

F10A04
Information Technology
Department of Budget and Management

Operating Budget Data

(\$ in Thousands)

	FY 07	FY 08	FY 09	FY 08-09	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$43,770	\$13,240	\$37,849	\$24,609	185.9%
Special Fund	6,995	21,855	37,492	15,637	71.6%
Reimbursable Fund	<u>12,191</u>	<u>16,136</u>	<u>19,733</u>	<u>3,597</u>	<u>22.3%</u>
Total Funds	\$62,957	\$51,230	\$95,074	\$43,844	85.6%

- The fiscal 2009 budget is just over \$43.8 million (85.6%) above the fiscal 2008 working appropriation.
- Most of this growth is attributed to anticipated prior year carryover as well as new funding for major information technology development projects.

Personnel Data

	FY 07	FY 08	FY 09	FY 08-09
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	119.00	118.00	118.00	0.00
Contractual FTEs	<u>3.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
Total Personnel	122.00	123.00	123.00	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	5.71	4.84%
Positions Vacant as of 12/31/07	9.00	7.63%

- There is one full-time equivalent new position in the fiscal 2009 Office of Information Technology (OIT) budget, specifically in the Telecommunications Access of Maryland program. This new position is offset by the abolition of a vacant position in the Enterprise Information Services Division.

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

For further information contact: Simon G. Powell

Phone: (410) 946-5530

Analysis in Brief

Major Trends

Oversight of Major Information Technology (IT) Projects: OIT reports that all of the projects completed in fiscal 2007 were successful. However, some of these projects had checkered development lives.

Maryland Portal: Data concerning the utilization of, and information found through, the Maryland Portal continue to be positive.

Issues

The Major IT Development Project Fund and Major IT Expenditures: Detail on proposed and prior funding of major IT projects is provided.

Department of Information Technology: SB 212/HB 362 of 2008 create a cabinet-level Department of Information Technology.

The 700 MHz Public Safety Communications System: As the State edges closer to conceiving an operational 700 MHz system, the price tag emerges: \$290 million to \$365 million in additional funding.

Legislative Oversight of IT: Legislative access to one element of IT oversight employed by OIT – independent verification and validations – has not been routine.

Recommended Actions

	<u>Funds</u>
1. Reduce funding for the Computerized Health Record Information System.	\$ 750,000
2. Delete funds for voting system software upgrade.	256,500
3. Reduce funding for new voting system based on the use of a five-year capital lease agreement.	1,370,000
4. Delete funding for the proposed Maryland Outdoor Service Delivery System.	1,950,000

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5.	Reduce funds for a Computer Aided Dispatch/Records Management System.	5,000,000
6.	Adopt narrative providing for enhanced reporting on the status of major information technology development projects.	
	Total Reductions	\$ 9,326,500

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Operating Budget Analysis

The Office of Information Technology (OIT) is organized as follows:

- **Executive Direction** including the State Chief of Information Technology (CIT).
- **Enterprise Information Systems** including the development of infrastructure and security standards as well as the Help Desk.
- **Applications Systems Management** including the operation of the Financial Management Information System, the system created to improve financial and human resources accountability including agency-based accounting, purchasing, budgeting, personnel, and asset management.
- **Networks** including the operation of networkMaryland and the State's wireless system.
- **Strategic Planning** responsible for the oversight of information technology (IT) procurement, project management, and policies and planning.
- **Web Systems** including the operation of the State web portal.
- **Telecommunications Access of Maryland (TAM)** provides telecommunications relay service for Maryland's hearing and speech disabled citizens.

The mission of OIT is to provide information technology leadership to the Executive Branch in order to effectively manage State IT resources. Key goals are centered on the effective utilization of resources.

Performance Analysis: Managing for Results

OIT's Managing for Results (MFR) data reflect the mission of the office – providing statewide IT oversight as well as operating/overseeing the operation of statewide information systems and networks. **Exhibit 1** details selected performance measures.

Exhibit 1
Office of Information Technology Selected Performance Measures
Fiscal 2003-2007

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Project Oversight					
New major information technology (IT) development projects are successful (%)	67	83	100	100	100
Statewide IT and Telecommunications Services					
Availability and accuracy of ASM systems rated acceptable or above (%)	82	95	92	89	94
State agency requests for transport or Internet services via networkMaryland (% fulfilled)	39	52	79	100	100

ASM: Applications Systems Management

Source: Department of Budget and Management

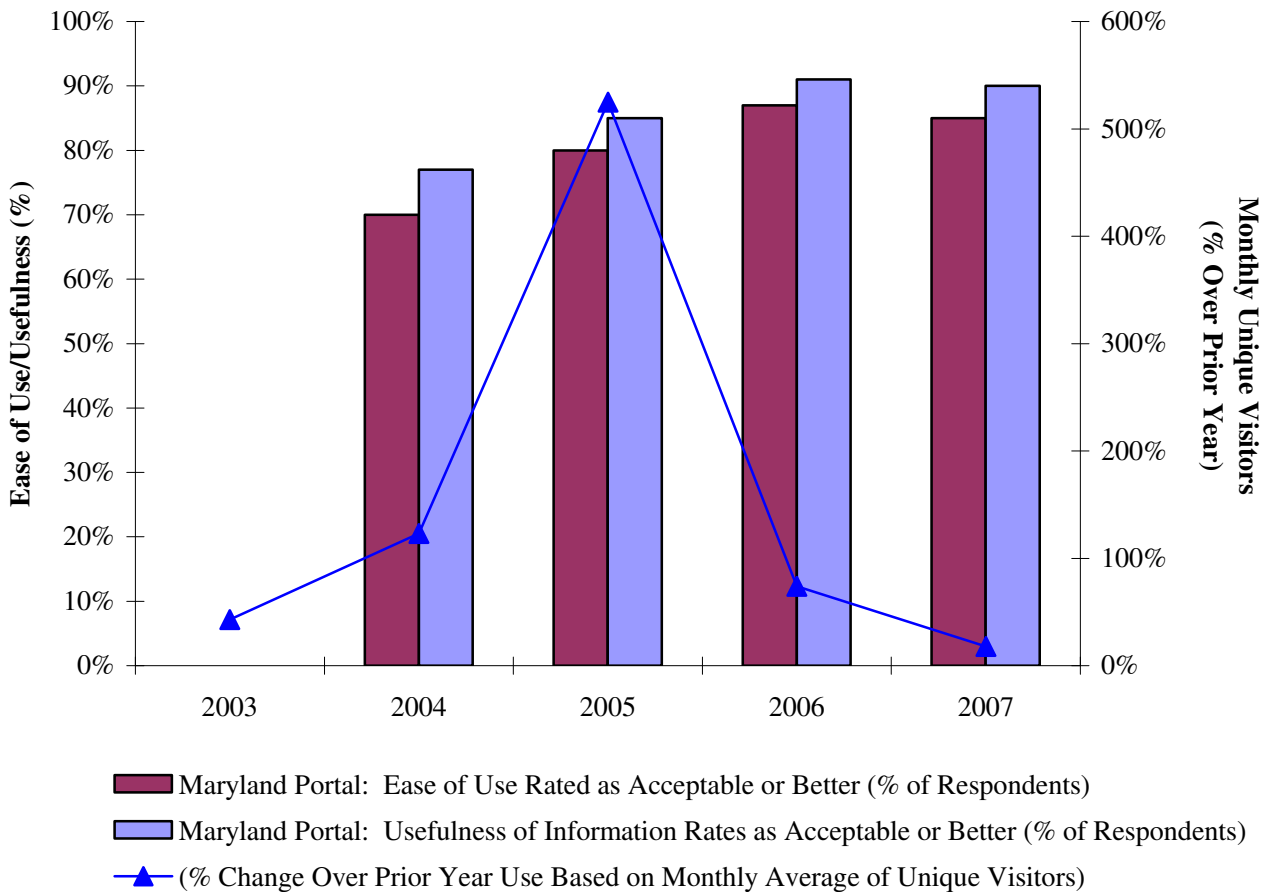
In terms of oversight of major IT development projects, OIT reports that in fiscal 2007, 100% of projects completed in that year were successful. This represents nine projects. Included in these projects were projects in the Department of Human Resources (DHR) (Children’s Electronic Social Services Information Exchange (CHESSIE)) and the Department of Public Safety and Correctional Services (DPSCS) that experienced significant problems. CHESSIE, for example, was long-delayed, cost significantly more than anticipated, and has had problems with functionality.

Why then are such projects considered successful? Herein lies the problem with this particular measure. For OIT, these projects were completed despite those problems. For example, OIT’s intervention potentially avoided more delay, higher costs, or the risk of a system that did not meet the agency’s needs. Clearly, that is the role that OIT is expected to play. But is it “success”?

It may be possible to rate OIT’s ongoing oversight activity by attaching some risk rating for failure/success based on a project’s deviation from project milestones and to assess the extent to which that deviation is increasing or lessening. This at least would give the legislature a snapshot view of how well projects are proceeding during the development process. **OIT should comment on any oversight measure that it believes better reflects its oversight role while at the same time providing insight into the ongoing health of IT projects.**

Exhibit 2 provides information on the Maryland Portal, including satisfaction data gathered from surveys. As might be expected, the rapid percentage growth over the prior year in terms of unique visitors has slowed markedly from fiscal 2005 but is still growing (905,392 average monthly unique visitors in fiscal 2007, up from 766,943 in fiscal 2006). Survey data on portal ease of use and usefulness of data indicate that the improvements shown in prior years have also leveled off but remain high (85% of respondents rating ease of use as acceptable or better, 90% rating the usefulness of data as acceptable or better).

Exhibit 2
Maryland Portal
Selected Performance Measures
Fiscal 2003-2007



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

The OIT MFR also contains a number of new measures, for example, new systems implemented and managed by Enterprise Information Systems that comply with State IT security standards and enterprise architecture (EA) information contained in the Maryland EA repository. However, as of yet there is no baseline data for these measures.

Fiscal 2008 Actions

Impact of Cost Containment

Cost containment actions by the Board of Public Works (BPW) in July 2007 reduced OIT's budget by \$410,000. However, according to the Department of Budget and Management (DBM), OIT was able to back-fill the reduction (specifically to computer equipment) with available fiscal 2007 funds.

Governor's Proposed Budget

As shown in **Exhibit 3**, the Governor's fiscal 2009 allowance is just over \$43.8 million above the fiscal 2008 working appropriation (85.6%). Adjustments due to the fiscal 2008 and 2009 budgeting of employee and retiree health insurance and Other Post Employment Benefits (OPEB) liability expenditures do little to change this growth (reducing the increase only to \$43.3 million, or 85.1%).

OIT Administrative Oversight and Operations

The most significant increase in this area is for outside contracts (just over \$3.8 million). However, this is somewhat overstated in that \$2.4 million of this amount represents reimbursable funding from the Major Information Technology Development Project Fund (MITDPF) for independent verification and validations (IV&V). However, there are other significant increases for a variety of contracts including:

- telecommunications life cycle management to manage wireless assets (\$400,000);
- tower construction project management (\$275,000) to provide additional support given the current congested construction schedule (discussed further in Issue 3);
- telecommunications auditing (\$182,000);
- implementation of new networkMaryland services (\$150,000); and
- additional enterprise systems support (\$150,000).

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

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
2008 Working Appropriation	\$13,240	\$21,855	\$16,136	\$51,230
2009 Governor’s Allowance	<u>37,849</u>	<u>37,492</u>	<u>19,733</u>	<u>95,074</u>
Amount Change	\$24,609	\$15,637	\$3,597	\$43,844
Percent Change	185.9%	71.6%	22.3%	85.6%

Where It Goes:

Personnel Expenses	\$816
Health insurance – reduce long-term Other Post Employment Benefits liability	\$391
Health insurance – pay-as-you-go costs.....	195
Increments and other compensation.....	153
Fiscal 2008 Budget Section 45 – one-time hiring freeze savings	123
New position (one full-time equivalent (FTE), Telecommunications Access of Maryland program)	57
Other fringe benefit adjustments.....	39
Abolished positions (one FTE vacant position in Enterprise Information Services)	-60
Turnover adjustment	-82
Administrative Oversight and Operations	\$3,988
Major Information Technology Development Project (MITDPF) independent verification and validation funding (reimbursable funds from MITDPF).....	2,400
Other outside consulting services.....	1,433
Applications software maintenance (reflecting expiration of warranty period on applications purchased in fiscal 2007).....	145
Annapolis Data Center charges	110
Telecommunications life cycle software.....	100
Network maintenance (increased cost due to additional equipment locations).....	100
Verizon Distance Learning Network.....	-140
Applications software acquisition	-160
Department of Budget and Management Major Information Technology Project: Central Collection Unit	\$3,070
Columbia Ultimate Business System	3,070

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Where It Goes:

Telecommunications Access of Maryland	\$1,649	
Contract expenditures.....		1,472
Advertising expenses.....		177
MITDPF	\$34,433	
Major Information Technology Development Projects.....		34,433
Other.....		-112
Total		\$43,844

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

DBM Major IT Project: Columbia Ultimate Business System (CUBS)

The department is moving ahead with the replacement of the Central Collection Unit's (CCU) CUBS. The fiscal 2009 budget shows an increase of almost \$3.1 million for this system. CUBS is the primary system supporting the CCU's management of funds owed to the State by delinquent debtors. The need for this project was identified during DBM's recent assessment of major statewide applications. CUBS was originally initiated in 1987 as a database on delinquent debtors and has grown into a system managing over 1.4 million debtor accounts. The project is still in the planning phase.

TAM

TAM provides telephone access and other services for persons with certain disabilities. Proposed TAM expenditures increase by almost \$1.7 million in the fiscal 2009 budget. According to OIT, the increase in the recently awarded TAM contract (almost \$1.5 million) reflects the higher per minute costs under the new contract (\$2.27 per minute versus \$0.96 per minute). OIT attributes this increase to significant consolidation in the frame relay industry that has reduced overall competition. For example, AT&T, the prior vendor, exited the business, and the current vendor, Hamilton, which operates in 16 states, recently acquired other relay providers.

Advertising expenditures increase by \$177,000 because advertising is not part of the Hamilton contract as it was under the AT&T contract. There is also one new position in the fiscal 2009 budget for TAM. This position is to allow TAM to provide evaluation, training, and setup services to qualified applicants for the Maryland Accessible Telecommunications program. This program matches applicants for relay services to the most appropriate equipment. This function was previously performed by the Maryland State Department of Education's (MSDE) Division of Rehabilitative Services, but according to OIT the position and funding in MSDE was cut through cost containment.

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It should be noted that the Universal Service Trust Fund that supports TAM (with revenues derived from a \$0.20 landline surcharge) reported a fund balance of almost \$15.2 million in October 2007. In addition to services offered by TAM, other services offered to this population include Video Relay Services and Internet Protocol Relay Services. These services are currently provided and funded by the federal government, although it has been reported for some years that the federal government is looking for ways to recover some of the costs of these services from the states. Under one estimate, this could cost the State \$7.8 million annually. Should that occur, the fund balance would initially offset the cost, but at some point the State would have to reassess the surcharge level.

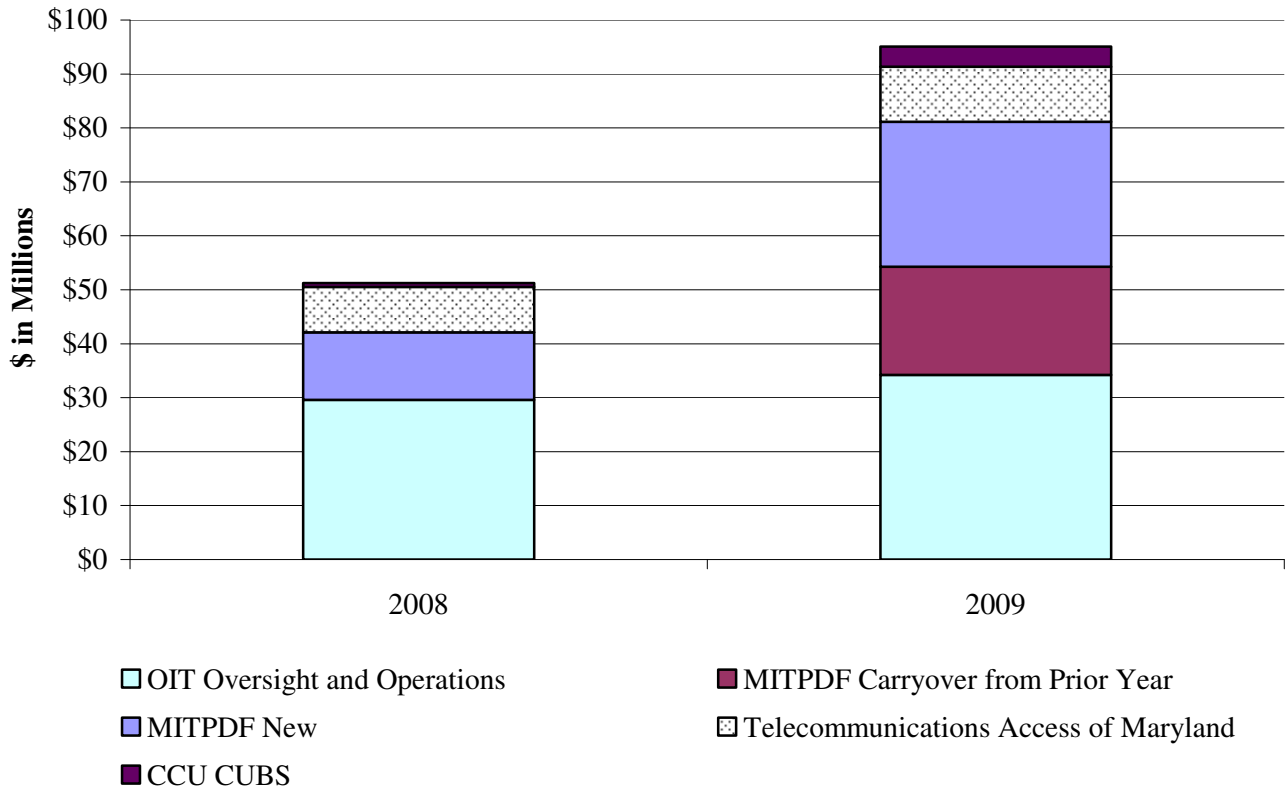
MITDPF

The increase in funding for projects from the MITDPF, over \$34.4 million, is somewhat overstated as the fiscal 2009 budget makes an assumption about projects funded in fiscal 2008 for which the appropriations will be cancelled at the end of the fiscal year and carried over into fiscal 2009. Specific detail on MITDPF funding is provided in Issue 1.

OIT: Underlying Growth Fiscal 2008 to 2009

Exhibit 4 provides an alternative view of growth in the OIT budget. The growth in OIT's core oversight and operations budget is almost \$4.6 million, 15%. However, after adjusting for the budgeting of employee and retiree health insurance and OPEB liability costs and the double-budgeting of IV&V costs, growth is more modest although still a healthy \$2.4 million, 8%.

Exhibit 4
Underlying Growth in Office of Information Technology Programs
Fiscal 2008 and 2009



OIT: Office of Information Technology
MITPDF: Major Information Technology Development Project Fund
CCU CUBS: Central Collection Unit’s Columbia Ultimate Business System

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

Issues

1. The Major IT Development Project Fund and Major IT Expenditures

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

MITDPF Funded Projects: Fiscal 2009

Exhibit 5 shows fund transactions for the MITDPF for fiscal 2006 through the proposed budget in fiscal 2009. A number of points may be made from the exhibit:

- The fund has accumulated a significant balance (\$43.2 million at the end of fiscal 2007 compared to the \$2.3 million projected during fiscal 2008 budget deliberations). This is due to two things:
 - OIT indicates that a large number of projects (some of which have high dollar values attached to them) have not moved forward as anticipated; and
 - the one-time boost in special fund revenues from prior year underattainment of collections that was anticipated in fiscal 2008, was actually credited to fiscal 2007.
- This drought in project spending is reflected by the inclusion of just under \$20.1 million of prior year carryover funds as fiscal 2009 revenue.
- As noted above, the inclusion of prior year carryover funds in the fiscal 2009 allowance overstates the growth in funding for the MITDPF, although there is still almost \$26.9 million requested for new projects.

Exhibit 5
MITDPF Fund Data
Fiscal 2006-2009

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Opening Fund Balance	\$3,911,092	\$13,723,903	\$43,159,363	\$2,318,059
Revenues				
General fund	\$16,569,561	\$31,415,000		\$23,639,907
Special fund	942,757	10,179,930	2,325,767	1,211,000
Abandoned projects from prior years/returned awards				
Transfers from other agencies				
Prior year carryover				20,065,973
Total Available Revenues	\$21,423,410	\$55,318,833	\$45,485,130	\$47,234,939
Expenditures				
Transferred to agencies	-\$7,699,507	-\$12,159,470		
<i>Prior and Current Year Commitments</i> <i>(approved by legislature/JCR)</i>				-\$20,065,973
Fiscal 2005 obligations			-\$408,020	
Fiscal 2006 obligations			-5,724,594	
Fiscal 2007 obligations			-25,183,532	
Fiscal 2008 obligations			-11,850,925	
Requested expenditures				-26,860,860
Fund Balance	\$13,723,903	\$43,159,363	\$2,318,059	\$308,106

JCR: *Joint Chairmen's Report*

MITDPF: Major Information Technology Development Project Fund

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

As detailed in **Exhibit 6**, of the \$26.9 million in new spending, just over \$11.0 million, (41%) is for ongoing project oversight and for five projects for which funding has previously been approved by the General Assembly. The remaining \$15.9 million (59%) is for seven new projects.

Exhibit 6
Major Information Technology Development Project Fund (MITDPF)
Projects Receiving New Fiscal 2009 Funding (Excluding Carryover Project Funding)

<u>Agency</u>	<u>Project Name</u>	<u>Project Description</u>	<u>MITDPF Funding</u>	<u>Comment</u>
Ongoing Oversight/Projects				
COMP	Modernized Integrated Tax System	Replace legacy (1986) Computer Assisted Collections System and include tax processing as a whole	\$200,000	Project scope and costs have significantly expanded. Fiscal 2009 MITDPF funding is for independent verification and validation (IV&V) only. Current project schedule appears aggressive. The Department of Legislative Services (DLS) recommends approval.
SDAT	Assessment Administration and Valuation System	Establishment of single real property database with statewide access	200,000	Contract awarded in 2006. Project currently in design and development phase with expected completion by January 2009. Total project costs at completion have fallen by just over \$500,000. Fiscal 2009 MITDPF funding is for IV&V only. DLS recommends approval.
DBM	Statewide Personnel System	Replacement of existing State personnel management system	3,150,000	Project is still in planning phase. DBM intends to issue a Request for Information (RFI) to assess current market technology and standards in order to develop a Request for Proposal (RFP). Funding assumes a solution will be identified in the middle of fiscal 2009. DLS recommends approval.
DHMH	Computerized Health Record Information System	Replacement of existing Hospital Management Information System (HMIS)	950,000	This project is running behind schedule as DHMH has had difficulty developing an RFP and has had to replace its project manager. DHMH has almost \$4.3 million in prior year obligations to move forward with the project if the RFP can be completed. DLS recommends approval of only \$200,000 for IV&V, reducing the funding by \$750,000.
DHMH	Electronic Vital Records System	Replacement of existing vital records system with an integrated, web-enabled system	\$860,000	The Board of Public Works (BPW) contract for this previously approved system was awarded October 2007. DLS recommends approval.

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DPSCS	Offender Case Management System	Plan, develop, and implement a comprehensive offender case management system to manage an individual from pre-trial through release	5,200,000	After some delay, projects scope and costs have significantly expanded. A RFI has concluded and a RFP is currently being developed. That RFP will determine project cost and if DPSCS can keep what appears to be an optimistic development schedule. DLS recommends approval.
MHEC	Student Financial Aid System	Replacement of existing student financial aid system	450,000	Project expected to be in development phase July 2008. DLS recommends approval.

Subtotal **\$11,010,000**

New Projects

SBE	Software Upgrade for existing voting system	Maintain security of current voting system	\$256,500	The MITDPF also includes funding for a new voting system making this upgrade redundant. DLS recommends deleting funding. Further information on this project can be found in the SBE analysis.
SBE	Optical Scan Voting System	Replace existing voting system with paper-based system	3,400,000	The funding for this project primarily supports a capital lease finance agreement to purchase the machines. DLS recommends reducing funds based on using a five-year versus a three-year lease agreement. Further information on this project can be found in the SBE analysis.
DNR	Maryland Outdoor Service Delivery System	Replace existing licensing system for recreational anglers, hunters, commercial fishermen, and vessel registration and titling	1,950,000	Existing system was developed in 1996 and is no longer supported. DLS recommends deleting funds but allowing DNR to proceed with the project by raising revenue to fund the system through a license surcharge.
DHR	Client Automated Resource and Eligibility System (CARES)	Enhancements to CARES to meet federal reporting requirements	1,844,360	Modifications are intended to allow DHR to better track work participation numbers and other reporting requirements. Substantial federal penalties apply if the State fails to meet these standards. DLS recommends approval.
DHR	CHESSIE III	Continued modifications to enhance CHESSIE functionality	\$2,000,000	In the DHR Administration analysis DLS recommended approval with language requiring a report on the planning, prioritization, and timeliness for the work to be done.
DJS	Treatment Assessment,	Tracking system to monitor and report on criminogenic needs	1,200,000	Project being developed under a Memorandum of Understanding with the

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	Planning, and Tracking			University of Maryland. This system will be integrated with the existing ASSIST and SMART systems. DLS recommends approval.
DSP	Computer Aided Dispatch/ Records Management System	Coordinate statewide public safety information sharing	5,200,000	This project has begun outside the parameters of the Major Information Technology statute and is proceeding with DSP funds. The submitted Information Technology Project Request is incomplete, and it is unclear what the parameters of the project are or the implementation schedule. DLS recommends disapproval except for \$200,000 for IV&V.
Subtotal			\$15,850,860	
Total	Fiscal 2009 Allowance		\$26,860,860	

ASSIST: Automated Statewide Support and Information System
 CHESSIE: Children’s Electronic Social Services Information Exchange
 COMP: Comptroller
 DBM: Department of Budget and Management
 DHMH: Department of Health and Mental Hygiene
 DHR: Department of Human Resources
 DJS: Department of Juvenile Services
 DLS: Department of Legislative Services
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 IV&V: independent verification and validation
 MHEC: Maryland Higher Education Commission
 SBE: State Board of Elections
 SDAT: State Department of Assessments and Taxation
 SMART: Statewide Maryland Automated Record Tracking

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

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In addition to the comments and recommendations made in Exhibit 6, DLS would make additional observations about a number of projects:

- The Comptroller's Modernized Integrated Tax System is an expansion of the previously approved replacement of the Computer Assisted Collections System. The revised proposal is to replace two legacy systems as well as to add a data warehousing capability to strengthen tax compliance and revenue collection. This expansion of the project scope came after the Comptroller's office re-evaluated the original project in the context of the agency's total business model and undertook a Request for Information to see how other states have proceeded with a more integrated model. Over 30 states have done something similar although the costs have varied significantly. Actual project costs (now estimated at \$53.8 million) will be better known once the Request for Proposals (RFP) has been issued and responses reviewed.

In conducting its review, the Comptroller's office considered, and rejected, the idea of a contingency-based contract whereby a vendor would develop the system for a percentage of additional revenues gained. This decision was based on the belief that it would ultimately be more costly to the State and that it would be difficult to specifically attribute additional revenues to the development of a new system.

At this point, the RFP and implementation schedule set by the Comptroller's office appears overly aggressive. They hope to award a contract in July, whereas OIT believes October is more realistic. This could impact the extent of additional revenues expected from the additional tax compliance efforts that are to be rolled out throughout fiscal 2009.

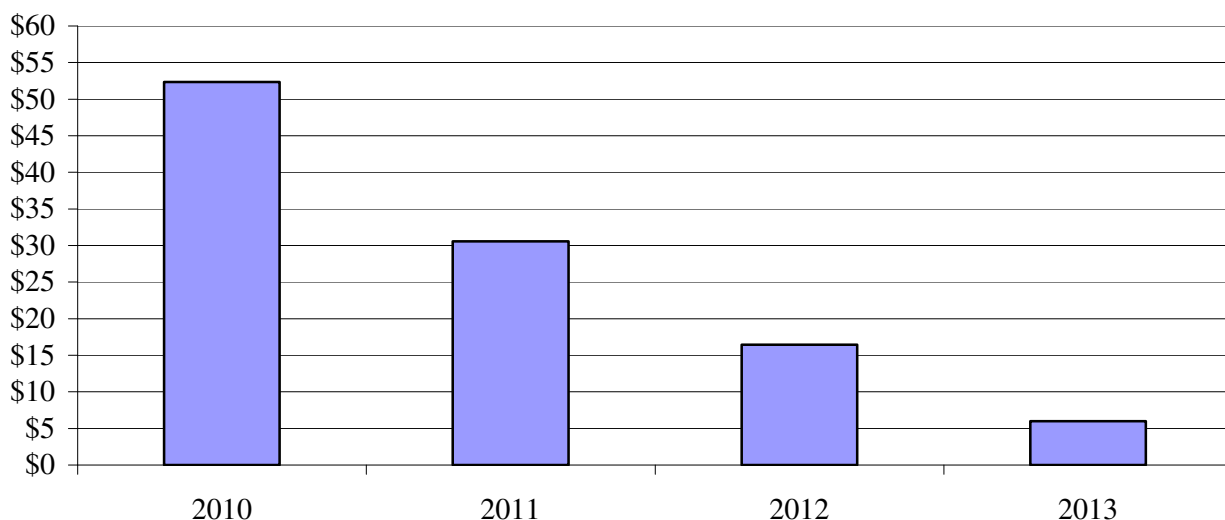
- The DPSCS Offender Case Management System project has also significantly expanded in scope. Previously budgeted at \$3 million, this project was delayed when DPSCS asked for additional funding to move forward with an identified Commercial-Off-The-Shelf (COTS) project. However, a COTS project appears an unlikely solution given Maryland's unique booking process. At this point, the project estimate is \$30 million. According to OIT, the intent is to proceed with a RFP with the notion of breaking the project into integrated but independent phases. To the extent that a COTS solution does not work for a particular phase, a decision will then be made to accept the cost of customization, change business practices to significantly reduce the need for customization, or not move forward with that component.
- The Department of Natural Resources (DNR) Maryland Outdoor Service Delivery System is intended to replace a legacy system used by DNR in its licensing process. The department issues some 930,000 licenses through the current system annually. Total project cost is estimated to be just under \$6.2 million. To finance this project through a temporary license fee surcharge (\$2 per license for three years, for example), would require a statutory change as license fees for the various licenses contemplated to be included in this system are set in statute (and vary widely based on the type of license sought).

- The Department of State Police (DSP) Computer Aided Dispatch/Records Management System is of specific interest because DSP took on the early stages of the system’s development life cycle costs without requested funding, *i.e.*, outside the parameters of the major IT statutory framework. Again, while project costs are uncertain until an RFP is developed, the estimated price tag of \$25.2 million meets the criteria for a major IT project. The Information Technology Project Request (ITPR) available at the time of writing was incomplete. Since DSP is currently funding this project internally, it can continue to use its own resources to develop a RFP and may be considered for additional funding at a later time. IV&V funding is retained since to date no funding has been available for independent project oversight.

MITDPF Out-year Commitments

Based on the current pipeline of projects, as shown in **Exhibit 7**, new development funding required in the out-years could be significant. While for a number of significant projects actual costs will not be known until the State receives responses to RFPs, at this time the level of MITDPF funding required for fiscal 2010 to move forward with existing projects could total almost \$52.4 million. Even absent new projects, for the period shown, fiscal 2010 through 2013, this represents funding of just over \$105.0 million. This is a much higher out-year funding level than has been seen in recent years.

Exhibit 7
Major Information Technology Development Project Fund
Fiscal 2010 and Out-year New Funding Commitments
Fiscal 2010-2013
(\$ in Millions)



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

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It should also be noted that this funding estimate includes out-year MITDPF funding for two MSDE projects (a web-based education data collection system, and a web-based General Education Diploma processing system) that are being funded in fiscal 2008 but were not shown as major IT projects in fiscal 2008. Again, this represents the development of major IT projects outside of the statutory framework governing major information technology projects.

Status of Prior Year MITDPF Projects

Exhibit 8 details the status of ongoing projects previously funded through the MITDPF but for which no funds were provided in fiscal 2009. As shown in the exhibit, most of these projects are complete or near completion, but the project funding has yet to be transferred from the MITDPF.

Exhibit 8
Major Information Technology Development Project Fund (MITDPF)
Status of Prior Year Projects
Not Funded in Fiscal 2009 Budget for Which MITDPF Funding Still Exists

<u>Agency</u>	<u>Project Name</u>	<u>Project Description</u>	<u>Fiscal Year</u>	<u>Remaining MITDPF Funding</u>	<u>Comment</u>
DBM	IV&Vs	Project oversight	2006, 2007, and 2008	\$695,957	
DPSCS	NCIC	On-line information service maintained jointly by the FBI and criminal justice agencies	2005	408,020	Project in development and implementation phase and near completion.
DBM	Statewide Business Processes System Planning	Replace legacy budget, accounting and personnel systems	2006	510,712	Project complete. Fund balance to be transferred to Statewide Personnel System project.
DBM	Statewide Radio Systems Planning	Development of a standard enterprise architecture for the statewide interoperable 700 MHz radio system	2006	614,411	See Issue 3 for update.
DBM	Statewide Disaster Recovery Center Planning	Planning for a State-owned and managed disaster recover center	2006 and 2007	0	Project abandoned at this point. Remaining funds available for general use.
DPSCS	MAFIS	Replacement of existing Multiple Agency Fingerprint Information System (MAFIS)	2006 and 2007	9,921,859	BPW approval for a contract to replace the current MAFIS system was approved at the beginning of fiscal 2007. Project completion expected at the end of fiscal 2008.
DHR	CHESSIE	Child welfare case management system	2007 and 2008	\$58,863	Original project complete. Currently undergoing enhancements.

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<u>Agency</u>	<u>Project Name</u>	<u>Project Description</u>	<u>Fiscal Year</u>	<u>Remaining MITDPF Funding</u>	<u>Comment</u>
DBM	Federal Vendor Offset Project	Upgrade R*STARS in order to exchange payment and debtor information with the federal government	2007 and 2008	96,642	Project complete.
DJS	Statewide Education Technology Implementation	Add to DJS's existing network a layer dedicated to education units at DJS facilities	2007 and 2008	890,337	Project complete.
Various		Prior year costs of projects funded in fiscal 2009		29,970,270	
Total				\$43,167,071	

BPW: Board of Public Works
 CHESSIE: Children’s Electronic Social Services Information Exchange
 DBM: Department of Budget and Management
 DJS: Department of Juvenile Services
 DPSCS: Department of Public Safety and Correctional Services
 FBI: Federal Bureau of Investigation
 IV&V: independent verification and validation
 NCIC: National Crime Information Center

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

2. Department of Information Technology

Delivering on a promise made in his inaugural State of the State speech, the Governor has introduced SB 212/HB 362 in the 2008 session which create a cabinet-level Department of Information Technology (DIT). Those bills create the new department, add positions and other statutory elements typical for a cabinet-level agency, and make a number of substantive changes.

Among the changes are:

- The abolition of the State Information Technology Board.
- Allowing the MITDPF to be used for the first 12 months of a project’s operations and maintenance costs. According to OIT, the definition of total project cost includes the first year of operation and maintenance, but funding from the MITDPF is currently precluded in statute. The timing of project development sometimes makes it difficult to accurately forecast when an agency’s budget should reflect operation and maintenance costs. This change will give OIT flexibility to use the MITDPF for what it believes is appropriate in the context of how IT development occurs.

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- Repealing a requirement that a streamlined procurement process for IT services be adopted by regulation. The lack of regulation as required by statute was an issue in the July 2006 audit of the DBM Office of the Secretary. DBM has argued that its numerous statewide master contracts already provides that streamlined process and that adopting regulations would be cumbersome.

What does not change are those agencies exempt from oversight: the Maryland Port Administration, the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and the judicial and legislative branches of government.

What is the price tag attached to the elevation of OIT to cabinet-level status? As shown in **Exhibit 9**, OIT's estimate for the additional 12 regular positions as well as small additional operating expenses is just under \$1 million (although the fiscal note estimates that this transition can be done with 9 positions and \$560,000 in the first year). This increase reflects the additional responsibilities that a new department would have to provide (and that OIT cannot absorb) that are currently being provided by DBM with existing resources. DBM is also not expecting to lose staff under this reorganization, and neither will it add IT staff as the new DIT is intended to provide necessary IT support to DBM. Interestingly, that is somewhat different from the arrangement originally anticipated in earlier reform proposals whereby DBM had a separate CIO even while OIT was within the same agency. At this point, this additional funding is not included in the fiscal 2009 allowance and a supplemental appropriation is anticipated.

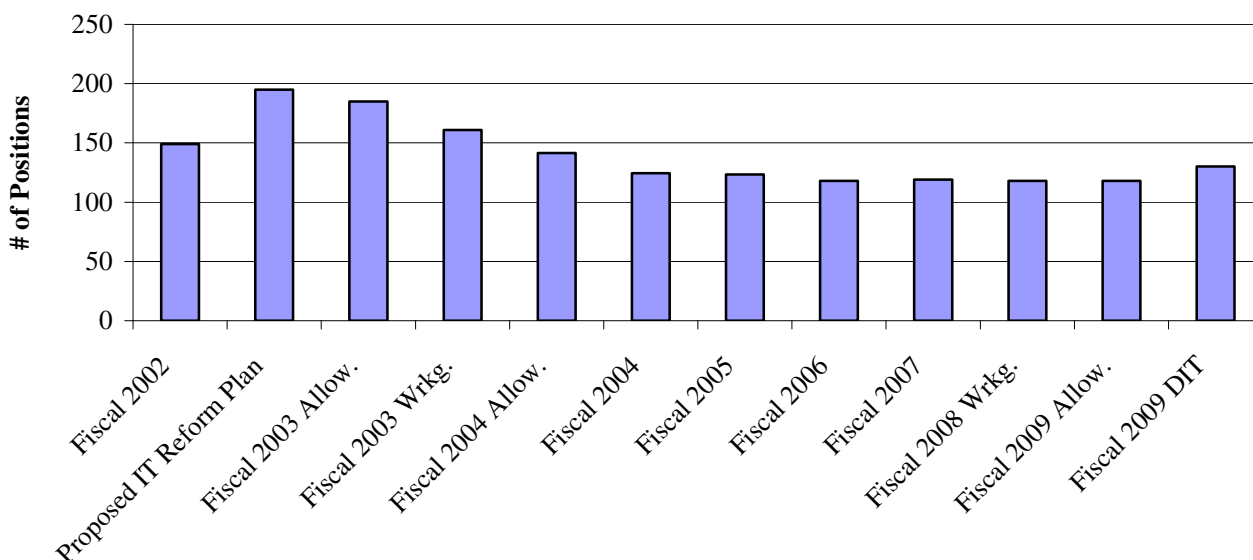
Exhibit 9
SB 212/HB 362
The Cost of a Department of Information Technology

<u>Position</u>	<u>Requested Cost</u>
2 Assistant Attorneys General	\$162,408
1 Internal Auditor	56,750
1 Personnel Officer	49,859
1 Communication and Legislative Liaison	60,563
2 IT Procurement Staff	125,204
2 Finance and Accounting Officers	93,536
1 Minority Business and Board of Public Works Support	46,768
2 Administrative or Executive Staff	93,775
Turnover Adjustment	110,484
Salary Subtotal	\$688,861
Benefits	254,175
Start-up Delay/Turnover	-98,263
Other Operating Expenses	46,682
Total Cost	\$992,455

Source: Department of Budget and Management

Is the elevation to cabinet-level status worth \$1 million? At one level, it can be argued that the office has never had the staffing resources that were anticipated when the legislature elevated its oversight authority in Chapters 467 and 468 of 2002 (see **Exhibit 10**). With some exceptions, it might be argued that these additional positions might simply better allow OIT to fulfill the oversight role envisaged in 2002 regardless of whether it was a cabinet-level agency or otherwise.

Exhibit 10
Office of Information Technology
Various Personnel Data



IT: Information Technology
DIT: Department of Information Technology

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

Nonetheless, a cabinet-level agency is proposed. The legislature has traditionally been deferential to the executive in this regard, and in the last decade cabinet-level agencies for Aging, Disabilities, Planning, and Veterans Affairs have been created. Nonetheless, a number of points can be raised around this request.

- Historically, it is unclear that there is any relationship between a direct reporting relationship to the Chief Executive and the ability of a Chief Information Officer (CIO) (or for that matter a Secretary or Special Secretary) to get the job done. That the Governor accords sufficient importance to the role of IT, and hence the importance of the State CIO, may be enough authority for any CIO.

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- It could be argued that OIT's place within DBM provides it with more authority over IT projects, practices, and expenditures than being outside the department. While the proposed statute does not diminish the current authority that OIT has over all things IT, intuitively it seems that removing itself from the agency with direct control over agency operating budgets diminishes its oversight potential. In particular this would seem to be the case for ongoing operational IT expenditures if not major IT development projects.
- The proposed DIT will retain its current significant oversight and authority over agency IT spending through, for example: control over IT procurement not least through the significant number of statewide master contracts; providing statewide applications and other services such as networkMaryland; the statewide IT master plan; and the MITDPF. Indeed, it could be argued that most, if not all, of the action items included in the Governor's transition plan for improvements in information technology procurement and additional efficiencies could be achieved through the auspices of the existing statutory framework.
- The goals of the new DIT are certainly merit-worthy: undertaking an enterprisewide consolidation project (*e.g.*, moving toward a consolidated e-mail system, noted several years ago in the State's IT master plan as something that should be undertaken, streamlining IT functions, and becoming more involved in business transformation and process engineering consulting within agencies). However, these are all things that could be done in the current structure.
- As noted in last year's analysis, there is no consensus among the states on the operational model for the CIO. In a survey from 2005, the State CIO is in slightly more states (25 to 22) reporting directly to the Governor in a cabinet-level or other direct reporting position. Three states, including Virginia, have a different structure, with the CIO reporting to an independent technology board.
- As also noted last year, the National Association of State Chief Information Officers in 2005 reversed its long-standing position of promoting CIOs as cabinet-level positions arguing that what a CIO did on a daily basis in terms of running the business of IT was more important than their position in an organizational chart; and removing CIOs from the Governor's cabinet could inject needed stability into the position.

In summary, the DIT proposed in SB 212/HB 362 obviously raises the organizational visibility of IT, but those bills do not represent a major change in the statutory framework for the oversight of IT (although that is not to say that within that framework the new CIO will not impart significant changes). At this point, at least, the proposed DIT does not offer the sweeping organizational changes seen in other states. Rather, a more incremental approach to change can be foreseen.

3. The 700 MHz Public Safety Communications System

For the past decade, the State has been planning and slowly building the physical infrastructure for a modern wireless 700 megahertz (MHz) communications system. The system will operate on 24 MHz of spectrum within the 746-806 MHz band, spectrum currently occupied by television channels 60 through 69. This spectrum will become available to the states on February 18, 2009.

The 700 MHz communications system has the potential to link several large State agency users (for example, DSP, Maryland Department of Transportation, Maryland Transportation Authority, and DNR) as well as multiple smaller agencies (for example, the Maryland Department of the Environment (MDE), the Department of Juvenile Services, and DPSCS). The infrastructure will also be available to participating local jurisdictions. Current local users include Anne Arundel, Caroline, Cecil, Dorchester, Frederick, Harford, Howard, Montgomery, Queen Anne's, Talbot, and Worcester counties as well as Ocean City.

As conceived, the 700 MHz system will also be interoperable with local public safety communications systems that are being developed in the 800 MHz spectrum, ensuring that first responders, regardless of jurisdiction, can effectively and easily communicate with one another. This interoperability depends on local jurisdictions developing their own 800 MHz system and the availability of mobile, portable, and base station equipment that can operate in both bands.

Fiscal 2009 Infrastructure Funding

Funding for the continued build-out of the 700 MHz system was not included in the fiscal 2009 budget (pay-as-you-go funding of \$10 million was anticipated as provided for in the fiscal 2008 *Capital Improvement Program*). That the funding was not included in the fiscal 2009 budget is not a surprise. During deliberations on the proposed fiscal 2008 funding, it was pointed out that prior year funding was not being expended. OIT noted that a significant amount of planned construction was put on hold pending the results of an inventory to determine where towers are currently located and how best to build out future towers (current estimates of coverage based on the existing physical infrastructure varies from county to county and ranges from 13% to 75% coverage in any one county). At that time, in opposing a recommended reduction, OIT indicated that it would be accelerating tower construction projects where possible.

Exhibit 11 provides the most updated project encumbrance and expenditure data. As shown in the exhibit:

- there continues to be activity associated with the system with almost \$9.2 million in encumbrances and \$4.7 million in expenditures since the 2007 session; and
- significant balances remain – only 11% of fiscal 2007 and 2008 funding has been encumbered, and less than 1% actually spent.

Exhibit 11
Public Safety Communications System Authorization Summary
State Funds Only
(\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$10.380	\$10.373	\$10.373	\$0.007	\$0.007
2003	3.000	3.000	3.000	0.000	0.000
2004	2.500	2.470	2.470	0.030	0.030
2005	5.000	4.870	4.870	0.130	0.130
2006	9.000	8.880	4.910	0.120	4.090
2007	10.000	1.880	0.016	8.120	9.984
2008	7.500	0.000	0.000	7.500	7.500
Total	\$47.380	\$31.473	\$25.639	\$15.907	\$21.741

Source: Department of Budget and Management

Clearly, the anticipated major acceleration of activity has not occurred. As noted earlier in the discussion of the operating budget, the fiscal 2009 budget includes additional contractual support for tower construction to alleviate the current congestion in proposed construction.

The Way Forward

Under an interagency governance group, now headed by DSP, in May 2007, an international telecommunications consulting firm out of New Jersey, RCC Consulting Inc. submitted an interoperability study based on the functional requirements identified by stakeholders for the proposed system (*i.e.*, what it is the system is intended to do) and developed a target architecture (the system design needed to get to that future point). The report (which at the time of writing has not been made available to DLS) identified layers of services and equipment that would need to be procured across all of the participating agencies.

- physical infrastructure (*e.g.*, towers and communications shelters);

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- backbone network (microwave and fiber connectivity, network operations center, and other data centers);
- common radio communications system to be used as a primary operating radio system for all participating agencies and to be managed by a central network operator; and
- radio units and other equipment to be purchased by participating agencies to meet that agency's communications needs.

The RCC study estimated that the cost of a system that met the functional requirements identified by the State was \$325 million to \$400 million (including basic infrastructure of approximately \$35 million for which funding exists, thus net new funding of \$290 million to \$365 million).

A RFP is currently under development that is intended to do four things:

- to take the functional requirements identified in the RCC study and turn them into an engineering plan to build upon incremental tower construction to date;
- to identify where additional towers need to be built to achieve statewide coverage;
- to design a system; and
- to produce multiple implementation plan options with associated cost and schedule detail.

Two points emerge from this discussion:

- Why, for this particular project, has responsibility for the project been transferred from OIT to DSP? One of the important statewide successes identified by the Governor's transition team, the development of networkMaryland, appears pertinent in this discussion in that OIT sought the best statewide solution and did not let any one agency's particular needs drive the solution. One would think the same model would apply here.
- Do the functional requirements identified in the RCC study preclude the consideration of alternative solutions for a 700 MHz system? DLS' understanding is that the functional requirements point to a uniform statewide system rather than, for example, a solution that integrates existing systems that could be less expensive. According to OIT, there are drawbacks associated with integration including channel management, inconsistent radio coverage, and the additional effort involved with constantly managing integrated systems when one system changes.

OIT should be prepared to comment on the decision to change the leadership of this project mid-stream and the proposed RFP.

4. Legislative Oversight of IT

With Chapters 467 and 468 of 2002, the legislature sought to establish a model that placed OIT at the heart of IT oversight. The legislature clearly looked to OIT to provide the IT expertise necessary to bring projects to successful fruition although this model was not all encompassing as some executive agencies as well as the Judiciary and legislature (unlike some other states where the Judiciary and legislature’s significant IT projects are actually overseen by an executive IT office) are not included.

Oversight undertaken by OIT consists of four elements:

- portfolio review (annual meetings and quarterly reports);
- the utilization of peer review committees;
- IV&V; and
- the utilization of professional project management.

While individual agencies and OIT are routinely generous with their time, the one element of the oversight model that legislative staff do not have routine access to is the IV&Vs. IV&Vs, which were certainly utilized prior to 2002, have become an institutionalized component of the oversight rubric used by OIT. IV&Vs, conducted by outside consultants, may be conducted at various stages in the system development life cycle and assess such things as the technical solution proposed for a project, and project governance, and may also be done on existing systems to assess functionality and strengths and weaknesses. It is now commonplace for the funding for many major IT projects to contain a specific amount for IV&V, and it is not uncommon for IV&V expenditures for a large IT project to be budgeted at \$500,000 or higher the development life cycle for that project.

Absent routine access to IV&Vs, legislative oversight is typically provided through agency contact, the annual report on major IT projects, with reporting requirements significantly enhanced by the legislature in the 2005 session following a performance audit on IT oversight, and ITPRs.

Occasionally the legislature has become sufficiently concerned about a project’s development that it has adopted additional oversight, through budget bill language, significant project limitations and enhanced reporting requirements. However, this additional level of oversight has not always been successful.

For example, in recent years the legislature has added budget bill language on several occasions to MDE’s development of the Enterprise Environmental Management System (EEMS). As noted in the recent legislative audit of MDE:

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- MDE’s reporting to the budget committees failed to disclose significant development and implementation issues including cost overruns and contract modifications (modifications which were also not approved by BPW as required under State procurement regulations).
- MDE’s reporting did not include comment on operational deficiencies including limited functionality and system operations that are not what was specified by contract.
- MDE failed to provide the budget committees with detailed findings from an IV&V that was conducted at the insistence of the legislature. The agency response was limited to a general summary and planned corrective actions. The IV&V captured the significant development, implementation, and operational issues noted above but not disclosed to the budget committees.
- MDE specifically did not disclose that it executed additional contracts in order to implement EEMS and by not doing so runs the risk that it could exceed the budget cap imposed on the project by the legislature.

In order to upgrade the current legislative oversight provided of IT projects, providing DLS access to IV&Vs seems to be a relatively easy way for legislative staff to:

- gain an understanding of IT projects that are, after all, typically an integral element of the operations of agencies for which they have a budgetary oversight responsibility;
- provide the legislature with the most complete current information about ongoing projects; and
- develop deeper understanding of the IT project development process generally.

However, OIT remains concerned that such access would undermine the utility of an important oversight tool. OIT notes that agencies have accepted the idea of IV&Vs, but if they were more widely distributed, agencies would be less forthright with the outside consultants. **As a compromise, DLS recommends narrative requesting OIT to enhance its current reporting on major IT projects using the annual report format as the basis for this additional reporting.**

Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce funding for the Computerized Health Record Information System. The project is running behind schedule due to issues developing a Request for Proposals (RFP) and retaining a program manager. When the RFP is completed, the project has almost \$4.3 million in prior year obligations with which to move forward.	\$ 750,000	GF
2. Delete funds for voting system software upgrade. Upgrades to the existing voting system are not necessary if the funding is provided for a new voting system.	256,500	GF
3. Reduce funding for new voting system based on the use of a five-year capital lease agreement.	1,370,000	GF
4. Delete funding for the proposed Maryland Outdoor Service Delivery System. The Department of Natural Resources may proceed with the project by raising revenue through a temporary license fee surcharge.	1,950,000	GF
5. Reduce funds for a Computer Aided Dispatch/Records Management System. To date, this project has been developed outside of the statutory framework for major information technology development projects. It is not clear if the current project schedule justifies funding in fiscal 2009. Funding is retained for independent verification and validation.	5,000,000	GF

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6. Adopt the following narrative:

Major Information Technology Development Projects: The committees are interested in receiving more regular updates on the status of major information technology (IT) development projects. The committees request that the Office of Information Technology (OIT) provide the committees with an additional report on project status, schedule, cost, and scope changes, risk and monitoring/oversight status for each ongoing major IT development project. That report, to be submitted by January 15, 2009, shall include the most up-to-date available project information.

Information Request	Author	Due Date
Update on Major IT Development Projects	OIT	January 15, 2009
Total General Fund Reductions		\$ 9,326,500

Current and Prior Year Budgets

Current and Prior Year Budgets Office of Information Technology (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2007					
Legislative Appropriation	\$43,834	\$7,538	\$0	\$15,055	\$66,427
Deficiency Appropriation	0	1,653	0	0	1,653
Budget Amendments	321	3,433	0	0	3,754
Reversions and Cancellations	-385	-5,629	0	-2,864	-8,878
Actual Expenditures	\$43,770	\$6,995	\$0	\$12,191	\$62,957
Fiscal 2008					
Legislative Appropriation	\$13,534	\$21,849	\$0	\$16,136	\$51,519
Cost Containment	-410	0	0	0	-410
Budget Amendments	116	5	0	0	121
Working Appropriation	\$13,240	\$21,855	\$0	\$16,136	\$51,230

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

Fiscal 2007

The fiscal 2007 legislative appropriation for OIT was reduced by almost \$3.5 million. This reduction was derived as follows:

- A deficiency appropriation added over \$1.65 million to the original appropriation. This funding was to implement a new Federal Vendor Offset Project as authorized by Chapter 557 of 2006.
- Budget amendments added just under \$3.8 million to the appropriation. Specifically:
 - General fund amendments added \$321,000, comprised of \$200,000 as part of overall realignment of DBM expenses during fiscal 2007 close-out, \$97,000 for OIT's share of the fiscal 2007 COLA, and \$24,000 for equipment.
 - Special fund budget amendments added over \$3.4 million, almost all of which related to a contingency recovery fee to be paid to a private audit company that has been reviewing various State telecommunications contracts to verify the rebates that the State should have received under those contracts. Other smaller adjustments included payments from non-state users of networkMaryland and other State telecommunications systems (\$170,000), funds from the Central Collection Unit for a business process review (\$57,000), and OIT's special fund share of the fiscal 2007 COLA (\$5,000).
- The increase in the legislative appropriation resulting from the deficiency appropriation and various budget amendments was more than offset by just under \$8.9 million in reversions and cancellations. Specifically:
 - General fund reversions (\$385,000) were primarily associated with unspent personnel costs.
 - Special fund cancellations amounted to over \$5.6 million. The major special fund cancellations were two-fold: in the Telecommunications Access of Maryland program over \$3.9 million of various anticipated expenditures did not materialize including higher contract rates, increased usage, and changes at the federal level mandating that the State pay for certain services; and an anticipated \$1.5 million payment to the federal government as its share of audit recoveries was not made.
 - Reimbursable fund cancellations were spread throughout OIT, with major cancellations resulting from delays in completing leasing packages for new or upgraded PBXs prior to the end of fiscal 2007, unspent personnel costs, and unused IV&V funding.

Fiscal 2008

To date, the fiscal 2008 legislative appropriation for OIT has been reduced by \$289,000. Cost containment actions adopted by the BPW in July 2007 resulted in a \$410,000 reduction in general funds. This reduction has been partially offset by budget amendments adding \$121,000 to represent OIT's share of the fiscal 2008 COLA.

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	119.00	118.00	118.00	0	0%
02 Contractual	3.00	5.00	5.00	0	0%
Total Positions	122.00	123.00	123.00	0	0%
Objects					
01 Salaries and Wages	\$ 8,736,052	\$ 9,398,841	\$ 10,216,311	\$ 817,470	8.7%
02 Technical and Spec. Fees	136,994	369,864	373,906	4,042	1.1%
03 Communication	5,787,469	8,070,950	8,034,397	-36,553	-0.5%
04 Travel	65,400	95,500	56,500	-39,000	-40.8%
06 Fuel and Utilities	23,631	30,500	25,000	-5,500	-18.0%
07 Motor Vehicles	4,055	7,120	21,496	14,376	201.9%
08 Contractual Services	46,691,830	32,862,027	72,799,452	39,937,425	121.5%
09 Supplies and Materials	121,093	2,400	112,400	110,000	4583.3%
10 Equipment – Replacement	1,017,051	196,440	216,800	20,360	10.4%
11 Equipment – Additional	184,617	0	3,026,000	3,026,000	N/A
12 Grants, Subsidies, and Contributions	0	10,000	0	-10,000	-100.0%
13 Fixed Charges	167,703	186,682	191,639	4,957	2.7%
14 Land and Structures	20,675	0	0	0	0.0%
Total Objects	\$ 62,956,570	\$ 51,230,324	\$ 95,073,901	\$ 43,843,577	85.6%
Funds					
01 General Fund	\$ 43,770,095	\$ 13,239,571	\$ 37,848,991	\$ 24,609,420	185.9%
03 Special Fund	6,995,088	21,854,877	37,492,222	15,637,345	71.6%
09 Reimbursable Fund	12,191,387	16,135,876	19,732,688	3,596,812	22.3%
Total Funds	\$ 62,956,570	\$ 51,230,324	\$ 95,073,901	\$ 43,843,577	85.6%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
DBM – Information Technology**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 Executive Direction	\$ 3,519,561	\$ 1,699,569	\$ 2,379,334	\$ 679,765	40.0%
02 Division of Information Technology (IT) Investment Management	8,889,700	11,005,161	11,108,561	103,400	0.9%
03 Division of Application Systems Management	5,766,671	6,901,973	7,023,990	122,017	1.8%
04 Division of Telecommunications	5,065,817	5,452,990	6,007,942	554,952	10.2%
05 Division of Contracts Management	1,890,959	2,829,949	5,321,863	2,491,914	88.1%
06 Major IT – Office of Information Technology	1,434,924	675,040	3,744,634	3,069,594	454.7%
07 Division of Security and Architecture	1,471,104	1,731,662	2,353,231	621,569	35.9%
09 Telecommunications Access of Maryland	3,502,834	8,439,750	10,207,513	1,767,763	20.9%
01 Major Information Technology Development Projects	31,415,000	12,494,230	46,926,833	34,432,603	275.6%
Total Expenditures	\$ 62,956,570	\$ 51,230,324	\$ 95,073,901	\$ 43,843,577	85.6%
General Fund	\$ 43,770,095	\$ 13,239,571	\$ 37,848,991	\$ 24,609,420	185.9%
Special Fund	6,995,088	21,854,877	37,492,222	15,637,345	71.6%
Total Appropriations	\$ 50,765,183	\$ 35,094,448	\$ 75,341,213	\$ 40,246,765	114.7%
Reimbursable Fund	\$ 12,191,387	\$ 16,135,876	\$ 19,732,688	\$ 3,596,812	22.3%
Total Funds	\$ 62,956,570	\$ 51,230,324	\$ 95,073,901	\$ 43,843,577	85.6%

Note: The fiscal 2008 appropriation does not include deficiencies.