



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 7, 2022

To: Montgomery County Planning Board

From: Asuntha Chiang-Smith, Executive Director *ACS*
Katie Knaue, Deputy Corporate Budget Director *KK*

Subject: FY24 Proposed Budgets

- Department of Human Resources and Management
- Risk Management Internal Service Fund
- Central Administrative Services Support Services
- Merit System Board

Requested Action

We are requesting approval of the FY24 proposed Department of Human Resources and Management (DHRM), Central Administrative Services (CAS) Support Services operations, and Merit System Board Administration Fund budgets.

The proposed budgets have been developed following an analysis of program needs along with wage and benefit projections provided by the Corporate Budget Office. Compensation projections are preliminary and will be updated as the Corporate Budget Office continues to refine projections.

I. DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT

The Department of Human Resources and Management (DHRM) provides the programs that support our talented and diverse workforce as they serve county residents and agency patrons. The Department utilizes specialized expertise to effectively administer agency-wide programs and initiatives to ensure a fair and equitable workplace, transparent budgeting, and employee wellbeing and safety.

In the past two years, both the scope and volume of work of DHRM has expanded significantly without an increase in resources to match. These increases are due, in part, to:

- A quick and drastic shift in the job market, which has left the agency with hundreds of open positions to fill during a time in which the competition for talent is fierce.
- Persistent COVID-19 case tracking and the need to prepare for other potential arising pandemics (resistant COVID-19 variants, Monkey Pox, etc.)
- Societal angst/civil unrest, which has resulted in the increase of internal and external complaints as well as a significant increase in labor relations cases.
- Transfer of the Supplier Diversity program from Finance/Legal to DHRM, which includes not only requirements for outreach and reporting but setting up a metrics system that will fold into the high-level Performance Measurement and Management program.

This lack of resources has forced the Department to limp along at the same diminished staffing levels put in place to accommodate significant budget cuts a decade ago. This simply is unsustainable. The Department

brought a consultant in to analyze operations efficiencies and has utilized many avenues to maximize current staffing levels to meet demand including repurposing positions, filling current open positions and identifying specific skill sets/positions that are essential to meeting the new, existing work programs. After careful analysis, the new position requests below either address a current mismatch between existing workload and available resources or a priority of the Commission that must be addressed immediately.

- **Recruitment**

Requesting Three Recruiters: The number of positions in Recruitment Office has not changed since 2016, yet they are responsible for processing all employment application reviews (over 36,000 in FY22), hiring (854 new hires in FY22 compared to 400 in 2021), running background checks, and managing Park Police promotional testing. Reducing the agency's time to fill vacant positions is a priority across the Commission and additional staffing is needed to distribute our workload, which has more than doubled in the past three years. We would like to add one recruiter for Montgomery operations, one for Prince George's County operations, and one specializing in police recruiting, which has become extremely difficult with the implementation of the state's new police reform law.

- **Supplier Diversity**

Requesting a Supplier Diversity Specialist and Performance Management Analyst: These positions would be responsible for assisting the Supplier Diversity Program Manager in expanding the base of small, local, and minority vendors who are capable and available to participate in agency contracting opportunities. This past year the Commission's Supplier Diversity program work doubled by the addition of a new Small, Local Business program. The Supplier Diversity Specialist is needed to conduct outreach and ensure maximum participation of minority, female, and disabled-owned business enterprises (MBEs) and small-local-owned business enterprises (SLBEs) businesses in agency competitive solicitations. The Performance Management Analyst is crucial in order to bring in-house the analysis of procurement data to create the Commission Supplier Diversity report – currently that work conducted by a consultant whose scope and contract is limited. The position also would be responsible for standing up the Commission's new supplier diversity program metrics to roll into the establishment of the agency's Performance Measurement and Management program that will evaluate bi-county operations such as reducing time to hire, leave usage and retroactive payments.

- **Addressing Disorder and Rising Complaints**

Requesting an Employee Relations Specialist: This position is needed to address the rise in employee grievances/complaints, requests for internal and external reasonable accommodations (which have increased by 33% in the past year) and extended collective bargaining negotiations. The Employee Relations Specialist would be part of our succession planning efforts to relieve the significant strain put on the small four-person Labor and Employee Relations team.

FY24 Priorities

In addition to addressing the increased demands listed above, the following Department programs have been identified as vital functions to focus on in the next fiscal year as the agency continues to evolve and address continued internal and external changes.

- **Supplier Diversity Program**

This program, which is designed to assure that MBEs and SLBEs have the same opportunities to succeed in pursuing business with the agency as any other potential vendors, has been identified by our local jurisdictions as a priority program for the Commission to stand up quickly. It is currently

being developed in conjunction with a consultant and other state agencies and the first part of the program is scheduled to roll out in calendar year 2023.

- **Agency-wide Training and Succession Planning**

The Department will focus on organizational development through the implementation of an agency-wide training program to educate all employees in policies and procedures, respectful workplaces, diversity and inclusion, succession planning, leadership development, and fraud, waste and abuse. The pilot leadership development program will conclude in December 2022 and will expand to other departments in calendar year 2023. This program will also be responsible for the administration of the new Learning Management System.

- **Time to Care Act Implementation**

The Maryland General Assembly voted to establish a Paid Family and Medical Leave (PFML) Insurance Program. Employers will have the choice to either participate in the state program or substitute a self-funded private employer plan. Rates will be established by June of 2023 and contributions to the state program will begin in October of 2023.

- **Communications Program**

DHRM is continuing to coordinate with the Departments in managing the agency's coordinated communications processes. These efforts will continue to be expanded to provide the framework for effective communications strategies, crisis communications, and messaging across the agency. This also includes work with developing a clear message for the Commission on "who we are/what we do" and coordinating this message in the development of a new Commission website.

- **Recruitment and Selection Services**

This small team of seven is responsible for the advertising and processing of all employment applications, handling of employment and promotion offers, and candidate selection, which totaled to over 36,000 applications processed, and 854 positions filled during FY22. (This past year the average number of jobs to fill has more than doubled from 400 to 854 positions.) Additionally, they administer the agency's background check screening program, language proficiency testing, and Park Police entry, lateral, and advancement testing. While the agency's time to fill is lower than the national average, the Department is committed to reducing this metric in FY24 by focusing on increased outreach and partnering with other agencies.

Proposed Budget Overview

The FY24 proposed base budget is \$7,546,000, which is an increase of 11.1%, or \$751,865. This increase is driven by inflation, personnel services, and bringing the budget back up to normal levels after budget reductions were applied in FY22.

- **Personnel Services:** DHRM salaries and benefits are projected to increase by \$460,413 to account for increased benefit cost estimates.
- **Other Operating Charges:** Discretionary costs for supplies, other services, and charges have been adjusted for inflation and the expansion of existing programs and reflect an increase of \$296,638.

Critical Needs

To address the gap between DHRM's current staffing levels and the rapidly expanding program responsibilities, several new positions are being requested. These proposed changes increase the base budget request by 10.8% to a total of \$8,277,874.

- **Three Recruiters (\$119,633 each):** As labor market conditions have tightened, passive job posting activity is insufficient. Implementing proactive recruitment and marketing initiatives to meet increased service expectations requires additional staffing and new skill sets within the unit. These new positions would enable us to distribute our increasing workload and fill vacant positions faster and better support recruitment efforts of the Departments.
- **Human Resources Specialist for the Employee & Labor Relations Office (\$119,633):** This position would provide much needed support to handle the rise of employee grievances and complaints, increased reviews of requests for reasonable accommodation, as well as assist with negotiations and collective bargaining agreements, and aid in the agency-wide training program.
- **Corporate Management Analyst II for Supplier Diversity and Performance Management Program (\$141,296):** This position would be responsible for collecting data, analyzing and creating the annual report for the new Supplier Diversity program. In addition, it will support agency leaders in making data-driven decisions through easily understandable visualizations, interpretation of trends, and regular performance reports.
- **Supplier Diversity Specialist (\$112,046):** This position would be responsible for assisting the Supplier Diversity Program Manager in expanding the base of small, local, and minority vendors who are capable and available to participate in agency contracting opportunities by creating an annual outreach plan and meeting monthly outreach/communications goals.

Funding Allocation

The funding allocation for FY24 is 40.7% Montgomery and 59.3% Prince George's, which is a shift of 0.6% from Prince George's to Montgomery compared to the FY23 allocation. The total budget is allocated as follows:

- Montgomery: \$3,517,129, an increase of 23.0% over FY23.
- Prince George's: \$4,760,745, an increase of 21.0% over FY23.

**DEPARTMENT OF HUMAN RESOURCES & MANAGEMENT
PRELIMINARY FY24 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY23 Adopted Budget	\$ 2,859,249	\$ 3,934,881	\$ 6,794,130		

FY24 BASE BUDGET INCREASE

Salaries	135,888	120,314	256,202		
Benefits	93,049	111,167	204,216		
Other Operating Changes	125,058	171,580	296,638		
Chargebacks	6,013	(11,199)	(5,186)		
FY23 One-time Expenses	-	-	-		
Subtotal Increase - Base Budget Request	\$ 360,008	\$ 391,862	\$ 751,870	11.1%	

PROPOSED CHANGES

Recruiter	48,691	70,942	119,633		1.0
Recruiter	48,691	70,942	119,633		1.0
Recruiter	48,691	70,942	119,633		1.0
HR Specialist	48,691	70,942	119,633		1.0
Performance Management Analyst	57,507	83,789	141,296		1.0
Supplier Diversity Specialist	45,603	66,443	112,046		1.0
Subtotal Proposed Changes	\$ 297,873	\$ 434,001	\$ 731,874	10.8%	7.0
Total Increase FY24 Proposed Budget Request	\$ 3,517,129	\$ 4,760,745	\$ 8,277,874	21.8%	

II. RISK MANAGEMENT INTERNAL SERVICE BUDGET

This Fund supports a vigorous Commission-wide risk management program that provides safe facilities and programs for employees and patrons, protects agency assets, and ensures compliance with Federal and State regulations.

The pandemic and other health threats to our employees and patrons created new responsibilities for this program, without the addition of resources. Only three safety specialists are responsible for the ensuring the safety for the entire agency.

Critical Needs

New Occupational Safety & Health Specialist (\$142,375): This position is needed to address workplace and patron public health exposures and concerns, monitor new or emerging and existing health threats, coordinate with public health officials during health-related epidemics/pandemics, oversee the agency's response to outbreaks involving patrons (childcare centers, camps, etc.), work closely with public health departments to develop and coordinate rapid response protocols, develop written policies and guidance to handle public health issues, and conduct awareness training to educate employees on related topics.

III. CENTRAL ADMINISTRATIVE SUPPORT SERVICES BUDGET

This budget includes non-discretionary, shared operating expenses for the bi-county departments and units that make up Central Administrative Services (CAS).

FY24 Priorities

Ongoing Operations: Continue to provide cost-effective support to CAS Departments and Units by funding shared unemployment costs, supplies, telecommunications, succession planning, postage, shredding, and occupancy expenses.

Proposed Budget Overview

The FY24 proposed budget is \$1,650,271 which reflects a 9.4% increase of \$142,210. This increase is driven by the following factors:

Occupancy Expenses: The main cost driver for this budget is rent, which has increased 5.5% compared to FY23 levels due to a reallocation of common space and an increase to the rental rate.

Executive Office Building Repairs and Updates: Expenses for cleaning, personal protective equipment, supplies, building system maintenance, and telephone system upgrades are charged to CAS through rent, which has been increased by 4% for FY23.

Tenant Changes: Prince George's Parks and Recreation Information Technology and Communications Division moved out of the EOB building, whereupon CAS took over part of this space. The remaining space will become common space, spread out across all tenants, increasing the allocation of space to CAS.

Risk Management: The CAS portion of Workers' Compensation and liability funding is projected to increase from \$26,800 in FY23 to \$48,000 in FY24.

Critical Needs

There are no new requests for FY24.

Funding Allocation

The funding allocation for FY24 is 44.0% to Montgomery and 56.0% to Prince George's, which remains unchanged compared to the FY23 allocation. The total budget is allocated as follows:

- Montgomery: \$728,999, an increase of 9.4% from FY23.
- Prince George's: \$921,272, an increase of 9.4% from FY23.

**CAS SUPPORT SERVICES
PRELIMINARY FY24 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY23 Adopted Budget	\$ 666,128	\$ 841,933	\$ 1,508,061	

FY24 BASE BUDGET INCREASE

Salaries	-	-	-	
Benefits	3,960	5,040	9,000	
Other Operating Changes	58,911	74,299	133,210	
Chargebacks	-	-	-	
FY23 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 62,871	\$ 79,339	\$ 142,210	9.4%

PROPOSED CHANGES

No Proposed Changes	\$ -	\$ -	\$ -	0.0%
Total Increase FY24 Proposed Budget Request	\$ 728,999	\$ 921,272	\$ 1,650,271	9.4%

IV. MERIT SYSTEM BOARD BUDGET

The Merit System Board oversees the Commission's Merit System, 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 career employees. Three members of the Board are supported by one part-time position.

FY24 Priorities

Case Reviews: Continue to provide timely and objective review of cases and matters.

Proposed Budget Overview

The FY24 proposed budget is \$168,498, which reflects a 0.4% increase due to an adjustment in personnel services calculations.

Critical Needs

There are no new requests for FY24.

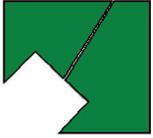
Funding Allocation

Both counties fund the Merit System Board’s budget equally. The total budget is allocated as follows:

- Montgomery: \$84,249, an increase of 0.4% over FY23.
- Prince George’s: \$84,249, an increase of 0.4% over FY23.

**MERIT SYSTEM BOARD
PRELIMINARY FY24 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY23 Adopted Budget	\$ 83,928	\$ 83,928	\$ 167,856	
FY24 BASE BUDGET INCREASE				
Salaries	(2,274)	(2,274)	(4,548)	
Benefits	1,000	1,000	2,000	
Other Operating Changes	1,595	1,595	3,190	
Chargebacks			-	
FY23 One-time Expenses				
Subtotal Increase - Base Budget Request	\$ 321	\$ 321	\$ 642	0.4%
PROPOSED CHANGES				
No Proposed Changes	\$ -	\$ -	\$ -	0.0%
Total Increase FY24 Proposed Budget Request	\$ 84,249	\$ 84,249	\$ 168,498	0.4%



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Officer of the Secretary-Treasurer

6611 Kenilworth Avenue, Suite 204 • Riverdale, Maryland 20737

MEMORANDUM

DATE: November 7, 2022

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

FROM: Gavin Cohen, Secretary-Treasurer 
GC

SUBJECT: Finance Department FY2024 proposed budget submission

In developing the FY 2024 proposed budget request, the Finance Department is requesting approval of an increase of \$709,287 or 12.5% for the FY 2024 proposed budget. This total includes \$277,623 or 4.9% for baseline increases which include the annualization of prior year merit, COLA and reclassification increases as well as increased benefit costs and \$431,664 or 7.6% for new position funding.

Finance is requesting a few position changes to support succession planning, to obtain skill sets currently unavailable, and to start a rebuilding effort to raise the level of efficiency and effectiveness of the support Finance provides throughout the organization. The Department needs to modernize and transform its products, offerings, and services.

The most critical request is for a Deputy Chief Financial Officer (CFO) position. This position, a grade 40, will cost \$231,926 fully loaded and will be from a converted currently frozen position of an Accounting Tech 2. This hire will be the key to modernizing the department's services and be ready to support several current positions that are retirement-eligible through knowledge transfer and succession planning. This increase will be temporary and offset by the elimination of a division director position, which this position will replace when the incumbent retires in the next fiscal year. It will be ensconced within the Finance Department Corporate Business Services and Finance Administration Division and will work to begin transforming and raising the service levels of the Department.

Finally, in anticipation of the Senior Leadership recommending an RFP be published to see the viability of vendors to replace the Commission's Financial and Human Resource Systems, resources are being requested to support this effort.

Finance Department FY2024 budget submission

The two positions being requested will be critical to a successful implementation, whether that is with a new vendor or upgrading with the current vendor. This additional staffing is important to have at the start of a new implementation or major upgrade.

Within the Finance Corporate Business Services section, the unit that supports the Commission's financial systems, we are requesting the following:

We would like to unfreeze and convert a current part-time accounting tech position to a full-time Senior Corporate Applications Analyst, grade 28, with a salary and benefit costs anticipated at \$139,137 in addition to a Corporate Applications Analyst, grade 24 with a salary and benefit costs anticipated at \$121,801. These two positions will work together to begin transforming and raising the service levels of the Department. These positions are subject to a <\$61,200> credit to the Admin Funds via chargebacks to MC Parks <\$19,323>, PGC Parks <\$25,391>, and PGC Rec <\$16,486>.

The information described in this memo is documented on the following page.

Thank you for your consideration and review of this preliminary request. We look forward to discussing our proposal with you.

FINANCE
PRELIMINARY FY24 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change Positions
FY23 Adopted Budget	\$ 2,538,075	\$ 3,140,178	\$ 5,678,253	47.0
Salaries	45,305	45,347	90,652	
Benefits	52,787	66,652	119,439	
Other Operating Changes	3,731	6,901	10,632	
Chargebacks	17,800	39,100	56,900	
Subtotal Increase - Base Budget Request	\$ 119,623	\$ 158,000	\$ 277,623	4.9%

FY24 BASE BUDGET INCREASES

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Deputy CFO	99,264	132,662	231,926	0.0
Senior Corporate Applications Analyst (NEW ERP)	59,551	79,586	139,137	0.0
Corporate Applications Analyst (NEW ERP)	52,130	69,671	121,801	1.0
Chargeback portion of NEW ERP positions	(19,323)	(41,877)	(61,200)	
Subtotal Proposed Changes	\$ 191,622	\$ 240,042	\$ 431,664	7.6%
Total Increase FY24 Proposed Budget Request	\$ 2,849,320	\$ 3,538,220	\$ 6,387,540	12.5%
			48.0	

Signature: 
Gavin Cohen (Nov 7, 2022 13:55 EST)

Email: gavin.cohen@mncppc.org



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

Reply To

Debra Borden
General Counsel
6611 Kenilworth Avenue, Ste 200/201
Riverdale, Maryland 20737
(301) 454-1670 • (301) 454-1674 fax

MEMORANDUM

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

FROM: Debra Borden, General Counsel 

DATE: October 31, 2022 (updated 10/6/22 Memo)

SUBJECT: **Legal Department Preliminary Budget Estimate – FY2024**

This memorandum presents a preliminary estimate to guide development of a FY24 budget proposal for the Office of General Counsel (“OGC” or “Legal Department”). We submit the following budget framework for discussion:

LEGAL DEPARTMENT							
PRELIMINARY FY24 OPERATING BUDGET REQUEST							
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions	
	FY23 Adopted Budget	\$ 1,718,594	\$ 1,578,361	\$ 3,296,955			
FY24 BASE BUDGET INCREASES							
	Salaries	(131,327)	39,078	(92,249)			
	Benefits	2,256	51,231	53,487			
	Other Operating Changes	41,324	34,570	75,894			
	Chargebacks	(74,335)	(71,423)	(145,758)			
	Ongoing Expenses (CWIT ERP System)	3,876	3,876	7,752			
	Ongoing Expenses (CIO Allocation)	6,273	6,273	12,546			
	Subtotal Increase - Base Budget Request	\$ (151,933)	\$ 63,605	\$ (88,328)	-2.7%		
	Change to Base Between Counties from Labor Cost Allocation Change	\$ 1,566,661	\$ 1,641,966	\$ 3,208,627			
PROPOSED CHANGES							
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	New Position Request	68,076	69,173	137,249			
	Specific Request						
	Specific Request						
	Specific Request						
	Subtotal Proposed Changes	\$ 68,076	\$ 69,173	\$ 137,249	4.2%		
	Total Increase FY24 Proposed Budget Request	\$ 1,634,737	\$ 1,711,139	\$ 3,345,876	1.5%		

Base Budget Overview

Salary reductions reflect the impact of various departures followed by new hires and/or promotions filled at lower salaries, combined with a shift resulting from this year's CAS allocation from Montgomery to Prince George's. We propose to use these salary reallocation savings to fund a new position, a Senior Counsel for Compliance, the first new OGC position requested in 6 years. After providing for the combined fiscal impact of approved merit and make-up merit increases, including expected increases in fringe benefit costs, along with salary savings from turnover, the fiscal impact of our personnel budget is a net decrease of \$88,328 resulting in personnel services allocated to the respective administrative funds as follows:

- Montgomery County Administration Fund: \$1,634,737 (-4.9% decrease)
- Prince George's County Administration Fund: \$1,711,139 (8.4% increase)

These figures reflect the updated labor allocation formula between Montgomery and Prince George's Counties respectively, 50.4% to 49.6%, as well as any changes in non-departmental charges passed through for capital equipment, the CIO allocation, CWIT charges, etc. Please refer to those non-departmental CAS budget estimates for specific details and amounts.

Request for New Position – Senior Compliance Counsel

Background

The Legal Department noted an increasing number of complex regulatory matters involving internal Commission functions which have required significant time and attention over the past two to three years. These regulatory matters include the requirements of the Maryland Public Information Act (MPIA), Maryland Open Meetings Act (OMA), the Lobbying Disclosure and Registration regulations, in addition to the myriad of internal practices and procedures that Commission has adopted over many years. The MPIA and OMA have undergone regular annual revisions in recent years such that every General Assembly session features significant amendments that must be incorporated into Commission Practices and Procedures, which must also be communicated to Commission personnel. No single department or division of the Commission has taken the lead to update, assist and train Commission personnel on increasingly complex MPIA and OMA regulations. In addition, in the past few years, both the MPIA and OMA have been amended to include two compliance boards, a public access ombudsman, and enhanced judicial review of denials, which adds significantly to both the administrative burden and reputational risks associated with these regulatory mandates.

The measure of disruption recently caused by a voluminous MPIA requests and expansive OMA complaints have prompted this request. In some cases, MPIA requests have required OGC attorneys to review thousands of documents, to determine whether they are privileged, confidential or otherwise exempt from disclosure. A single OMA complaint in early 2022 required a Principal Counsel to spend more than 50 hours gathering and reviewing meeting minutes, agendas and closing statements, in order to prepare a written response to the complaint. This level of multi-tasking is not sustainable for our practice teams in the long run.

Recommendation

I am recommending, and requesting Commission approval, to reallocate and apply the savings in OGC's FY24 Base Budget (Personnel Services) and an additional \$45,000 to OGC base budget to fund a new Senior Compliance Counsel position in the Legal Department.

Additionally, we propose to use the net salary decrease, plus a requested modest increase of \$45,000 to our base budget, to help fund a new Senior Counsel position, fully described in Attachment A. The timing of this requested increase in our base budget is particularly appropriate since we have a unique opportunity to fund two-thirds of the cost of the new position with reallocated salaries resulting from natural attrition and turnover. A revised OGC organization chart, with the proposed new position is attached for your convenience.

Conclusion

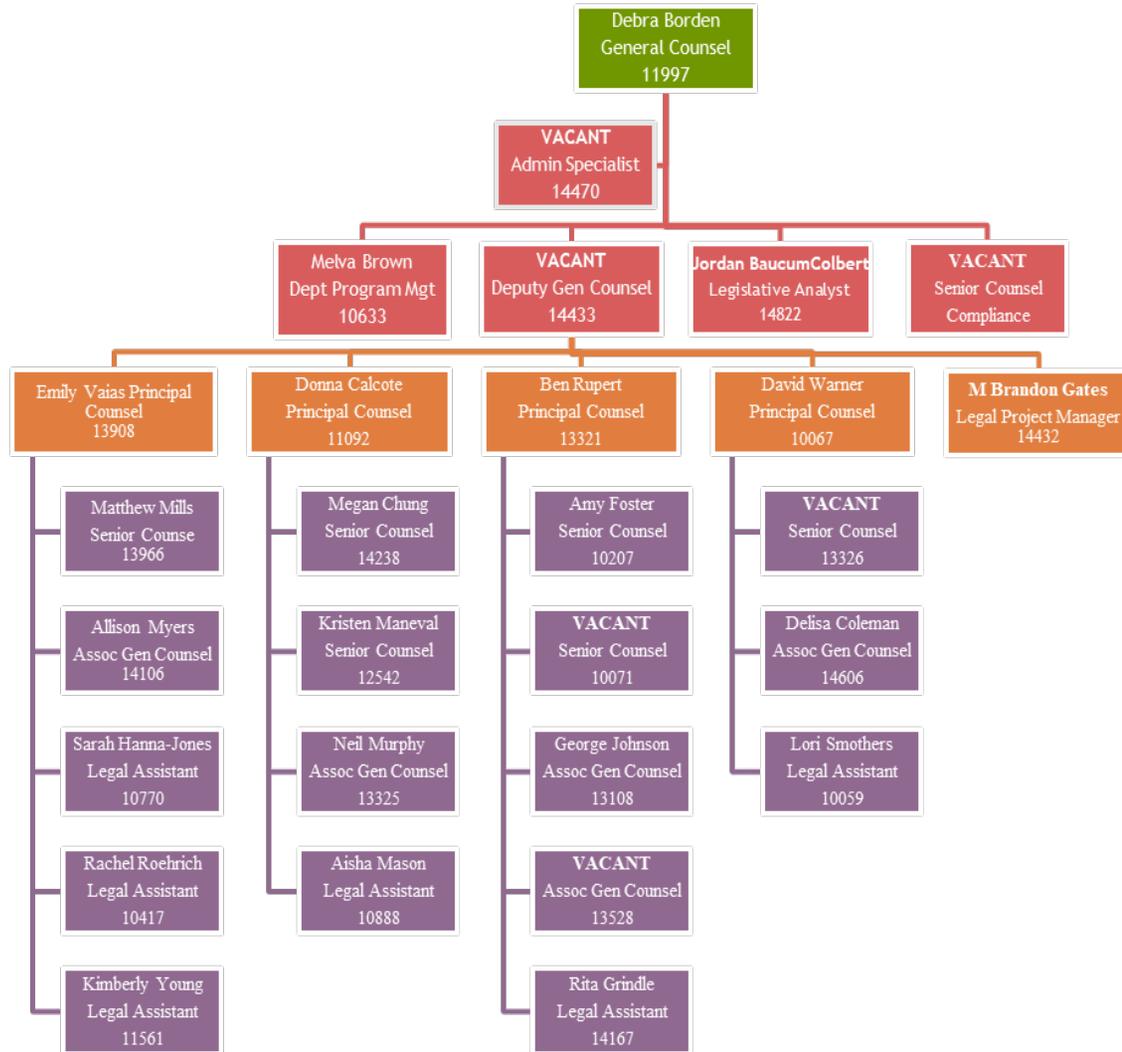
We hope the approach discussed above reflects an appropriate level of prudence and we look forward to additional discussion of our budget priorities.

* * *

cc: Melva Brown, Legal Department Program Manager

ATTACHMENT

The revised organization chart for the Legal Department, with the new Senior Compliance Counsel position reporting directly to the General Counsel, is as follows:





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General • 6611 Kenilworth Avenue, Suite 106 • Riverdale, Maryland 20737
(301) 454-1446

October 13, 2022

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

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

Renee M Kenney

Re: FY24 Budget Request/Justification

The Office of the Inspector General (OIG) submits the following FY24 budget proposal for your consideration and approval.

Office of the Inspector General						
PRELIMINARY FY24 OPERATING BUDGET REQUEST						
			MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
		FY23 Adopted Budget	\$ 447,986	\$ 647,533	\$ 1,095,519	
FY24 BASE BUDGET INCREASES						
		Salaries	60,182	45,588	105,770	
		Benefits	20,121	17,077	37,198	
		Known Commitments	390	80	470	
		OCI/CWIT	4,697	4,633	9,330	
		Chargebacks		(4,979)	(4,979)	
		FY23 One-time Expenses				
		Subtotal Increase - Base Budget Request	\$ 85,390	\$ 62,399	\$ 147,789	13.5%
PROPOSED CHANGES						
		None	\$ -	-	-	
		Subtotal Proposed Changes	\$ -	\$ -	\$ -	0.0%
		Total FY24 Proposed Budget Request	\$ 533,376	\$ 709,932	\$ 1,243,308	13.5%
			42.9%	57.1%		

The OIG's FY24 proposed budget does not include any proposed changes. The OIG total proposed budget of \$1.2M includes \$147,789 (13.5%) in increased funding requests when compared to FY23. The OIG's FY24 budget is split between Montgomery County and Prince George's County 42.9%/57.1% respectively.

Most of OIG's base budget increase can be attributed to approved salary and benefit costs. Although no new positions are being requested in FY24, two (2) positions approved in FY23 were budgeted at 75% (e.g., delayed hire date). FY24 salaries and benefit projections include full year funding for all OIG positions (7.5). Prince George's County Department of Park and Recreation funds one OIG position, which resulted in a (\$4,979) increase in chargebacks. Total salary and benefit costs do not include FY24 salary markers.

Known commitments of \$470 include increased licensing costs for the Commission's hotline service and the OIG's workpaper software.

Increases in OCIO/CWIT costs can primarily be attributed to licenses and subscription costs and Commission-Wide IT projects.

Thank you for your consideration.



November 7, 2022

TO: Montgomery County Planning Board

FROM: Mazen Chilet, Chief Information Officer *Chilet*
Katie Knaupe, Deputy Corporate Budget Director *KK*

SUBJECT: FY24 Proposed Office of the Chief Information Officer (CIO) Budgets

We are requesting approval of the FY24 Proposed Office of the Chief Information Officer (CIO) operating and project budgets including Corporate Information Technology (CIT), Office of the CIO and Commission-Wide IT Initiatives (CWIT).

CORPORATE INFORMATION TECHNOLOGY

This Administration Fund budget supports the CIT division which provides a modern agency-wide IT infrastructure, protects the agency's data through cybersecurity initiatives, and administers the systems critical to daily operations. The department also administers IT support to Central Administrative Services (CAS) departments.

The Division has maintained the same budget and staffing levels since it was reestablished under the CIO over five years ago, yet the scope and range of responsibilities has continued to rapidly grow. This lack of resources is causing a significant strain on our ability to maintain our existing systems and does not support proactive innovation which is critical to keeping the agency's systems relevant.

Recent pressures to the Department's operations include:

- Proactively addressing manual processes through implementation of more effective and efficient solutions to bring well overdue improvements
- Supporting an ongoing hybrid working model that further drives dependence on our cloud and on-premises operational systems
- Responding to a continually changing cybersecurity landscape that requires the agency to pivot to address threats to our data and systems

This lack of resources is unsustainable, and an adjustment is essential to simply maintaining the Department's operations and addressing the priorities identified below.

- **Enhancing our Web Presence and Engaging with the Community** – Our outdated website is in the process of being completely redesigned. Our hundreds of web pages are one of the first places members of our community go to access our resources, learn about important announcements and register for our services. Once the new website is launched, it will need continual ongoing maintenance to remain relevant. There is currently no full-time staff member dedicated to this function. A Web System Specialist is essential to protecting the investment of the complete redesign through updating and maintaining our website.

- **Ensuring the Safety and Security of Agency Assets** – The threat of cyber-attacks continues to increase, and the agency needs to be adequately positioned to handle the varied, creative and incessant attacks lodged against our systems and data. A new Cybersecurity Specialist is necessary to implement important security measures to combat these ongoing threats. Currently CIT does not have a dedicated IT staff member to carry out this critical function.

Base Budget Request

The CIT Proposed Base Budget request is \$3,188,330, an increase of 10.0% over the FY23 Adopted Budget. This adjustment is due to:

- **Personnel Services** – Compensation, retirement and benefits cost increases of \$79,208.
- **Supplies and Materials** – This budget covers IT equipment for CAS employees and technology operations in the Executive Office Building. These expenses are proposed to increase by \$42,000 due to inflation, availability of hardware, the replacement of dated equipment, network switches, and the need to restore this budget after prior year cuts.
- **Other Services and Charges** – This budget includes certain software licenses, hardware maintenance, and continuing education for our IT professionals to make the shift to updated technology services. The proposed \$258,728 increase incorporates significant escalation in annual renewals and support for legacy systems (some increases are as high as 15%). Chargebacks have also increased to meet the increase in personnel services projections.

New Initiatives Request

A specialized IT operational efficiency consultant was brought in to assess the current resource levels compared to operational demands. The following areas were identified as requiring additional resources. After careful consideration, Corporate IT is requesting the following positions which add \$289,056 to the base budget request.

- **Web System Specialist (\$144,528)** – With the public demand for improved accessibility to Commission information on the website, a Web System Specialist is needed to keep current and maintain the look and feel of the updated website. With hundreds of pages, a dedicated person is necessary to ensure the new site stays relevant and that the agency continues to provide up to date information and resources.
- **Cybersecurity Specialist (\$144,528)** – The Cybersecurity Specialist is needed to implement security measures to protect enterprise networks and coordinate with cybersecurity specialists in the Departments that secure departmental specific systems. The continually changing digital landscape presents new challenges regularly, and a dedicated person specializing in securing data networks, preventing security breaches, developing response procedures, and making changes to improve security is the best way to combat these threats. This person will also be involved in conducting security assessments and the implementation of corrective action resulting from recommendations produced by assessments.

Total Budget Request

The total Proposed Budget Request for FY24 is \$3,477,386, an increase of \$578,865 over FY23 Adopted levels.

The FY24 Corporate IT allocation remains the same as FY23 with 50% to Montgomery and 50% to Prince George's. This distribution is applicable to most of the budget; however, certain expenses are calculated at a different allocation percentage and chargebacks to Prince George's are higher than Montgomery because of allocations to the Recreation Fund. This results in different total amounts for each county.

**CORPORATE INFORMATION TECHNOLOGY
PRELIMINARY FY24 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY23 Adopted Budget	\$ 1,666,049	\$ 1,232,472	\$ 2,898,521		

FY24 BASE BUDGET INCREASES

Salaries	16,027	16,027	32,054		
Benefits	23,577	23,577	47,154		
Other Operating Changes	153,882	146,846	300,728		
Chargebacks	(28,251)	(61,876)	(90,127)		
FY23 One-time Expenses					
Subtotal Increase - Base Budget Request	\$ 165,235	\$ 124,574	\$ 289,809	10.0%	

PROPOSED CHANGES

Web System Specialist	72,264	72,264	144,528		1.0
Cyber Security Specialist	72,264	72,264	144,528		1.0
Subtotal Proposed Changes	\$ 144,528	\$ 144,528	\$ 289,056	10.0%	3.0

Total Increase FY24 Proposed Budget Request **\$ 1,975,812** **\$ 1,501,574** **\$ 3,477,386** **20.0%**

OFFICE OF THE CHIEF INFORMATION OFFICER (CIO) INTERNAL SERVICE FUND

Operating Budget Request

The CIO Proposed Budget request is \$1,873,525, an increase of 12.8% over the FY23 Adopted Budget. The adjustment up is due to:

- **Personnel Services** – Compensation is projected to increase by \$149,074 from increased benefit elections, salary markers and preliminary OPEB estimates.
- **Other Services and Charges** – The increase in consulting fees is driven by inflationary escalation of expert consulting costs in areas of cybersecurity, digitization, and an overall increase in consulting costs motivated by increased demand for such expertise. The base operating budget for the CIO is anticipated to increase by \$63,054.

The FY24 CIO budget allocation is 44.2% to Montgomery and 55.8% to Prince George’s, which remains unchanged from FY23.

New Initiatives Request

No new initiatives are proposed for FY24.

**OFFICE OF THE CHIEF INFORMATION OFFICER
PRELIMINARY FY24 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY23 Adopted Budget	\$ 734,040	\$ 926,858	\$ 1,660,898	
FY24 BASE BUDGET INCREASES				
Salaries	55,937	70,633	126,570	
Benefits	9,945	12,558	22,503	
Other Operating Changes	28,088	35,466	63,554	
Chargebacks	-	-	-	
FY23 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 93,970	\$ 118,657	\$ 212,627	12.8%
PROPOSED CHANGES				
No Proposed Changes	\$ -	\$ -	\$ -	0.0%
Total Increase FY24 Proposed Budget Request	\$ 828,010	\$ 1,045,515	\$ 1,873,525	12.8%

Commission-wide Licenses and Subscriptions

Ongoing licenses and subscriptions total \$4,663,000 and are projected to increase by 10.2%, which is driven by the need to budget for two ERP licenses in the event we decide to migrate to a different system instead of upgrading the current system.

COMMISSION-WIDE IT (CWIT) INTERNAL SERVICE FUND

The CWIT Internal Service Fund (ISF) budget is developed in coordination with the Information Technology (IT) Council to properly advance agency-wide programs and systems. Continual evaluation of and updates to these systems are critical to ensure the security of the agency's assets, greater efficiency of systems which enhance employee productivity, and effective continuation of operations for the agency to continue function during times of crisis. This budget is funded through direct contributions from the departments based on usage allocations.

The FY24 request to fund ongoing, financed, and one new project is \$1,453,804, an 8.8% decrease from FY23 Adopted levels. This decrease is due to three projects, the Learning Management System (LMS), Continuity of Operations (COOP) and Alliance replacement (which has been fully funded) from FY23 that are not included in the FY24 request. Existing projects including the External Website Upgrade and Security Remediation require additional funding and one new project to develop content for the new LMS has been added.

Base Continuing Projects Budget Request

The continuing projects proposed have been reviewed and supported to move forward by the IT Council. They total \$660,000 and include:

- **ERP Enhancements (\$200,000, no change)** – The agency is required to comply with various regulations (PII, HIPPA, COBRA, etc.), which are always evolving. These funds will address any changing mandates, critical operational needs, and other updates needed to meet requirements identified by our Departments.
- **Kronos Management (\$60,000, no change)** – Our timekeeping (Timecard) system is the first step in the process of compensating agency employees for their work. System patching and enhancements are critical to meet evolving business needs and regulatory compliance.
- **Security Remediation (\$150,000, change of \$50,000)** – Annual assessments of the agency's security profile by external security experts are essential in ensuring adequate processes are in place to protect our assets. The additional funding will be used to expand the assessments and implement any corrective action recommended by the findings.
- **External Website (\$250,000)** – The agency's main webpage is undergoing a complete redesign to meet modern standards of web design and communicate our programs and services in a clean and simple format. The website is scheduled to be launched in May and this additional funding will be used to ensure the website is operating in the manner we intended and allow for any technical refinements necessary to address issues that usually present themselves after the site's launch.

Financed Continuing Project Budget Requests

The only financed project is the **ERP Upgrade**. The amount requested in FY24 is \$693,804 and represents the third year of six for financing a total projected cost of \$4M. Montgomery Planning and the Department of Human Resources and Management prepaid their contributions for years three through six in FY22.

New Project Budget Requests

The only new project proposed is the development of **Learning Management System (LMS) Training Modules** for \$100,000. The LMS is an agency-wide system that was approved for funding and will be

implemented in FY23 with minimal, introductory training modules. This funding is needed to develop compliance focused training modules for multiple disciplines across the agency (for example: safety, ethics, business applications, finance, etc.) that are relevant to employees in all job classifications.

The proposed budgetary impact of this new request for each department is:

FY24 CWIT New Projects Funding Needs - Montgomery				
	Planning	Parks	CAS	Total
LMS Content	6,060	32,000	3,150	41,240

FY24 CWIT New Projects Funding Needs - Prince George's					
	Planning	Parks	Recreation	CAS	Total
LMS Content	8,280	32,420	14,940	3,150	58,790