


MEMORANDUM

July 8, 2010

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: DTS Consolidation Options and Risk Assessment

Expected to attend:

Steven Emanuel, Chief Information Officer, Department of Technology Services
Mike Knuppel, Chief Technology Officer, Department of Technology Services

Summary of staff recommendations to the MFP Committee:

1. **Review County-wide Risk Assessment report findings** when they are fully available and **request that a "Heat Map" be developed** as soon as practical, to evaluate the current situation with IT-based risks in all MCG departments after the impact of FY11 budget cuts is fully implemented and known.
2. **Consider using same Risk Assessment methodology across all agencies.**
3. **Review the status of IT consolidation efforts** within Montgomery County departments and **encourage the creation of an implementation team that can report improvement targets and impediments to progress by the fall technology meeting of the Committee.**

Overview

During the FY 2011 budget worksessions, concerns were voiced regarding the depth of cuts that were absorbed by the Department of Technology Services (DTS), especially since the majority of funding is directly related to needed IT services in departments (users) other than DTS itself. Although the Executive branch gave assurances that the degree of risk emerging from the reduced levels of IT provisioning was acceptable, it was agreed that all information regarding risk assessment should be used when available to help evaluate current and future IT conditions.

A recent initiative by the Administration was the commissioning of a “County-Wide Risk Assessment and Multi-Year Audit Plan for the Executive Branch Departments”; this report will be presented to the Audit Committee on July 15th (rescheduled from a prior session). While the full report will be discussed on that date, certain elements from it do shed significant light on the condition of IT services in each County department. IT risk is indeed one of several attributes that the report authors evaluated; they gave a three-tier mark (Red/Yellow/Green) to each department.

This assessment, and the process behind it, is illustrated on ©1-8. Two observations can be drawn, even before the Audit Committee review:

1. The process used to develop the report and related “Heat Map” of risks is very robust and helpful for establishing a way for the Committee and full Council to understand where risk currently exists by department and by generic function. Indeed, a similar risk assessment could prove valuable if done across all County agencies.
2. The data collected for this May 2010 report reflect interviews and assessments made before the implementations of the severe budget cuts, rendering the absolute values displayed less than helpful. To make the report useful today, a quick update of the departmental assessments would have to be done again. It is not clear whether the original use for which the report was developed – deciding on audit targets – will support such a refresh effort.

Until the updated data reflecting current (i.e., post-budget cuts) conditions are developed, practical uses of the Risk Analysis report should be postponed. The “Risk and Consequences” report is a useful and IT-specific effort that can provide similar guidance in the area of measuring and deciding whether to accept current risk levels of major IT systems within MCG and in other agencies.

Status of Consolidation Options Effort

The discussions between the Committee and DTS regarding the use of consolidation alternatives to reduce technology costs across all MCG departments led to the creation of a report (on ©9-15) detailing three possible models of progress in this direction:

1. Bring the benefits of Cloud Computing to major users, responding to what’s available in the marketplace and carefully matching it with user department requirements.
2. Pursue the OLO 2007 report on Internal Service Functions, and develop and deploy solutions targeting specific county-wide functions (such as common e-mail or data center solutions) to be operated by a single department.
3. Consider the elimination of all IT operations in departments other than DTS and the consolidation of such functions within a single, centralized IT function.

These “scenarios” were discussed during the MFP worksessions on May 3, 2010, but the pressure of budget deliberations was such that no significant progress can be reported. Staff suggests a dialogue with the senior leadership of DTS that would establish parameters under which such an analysis might be undertaken.

It should be noted that progress is being made but not necessarily reported to the Committee on several collaboration fronts. The MCG CIO will be prepared to detail such examples during the worksession. In addition, the Executive branch issued a report titled “Efforts to Build Sustainable Government Operations, Program and Services” (on ©16-21), which provides 90 specific cost-saving ideas through information gathering and collaboration. Many of these ideas fall in the IT domain and are noted by number in the report as follows:

Cost saving ideas involving IT to be evaluated/implemented in FY11: 16, 17, 21

Cost saving ideas involving IT for follow-up evaluation and, if feasible, implementation in FY12 or beyond: 43, 44, 45, 46, 47, 48, 49, 73, 78, 79, 83, 90

An OMB report (on ©22) provides insight into the reason why such consolidation options should be pursued aggressively: of the total of 294 County employees working in IT-related job classifications in July 2009, 120 were employed by departments other than DTS. Such personnel costs are high enough to make the desire for effective collaboration or even consolidation be a pragmatic option that should be pursued in a time of budget reductions, in addition to service level reductions in all departments.

It is important to affirm that the IT collaboration/consolidation efforts are not only technologically challenging but offer significant cultural and political barriers as well. It is therefore important for the Committee to provide clear and direct support for such efforts, so that the change champions in the Executive branch can look to the Legislative branch for strong endorsement of their cost-reducing initiatives.

Montgomery County, Maryland



**Montgomery County
County-Wide Risk Assessment and Multi-Year Audit Plan for the
Executive Branch Departments
May 12, 2010**

COUNTY-WIDE RISK ASSESSMENT AND MULTI-YEAR AUDIT PLAN FOR THE EXECUTIVE BRANCH DEPARTMENTS

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Introduction

This document summarizes the work that Cherry, Bekaert and Holland, L.L.P. (CBH) has performed in conducting a County-wide risk assessment of the Montgomery County executive branch departments. The scope of this engagement included all departments of the executive branch and the Capital Improvements Program (CIP) as it relates to executive branch departments. This document sets out details of the approach, methodology and matters considered in assessing areas of risk within Montgomery County and the internal audits to be considered as part of the proposed three year internal audit plan. This risk assessment has been performed on behalf of the Office of Internal Audit.

The purpose of the risk assessment is for Montgomery County to better understand its operating environment and where its greatest vulnerabilities and challenges lie with the goal of developing a comprehensive multi-year internal audit plan. The plan is strategically designed to address the most significant audit risks facing the County as identified by the risk assessment. Based on the revised fiscal year 2010 budget, the annual expenditures for the executive branch departments and other County functions, principally non-departmental accounts, included in the risk assessment is approximately \$1.8 billion. In addition, the six-year Capital Improvements Program budget associated with executive branch departments is in excess of \$1.8 billion. A large portion of these budgeted capital improvements will be spent over the course of the multi-year audit plan. Budgeted headcount for the departments under review exceed 8,300 positions.

Executive Summary

For this assessment risk is defined in terms of the likelihood and impact. Likelihood represents the possibility that a given event will occur (e.g., an act of fraud or a failure to comply with laws or regulations) while impact represents the effect of that event occurring (e.g., the impact of a material fraud could have a significant impact on the reputation or financial condition of the County). Departments were assigned risk a rating of High, Moderate, or Low. The ratings reflect our judgments based on the information we gathered during the assessment. Most of the County units we assessed were departments; however some were offices or functions. For simplicity we often use the term department to represent all three.

Of the 30 departments (including offices and government functions such as CIP) included in this engagement we have assessed 9 as being high risk, 7 as moderate risk, and 14 as low risk. Each of the high risk departments is ubiquitous in the daily government operations internally and each also interfaces on a continuous basis with the citizenry of Montgomery County. The determination that a department is high risk is principally a reflection of the nature of the programs or functions for which these departments are responsible and is not meant to imply inadequate management. The nine high risk designations are listed below:

Table 1 –High Risk Designations

County Departments and Functions Rated High Risk	
<ul style="list-style-type: none"> • Finance • Fire and Rescue Service • General Services • Health and Human Services • Capital Improvements Program 	<ul style="list-style-type: none"> • Human Resources • Police • Technology Services • Transportation

The risk assessment identified 112 potential internal audits, each of which was individually classified as High, Moderate or Low. From that audit universe, we have proposed performing 31 audits (including all 26 with a rating of High) as part of the multi-year internal audit plan. In total, 27 of 31 proposed audits relate to the departments identified above as high risk or CIP. A summary of the 112 potential audits by functional area is presented below:

Table 2 – Audits Grouped by Function

Audits Grouped by Function	Audits Identified	Overall Audit Rating		
		High	Moderate	Low
Seven Most Common Audit Functions				
Information Technology	20		15	
Revenue	13		8	
Grant	12		6	
Contracting	12		4	
Capital Improvement	6		2	
Procurement	5		4	
Inventory	5		4	
Total for Top Seven	73	20	43	10
All Other Areas	39		25	6
Total Audits	112	26	68	18

Appendix A – Risk Assessment Heat Map by Department

Appendix A presents the risk assessment by department. A handful of departments have been excluded from the risk assessment based on the very limited budgeted expenditures and headcount. These include:

- Consumer Protection
- Ethics Commission
- Human Rights
- Public Information
- Commission for Women

Each of these departments had annual budgets of less than \$165,000. We have also not presented information related to the Board of Investment Trustees. We did, however, interview a member of the Board to gain a greater understanding of the role the Board performs and associated risks.

As CIP is not a department, there were no employees to survey or interview. Many employees did comment on specific initiatives or projects that are planned or in process. Our risk ratings for CIP were judgmentally determined based on responses from management, our understanding of the importance of the various projects and the significant dollars budgeted.

Montgomery County, MD
County-Wide Risk Assessment and Multi-Year Audit Plan for the Executive Branch Departments
Risk Assessment Heat Map by Department

	Department or Office	Overall Risk Rating	Budget FY10 (\$)	Full-Time Employees FY10	LIKELIHOOD											IMPACT			
					Budget Risk	Strategic Risk	Financial Operations Risk	Information Technology Risk	Legal & Regulatory Risk	Integrity/ Fraud Risk	Customer Service / Delivery Risk	Environment, Health & Safety Risk	Personnel / HR Risk	Information & Communication Risk	Overall Likelihood	Reputation Impact	Business Operations Impact	Financial Impact	Overall Impact
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Board of Elections		4,468,770	28					M	M	M					M			
2	Community Use of Public Facilities		9,169,440	25						M	M	M							
3	Correction and Rehabilitation	M	65,414,400	548	M		M	M	M	M	M		M		M			M	M
4	County Attorney	M	5,224,980	72					M		M	M				M	M		M
5	County Executive	M	6,602,300	49		M	M		M	M	M				M		M		M
6	Economic Development		10,328,240	46		M			M		M			M	M	M			
7	Emergency Management and Homeland Security		1,346,940	9					M			M				M			
8	Environment Protection	M	114,371,500	150			M			M	M				M	M		M	M
9	Finance		58,319,410	124		M			M	M	M		M	M	M	M			
10	Fire and Rescue Service		193,718,620	1,298		M	M			M			M				M		
11	General Services		34,499,440	250			M	M	M	M	M	M	M		M	M			
12	Health and Human Services		268,570,740	1,372								M		M					
13	Housing and Community Affairs	M	43,777,590	80	M			M		M	M	M	M		M		M	M	M
14	Human Resources		182,823,230	80		M		M		M			M				M		
15	Intergovernmental Relations		904,400	5					M	M				M					

Appendix A
MCIA-10-5

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					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	Liquor Control	M	44,495,260	257	M	L	M	L	L	L	L	L	L	L	M	L	M	M	M
17	Office of Management and Budget	L	3,703,890	33	L	M	L	M	L	L	M	L	L	M	L	M	L	L	L
18	Permitting Services	M	27,067,180	226	L	L	M	L	M	M	M	L	M	M	M	M	M	M	M
19	Police	L	246,648,400	1,632	L	M	M	L	L	L	L	L	L	M	L	L	M	L	L
20	Public Libraries	L	37,729,520	231	M	L	L	L	L	L	L	L	L	L	L	L	L	L	L
21	Recreation	L	30,528,520	136	M	L	M	L	M	L	L	M	L	L	L	L	L	M	L
22	Regional Services Center	L	4,290,360	33	L	L	L	L	L	M	M	L	L	M	L	M	L	L	L
23	Sheriff	M	21,313,120	176	L	M	M	L	L	M	L	L	M	L	M	L	L	L	M
24	Technology Services	L	31,844,190	163	M	L	M	L	L	M	L	L	M	L	L	L	L	M	L
25	Transportation	L	169,172,970	1,313	L	L	L	L	L	L	L	L	M	M	L	L	M	L	L
TOTAL COUNTY DEPARTMENTS			1,636,333,410	8,336															

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					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
26	Cable Television		11,574,470	11					M		M								
27	Non-Departmental Accounts*	M	141,679,230	6					M	M								M	M
28	Urban Districts		7,932,220	32							M	M				M			
29	Utilities		27,282,900	0			M											M	
TOTAL OTHER COUNTY FUNCTIONS			188,468,820	49															
TOTAL OPERATION BUDGET FY10			1,824,802,230	8,385															
31	Capital Improvement Program		1,874,107,000			M	M	M					M	M					
TOTAL CIP BUDGET FY09-FY14 amended in FY10			1,874,107,000																

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IT Consolidation Options Paper

April 2010

Dr. Costis Toregas
IT Advisor
Montgomery County Council
Montgomery County, MD

IT Consolidation: an opportunity for collaboration and risk reduction

April 2010

On April 15, 2010 Chair Trachtenberg requested an analysis of organizational consolidation options in IT for Montgomery County Government as a way to deal with the current and future additional budget challenges and yet retain acceptable service levels for County employees and residents.

This analysis has begun with a scope definition, as well as an identification of options to be addressed; ultimately, the following items must be fully addressed:

- scenaria of possible actions in the consolidation
- estimated cost and service impacts, to the degree that they can be ascertained from Best Practice examples, vendor discussions and other information sources
- a timeline for action for each scenario, as well as estimates for resource requirements (if any)
- possible barriers to success which reflect experience as well as good management practice

Timing for implementation might be 6-9 months according to detailed plans to be developed after the MFP Committee has provided its guidance to this plan.

Current situation (Approximate numbers)

	FY 2010	FY 2011
DTS budget	\$ 32m	\$ 26m
Non-DTS IT budgets	\$ 20m(est)	\$ 18m (est)
Totals	\$ 52m	\$ 44m

NOTE: The non-DTS budget estimates may be sharpened and verified from a CAO-managed survey of IT positions recently undertaken.

Question: Can actions be taken to provide for more effective levels of IT service in 2011 (and beyond) to all County users for that \$44m? The \$44m should be explicitly considered together rather than a sum of two parts.

This can be explored under three scenarios:

Scenario 1: Move important, common functions such as E-Mail, Word Processing and data storage and back-up for all MCG departments to Cloud Computing.

Scenario 1 Discussion

Cloud Computing has been the topic of many studies and press articles in recent months. It appears that many private sector and government organizations are moving various enterprise-wide functions to a cloud computing environment in order to:

- a. provide secure mobile access to data for all employees,
- b. to reduce non-critical tasks expenditures and
- c. to free up technical staff time to address business processes and solutions of their users.

A recent analysis of Cloud Computing by the Brookings Institute titled “Saving Money Through Cloud Computing” appears at:

http://www.brookings.edu/~media/Files/rc/papers/2010/0407_cloud_computing_west/0407_cloud_computing_west.pdf

Here is a portion of the Executive Summary of this April 2010 report; although primarily oriented towards federal decision makers, its conclusions bear direct relevance to the Committee’s deliberations:

The U.S. federal government spends nearly \$76 billion each year on information technology, and \$20 billion of that is devoted to hardware, software, and file servers (Alford and Morton, 2009). Traditionally, computing services have been delivered through desktops or laptops operated by proprietary software. But new advances in cloud computing have made it possible for public and private sector agencies alike to access software, services, and data storage through remote file servers. With the number of federal data centers having skyrocketed from 493 to 1,200 over the past decade (Federal Communications Commission, 2010), it is time to more seriously consider whether money can be saved through greater reliance on cloud computing.

Cloud computing refers to services, applications, and data storage delivered online through powerful file servers. As pointed out by Jeffrey Rayport and Andrew Heyward (2009), cloud computing has the potential to produce “an explosion in creativity, diversity, and democratization predicated on creating ubiquitous access to high-powered computing resources.” By freeing users from being tied to desktop computers and specific geographic locations, clouds revolutionize the manner in which people, businesses, and governments may undertake basic computational and communication tasks (Benioff, 2009). In addition, clouds enable organizations to scale up or down to the level of needed service so that people can optimize their needed capacity. Fifty-eight percent of private sector information technology executives anticipate that “cloud computing will cause a radical shift in IT and 47 percent say they’re already using it or actively researching it” (Forrest, 2009, p. 5).

To evaluate the possible cost savings a federal agency might expect from migrating to the cloud, in this study I review past studies, undertake case studies of government agencies that have made the move, and discuss the future of cloud computing. I found that the agencies generally saw between 25 and 50 percent savings in moving to the cloud. For the federal government as a whole, this translates into billions in cost savings, depending on the scope of the transition. Many factors go into such assessments, such as the nature of the migration, a reliance on public versus private clouds, the need for privacy and security, the number of file servers before and after migration, the extent of labor savings, and file server storage utilization rates. Based on this analysis, I recommend five steps be undertaken in order to improve efficiency and operations in the public sector:

1. the government needs to redirect greater resources to cloud computing in order to reap efficiencies represented by that approach,
2. the General Services Administration should compile data on cloud computing applications, information storage, and cost savings in order to determine possible economies of scale generated by cloud computing,
3. officials should clarify procurement rules to facilitate purchasing through measured or subscription cloud services and cloud solutions appropriate for low, medium, and high-risk applications,
4. countries need to harmonize their laws on cloud computing to avoid a "Tower of Babel" and reduce current inconsistencies in regard to privacy, data storage, security processes, and personnel training, and
5. lawmakers need to examine rules relating to privacy and security to make sure agencies have safeguards appropriate to their mission.

DTS is already using Cloud Computing in various pilot programs, as described below:

As part of the County's Cloud strategy, which is documented in the Enterprise Information Technology Architecture published in March, 2009, DTS defined a new service offering as part of its shared services solution set that supports County use of Cloud applications. Departments are encouraged to include the IT architecture as part of any solicitations for new systems and evaluate the costs and benefits of internal vs. external Cloud offerings. Some examples of DTS supported Cloud applications in use include the PeopleClick career opportunity management system, ePerform performance management application, and portions of the new Cash Register System for the Department of Liquor Control (DLC).

DTS processes and project methodologies include considering Cloud Applications in upgrades to current services and for possible cost reductions. As part of its MyMontgomery web-GIS mapping solution, and

other departmental services, the County leverages Google mapping technologies to provide robust on-line mapping of County facilities and service locations. Other Cloud services in use include the Cable Office's Internet Video Streaming capabilities along with several DTS Security Services. All of these migrations to the Cloud have replaced in-house services while offering additional functional capabilities at similar costs (e.g. cost avoidance) or at a reduced cost.

DTS has been investigating basic functionality such as enterprise desktop and e-mail provided by Cloud Computing providers for some time. Challenges identified that impact the potential adoption of an external Cloud solution include network redundancy, geographic location of data, security controls, performance, supportability, ease of use, and positive Return on Investment. These challenges will continue to be researched throughout FY11. As solutions are identified that address current and future business needs as well as production impacts, are found to be cost effective and improve County productivity, plans and a complete scope of the final deliverables will be developed for their introduction and adoption in the County.

If DTS were to move aggressively within FY11 and embrace Cloud Computing as an operational tool, possible positive impacts could include:

- a. Retire file servers now in use and reduce energy use associated with their operation
- b. Human resources now occupied with server and software maintenance could be redeployed to other critical services
- c. Licenses currently paid to Microsoft and other software vendors could be drastically reduced or eliminated all together

Scenario 2: Consolidate specific functions across all departments; examples may include departmental hardware support including servers and all "specialized" departmental software, all local area network support, Web development and application development resources (programmers). In addition, functions identified for review in the 2007 OLO review will be added for consideration.

Scenario 2 Discussion

In 2007, the Office of Legislative Oversight completed an inventory of internal service function activities across five County departments. As part of that study, OLO identified 28 information technology functions in the following categories: IT support, business applications, web development, hosting, information security, and telecommunications. The report provided details on the level of centralization for each function, including the division of specific roles and responsibilities between DTS and other departments. Since the release of the report in 2007, the delivery of IT functions has shifted towards a more centralized structure.

With assistance from DTS staff, Council staff identified specific IT functions that may have the potential for further consolidation across County government. It is important to note that the identification of these functions for potential consolidation is recognition that centralization may result in better and more efficient service delivery, but does not necessarily guarantee it. Further assessment of the impact of consolidation of these functions is necessary to determine whether or not centralization should occur.

DTS and Council staff identified twelve IT functions that serve as a starting point for the evaluation of consolidation benefits and risks and the impact on the effectiveness and efficiency of current and future service delivery. The following summarizes these functions.

Six of these functions were identified in the OLO report as decentralized or mostly decentralized; however, DTS staff reports the functions listed below have already moved towards a more consolidated service delivery across County government. Many of these functions are primarily centralized now, however a more detailed assessment of their service delivery may result in further consolidation.

- Help Desk/Troubleshooting
- Disaster Recovery
- Electronic Document Management
- GIS
- Email Administration
- Data Security

In addition, DTS and Council staff identified the six IT functions below from the OLO report that were categorized as decentralized functions that DTS staff report continue to be primarily decentralized functions. The delivery of these functions may or may not benefit from consolidation.

- Computer Backup
- Database Management
- Internet/Intranet Content Management
- Internet/Intranet Operational Activities
- Web Design
- Database Support

Scenario 3: Full consolidation of all IT personnel under a single roof

Scenario 3 discussion

Given the complexity of this scenario, little work was completed so far. Due to limited resources for consulting advice, and limited study time, this option would probably move forward ideally in a shared and collaborative discussion with private industry experts who perform consolidation studies and/or undertake the operation of consolidated service provision. DTS is aware of several similar efforts under way in Ramsey County MN, San Jose CA and elsewhere. Learning from the strategy used, from the lessons learned

and from the structures developed to address full consolidation in comparable jurisdictions is the first stage of such a complex undertaking that can be carried out within the summer months.

Resources: OLO Internal Service Functions report 2007, 2009 CAO analysis of IT positions across MCG departments, Gartner and PTI subscriptions, Fairfax Co CIO experiences (they have a strongly centralized organization), outsourcing giants (HP/EDS, IBM, NGC and others), MIX Net electronic dialog currently under way between CIOs of major jurisdictions (San Jose CA and Ramsey Co. MN were identified so far, more to come from Steve Emanuel). Council staff will contact vendors for “back of the envelope” approaches and costs.

Process: Dr. Costis Toregas, Council IT Adviser is prepared to move this process forward. OLO may be able to provide assistance as its FY11 work program permits.

Montgomery County Government

**Efforts to Build Sustainable Government
Operations, Programs & Services**

Developing Comprehensive FY11 and FY12
Cost-Saving Ideas through Internal Information-Gathering
and Collaboration

Executive Summary

In preparing the FY11 Operating Budget, we have gathered cost-saving suggestions through several methods, resulting in a variety of ideas and solutions. By leveraging the expertise and creativity of County employees and other partners, we have made significant progress in the development of a customer-focused FY11 budget that continues to be responsive to the critical needs of our community. In addition, by reaching out to our partners in MCPS, Montgomery College, M-NCPPC and WSSC, we have started a collaborative process that will position the County to be able to address the future budget challenges in FY12 and beyond.

It is important to note that during the course of this information-gathering one major theme emerged, that our greatest opportunities for cost-savings and long-term sustainability rely on cross-agency related ideas and solutions.

To date, we have gathered savings suggestions through the following methods:

Department Directors Focus Groups: Six initial and six follow-up focus group meetings, composed of department directors and Council staff director, were held to discuss and develop cross-departmental cost-saving ideas and strategies in the areas of Information Technology, Human Services, Community Liaison/Outreach, Public Safety, Facilities and Infrastructure, and Administration (HR, Budget, Finance, Procurement). These efforts focused on three primary ways to create cost efficiencies and structurally improve the County's budget.

- Consolidation/Restructuring
- Collaboration/Sharing
- Service-Reduction/Service-Removal

Management Leadership Service Focus Groups: Ten focus groups involving more than 100 Management Leadership Service personnel and Council staff collaboratively discussed their cost-saving ideas.

Senior Management Team Meetings: County Executive's December 2009 and February 2010 senior management team meetings focused on the generation of cost-saving strategies and ideas.

Cross-Agency Focus Groups: Two focus group meetings composed of department and agency directors focused on developing cross-agency cost-saving ideas and strategies.

Research on Cost-Cutting Measures: In an effort to gather information on cost-cutting methods used by other governments, we researched and compiled budget information from 26 counties that Montgomery County benchmarks itself against.

Anonymous Employee and Resident Feedback: Anonymous suggestions and feedback were gathered through the CountyStat website.

The following is compilation of those cost-saving ideas determined to be feasible for implementation in FY11, and also a list of selected ideas to be followed up for evaluation and, if feasible, implemented in FY12 or beyond.

Selected group of cost-saving ideas to be evaluated/implemented in FY11:

1. Continue the hiring freeze.
2. Implement a furlough plan.
3. Provide no salary increases (i.e., COLA, step, performance, longevity, etc.).
4. Institute an Emergency Medical Services (EMS) transport fee.
5. Offer targeted buy-outs/retirement incentive and abolish any positions vacated.
6. Extended the County's Caremark prescription drug plan contract in exchange for deeper discount guarantees to realize significant savings. Offer the same opportunity to other county agencies to achieve similar cost savings.
7. Suspend the Employee Wellness Programs; develop a more effective/efficient model for later implementation.
8. Suspend the Tuition Assistance Program; develop a more effective/efficient model.
9. Develop a comprehensive "space utilization" plan; move CFW & Gilchrist Center out of current leased spaces (*high potential for cross-agency savings*).
10. Consolidate EEO functions - move EEO unit from OHR to the Office Human Rights.
11. Move Ethics Commission to OCA and maximize the efficient use of current resources.
12. Redirect RSCs' core activities to focus on their liaison/outreach function for proactive and timely exchange of information (i.e. needs/issues/concerns) between the community and County government.
13. Develop a plan for growing the Gilchrist Center into a robust network of partnership with the many partners that receive grants from the County.
14. RSCs and other community outreach providers create a single integrated list-serve database to minimize duplicate efforts and enable greater unification of county messaging. (*potential for cross-agency savings*)
15. RSCs create a common newsletter that can be tailored by each center.
16. Eliminate DTS construction/cabling unit and move to contracted service, as needed.
17. Reduce County's cell phone/PDA/mobile devices cost and use (*potential for cross-agency savings*)
18. Reduce maintenance and janitorial services for County building/facilities. (*potential for cross-agency savings*)
19. Take zero-based budget approach for Library and Recreation services and redesign, from the ground up, staffing complement and service/program offerings consistent with strategic plans, customer needs, workload, and budget realities.
20. Police and State Attorney's Office create a plan to minimize court appearance time for criminal cases using the model developed for traffic cases.
21. Evaluate consolidating Park Police dispatch groups into MCPD (dispatch, radio, CAD equipment, support, and personnel).
22. Consider consolidation of Park programs and facilities into Recreation Department and eliminate duplication in processes and procedures.
23. Evaluate creation of a single source, background investigation capability within the County.
24. Work with the State (SDAT) to reduce the delay in processing personal property tax returns revenue that has significant implications for County revenue.
25. Meet and work with County judges to address disproportionate number of sentences served in the County, as opposed to state correctional institutions, resulting in over- utilization of county correctional facilities.

26. Assess DOT- Transit's "Fare Share" and "Super Fare Share" programs, including cost-effectiveness and program efficiency.
27. Review potential ad revenues from Transit/Buses.
28. Postpone purchasing any new vehicles. *(potential for cross-agency savings)*
29. Centralize document scanning into the DGS print shop. *(potential for cross-agency savings)*
30. Conduct comparative analysis of capital cost of constructing facilities respective to other jurisdictions (i.e. cost per foot, scope control, facility standard) and make adjustments as needed. *(potential for cross-agency savings)*
31. Consider removing penalties and offer options to employees to take leave without pay (e.g., occasional, extended sabbaticals), work part-time, or take voluntary furlough or temporary pay cut. *(potential for cross-agency savings)*
32. Conduct comparative analysis of Fleet Management (i.e. cost per vehicle and cost per task) for light, heavy and transit equipment relative to other jurisdictions/private providers and make adjustments as needed. *(potential for cross-agency savings)*
33. Require electronic formats for all documents; require using and accepting electronic signatures; require/expand use of P-card. *(high potential for cross-agency savings)*
34. Decrease Procurement, OHR and Recreation mailings by requiring electronic submissions. *(high potential for cross-agency savings)*
35. Evaluate reducing health room technician hours from 7 to 6 hours.
36. Move functions/offices in leased facilities to County-owned facilities. *(potential for cross-agency savings)*
37. Work with nonprofits/outside organizations to exchange use of excess space for programs provided by nonprofits/outside organizations. *(potential for cross-agency savings)*
38. Use of inmates or light-duty employees for continuation of some services.
39. Consider increasing the use of employees who receive multilingual differential pay to provide translation services; better determine need for basic vs advanced certification. Also, increase use of County employees or volunteer language bank, rather than paid services, i.e. Language Line.
40. Consider disposal of road-kill deer through composting.

Selected group of cost-saving ideas for follow-up evaluation and, if feasible, implementation in FY12 or beyond. If possible/feasible, some of these options may be implemented mid FY11:

41. Establish Cross-Agency Workgroups in the following areas:
 - a. Information Technology – *utilize ITPCC*
 - b. Utilities – *utilize ICEUM*
 - c. Facilities Planning, Design, Construction and Maintenance
 - d. Procurement – *utilize IPACC*
 - e. Space Utilization
 - f. Fleet
 - g. Mailing, Printing and Document Management
 - h. Employees and Retirees Benefit Plans (health, retirement, etc.)
 - i. Administrative Functions (payroll, budget, finance, training, etc.)
42. Continue implementation of the "space utilization" plan and lease consolidation to maximize efficient use of County facilities. *(high potential for cross-agency savings)*
43. Evaluate consolidation of targeted IT positions/functions/systems. *(high potential for cross-agency savings)*

44. Develop a strategic approach to maximize cross-departmental efficiency for IT purchases. *(potential for cross-agency savings)*
45. Evaluate the current IT maintenance agreements and, where possible, consider reducing service levels or redundant services to reduce cost. *(potential for cross-agency savings)*.
46. Consider consolidating software licensing for underutilized programs by using shared licensing. *(potential for cross-agency savings)*
47. Study consolidation of MCG, MCPS, HOC, MNCPPC, and Montgomery College data centers. *(assign to Cross-Agency Workgroup)*
48. Study consolidation of MCG, M-NCPPC and WSSC GIS function. *(assign to Cross-Agency Workgroup)*
49. Consider consolidating Public Safety departments' HR, IT, procurement and PIO functions.
50. Consider consolidating small departments/offices' budget/HR/procurement functions. *(potential for cross-agency savings)*
51. Evaluate consolidation of administrative functions for accounts payable, accounts receivable, fine collection, contract monitoring, and other targeted administrative functions. *(potential for cross-agency savings)*
52. Evaluate consolidation of administrative functions for County Boards and Commissions. *(potential for cross-agency savings)*
53. Consider creating a centralized administrative function for all nonprofits (contacts/grants).
54. Evaluate creation of a centralized countywide event/festival planning function within the Department of Recreation.
55. Evaluate creation of an internal "advertising agency" to take advantage of 15% agent discount – missed opportunity. *(high potential for cross-agency savings)*
56. Evaluate CUPF operations and consider other options (i.e. technology based, resource-sharing model) to enhance efficiencies. *(potential for cross-agency savings)*
57. Evaluate consolidation of all community liaison/outreach/partnership functions to create a more cohesive, strategic and efficient model. *(potential for cross-agency savings)*.
58. Assess potential "mission creep" by creating a matrix that outlines how programs/services/projects relate to department's core mission. Explore rolling back unnecessary and/or ineffective service expansions or allocating the responsibility of service delivery to the most appropriate department/office. *(potential for cross-agency savings)*
59. Evaluate possibility of offering incentive for employees to opt out of County-sponsored health insurance. *(potential for cross-agency savings)*
60. Explore structural (not benefits) changes to Retiree Health Coverage for Medicare Eligible Retirees of all County agencies. *(assign to Cross-Agency Workgroup)*
61. Conduct comparative cross-agency cost management analysis of the County Health Benefits to consider consolidation and/or adjustments as needed – potential for significant savings. *(assign to Cross-Agency Workgroup)*
62. Evaluate consolidation of contract services of all County agencies (i.e. grass-cutting, snow-removal, printing/mail, building maintenance etc.). *(assign to Cross-Agency Workgroup)*
63. Evaluate cross-agency consolidation of design and construction services. *(assign to Cross-Agency Workgroup)*
64. Evaluate cross-agency consolidation of fleet maintenance services for heavy and light vehicles. *(assign to Cross-Agency Workgroup)*
65. Evaluate trails maintenance cost per mile for MCG and Parks to determine if consolidation of this operation is feasible. *(assign to Cross-Agency Workgroup)*

66. Evaluate cross-agency consolidation of existing fueling operations. (assign to *Cross-Agency Workgroup*)
67. Evaluate consolidating Park Police into MCPD.
68. Analyze the current DPS business model to determine long-term sustainability in varying economic conditions.
69. Study consolidation of the Transit Fare media shops.
70. Evaluate consolidation of Code Enforcement and Inspection functions. (*potential for cross-agency savings*)
71. Evaluate the county's "return to full-duty status" process for disability leave and explore options for improvement. (*potential for cross-agency savings*)
72. Evaluate overtime shift differentials.
73. Evaluate possible outsourcing during "high demand" periods of certain functions (i.e., permitting, staff recruitment; IT related issues/functions, etc.) (*potential for cross-agency savings*)
74. Explore introduction of telecommuting program to reduce the County's space needs; consider establishing government employee work centers to use as alternate office/work sites near home. (*potential for cross-agency savings*)
75. Evaluate possibility of redundant services offered by HHS, CFW and Human Rights.
76. Consider consolidation of job training services offered by HHS, DED, and others. (*potential for cross-agency savings*)
77. Consider consolidation of various housing services offered by HHS, DHCA, and HOC.
78. Evaluate consolidation of all cell phone accounts to improve County's ability to negotiate a more competitive rate and create consistency/controls. (*high potential for cross-agency savings*)
79. Consider consolidation of donation websites for 501c3 organizations to make it easier for public to donate. (*potential for cross-agency savings*)
80. Evaluate consolidation of smaller HHS clinics into a smaller number of larger clinics.
81. Examine existing Victim Witness Assistance Services offered in various departments for consolidation.
82. Evaluate the County's leaf vacuuming program and explore other options that may be more efficient and environmentally friendly.
83. Evaluate disposal of unused County electronic systems. (*potential for cross-agency savings*)
84. Explore other options for various educational contracts currently administered by HHS. (*potential for cross-agency savings*)
85. Consider requiring the green business certification survey to identify opportunities for energy reductions in county departments/offices. (*potential for cross-agency savings*)
86. Consider using BUP model and evaluate consolidating operations of three Urban Districts under one contract.
87. Benchmark/evaluate the adequacy of current fees for solid waste commercial drop-off.
88. Explore additional revenue enhancement opportunities (fees, rents, leases, taxes, etc.)
89. Evaluate return-on-investment for creating public/private partnerships to manage parking garages and liquor stores.
90. Consider a pro-active approach for creating opportunities for "telecom leases" on selected County properties or facilities. (*potential for cross-agency savings*)

MCG INFORMATION TECHNOLOGY POSITIONS*

DEPARTMENT	FULL-TIME	PART-TIME	TOTAL
BOARD OF ELECTIONS	3		3
CIRCUIT COURT	4		4
COMMUN USE PUBLIC FACILITIES	2		2
CONSUMER PROTECTION, OFFICE OF	1		1
CORRECTION & REHABILITATION	3		3
COUNTY ATTORNEY	1		1
COUNTY COUNCIL	1		1
COUNTY EXECUTIVE	1		1
ECONOMIC DEVELOPMENT	1		1
ENVIRONMENTAL PROTECTION	7		7
FINANCE	6		6
FIRE AND RESCUE SERVICE	8		8
GENERAL SERVICES	7		7
HEALTH & HUMAN SERVICES	20		20
HOUSING & COMMUNITY AFFAIRS	2		2
HUMAN RESOURCES	3		3
HUMAN RIGHTS, OFFICE OF	1		1
LIQUOR CONTROL	6		6
MANAGEMENT & BUDGET	2		2
PERMITTING SERVICES	4		4
POLICE	13		13
PUBLIC LIBRARIES	9	2	11
RECREATION	4		4
SHERIFF	2		2
TRANSPORTATION	9		9
SUBTOTAL - NON IST	120	2	122
TECHNOLOGY SERVICES	174	2	176
GRAND TOTAL	294	4	298

*For non-IST departments, totals include regular IT positions on July 28, 2009, in the following classifications: IT Technician I, II, and III; Communications Technician I and II; Telecommunications Specialist; IT Specialist I, II, and III; Senior IT Specialist; IT Expert; and IT Project Manager. In Technology Services, all positions, including MLS, Cable TV Office, and Tech Mod positions, are included. For non-DTS departments, total IT positions do not include MLS positions. Please note that filled and vacant positions are included.

Source: Position Control, Non-Technology Services departments; *FY10 Position Complement* for Technology Services.