

**F10A04**  
**Information Technology**  
**Department of Budget and Management**

***Operating Budget Data***

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(\$ in Thousands)

	<b><u>FY 02</u></b>	<b><u>FY 03</u></b>	<b><u>FY 04</u></b>	<b><u>FY 02-04</u></b> <b><u>Change</u></b>	<b><u>FY 05</u></b>	<b><u>FY 04-05</u></b> <b><u>Change</u></b>
Operations	\$21,165	\$19,587	\$20,437	-\$728	\$22,885	\$2,449
Contractual Services	43,124	11,969	21,749	-21,375	22,022	274
Grants	0	18	5	5	5	0
Contingent & Back of Bill Reductions	0	0	0	0	-37	-37
<b>Adjusted Grand Total</b>	<b>\$64,289</b>	<b>\$31,574</b>	<b>\$42,190</b>	<b>-\$22,098</b>	<b>\$44,876</b>	<b>\$2,686</b>
General Funds	37,968	11,162	13,387	-\$24,581	19,341	5,954
Contingent & Back of Bill Reductions	0	0	0	0	-35	-35
<b>Adjusted General Funds</b>	<b>\$37,968</b>	<b>\$11,162</b>	<b>\$13,387</b>	<b>-\$24,581</b>	<b>\$19,306</b>	<b>\$5,919</b>
Special Funds	11,618	6,811	13,384	\$1,765	7,876	-5,507
Contingent & Back of Bill Reductions	0	0	0	0	-2	-2
<b>Adjusted Special Funds</b>	<b>\$11,618</b>	<b>\$6,811</b>	<b>\$13,384</b>	<b>\$1,765</b>	<b>\$7,875</b>	<b>-\$5,509</b>
Reimbursable Funds	14,703	13,601	15,420	717	17,696	2,276
<b>Adjusted Grand Total</b>	<b>\$64,289</b>	<b>\$31,574</b>	<b>\$42,190</b>	<b>-\$22,098</b>	<b>\$44,876</b>	<b>\$2,686</b>
<b>Annual % Change</b>		<b>-50.9%</b>	<b>33.6%</b>		<b>6.4%</b>	

- The operating budget for the Office of Information Technology (OIT) has dropped sharply between fiscal 2002 and 2004. Funding for operations is down slightly, but funding for contractual operations has almost halved, largely reflecting the reduction of funding for a variety of major information technology projects funded through OIT.
- The major increases in the fiscal 2005 allowance are in the telecommunications program with some realignment of the budget to better reflect actual expenditures as well as increases for equipment repair and maintenance.

Note: Numbers may not sum to total due to rounding.

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## *Personnel Data*

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	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Regular Positions	149.0	161.0	123.5	-25.5	123.5	0.0
Contractual FTEs	14.5	7.0	5.0	-9.5	5.0	0.0
<b>Total Personnel</b>	<b>163.5</b>	<b>168.0</b>	<b>128.5</b>	<b>-35.0</b>	<b>128.5</b>	<b>0.0</b>

### *Vacancy Data: Regular Positions*

Turnover Expectancy	2.47	2.00%
Positions Vacant as of 12/31/03	8.00	6.48%

- Cost containment action between fiscal 2002 and 2004 has eliminated 35 full-time equivalent (FTE) regular and contractual positions. This reduction is even more pointed comparing the fiscal 2003 allowance with fiscal 2004 which shows a decline of 61.5 FTE regular positions alone.
- Efforts to enhance the quality of information technology (IT) program oversight have been particularly impacted by the reductions in personnel through cost containment, although all OIT programs have seen personnel reductions.
- There are no further personnel changes in the fiscal 2005 allowance from the fiscal 2004 working appropriation.

## ***Analysis in Brief***

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### **Major Trends**

***New Measures Appear:*** For the first time, the OIT Managing for Results (MFR) includes actual data related to program management oversight and a measure of the utilization of networkMaryland.

***Old Measures Reappear:*** Measures related to satisfaction with the statewide services provides by OIT reappear, in a revised format, after an absence of a year.

### **Issues**

***The Major IT Development Project Fund:*** An analysis of project activity supported through this fund is provided. Three new projects are supported through the fund.

***Out-year Funding of Major IT Development Project:*** A comparison of current year general fund support for major IT development projects funding planned for fiscal 2005 is provided. Many projects are being deferred, supported at lower levels, or proceeding with different funding sources. Out-year general fund estimates for existing projects remain considerably above the current level of general fund support.

***Providing Services On-line:*** Chapter 5, Acts of 2000 required agencies to increase the use of the Internet to deliver information and services. Compliance with the requirements of that act is difficult to assess.

***NetworkMaryland Audit:*** An independent audit of billings associated with the development of networkMaryland reached some serious findings against the vendor. At the end of the 2003 session, Department of Budget and Management (DBM) was withholding \$4.5 million from the vendor pending the resolution of the audit. DBM ultimately settled its claims for \$650,000.

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**Recommended Actions**

	<u><b>Funds</b></u>
1. Add language reducing funding for contractual assistance in the Telecommunications program.	
2. Add language to reduce proposed expenditures for cell phone usage by \$1,100,000.	
3. Reduce funding in the allowance based on the availability of fiscal 2002 funds that can be used for fiscal 2005 expenditures.	\$210,000
4. Adopt narrative requesting the new State Chief Information Officer to provide a blue-print for information technology oversight.	
5. Add language approving funding for specified projects through the Major Information Technology Project Development Fund.	
6. Reduce funds for lease payments for CHESSIE.	46,913
7. Reduce funding for race-based traffic stop data collection to reflect a delay in implementation.	700,000
8. Adopt narrative requesting information on the provision of information and services over the Internet.	
<b>Total Reductions</b>	<b>\$956,913</b>

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## ***Operating Budget Analysis***

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### **Program Description**

The Office of Information Technology (OIT) within the Department of Budget and Management (DBM) consists of three broad programs. **Program Management** is the core part of the DBM Information Technology (IT) program oversight reform plan that was presented to the legislature in 2002. This program is charged with oversight of major IT projects in all non-exempt State agencies as well as developing statewide IT standards and guidelines. In order to do this, Program Management is divided into three key areas:

- **Contracts and Project Management** is responsible for the management of statewide IT contracts and for operating a statewide project management assistance program.
- **IT Investment Management** is responsible for the efficacy of IT investment through, for example, the development of IT policies, best practices, and evaluation of projects. This function will also be charged with developing a State IT Master Plan.
- **Security and Architecture** is responsible for statewide security as well as a statewide IT architecture. The statewide architecture consists of four separate layers (modeled on the Federal Enterprise Architecture Framework): the *business architecture* which identifies and defines the core business areas and functions and their users; the *data architecture* which identifies and defines the data model and data sets; the *applications architecture* which identifies and describes applications systems and modules, as well as their relationships to business processes and other applications systems; and the *technology architecture* which identifies and defines network descriptions, components, and workings. The enterprise architecture is what the State does and how it does it. More importantly, the enterprise architecture should promote interoperability, resource and information sharing between agencies offering potential economies of scale, and lend itself to capital IT investment planning by building on existing IT and reducing duplication.

The other two DBM OIT programs provide key statewide services. **Applications Systems Management (ASM)** supports the Financial Management Information System (FMIS) created to improve financial and human resources accountability including agency-based accounting, purchasing, budgeting, personnel, and asset management. **Telecommunications** coordinates the development, procurement, management and operation of telecommunications equipment, systems, and services in State government.

**Performance Analysis: Managing for Results**

DBM OIT’s Managing for Results (MFR) data reflect the dual nature of the office: statewide IT oversight and the provision of certain key statewide management information systems (MIS) and telecommunications services. **Exhibit 1** details selected performance measures.

**Exhibit 1**  
**OIT Selected Performance Measures**  
**Fiscal 2001 – 2005**

	<u>FY</u> <u>2001</u>	<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004 Est.</u>	<u>FY</u> <u>2005 Est.</u>
<b>Program Management</b>					
New major IT development projects on time, on budget, and meeting identified requirements (%)			67	80	80
Develop State IT Master Plan by June 30, 2004				Yes	
<b>Statewide IT and Telecommunications Services</b>					
Availability and accuracy of ASM systems rated above acceptable (%)			82	82	82
Routine service requests completed within 72 hours (%)	88	91	89	90	90
State agency requests for transport or internet services the DBM OIT Telecom via networkMaryland (% fulfilled)			39	60	80

Source: Department of Budget and Management

A number of points can be made from the exhibit:

- For the first time, there is actual performance data relating to major IT development projects. In fiscal 2003, 66.7% of the projects were identified in DBM’s MFR as being successful, i.e. the project was operating within approved budgetary, scope, and schedule parameters. This percentage was derived from oversight of six projects. The two projects deemed “not successful” (the Department of Human Resources’ CCAMIS II and the Department of Housing and Community Development’s Multifamily Information System) are behind schedule.
- One of the criticisms of DBM’s OIT fiscal 2004 MFR was the lack of performance measures that related to statewide IT activities run through the ASM program. Measures included in the fiscal 2003 MFR had revealed some increasing level of dissatisfaction with the effectiveness of some key statewide programs (for example, R\*STARS and ADPICS). The fiscal 2005 MFR again

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includes satisfaction survey data. Interestingly, DBM now measures itself against ratings considered “acceptable” or better whereas in the past they measured themselves against higher levels of satisfaction (“agreeing” or “strongly agreeing”).

- Also for the first time, there is measurement of utilization of networkMaryland. The particular measure provided in the MFR relates to the percentage of State agency requests to have certain services provided via networkMaryland that are in fact fulfilled via the network. The legislative requirement established through budget bill language in 2002 and a continuing practice today sees DBM review all requests for new wide area network (WAN) circuits or maintenance of existing circuits to see if services can instead migrate to networkMaryland. Of the 188 WAN requests received in the 18-months between July 2002 and January 2004, 41% resulted in the migration of services to the State’s own network. Estimate cost savings to the State from this process has been almost \$2 million.

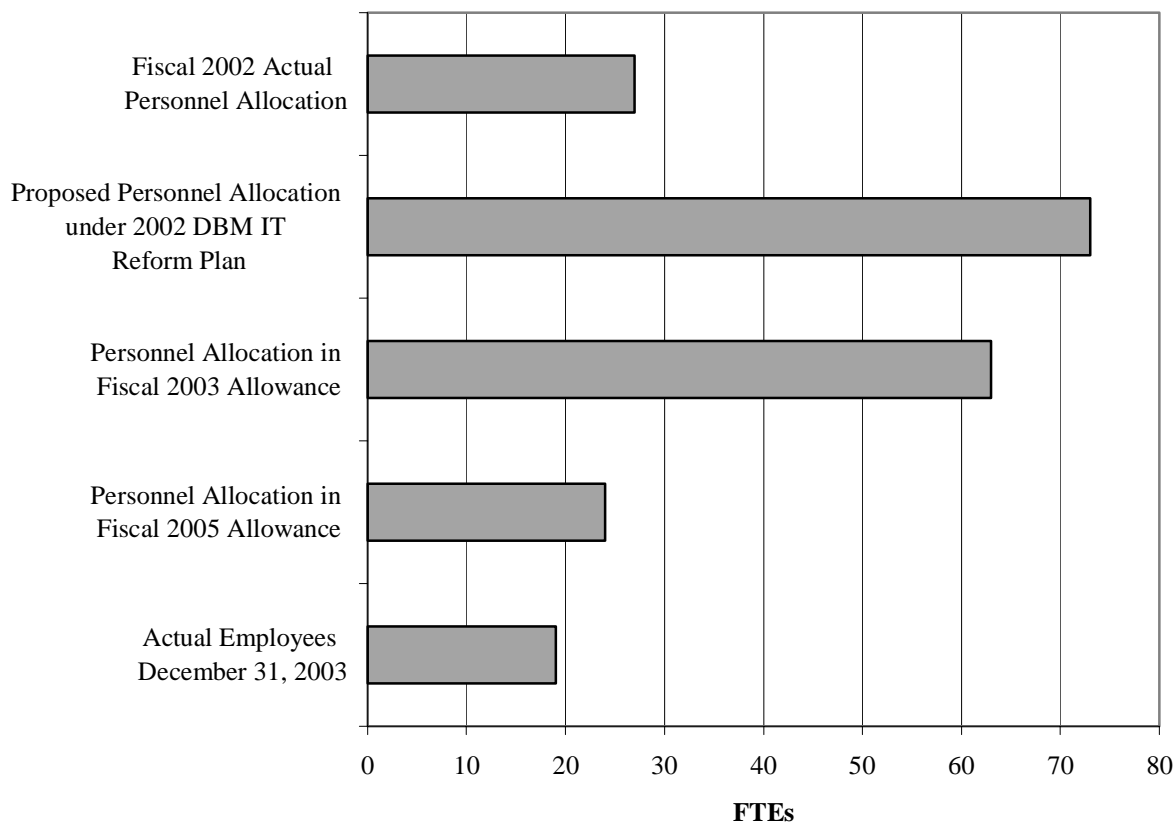
NetworkMaryland is currently providing three types of services: broadband services such as data and video transportation, statewide services such as FMIS, and Internet services. The network is currently serving 26 of the 48 constitutional offices, executive agencies, Governor’s coordinating offices, and independent agencies that have a need for WAN services with at least one type of service. A further 15 units have expressed an interest in accessing one of the services via networkMaryland. To date, only seven agencies – Veteran’s Affairs, the Office of Minority Affairs, Maryland Automobile Insurance Fund, Maryland Energy Administration, Maryland Insurance Administration, Maryland Public Television, and the Military – have expressed no interest in migrating to the network.

## **Fiscal 2004 Actions**

### **Impact of Cost Containment**

General fund cost containment actions taken by the Board of Public Works (BPW) in July 2003 totaled \$1.422 million, or 9.6% of OIT’s general fund legislative appropriation. Just under \$769,000 of this amount were salary and fringe benefit savings associated with the elimination of 17 positions, including 7 filled positions. Of the remainder, the majority (\$574,000) represented reductions in contracts, including consulting services for networkMaryland and FMIS, with smaller reductions to travel and contractual assistance. OIT did not suffer any further position cuts as a result of BPW action implementing the statewide position cap in November 2003.

**Exhibit 2**  
**The Impact of Personnel Cuts on IT Program Management (FTE)**



Source: Department of Budget and Management

The fiscal 2004 cost containment actions eliminated what little remained of the fiscal 2002 initiative to expand OIT’s program management capacity. The fiscal 2002 budget included \$5 million to implement that initiative. A subsequent report required by the legislature detailing how the \$5 million was to be spent established the current organizational structure including the identification of the need for 73 positions in program management. Both the funding and positions have been whittled away by successive rounds of cost containment (**Exhibit 2**). The personnel allocation for the program management function is now below the fiscal 2002 level and 49 off the level proposed in the IT reform plan.

After 17 months without a permanent State Chief Information Officer (CIO), a new State CIO was appointed on February 12, 2004. The new State CIO, in his capacity as DBM CIO, has spent the past year within the OIT organization overseeing changes in the ASM and telecommunications functions. Indeed, through the examination and re-bidding of telecommunications contracts and

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aggressively moving services to networkMaryland, the State appears to be reaping the financial benefit of these and other actions.

Now, the attention must turn to how the State should improve oversight of IT projects especially given the limited resources available in program management. Certainly there has been progress in this area. For example, through a contract, new statewide security standards have been developed. Such standards are certainly necessary. The Office of Legislative Audits (OLA) in a December 2002 presentation to the Joint Audit Committee noted that inadequate security was a pervasive problem and specifically noted the lack of overall security guidance from OIT. Other questions that need to be addressed include:

- What governance structure for IT oversight should the State adopt? For example, the trend in other states has been to centralize authority over IT even to the point of putting all IT functions into a single agency headed by a cabinet-level CIO.
- Is the State salary structure adequate to attract and retain sufficient qualified IT professionals? Some states have moved IT positions outside of State classified personnel systems.
- Implementing education and training standards.
- Reinforcing the importance of requiring proposed projects to demonstrate a positive return on investment.
- The need to continue work to fully develop a statewide IT enterprise architecture (a comprehensive technology framework covering networks, computing platforms, security, data, and applications).

**The Department of Legislative Services (DLS) recommends that the State CIO report back to the committees with a blue-print for how the State should manage its IT, what management role OIT should play, what resources are necessary for OIT to fulfill that role, and any specific actions that need to be taken with a time-line for implementation. The assessment should specifically reference the 2002 IT program oversight reform plan as a starting point for discussion.**

### **Governor's Proposed Budget**

As shown in **Exhibit 3**, the Governor's fiscal 2005 allowance is almost \$2.7 million over the fiscal 2004 working appropriation (6.4%). Significantly, the fund mix changes quite sharply in fiscal 2005. Most of this is explained by the addition of general funds to the Major Information Technology Development Project Fund (MITDPF) while special funds available to the MITDPF fall to virtually nothing (see *Issue 1* for fuller discussion). Reimbursable funds increase to reflect the alignment of certain telecommunications expenses back to the most recent actual expenditure levels. The fiscal 2004 appropriation is lower because of an across-the-board reduction to telecommunications expenditures made by the Governor.

**Exhibit 3  
Governor’s Proposed Budget  
Information Technology  
(\$ in Thousands)**

	<u>FY 03 Actual</u>	<u>FY 04 Approp.</u>	<u>FY 05 Allowance</u>	<u>FY 04-05 Change</u>	<u>FY 04-05 % Change</u>
General Funds	\$11,162	\$13,387	\$19,341	\$5,954	44.5%
Contingent & Back of Bill Reductions	0	0	-35	-35	
<b>Adjusted General Funds</b>	<b>\$11,162</b>	<b>\$13,387</b>	<b>\$19,306</b>	<b>\$5,919</b>	<b>44.2%</b>
Special Funds	\$6,811	\$13,384	\$7,876	-\$5,507	-41.1%
Contingent & Back of Bill Reductions	0	0	-2	-2	
<b>Adjusted Special Funds</b>	<b>\$6,811</b>	<b>\$13,384</b>	<b>\$7,875</b>	<b>-\$5,509</b>	<b>-41.2%</b>
Reimbursable Funds	\$13,601	\$15,420	\$17,696	\$2,276	14.8%
<b>Adjusted Grand Total</b>	<b>\$31,574</b>	<b>\$42,190</b>	<b>\$44,876</b>	<b>\$2,686</b>	<b>6.4%</b>

**Where It Goes:**

<b>Personnel Expenses</b>	<b>-192</b>
Increments .....	\$139
Employee and retiree health insurance .....	86
Cost containment and turnover.....	-90
Other fringe benefit adjustments .....	-136
Salary savings from abolished positions.....	-191
<b>Program Management</b>	<b>-597</b>
Security and architecture consulting services .....	208
Removal of one-time costs associated with the certification and accreditation of DHMH’s WAN .....	-324
Reduction in contract spending on distance learning circuits and other IT infrastructure and system projects (including spending moved to other parts of the OIT budget).....	-481
<b>Applications Systems Management</b>	<b>163</b>
Maryland Portal consulting services.....	500
Annapolis Data Center charges .....	-337
<b>Telecommunications</b>	<b>3,000</b>
Alignment of certain telecommunications costs closer to the most recent actual expenditures plus expenses relating to the continued build-out of networkMaryland and the installation of new private branch exchanges (PBX) .....	2,456

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**Where It Goes:**

Wireless equipment repair and PBX maintenance/warranty costs .....	806
Contractual assistance.....	100
Revised estimate for networkMaryland maintenance contract .....	-152
Consulting contracts .....	-210
<b>Major IT Project Development Fund</b>	<b>353</b>
Increased funding for major IT development projects.....	353
Other .....	-41
<b>Total</b>	<b>\$2,686</b>

Note: Numbers may not sum to total due to rounding.

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It should also be noted that the fiscal 2005 expenditures proposed in the Governor’s allowance does not completely reflect likely spending. As of December 31, 2003, OIT was encumbering just over \$7.1 million in funds from fiscal 2000 through 2002. OIT has a recent history of significant encumbrances and in the past two sessions the General Assembly has taken reductions of over \$15 million based on the level of prior year encumbrances. According to the DBM current encumbrances are anticipated to be used as follows:

- \$105,000 from fiscal 2000 and 2001 is being held pending the outcome of litigation.
- \$2,600,000 from fiscal 2001 will be paid to BearingPoint for support services related to R\*STARS and ADPICS during fiscal 2004 and 2005.
- \$1,100,000 from fiscal 2001 and \$1,400,000 from fiscal 2002 will be paid to Accenture for Maryland Portal work and maintenance in fiscal 2004 and 2005.
- \$500,000 from fiscal 2001 will be paid to Keane for services related to the development of a Capital Budget Information System in fiscal 2004.
- \$1,100,000 from fiscal 2002 will be paid to Science Applications International Corporation (SAIC) for security work during fiscal 2004 and the first quarter of fiscal 2005.

DBM did not offer specific information on an additional \$210,000 in fiscal 2002 encumbrances. **DLS recommends reducing fiscal 2005 general fund expenditures by \$210,000 and allowing DBM to use encumbered funds to offset that reduction.**

## ***Issues***

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### **1. The Major IT Development Project Fund**

Chapters 467 and 468, Acts of 2002, created the MITDPF. The fund replaced the Information Technology Investment Fund (ITIF), preserved the various telecommunication revenue streams that were dedicated to ITIF for major IT projects, limited the use of the fund for other smaller IT projects, and enhanced the role of the State CIO in approving projects from the fund. Further, in addition to preserving the existing revenue streams, all general funds appropriated for major IT projects are to be held in the fund.

As shown in **Exhibit 4**, in fiscal 2005, almost \$6.2 million in general funds was added to the MITDPF. As is also apparent, without this general fund support the extent of activity supported through the MITDPF would be minimal because:

**Exhibit 4**  
**Maryland Information Technology Development Project Fund Data**  
**Fiscal 2001 – 2005**

<u>MITDF/ITIF Fund Data</u>	<u>ITIF</u> <u>FY 2001</u>	<u>ITIF</u> <u>FY 2002</u>	<u>MITDPF</u> <u>FY 2003</u>	<u>MITDPF</u> <u>FY 2004 Est.</u>	<u>MITDPF</u> <u>FY 2005 Est.</u>
Opening Fund Balance	\$1,716,725	\$2,091,120	\$6,109,518	\$6,863,178	\$1,410,269
<b>Revenues</b>					
General fund	1,500,000	1,500,000			6,177,585
Special fund	5,500,000	5,559,845	4,307,334	3,453,500	255,000
DBM unexpended encumbrances			25,327,182		
Abandoned projects from prior years/returned awards			887,000	500,000	
<b>Total Available Revenues</b>	<b>\$8,716,725</b>	<b>\$9,150,965</b>	<b>\$36,631,034</b>	<b>\$10,816,678</b>	<b>\$7,842,854</b>
<b>Expenditures</b>					
Actual expenditures	6,625,605	3,041,447	5,589,439	6,659,469	
Additional project commitments (approved by legislature/JCR)				1,482,783	1,511,341
Additional project commitments (not approved by legislature/JCR)				1,264,157	
Requested Expenditures					6,177,585
<b>Transfers to the General Fund</b>					
Fiscal 2003 BRFA Transfer			23,627,500		
Additional general fund transfer (interest incorrectly credited)			550,917		
<b>Fund Balance</b>	<b>\$2,091,120</b>	<b>\$6,109,518</b>	<b>\$6,863,178</b>	<b>\$1,410,269</b>	<b>\$153,928</b>

JCR = *Joint Chairmen's Report*

Note: The fiscal 2005 fund balance shown in this exhibit is \$97,572 lower than that shown in the Governor's Budget as DLS has lowered special fund revenues by this amount as funds may have been inappropriately credited to the MITDPF and that need to be transferred to the MAA for commissions on pay phones at BWI.

Source: Department of Legislative Services; Department of Budget and Management

- The opening fund balance is already committed to a previously approved project, the Department of Public Safety and Correctional Services' (DPSCS) National Crime Information Center (NCIC) 2000 project.

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- Special fund revenues have virtually ended. It was noted in the fiscal 2004 OIT analysis that the special fund revenue stream into the MITDPF was falling and unlikely to recover. The largest revenue reduction is attributed to billing practices of carriers. Previously carriers (Verizon, MCI, and AT&T) billed agencies at the tariff rate rather than the lower rate required in the State contract with the difference being rebated to the State and deposited in the MITDPF. Since the State found it difficult to verify the accuracy of the rebates being provided, beginning in October 2003 carriers were advised to charge agencies at the contracted rate, effectively ending the rebates. Similarly, commissions paid on payphone usage are shrinking with the proliferation of wireless technologies.

One method DBM is considering in order to generate additional revenues into the MITDPF is from fees charged to local government for use of network Maryland. Even with charges set at extremely advantageous rates to the user, it is expected that fees can more than offset expenditures for systems operation and maintenance.

Other States have used a variety of funding mechanisms for IT including:

- bond issues, preferably with bonds to be repaid through hard-dollar savings generated through the implementation of IT projects (although that would require the clear identification and subsequent capture of those savings);
- allowing logo placement or other forms of advertising on public web sites;
- the establishment of a revolving loan fund for IT expenditures, again relying on savings generated from implementing IT projects; and
- authorizing a third party to operate and market on-line applications on the State's behalf in exchange for a share of the transaction revenue.

DLS projects a closing fund balance of almost \$154,000.

**Exhibit 5** details the status of previously approved projects for which fiscal 2004 funding has not yet been transferred to the agency undertaking the project as well as a summary of proposed projects.

**Exhibit 5**  
**Major IT Development Project Fund**  
**Status of Fiscal 2004 Projects and Fiscal 2005 Project Commitments**

<u>Agency</u>	<u>Project Name</u>	<u>Project Description</u>	<u>MITDPF Funding</u>	<u>Status and Comment</u>
<b>Fiscal 2004</b>				
DHR	CHESSIE	Child welfare case management system	\$1,264,157	Fiscal 2004 lease payment. The legislature approved funding for the lease payment but not further development. DHR is funding ongoing development in fiscal 2004 and 2005 through internal savings. DBM currently is funding an IV&V report on project management and governance structure.
DHR	CSES	Ongoing modifications of Child Support Enforcement System to meet federal requirements		\$238,374 in funding no longer being requested.
COMP	E-file	Provide a portal for the submission of personal, business, and employer tax payments	400,000	Some part of these funds will be used in fiscal 2004 with remainder transferred in fiscal 2005.
MSP	Race-based Traffic Stops	Development of electronic data collection process for all eligible traffic stops	1,082,783	This project is a response to lawsuits alleging discrimination in traffic stops. The project has yet to begin implementation. <b>DLS recommends reducing fiscal 2004 and fiscal 2005 combined funding by half, still leaving \$700,000 for the project over both years.</b> Current funding estimates for this project total almost \$13.4 million.
<b>Fiscal 2004 outstanding commitments</b>			<b>2,746,940</b>	
<b>Fiscal 2005</b>				
DGS	Photo Identification System	Photo ID badges, building security and parking passes for various State buildings	980,000	New project to improve security at complexes where DGS provides security. <b>DLS recommends approval.</b>

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<u>Agency</u>	<u>Project Name</u>	<u>Project Description</u>	<u>MITDPF Funding</u>	<u>Status and Comment</u>
DHMH	HIPAA-Medicaid	Ongoing work to bring MMIS into HIPAA compliance	250,000	<b>DLS recommends approval</b> as the project is intended to meet a federal statutory requirement.
DHR	CHESSIE	Child welfare case management system	940, 813	<b>DLS recommends reducing this amount by \$46,913 consistent with lease cost data presented by DHR at its budget hearings on CHESSIE.</b>
DPSCS	NCIC 2000	On-line information service maintained jointly by the FBI and criminal justice agencies	3,080,646	This amount consists of \$1,511,341 in previously approved funding and \$1,569,305 in new funding. <b>DLS recommends approval as this project will allow DPSCS access to key federal criminal justice databases.</b>
DPSCS	System stabilization	Ensure the stabilization of mission critical infrastructure	1,200,000	New project. <b>DLS recommends approval.</b> This project is necessary to maintain basic IT infrastructure that allows the department access to external databases. The reduction is to out-year funding for estimated lease payments for new servers.
DPSCS	Network live scan	Submission of fingerprints, mug shots and other data to State and FBI database's for rapid identification	942,367	New project. <b>DLS recommends approval</b> as this project builds on the NCIC 2000 system.
State Police	Race-based Traffic Stops	Development of electronic data collection process for all eligible traffic stops	295,100	See comment above.

**FY 2005 Total** **\$7,688,926**

CHESSIE = Maryland Children's Electronic Social Services Information Exchange  
 CSES = Child Support Enforcement System  
 DGS = Department of General Services  
 DHMH = Department of Health and Mental Hygiene  
 DHR = Department of Human Resources  
 HIPAA = Health Insurance Portability and Accountability Act of 1996  
 IV&V = Independent Verification and Validation  
 MSP = Maryland State Police

Source: Department of Budget and Management

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Of the seven projects that will be funded in fiscal 2005 (through a combination of fiscal 2004 and fiscal 2005 funds), four (improvements to MMIS related to HIPAA compliance, lease payments for CHESSIE, work on the NCIC 2000 project, and work related to race-based traffic stops) are projects previously funded by the legislature and relate to federal mandates or court-ordered requirements. The three new projects relate to enhanced security at State office buildings and ongoing improvement of operations at DPSCS through two different IT enhancements.

DLS recommends approval of full project funding with two exceptions. **First, based on data provided by DHR on the cost of lease payments in fiscal 2005, DLS recommends reducing the funding made available for the CHESSIE lease payment by \$46,913. Second, DLS recommends reducing by half (\$700,000) the combined fiscal 2004 and 2005 for the Maryland State Police project related to race based traffic stops. This project has yet to begin implementation.**

**DLS also recommends that back of the bill language be adopted detailing which of the fiscal 2005 proposed projects are approved.** The proposed language reflects recommended actions and also continues to require DBM to request funding associated with CHESSIE. DBM obviously recognizes the importance of continued oversight of CHESSIE and is currently awaiting the results of its second IV&V contract on the project. DBM has also not yet requested funding for the fiscal 2004 lease payment. This language will enable DBM to move ahead with these projects at the stated appropriation level (or some minor variation) without the need for additional review, although DBM shall provide DLS with OIT certification of project status prior to the transfer of funds. However, if DBM wishes to deviate from the approved project list or significantly deviate from the approved appropriation, budget committee review and comment shall be obtained.

## **2. Out-year Funding of Major IT Development Projects**

Beginning in fiscal 2003, the Governor's operating budget submission has included a separate listing of major IT development projects. These projects meet at least one of the following criteria:

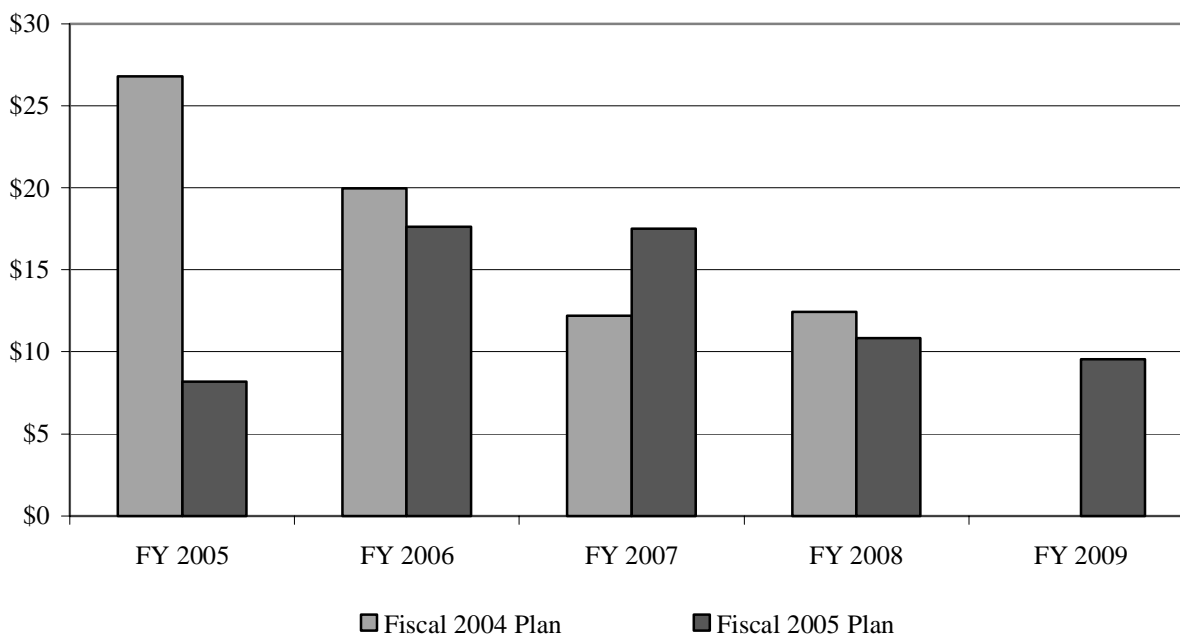
- the estimated total cost of development is over \$1 million (with development generally including expenditures for the planning, purchase, creation, installation, testing, and initial training associated with a new IT system or other significant enhancement of an existing IT system);
- the project supports a critical business function; and/or
- the DBM secretary determines that, for example, the potential benefits or risks merit such a designation.

Projects excluded from this listing include those in the Department of Transportation and DBM. Those projects, according to DBM, are captured in the capital program.

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In discussing the fiscal 2004 submission of spending on major IT projects, it was noted that out-year general fund support for listed projects totaled \$71.4 million. As shown in **Exhibit 6**, the general fund support actually made available in the fiscal 2005 allowance for major IT development projects as well as estimates of out-year general fund support are markedly different. Specifically:

**Exhibit 6**  
**Major IT Development Projects**  
**Changing Out-year General Fund Requirements**  
**(\$ in Millions)**



Note: Fiscal 2005 plan funding includes general fund support for major IT development projects that have transitioned from development to operations/maintenance.

Source: Department of Legislative Services; Department of Budget and Management

- Proposed funding in fiscal 2005 is almost \$20 million below that planned for in fiscal 2004. This is primarily due to projects being deferred to future years, supported at much lower funding levels, or proceeding with different funding sources. The status of projects included in the fiscal 2004 major IT development project list for which fiscal 2005 general fund support was anticipated is provided in **Exhibit 7**.
- Total out-year (fiscal 2006 through 2009) funding for major IT funding projects has been considerably lowered. The out-year forecast presented in fiscal 2005 contains \$55.5 million in projected general fund expenditures. Again, this is due to a combination of factors, primarily the transition of projects from the development phase to the operations/maintenance phase at which

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point those operations/maintenance costs are no longer reflected in the out-year forecast (although they will be incurred). This shift accounts for \$11 million of the change. The remainder represents some scaling back of projects, and utilization of different funding sources.

- Even though out-year growth is revised downward, planned fiscal 2006 general fund support for existing major IT development projects is \$17.6 million, considerably above the fiscal 2005 level.

**Exhibit 7  
Status of Major IT Development Projects Anticipated to Receive  
Fiscal 2005 General Fund Support**

<u>Agency</u>	<u>Project</u>	<u>Projected Fiscal 2005 GF Support</u>	<u>Actual Fiscal 2005 GF Support</u>	<u>Comment</u>
DBM	Maryland Portal	\$1,000,000	\$1,200,000	Project moved to Operations/Maintenance phase. Funded primarily through prior year encumbrances
COMP	E-File	350,000	0	Project will move forward using previously approved MITDPF funding
MDE	EEMS	1,250,000	0	Project to move forward primarily with encumbered federal funds
DHMH	HIPAA Non-Medicaid	500,000	0	Most non-Medicaid systems are now HIPAA compliant. MITDPF funding provided in fiscal 2004 for security assessment of HMIS but no remediation funding currently proposed
DHMH	ESamis	1,423,569	800,000	Project moved to Operations/Maintenance phase. Funding now in DHMH budget.
DHMH	HIPAA Medicaid	255,211	250,000	Work ongoing to meet HIPAA deadlines
DHR	CHESSIE	6,300,042	940,813	Lease payment provided in MITDPF. Agency moving project forward through internal savings. DBM has awarded IV&V contract to assess project management and governance structure
DHR	CSES	238,374	0	Funding not being requested at this time
DNR	WAN	596,976		Project has been reclassified and no funding is currently being provided
DPSCS	NCIC 2000	2,098,343	1,569,305	MITDPF funds rolled over from fiscal 2004

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<u>Agency</u>	<u>Project</u>	<u>Projected Fiscal 2005 GF Support</u>	<u>Actual Fiscal 2005 GF Support</u>	<u>Comment</u>
				will be added to the general fund allowance
DPSCS	Warrant System	2,239,114	0	Project on hold pending future funding
DPSCS	MIOMS	\$5,222,122	0	Project on hold pending future funding
DPSCS	Network roll-out	4,252,849	0	Project considered complete. Future funding will be moved to operations/maintenance
MSP	Race-based Traffic Stops	\$1,091,261	295,100	Project placed on temporary hold

MDE = Maryland Department of the Environment  
MIOMS = Maryland Integrated Offender Management System

Source: Department of Legislative Services; Department of Budget and Management

As noted in last year’s analysis, one of the more striking aspects of the current and proposed major IT development project spending plans is the extent of expenditures focused on the DPSCS. DPSCS expenditures make up 49% of the five-year (fiscal 2005 through 2009) major IT development project plan.

This is particularly poignant given a recent audit by the Office of Legislative Audits (OLA) that noted that DPSCS essentially did not have the in-house capacity to handle all of the IT projects facing it and was utilizing the University of Maryland, College Park (UMCP) for a significant amount of information technology services (\$5 million during the period July 1, 1999 to October 17, 2003). The audit raised significant issues related to violations of legislative intent (in that DPSCS made payments to UMCP for projects that had been specifically cut). The audit also found that the interagency agreements between DPSCS and UMCP:

- circumvented the competitive bid requirements of the State procurement regulations since in many instances UMCP would simply subcontract with private vendors to provide IT services and that DPSCS notified UMCP of the specific vendor to be used for each contract;
- were not reported to the budget committees in many instances as required by budget bill language;
- were not adequately monitored by DPSCS to assure vendor performance and deliverables; and
- did not have appropriate records kept.

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While many of the DPSCS projects have compelling reasons to move forward, OLA's findings clearly underscore the need for enhanced project oversight, and not simply on technical issues. **In order to improve oversight over interagency agreements, DLS recommends that language be added to the budget reconciliation legislation so that effective July 1, 2004, all such interagency agreements over \$200,000 shall be approved by the Board of Public Works.**

### **3. Providing Services On-line**

Chapter 5, Acts of 2000 required all units of the Executive Branch (excluding higher education institutions) to make 50% of their information and services available to the public over the Internet by calendar 2002, rising to 65% and 80% by calendar 2003 and 2004 respectively.

A DBM survey on progress in meeting these goals conducted in the 2001 interim indicated both variety in terms of compliance with the statute but also some element of gaming the intent of the statute by including in the determination of statutory compliance services and information that had no relevance to the public. Further, some agencies that provide services that would be usefully done on-line did not even list those services.

For several years, agencies included compliance with 50-65-80 goals as part of MFR submissions. Some agencies continue to do so, others do not. Indeed, some agencies have noted that budget reductions have essentially stopped the ability to move forward with this initiative.

Available research continues to indicate that the provision of on-line services is both cheaper than the conventional delivery of services and desired by many citizens. As shown in **Exhibit 8**, savings can be significant or relatively modest.

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**Exhibit 8**  
**Cost per Unit of Service: Conventional Versus Internet**  
**Public Sector**

<u>Service (State)</u>	<u>Conventional</u>	<u>Internet</u>	<u>Savings (%)</u>
Licensee lookup and verification (Utah)	\$20.00	\$5.00	75
Vehicle registration (Maine)	3.50	1.75	50
Driver license renewal (Tennessee)	8.48	3.01	65
Uniform Commercial Code Filings (Kansas)	15.00	5.00	66
Income tax filings (Tennessee)	3.41	3.16	7
Health licensing renewal (Tennessee)	8.17	7.94	3

Source: Center for Digital Government, cited by NCSL

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Many services are currently available to Maryland citizens on-line (for example, numerous MVA services, and income tax filing) and agencies are moving forward with similar activities. However, there is no way at this point to gauge compliance with the current law. Further, while well-intentioned, current law does not necessarily guarantee that the information and services that citizen's would truly value will be made available on-line.

**In order to assess compliance with the intent of the statute, DLS recommends that the committees adopt narrative requesting DBM define those services and the information that it believes citizens want to be available on-line and the extent to which each agency is currently providing those services and information over the Internet.** The intent of the report is not to assess compliance or lack of compliance with certain arbitrary numeric goals, but to identify functions that government should be providing electronically both for consumer ease as well as to potentially generate operating savings.

#### **4. NetworkMaryland Audit**

Although the State is now successfully using networkMaryland, the development of this network was troubled.

In March 2003, DBM received an independent audit of billings from a private vendor for a portion of the contract costs associated with the development and operation of the networkMaryland project. That audit made a number of key findings and assigned a potential financial impact to those findings. They are summarized in **Exhibit 9**. The total financial impact of the audit findings amounted to \$6.4 million or 43% of the value of the contract that was reviewed by the audit. At the end of the 2003 session, DBM was withholding payment of \$4.5 million from the vendor pending the result of the audit.

**Exhibit 9**  
**Independent Audit Findings of NetworkMaryland Contract for**  
**November 1999 through March 2002**

<u>Finding</u>	<u>Financial Impact</u>
Lack of compliance with requirement to maintain supporting documentation, for example relating to employee time tracking and billing information	\$3,700,000
Lack of compliance with specifications in the contract concerning the qualifications of individuals working on the contract	1,500,000
Questionable compliance with requirements that the State receive material and equipment purchase discounts	930,000
Certain subcontractor timesheets not submitted with vendor invoices	178,000
Subcontract hours billed by the vendor consistently exceeded hours included on subcontractor invoices to the vendor	57,000
Lack of compliance with monthly invoicing requirement	Not quantifiable
Lack of compliance with detailed cost proposal requirements for Task/Purchase orders	Not quantifiable
Status reports not provided as required	Not quantifiable
One instance where an invoice had a unsupported labor component	Not quantifiable
Lack of cooperation with the audit that required extension of the audit engagement	Not quantifiable

Source: Department of Legislative Services; Department of Budget and Management

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DBM subsequently settled its claims for \$650,000, considerably less than the financial impact estimated by the independent audit. **DBM should be prepared to comment on the level of financial settlement made with the vendor given the financial impact estimated by the audit.** The vendor was subsequently awarded a contract to continue to manage networkMaryland.

## Recommended Actions

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1. Add the following language:

SECTION X. AND BE IT FURTHER ENACTED, That:

- (1) a reduction of \$100,000 is made in this budget for the Telecommunications program in the Office of Information Technology;
- (2) the Governor shall develop a schedule for allocating this reduction across the various State agencies that receive services from the Telecommunications program and across all funds based upon State agency use of those services; and
- (3) the reduction under this section shall equal at least the amounts indicated for the budgetary fund types listed:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$63,000</u>
<u>Special</u>	<u>22,000</u>
<u>Federal</u>	<u>15,000</u>

**Explanation:** The language reduces the fiscal 2005 allowance of the Telecommunications program in the Office of Information Technology (OIT) by \$100,000. This funding was intended for additional contractual assistance. At this time, OIT has 8 vacant regular positions, significantly more than needed to meet turnover and those positions (or the funding) can be used to support additional assistance. Reimbursable funds support the additional contractual assistance and the language apportions the cut across State agencies according to use of services provided by the Telecommunications program.

2. Add the following language:

SECTION X. AND BE IT FURTHER ENACTED, That:

- (1) to recognize anticipated savings from the usage of cell phones, funds appropriated in this budget in Comptroller subobject 0306 shall be reduced as provided in this section;
- (2) the Governor shall develop a schedule for allocating this reduction to the programs of the Executive Branch; and
- (3) aggregate reductions under this section shall equal at least the amounts indicate for the budgetary types listed:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$666,000</u>
<u>Special</u>	<u>217,000</u>
<u>Federal</u>	<u>217,000</u>

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**Explanation:** According to the Department of Budget and Management, a recently negotiated cell phone contract will produce \$1 million in annual savings to the State. As actual expenditures on cell phone usage in fiscal 2003 were just over \$4.5 million and the fiscal 2005 allowance contains just over \$4.6 million, savings of \$1 million over current utilization (dropping anticipated expenditures to \$3.5 million) generates a reduction in proposed expenditures of \$1.1 million.

	<b><u>Amount Reduction</u></b>	
3. Reduce funding in the allowance based on the availability of fiscal 2002 funds that can be used for fiscal 2005 expenditures. As of December 31, 2003, the Department of Budget and Management had over \$7.1 million in unspent encumbrances from fiscal 2000, 2001, and 2002. Of this amount, no detail was provided on the proposed use of \$210,000.	\$ 210,000	GF

4. Adopt the following narrative:

**Blue-print for Information Technology Oversight:** In fiscal 2002, \$5,000,000 was added to the Office of Information Technology's (OIT) budget to improve oversight of information technology (IT) projects. A subsequent reform plan provided to the General Assembly, based on various consultant studies, laid out an expansive organizational framework to facilitate that oversight. Subsequent cost containment has effectively deprived OIT of the resources to implement that plan. Although progress has been made in certain areas, the level of oversight and technical assistance expected through the reform plan has not materialized. The committees request that the new State Chief Information Officer provide them with a blue-print for future IT oversight and how that blue-print is to be implemented.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Blue-print for IT oversight	OIT	October 1, 2004

5. Add the following language:

The General Assembly approves the use of the Major Information Technology Project Development Fund to support projects as listed in the 2004 Joint Chairmen's Report (JCR). The Department of Budget and Management shall submit any projects not listed in the JCR or any projects listed in the JCR for which the proposed funding level increases by more than 10 percent to the budget committees. The committees shall have 30 days to review and comment.

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**Explanation:** The language notes the approval of the following projects at the specified funding levels to be funded from the Major Information Technology Project Development Fund:

<u>Agency</u>	<u>Project Name</u>	<u>Proposed Funding (\$)</u>
Department of General Services	Photo Identification System	980,000
Department of Health and Mental Hygiene	HIPAA-Medicaid	250,000
Department of Human Resources	CHESSIE	893,900
Department of Public Safety and Correctional Services	NCIC 2000	3,080,646
Department of Public Safety and Correctional Services	System stabilization	1,200,000
Department of Public Safety and Correctional Services	Network live scan	942,367

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Projects that deviate from 2004 <i>Joint Chairmen's Report</i> (JCR) listing of approved projects with funding levels more than 10% above proposed levels as noted in JCR	DBM	30 days prior to expenditure

	<b><u>Amount Reduction</u></b>	
6. Reduce funds for lease payments for CHESSIE consistent with lease cost data provided by the Department of Human Resources for its budget hearings.	46,913	GF
7. Reduce funding for race-based traffic stop data collection to reflect a delay in implementation. This	700,000	GF

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project was authorized in the 2003 session but has not yet moved forward. This project is a response to lawsuits alleging discrimination in traffic stops and should be implemented. This project is in the earliest stages of development, and the project funding (currently estimated at over \$13 million) will ultimately be spread over a number of years.

8. Adopt the following narrative:

**50-65-80 Initiative:** Chapter 5, Acts of 2000 required all units of the Executive Branch (excluding higher education institutions) to make 50% of their information and services available to the public over the Internet by calendar 2002, rising to 65% and 80% by calendar 2003 and 2004 respectively. Currently, it is not possible to assess compliance with statute. In any event, a previous survey of how agencies are determining compliance revealed that some of the information and services used to make that determination were not the kind of information or services that citizens actually want. The committees request that the Department of Budget and Management work with agencies to identify what services and information offered by agencies should be available to citizens on-line and how many are available on-line. The intent of the report is not to highlight compliance or otherwise with current statute but rather identify function that government should be providing electronically both for consumer ease as well as to potentially generate operating savings.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Provision of services and information over the Internet	DBM	December 1, 2004
<b>Total General Fund Reductions</b>		<b>\$956,913</b>

## ***Current and Prior Year Budgets***

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### **Current and Prior Year Budgets Information Technology (\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$17,634	\$11,185	\$0	\$16,129	\$44,948
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	31	350	0	100	481
Cost Containment	-3,353	0	0	0	-3,353
Reversions and Cancellations	-3,150	-4,724	0	-2,628	-10,502
<b>Actual Expenditures</b>	<b>\$11,162</b>	<b>\$6,811</b>	<b>\$0</b>	<b>\$13,601</b>	<b>\$31,574</b>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$14,809	\$19,689	\$0	\$17,742	\$52,240
Cost Containment	-1,422	0	0	-2,322	-3,744
Budget Amendments	0	-6,305	0	0	-6,305
<b>Working Appropriation</b>	<b>\$13,387</b>	<b>\$13,384</b>	<b>\$0</b>	<b>\$15,420</b>	<b>\$42,191</b>

Note: Numbers may not sum to total due to rounding.

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The fiscal 2003 legislative appropriation for OIT was reduced by just under \$13.4 million. General fund reductions totaled a little under \$6.5 million, including just over \$3.35 million in cost containment reductions and \$3.15 million in general fund reversions. The reversions came from a variety of areas. For example, OIT used prior year encumbrances to cover costs associated with

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internet service provider circuits, distance learning circuits, and contracts with Accenture and Bearing Point. Additionally, \$1.5 million in funding allocated for contracts concerning system enhancement analysis (network security, architecture etc.) were not awarded and travel and training funds were not spent.

Special fund reductions totaled almost \$4.4 million. A \$350,000 increase through budget amendments was offset by cancellations of over \$4.7 million. Reimbursable funds fall by over \$2.5 million, primarily as a result of cancellations.

To date, the fiscal 2004 legislative appropriation has been reduced by just over \$10 million. Of this, \$1.4 million is general fund cost containment (see the earlier discussion of changes to the fiscal 2004 appropriation for additional detail). Another \$6.3 million reflected reductions due to revised expenditure projections in the Telecommunications Access of Maryland Program and transfers from the Major Information Technology Development Project Fund to other agencies for approved major information technology projects. Finally, there was a \$2.3 million reduction in reimbursable funds. Most of this reimbursable fund reduction reflects the allocation of an across-the-board cut to telecommunications expenditures taken by the executive branch in fiscal 2004.

**Object/Fund Difference Report  
DBM – Information Technology**

<u>Object/Fund</u>	<u>FY03 Actual</u>	<u>FY04 Working Appropriation</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	161.00	123.50	123.50	0	0%
02 Contractual	7.00	5.00	5.00	0	0%
<b>Total Positions</b>	<b>168.00</b>	<b>128.50</b>	<b>128.50</b>	<b>0</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 9,558,722	\$ 9,539,272	\$ 9,075,427	-\$ 463,845	-4.9%
02 Technical & Spec Fees	479,795	142,130	239,158	97,028	68.3%
03 Communication	9,084,918	8,220,302	10,535,283	2,314,981	28.2%
04 Travel	72,811	136,742	134,969	-1,773	-1.3%
06 Fuel & Utilities	5,074	0	8,780	8,780	N/A
07 Motor Vehicles	0	1,918	1,994	76	4.0%
08 Contractual Services	11,969,136	21,748,562	22,022,339	273,777	1.3%
09 Supplies & Materials	92,857	96,170	608,934	512,764	533.2%
10 Equip – Replacement	161,657	116,000	145,295	29,295	25.3%
11 Equip – Additional	0	2,036,151	1,985,485	-50,666	-2.5%
12 Grants, Subsidies, Contr	17,625	5,000	5,000	0	0%
13 Fixed Charges	131,118	148,048	150,161	2,113	1.4%
<b>Total Objects</b>	<b>\$ 31,573,713</b>	<b>\$ 42,190,295</b>	<b>\$ 44,912,825</b>	<b>\$ 2,722,530</b>	<b>6.5%</b>
<b>Funds</b>					
01 General Fund	\$ 11,162,497	\$ 13,386,727	\$ 19,340,725	\$ 5,953,998	44.5%
03 Special Fund	6,810,648	13,383,615	7,876,352	-5,507,263	-41.1%
09 Reimbursable Fund	13,600,568	15,419,953	17,695,748	2,275,795	14.8%
<b>Total Funds</b>	<b>\$ 31,573,713</b>	<b>\$ 42,190,295</b>	<b>\$ 44,912,825</b>	<b>\$ 2,722,530</b>	<b>6.5%</b>

Note: The fiscal 2004 appropriation does not include deficiencies and the fiscal 2005 allowance does not reflect contingent reductions.

**Fiscal Summary  
DBM – Information Technology**

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
01 Executive Direction	\$ 1,579,971	\$ 2,265,577	\$ 1,829,302	15.8%	\$ 1,430,420	-21.8%
02 Division of Information Technology Investment Mgmt	784,889	1,547,958	686,326	-12.6%	649,735	-5.3%
03 Division of Application Systems Management	7,624,780	9,014,705	9,075,027	19.0%	9,175,458	1.1%
04 Division of Telecommunications	20,682,084	28,787,413	22,949,995	11.0%	25,989,171	13.2%
05 Division of Contracts Management	550,149	819,071	709,239	28.9%	604,056	-14.8%
07 Division of Security and Architecture	351,840	858,778	1,115,691	217.1%	886,400	-20.6%
01 Major Information Technology Development Projects	0	8,946,546	5,824,715		6,177,585	6.1%
<b>Total Expenditures</b>	<b>\$ 31,573,713</b>	<b>\$ 52,240,048</b>	<b>\$ 42,190,295</b>	<b>33.6%</b>	<b>\$ 44,912,825</b>	<b>6.5%</b>
General Fund	\$ 11,162,497	\$ 14,808,756	\$ 13,386,727	19.9%	\$ 19,340,725	44.5%
Special Fund	6,810,648	19,689,001	13,383,615	96.5%	7,876,352	-41.1%
Federal Fund	0	-\$ 0	0	0.0%	0	0.0%
<b>Total Appropriations</b>	<b>\$ 17,973,145</b>	<b>\$ 34,497,759</b>	<b>\$ 26,770,342</b>	<b>48.9%</b>	<b>\$ 27,217,077</b>	<b>1.7%</b>
Reimbursable Fund	\$ 13,600,568	\$ 17,742,289	\$ 15,419,953	13.4%	\$ 17,695,748	14.8%
<b>Total Funds</b>	<b>\$ 31,573,713</b>	<b>\$ 52,240,048</b>	<b>\$ 42,190,295</b>	<b>33.6%</b>	<b>\$ 44,912,825</b>	<b>6.5%</b>

Note: The fiscal 2004 appropriation does not include deficiencies and the fiscal 2005 allowance does not reflect contingent reductions.