

State IT Consolidation

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With unemployment across the nation hovering at 9.5 percent, ominous clouds of a double-dip recession loom over the horizon. Most state budgets are shrinking, and one can only imagine the angst through procurement offices and boardrooms across the nation as they struggle to decide which IT initiatives to approve in this economic climate. However, all is not lost. With a newfound mantra of 'consolidation' whispered within the corridors of the powers that be, states are now taking this opportunity to examine IT portfolios, rationalize current enterprise applications and systems, identify areas of shared functions and needs, and attempt to stretch existing IT budgets to encompass a growing plethora of needs and services.

As observed in GovWin's [State and Local Information Technology Market 2010-2015](#) report, authored by [Chris Dixon](#), state and local government initiatives that focus on "streamlining and performance management across the government enterprise are integral to long-term budget cutting." In the forthcoming years, states will "look for major programmatic consolidations that will drive IT integration projects."

Examples of such consolidation efforts and initiatives include:

New York City and Centralized Accounts Receivables and Payments Marketplace: The city of New York currently deals with numerous types of invoices such as parking, red light and traffic violations, permits, and taxes that are handled by disparate systems. In an attempt to consolidate billing and customer functions, streamline and improve processes, and reduce overall costs, the city has decided to centralize management of all these functions within the Department of Finance. The city is currently seeking feedback from vendors with solutions for best practices, associated costs, and information on installing new and improved billing, payment collection, and cash application programs.

New York State and Consolidated Statewide E-mail Platform: The state of New York is currently in the process of consolidating various e-mail platforms across 40 different agencies onto a single e-mail platform to gain operational efficiencies. By consolidating all state agencies' e-mail operations on a single platform, the state anticipates a gain in operational efficiencies, which will result in an annual savings of \$4 million dollars once fully implemented.

Michigan State, Cloud Computing and Consolidated Data Center: The Michigan Department of Technology plans to build a massive 80,000-100,000 square foot data center that provides cloud computing services to state agencies, cities, counties, and schools across the state. Not only will the initiative spur economic development within the state, but it will also reduce duplicate systems operated by cities, counties and state agencies. This could potentially save these organizations a significant amount of taxpayer dollars. Lastly, the plan is to position the infrastructure for private companies to view the data center as a potentially secure alternative to offshore application hosting and storage, all based in the U.S.