



# Technology Modernization -- MCG (P150701)

Category	General Government	Date Last Modified	03/10/18
SubCategory	County Offices and Other Improvements	Administering Agency	County Executive
Planning Area	Countywide	Status	Ongoing

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	133,988	131,866	2,122	-	-	-	-	-	-	-	-
Other	56	-	56	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>134,044</b>	<b>131,866</b>	<b>2,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	67,072	67,063	9	-	-	-	-	-	-	-	-
Short-Term Financing	59,480	57,586	1,894	-	-	-	-	-	-	-	-
Land Sale	2,634	2,634	-	-	-	-	-	-	-	-	-
Recordation Tax Premium (MCG)	2,623	2,623	-	-	-	-	-	-	-	-	-
Contributions	1,615	1,340	275	-	-	-	-	-	-	-	-
Current Revenue: Recreation	620	620	-	-	-	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>134,044</b>	<b>131,866</b>	<b>2,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## OPERATING BUDGET IMPACT (\$000s)

Impact Type	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Maintenance	2,802	467	467	467	467	467	467
Program-Staff	858	143	143	143	143	143	143
Program-Other	11,184	1,864	1,864	1,864	1,864	1,864	1,864
Productivity Improvements	(37,464)	(6,244)	(6,244)	(6,244)	(6,244)	(6,244)	(6,244)
<b>NET IMPACT</b>	<b>(22,620)</b>	<b>(3,770)</b>	<b>(3,770)</b>	<b>(3,770)</b>	<b>(3,770)</b>	<b>(3,770)</b>	<b>(3,770)</b>

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	(82)	Year First Appropriation	FY07
Appropriation FY 20 Request	-	Last FY's Cost Estimate	134,409
Cumulative Appropriation	134,126		
Expenditure / Encumbrances	133,524		
Unencumbered Balance	602		

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## PROJECT DESCRIPTION

This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems that have been completed through this project include the Enterprise Resource Planning (ERP) Financial and Human Resources modules, foundation phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting (MCTime), and related Business Process Review (BPR). Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The Budgeting module of the ERP system (Hyperion) and additional self-service functionality is currently underway and the workforce component of the Hyperion System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, Washington Suburban Sanitary Commission (WSSC) fees, and other fees, taxes, and related credits. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, web-site designs; redesign/testing of ERP interfaces; and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

## COST CHANGE

There was a \$25,000 reduction to Current Revenue: Recreation due to the proposed FY18 Savings Plan. This reduction represents the remaining unencumbered funds no longer needed by the completed ActiveNet system. Additional reduction to Current Revenue: General for \$57,000 of remaining unencumbered balance and transfer of Current Revenue:General for \$283,000 to Public Safety System Modernization.

## PROJECT JUSTIFICATION

According to a 2004 ranking of major existing technology systems based on their current health and relative need for upgrade or replacement, the County's then current core business systems (ADPICS, FAMIS, BPREP, and HRMS) were ranked as Priority #1, which means obsolete or vulnerable critical system in immediate risk of failure. These at-risk systems were replaced with a state of the art ERP system which provides a common database supporting financials, procurement, budget, and HR/payroll, and includes system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Tax Assessment Billing System: The current system is over 30 years old, is only internally supported, and is used for the collection of over \$2 billion in revenues annually. Health and Human Services EICM: This technology modernization effort will ensure ongoing viability of key processes, replace outdated and vulnerable systems, create staff operating efficiencies, and produce a high return in terms of customer service and accountability to our residents. Related plans and studies include the Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003, the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services, and the FY14 Process and Technology Modernization Readiness Assessment conducted by the Gartner consulting group. Recreation, CUPF, and M-NCPPC: The Active Network announced that they will release one more version upgrade of CLASS, scheduled for first quarter of 2014. After this release, there will be no further development of the CLASS software and maintenance/support will be phased out of the CLASS software (ending by December, 2017). A feasibility study determined that

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the Active Network's browser based application, ActiveNet, is the only software with sufficient functionality and processing capability to meet the needs of a joint registration and facility management system in a single database for Recreation, CUPF, MNCPPC, and the Gilchrist Center. The system will also improve customer service by providing a one-stop access point.

## FISCAL NOTE

Project funding includes short-term financing for integrator services and software costs. The Operating Budget Impact (OBI) estimates have been reduced to reflect the full accounting of ERP operating costs in the Operating budget. ERP: Funding through FY15 and FY16 estimated is now adjusted to reflect actual transfer by the Board of Investment Trustees (BIT) as Contributions and from the Department of Liquor Control and the Group Insurance Fund to the General Fund as Current Revenue: General. HHS: The State was unsuccessful at obtaining the \$741K in Federal aid for reimbursement for capital IT upgrades previously assumed for this project. As a result, a funding switch needed to occur in FY18, decreasing the Federal aid appropriation to \$0 and increasing short-term financing appropriation by \$741K. ActiveNet: \$645,000 will be appropriated from the Current Revenue: Recreation Fund in FY15 for the ActiveNet upgrade; Recreation will charge CUPF and M-NCPPC for their share of the project's expenditures based on a proportionate share of each party's use of ActiveNet. In FY18, Current Revenue: Recreation funding was reduced by \$25,000 as part of the FY18 savings plan, and there was a transfer of Current Revenue:General of \$283,000 to Public Safety System Modernization. There was also a reduction to Current Revenue: General for \$57,000 of the remaining unencumbered balance

## COORDINATION

MCG efforts are coordinated with applicable agencies during the project planning, requirements gathering, and requests for proposal (RFP) phases: Offices of the County Executive, Office of the County Council, Department of Finance, Department of Technology Services, Office of Procurement, Office of Human Resources, Office of Management and Budget, Department of Health and Human Services, Department of Recreation, Community Use of Public Facilities, and the Maryland-National Capital Park and Planning Commission, Gilchrist Center or CEC, all MCG Departments and Offices, Maryland Department of Human Resources, Maryland Department of Health and Mental Hygiene.