



Technology Investment Loan Fund

(P319485)

Category	General Government	Date Last Modified	10/17/18
SubCategory	Technology Investment Fund	Administering Agency	Management and Budget
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Construction	2	-	2	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2	-	2	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	2	-	2	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	2	-	2	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY94
Appropriation FY 22 Request	-	Last FY's Cost Estimate	2
Cumulative Appropriation	2		
Expenditure / Encumbrances	-		
Unencumbered Balance	2		

PROJECT DESCRIPTION

This project establishes an inter-agency loan fund to support, in whole or in part, Technology Investment Fund (TIF) projects. The purpose of this fund is to encourage technologically innovative capital projects that will improve the productivity of County agencies. Projects approved for funding will use innovative technologies to achieve cost reductions, cost avoidance, or service improvements. The loan fund allows agencies to acquire capital for such investments to be repaid to the loan fund from savings achieved according to specified repayment schedules. The County Executive appoints, and the County Council approves, the Technology Investment Fund Loan/Grant Committee composed of representatives of each of the agencies and an independent representative not affiliated with any of the tax supported agencies or potential technology service providers. This committee reviews applications from departments and agencies, according to policy guidelines and criteria established by the County Executive and the County Council. A share of loan fund money is reserved for access by small organizational units and for projects accompanied by department matching resources or outside funding. Each agency may decide which applications to submit to the TIF Loan/Grant Committee, including previously submitted applications or new applications. The TIF Loan/Grant Committee reviews applications with appropriate technical advice from the Department of Technology Services (DTS) and other relevant experts. Each agency has an equal vote in committee decisions. The TIF Loan/Grant Committee makes recommendations for awards to specific projects to the County Executive for final decision. Approved projects are assigned an individual PDF funded from current revenues which include the amount of the loan fund used for that

particular project and a schedule for repayment. Management of the loan fund is subject to regular evaluation and oversight by the County Executive and County Council. As cost reductions are achieved and funds repaid to the loan fund, additional money will become available for possible new loan fund projects. Council may replenish the fund's capital by appropriation if advisable.

PROJECT JUSTIFICATION

The purposes of the loan fund are to encourage technological innovation by providing funds outside the normal budget process; to provide managers with extra incentives to consider potential cost-saving innovations by allowing them to retain savings after repayment of the initial investment; and to provide greater accountability for achievement of promised cost reductions and service improvements through ongoing monitoring and evaluation of project results. A single loan fund, including all the tax supported agencies, can encourage increased cooperation among the agencies, provide for healthy competition in gaining approval of innovative projects, assure greater technical consistency, and avoid duplication in experimental proposals.

OTHER

This project consolidates appropriation authority for TIF Loan Fund projects. This fund supports individual projects with a total cost of less than \$250,000 each. Expenditures are estimated and not related to specific project applications. This project is implemented in accordance with Council Resolution No. 13-994, the Technology Investment Fund Policy Resolution, which supersedes Council Resolution No. 12-1713, the Technology Innovation Fund Policy Resolution.

FISCAL NOTE

There is a zero balance in this fund at this time. Any future loans would require an appropriation of revolving fund current revenues from TIF reserves; however, there are no loan applications pending at this time and no appropriation is recommended. In FY15 transfer of \$1,500 (depicted as \$2,000) in Current Revenue: General from #340700 to #319485.

COORDINATION

County Council Resolution No. 12-1712 , County Council Resolution No. 12-1713 , County Council Resolution No. 12-1766 , County Council Resolution No. 13-588, County Council Resolution No. 13-994, TIF Loan/Grant Committee , Office of Management and Budget , Office of the County Executive , Department of Finance , Department of Technology Services, Montgomery County Public Schools, ,