Developing Justification and Support for e-Government Projects

Exposure Draft

December 11, 2001

National Electronic Commerce Coordinating Council

The National Electronic Commerce Coordinating Council (**NECCC**) is an alliance of national state government associations dedicated to the advancement of electronic government within the states. The Council is comprised of the National Association of State Auditors, Comptrollers and Treasurers (**NASACT**), the National Association of State Chief Information Officers (**NASCIO**), the National Association of State Purchasing Officials (**NASPO**), and the National Association of Secretaries of State (**NASS**). In addition to these voting members, other governmental and private organizations participate in an advisory capacity. These associations include the Information Technology Association of America (**ITAA**), the National Automated Clearing House Association (**NACHA**), the National Association of Government Archives and Records Administrators (**NAGARA**), the National Association of State Chief Administrators (**NASCA**), the National Association of State Treasurers (**NAST**), and the National Governors Association (**NGA**). ITAA and NACHA represent private information technology companies and the financial services and technology industries.

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This white paper was prepared by the Project Justification group of the 2001 NECCC Best Practices workgroup. Contributors include **Tina Bowness**, **Stephanie Comai**, **Rudy Gabrielson**, **Bill Keip**, **Elaine LeTarte**, **Tim Masse**, **Jennifer Powers**, **Bill Thomas**, **Ken Thornton** and **Lisa Vest**.

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I. The Business Case for e-Government

In an environment where State budgets are shrinking and agencies are competing for funding for technology initiatives a business case can provide agency executives with the business and financial justification that can secure the support and funding required to build e-Government applications. An effective business case identifies the benefits and costs associated with key process and technology changes, and describes the key areas that will drive the creation of value as a result of e-government solution implementation. Once these key areas are identified, the business case becomes a baseline to monitor and track costs versus benefits of technology and process initiatives.

Approach for Measuring the Impact of Existing e-Government Projects

While it is recommended that project managers develop a business case to aid in the decision of whether or not to move forward with e-Government project ideas, a modified business case can be developed to measure the impact of existing e-Government projects. Conducting this type of analysis will assist executives in determining the potential of e-Government in their domain and will aid in identifying opportunities for improvement such as improving back office operations that support a given e-Government solution.

Collecting the following information on current e-Government projects provides the basis for an impact analysis:

- Goals, objectives, and performance measures for project/process.
- Baseline metrics from manual process (pre) and post development of e-Government solution: method of delivering service, cycle time to deliver services, volume, customers, required resources, skills, etc.
- Budget/cost data (pre and post).
- Technology specifications (including capacity, limitations, etc.).
- Enabling legislation/policies.
- Customer feedback information.

Conducting a high level channel analysis that compares the costs, usage, and benefits of various methods of service delivery (i.e. IVR, telephone, Internet, walk-in) also provides insight for managers to compare the impact of the e-Government projects.

Once this preliminary data has been collected, conducting a thorough analysis that measures the benefits achieved and projected for each e-Government project will provide a snapshot of the impact of the specific project.

Developing a Business Case for Future Investment

There are multiple ways to conduct a business case analysis. Cost/Benefit Analysis and Return on Investment (ROI) analysis are two of the more common approaches. This paper incorporates techniques from both types of analyses and describes the key elements for project justification in the public sector. A special emphasis has been placed on identifying tangible and intangible benefits accrued by state agencies and citizen customers.

Key components of a sound e-Government business case include:

- Estimated costs (including development and operational costs).
- Analysis of projected benefits (tangible and intangible)
- Timing of expected costs and benefits accrued (one time vs. on-going)
- Potential customer adoption/usage of application.

- Identification of related services and applications and the potential costs and benefits associated.
- Potential funding methods.
- Relative policy or legislative rules.
- Assumed marketing efforts.

Identifying the Benefits e-Government

Capturing e-Government benefits often requires an analysis of tangible benefits, such as avoided costs or quantified efficiency gains, and an assessment of intangible benefits, such as enhanced service delivery, convenience, or improved constituent service. In many instances the intangible benefits can play as significant a role in the decision making process as the defined financial benefits.

There are multiple areas of benefits of e-Government. Generally, benefits are attributed to the presentation or customer interaction area, the business process area, or the area of information technology.

Benefits related to the presentation layer are mostly intangible, service related benefits that simplify the interaction between government and the public. A more detailed discussion of these customer-related benefits can be found in the next section, *Service Enhancement as Justification.*

Benefits that relate to a State's business processes are often tangible, and can result in financial payback to state agencies. Key benefits in this area include:

Example: **Measuring Efficiency Gains from Single Business Tax e-Filing**

The purpose of the e-form pilot is to enable registered taxpayers to notify the state that they do not need to file an annual return this year due to lower than expected earnings. Currently over 40,000 forms are received and processed by the state per year. Over half of these forms are submitted by taxpayers that are deemed "ineligible" in the system.

Benefits include:

- Process efficiency gained from reduced processing of "ineligible" forms. Savings include reduction in staff time spent reviewing, correcting, and validating forms, and keying information. Staff to be refocused toward value added SBT return processing activities. Potential benefits in year one: $64,000 (form C-3080 only). Total potential benefits $214,000 (100% usage rate).

- Cost savings derived from reduction of forms recorded on microfilm. Potential benefits: $.19/return not processed. Total potential benefits: $8900.

- Savings derived from elimination of paper instruction booklet production/distribution (offset by costs associated with producing and delivering notification postcard). Potential benefits: $3800

- *Operational Efficiency:* Online tools decrease the need for paper processing by enabling self-service and by automating manual tasks. These efficiency gains can help government focus on mission critical tasks, or reallocate resources and manage the growth of staffing over time. The Internet can also significantly reduce the cycle time to deliver services to customers by e-enabling key processes that may have previously created bottlenecks and have held up the process. For example, an automated workflow process can create efficiencies in document review and approval, allowing multiple individuals to review and approve documents simultaneously.

- *Cost Avoidance:* e-Government allows State employees to redirect efforts away from manual tasks and paper processing toward more value focused activities such as customer service. Taking the paper out of a process enables the state to realize significant costs savings, such as those associated with paper production and distribution.

Example: Cost Savings from the Child Care Provider Internet Billing Process

Many States provide financial assistance to low income families for child care. In many instances child care providers are reimbursed by the State for care provided to eligible children. To be reimbursed for services, child care providers bill the government for care provided on a bi-weekly basis. Pre-populated forms are produced by State employees and sent via U.S. Mail to each provider to complete and submit to the State. Paper forms are received and processed and payments are made. In Michigan, over 80,000 child care providers use this process, costing the State approximately $750,000 annually.

The Internet billing pilot project allows child care providers to log on and submit billing information over the Internet. By eliminating the administrative form preparation, mailing costs, and costs of data entry and error correction, the State is able to recover significant costs.

- *Multi-Channel Service Delivery*- The Internet is often a more convenient way for customers to gain access to government services but can also be a less costly way for government to deliver services. Conducting a thorough channel analysis will educate managers on the cost and use of each method of service delivery and the necessary steps to take to maximize the use, and minimize the cost of service delivery.

Example: Assessing the Benefits of Multi-Channel Service Delivery for Driving Related Services

A channel assessment of state driving related services focuses on six key areas that together build a strong business case to accelerate a State's alternative service capabilities. Examining the following areas can assist in developing a thorough business case:

- Current Channel Delivery Options and Related Products
- Customer Relationships and Trends
- Channel Trends (Motor Vehicle Organizations)
- Transactional Cost by Channel
- Channel Business Requirements

The overall approach in completing this assessment should be to focus on the customer experience while developing recommendations that are both strategic and enterprise-wide. It is with this approach that the organization can review each channel while developing business processes that integrate channels across product lines.

Other tangible benefits include:

- *New Revenue Source:* Many States are realizing financial benefits from convenience fees charged for providing enhanced services over the Internet.
- *Refined Business Processes:* Redesigning the back-office processes to fit with an e-government environment will enable governments to realize the full potential of e-Government.

Technology related benefits, which tend to be indirect or less tangible, include a common e-Architecture platform, standardization, scalability, data integration, software licensing and security. It is important to note that technology benefits, while less tangible today, can become substantial in the long term if potential cost avoidance to agencies is considered. For example, a technology portal that has substantial security protections may save the state significant costs related to repairing a breach of the current site and may also benefit leadership and citizens by protecting sensitive government data that could put individuals at risk if it became readily available due to a lack of a secure website.

II. Service Enhancement as Justification

In the private sector, expanding business to the Internet to improve customer service usually results in increased revenue after costs are covered. In the public sector, the benefits of service enhancement are often less tangible. But tallying intangible benefits, such as added convenience to customers, is an important part of the e-Government business case.

Some examples of service enhancement benefits include:

- Reducing customer time spent interacting with government (i.e. providing state services on-line so customers won't wait in line)
- Providing a "one customer" view of government that enables citizens to interact with the state as a whole rather than multiple agencies.
- Providing instantaneous access to documents for customers compared with having customers wait for paper documents to be sent via U.S. mail.
- Providing easily navigated, up-to-date public information to customers over the Internet.
- Expanding reach of government information and services by providing information to the general public online.
- Increased knowledge of customer preferences. Measuring Internet usage enables government to better understand customers and tailor information to specific customer groups.

Identifying Customer Benefits

Although it is difficult to quantify customer benefits, capturing evidence that suggests customer satisfaction will increase or that information will be more accessible is key to justifying the investment in e-government. Identification of these benefits usually falls within the following benefit categories:

- *Customer convenience*: With e-Government, customers do not have to visit a government office during office hours to obtain information or services but can access these services on-line on their own time.

Example: Identifying the Benefits of Customer Convenience

The Public Assistance Eligibility Pre-screen Tool is an internet application that allows individuals to be screened for one or several assistance programs at the same time at an expanded number of public service locations or program offices including: County Welfare Offices; Women Infant & Children (WIC) Program Offices; Health Departments; Hospitals; Federally Qualified Health Centers. The tool is an interactive interview that can be used by State center employees or individuals. At the end of the screening interview, the customer will know if potential eligibility exists, where to apply, and what verifications are required. Customer benefits include:

- Eligibility determination is possible at an expanded number of locations for pre-screening for multiple programs. Without the tool customers would be required to visit multiple offices to determine potential eligibility for specific assistance needs. The tool enables local centers to become a one-stop shop to determine potential eligibility for programs.
- Increased access to public assistance programs & information. Customers that go to an office for one program and can determine eligibility for other needed programs.

- *Improved Customer Service*: Self-service options allow customers to perform simple transactions on their own, freeing staff time to focus on providing value-added service to customers.

Example: Identifying the Benefits of Customer Convenience

Many State's sell hunting and fishing licenses through licensed Point of Sale (POS) retail offices (e.g. Wal-Mart, convenience stores, bait shops, etc.). Moving this service online provides customers with a convenient, easy to use process that saves the customer time waiting in line. Customer benefits include:

- Self-service for available licenses (available 24x7x365): Licenses can be purchased on-demand over the Internet; Customers can avoid going to POS outlet and waiting in line to obtain license; Online FAQs and instructions provide real-time customer support; Customers can access all hunting and fishing guides (and most recent versions of guides) on-line.
- e-License site provides unlimited access to information. Online FAQ provides direct answers to basic customer questions.
- Improved customer service response time and enhanced quality information provided. Customer Service representatives have more time to devote to more complex problems/questions.

Increased access to more & better information: E-Government improves service by providing new, pertinent, concise, and easily navigated information on-line. As a result, customers access information more quickly and can obtain more and better information.

Example: Identifying the Benefits of Improved Access to Information

As part of its information and referral efforts, the State Office of Services for the Aging, publishes the Senior Resources Directory. The Directory includes a comprehensive list of service providers and their contact information. This list is published and distributed to AAA (Area Agencies on Aging) offices statewide. To obtain information on resources, customers previously had to call and request a paper directory from the AAA. The directories were often out of date and were not readily available to customers who are not familiar with the State. Recently the State created an on-line directory that allows customer to search for services using multiple search criteria over the Internet. Customers benefit from this improved access to information:

- Information is easier to navigate and takes customers less time to locate services.
- Comprehensive searchable database of services available to customers provides flexible search criteria that provides results even if an exact match is not found. For example, the Directory provides results closest to desired location of services, etc.
- Customer access to information 24 hours a day, 365 days/year.

Learning from the Private Sector

In the private sector, managers are tracking less tangible e-business benefits including customer service, customer preferences, market presence/competitive advantage, and brand recognition because increasing knowledge about the customer can have a positive effect on the bottom line.

Companies employ Customer Relationship Management solutions to balance optimal enterprise revenue and profits with maximum customer satisfaction. Meeting and exceeding customer expectations is necessary to realize optimal revenue and profits. Although public sector organizations that enhance customer service may not realize the same benefits, adopting customer relationship management techniques can positively influence the image of government and can help government better carry out its mission of providing services to citizens.

The customer service benefits of CRM include:

- Coordinated service activities and strategies based on customer needs.
- Organization-wide focus on the customer.
- Organization-wide knowledge of the customer.
- Catered service offerings
- Proactive support.
- Dynamic organization allows for continuous improvements.

Private Sector Tools

Activities/tools that enable companies to realize customer benefits include:

Data Capture & Warehousing

Capturing as much information about the customer as possible and making it readily available. Information can be gathered from:

- Periodic customer satisfaction surveys
- Customer usage of services
- Customer service surveys
- Network performance (number of blocked/dropped calls)
- Call center performance
- Channel costs
- Variable costs by customer and by service
- Fixed costs

Knowledge Management

Developing the customer value proposition including the following internal measures of service:

- **Accessibility**: average speed of answer.
- **Responsiveness**: response time.
- **Reliability**: % errors, rework needed.
- **Customer intimacy**: customer touch time, employee turnover.
- **Communication:** employee ability to keep customer informed.
- **Employee competence:** employee product knowledge, job skill, soft skills.
- **Employee attitude**: employee satisfaction.

Organizational Alignment

- Aligning the organization to establish an “owner” of the customer relationship.
- Changing performance measurement systems to align with customer value proposition.
- Building business plans, and budgets with customer in mind.

III. Obtaining Stakeholder Support

The success of an e-Government is ultimately dependent on the support and commitment of State leadership, staff and customers. Achieving success often depends on:

- Clearly defined executive sponsorship and leadership from inside and outside of State government;
- An enterprise-wide e-Government Strategic Plan that establishes the mission and vision of the program.
- A comprehensive communications plan that conveys key messages to multiples stakeholders.
- Customer involvement in all phases of the project to ensure that the product meets customer needs.

These successful practices, outlined in detail below, are key to any e-Government project or program.

Executive Sponsorship and Leadership

Appointing an Executive champion to emphasize the importance and benefits of the e-Government program to all relevant constituencies has been a successful practice for many states. This ensures that the activities carried forward by the organization match the overall vision for using web-enabled technology and processes to better serve State citizens, businesses, and State employees.

A best practice for the State of Michigan is that the e-Michigan office has clearly defined executive sponsorship, from inside and outside State government. Foremost is the proactive involvement by the Governor; his entire Cabinet of department directors in the Executive Branch; an Advisory Council consisting of prominent private sector leaders who make best practices recommendations for implementing e-commerce in all areas of Michigan; and the e-Michigan Office, itself, directed by Stephanie Comai, a member of the Engler Administration since 1991.

Enterprise-wide Strategic Plan

Establishing an enterprise-wide e-Government Strategic Plan that communicates the mission and vision of the program by way of high-level strategic objectives is key to the success of implementing e-Government projects across a state. A plan that describes the vision for fundamentally altering the way that a State's customers are served—using an integrated service delivery model governed by a customer centric point of view will assist staff in carrying out even the most complex of projects.

Successful plans present a clear picture of how various organizations, within and outside the State government circles, will partner to provide superior services to citizens, businesses, and state employees.

Performance measurement is also a key component. Identifying specific objectives and associated outcomes that will be pursued during targeted implementations will help staff measure the on-going impact of a program. It is also important to present the specific criteria by which the project, and therefore its external stakeholders, should evaluate success.

Communications Planning

Effective communication strategies that provide continuous information to all stakeholders (including project staff, advisory groups, State staff and targeted end-users) are essential for the success of any e-Government project. The purpose of a communication strategy is to formalize a two-way process that will (1) develop a common understanding about the project's strategic objectives, goals, and its anticipated impact within the State (2) reinforce stakeholder commitment, (3) share knowledge about the project.

Identifying and understanding various project stakeholders, their specific information needs and their ability to influence and affect outcomes is a critical first step in developing and delivering effective messages. Typically, a stakeholder is defined as a person or group of people, internal or external to the organization, involved or affected by the change process.

Some successful communication practices include:

- Marketing e-initiatives/program to end users.
- Marketing project/program success throughout the industry.
- Provide templates and trainings to project managers to create and manage communications at the project level.
- Develop and maintain tools to track and manage all communications centrally.
- Use multiple communication tools to get across the same message.
- Continually ask for feedback and assess success of communications activities.
- Active participation at all leadership levels.

Customer Involvement

Involve end-users and other customers from the beginning of the design phase until post implementation will ensure a customer focused end product. One successful practice is to develop multi-functional teams that include end-users, customers, and State agency executives to ensure that all parties are informed and can add value and have ownership of the end-product.

Case Studies

The following case studies provide excellent examples of successful practices in engaging stakeholders in an e-Government program.

State of Florida Purchase Card Program

<u>Description</u>

The Florida P-Card program provided an opportunity for significant innovation in the small purchase process. State employees are now able to purchase pre-approved items directly from their desktop. Streamlining the process required integrating legacy systems from accounting, and purchasing with a bank partner. While many states have p-card programs, the level of integration and process improvement shown by the Florida program makes them unique.

<u>Executive Sponsor</u>

In 1997, Controller Milligan made the purchase card program a key component of his automation initiative. Prior to Controller Milligan's leadership, purchasing in Florida was a manual, paper-based system.

<u>Funding</u>

$1.9 million was approved for reengineering of payment processes. Included was the design and implementation of Florida's P-card system. A key factor for getting funded was having a solid business case that showed a significant return on investment (ROI). Further, Controller Milligan was an active advocate including getting support from major stakeholders as well as participating in legislative hearings.

Agency Support / Resistance
Unexpectedly, some state agency purchasing managers and fiscal staff were initially resistant to the program. They were concerned about the loss of control if employees were able to do their own purchasing. Once recognized, the Controller's office was able to work with purchasing managers to educate them on their new role, as well as show them the significant control mechanisms built into the new system. Acceptance continues to grow as training and reporting capabilities are more widely deployed.

Additional resistance came from the state's IT staff who were troubled by having an outside programming group brought in for integration work. However, because the IT staff ultimately reported to Controller Milligan, this resistance did not stop the initiative. In fact, since P-card systems adoption, the state's IT staff have developed an invoice tracking system, using the P-Card program as the model for the integration work.

The Florida P-card was an important incremental improvement toward improving Florida's financial infrastructure. Building on this initiative, the Controllers office has developed a vision for replacing the State's antiquated legacy accounting systems and streamlining the State's financial reporting capabilities. The p-card program success is an important component for justifying this next innovation.

Public/Citizen Reaction
Vendor reaction to the program has been overwhelming positive. Invoices for small purchases that used to take 30-40 days to process are now paid in days. Overall, the cost of processing a small purchase has been reduced by over 60%.

Contact: Douglas Darling, Director, Accounting & Auditing: Florida Dept of Banking and Finance

State of Michigan, e-Michigan

Description
The e-Michigan Office was created in May 2000 by an Executive Order issued by Governor John Engler. e-Michigan's vision is for Michigan to be the leading state in providing trusted electronic government services. The new state portal, Michigan.gov, was launched in July 2001, and over 40 additional e-government projects are underway.

Executive Sponsor
e-Michigan was announced in Governor Engler's 2000 State of the State address and he continues to be the chief sponsor and supporter of e-Michigan.

The State CIO's office initially worked with State department CIOs to develop an e-commerce model for the State to pursue. This grew into the e-Michigan proposal, which was presented to Governor Engler by the State CIO and the Director of the Department of Management and Budget in the fall of 1999.

Governor Engler endorsed the proposal and presented it to his Cabinet in late 1999 as a priority for the coming year. The e-Michigan Office was publicly announced in the Governor's annual State of the State address, delivered in January 2000. This is the major policy speech given by the Governor each year to communicate his priorities and new initiatives.

To ensure a focused effort, Governor Engler issued Executive Order 2000-6 creating the e-Michigan Office as division in the Executive Office of the Governor, effective May 1, 2000.

e-Michigan's use of technology to enhance and improve customer service was key points in Governor Engler's decision to move forward with this program. In addition, re-engineering business processes is also a key outcome that Governor Engler has directed the e-Michigan Office to pursue.

Funding

The Governor proposed funding the e-Michigan Office through a one-time $23.2 million line item appropriation for FY 2000. The funding may be spent over 3 fiscal years. The funding was approved by the Legislature.

In addition, some funds appropriated to specific departments are also directed to e-government projects. Some specific applications include fees for users. The e-Michigan Office works closely with all departments on e-government projects. Governor Engler issued Executive Directive 2001-1, requiring electronic government proposals initiated by a department to receive the e-Michigan Office's approval prior to beginning the project.

Agency Support/Resistance

There has been strong executive level support for e-Michigan. An enterprise-wide strategy was decided upon and communicated early and often.
Governor Engler has personally briefed his entire Cabinet several times on the e-Michigan initiative and has also met with individual members on specific projects. He also met with all department CIOs and webmasters to communicate his interest in and support of e-Michigan. Consequently, the support from key, top leaders in State government has been strong.

Public/Citizen Reaction

Response to the launch of the new State portal has been very favorable. In the first month of operation, Michigan.gov homepage averaged double the number of visits in the past. Visitors are looking up four times more page views with each visit.

Results

Upon its initial launch on July 10, 2001 the portal provided easier access to more than 70 online interactive services already provided by Michigan. Over the next year, more than 40 new services will be added, including a common payment module, electronic forms and a Michigan government "shopping mall."

These factors establish Michigan.gov as the leader in state government portals in terms of its innovation, efficiency, economy, and functionality:

Contact: Stephanie Comai, Director, e-Michigan Office, Executive Office of the Governor

North Carolina: Enterprise Approach to e-Government

Description

The state is using an enterprise perspective for implementing e-government to build applications faster, more economically, and with better results. This enterprise approach permits aggregation of demand to lower purchase prices, and economies of scale reduce unit costs.

Executive Sponsor
Both Governor Easley and Lt. Governor Beverly Perdue have enthusiastically endorsed the state e-government direction and approach. They intend to play a significant role in leading and monitoring future efforts to ensure the challenges are addressed and resolved and opportunities are exploited.

Former Lt. Governor Dennis Wicker in 1998 appointed the E-Commerce Work Group, chaired by Secretary of State Elaine Marshall. In early 2000, former Governor Hunt appointed the Statewide E-Government Steering Committee, chaired by Secretary of Commerce Rick Carlisle. State Auditor Ralph Campbell, Jr. created the E-Government Policy Committee of the IRMC, chaired by Secretary of State Elaine Marshall. The development of logical and achievable approaches, plans and policies from broad based participation and excellent work from competent IT and business staff have enabled these bodies to accomplish their goals and objectives related to the visioning and implementation of e-government.

Early legislative involvement and adoption of the principles and overall direction resulted in passage of the E-Commerce Act of August 1998 (digital signatures), Senate Bill 222 which provided permission to use credit cards in financial transactions with the state, and June 2000 legislation. The latter provides broadband Internet connectivity, gives authority for the state to implement an e-procurement system, and allows the collection of transaction fees for e-government applications.

Funding
There have been very little appropriated funds for e-government projects, primarily due to the state's budget crisis. Self-funded models and public-private partnerships, such as being used for the statewide e-procurement initiative, have been used. Transaction fees from popular applications and other subsidies have been employed where appropriate and available. Financial creativity and innovation have played a big role in enabling e-government in the state.

Agency Support/Resistance
With the decision to utilize an enterprise approach and its inherent fiscal and technology advantages, state agencies were “engaged” in the e-government initiative from the initial formation of the E-Government Work Group to the present. Peer pressure from other states and governments, increasing expectations from citizens experiencing the advantages of e-commerce in the private sector, and political goodwill are providing incentives for agencies to embrace e-government concepts and technologies.

<u>Public/Citizen Response</u>
Public response has been overwhelming, especially for the applications which most citizens and business must use to transact business with the state (such as vehicle and commerce related licenses and permits and legal/business documents). Participation has exceeded all expectations.

There has been no single seminal event. Over the past two or three years, we have been fortunate to experience a succession of timely and responsive actions by executive department leaders and the General Assembly that have encouraged business and IT executives and staff to implement e-government technical infrastructure components and applications. Also, over this period, we have been blessed with capable, farsighted state

CIOs - each bringing strengths appropriate to the challenges experienced in the time of service.

Contact:Tom Runkle, Chief Planner, North Carolina

State of Texas, Texas OnLine

Description
In 1999 the Texas Legislature passed Senate Bill 974, which established a task force to work with the Department of Information Resources. The bill was authored by Senators Shapleigh and Barrientos, and sponsored by Representative Solomons. The task force was to assess the feasibility of establishing a common electronic system using the Internet through which state and local governments could offer services.

Executive Sponsor
Then Governor Bush appointed 10 public officials to the task force to represent local government, businesses regulated by state agencies or local government, and the public. There was a strong sense of urgency for a demonstrated success surrounding this project.

Funding
No state funds were appropriated for the project. The project was a self-funding model, based on a user fee/convenience fee concept. The Request for Offer (RFO) required the vendor to front the start-up costs and recapture investment dollars through a percentage of the user fees.

Agency Support/Resistance
Six pilot agencies were identified to initially participate on the project. They were Comptroller of Public Accounts, Railroad Commission, Real Estate Commission, Department of Licensing and Regulation, Department of Insurance, and the Natural Resource Conservation Commission. These agencies had a sense of control and collaboration on the project. The agencies felt very positive about participating. No initial outlay was required, fiscal risk was diminished, participation was at an enterprise level, and it was the first payment portal for government services offered by the state.

Public/Citizen Reaction
Public awareness was high with regard to the Internet and its potential, partly because of the media attention on e-government initiatives. The public, including rural areas and other states were surveyed. Survey information included desired services, preferred method of paying for desired services, and a variety of e-government initiatives.

Contact: Carolyn Purcell, Executive Director, Texas Department of Information Resources