



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 17, 2019

MEMORANDUM

TO: Montgomery County Planning Board
Prince George's County Planning Board

FROM: John Kroll, Corporate Budget Director *gk*

DATE: October 10, 2019

SUBJECT: FY 2021 Preliminary CAS Budget Requests

Please find attached FY21 preliminary budget requests from the Department of Human Resources and Management (DHRM), the Merit System Board, the Finance Department, the Legal Department, the Office of the Inspector General, and the Office of the Chief Information Officer (CIO).

As a lead-in to the presentations that you will hear today, and at subsequent Planning Board sessions, I would like to note some of the budget changes that affect most, if not all, of the Departments' budget proposals. Each year the Corporate Budget Office prepares and/or disseminates the following Commission-wide items to be included in the proposed budget. Some change little from year to year; some have a more significant effect on the departmental budget requests.

- Group Insurance for Employees on LTD
- Unemployment Insurance
- Communication Fees
- EOB Rent
- Capital Equipment Charges
- Capital Projects Debt Service
- Risk Management
- CIO/CWIT Charges
- CAS Department Chargebacks

Several of the above require further explanation:

Capital Equipment Charges – To facilitate significant capital purchases, we allow the departments to budget over 6 years for such. Some of each year's amount is due to past years' budget decisions, and

some to this year's request. This year, those showing charges for past years are PGC Park, MC Planning, MC Park and the CIO – Corporate IT. Only MC Park has charges related to new requests.

Capital Projects Debt Service – as new debt issues for FY21 are projected to be in the spring (hence, no new debt service until the following year), any changes in this figure is due solely to prior years' decisions.

Risk Management – this covers the costs for liability insurance and claims, and for workers' compensation claims. Although we utilize some smoothing methodologies to help mitigate the year to year changes in these charges, increases will be the result of claims experience, and that would primarily reflect workers' compensation.

CIO/CWIT Charges – these are based on the CIO's proposed budget, and are subject to change as that budget is accepted or modified. Changes in amount primarily reflect the level of IT projects that are proposed.

CAS Department Chargebacks – chargebacks are primarily utilized to spread the funding from the Administration Funds to the other funds. Costing methodologies vary from department to department, but are generally based upon the prior year's expenditure levels.

Attachments:

DHRM	pages 3-5
CAS Support	page 6
Merit System Board	page 7
Finance	pages 8-10
Legal	pages 11-12
Inspector General	pages 13-15
CIO Memo	pages 16-23
CIO Slides	pages 24-38



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

AAB 19-59

October 17, 2019

To: Prince George's County Planning Board
Montgomery County Planning Board

From: Anju A Bennett, Acting Executive Director
Tracey Harvin, Acting Policy and Management Operations Director
Katie Knaupe, Budget & Management Operations Chief

Subject: FY21 Proposed Administration Fund Budgets

- Department of Human Resources and Management
- Merit System Board
- Central Administrative Services Support Services

Handwritten initials: AAB, TH, KK, JW

Requested Action

We are requesting support for three FY21 proposed budgets for the Administration Fund. These budgets cover three separate functions for the Department of Human Resources and Management (DHRM), the Central Administrative Services (CAS) Support Services operations, and the Merit System Board at the base budget.

The proposed budgets have been developed following an analysis of needed service delivery levels and wage and benefit projections provided by the Corporate Budget Office. As compensation projections remain preliminary for the agency at this time, these will be updated as the Corporate Budget Office continues to refine projections. The FY21 salary marker is budgeted in non-departmental and therefore not included in these budgets.

Summary of Proposed Budgets

Details on the three proposed budgets are presented on the following pages. Adjustments for each budget are summarized below:

- The base budget for DHRM reflects an increase of 3.8% from the FY20 budget. While DHRM will continue to implement service enhancements, the Department is not requesting additional funding for any new initiatives. The DHRM proposed budget reflects the communicated share of technology initiatives that will be implemented by the Chief Information Officer for Commission-wide Information Technology (CWIT) Programs.
- The CAS Support Services budget, which covers shared services for all bi-county operations, reflects a modest base budget increase of 2.2%.
- The Merit System Board's budget reflects an increase of 3.0%, primarily from projected wage/benefit adjustments and needed services to cover its expected case load. The Board has not requested additional funding for any new initiatives.

Budget Detail and Work Program Priorities

I. Department of Human Resources & Management (DHRM) Budget

Under the leadership of the Executive Director, this Department provides agency wide guidance through four operating divisions:

- **Office of the Executive Director** – corporate governance functions for the agency including ensuring fair and equitable practices, ethics reporting and compliance, collective bargaining, execution of agency contracts, complaint adjudication, and management of policy reviews for the agency.
- **Corporate Budget** — oversight and direction for development of agency-wide budgets, fiscal planning, long-term projections, and forecasting.
- **Corporate Policy and Management Operations** — management studies, administration of the agency's policy system, loss control and risk management programs, workplace safety compliance, and administration of operating budgets.
- **Corporate Human Resources**- administration of agency wide employment standards, comprehensive wellness and employee health programs/insurance, compensation, HRIS, and Recruitment programs.

These divisions collectively provide support to the 7 departments of the agency, work directly with corporate governance and administer agency-wide initiatives to ensure fair and equitable practices and programs, competitive and cost-effective employment compensation and benefits, prudent fiscal planning, and sound workplace and liability protections.

Discussion of Proposed DHRM Budget

The proposed FY21 base budget for DHRM is \$5,603,333 and reflects a 3.6% increase of \$192,693.

- This increase is mainly due to Commission adjustments in healthcare funding and personnel costs.
- Discretionary costs for supplies and other services (programs) and charges remain relatively flat with a 1.5% increase, due to cost containment strategies implemented by the Department.

Following incorporation of the Department's share of CIO/CWIT initiatives, the total FY21 budget is \$5,634,193, which reflects a total adjustment to base budget of 4.1%. The funding allocation is 41.6% Montgomery and 58.4% Prince George's, which is a shift of 1.10% from Montgomery to Prince George's compared to the FY20 funding allocation. The total budget is allocated as follows:

- Montgomery: \$2,433,724 (adjusted from \$2,393,177 in FY20).
- Prince George's: \$3,200,469 (adjusted from \$3,017,463 in FY20).

Discussion of Proposed New Initiatives

The Department will continue to implement program enhancements to maintain our national workplace excellence standing for innovative policies and programs, and to meet the needs of the agency. Costs for programs and services have been absorbed into the existing base budget through cost containment measures. The Department is not proposing funding for new initiatives or changes in positions for FY21.

The Department's share of initiatives proposed by the CIO/CWIT programs is \$30,830 and split evenly for a total of \$15,430 allocated to each county.

FY21 DHRM Work Program Priorities

- Complete analysis and update of internal control standards related to ethics standards and reviews to address corporate governance and Inspector General recommendations.
- Conduct review of corporate governance standards for improved effectiveness and enhanced communication.
- Implement negotiated collective bargaining contracts. Conduct wage reopeners for applicable contracts.
- Continue comprehensive review of policies in areas such as employment, procurement, financial systems, and risk, liability and safety regulations.
- Implement system-wide and management-supported recommendations from the multi-year Classification and Compensation study. Priority are established with operating departments to address organizational needs, workforce development, and skill retention.
- Launch streamlined and improved onboarding program for new hires; enhance employee understanding of agency mission, programs, and organization; program will be integrated with the current ERP system to automate the agency-wide onboarding process, reduce cumbersome paper-focused orientation, and shift focus to more salient onboarding tools.
- Complete work with State on public records to ensure compliance with retention protocols.

Authorized Positions and Funded Workyears

DHRM is not requesting any change in positions.

Department of Human Resources and Management				
PRELIMINARY FY21 OPERATING BUDGET REQUEST				
	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY20 Adopted Budget	\$ 2,393,177	\$ 3,017,463	\$ 5,410,640	
FY21 BASE BUDGET INCREASES				
Salaries	(787)	80,258	79,471	
Benefits	42,976	80,082	123,057	
Other Operating Changes	(6,401)	18,540	12,139	
Chargebacks	(10,670)	(11,304)	(21,974)	
FY21 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 25,117	\$ 167,576	\$ 192,693	3.6%
PROPOSED CHANGES				
Initiatives proposed by CIO/CWIT:				
Department share of CIO/CWIT Initiatives	15,430	15,430	30,860	
Subtotal Proposed Changes	\$ 15,430	\$ 15,430	\$ 30,860	0.6%
Total Increase FY21 Proposed Budget Request	\$ 2,433,724	\$ 3,200,469	\$ 5,634,193	4.1%
*DHRM Proposed Base Budget is based on the FY21 allocation of 41.6% MC and 58.4% PGC, which reflects a 1.10% shift to PGC from the FY20 allocation.				

II. Central Administrative Services Support Services Budget

Central Administrative Services (CAS) refers the agency's bi-county corporate management team which provides administrative governance and support to the entire agency. It is comprised of three operating departments and two units:

- Department of Human Resources & Management
- Finance Department
- Legal Department
- Office of the Inspector General
- Office of the Chief Information Officer
- The Merit System Board

This budget accounts for non-discretionary, shared operating expenses attributable to bi-county operations. Office space rent represents the largest portion of the CAS Support Services budget (69.8% or \$1,024,712). Additional expenses covered include reimbursement of unemployment insurance, small office fixtures and office supplies, communication equipment, postage, document production, corporate Archives support and repairs and maintenance. There are no positions funded out of this budget.

Discussion of Proposed CAS Support Services Budget

The proposed FY21 base budget for CAS Support Services is \$1,469,112 and reflects an 2.2% increase of \$30,948. For FY21, the funding allocation is 44.4% Montgomery and 55.6% Prince George's, which reflects a slight shift of .03% from Prince George's to Montgomery compared to the FY20 allocation. This shift is based on the allocation share adopted by the Commission following an analysis by the Corporate Budget Office. The total budget is allocated as follows:

- Montgomery: \$653,092 (adjusted from \$643,676 in FY20).
- Prince George's: \$816,020 (adjusted from \$794,488 in FY20).

Discussion of Proposed New Initiatives

This budget does not include requests for funding of any new initiatives for FY21.

Authorized Positions and Funded Workyears

No positions or workyears are assigned to this budget.

CAS Support Services				
PRELIMINARY FY21 OPERATING BUDGET REQUEST				
	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY20 Adopted Budget	\$ 643,676	\$ 794,488	\$ 1,438,164	
FY21 BASE BUDGET INCREASES				
Salaries	(20)	20	-	
Benefits	-	-	-	
Other Operating Changes	9,436	21,512	30,948	
Chargebacks	-	-	-	
FY21 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 9,416	\$ 21,532	\$ 30,948	2.2%
PROPOSED CHANGES No new initiatives proposed				
Total Increase FY21 Proposed Budget Request	\$ 653,092	\$ 816,020	\$ 1,469,112	2.2%

III. Merit System Board Budget

The Merit System Board makes recommendations and decisions regarding the agency's Merit System. It is an impartial Board composed of three members appointed to four-year terms and supported by one part-time position. The Merit System Board upholds employee rights guaranteed under the Merit System, recommends employment and compensation policies to the Commission, and serves as the final administrative appellate body for employment matters pertaining to non-represented Merit System career employees.

Discussion of Proposed Merit System Board Budget

The proposed FY21 base budget for the Merit System Board is \$173,634 and reflects a minor 3.0% adjustment of \$5,074 to recognize small adjustments in personnel costs needed to support the Board's functions. Both counties fund the Merit System Board's budget equally. The FY21 total budget is allocated as follows:

- Montgomery: \$86,817 (adjusted from \$82,897 in FY20)
- Prince George's: \$86,817 (adjusted from \$82,897 in FY20)

Salaries for the three Board members are set by contract. The Commission has discretionary powers to set the rate of pay for each Board member.

Discussion of Proposed New Initiatives

This budget does not include funding requests for any new initiatives for FY21.

FY21 Merit Board System Work Program Priorities and Strategies

Continue to provide the timely review of cases, objective review of matters and policy recommendations that appear before the Board. Ensure quality services to the agency and employees.

Authorized Positions and Funded Workyears

The Merit System Board is not requesting any change in positions.

MERIT SYSTEM BOARD					
PRELIMINARY FY21 OPERATING BUDGET REQUEST					
	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	
FY20 Adopted Budget	\$ 84,280	\$ 84,280	\$ 168,560		
FY21 BASE BUDGET INCREASES					
Salaries	361	361	721		
Benefits	2,102	2,102	4,203		
Other Operating Changes	75	75	150		
Chargebacks	-	-	-		
FY21 One-time Expenses	-	-	-		
Subtotal Increase - Base Budget Request	\$ 2,537	\$ 2,537	\$ 5,074	3.0%	
Change to Base Between Counties from Labor Cost Allocation Change					
PROPOSED CHANGES					
No new initiatives proposed					
Total Increase FY21 Proposed Budget Request	\$ 86,817	\$ 86,817	\$ 173,634	3.0%	



THE
MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING
COMMISSION

MEMORANDUM

DATE: October 9, 2019

TO: Montgomery County Planning Board
Prince George's County Planning Board

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Finance Department FY21 budget submission

In developing this preliminary estimate of the FY 21 budget request, the Finance Department has carefully considered the service needs of the operating departments. We have also given careful thought to the Legislative Mandate to revamp our MFD program to ensure appropriate supplier diversity.

I am pleased to report that the base budget request, including major known commitments is essentially flat to the current year. There is, however, a shift in funding away from the Montgomery Admin Fund to the Prince George's Admin Fund. This is reflective of the cost allocations the Commission has adopted for FY 21.

After careful consideration and input from the operating departments, there are two proposed funding requests for fiscal 2021:

- A new position is requested in the Secretary-Treasurer's Office to Monitor and administer the Supplier Diversity Program currently under development, as mandated by the legislature. To be effective, such a program requires a champion separate from those who actually perform procurement tasks in the finance department as well as the operating departments.

It is anticipated that the details of the new work program will be fleshed out over the winter with the assistance of consultants. This request may be revised going

forward but must be included at this point to ensure adequate resources will be on board when the new program goes into effect.

In addition to the above request, I have included cost allocations from the OCIO and Commission Wide IT Initiatives funds which I support. Much progress has been made, but much work remains.

Should the request be funded in its current form, an additional \$173,666 or 3.5% of additional funds will be required in FY 21 vs FY 20, per the attached schedule.

Thank you for your consideration and review of this preliminary request. I look forward to discussing it with you.

FINANCE DEPARTMENT
PRELIMINARY FY21 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY20 Adopted Budget	\$ 2,353,443	\$ 2,623,117	\$ 4,976,560	

FY21 BASE BUDGET INCREASES(DECREASE)

Salaries	(100,837)	96,585	(4,252)	
Benefits	3,862	73,548	77,410	
OCIO/CWIT Initiatives	(20,920)	(20,920)	(41,840)	
Chargebacks	(2,351)	(24,951)	(27,302)	
FY20 One-time Expenses				
Subtotal Increase - Base Budget Request	\$ (120,246)	\$ 124,262	\$ 4,016	0.1%

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Supplier Diversity Program Manager	59,284	80,866	140,150	
Dept Share of CIO/CWIT Initiatives	14,750	14,750	29,500	
Subtotal Proposed Changes	\$ 74,034	\$ 95,616	\$ 169,650	3.4%
Total Increase FY21 Proposed Budget Request	\$ (46,212)	\$ 219,878	\$ 173,666	3.5%



Office of the General Counsel
Maryland-National Capital Park and Planning Commission

Reply To

Office of the General Counsel
6611 Kenilworth Avenue, Suite 200
Riverdale, Maryland 20737
(301) 454-1670 • (301) 454-1674 fax

DATE: October 9, 2019

TO: Montgomery County Planning Board
Prince George's County Planning Board

FROM: Adrian R. Gardner *Adrian Gardner*
General Counsel *(HAB)*

RE: Legal Department – Preliminary Budget Estimate – FY 2021

This memorandum presents a preliminary estimate to guide development of a final FY 2021 budget proposal for the Office of the General Counsel ("OGC" or "Legal Department"). We submit the following budget framework for discussion:

LEGAL DEPARTMENT				
PRELIMINARY FY21 OPERATING BUDGET REQUEST				
	MC Admin Fund	PGC Admin Fund	Department Total	% Change
FY20 Adopted Budget	\$ 1,487,160	\$ 1,282,781	\$ 2,769,941	
FY21 BASE BUDGET INCREASE				
Salaries	45,860	43,894	89,754	
Benefits	(6,089)	42,924	36,835	
Other Services and Charges	6,009	(9,752)	(3,743)	
Chargebacks	(18,293)	(23,375)	(41,668)	
Subtotal Increase - Base Budget Request	\$ 27,487	\$ 53,691	\$ 81,178	2.9%
Base FY21 Proposed Budget Request	\$ 1,514,647	\$ 1,336,472	\$ 2,851,119	
PROPOSED CHANGES				
Restoration of FY19 MC reduction	50,942		50,942	
Dept Share of CIO/CWIT Initiatives	10,220	10,220	20,440	
Subtotal proposed Changes	\$ 61,162	\$ 10,220	\$ 71,382	2.6%
Total Increase FY21 Proposed Budget Request	\$ 1,575,809	\$ 1,346,692	\$ 2,922,501	5.5%



Base Budget Overview

I am proposing a maintenance level budget – that takes into account the reduced service level at MRO that was required to meet the FY19 and FY20 funding cuts in Montgomery County Administrative Fund. Therefore, as you can see, after accounting for the combined fiscal impact of personnel changes, including expected changes in fringe benefit costs, the fiscal impact of our personnel budget would be a net increase of \$81,178, which results in a budget for personnel services allocable to the respective administrative funds as follows:

- Montgomery County Administration Fund: \$1,514,647 (1.8% increase)
- Prince George's County Administration Fund: \$1,336,472 (4.2% increase)

These figures reflect the updated labor allocation formula ("split") for Montgomery/Prince George's County at 48.9%/51.1% respectively, as well as any changes in non-departmental charges passed through for capital equipment, the CIO allocation, etc. Please refer to those non-departmental CAS budget estimates for specific details.

In addition, our proposed estimate is based on a modest pass-through of interdepartmental chargebacks that remain under discussion with our client departments.

Restoration of FY 19 Montgomery County Reduction

As you may recall, last year, the Legal Department was able to attain the reduced spending targets imposed during the budget cycle for Montgomery County by reducing non-personnel items – i.e., cutting funding for online legal research, outside counsel and similar ongoing operating costs. We are accordingly proposing to restore the capacity to cover those expenses at their approved FY 19 levels.

Conclusion

We trust the approach discussed above reflects an appropriate level of prudence and look forward to our further discussions.

cc: Melva Brown, Department Program Manager



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

October 16, 2019

To: The Maryland-National Capital Park and Planning Commission

From: Renee Kenney, CIG, CPA, CIA, CISA
Inspector General

Renee M Kenney

Re: FY21 Budget Request/Justification

The Office of Inspector General (OIG) submits the following FY21 budget proposal for your consideration and approval:

Office of the Inspector General						
PRELIMINARY FY21 OPERATING BUDGET REQUEST						
			MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
		FY20 Adopted Budget	\$ 285,643	\$ 399,082	\$ 684,725	
		FY21 BASE BUDGET INCREASES				
		Salaries	16,414	(24,910)	(8,496)	
		Benefits	22,296	24,101	46,397	
		Other Operating Changes	1,552	(656)	896	
		Chargebacks	-	(7,266)	(7,266)	
		Subtotal Increase - Base Budget Request	\$ 40,262	\$ (8,731)	\$ 31,531	4.6%
		Change to Base Between Counties from Labor Cost Allocation Change	\$ 30,518	\$ (30,518)		
		PROPOSED CHANGES				
		Inspector III Position	56,840	93,528	150,368	
		Additional Training Budget	3,326	5,474	8,800	
		Peer Review Contract	1,134	1,866	3,000	
		Dept Share of CIO/CWIT Initiatives	6,660	6,660	13,320	
		Subtotal Proposed Changes	\$ 67,960	\$ 107,528	\$ 175,488	25.6%
		Total Increase FY21 Proposed Budget Request	\$ 393,865	\$ 497,879	\$ 891,744	30.2%

The OIG's proposed FY21 budget of \$891,744 reflects an overall increase of \$207,019 or 30.2% over FY20. If approved, Montgomery County's budget will increase \$108,222 (37.9%) and Prince George's County's will increase \$98,797 (24.8%).

The OIG's proposed base budget reflects an increase of \$31,531 (4.6%). Most of the increases can be attributed to approved salary and benefit costs. The totals do not include FY21 compensation markers. Although the base budget reflects a total increase of \$31,531, Montgomery County's share increases by \$40,262, while Prince George's County share decreases by (\$8,731). This is primarily due to a 3.1%¹ change to base due to updated labor cost allocations. Labor cost allocations are based on a three-year running average of OIG personnel's actual labor charges as reported in the Commission's time keeping application (Kronos).

Proposed Changes

The OIG is requesting three (3) proposed changes to support current operations. Per State statute, "The Commission shall include in the Commission's annual operating budget proposal the amounts recommended by the Audit Committee for the Office." The proposed changes, (excluding CIO/CWIT) have been reviewed and approved by the Commission's Audit Committee.

1. Additional Inspector Position (\$150,368) – The OIG currently has four (4) full-time Merit positions: three (3) Inspectors and one (1) IT Audit Manager; (the Inspector General is appointed.) The three Inspectors are responsible for completing all audits, investigations, advisories, and follow-ups for both Counties, as well as Corporate Operations. One of OIG's primary responsibilities is to ensure public accountability. To meet this requirement, the OIG is actively educating Commission employees on the importance of fiduciary responsibilities. As a result, the amount of time dedicated to fraud, waste, and abuse investigations² and other advisories³ is steadily increasing. A fourth Inspector is required to ensure all allegations can be thoroughly investigated and corresponding recommendations can be put forth to strengthen internal controls. \$150,368 will cover the annual salary and benefits of one Inspector.
2. Increase to Training Budget (\$8,800) – The OIG is required by State statute to comply with Government Auditing Standards. These standards require each auditor to obtain 80 hours of continuing professional education (CPE) every two (2) years. In addition, most OIG personnel maintain professional certifications (e.g. CPA, CIA, CISA, CFE) which also carry CPE requirements. The additional \$8,800

¹ Montgomery County's labor allocation rate increased from 34.7% in FY20 to 37.8% in FY21. Prince George's County's labor allocation rate decreased from 65.3% in FY20 to 62.2% in FY21.

² FY19 the OIG completed 13 FWA Investigations with 22 internal control recommendations as compared to FY18, which had 11 FWA investigations with 24 internal control recommendations.

³ FY19 the OIG completed 9 advisories and 16 miscellaneous reviews, as compared to FY18, which had 8 advisories and 11 miscellaneous reviews.

in training funds will bring the OIG's total annual training budget to \$15,000, or \$3,000 per year per employee. The increase is necessary to ensure OIG personnel receive pertinent training to successfully complete the Commission's Audit Program.

3. Peer Review Contract (\$3,000) – Prior OIG operating budgets did not contain a budget line item for peer reviews. Per Government Auditing Standards, the OIG must obtain an independent peer review every three years. Through the OIG's membership with the Association of Local Government Auditors, and reciprocity agreement, peer review costs are very reasonable (limited to the travel and meal expenditures of external auditors). In previous years, costs were covered by salary savings and unspent funds for professional auditing services⁴. As the peer review is a mandated requirement, the OIG is requesting dedicated funding to cover applicable costs.

The fourth proposed change includes a \$13,320 increase in funding for IT projects proposed by the Office of the Chief Information Officer.

Thank you for your consideration.

⁴Total professional auditing services only receives \$1,015 in annual funding. The purpose of the funding is to hire external services (e.g. IT forensics) as needed outside of the competencies of OIG personnel.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 17, 2019

TO: Montgomery County Planning Board
Prince Georges County Planning Board

FROM: Mazen Chilet, Chief Information Officer

SUBJECT: FY21 Proposed Budget for the Office of the Chief Information Officer (CIO)

Requested Action

Provide direction to prepare the FY21 Proposed Budget for the Office of the Chief Information Officer (CIO), both the Corporate IT Division funded within the two Administration Funds, and the CIO and Commission-wide IT Initiatives (CWIT) Internal Service Funds.

- Corporate IT – Increased costs of software maintenance contracts, and a new Help Desk system are requested in the Corporate IT budget, are offset by increased departmental chargebacks, resulting in a proposed budget increase of 1.9%.
- CIO Internal Service Fund (ISF) – No new initiatives are proposed for FY21, other than the share of new initiatives proposed in the CWIT. The base budget would increase by 3.0% for the CIO ISF. The total budget would increase by 3.9% with the shared portion of the CWIT initiatives.
- CWIT ISF – Growth in software licenses, and new and/or expanded IT projects would increase the CWIT budget by 24.5%.

This table represents a composite comparison of all three parts of the CIO's budget.

	FY20 Budget	FY21 Proposed	% Change
Base Budget			
Corporate IT	2,946,695	2,899,094	-1.6%
OCIO ISF	1,466,799	1,523,473	3.9%
CWIT ISF	<u>2,075,402</u>	<u>2,319,964</u>	<u>11.8%</u>
Total	6,488,896	6,742,531	3.9%
Base + New Initiatives			
Corporate IT	2,946,695	3,002,474	1.9%
OCIO ISF	1,466,799	1,523,473	3.9%
CWIT ISF	<u>2,770,402</u>	<u>3,449,964</u>	<u>24.5%</u>
Total	7,183,896	7,975,911	11.0%

Corporate IT

This division consists of two Sections: Enterprise IT and EOB IT. Enterprise IT (14 staff) provides core business systems, such as: ERP, Time and Labor Management, Utility management systems, to all Commission departments and is partially funded by chargebacks primarily to the two Park Funds. EOB IT (4 staff) provides computer, telephony, network services, and help-desk support to the bi-county departments in the Executive Office Building, the Office of the Inspector General, and the Employee Retirement System (ERS) staff. After chargebacks, Corporate IT is funded by the two counties' Administration Funds.

The net proposed budget for Corporate IT is \$3,002,474, an increase of 1.9%. This consists of a base budget request decrease of 1.6%, and the following new initiatives: a new help desk system and the departmental share of the CIO/CWIT initiatives. The following chart summarizes these requests.

CIO - Corporate IT PRELIMINARY FY21 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY20 Adopted Budget	\$ 1,488,157	\$ 1,458,538	\$ 2,946,695	
FY21 BASE BUDGET INCREASES				
Salaries	120,620	(56,495)	64,125	
Benefits	73,290	18,620	91,910	
Other Operating Changes	73,626	(67,335)	6,291	
Chargebacks	(75,434)	(134,493)	(209,927)	
Subtotal Increase - Base Budget Request	\$ 192,102	\$ (239,703)	\$ (47,601)	-1.6%
PROPOSED CHANGES				
New Help Desk Initiative	43,265	41,735	85,000	
Dept share of CIO/CWIT Initiatives	9,190	9,190	18,380	
Subtotal Proposed Changes	\$ 52,455	\$ 50,925	\$ 103,380	3.5%
Total Increase FY21 Proposed Budget Request	\$ 1,732,714	\$ 1,269,760	\$ 3,002,474	1.9%

Note: Keep in mind that in ALL departments funded by the Administration Funds, the salary budget DOES NOT include the salary marker or reclass marker. Likewise, the benefit budget DOES NOT include OPEB. These are found in the Non-Departmental part of these Funds' budgets.

Corporate IT Base Budget

The Base Budget changes primarily reflect the updated CAS allocation between the two counties. Otherwise, pension and health insurance costs increased, software maintenance costs increased, and departmental chargebacks increased signifying the higher software maintenance costs.

Corporate IT New Initiatives

New initiative requests in Corporate IT consist of:

- Under the direction of the CIO Corporate IT will migrate Corporate IT help Desk operations to A new help desk system, ServiceNow. The help desk System supports Agency core business systems users, Executive Office Building users, the Commission-wide IT Change Management, and the Employee Document Self Service portal. Currently M-NCPPC relies on emails to carry out the service and support segments of IT operations on all Core Business systems. Core Business Systems services include HR related matters, Benefits, Payroll, Accounts Payable, Recruitment and Systems' status and operational communications. Additionally, IT Change Management will be moved to ServiceNow to establish a commission-wide change management platform to ensure changes are approved in an effective and timely manner. The system will ensure that all changes are captured, properly vetted, and communicated across all user groups, so no system change will go undocumented. Also, the system will have a knowledgebase to enable timely problem resolution, improved allocation of resources, and change processes. (\$85,000)
- The division's share of proposed CWIT new initiative requests (\$18,830)

OFFICE OF THE CIO ISF

The Office of the CIO ISF is an internal service fund (ISF) funded by direct charges to the user departments. With a staff of seven, the CIO's office provides management of the Commission-wide IT function and provides project management of the numerous Commission-wide IT (CWIT) projects that are funded separately in the CWIT ISF.

CIO Internal Service Fund

PRELIMINARY FY21 OPERATING BUDGET REQUEST

			% Change
	FY20 Adopted Budget	\$ 1,466,799	
FY21 BASE BUDGET INCREASES			
	Salaries	2,013	
	Benefits	39,981	
	Other Operating Changes	1,600	
	Subtotal Increase - Base Budget Request	\$ 43,594	3.0%
PROPOSED CHANGES			
	Dept share of CWIT Initiatives	13,080	
	Subtotal Proposed Changes	\$ 13,080	0.9%
	Total Increase - FY21 Proposed Budget Request	\$ 56,674	3.9%

CIO ISF Base Budget

The CIO base budget reflects an increase of \$43,594, or 3.0%, due primarily to increases in pension and health insurance costs, including OPEB. (Please keep in mind that pension and OPEB may change with the receipt of this year's actuarial valuations in November.)

CIO ISF New Initiatives

Department share of CWIT Initiatives - \$13,080.

COMMISSION-WIDE IT (CWIT) ISF

The CWIT ISF provides multi-year funding for Commission-wide IT software licenses and IT infrastructure projects.

The CIO prepared and presented the annual Enterprise Project Plan (EPP) and presented full details of all ongoing and new Commission-wide IT Projects and initiatives. The CIO also developed business cases with detailed information to assist each IT Council member to form an opinion and be able to develop a position on every current and newly developed initiative. IT Council members reviewed the requests, requested additional information, discussed in several meetings, often revised the requested funding level, with the result that a majority recommended moving forward with the following projects. IT Council members arrived at a consensus to support all initiatives. Although the IT Council does not have approval authority, and in acknowledgement of the IT Council's efforts during the budget review process, an initial look at the CWIT proposal was presented to the Commission on September 18th and received direction to present the following.

The CWIT budget is composed of three parts:

Software licenses/subscriptions; Debt Service (internal) for a FY18 project; and IT Infrastructure projects.

CWIT ISF				
	FY20 Budget	FY21 Change	FY21 Proposed	% Change
Licenses/Subscriptions				
Microsoft	1,592,000	137,964	1,729,964	
Kronos	120,000	-	120,000	
Adobe	147,670	162,330	310,000	
Website	63,000	72,000	135,000	
Online Training	55,000	(30,000)	25,000	
SubTotal	1,977,670	342,294	2,319,964	17.3%
Debt Service				
Alliance	97,732	(97,732)	-	
SubTotal	97,732	(97,732)	-	-100.0%
IT Projects				
All FY20 Projects	695,000			
ERP			200,000	
ERP Next Gen			100,000	
Kronos			75,000	
Risk Mgmt Framework			50,000	
ECM Phase 1			100,000	
Alliance			300,000	
Website			225,000	
Website ADA	-	-	80,000	
SubTotal	695,000	435,000	1,130,000	62.6%
Total CWIT	2,770,402	679,562	3,449,964	24.5%

Licenses/Subscriptions

- Microsoft Licenses – increase of \$137,964. Year 2 renewal of the 3-year Enterprise Agreement, new licenses and additional calling plans requested by Departments.
- Kronos Cloud Services - no change from FY20.
- Adobe Cloud – increase of \$162,330. New 3-year License Agreement after Adobe changed their license model. (Increased cost in FY20 has been addressed through a budget transfer from the impacted departments.) FY22 will remain at the same level
- Website License – increase of \$72,000. Increase is due to the several factors: 1) The licensing structure change by the hosting firm. 2) Growth of website sites and subsites and 3) Enhanced hosting services.
- Security Mentoring training - decrease of \$30,000. A new contract was negotiated with a new online training provider.

Debt Service

No outside debt was issued for this project, so debt service expense is eliminated. Multi-year payments from departments decreased to reflect lack of interest expense.

IT Infrastructure Projects

The budget for FY20 projects totaled \$695,000. The request for FY21 is for \$1,130,000, an increase of \$435,000.

- ERP - \$200,000 - To address evolving needs and regulatory mandates, critical operational needs and other mid-year identified requirements.
- ERP Next Generation - \$100,000 - ERP Systems must be revaluated every 5-7 years to ensure that our business needs are being met. The evaluation of our current system is needed to determine the most effective solution for the next ten years. The next release of our current platform will require a full implementation, the agency needs to evaluate whether it will remain with the current platform or select a different solution provider.
- Kronos - \$75,000 - Ongoing improvements to the Time Keeping System which allows supervisors to manage workforce schedules, authorize work hours, review and approve overtime and leave requests.
- Risk Management Framework - \$50,000 - To begin an independent review of our systems to ensure compliance with state and federal Data Protection guidelines such as the National Institute of Standards and Technology (NIST) Special Publications (SP) 800 Series.
- ECM Phase I - \$100,000 - Enterprise Content Management implementation. The solution is needed to help the Agency meet state mandates for public records. Currently, the Commission has 5 ECM solutions, the Commission needs to consolidate solutions and provide a true solution for Prince George's Parks and the Bi-County operations at Central Administration. It is anticipated that the new solutions will be rolled out in several phases over multiple to ease the transition for department users.
- Alliance - \$300,000 – Since this project was originally funded in 2016, building configurations, control panel and reader counts have changed, necessitating additional resources to complete.
- Website - \$225,000 - M-NCPPC websites are the Commission's window to the community; our current platform is not user friendly and does not convey that we are a premier agency; it is very difficult to navigate and locate appropriate information. The project has two distinctive components:
 - Evaluate and redesign with our public affairs teams.
 - Select and migrate to a reliable, flexible, easier to navigate, ADA compliant and up-to-date platform.
- Website ADA - \$80,000 - ADA Compliance consists of 2 parts:
 - Training staff to develop skills in creating ADA compliant documents
 - Evaluate and select a scanning tool that automatically scans website content, finds noncompliant documents and generates notifications.

- Engage a service provider to identify noncompliant website content and make the necessary corrections. This is a one-time effort.

A chart showing the fiscal impact, by user department, of the CIO ISF budget request is included in this Attachment. These amounts represent the change from the FY20 Budget.

Departmental Budget Impact of CIO/CWIT Proposed Budget					
	CIO ISF	CWIT			
	Operating	Licenses /	CWIT Debt	CWIT IT	Total
		Subscriptions	Service	Projects	
Montgomery:					
Planning	3,569	41,120	(2,610)	(27,270)	14,809
Parks	17,830	39,040	(4,720)	(1,680)	50,470
DHRM	499	2,920	(1,510)	(180)	1,729
Finance	471	4,300	(1,510)	(2,500)	761
Legal	342	1,870	(930)	8,570	9,852
Corporate IT	429	10,010	(390)	6,240	16,289
Inspector General	35	1,280	-	5,860	7,175
CIO ISF	-	1,300	-	5,970	7,270
	<u>23,175</u>	<u>101,840</u>	<u>(11,670)</u>	<u>(4,990)</u>	<u>108,355</u>
Prince George's:					
Planning	2,881	49,160	(1,080)	61,210	112,171
Park	6,061	69,740	(19,530)	161,440	217,711
Recreation	18,192	100,030	(3,500)	193,440	308,162
DHRM	404	2,920	(1,510)	(180)	1,634
Finance	381	4,300	(1,510)	(2,500)	671
Legal	288	1,870	(930)	8,570	9,798
Corporate IT	346	10,010	(390)	6,240	16,206
Inspector General	28	1,280	-	5,860	7,168
CIO ISF	-	1,300	-	5,970	7,270
	<u>28,581</u>	<u>240,610</u>	<u>(28,450)</u>	<u>440,050</u>	<u>680,791</u>
Total	<u><u>51,756</u></u>	<u><u>342,450</u></u>	<u><u>(40,120)</u></u>	<u><u>435,060</u></u>	<u><u>789,146</u></u>

THE FY21

OCIO BUDGET



AGENDA

2

- | | |
|--------------------------------------|---|
| 1. Operational Update | 5. CWIT Enterprise Licenses |
| 2. Composite comparison CIO's budget | 6. Commission-Wide IT Budget Details |
| 3. Corporate IT Budget Request | 7. Commission-Wide IT Budget Impact By Department |
| 4. CIO ISF Budget Request | 8. CWIT ISF Budget Summary |



Operational Update

Several projects were started in FY19 and FY20:

ERP Automation

- Digital Personnel Action Automation (DPA)
- Strategic Sourcing and Contract Management modules
- Integration with Hansen
- ERP Dashboards

Time and Attendance Management

System (Kronos) Upgrade

- Phase I – Version upgrade
- Phase II – Integration with ERP
- Clock Installation
- Single Sign One

Security Assessment and Penetration testing

- Identify any potential security related risks and deficiencies in the enterprise network
- Assist in developing policies and procedure for a more secure and cohesive IT environment

Enterprise Content Management

- Requirements for an Agency-wide Enterprise Content Management solution
- Recommendation for a solution to guide Phase I in FY21

Composite comparison of the CIO's budget

	FY20 Budget	FY21 Proposed	Percent Change
Budget Base			
Corporate IT	\$2,946,695	\$2,899,094	-1.6%
OCIO	\$1,466,799	\$1,523,473	3.09%
Commission Wide Initiatives (CWIT)	\$2,075,402	\$2,319,964	1.8%
Base + New Initiatives			
Corporate IT	\$2,946,695	\$3,002,474	1.9%
OCIO	\$1,466,799	\$1,523,473	3.9%
Commission Wide Initiatives (CWIT)	\$2,770,402	\$3,449,964	24.5%
Total	7,183,896	\$7,975,911	11.0%

Corporate IT Budget Request

	Percent Change
FY20 Adopted Budget	–
FY21 Base Budget Increases	-1.6%
Proposed Changes	3.5%
Total increase FY21 Budget Request	1.9%

FY21 OCIO Budget

Corporate IT Base Budget



FY21 BUDGET
AFTER Proposed changes



1.9%

2020 Base Budget



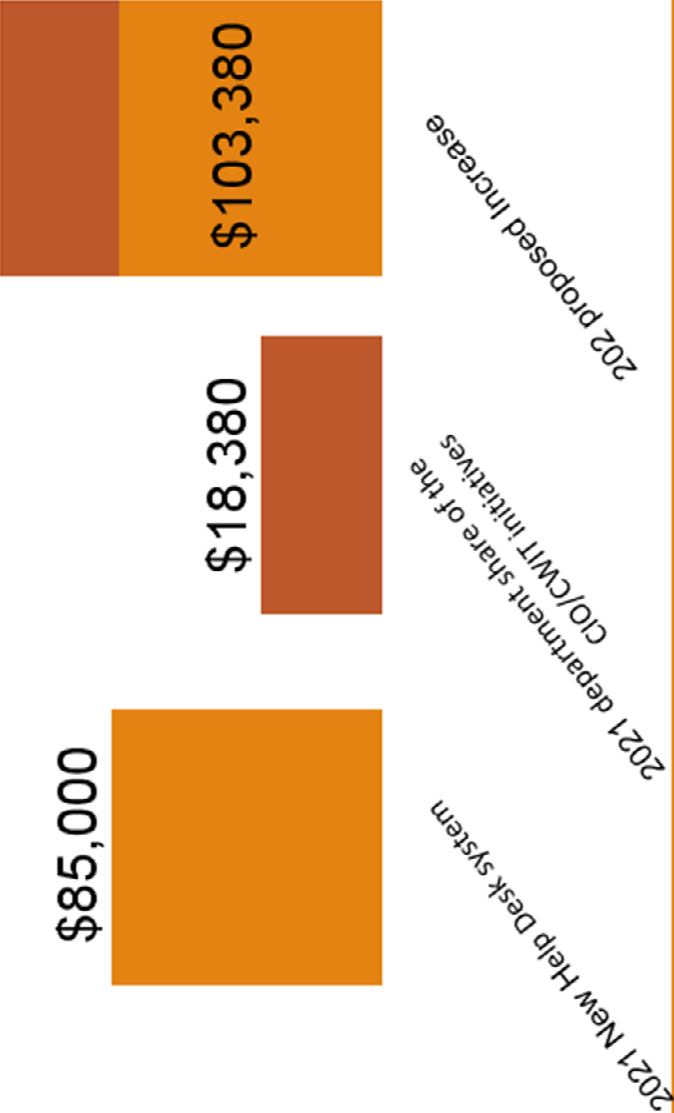
1.6%

FY21 BASE BUDGET



Corporate IT New Initiatives

New initiative requests in Corporate IT consist of:
A new help desk system and the departmental share of the CIO/CWIT initiatives.

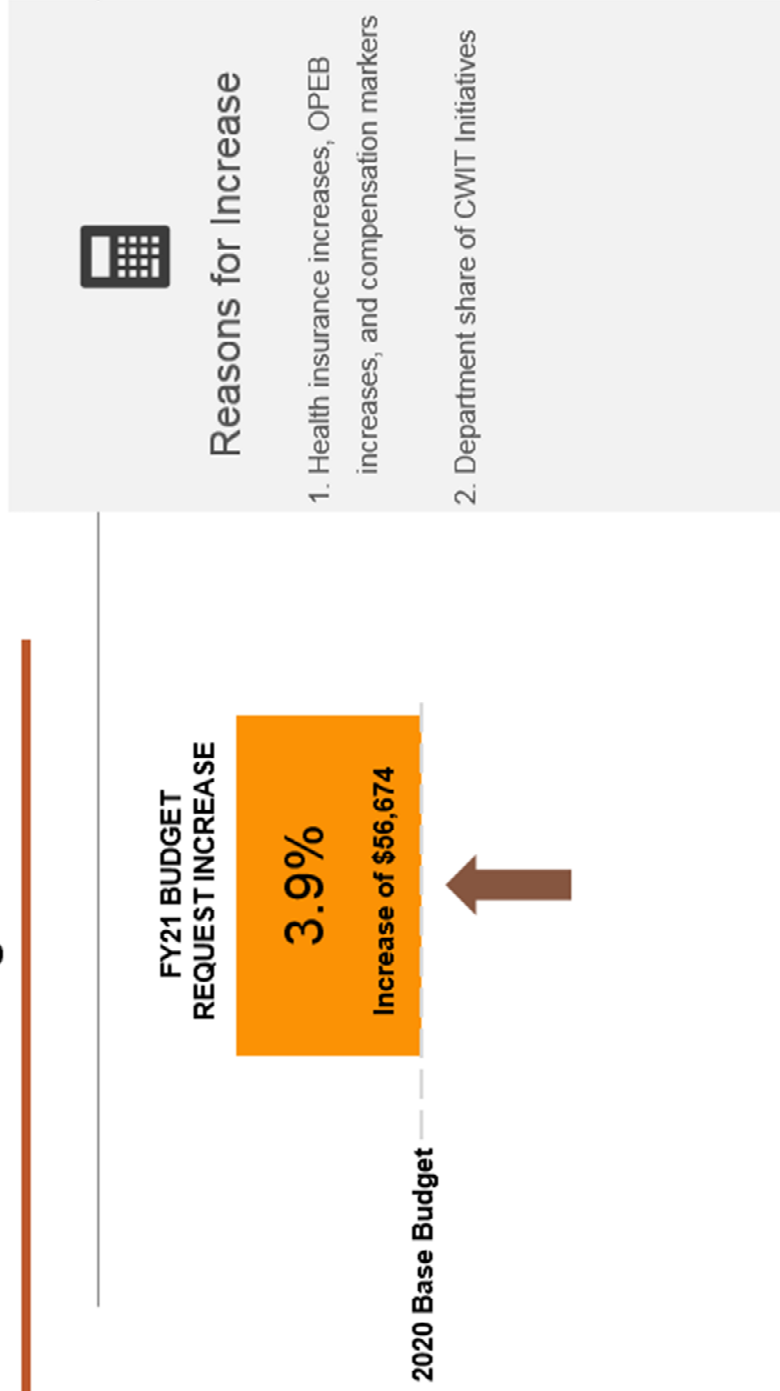


FY21 OCIO Budget

CIO ISF Budget Request

	Percent Change
FY20 Adopted Budget	\$1,466,799
FY21 Base Budget Increase	\$43,594
Proposed Changes (Department Share of CWIT Initiatives)	\$13,080
Total FY21 Budget	\$1,523,473

CIO ISF Base Budget



Enterprise Licenses - BASE LICENSES

FY20 TOTAL \$1,977,670

FY21 TOTAL \$2,319,964

Security Awareness Training	FY21 Change - (\$30,000)
Website License	FY21 Change - \$72,000
Adobe Cloud License	FY21 Change - \$162,330
Kronos Cloud Services	FY21 Change - \$137,964
Microsoft Licenses	

CWIT Initiatives

ON-GOING CWIT PROJECTS

TOTAL \$695,000

ECM Feasibility & Requirements Study
Security Findings Remediation
Active Directory Phase V
Budget Planning Software
Website ADA Compliance
ERP Enhancements

NEW PROJECTS

TOTAL \$1,130,000

Facility Access Control
Risk Management
External Website
Website ADA Compliance
Intranet Upgrade
Time and Attendance (Kronos)
ERP Next Gen Planning
ERP Specialized Programming

CWIT ISF Budget Request Impact by Department

Department	Microsoft Licenses	Kronos Licenses	Adobe Licenses	Website	Online training	Dept. Total
Planning	\$90,480	\$9,340	\$68,200	\$28,350	\$1,250	\$197,620
Parks & Rec	\$743,710	\$56,960	\$139,500	\$59,400	\$11,250	\$1,010,820
CAS	\$98,690	\$4,430	-	\$16,900	\$630	\$120,650
Total	\$932,880	\$70,730	\$207,700	\$104,650	\$13,130	\$1,329,090
Planning	\$279,390	\$7,140	\$49,600	\$6,750	\$2,500	\$345,380
Parks	\$419,000	\$37,720	\$52,700	\$6,750	\$8,750	\$524,920
CAS	\$98,690	\$4,430	-	\$16,900	\$630	\$120,650
Total	\$797,080	\$49,290	\$102,300	\$30,400	\$11,880	\$990,950
License Total	\$1,729,960	\$120,020	\$310,000	\$135,050	\$25,010	\$2,320,040

FY21 OCIO Budget

CWIT ISF Budget Request Impact by Department

Department	ERP	ERP Next Gen	Time & Attendance Mgmt.	Risk Mgmt.	ECM Phase I	Alliance	Website Design	Website ADA	Dept. Total
Prince George's									
Planning	\$15,560	\$7,780	\$5,840	\$3,890	-	\$9,300	\$47,250	\$16,800	\$106,420
Parks & Rec	\$94,920	\$47,460	\$35,600	\$23,740	\$75,000	\$234,060	\$99,000	\$35,200	\$644,980
CAS	\$7,380	\$3,690	\$2,780	\$1,860	\$12,500	\$7,430	\$28,150	\$10,000	\$73,790
Total	\$117,860	\$58,930	\$44,220	\$29,490	\$87,500	\$250,790	\$174,400	\$62,000	\$825,190
Montgomery									
Planning	\$11,900	\$5,950	\$4,460	\$2,980	-	\$5,580	\$11,250	\$4,000	\$46,120
Parks	\$62,080	\$31,430	\$23,570	\$15,720	-	\$36,210	\$11,250	\$4,000	\$168,540
CAS	\$7,380	\$3,690	\$2,780	\$1,860	\$12,500	\$7,430	\$28,150	\$10,000	\$71,930
Total	\$82,140	\$41,070	\$30,810	\$20,560	\$12,500	\$49,220	\$50,650	\$18,000	\$304,950
Project Total	\$200,000	\$100,000	\$75,030	\$50,050	\$100,000	\$300,010	\$225,050	\$80,000	\$1,130,140

FY21 OCIO Budget

CWIT ISF Budget Summary

	FY20 Budget	FY21 Change	FY21 Proposed	Percent Change
Licenses/Subscriptions	\$1,977,670	\$342,294	\$2,319,964	17.3%
Debt Service	\$97,732	(\$97.732)	-	-100%
CWIT Projects	\$695,000	\$435,000	\$1,130,000	62.6%
Total CWIT	\$2,770,402	\$679,562	\$3,449,964	24.5%



Thank you
