



County of Fairfax, Virginia

MEMORANDUM

DATE: March 12, 2013

TO: Sharon Bulova, Chairman
Fairfax County Board of Supervisors

FROM: Edward H. Blum, Chairman *ETB*
Fairfax County Information Technology Policy Advisory Committee (ITPAC)

SUBJECT: FY2014 ITPAC BUDGET RECOMMENDATIONS

Based on ongoing review, the Information Technology Policy Advisory Committee (ITPAC) has analyzed and summarized in this letter information about the value of IT investments and strategic priorities for Fairfax County IT we believe are critical in the final FY 2014 budget.

DIT and IT have become the central enabler for what the County does and what County citizens see. DIT furnishes essential operational support to most County functions and programs - providing the ability to deliver high-quality, responsive services - facing growth in both demand and public expectations. It allows agencies providing services directly to the public to do more with less.

ITPAC is aware that all departments were directed to develop significant budget reductions and generally supports the County Executive's proposed FY 2014 budget for IT. Although County revenue has major ongoing challenges, the proposed budget recognizes that most agencies depend on IT for productivity gains and for handling service growth

While DIT's responsibility for essential County systems, and concomitant workload, has increased significantly, DIT staffing has decreased by over 30 positions since FY2000. County website use is up substantially - providing information and services (e.g., tax payments, licenses, zoning matters, and recreation management) that formerly required many agency personnel. Attempted serious security incursions have more than quadrupled.

Due to past budget reductions, including particularly deep cuts in DIT resources in FY 2004 and FY 2010, despite major work increases over that period, ITPAC strongly recommends that any DIT decreases be as small as practicable. The ratio of IT expenditure to total value of the enterprise is now below nationally recognized median levels for organizations the size and complexity of Fairfax County. If this continues or worsens, quality, service options and reliability will be noticeably affected.

In the currently proposed Budget, reductions in IT for FY 2014 are \$4.4 million of which \$2.4 million is a 25 % decrease in new IT investments and \$2 million is a drop in operational programs. IT investment both protects previous investment and responds to increasing productivity needs. Operational IT programs include staff expense. Our review below of these topics' importance shows why ITPAC is concerned.

Returns on Investment – Some key examples.

Overall, investments in technology have paid off. County staff positions per 1,000 residents have decreased from 13.5 in 1992 to 11.2 in 2013. Intelligent, cost-effective technology investments providing necessary improvements for courts, social services efficiency and compliance, and public safety response are well known. Additional technology investments that have yielded productivity and service benefits while the county grows include:

Private network investments: \$4.2 million annual communications savings; 99.999% I-Net uptime.

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IT security systems: Continuous business operation with minimized risk. Over 14,000 malicious attacks identified and quarantined and 575 million unauthorized transmissions a month blocked.

IT Operations: \$150,000/year savings with IT power management technology. \$145,000/year savings and 25% reduced paper consumption from printer centralization. \$720,000 staff assistance savings for password resets alone.

Mobile app for electronic payments (smart phone pay anytime/anywhere): Increased tax dollars collected on-line by 15%. Peak payment period equipment and staffing costs were eliminated.

FOCUS (initial step): \$400,000 per year lower data center costs by moving financial and HR function off legacy systems. Full benefits will manifest over time as the system modernizes financial management and protects the county's financial ratings with improved controls and process automation. ITPAC is satisfied that the county's project is following the path experienced by many other successful, major organizations.

Lighting Control System (reduced energy consumption, CO2 emissions, cost): \$20,000 annual savings at today's prices for initial 75,000 square foot space; electricity consumption reduced by 25%. 126 metric tons of CO2 emissions annually avoided.

Online web permits (land development): Increasing permit request volumes handled without more staff. Permit reviewers now can focus on complex submissions. Constituent time and vehicle saving.

Wireless Field Inspections (staff time savings, improved service): Inspection status delivery to developer shortened from 1 to 2 days to same day via email or online inquiry. Inspector travel significantly reduced. Each inspector conducts between 2 and 4 more inspections each day.

Fairfax County Libraries Express Check-Out: Checkout lines move faster. Staff freed to give better personalized service.

GIS Data (essential to operations): Across a range of agencies, 66% of user department workforce says GIS is essential. If not available, work takes from 1 to 24 more hours per week.

Consolidated Land Use Repository (multiple disparate systems consolidated): County's Public and county employees quickly search millions of historical records online in real-time. Commitment to make land use process more open and inclusive enabling citizen awareness and participation achieved. Staff time greatly reduced in 3 agencies.

ITPAC believes that the overall IT resources are at Spartan levels, with the total IT-spend foundation for the County at about 2% (projects and operating) compared to the industry standard between 3.5 and 5.5% for a similar enterprise to be in the 50th percentile and considered healthy.

Critical Strategic Recommendations

Considering budget challenges and IT strategies promoting productivity, service efficiency and improved cost of doing business, ITPAC identifies the critical strategic considerations for the budget year to be:

1. DIT-Agency Resource Reconciliation and Governance: With further budget reductions in County agencies, it is likely that DIT can expect additional work. For increasing agency requirements for new connections and automated workload, 24 x 7 IT support for citizen services, and rapidly improving technology capability, the necessary DIT resources must be available. While there may be savings to an agency, and perhaps savings to the County, there will be a cost increase for DIT. Each agency project justification should include IT resources and DIT budget required. *A rigorous County-wide governance system for overall Agency-DIT resource reconciliation is needed to ensure effectiveness and affordability.*

2. Bring Your Own Device (BYOD) Strategy. Enabling County employees to provide their own IT devices (tablet, notebook computers, smartphones) is an opportunity to reduce capital expenditures (devices and land-line phones) and improve employee satisfaction. Policies are necessary to ensure that network compatibility and information security requirements are met. The State now provides a stipend for employees whose work can be done via their personal device without compromising government.

3. Consolidation. FOCUS has already shown the value of consolidating some IT services provided by both the County and the County Schools. The County should examine the feasibility of consolidating additional IT support between the County and the school system. In particular, based on highly successful corporate centers, we suggest considering assigning applicable IT employees to an IT Skill Center to provide matrix support to the County and the school system depending on skill needs and priorities.

4. Cyber Security. Going forward, security will be an increasingly important issue for all organizations including the County. The County should plan to boost its focus (and expenditures) in this area.

5. IT Staff Compensation. As Fairfax County seeks to reduce costs, it will continue to face significant challenges in recruiting required quality talent in Northern Virginia's very competitive IT labor market. Freezing or reducing compensation levels for IT staff would increase staffing risks to the county's highly leveraged technology operations. Commercial alternatives for service would be notably more costly.

6. Revenue Generation. As Fairfax County faces potential budget challenges in future years, potential exists to generate revenue as an alternative to simply cutting spending. This could be done by leveraging the County's IT expertise, in conjunction with its cloud strategy, to provide services to smaller or less IT-savvy local governments. *We suggest conducting a serious study that would quantify this potential along with the appropriate policy, governance, and risk management approaches.*

ITPAC recommends continued support for IT as a core resource for productivity, citizen service, and managing County growth - though deliberate pursuit of useful technologies, phasing out expensive obsolete technologies and operational requirements, and usage strategies.

CC:

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