<table>
<thead>
<tr>
<th>Sponsoring Organization(s)</th>
<th>Tech American, National Association of State Chief Information Officers, Grant Thornton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author</td>
<td>N/A</td>
</tr>
<tr>
<td>Publication Date</td>
<td>2010</td>
</tr>
<tr>
<td>Synopsis</td>
<td>The paper makes the case that because of the new normal fiscal environment in state and local governments (SLG) that SLG’s must employ more cost effective IT solutions. A major objective must be to break down silos by using Enterprise Architecture approaches. SLG’s must transform programs and services through IT-enabled innovation and improvement.</td>
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<td></td>
<td>It addresses the issues of better governance structures in planning and implementing IT procurement. The basis for the assumptions in the report are from a survey of more than 40 public agencies soliciting examples of where innovative IT solutions have produced both cost reductions and better services to their communities. It provides a number of actual examples of where innovative IT approaches have been implemented.</td>
</tr>
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<td></td>
<td>The paper discusses in depth the emergence of new approaches to IT services such as managed services including different types of cloud solutions as a major driver of cost reductions. It suggests that managed services, including cloud services, can not only reduce costs by a factor of 30% to 40% but it can help agencies focus and frees IT managers and staff are freed to focus on the core IT needs rather than focusing on network and customer support.</td>
</tr>
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<td>While the paper stays away from offering detailed recommendations for how procurements should be structured it does offer a rich selection of innovative approaches to IT which must by implication be part of any well-structured procurement process.</td>
</tr>
<tr>
<td>Topic Areas</td>
<td>Procurement Planning</td>
</tr>
<tr>
<td>Web Reference</td>
<td>[attached]</td>
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The 2010 State CIO Survey

Tightened budgets, emerging technologies and transparency combined to make 2010 a pivotal year for public sector information technology (IT). Indeed, finding out how these trends affect state government is the purpose of the 2010 survey of U.S. state and territorial chief information officers (CIOs).

Sponsored by the National Association of State Chief Information Officers (NASCIO), TechAmerica and Grant Thornton LLP, the survey provides voice to the thoughts and opinions of state government IT leadership. As well, it gives governors, legislatures and business leaders important insights into one of state governments' valuable enablers: IT.

Results are based on the responses of 40 participants, or about three-fourths of eligible jurisdictions.

To access the report, please go to: http://www.techamerica.org/2010-state-cio-survey

Samples from the 2010 State CIO Survey

**Figure 1**

CIOs’ predictions on IT budget changes for 2011–2013

- Decrease 64%
- Increase 13%
- Remain the same 23%

**Figure 2**

How CIOs say they measure IT performance

- Do not formally measure IT contributions 32%
- Manage to specified levels of performance in service-level agreements 24%
- Subjectively measure progress against agency strategic plans 20%
- Measure progress against objective performance measures tied to agency strategic plans 17%
- Other 7%

**Table 1:** Percentage of CIOs reporting roles of state officials and offices in major IT investment decisions

<table>
<thead>
<tr>
<th>Position</th>
<th>Strategy</th>
<th>Plan</th>
<th>Percentage</th>
<th>Approve</th>
<th>Other</th>
</tr>
</thead>
<tbody>
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<td>State CIO</td>
<td>70</td>
<td>80</td>
<td>25</td>
<td>85</td>
<td>5</td>
</tr>
<tr>
<td>State CFO</td>
<td>40</td>
<td>18</td>
<td>2</td>
<td>55</td>
<td>5</td>
</tr>
<tr>
<td>State comptroller</td>
<td>12</td>
<td>3</td>
<td>9</td>
<td>28</td>
<td>5</td>
</tr>
<tr>
<td>Agency head or chief</td>
<td>32</td>
<td>47</td>
<td>7</td>
<td>58</td>
<td>3</td>
</tr>
<tr>
<td>Agency CIO</td>
<td>35</td>
<td>78</td>
<td>30</td>
<td>47</td>
<td>5</td>
</tr>
<tr>
<td>Agency CFO</td>
<td>35</td>
<td>27</td>
<td>2</td>
<td>53</td>
<td>3</td>
</tr>
<tr>
<td>Agency investment board</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Legislature (includes budget board)</td>
<td>28</td>
<td>10</td>
<td>5</td>
<td>58</td>
<td>0</td>
</tr>
<tr>
<td>Governor’s IT office or policy advisor</td>
<td>20</td>
<td>10</td>
<td>6</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
<td>25</td>
<td>8</td>
<td>3</td>
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</table>
Purpose of this Briefing Paper

This report is the second in a series of publications offering perspectives and highlighting best practice examples to help states and local governments address some of their financial, managerial, and technology challenges. The series is being published under the auspices of TechAmerica’s State and Local Government (SLG) Board of Directors. The first report, titled "Managing the IT Agenda in Leaner Fiscal Times" was issued in 2008 and is available for download, along with many other TechAmerica resources, at: http://www.techamerica.org/state-local

In "Managing the IT Agenda," our member companies presented analysis, recommendations, and case studies that highlighted technology-enabled actions and initiatives that were achieving savings and generating revenues for state governments. In light of the continued financial travails in the States and the availability and acceptance of solutions that were not in widespread use in 2008, our members believe that now is an opportune time to revisit the themes and add to the discussion of IT-enabled solutions to the fiscal and business challenges facing states.

This series is being published by TechAmerica and is aimed at an audience of senior state and local government officials, including governors, mayors, and their key advisors as well as chief information officers, and senior budget officers. Through this endeavor, TechAmerica is providing a platform for its members to share best practices and success stories as a service for states and municipal governments struggling with budget challenges that threaten core programs and services.

This compilation of best practice examples is only a sampling of the creative thinking and solid execution TechAmerica members and their state and local clients deliver.

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TechAmerica has made every reasonable effort to assure the accuracy of the information in this publication. However, the contents of this publication are subject to changes, omissions, and errors, and we accept no liability for inaccuracies that may occur.

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Why Think Enterprise?
State and Local Government Options for Reducing Costs and Improving Services

State Coffers Continue to Sag, Despite Budget Cuts and Tax Increases

While some economies in the world are stabilizing, in the United States, many economists and government experts believe we are in a “new normal” that will only slowly produce growth at the levels of economic activity — and with the associated federal and state tax revenues — seen in the early-2000s.

In its most recent Fiscal Survey of the States, the National Association of State Budget Officers (NASBO) found that Fiscal 2010 had presented “the most difficult challenge for states’ financial management since The Great Depression.” The current fiscal year 2011 is not expected to be much better. While overall state spending has begun to tick upwards, NASBO estimates that 50-state spending will be $52 billion less than in fiscal 2008.

During the 2000s, the inflation-adjusted rate of state government spending growth far outstripped the pace of economic growth. Almost all states grew increasingly reliant on sources of tax revenue that have proven elastic as the economy endures a severe and lengthy recession. Many states locked in more generous pension and social services benefits, which they now find difficult to fund.

Reported declines in general fund spending are the result of significant declines in state revenues during the recession. State sales tax, personal income tax, and corporate income tax collections – which make up approximately 80 percent of state general fund revenue – all declined in 2009 and 2010. According to NASBO, general fund revenue is projected to be $626.6 billion in fiscal 2011, a 7.8 percent decline compared to fiscal 2008.

In response to the decline in revenue, 40 states have cut their enacted fiscal 2010 budget by an aggregate $22 billion. In 2009, 43 states made mid-year budget cuts of $31.3 billion.

While general fund revenue collections have declined significantly since fiscal 2008, the decline would have been steeper if not for states enacting tax and fee increases. For fiscal 2010, states enacted over $30 billion in increased taxes and fees. In fiscal 2011, governors proposed an additional $5 billion in tax and fee increases.

Municipal and local governments have found themselves in similar straits. According to a survey conducted by the National League of Cities (NLC), 80 percent of city finance officers expect to have more difficulty balancing their budgets in the 2011 fiscal year, which began in June 2010 for most municipalities.

The NLC, which surveyed 338 cities from April through June, said general-fund revenue, adjusted for inflation, dropped 3.2 percent in the 2010 budget year. That was the steepest decline since the group began keeping track in 1986. Spending was cut 2.3 percent, the most since 2003.

Whatever the budget outlook or the resulting cost cuts and fee increases, it is difficult to argue against the imperative to better manage government spending and to find more efficient ways to run programs and services.

The Scope of the Budget Challenge

Underlying the fiscal circumstances outlined above is an array of cost drivers that state and local governments are struggling to control.

- The primary driver of the fiscal pressures is continued growth in health-related costs. Over the last 30 years, healthcare spending as a share of state and local outlays has increased from 12 percent in 1978 to 20 percent in 2008.

- Other major programs facing increasing costs include:
  - Education, where per-student spending in most states has nearly doubled over 30 years;
  - Corrections, where a previously small budget allocation is now an increasingly large portion of the overall financial outlay; and,
  - Public Welfare, where an average annual increase of 5% is the norm across the 50 states.

States and localities have not lacked for increases in funding to pay for such outlays. In constant dollar terms, state and local government revenues increased from $786 billion in 1978 to more than $2 trillion in 2008. As revenues declined dramatically at the outset of the recent recession, the extent of the emerging “fiscal gap” between revenues and expenditures became clear for all to see.

A report by the United States Government Accountability Office (GAO) released on August 13, 2010 found that states and localities were facing shortfalls that would require
fairly dramatic action to remedy. GAO’s simulations showed the present value of the fiscal gap over the period 2009 to 2058 as $9.9 trillion, or 2 percent of Gross Domestic Product (GDP).

The GAO determined that “closing the fiscal gap over the next 50 years would require action to be taken today and maintained for each and every year going forward equivalent to a 12.3 percent reduction in state and local government current expenditures. Closing the fiscal gap through revenue increases would require action of a similar magnitude through increased state and local revenues.”

Clearly, the magnitude of this challenge will require innovative leadership from government officials.

“closing the fiscal gap over the next 50 years would require action to be taken today...”

- GAO

2010 Elections: A Mandate for Better-Run Government?

While it’s true that all politics are local, a high percentage of the debate leading up to the November 2010 elections revolved around issues of government spending and deficits, government efforts to redress elevated unemployment, levels of taxation, and, ultimately, the fiscal soundness of governments around the United States.

The post-election period provides states and municipalities with an opportunity and a mandate to take fresh looks at the way the ship of state is being steered, at the ways agencies and programs are operating, and at how services are being delivered to constituents.

As state and municipal leaders take more aggressive steps to manage spending and maximize what they are getting for the taxpayer dollar, it is likely that most will need to move beyond the “low-hanging fruit” available for easy trimming. In most cases, that trimming has already been done. The next—and much more challenging—steps will be to reform entitlement programs, de-emphasize lower-priority programs, and adopt best practices in government operations.

In these lean fiscal times, TechAmerica sees an opportunity to lay the groundwork for future positive changes in state and municipal government operations by taking advantage of major technological shifts and adopting best business practices, making government programs and service delivery more innovative and, at the same time, more productive.

While budget cuts are perhaps inevitable, government leaders must use this fiscal crisis to put everything on the table, to increase their commitments to implementing program and process improvements, and to streamline bloated operations. Such initiatives will stand the state or municipality in good stead when real economic recovery takes place.

Recommendations

Focus on the Agenda, Focus on the Enterprise

As incoming and returning administrations consider delivering on the elements of their agenda which got them elected (or re-elected), they will surely focus on ways to improve management and delivery of core programs — the “big-ticket items” like education, healthcare, corrections, public safety, and transportation.

While maintaining or improving service to constituents in these key areas is ultimately the goal of every elected official, state leaders must take a closer look, and in many cases totally rethink, the ways that these major programs and support services will be administered going forward.

As part of such a review, TechAmerica and its SLG Board of Directors recommend that state and local leaders examine all ways that technology can be employed to improve operations, realize savings, and enhance delivery of services to constituents.

For consideration and review, TechAmerica’s SLG board members propose that state leaders consider the following common and effective approaches to operational improvement and cost containment used in both the public and private sectors.

- Transforming Programs and Services through IT-Enabled Innovation and Improvement;

- Consolidating IT Infrastructure and Applying Asset-Optimizing Tools, Including Virtualization; and,

- Applying New Delivery Models and Technologies to Drive Savings, Enable Innovation, and Promote Economic Development.

Private sector companies have found that operational improvements, if done correctly, can produce a “virtuous circle” — reducing costs and increasing openness and collaboration, improving service quality and enabling more investment in higher-priority items. While private and public sectors differ in their goals and modes of operation, by adopting operational improvements, enabled by technology, states and localities will be able to put greater focus on programs that serve citizens.
Transforming Programs and Services through IT-Enabled Innovation and Improvement

While most states and many municipalities have moved down the path toward cost containment through the use of IT, efforts aimed at transforming programs and support operations have not been as widespread. Such transformation goes far beyond the mere embrace of technology; it requires the adoption of new enterprise-level approaches to delivering services, including leveraging of private sector business models and public-private partnerships to modernize infrastructure and applications. In recent years, the development and deployment of technology-enabled shared services, managed services arrangements, and business intelligence tools have made possible new ways of doing business.

By pursuing program (also referred to as “line of business”) and support operation transformations, state and local governments can begin to break down silos (separate IT, finance, legal, human resources and procurement functions) that have made government entities operate in a program-centric manner for too many decades. While many try to justify such separation and independence as reflecting requirements that are bound by statute, silo-like approaches are no longer a tenable position for state leaders. Every extra dollar spent on support activities and overhead is a dollar that could be spent on programming, used to address deficits, or returned to the taxpayer.

Importantly, once new shared business platforms have been put in place, real operational improvements and new capabilities are made possible for the broadest range of functions. Agencies and departments that have relied for decades on manual, paper-based processes have a migration path to new business processes, much of which can be accessed securely online or performed in the field by mobile workers. Such changes can allow for new efficiencies in an agency’s real estate and technology footprints, enhancements in caseworkers’ capabilities and performance, and improvements in the citizen experience.

Governments are increasingly adopting tools to extend the reach and appeal of their services. Common approaches include leveraging social media, modifying 311 centers to allow for more web and mobile device interaction, and upgrading web sites.

Effective Governance of Information Technology

True business transformations are difficult challenges to take on and require a high level of commitment and investment of political capital by elected officials. As a prelude and prerequisite to successful transformation efforts, state and local leaders must establish and adhere to an IT governance process.

Governance of IT has been defined as, “Specifying the decision rights and accountability framework to encourage desirable behavior in the use of IT. Governance answers the questions: What decisions must be made; Who should make these decisions; How will decisions be made; What is the process for monitoring results?”

- Peter Weill and Jeanne Ross, CISR, MIT

There are many excellent published works on IT governance issues which go into far more depth on the subject than we can in this short space. For example, the National Association of State Chief Information Officers (NASCIO) produced a series of papers on the topic in 2008, leading off with a primer on executive-level issues titled “IT Governance and Business Outcomes – A Shared Responsibility between IT and Business Leadership.”

As technological innovation become more critical to the delivery of government missions, IT governance remains a challenge for Chief Information Officers. The 2010 State CIO Survey, conducted by NASCIO, TechAmerica, and Grant Thornton LLP, found that most state CIOs believe that they shoulder much of the responsibility for statewide IT governance but do not enjoy comparable levels of authority.

“most state CIOs believe that they shoulder much of the responsibility for statewide IT governance but do not enjoy comparable levels of authority...”

- NASCIO, TechAmerica, & Grant Thornton


Healthcare Reform: Oklahoma Newborn Registry, a Forerunner to Linking the Payer, Provider and Consumer Communities

Until 2008, new mothers in Oklahoma, who qualified for SoonerCare (Oklahoma Medicaid), had to fill out paperwork to enroll their newborn and receive a primary care provider (PCP). The Oklahoma Health Care Authority (OHCA) employed a paper form, the NB-1, which hospital staff completed and faxed to the Oklahoma Department of Human Services (OKDHS) to initiate SoonerCare membership for a newborn. It was an inefficient process with limited mechanisms for feedback or notification to chart the status of the eligibility request.

Providers could not bill for care until they received an ID number for the newborn, which sometimes took days or weeks. There was no efficient way of checking if OKDHS received the NB-1 form, and providers were forced to keep checking back to confirm membership.

For mothers, PCP selection was also problematic. Because of the lag times in assigning membership ID numbers, a mother often left the hospital without choosing a PCP for her newborn. OHCA mailed out a paper form to initiate selection, however mothers often didn’t know which provider to choose. If a mother didn’t select a PCP within 45 days, OHCA auto assigned one; which has occurred with 25 percent of mothers per year.

It was critical that when a mother left the hospital her baby had a medical home. Equally as important, OHCA wanted providers to have everything they needed to bill and receive reimbursement for services rendered.

Implementation of an electronic version of the form—the e-NB-1—increased the ability of members and providers to work together by creating an immediate real time link between birth and after care. With the adoption of automation, 86 percent of newborns are now added to the program within five days with 80 percent of mothers receiving their first choice for PCP assignments. The eNB-1 provides Mom, the hospital, and the attending physician with a printout that includes the newborns demographics and ID number. The hospital and attending physician can retain this for billing and record purposes, and it will serve as a temporary ID card for Mom until the official ID card arrives in the mail. The eNB-1 is considered an official copy of the hospital birth record which can be used to verify federally mandated citizenship status for the newborn.

Based on the success of the newborn enrollment process, OHCA is extending electronic enrollment to anyone who seeks health coverage in the SoonerCare program beginning with pregnant women and families with children. In addition, a limited benefit program for family planning services (SoonerPlan) is also available through electronic enrollment.

Source: http://www.mysoonercare.org/
Social Media 2.0 and Open 311 Impact on Citizen Communication with Existing Government Contact Centers

As forward-thinking municipalities strive for ways to engage citizens in the management of their cities and counties, providing access anytime and anywhere is critical. Be it from home or the office via their computers, or on the move through mobile devices, these new channels encourage community involvement, speed service delivery and reduce costs by enabling citizens to tap into various self-service options.

As such, expectations are high for today’s 311 government contact centers where multi-channel access is becoming standard operating procedure. Seamless access for citizens to their government via e-mail, text, chat and social media options including Facebook, Twitter and other Web 2.0 communication tools is now required in many communities and has led to the establishment of the Open 311 initiative. Recent buzz in the 311 community is around open source technology which was initiated by San Francisco’s pioneering work in making 311 services accessible to all citizens at all times on all platforms. This approach is supported by the Open Government Initiative of the Obama Administration. Lagan, a leader in government to citizen (G2C) technology, is developing the use of open source technology, based on the City and County of San Francisco’s pioneering work in making 311 services accessible to all citizens at all times on all platforms.

The open source technology will knit together 311 services with citizen requests across a comprehensive range of web and mobile platforms. The technology will make it easy for 311 service providers to offer a conduit for service access in any social networking forum, including Facebook, Twitter, and other community crowd sourcing media channels which will deliver unprecedented convenience to citizens seeking access to local government services.

Source: http://sf311.org/

Source: http://twitter.com/sf311
The State of Utah Integrates Programs and Improves Service Delivery through its electronic Resource & Eligibility Product (eREP)

In these difficult economic times, many government agencies are striving to improve the quality and efficiency of citizen service delivery. The State of Utah has taken an innovative enterprise approach to transforming the way services are accessed and delivered with the electronic Resource & Eligibility Product (eREP).

eREP is an automated, enterprise application that’s based on the Cúram Software Social Enterprise Management (SEM) solution. eREP integrates eligibility and benefit calculations for more than 60 social service programs. At a high level, other benefits of eREP include:

- State caseworkers are more productive;
- Agencies can experience improved operational efficiency;
- Citizens can access more services themselves online; and
- Families are realizing more positive outcomes.

Utah leveraged the extensive verification capabilities of Cúram Software to enable more accurate benefits delivery. The Cúram solution allows a caseworker to get online verification of someone’s address, work history and assets. The system provides change in circumstance alerts for updates in wages or personal information that could impact a citizen’s eligibility for benefits. With eREP, state caseworkers are also made more productive through an approach and with technologies that feature:

- Cross-agency collaboration;
- Multi-program integration;
- Enterprise approach to service delivery; and
- a COTS (commercial off-the-shelf) software solution.

In addition to saving money, eREP provides better service for citizens by connecting multiple social service agencies and programs, online access to knowledge and available services and reduced time-to-benefits. Using the eREP system, program eligibility information is more accurate and consistent leading to increased caseworker productivity and effectiveness, allowing them to focus on the client, ensuring a more positive outcome.

Implementing shared services can be challenging for governments, particularly where changes to business processes are involved. Government leaders often find the culture of certain agencies and departments to be the biggest challenge to the implementation of shared services models.

Still, some states have found ways to make shared services work. The State of North Carolina has implemented a shared services center to support its HR, Payroll, and Benefits functions, which is expected to yield substantial cost savings and productivity gains by eliminating redundant processes and through staff redeployment. The State of Illinois is undertaking an effort to provide shared finance and HR services to over 45 agencies, boards, commissions, and authorities. Several other states – California, Florida, Minnesota, New Mexico, Pennsylvania, and Ohio – have all embarked on a shared services project.

More description on Ohio Shared Services is provided in the best practice example on this page.

Ohio’s Shared Services Deploys Oracle PeopleSoft in a Virtual Environment to Increase Agility and Make Work Arrangements more Flexible

Ohio Shared Services, a division of the state’s Office of Budget and Management, is a best-in-class business processing center serving state and local agencies with standardized, consumer-centric solutions for a variety of common business functions.

By centralizing business processes common to state agencies, Ohio Shared Services aims to provide superior service quality, generate significant cost savings for partner agencies, and allow agencies to focus on their core missions. Any savings from consolidation of these processes remain with the participating organization.

The story of Ohio Shared Services began with the development of the Ohio Administrative Knowledge System (OAKS) application, the largest Oracle PeopleSoft installation in the U.S. As Ohio was completing an enterprise-wide rollout of OAKS, state leaders saw an opportunity to transform the way the state handled its back-end business processes. At the same time, the state saw the potential to realize significant cost savings.

In 2008, several Ohio agencies came together to build a first-of-its-kind, state-of-the-art shared services center that would use the newly implemented Oracle PeopleSoft platform to answer invoicing and related questions for government agencies and vendors, as well as provide shared back-end financial services for participating agencies.

These efforts resulted in the establishment of a new shared services division, Ohio Shared Services. The division performs a number of back-end tasks—accounts payable and invoice processing, invoice inquiry response, document imaging, travel expense reimbursement, and vendor maintenance and management—that had previously been “silohed” in the individual agencies.

Besides the shared services approach itself, Ohio Shared Services is also taking advantage of technologies such as virtualization to enable a more agile IT environment and allow more flexible approaches to the way work is done. In fact, according to a recent article in Government Technology, about 85 percent of the center’s IT is virtualized.

This virtualized IT environment allows for smooth shifting of IT resources and even allows employees to move quickly between different workspaces, performing different job functions and supporting several lines of business as demand dictates.

On top of these new efficiencies and capabilities, the Ohio Shared Services team plans to implement a business intelligence or analytics capability to better mine the data being gathered via its various functions. That will take the department a step further, from a repository of state information to a provider of decision support services.
Managed Services

Managed Services is the practice of transferring day-to-day management responsibility for a business function to an outside partner as a strategic method for improved operations, while maintaining a predictable cost structure. Typically, in the commercial marketplace the service provider, or vendor, accepts full responsibility for the functionality and performance of the managed service. However, given the unique requirements of the government customer, vendors and clients have worked together to create customized “blended” approaches.

When an organization subscribes to a managed IT solution, a service provider manages the network equipment and applications on the customer premises according to the terms of a service-level agreement (SLA) established to meet the client’s unique business needs. Some managed services are also hosted, meaning that the service provider hosts the equipment in its facility instead of the customer’s, and delivers services to company employees over a network.

Managed services providers have traditionally focused on building scalable solutions to routine tasks in network and application operation and maintenance. However, innovation and competition are expanding the array of services available to government organizations. Managed Print Services (MPS) is a growing services category which is based on a value proposition that can deliver enterprises an annual document-related savings of around 30%, according to research group IDC. As a case in point, the Xerox Corporation has a contract for MPS with the Rialto (California) Unified School District. The school district expects to save nearly $500,000 annually by better managing printing and documents across its 25 buildings.

Broadly speaking, managed services provide clients with the following benefits:

- Application of capabilities and skills from the largest and most experienced global service providers;
- Elimination of upfront capital investment;
- Improved predictability of IT budgets and staffing levels;
- High levels of network support and availability;
- Payments based on what is needed or used, not on peak requirements or maximum levels of use or traffic; and,
- Availability of internal IT leaders and managers to focus on strategic applications and activities instead of network and customer support.

In terms of achieving operational improvements and business transformations, the last bullet on the list above is likely the most important. In many government IT organizations, leaders and managers are spending more than 80% of their time focused on “keeping the lights on” – simply making sure applications and infrastructure are operating properly. Tilting the balance in the operation/innovation ratio further towards innovation will allow those leaders and managers to focus on operational improvement and finding ways to do business more efficiently and effectively—exactly the tasks that will help address the enterprise-level gap between costs and revenues.

“the Rialto (California) Unified School District... expects to save nearly $500,000 annually by better managing printing and documents across its 25 buildings...”

- TechAmerica

Electronic Payment Solutions Save Millions in Oklahoma and Michigan

Electronic payment card solutions can save states millions by eliminating paper checks for a number of programs. The Oklahoma Department of Human Services (OKDHS) has transformed its operations and was the first state to provide multiple benefits on a single debit card, including Child Support, Temporary Assistance for Needy Families, State Supplemental payments, Adoption Assistance, and Sales Tax Rebates. Foster Care payments will be added in November 2010. The state also leveraged Electronic Benefits Transfer (EBT) technology to develop a first-of-its-kind system that manages daycare time and attendance for its subsidized child care program. With this e-Childcare solution, OKDHS is saving an estimated 10 percent of child care subsidy payments — money that is put back into the program. The day care providers’ satisfaction in the program has risen from 20% to 90% — the highest satisfaction rating in the nation.

These payment solutions combined are saving the state $10 million per year by reducing fraud and another $5.1 million by eliminating paper checks, postage and other manual processes — money that is re-invested in the programs. In 2009, OKDHS extended the EBT model to the Senior Farmers’ Market Nutrition Program, which could provide additional food benefits to 2,700 senior citizens. The farmers’ market card has been so well received that one city’s farmers’ market tripled its sales of produce in the first weekend the card was in use.

Michigan Women, Infants and Children (WIC) Program Deploys Real-time, Online System

The Michigan Women, Infants and Children (WIC) Program has replaced its paper coupon system with the nation’s first real-time WIC EBT program and is saving 27 percent in processing costs, according to an independent study from Burger, Carroll & Associates. The Michigan Department of Community Health went from issuing 10 million paper food vouchers annually, to providing EBT cards to more than 152,000 households totaling 262,000 WIC participants per month. Nearly 2,000 approved retailers are equipped to accept the cards. The savings were realized despite a WIC caseload that increased by 15 percent in the past four years. The state also implemented a significantly enhanced food package and a cash value benefit program for fresh fruits and vegetables in 2009, with additional food items available at no increase in state administrative costs. In addition, participating WIC vendors are paid within two business days as compared to weeks. Since the system automatically validates approved items, errors are caught at the checkout lane immediately, instead of after the fact during an audit. The online, real-time system enhances data collection and analysis, making it easier for state administrators to manage the program and budget dollars.

Like the payment card and e-Childcare solutions in Oklahoma, Michigan WIC EBT serves as a national model. These states and their operations partner, ACS, A Xerox Company, are modernizing government in innovative ways that provide convenience and better service to citizens, while improving program management for government.
Business Intelligence and Analytics

Business Intelligence (BI) refers to computer-based techniques used in analyzing business data to produce historical, current, and predictive views of business operations. Common functions of Business Intelligence technologies are reporting, online analytical processing, analytics, data mining, business performance management, benchmarking, text mining, and predictive analytics.

For state and local officials, Business Intelligence and Analytics aims to support better decision-making on important operational issues, leading to more effective and efficient operations and business processes. Such technologies are now being used to maximize revenues flowing to states as well as to support initiatives that reduce fraud, waste, and error in government programs.

The tools allow for recovery audits of large-scale transactions; searching for fraud or mistakes, or an unanticipated shift in trends. If used properly, these tools are highly effective, as illustrated by the New York State Department of Taxation and Finance example on this page and the case of the Alameda County (California) Social Services Agency.

Alameda County Social Services highlights the benefits of using technology to break down program barriers by integrating fragmented client data. Working with IBM, the County developed and deployed the Social Services Integrated Reporting System (SSIRS). The system provides a unified platform for tracking all of the data related to agency services, benefits, eligibility, and clients. The integration of the agency’s various data sources has improved collaboration among agency departments, increased productivity, improved ability to detect and prevent fraud, and reduced overpayments to benefit recipients. A case study analysis by the Nucleus Research group pegs the annual Return on Investment at 631%, providing a two month payback time to the agency on its investment.

In the boxes around this page you will find some additional definitions and perspectives on these concepts and approaches, as well as some more detailed best practice examples of how states are rethinking ways of doing business.

“Alameda County Social Services highlights the benefits of using technology to break down program barriers by integrating fragmented client data...”

- TechAmerica
New York State Optimizes Tax Return Audit Selection

Ensuring that taxpayers voluntarily pay the correct tax in a timely manner is the job of New York’s Department of Taxation and Finance (DTF). It’s a significant job. DTF processes over 25 million tax returns a year, of which approximately 10 million are individual tax returns.

To accomplish its goal, DTF has taken major steps to improve the processing of taxpayer information, returns and payments; enhance customer service; and upgrade its audit and collection activities.

“Our department’s vision is to create an agency that provides a fair system of tax administration and is accessible and responsive to taxpayers,” says Max Birdsall, a director in DTF’s Enterprise Services Division.

“Unfortunately, not all taxpayers are ready or willing to pay what they owe,” he adds, “which makes effective and timely identification and investigation of suspected fraud and noncompliance a critical priority for us.”

New York State’s auditors recognized early on that they needed a different approach to case selection. The COBOL programs they were using to run against tax returns took too long to write, were too simple in their logic and couldn’t prioritize returns for investigation. What’s more, the percentage of returns being stopped fell below estimates reported by the Internal Revenue Service. In short, the state was missing out on revenues it was owed and paying out refunds it should not have.

In search of a solution, the auditors turned to IBM, whose consultants saw a way of adapting advanced data analytic techniques they had developed to detect healthcare fraud to the tax arena. The result was the Tax Audit and Compliance System, which is now being used by New York State to help increase tax revenues, deny wrongful refund requests and improve auditor productivity. New York State uses the Tax Audit and Compliance System in two ways:

In retrospective mode, the system reviews returns from selected groups of taxpayers to determine which of them should be audited based on extensive data relationships and history that are built into the behavior model. Returns are then provided to field auditors for investigation.

In preprocessing mode, the system scores returns that come in nightly and denies refunds for suspect returns. “It’s harder to get money back after the fact,” explains Birdsall. “At the same time, he says, “the state wants to provide payment if the refund is valid.”

Desk audits are performed on suspect returns and the taxpayer is contacted to quickly resolve any issues. Business rules, used by the system to identify suspicious returns, as well as audit results, are examined daily to verify their effectiveness and to uncover new opportunity areas and fraudulent schemes that may be occurring. Changes are also made to account for new tax laws and the impact of economic trends.

“During the past four years, our use of the system has become increasingly more sophisticated,” says Birdsall. “Our objective is to identify better cases, reduce the return-without-audit percentage from our field offices, and expand to include other state tax programs as well.”
Consolidating Infrastructure and applying Asset-Optimizing Tools, including Virtualization

State and local governments around the country have moved to cut the costs of operating IT by consolidating their IT infrastructure, realizing that significant savings can be achieved if departments and agencies take concerted action to become a more integrated and unified technology enterprise. The following are reasons typically cited in making the case for consolidating IT functions:

- Centralizing authority, oversight and accountability, resulting in integrated deployments and greater sense of ownership for IT performance;

- Presenting a consolidated view of the enterprise, thereby enabling more informed decision making and resource allocation;

- Eliminating duplicative infrastructures and uncoordinated IT procurement, which not only increase procurement costs but also create complexity across the network and reduce the ability to share support resources;

- Replacing aging legacy systems, which are more challenging to support and which serve to slow modernization efforts; and

- Lowering levels of Cyber Security risk. Lack of an enterprise view of security increases the challenge of coordinating and executing policy, and slows disaster recovery efforts.

Indiana’s Office of Technology (IOT), established in 2005, centralized and consolidated the state’s IT infrastructure on a standard server/processor configuration, provided by Dell and the Intel Corporation, and has achieved annual savings of $13.9 million through a combination of reduced energy expenditures and reduced IT support spending. In addition, the move has provided a more energy-efficient, robust foundation for state services.

While consolidation can enable new capabilities and improve IT performance, cost savings are always near top-of-mind for those considering such strategies. The Gartner Group reports that these types of efforts generally deliver 20 to 30% reduction in costs. It is not unheard of for private sector companies to achieve savings of 40% to 50% through consolidation of varied and dispersed IT assets. Such savings are achieved by reducing overhead, consolidating data centers, eliminating redundant networks, enabling advanced PC fleet management capabilities, and streamlining the array of applications requiring maintenance and support.

In the boxes on the following pages, additional examples drawn from state and local government consolidation efforts can be found.
Commonwealth of Massachusetts IT Services Consolidation Project sets Stage for National Trend in State IT Strategy

The Challenge: In February 2009, as the national economy emerged from a severe recession, the Commonwealth of Massachusetts faced a staggering $2B state budget deficit. As is the case in many organizations public or private, IT is one of the Commonwealth’s largest expenditures while also serving as one of its key strategic and operational enablers. However, the Commonwealth’s approach to managing IT was overly complex, too difficult to maintain, and increasingly challenging to secure. The lack of customer service culture, and the sizeable IT spend in both the operating and capital budgets further exposed the Commonwealth to inefficiencies and risk.

In response, Governor Deval Patrick issued Executive Order No. 510 mandating centralization, improved standardization, and coordination of the Executive Branch’s IT governance, operations, infrastructure, service delivery, financial management, workforce management, and training approach. This mandate involved over 150 different state agencies residing in eight different Executive Offices, and required the consolidation of disparate agency-level IT budgets and the streamlining of financial management functions at the Executive Office level. The complexity of the scope of this effort is reflected in a few key current state figures:

- 200 phone systems, 15 data networks, 183 data centers, and 24 email systems;
- 48 Helpdesks, 57 Desktop and LAN service organizations;
- 400+ discrete, ad hoc IT job titles; and
- Non-standard, unregulated Agency web content and IT applications.

Turning Crisis into a Full IT, HR, Governance, and Finance Transformation Opportunity: To support the implementation of the Governor’s Executive Order, Deloitte was selected to assist the Commonwealth plan and execute a Strategic IT Consolidation Program. The program was comprised of key “threads”:

- Program Leadership, Management, and Communications;
- IT Governance Design and Implementation;
- IT Financial Management Operating Model Design and Implementation;
- Integrated Program Performance Management Process Design and Implementation;
- Workforce and Talent Management Transformation;
- IT Service Excellence; and
- IT Infrastructure Strategy and Architecture.

This program was supplemented by the work of another project team that developed the strategy and detailed design for Massachusetts’ second “green” data center in Springfield. The new data center provide business continuity and disaster recovery services for the consolidated IT infrastructure through an energy efficient data center infrastructure which features sustainable building design, consolidated computer technology, and renewable and cost competitive energy sources.

Results: For 18 months, the Deloitte team worked side-by-side with all the CIOs, CFOs, and CHROs across Massachusetts’ Executive Branch to develop and implement a new operating model for technology service delivery that fundamentally transforms and improves the way Massachusetts delivers key IT services and manages its IT infrastructure.
The City of Dallas Improves Efficiency and Reduces Waste by Optimizing Document Management Infrastructure

The City of Dallas serves as the epicenter of a vast metropolitan region with more than six million people. This thriving City is one of the leading centers of the global economy and it has a remarkable commitment to the principle of sustainability.

City leaders understand that sustainability is good for the long-term health of the planet and is all about increasing efficiency and reducing waste. When you make smart decisions about sustainability, you can lower your costs, improve productivity and reduce your environmental impact at the same time. That’s why they decided to optimize the document management infrastructure in hundreds of city offices and facilities throughout Dallas.

The Challenge: At the time, this infrastructure was costly and difficult to manage. Like most large organizations, the City had hundreds of printers, copiers, fax machines and scanners from different manufacturers spread throughout its offices and facilities, which created the following challenges:

- Managing over 1,000 document devices from different manufacturers;
- More than 400 monthly bills;
- Suboptimal service response times;
- Excessive reliance on printing and paper documents; and,
- Need to implement streamlined workflows and become a greener city.

The Solution: The Xerox Corporation worked closely with City officials to analyze their current infrastructure and develop a cost-effective optimization plan. The first step was to replace more than 1,000 document devices located in hundreds of City facilities with approximately 500 energy-efficient Xerox multifunction devices (MFDs) designed to support a work group rather than an individual employee. Other elements of the solution included:

- Rigorous evaluation of the document management infrastructure;
- Installation of 524 state-of-the-art, energy-efficient MFDs;
- Implementation of digital faxing and enterprise-wide two-sided printing;
- Comprehensive outsourced management of equipment, service, supplies and support with a dedicated on-site team;
- Effective training and Change Management to help employees adapt to a more efficient way of working; and,
- Migration to a single monthly bill.

The Results: As a result, the City gained more control over its document management infrastructure by outsourcing equipment, service, supplies and support to a single, reliable partner with a proven reputation for innovation. Notable results included:

- Simplified management of a hard-to-manage infrastructure;
- Reduced costs;
- Increased efficiency and productivity;
- Reduced impact on the environment; and,
- Created a strategic partnership focused on transformative green solutions

All told, these improvements are helping the City of Dallas increase efficiency, productivity, and cost-effectiveness while advancing the cause of sustainability.

Jill Jordan, Assistant City Manager and one of the leaders of the Green Dallas program, said “We’re using less energy. We’re using fewer resources. And the City’s productivity has improved as a result of all of this, because we’re able to do our work so much easier and faster.”
Driving Efficiencies for Agencies and IT in Clark County, Nevada

After 20 years of record growth, Clark County in Nevada has been severely affected by the economic downturn, experiencing some of the highest home foreclosure rates in the country. Long before Clark County’s economic downturn, however, the county’s leaders were working to increase the efficacy of county services and stressing the need to do more with less. With agencies looking at new ways to provide services to their constituents, there was a heightened focus on automation and a concurrent increase in the demand for services from the Department of IT.

Clark County was ready to meet this challenge by applying a variety of best practices, including server consolidation and server virtualization, in addition to taking advantage of the increased performance and decreased resource demands of the latest Intel processor technologies.

The County made the following improvements in its IT environment to achieve its goals:

- Deployed 22 VMware hosts that support more than 220 virtual servers, yielding a 10:1 (and increasing) consolidation ratio. The shift to virtualization not only took older servers that were more costly to support out of the environment, but also provides a foundation to support new applications.

- A SQL Server consolidation, resulted in reduced licensing costs and power and heating requirements, and offered higher performance and availability.

- Quickly adopting the Intel Xeon processor 5500 series. New applications that will help county agencies deliver vital services are going onto servers based on new Intel technology.

Clark County IT leaders say they’ve generated savings by achieving economies of scale, improving resource utilization, increasing reliability and availability, and creating a more energy-efficient and easily managed environment. They have the capacity to support growth and the agility to quickly deploy new applications. The SQL consolidation alone enabled IT to retire eight physical servers this year, with another five scheduled to be end-of-lifed by year’s end and ten more in 2010.

While hard dollar savings have not yet been calculated, county officials claim that retiring those aging servers in favor of new ones based on more powerful processors has generated savings on hardware maintenance costs, power consumption, cooling, and rack space. Further savings have come from the ability to consolidate SQL licenses and avoid paying for excess overtime.

The consolidation and virtualization initiatives have played a key role in enabling the County to conduct business. One county IT leader summed it up by saying, “Without the huge progress we’ve made in consolidating, virtualizing, and automating our environment, we would not be able to keep up with the increases in demand and provide such high availability. Because of the infrastructure we have put in place, we’re in a better position to cope with whatever comes next.”

Source: http://www.accessclarkcounty.com/
Savannah, Georgia Data Center delivers High Performance, Enhanced Security

In the City of Savannah, Georgia, city IT managers wanted a core network solution that would increase security, reduce the costs of network maintenance and training, and facilitate rapid, flexible growth in network capabilities. City network managers concluded that the upgraded operating system would provide significant security and cost advantages.

The city deployed a new data center architecture, provided by Juniper Networks, to consolidate provision of network and data center services. Featuring 130 nodes around the city and fully redundant operations from two locations for disaster recovery purposes, the city’s data center is now operational, supporting IT and network-based communications for more than 2,400 employees serving over 280,000 residents of the Savannah metropolitan area.

As a result of this major data center upgrade, Savannah now delivers up to 20 gigabit Ethernet (GbE) throughput, running dual 10GbE on 20 servers, versus a previous 4GbE fiber-channel network requiring more than 50 servers. In addition to providing the routers, switches, firewalls and SSL VPN solutions that make up Savannah’s data center infrastructure, Juniper Networks is also partnering with others to power the city’s public wireless network, serving the city’s public safety and education systems. This wireless network is being extended to serve suburban and lower-income neighborhoods, as well as the city’s historic tourist areas and beaches.

“In terms of performance, security and cost, running our routers and switches with one OS, in one code release and one architecture, is a huge advantage over other approaches,” said Brad Goodman, City of Savannah Network Manager. “We’re delivering significantly more bandwidth and supporting much larger applications for our residents, with much higher security and at far lower costs than a fiber network with similar capacity.”

Source:  http://www.savannahga.gov
Virtual computing (or virtualization) is a powerful tool that can help state and local governments efficiently consolidate IT assets and better manage increasing demand for IT services, while reducing infrastructure and energy operating costs. Virtualization can help state agencies optimize the use of computing resources, increasing efficiency and freeing resources that would otherwise go to data center and server support.

There are several approaches to virtualization, and almost any technology asset can be made virtual. Virtual servers leverage existing infrastructure and maximize the use of scarce resources by only using what is needed at any point in time — eliminating the excess capacity typically found in many growing organizations concerned with meeting user demand during peak periods.

Virtual applications run on servers, often centrally-located in a data center, which can accessed from different locations via an array of devices. This approach allows for the centralization and control of critical data and easier management of the application.

Virtual desktops are installed and run on servers in a secure data center and can accessed by any device connected to the private network or the internet. This approach reduces the need to install and support applications, and more safely stores data at a central location. In this way, virtualization maximizes device flexibility (laptop, smart phone, tablet, etc.), user mobility, and data security.

In addition to these improvements, virtualization can drive energy efficiency by reducing energy consumption. The State of Michigan provides an example of how significant these savings can be. Through an EMC-led storage and data center consolidation effort, the state saved $1 million in annual maintenance costs, with further estimated annual savings of $340,000 in energy costs.

Other benefits typically cited when considering the business case for deploying virtualization technologies are:

- Reducing the total cost of ownership for desktops, servers, and datacenter;
- Deploying flexible and scalable solutions with enhanced enterprise security; and
- Consolidating hardware infrastructure and laying the groundwork for future cloud computing and managed services deployments.

Applying New Delivery Models and Technologies to Drive Savings, Enable Innovation, and Promote Economic Development

State and local government technology leaders and are coming under greater pressure than ever to reduce infrastructure costs, manage capital expenditures, and consolidate operations, while at the same time providing higher and more sophisticated levels of service and support to the lines of business.

To manage these seemingly competing forces, executive branch leaders are considering and deploying IT solutions that can be considered potential “game-changers,” particularly when they are deployed at an enterprise-wide level. We would like to highlight three new models and technologies we believe are receiving considerable attention from state and local governments, namely:

- Onshore delivery, or domestic sourcing, of IT services;
- Cloud computing infrastructure and services; and,
- Software as a Service (SaaS) solutions.

While seemingly disparate on the surface, the delivery models and technologies listed have a common thread: They offer new ways of procuring and delivering IT services that allow IT leaders to:

- Spend more time working with line of business owners on critical operational and process improvements.
- Focus on deploying and supporting core applications;
- Access hard-to-find skills, while maintaining a more strategic set of competencies in their own organizations; and,
- More quickly deploy emerging tech into their IT environments.

As a corollary to such benefits, TechAmerica believes that evaluating and building a presence in developing fields such as Cloud Computing, SaaS, or onshore services delivery holds promise for government leaders who are seeking economic development strategies for their states, counties, and cities.

Much attention has been paid to the role of industry “clusters” or “magnets” in spurring economic development. Most notable among American technology clusters are Silicon Valley; Route 128 outside of Boston; Austin, Texas; Portland, Oregon; Research Triangle Park in North Carolina, and increasingly the suburbs of Washington, DC.
Michigan Deploys EMC Storage, Consolidation and Virtualization Solutions to enable Improved IT Services and Cut Costs

Faced with a sagging economy and the highest unemployment in the U.S., the State of Michigan is under severe pressure to reduce costs, even as data growth explodes and citizens' expectations for services continue to expand. Michigan's Department of Technology, Management and Budget (DTMB), which provides IT resources to the state's 55,000 employees, must perform this difficult balancing act.

In recent years, the State's storage infrastructure has grown dramatically -- largely due to regulations mandating business continuity and preservation of health, case management, and other records, combined with growing disk backup requirements.

"Our constant challenge is doing more with less," says Daniel J. Lohrmann, CTO and deputy director of the Infrastructure Services Administration. "We thought that as budgets were slashed, user demand would drop, but the exact opposite happened. Now we have to deliver enhanced capabilities and services at the lowest possible chargeback rates to the agencies--all while improving efficiencies and reducing our own budget."

The State of Michigan turned to its longtime partner, EMC, to address these challenges. EMC put in place an array of solutions, including: networked storage, data replication software, a disk Library backup and recovery solution, a VMWare server virtualization solution, and global services support.

Key benefits of the Michigan consolidation and virtualization effort:

1) DTMB reduced its storage charge-back rates by 68 percent;

2) The number of FTEs remained steady--even as storage grew from 680 gigabytes to four petabytes;

3) Storage consolidation saved $1 million in annual maintenance costs; and,

4) Virtual provisioning streamlined storage administration and increased storage utilization.
Interest in cloud computing is rampant across the IT industry, as well as in government, and there are many different definitions and perspectives surrounding the technology and its applications.

Cloud computing is closely associated with Managed Services and Software as a Service (SaaS), which are described in other sections, but also draws on concepts from Virtual Private Networks (VPNs), mainframe/terminal computing, and virtualized IT resources.

Adoption of cloud computing is being driven by fundamental changes that are occurring in enterprise IT, including the need for greater cost efficiency and a move toward standardized technologies and platforms.

Cloud computing offerings typically fall into two categories:

- Public cloud, where infrastructure and applications are delivered to multiple clients by a third-party, and housed and managed in that provider’s data center; and,
- Private cloud, in which infrastructure and applications are managed and controlled by the IT organization using them, whether developed internally or delivered by an external services provider.

For government leaders interested in cloud, the keys to its appeal lie in the following aspects of such services:

- Provisioning of enterprise-level and productivity applications and...
services can be done more quickly than under traditional IT models;

- Pricing and licensing options are flexible and little capital expense is required – if the application can be delivered to existing PC and mobile hardware in a state’s asset base;

- Technology updates and upgrades can usually be handled centrally, cutting back greatly on the need for staff attention and support;

- Cloud-based applications often feature device and location independence, enabling users to access systems using a web browser regardless of their location or device; and,

- Cloud services are dynamic and scalable (“on-demand”), and customers need not pay for peak load capacity at all times.

As in the Managed Service value proposition, state IT managers and staff are freed to focus on the state’s core IT portfolio and to work with program leaders to shape new business practices and processes based on the new capabilities offered by these emerging technologies.

Software as a Service (SaaS)

Software as a Service is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.

SaaS is becoming an increasingly prevalent delivery model as underlying technologies that support Web services and service-oriented architecture (SOA) become mature and popular. Additionally, the expansion of broadband service and next generation mobile services availability supports user access from more locations and more types of devices.

Virtual Computing Allows County to add New Services and Create a New Revenue Stream

Fairfax County, Virginia is one of the three largest counties in the United States, with over 35,000 employees serving more than one million residents. While county tax revenues took a dramatic downturn during the recent recession, Fairfax County was able save millions of dollars in operational expenses and avoid costs by implementing a Citrix virtual computing solution to deliver IT services to county employees and residents.

Initially deployed as part of a business-critical SAP rollout, the solution delivers virtual desktops, applications and services to all county employees using any device, whether they are working in the field, in county buildings and call centers, or from their homes. The move to this virtual environment has saved the County significant amounts of money on operational expenses, which used to include $2.5 million a year just to refresh desktop hardware. Additionally, Fairfax County used their Citrix virtual computing solution to create a revolutionary "cloud" model to host services for cities and townships within the county adding a new revenue stream for these services.

Perhaps even more important, the virtual IT environment has saved millions of taxpayer dollars by reducing expenses and increasing efficiencies across a wide range of county services, including police and emergency services, utilities, libraries, geospatial information systems (GIS) mapping, surveying and administrative functions.

Source: http://www.fairfaxcounty.gov/
Onshore Delivery: Reducing the Cost and Risk of IT Diversification

In challenging times, governments must evaluate new options for diversifying their IT delivery models to reduce cost and risk while maintaining control and security of IT assets and constituent data.

Many agencies also recognize that their internal IT organizations cannot excel in all disciplines, and that private sector partnerships can deliver services and solutions that government could never build on its own. Such partnerships also allow internal IT organizations to focus on their core competencies.

Onshore delivery models provide governments with flexible, affordable managed services located domestically, at savings of up to 20 to 30% in the first year and beyond. In many cases, they have the added benefit of bringing new employment and development opportunities to small-town communities. In those cases, the client gets lower-cost access to highly skilled resources, and the nation gets good jobs and skilled resources in places where they are sorely needed.

On-shore Centers of Excellence for Federal and State Programs:

Maintaining, enhancing, and testing large-scale systems for the Center of Medicare and Medicaid Services
A CGI U.S. Center of Excellence is providing application development and testing services as part of its maintenance and enhancement contract for the Centers for Medicare & Medicaid Services (CMS) Medicare Advantage & Part D subsystems. These mission-critical systems handle complex data and transaction processing that is shared by the government agencies, plan providers, pharmacies, and retirement plans.

Supporting large-scale financial management and data exchange for EPA
By leveraging managed service and domestic sourcing models across many critical U.S. Environmental Protection Agency (EPA) programs such as the Financial Management Systems Modernization Project and the Central Data Exchange, the EPA has gained unprecedented insight into the resources and costs required to support each application within its portfolio, leading to higher quality IT development and support while reducing costs.

Speeding collections to increase revenue for Western state
As part of a larger program to upgrade a Western state’s collections system to enable broader taxpayer benefits and increase incoming revenues, a CGI U.S. Center of Excellence is providing testing services to get the project live quickly by accessing the best practices and testing process knowledge available at the Center. Center resources are performing hundreds of system test scripts to prepare for User Acceptance Testing.

Improving tax return processing for a State Department of Revenue
CGI is implementing a large, integrated tax system for a state Department of Revenue. The complex engagement encompasses business process redesign and full life cycle system development. CGI’s Onshore Delivery Model will help reduce costs for the client while meeting all quality standards in the area of returns processing.

In summary, CGI’s U.S. Centers of Excellence not only provide high-quality, affordable delivery options in the U.S., but they also represent a vision for the future that is based on true public-private partnerships that create magnets for technology industries in small town America.
Coshocton County Brings Wireless Broadband to Underserved Communities

When small business owners, educators, and residents began to approach Coshocton County leaders asking for broadband to keep businesses viable, online learning available to students, and residents connected, county commissioners went to work. When a study confirmed that wireline solutions were too costly, commissioners issued an RFP, hoping for a creative solution.

Located midway between the metro areas of Pittsburgh, Pennsylvania and Columbus, Ohio, Coshocton County, Ohio proudly maintains its rural roots. Like most counties in the U.S., Coshocton County was coping with the economic downturn and did not have available funds, prompting the commissioners to issue a Request for Proposal in the hopes that respondents would propose innovative solutions. A small wireless ISP, Lightspeed, took a long-term view of the county’s situation and understood the potential for growth. Lightspeed offered to take the risk and fund the investment in wireless broadband infrastructure if the county could provide the vertical infrastructure.

When the county’s infrastructure was not enough to provide adequate coverage, the commissioners went to the Ohio MARCS statewide two-way radio system to lease its towers and then sub-lease them to the ISP. "As a board of commissioners, we were challenged with providing adequate infrastructure that will in turn stimulate economic growth," Fischer said. "We figured out a way to be a conduit to get this public asset to the private sector for the benefit of our residents."

Lightspeed chose the Motorola Point-to-Multipoint wireless broadband system to provide service in the 900 MHz and 5.4 GHz unlicensed bands and 4.9 GHz licensed band covering a range of 1.5 miles to over eight miles. They currently have installed nearly all of the planned 14 sites. The system has a small footprint and was easily deployed. The solution enables service scalability and high reliability, even in the presence of interference or non-line-of-sight situations. Within the first month, nearly 400 customers were connected with more than 1,200 signed up and waiting.

"There are a lot of communities across the United States that have the same problem we had and are waiting for someone to solve the problem," says T.J. Justice, executive director for the Coshocton Port Authority which is the community's economic development agency. "What the commissioners have done on their own, without waiting for someone to ride up on a white horse, is a remarkable thing. It's a simple, very cost effective model that can be easily replicated to bring broadband to rural, underserved populations."

Coshocton County’s broadband deployment has enabled the following:

- Access to vital resources for students
- Connecting remote county offices
- Ability to attract health care professionals
- Access to wireless broadband for residents

"The bottom line was to get this technology out to our people and help retain and stimulate business growth," stated Fischer. "I'll be the first to admit how surprised I was at the benefit this is bringing to the community. It's even more than we expected."
Cloud Computing is Ready for its Close-up

In October 2010, the State of Minnesota announced it had selected the Microsoft Business Productivity Online Suite (BPOS) as its new online platform to deliver unified communication and collaboration services to state government.

Observers are viewing the upcoming implementation as a leading indicator for moving critical government applications to the cloud. Large enterprises, more so than Small and Medium-Sized Enterprises (SMEs), have expressed concerns about control over security, compliance with regulations, the flexibility of licensing terms, and control and location of data residing in a private cloud. The State of Minnesota assessed such factors and decided to go with the BPOS solution.

According to reports, the arrangement will allow the State to maintain control of service management but leaves application management to Microsoft. The State’s Office of Enterprise Technology noted in a press release that “The conversion to a hosted service allows us to meet critical business needs related to capacity, modernization and agility in the most efficient and effective manner.”

Later in the same month, Microsoft announced contracts with the State of California and the City of New York that, when complete, will provide hundreds of thousands of state and city employees with email and collaboration services through the company’s BPOS offering.

Prior to the Minnesota, California and New York announcements, Google’s contract for the office applications business of the City of Los Angeles was the most significant cloud contract. Under the $7.25 million five-year contract, the City will use Google Apps and Gmail to deliver office computing functionality to a 30,000-seat IT network.

Other SLGs of differing shapes and sizes are considering the business case for cloud and taking their position as an “early adopter,” at least in government circles. Governments in Orlando, Florida, Washington, D.C., Greenwood County, SC, and several departments in the states of New Mexico and Colorado have begun to embrace cloud approaches.
Plano, Texas goes with Microsoft BPOS to Deliver Enterprise Email Services

A fast-growing city of 256,000, the City of Plano’s IT organization supports 2,500 city employees across 26 Departments. In 2008, civic leaders in this forward-thinking city began to brainstorm ways to increase the flexibility of their technology infrastructure and also lower their total cost of ownership. The city was using a number of on-premise Microsoft Office solutions, but they wanted to add a number of collaboration and live chat capabilities to streamline communications and allow employees to work remotely.

Plano decided to migrate to the Microsoft Business Online Productivity Suite (BPOS) to provide city employees with simplified yet comprehensive online access to e-mail, calendars, tasks, contacts, and shared documents using Microsoft Exchange Online and Office Outlook Web Access. The city is also using Microsoft SharePoint Online to provide web-based tools for collaboration and content management. For example, the city’s police officers can check their Department’s intranet site from their vehicles or from a community substation to view updates to policies, minutes from recent meetings, and best practices information.

Source: http://www.planotx.org
Conclusion

The bottom line...State and Local Governments can no longer operate with multiple, often redundant technology capabilities dispersed throughout the organization. Whether the choice is to do internal optimization and consolidation or to look to private sector solutions such as Managed Services, Cloud Computing, or Software as a Service, the time is now to take on the growing complexity of delivering high quality solutions at a reduced cost. For state, county, and city government leaders, this is the time to move toward significantly improving the way government works. In time, such action today will lead to lasting changes for the good of governments and the people they serve.

Works Cited

3. Deloitte, "From a Maybe to a Must: Adopting Shared Services in State Governments," November, 2009
About TechAmerica

TechAmerica is the leading voice for the U.S. technology industry, the driving force behind productivity growth and jobs creation in the United States and the foundation of the global innovation economy.

Representing nearly 1,200 member companies of all sizes from the public and commercial sectors of the economy, TechAmerica is the industry’s largest advocacy organization and is dedicated to helping members’ top and bottom lines. It is also the technology industry’s only grassroots-to-global advocacy network, with offices and partnerships in state capitals across the country, Washington DC, Europe (Brussels) and Asia (Beijing) and around the world.

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TechAmerica’s State & Local Government Division (SLG) addresses the dynamic state and local government technology market. SLG serves as a collective voice for companies engaged in business development and legislative affairs with public sector organizations other than national governments. As such, SLG offers a wide array of programs that allow members to engage with state and local government officials -- and their national associations -- through committee meetings, Board meetings, private dinners, and widely attended events. We provide opportunities in all of our programs and policy work to partner private and public sector representatives in initiatives that foster the understanding and adoption of technology products, services, and solutions.

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