

ISD - INFORMATION TECHNOLOGY SERVICES – 8905 AND 8908

FUNCTION

The Information Technology (IT) Services Division of the Internal Services Department (ISD) provides information technology and communication related services to Fresno County departments and other agencies. Services provided include the functions of business analysis; systems design and development; systems acquisition and integration; system operations, maintenance and enhancements; core IT facilities; IT services and solutions; and desktop hardware and software support and training. The IT Services Division is responsible for the design, implementation, maintenance and operation of the Data Institutional Network, the Voice Over Internet Protocol, and a suite of enterprise applications that operate securely over the network. Hosting services for a wide variety of customer applications plus hosting of the County intranet and internet suites are also provided. Additionally, IT Services offers enterprise-wide security for network and data access, investigative services for inappropriate use of the network, secure remote access, the Health Insurance Portability and Accountability Act (HIPAA) data security compliance, including annual training and audits.

For FY 2016-17, both Radio Operations and Graphic Communication services are recommended to become an integral part of this Division. Radio Operations is responsible for the operation, maintenance, upgrade, and replacement of the County's extensive radio communication network. Radio and pager communications are provided for law enforcement agencies, emergency medical services, and other departments that have field operations. Graphic Communication services processes outgoing County U.S. Postal mail and provides the countywide messenger mail service, graphic design services, offset printing, copy service, and poster printing. Graphic Communication services staff provide the majority of the County's graphic communications requirements in-house. Specialized services and projects produced more cost effectively by private companies are contracted out.

Budget units 8905 and 8908 operate out of, and comprise Internal Services Fund 1020.

OVERVIEW

The FY 2016-17 Recommended Budget of \$36,826,423 represents a 29% (\$8,174,687) increase over the FY 2015-16 Adopted Budget. Estimated Revenues are recommended at \$36,875,639 and represents a 30% (\$8,598,903) increase over the FY 2015-16 Adopted Budget. Both of these increases are primarily due to the combining of the Radio Shop and Graphics Communications with IT Services. Recommended salaries reflect a Vacancy Rate Discount of 1.5% (\$128,895) and related reduced benefit costs of \$83,168 for retirement, OASDI and health insurance. Staffing is recommended at 137 positions, an increase of 20 positions over the current staffing levels due to the transfer of positions from Radio Operations and Graphic Communications.

GOAL SETTING

Goal

FY 2016-17

- **Goal:** Full compliance of vendor licensing models for deployed devices, systems, and software applications. Redundant departmental services to be identified and analyzed for consolidation review.
- **Performance Metric:** All licensing to be documented within one system/process with owner responsibility assigned for quarterly tracking. Exceptions to licensing will be reported and mitigated prior to the next verification cycle.

FY 2015-16

- **Goal:** Consolidate, evaluate, and update the County building inventory from a financial perspective including implementation of an ongoing capitalization procedure.
- **Outcome(s)/Result(s):** The process of consolidating the County building inventory has begun. Staff is making decisions and moving forward based on collaborative discussions and input from the Auditor-Controller/Treasurer-Tax Collector's (AC/TTC) office. The current focus is on evaluating the existing inventory list and in establishing a new Org to track Land and Building assets. Adjustments to the building listing are being coordinated with staff from the AC/TTC. Capitalization procedures will be established under the guidance of the State Controller's Office.

SUMMARY OF CAO RECOMMENDATIONS

Significant Program Changes

This budget reflects the organizational change of eliminating the Radio Operations (Org 8932) and Graphic Communications (Org 8920) divisions and bringing those functions under the IT Services Division. As both of these divisions have experienced dramatic changes in technology over the past few years and their business offerings have been affected by digital conversions, the timing is appropriate to complete this organizational merge to allow for more efficient use of resources.

Salaries and Benefits

- Salaries and Benefits, recommended at \$15,500,168, represent a 6% (\$841,619) increase over the FY 2015-16 Adopted Budget due to an increase of 20 positions resulting from the organizational merger of Radio Shop and Graphics with IT Services.

Services and Supplies

- Services and Supplies, at \$21,164,753, represent a 52% (\$7,271,518) increase over the FY 2015-16 Adopted Budget primarily due to the expenses associated with the operational costs of the Radio Shop and Graphics Communication divisions recommended to be combined with IT Services. The accounts most impacted were Professional Services, Software, Postage Stores and Leases.

Recommended funding includes:

- Account 7042, Countywide Telephone represents a 13% (\$257,568) increase over the FY 2015-16 Adopted Budget primarily due to various factors including data connection charges, SIP Native Network charges, cell and data charges, and non IP phone bills for customers.
- Account 7295, Professional and Specialized Services represents a 1,183% (\$1,585,256) increase over the FY 2015-16 Adopted Budget due to cabling costs associated with a projected rise in departmental requests and a projected increase in the use of programming and contracted staff to meet departmental needs and to provide service for planned projects.
- Account 7308, Hardware, Parts and Supplies represents a 52% (\$94,763) increase over the FY 2015-16 Adopted Budget due to planned purchases of EMS application drives, fiber and cable testers, and additional parts and supplies.
- Account 7309, Computer Services Software represents an 11% (\$411,476) increase over the current year adopted budget primarily due to the planned purchase of additional

Fund 1020 – Information Technology Services (Orgs 8905 and 8908)

product licenses and the implementation of additional security features within the County network including two factor log-on authentication and log monitoring.

- Account 7311, End User Software represents a 194% (\$1,045,007) increase over the FY 2015-16 Adopted Budget due to the restructuring of business practices as IT Services will now pay vendors directly for all invoiced items related to departmental requests that had previously been passed to customer departments for payment. Budgeted expense represents estimated costs to meet customer department needs.
- Account 7355, Operating Leases-Equipment represents a 54% (\$2,244,320) increase over the FY 2015-16 Adopted Budget due to the costs associated with the planned upgrades to the network infrastructure, the addition of Radio Shop leases as a result of the merger, and the leased costs associated with the planned replacement of all County phones.

Other Financing Uses

- Other Financing Uses represents a 100% (\$133,400) increase over the FY 2015-16 Adopted Budget to fund leasing costs associated with the radio network. Capital asset reserves are being used to fund the lease costs as it was determined that leasing was a more cost effective option than purchasing new.

Other Charges

- Other Charges recommended at \$28,102 represents a 72% (\$71,850) decrease from the FY 2015-16 Adopted Budget primarily due to a change in methodology of not budgeting for depreciation expense as was done in previous years.

SUMMARY OF REVENUES

Revenues are recommended at \$36,875,639, a 30% (\$8,598,903) increase over the FY 2015-16 Adopted Budget, which is due to the increase in Charges for Services and Miscellaneous Revenues related to the merger of Radio Operations and Graphic Communications into this Division.

Revenues	FY 2015-16 Adopted	FY 2015-16 Estimated Actual	FY 2016-17 Recommended
Acct # - Revenue from the Use of Money			
3380 - Interest	1,000,000	75,154	118,600
 Total	\$ 1,000,000	\$ 75,154	\$ 118,600
Acct # - Charges for Services			
5048 – Postage Charges	0	0	1,396,092
5060 – Other Charges for Curr Serv	0	0	3,277,863
5064 – Data Processing Fees	28,174,236	25,587,173	31,259,773
 Total	\$ 28,174,236	\$ 25,587,173	\$ 35,933,728
Acct # - Miscellaneous Revenues			
5800 – Misc. Revenues	2,500	434,784	689,911
 Total	\$ 2,500	\$ 434,784	\$ 689,911
Acct # - Other Financing Sources			
5957 – Operating Transfer In	200,000	100,049	133,400
 Total	\$ 200,000	\$ 100,049	\$ 133,400
Total Revenues	\$ 29,376,736	\$ 26,197,160	\$ 36,875,639