



MEMORANDUM

TO: MLDS Governing Board
FROM: Ross Goldstein
DATE: February 26, 2018
SUBJECT: MLDS Center FY 18 Budget: Mid-Year Update

Purpose

At the June 2017 Governing Board meeting, the Governing Board reviewed and approved the Center's FY 18 budget as specified under Ed. Art. § 24- 704(g)(4), Annotated Code of Maryland. This agenda item is intended to provide the Board with an update on the budget through the first half of the fiscal year and to seek approval for an unplanned expenditure for desktop computers for agency staff.

Summary of Budget

The vast majority of the Center's funds are used for staff salaries, funding the research branch and for various IT technology needs. As you will see from the attached Operating Budget Summary, the general fund operating budget for FY 18 currently shows a deficit in salaries (Obj 01). This is the first year that the Center has been fully staffed for the entire year and the budgeted salary amount is insufficient to meet the full needs of the agency. The projected shortfall as of January was approximately \$120,000. A vacancy that began in January will reduce some of this shortfall.

The Center has been working with MSDE, which serves as Center's fiscal agent, on plans to address the shortfall. MSDE budget office has indicated that it can absorb some of the salary shortfall. The remaining amount will be addressed by reducing the amount of FY 18 funding for the research branch. Since the Center ended FY 17 with a surplus of encumbered funds for the research branch, the amount of funding for the research branch will not be diminished for FY 18. The Center will still be able to fully fund research for the year and free up funds to address the salary deficit.

Expenditure of \$10,000

The Department of Information Technology requires all laptop and desktop computer hard drives to be encrypted. The Center IT staff tried to comply with this requirement for the office desktops, but were unable to do so because the computers did not meet the technical specifications to support the encryption software. The Center had planned to implement a phased in approach to refreshing the office computers, but due to the age of the computers and the need to be in compliance with the DoIT security requirements, the determination was made to request approval to expend approximately \$15,000 to replace all desktop computers during FY 18.

Action

Request approval to expend \$15,000 for desktop computers

2018 General Fund Overview

General Funds	Allocation	Encumb/Exp	Balance	Notes
01 Salaries	\$1,360,000.00	\$1,480,000.00	-\$120,000.00	As of February - deficit will be less due to vacancy
03 Comm	\$937.00	\$0.56	\$936.00	
04 Travel	\$3,250.00	\$989.13	\$2,260.87	
07 Motor Vehicle	\$10,060.00	\$5,063.00	\$4,997.00	
08 Contractual Services	\$687,903.00	\$558,666.00	\$129,237.00	
09 Supplies and Materials	\$9,100.00	\$1,606.40	\$7,493.60	
10 Equipment Replacement	\$2,500.00	\$8,352.50	-\$5,852.50	
11 Equipment Additional	\$5,000.00	\$17,500.00	-\$12,500.00	
13 Fixed Charges	\$795.00	\$134.75	\$660.25	
Total	\$2,079,545.00	\$2,072,312.34	\$7,232.22	
08 Contractual Services	Allocation	Exp/Projected	Balance	Notes
SSW - Research Branch Services	\$350,000.00	\$250,000.00	\$100,000.00	Less because of left over funding from prior year
IT Consulting (Sr. DB Admin)	\$170,000.00	\$108,586.00	\$61,414.00	Less because portion of contract charged to SDP
MISC (Jira, GoTo Mtg)	\$1,000.00	\$1,000.00	\$0.00	
Amazon Web Services	\$3,000.00	\$8,000.00	-\$5,000.00	Includes charges from last fiscal year
SSL Certification	\$2,500.00	\$2,500.00	\$0.00	
Google Gmail	\$1,500.00	\$1,500.00	\$0.00	
VMWare Licenses	\$15,000.00	\$10,000	\$5,000.00	Less because planned expansion of system has not occurred
Oracle ODI License	\$6,600.00	\$18,000	-\$11,400.00	Original estimate was incorrect
Xerox Printers	\$4,080.00	\$4,080.00	\$0.00	
IT Security Services	\$10,000.00	\$10,000.00	\$0.00	
DoIT Enterprise	\$25,000.00	\$25,000.00	\$0.00	
Reimbursement to MHEC - Liaison	\$100,000.00	\$120,000.00	-\$20,000.00	
Subtotal	\$688,680.00	\$558,666.00	\$130,014.00	
11 Equipment	Allocation	Exp/Projected	Balance	
Office Computers	\$5,000.00	\$15,000.00	-\$10,000.00	15 Desktop Computer (full office refresh)
Other IT Equipment	\$0.00	\$2,500.00	-\$2,500.00	Five Chromebooks
Subtotal	\$5,000.00	\$17,500.00	-\$12,500.00	