

House Legislative Study Committee on Technology

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Thank you Chairman Newbold and members of the House Legislative Study Committee on Technology for allowing the Buckeye Institute this opportunity to discuss how technology can better help the state serve its constituents.

The Buckeye Institute for Public Policy Solutions is a non-profit, free market think tank. To that end, we believe that the key to prosperity is to maintain a low tax, limited regulation environment that is inviting to those wanting to start businesses.

With the advent of many new technologies, in particular the now ubiquitous use of the Internet, social media, and the use of varying “smart” and “cloud” technologies, this is a time of great opportunity for the state.

First and foremost, successful adoption of new technology can save taxpayers money. Few things harm the creation of new jobs more than being a high tax state, something Ohio has historically been. Each and every method that can be employed to reduce the tax burden is going to pay dividends.

While saving taxpayer dollars is a paramount goal, the adoption and successful leveraging of new technology is about more than just saving money. It also is about being able to offer services in a way that is more convenient and easily accessible by those that need to engage with the state.

Most Ohioans have limited interactions with the state. For those times where they must interact with the state, they want to do it in a way that saves them time and headaches. From drivers’ license renewals to paying tax liabilities to filing various necessary forms, doing so from a

computer, laptop, or smart phone rather than in an archaic brick and mortar location is clearly the way to go.

This interaction can only be done efficiently though if the state is able to employ a rational process and limit the multitude of platforms it is currently using to perform services. A strategic direction to overall state information technology policy is sorely needed.

To that end, the Buckeye Institute is extremely pleased with testimony provided to this committee by the Chief Information Officer at the Ohio Department of Administrative Services (DAS). There is nothing expressly stated in that testimony with which the Buckeye Institute could disagree.

It is unsurprising that as the increasing use of technology was becoming more integrated into government operations in the past couple of decades that there would be a certain amount of fractiousness across agencies. Each agency adopted new technologies as the needs arose and the technology became available to help with their specific functions.

Avoiding this outcome would have required a strategic vision that transcended individual agencies. Unfortunately, that did not occur. By contrast, as DAS indicated, many IT systems were initially implemented in a "silo"-like fashion. According to DAS, the state is still utilizing 19 email systems, over 37 public web portals, 26 help desks, and 32 data centers. That is recipe for inefficiency and wasted tax dollars that should be going to core state services.

If, as DAS asserts, the state can save \$150 million a year in IT expenses through various consolidations, this can and must be a priority.

Removing the silos as much as possible, adopting common security practices, and viewing technology in a holistic fashion is wise and strategic policy. Only those services that are specific to the function of individual agencies should be separated. Continuing to retain a silo mentality will only perpetuate diseconomies of scale, the opposite of what is needed to continue driving down the cost of IT services. Further, it also will perpetuate the need for maintaining too many public portals

where individual Ohioans may get lost, thus, not fully embracing the whole point of state IT usage.

While consolidating these resources, the state should examine any and all prospects for outsourcing. There is simply no reason that the state should increase its personnel, hardware, or software costs when less expensive private sector resources are available.

One of the last vestiges of the American workplace lacking in measurable productivity gains is government. Although computers have improved workplace productivity, computers also can lead to a decrease in productivity. With the widespread adoption of computers with Internet access and spotty blocking policies across state agencies, a more thorough auditing of IT usage on behalf of state employees is warranted.

We all know that at some level or another, workers are going to occasionally visit Facebook, ESPN.com, or other non-work related websites. Unlike private sector workplaces, however, the state has a responsibility to the taxpayers to ensure that tax dollars are being used as efficiently and effectively as possible.

A year-long, random IT usage audit of state employees will help gather the necessary data to determining appropriate policies for state workers while on the clock.

For example, each month, 500 state workers' computers should be audited to determine usage. Critically, the audits should not be used for disciplinary measures; rather, the audits should be anonymous and used strictly to inform policymakers on how best to implement IT policies on Internet usage and which non-government related websites should be blocked, as is common in the private sector.

A secondary benefit of such an audit is that it would provide data on the productivity of state workers. With a sample size of 6,000 workers, an average loss of 20 percent of the workday on non-government related websites would help determine appropriate staffing levels.

The Auditor of State already performs many similar functions for individual state agencies and other governmental bodies could easily perform this function in order to maintain, or possibly improve, taxpayer funded worker productivity.

As the Deputy Director of the Colorado Department of Regulatory Agencies under Governor Bill Owens, we conducted a limited, two-week audit of state employees and discovered that a majority of audited workers were spending more than 20 percent of their day—some as high as 60 percent of their day—on non-government related websites. This audit occurred in 2003—well before the mass use of Facebook, YouTube, and other popular websites.

The Buckeye Institute respectfully suggests the General Assembly do several things to assure sound state IT policy:

- 1) Continue monitoring the progress made by DAS in its efforts at IT consolidation;
- 2) Maintain a focus on the outsourcing of IT goods and services to ensure that all reasonable opportunities for the state to leverage private sector skills are used; and
- 3) Consider the implementation of state agency IT usage audits to provide more thorough productivity data on how state employees use their time during work hours.

We welcome the opportunity to discuss these or other proposals with you and your staff.

Thank you.