



BUDGET CHOICES: SHARPENING THE PENCIL IN AN AGE OF TRANSFORMATION

IT can help state and local governments continue improving services in the face of constricting budgets.



WE LIVE IN AN AGE OF CONSTANTLY ADVANCING TECHNOLOGY.

Technology not only has changed the way people interact with each other, but also how they interact with businesses and government. And it continues to do so. Citizens expect the type of service from government that efficient and integrated IT systems make possible. One-stop services on the Internet; government employees who can access all the information they need to satisfy constituent requests; and holistic approaches to solving community challenges, such as crime or environmental issues, are all things today's citizens demand. Single interfaces that allow business to handle all of their filing through a single portal, give health and human service caseworkers access to all of the information they need to do their jobs, and allow city planners and permitting agencies to pass information from one system to another for approvals are just a few examples of the way integration is already transforming government.

However, governments are pressed to improve IT systems with less money and resources. State and local governments across the country are grappling with budget shortfalls and fiscal uncertainty as the housing crisis spills over into the entire economy. Further complicating the process is the fact that the political and funding landscape for state and local governments

has encouraged IT systems to grow in silos. Making these piecemeal systems work together to better serve the organization's mission comes riddled with numerous management, maintenance and security challenges. Governments cannot provide constituents with the services they expect, however, by maintaining the status quo.

When the economy goes sour, there is pressure to reduce spending. A common response is to cut all budgets by a fixed amount, say 5 percent. But government decision-makers should resist the urge to make across-the-board budget cuts. This ignores the fact that some investments may be more beneficial than others. Implementing or maintaining IT systems that reduce the cost of doing business is a smart move during an economic downturn. Clearly when revenue plummets, spending needs to be cut, but use a scalpel to make targeted reductions. Avoid the budget ax.

Furthermore, CIOs and IT directors should use the grim economic conditions to transform their agencies into more streamlined, collaborative and service-oriented organizations. It's no secret that government organizations often resist change, but that resistance weakens when there's

With smart IT strategies, governments can deliver the integrated services citizens expect even when budgets are tight.

simply not enough money to conduct business as usual. An economic downturn, while painful, can be the right time for consolidation projects, shared-services initiatives and IT governance changes.

To push this transformation — even when budgets are shrinking — CIOs and IT directors must manage IT infrastructure with the utmost efficiency. They must prove each technical endeavor's ability to support the organization's mission in order to secure funding. And

IT projects must proceed smoothly to maintain the respect and support of agency management and end-users.

With proper management, IT departments can transform government operations during times of fiscal drought. By taking steps to make existing processes more efficient and tightly managing future projects, CIOs and IT directors can make IT a valuable tool for their organizations. To accomplish this, IT leadership should:

- **Align IT With Government's Goals.** By making sure IT goals are tightly aligned with an agency's mission, the IT function gains necessary support and eliminates superfluous activities that detract from that mission. When deciding which projects to pursue, IT directors and CIOs should choose projects that clearly support the agency's goals, and then make sure that message is evident to everyone who must sign off.
- **Plan.** Up-front research and planning can mean the difference between a project that winds up on time and under budget, and a project that winds up on the front page. And a well executed project gains the respect of the organization and

those responsible for funding, making future projects easier to push through. Using an industry-standard framework such as ITIL®, IT groups can map out proposed changes, keeping costs and resources in line. By embracing a service-based framework for planning, IT initiatives remain focused on the agency mission. In addition, project management tools help IT departments keep track of costs and resources while moving forward on projects.

- **Consolidate for Efficiency.** In areas where it makes sense, consolidating infrastructure saves money for the organization and allows those resources to be spent on other important projects. Data center and network infrastructure are two areas where consolidation can provide cost benefits and improved efficiency.
- **Integrate for Better Service and More Streamlined Operations.** By integrating systems, organizations can work more efficiently and provide citizens with the services they increasingly expect.
- **Beef Up Security to Achieve Agency Goals.** By implementing appropriate security strategies, government entities protect data while making data access possible for those who should have it. For instance, identity and access management can make possible information sharing across applications and agencies, and with government partners. All with the goal of improving service to constituents.
- **Prioritize Projects That Improve Agency Effectiveness.** Developing online services and internal capabilities, automating routine tasks and sharing resources with other agencies to create, for example, new “for-fee” services, are ways IT can go beyond business/IT alignment and become a key component of the agency’s business itself.

A handful of areas deserve consideration during a challenging economy. These strategies can make government operations more cost-effective, thus freeing up resources that can be dedicated to more important efforts.

Standards and Interoperability

Service-oriented architecture (SOA) and Web services not only help gov-

ernments provide integrated services to citizens, but they can also help streamline internal government processes. Public safety organizations, for example, can respond to incidents in a more coordinated fashion and with better situational awareness if their systems and applications can talk to one another. And virtually every state and local government organization could benefit from integration — from motor vehicle departments to vital statistics to city planning. Properly managed, Web services and an SOA can provide the integration governments will be expected to deliver.

Secure Cross-Agency Collaboration

When agencies work together, everyone benefits, but trust is an issue that is not easily overcome. Government agencies deal with some of society’s most sensitive information. Social Security numbers, tax documents and health records are just a few types of personal information that are routinely kept on file in government agencies.

Clearly it would be beneficial if agencies could share information to accomplish overlapping goals. But often, even within agencies, only certain people are allowed access to specific data, which in the past, has encouraged data and application silos. Agencies should consider federated identity and access management solutions to secure data and assure compliance with privacy regulations as information silos are eliminated.

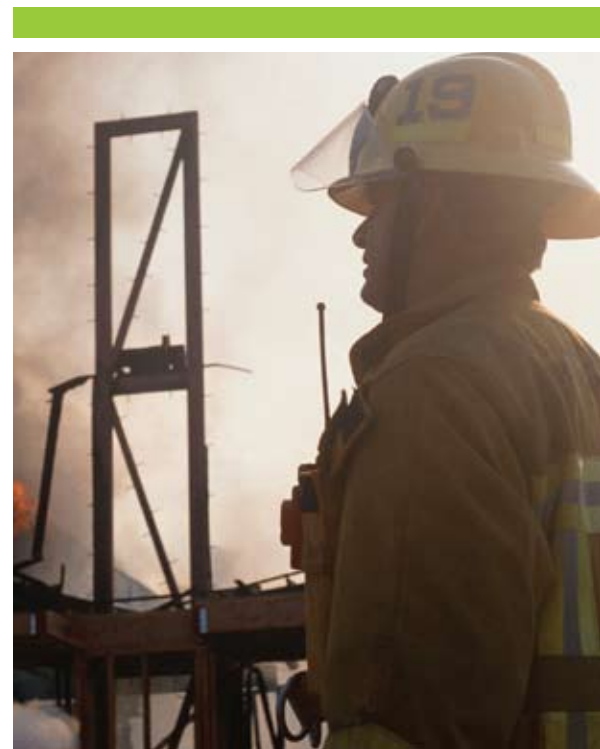
With federated identity and access management solutions in place, the potential benefits go beyond internal operations. Agencies can then begin working together to share appropriate data across organizational boundaries without opening up their entire systems to a vast number of staffers. An identity management solution could allow a caseworker, for example, to look up relevant information within other state or county databases on

a child placed in foster care without being given unlimited access to all information in those databases.

Create Efficiency Through Data Center Consolidation and Virtualization

New technologies, such as server virtualization, have made it possible to consolidate and streamline data center operations, reducing hardware, software and maintenance costs, as well as energy consumption. In Michigan, for instance, state data center consolidation efforts resulted in \$9.5 million in savings in the three years after the consolidation effort began, according to a 2007 National Association of State Chief Information Officers report on data center consolidation.

Such consolidation projects can be massive undertakings as they tend to reach across agencies or departments. Effective planning and data center automation tools can ease the process. Reducing costs and time spent maintaining computing infrastructure allows organizations to fund functions that more directly reflect its goals. In addition, a consolidated data center can help governments with future cost avoidance by improving disaster recovery capabilities. Consolidation also improves organizational agility, making it easier for governments to meet future demands.



Connectivity, Network Consolidation, and Managed Services

In today's complex communications environment, strong network management is vital to controlling costs, maintaining excellent internal and external service levels and providing protection against potential fraud and disruptions. In addition, consolidating network resources is another way to save money. Simplified maintenance allows organizations to focus those resources elsewhere, and by taking advantage of converged voice and data network solutions, organizations can reduce spending on voice communications. However, with so much relying on your network, it must be well managed and problems should be detected and fixed before users are affected.

Leverage Your Assets Through Shared Services

Just as consolidating infrastructure resources can streamline operations and reduce cost, consolidating services can also save money and let organizations reallocate those resources to more important functions. This could

be an enterprise service within your organization, such as an enterprise help desk that serves the entire agency, or a shared service that involves more than one government entity. In some cases, shared services can help government entities realize benefits that would otherwise have been impossible. In Texas, for instance, the North Central Texas Council of Govern-

IT Governance: Effectively Manage Resources and Information

ments developed shared enterprise resource planning and GIS services so smaller communities in the region can benefit from the same applications as larger, better-funded governments. Entities that share services can reap financial and efficiency benefits, but only when they are properly managed. Service-level agreements must be well planned, and the party responsible for providing service must be ready to meet its obligations.

It's always important for IT departments to manage projects, resources and expenses in the most efficient manner possible, but during times of fiscal belt-tightening, it is essential. By tracking every aspect of an organization's IT operations, agencies can avoid unnecessary costs, focus efforts on operations that are important to supporting agency missions and be accountable for decisions. Improved operations and transparency help build credibility for IT departments, which helps gain support for IT projects.

Better Grants Management

As budgets grow tighter, agencies must give some attention to the funds available through grants. Applying for grants, however, can consume a good amount of time and resources, and depending on how competitive the grant is, there is no guarantee that it will be secured. Therefore state and local governments should



look for a solution that allows them to weigh and prioritize grants so that those that align most closely with policy and other goals are given the greatest attention. Since specific objectives are intended to be met via grant dollars, agencies should commit resources — in the form of staffing, facilities, matching funds, and so on — to both the winning of grants that directly support those objectives, and to the effective and required management of resources, objectives and results as the resulting projects or programs progress.

During an economic downturn, government IT departments face tremendous pressure to contain costs, but slashing IT spending without taking into account the opportunities that exist can be a critical mistake. The right IT policies and investments reduce the cost of running government programs, better positioning agencies to cope with economic changes. Furthermore, governments that do not continue to advance technologically during these periods fall behind citizen expectations. Information technology plays a central role in creating seamless, integrated government operations that meet citizen expectations. Shrewd management and decision-making is key to successfully transforming government in the current budget climate.

Consolidating infrastructure can reduce costs for government organizations and improve agility.

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