oil	3,044	3,200	3,200	-	0.0%
Travel:Non-Training	14,263	2,000	2,000	-	0.0%
Printing	520	1,900	1,900	-	0.0%
Mileage Reimbursement	14	200	200	-	0.0%
Other Operational Equipment Maintenance	77,000	-	-	-	N/A
Miscellaneous	42	-	-	-	N/A
Utilities	203,620	-	-	-	N/A
Vehicle Equipment Repair/Maintenance	22,600	27,900	26,300	(1,600)	-5.7%
Interagency Charges	96,351	106,300	98,700	(7,600)	-7.1%
Data-Voice	269,383	266,100	210,100	(56,000)	-21.0%
TOTAL	\$ 21,137,247	\$ 27,972,900	\$ 35,186,700	\$ 7,213,800	25.8%

- The most significant dollar increase between the FY 2021 Proposed Budget and the FY 2020 Approved Budget is in Office and Operating Equipment Non-Capital (**\$4.8 million increase**), due to the reclassification of ERP Hosting and software maintenance from Operating Contracts, the Microsoft Enterprise Agreement (EA) license renewal, server operations, and Network Sustainment.
- Operational Contracts are also increasing (**\$2.3 million increase**) due to costs for the website redesign and ongoing SAP support, partially offset by a reclass of ERP Hosting and software maintenance to Office and Operating Equipment Non-Capital.
- The most significant dollar reduction between the FY 2021 Proposed Budget and the FY 2020 Approved Budget is in Data-Voice expenditures (**\$56,000 decrease**), to reflect actual cost.
- The Proposed FY 2021 beginning fund balance for the Information Technology Internal Service Fund is \$5,704,849. In FY 2021, proposed revenues are sufficient to cover proposed expenses; therefore, the use of fund balance is not anticipated, leaving a projected \$5.7 million in the fund as of June 30, 2021. A General Fund transfer of \$3.1 million to the Information Technology

Internal Service Fund is also proposed in FY 2021. (See **Attachment B** - Fund Operating Summary)

Highlights

- As an operational success in FY 2020, the Office reports on-boarding highly qualified technology leadership to include a nationally recognized Chief Information Officer (CIO), a new Deputy Director for Innovation, and a new manager for business applications and WEB development.
- In FY 2020, the Office performed significant updates to the network for Presidential Parkway and D’Arcy Road, new Hospital Drive distribution and Laurel tower distribution hubs, and Department of Public Works and Transportation with over 50 sites migrated to the County network.
- The Office previously reported the replacement of aging infrastructure and a Countywide computer refresh as key initiatives in FY 2020. The Office reported plans to continue the following network/hardware refresh initiatives in FY 2021. The chart below depicts the FY 2021 proposed costs:

	Description	FY 2020 Equipment Cost (Planned to be purchased)	FY 2021 Equipment Cost (Proposed to be purchased)	Purpose for Request
1	Laptops/Desktops/Docking stations	\$ 2,593,600	\$ 2,733,900	Hardware Refresh
2	Network Infrastructure/Switches	\$ 785,000	\$ 785,000	Network Refresh
	Total	\$ 3,378,600	\$ 3,518,900	

- The Office reports that the original refresh called for one-third (1/3) of the County’s workstations to be refreshed every three (3) years. Due to the increased cost of the workstations (including warranties) the plan was changed to one-fourth (1/4) of the County every four (4) years.
- The Office continues to expand the data warehouse efforts to include extracting data from various applications into a centralized repository. The data warehouse will be utilized to store old, not frequently used data that is impractical for new platforms.
- OIT identified the website redesign and implementation of a new Customer Relationship Management (CRM) 3-1-1 system as key IT initiatives for FY 2021. Funding in the amount of \$1.5 million and \$1.2 million, respectively, is included in the FY 2021 Proposed Budget for these initiatives.
- The Office also reported the following initiatives for FY 2021:
 - Enhance cyber security program and capabilities across the enterprise;
 - Refreshing aging technology infrastructure and end-user devices; and

- Establish a contemporary roadmap for the County's Enterprise Resource Planning (ERP) system and major application evolution.

Capital Improvement Program (CIP) Overview

- The Proposed FY 2021 Capital Budget for the Office of Information Technology is \$2.4 million.
- In FY 2021, funding will support the continuation of automated strategies in the County's various business processes including:
 - Employee Central (OHRM Project)
 - Cloud Migration (OIT Project)
 - New Tax Billing and Collections System
- **Enterprise Resource Planning (ERP)** – A \$73.7 million multiyear project that provides funding to purchase, develop, and implement software to support the automation and modernization of the business process for the County. The project is expected to be completed in FY 2021.
- Given the change in technology over the last eight (8) years, the Office and the ERP Steering Committee stakeholders plan to implement several ERP platforms to include e-Procurement SAP's Ariba which will begin in the 3rd quarter of FY 2020 with multiple phases through FY 2025, budget reporting and analytics enhancements, and phases for human resources strategic plans for success.
- OIT will be transitioning the SAP infrastructure to a cloud-based infrastructure as a service provider to reduce risk and enhance performance during FY 2021.

Attachments: Attachment A – Agency Charges
Attachment B – Fund Operating Summary

OFFICE OF INFORMATION TECHNOLOGY (OIT)
AGENCY CHARGES

Agency/Branch	Approved FY 2020	Proposed FY 2021	\$ Increase/ (Decrease)	% Change
Fire/EMS	\$3,983,200	\$5,662,800	\$1,679,600	42.2%
Health	801,800	2,429,200	1,627,400	203.0%
Permitting, Inspection and Enforcement	1,082,900	2,176,100	1,093,200	101.0%
Circuit Court	524,700	1,417,500	892,800	170.2%
Finance	236,000	775,700	539,700	228.7%
Human Resources Management	258,600	754,300	495,700	191.7%
Housing and Community Development	105,000	561,800	456,800	435.0%
Family Services	101,100	517,700	416,600	412.1%
State's Attorney	644,500	1,031,600	387,100	60.1%
Central Services	888,000	1,238,100	350,100	39.4%
County Executive	168,600	501,400	332,800	197.4%
County Council	547,100	877,500	330,400	60.4%
Elections	67,400	396,400	329,000	488.1%
Revenue Authority	0	309,300	309,300	N/A
Community Relations	228,500	518,700	290,200	127.0%
Environment	1,247,800	1,530,100	282,300	22.6%
Employ Prince George's	0	280,100	280,100	N/A
Social Services	86,200	254,200	168,000	194.9%
Economic Development Corporation	0	157,200	157,200	N/A
Public Works & Transportation	1,510,100	1,655,100	145,000	9.6%
Management and Budget	97,500	184,300	86,800	89.0%
Corrections	2,443,100	2,520,300	77,200	3.2%
License Commissioners	29,900	96,400	66,500	222.4%
Homeland Security	813,200	873,000	59,800	7.4%
Citizen Complaint Oversight Panel	7,500	59,700	52,200	696.0%
Law	209,900	258,400	48,500	23.1%
Conference Visitor's Bureau	0	45,800	45,800	N/A
Ethics and Accountability	22,400	45,900	23,500	104.9%
Soil Conservation	59,900	80,200	20,300	33.9%
Orphans Court	26,300	30,500	4,200	16.0%
Personnel Board	7,500	7,800	300	4.0%
Sheriff	2,049,600	1,444,400	-605,200	-29.5%
Police	11,430,400	8,033,400	-3,397,000	-29.7%
TOTAL	\$29,678,700	\$36,724,900	\$7,046,200	23.7%

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

Description	FY 2019 Budget	FY 2020 Budget	FY 2020 Estimated	FY 2021 Proposed	\$ Change	% Change
Revenues:						
Agency Charges	\$ 24,334,000	\$ 29,678,700	\$ 29,678,700	\$ 36,724,900	7,046,200	23.7%
I-Net Receipts	6,921,625	7,063,200	6,921,600	6,921,600	(141,600)	-2.0%
I-Net Community	415,985	303,000	416,000	416,000	113,000	37.3%
Agency Charges GIS	263,500	340,500	340,500	340,500	-	0.0%
Miscellaneous (loss of disposal asset)	12,542	-	-	-	-	0.0%
Transfer In - General Fund	2,000,000	1,861,900	1,861,900	3,061,100	1,199,200	64.4%
Total Revenues	\$ 33,947,652	\$ 39,247,300	\$ 39,218,700	\$ 47,464,100	\$ 8,216,800	20.9%
Expenditures:						
Compensation	\$ 6,401,350	\$ 7,255,100	\$ 6,759,700	\$ 8,125,500	\$ 870,400	12.0%
Fringe Benefits	2,904,314	4,019,300	3,744,900	4,151,900	132,600	3.3%
Operating Expenses	12,221,890	20,606,700	20,635,300	27,849,100	7,242,400	35.1%
Operating Expenses - I-Net	8,915,356	7,366,200	7,337,600	7,337,600	(28,600)	-0.4%
Total Expenditures	\$ 30,442,910	\$ 39,247,300	\$ 38,477,500	\$ 47,464,100	\$ 8,216,800	20.9%
Beginning Fund Balance	\$ 1,458,907	\$ 1,458,907	\$ 4,963,649	\$ 5,704,849	\$ 4,245,942	291.0%
Excess of Revenues Over Expenditures	3,504,742	-	741,200	-	-	0.0%
Ending Fund Balance	\$ 4,963,649	\$ 1,458,907	\$ 5,704,849	\$ 5,704,849	\$ 4,245,942	291.0%