

**Department of Energy and Environmental Protection
Information Technology Investment Briefs
Vision and Return on Investment
November 29, 2012**

The Department of Energy and Environmental Protection (DEEP) has submitted four Information Technology Program Investment Briefs to the Governor's Executive Information Technology Strategy and Investment Committee: (1) enterprise case management; (2) enterprise data management; (3) document repository automation; and (4) voice over IP (VoIP) telephony implementation. These four major information technology initiatives are designed to help transform DEEP into a model 21st Century environmental and energy regulatory agency that can efficiently and effectively meet the needs of its constituents. DEEP's efforts will also enable other state agencies to leverage our investments to create their own eGovernment solutions, at reduced development and implementation costs.

Vision of a technologically-advanced, model regulatory agency

Through our proposed strategic investments in technology, future consumers of DEEP's services will be able to electronically submit their requests to our agency for permits or licenses, through the web. These submissions will use smart "Turbo Tax"-style forms, which will help direct and guide DEEP's customers and regulated entities to provide complete, accurate, and error-free submissions, which will be managed by the agency's staff paperlessly. DEEP's investment in LEAN management tools has streamlined the agency's business processes (review, analysis, and decision making). With electronic case management, these business processes will be managed electronically and progress can be tracked internally and externally. The electronic data gathered through case management will be seamlessly incorporated into existing databases on DEEP's regulated facilities or DEEP's recreational resource users. Existing paper records will be integrated into this new robust data environment, which will be available and searchable by regulated entities, customers, and constituents 24-hours a day, seven days a week, through a web-based portal. Public inquiries about a particular facility or a particular energy or environmental issue will be handled by virtual call centers supported by staff at offices scattered throughout the agency. Issue experts will more quickly answer questions and respond to constituent inquiries regardless of where they are located, and will track our responses through the agency's case management system.

As suggested by vision of the future described above, DEEP's four individual programs and the underlying projects build upon each other and are interdependent. Our customer's transactions and our decision making process will be faster and more efficient. Our improved databases will dramatically increase transparency and will empower and educate our constituents and the public at large through the use of interactive dashboards, reports, and metrics. Our transformed, service-oriented, effective and efficient agency can be a regional and national model. Our investments in case management, database management, records management, and voice over IP will enable other state agencies to make more cost effective and efficient investments in these fundamental information technology tools.

Return on Investment – Internal and External

We estimate direct savings to the general fund of \$1,310,000 per year due to reduced postage and printing costs, increased fees from increased numbers of applications and licenses, fewer telephone trunk lines, and other cost savings – as outlined in the financial spreadsheets attached to our project briefs. In addition, DEEP's proposed investments in technology will improve our internal business processes by reducing waste and administrative processing costs, freeing staff to address higher priority work, including maintaining these new information technology systems, and increasing inspections, audits and enforcement. These types of internal efficiency gains and cost savings have been,

and will continue to be, crucial to maintaining our agency's high level of service in the face of recent budget cuts and staff losses, and increased state and federal regulatory mandates. Specifically, DEEP's General Fund budget has decreased from a Fiscal Year 2010 General Fund Appropriation of \$82.99M and 733 authorized full time positions, to our current General Fund allotment of \$67.62M and current staffing level of 629 filled General Fund positions.¹ This represents a \$15M (19%) reduction in General Fund resources and the loss of over 100 General Fund positions (14%) in the last three years. DEEP is planning for General Fund budget reductions of approximately \$3M per year for Fiscal Years 2013, 2014 and 2015 – approximately \$9M over the next three years. DEEP also has been planning for continued staff attrition and loss of General Fund positions in the next three years, through retirement and reduced ability to refill positions.

DEEP expects that it will continue to have to do more with less. Thus, DEEP's proposed \$15.9M investment in technology should be viewed in the context of DEEP's real and projected General Fund budget and staff reductions which may exceed \$24M and well over 100 positions during Fiscal Years 2010-2015 – a time period when the agency's federal and state regulatory responsibilities have been, and will be, dramatically increasing. Investments in technology are the only way a leaner and smaller DEEP can continue to serve its customers, regulated entities, and the public at large, who are demanding better access, more transparency, and faster processing times.

DEEP's recent investments in information technology have demonstrated their value, and helped the agency cope with budget cuts and staff attrition. One example is DEEP's investment in an Automated Sportsmen's Licensing System. Previously, sales of hunting and fishing licenses were limited to Town Clerks and their agents, and hunting permits were distributed through the mail or in person at the agency's headquarters in Hartford. By switching to an automated system where licenses and permits are printed by the issuing agent or by the customer at home, DEEP realized immediate savings of over \$150,000/annually through the reduction of printing, distribution, and retrieval of the specialty paper stock related to sportsman activities. Through attrition and repurposing staff, the Licensing and Revenue Office has decreased from 9 full time and 4 seasonal employees, to 2 full time and 2 seasonal employees.

DEEP's investments in information technology solutions will be scalable, reusable models available for use throughout state government. Statewide leveraging of DEEP's information technology solutions will realize economies of scale, because DEEP's technical solutions will have already been built and tested, and can be replicated many times at lower development and implementation cost in other agencies. In addition, DEEP's improved technology environment will provide value-added services our constituents desire, such as 24/7 online access for filing applications and for status inquiries, single sign-on and authentication to facilitate "one-stop shopping", interactive geospatial mapping, and online payment of regulatory fees. This improved service allows us to explore the opportunity to provide premium fee-based services to consultants, professionals, and high-volume users of agency documents.

The economic benefits to the general public and regulated entities from these investments, while difficult to quantify, are likely even greater than the direct returns to the General Fund. As described in greater detail in each of the project briefs, these investments in technology will allow the agency to process permits and licenses much more quickly. For example, a workflow analysis has revealed that an e-permitting/e-licensing solution can reduce application processing timeframes by 50%. Every hour or day saved by a regulated entity or customer waiting for an approval or decision by DEEP can be reinvested in the business and put to better, more productive use. New businesses can start up faster, saving money on construction bonds and putting people to work faster; regulated entities and the general public can save staff and travel time by searching the Department's records online; and customers and the general public can save postage costs and travel time by filing applications online. These are real cost savings for the businesses and citizens of the state of Connecticut, who will greatly benefit from DEEP's information technology investments.

¹ Prior to Fiscal Year 2009, the Department's budget was comprised of over 70% special revenue accounts and federal funds. As part of deficit mitigation plans and budget deficiencies, in Fiscal Year 2009 the State swept \$64M in special fund reserves and converted existing program funding to general fund appropriations.

