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Westly Outlines E-Government Agenda

Controller Uses Technology to Reduce Paperwork and Cut Costs

SACRAMENTO – State Controller Steve Westly today announced a wide-ranging set of e-government proposals designed to save as much as \$37.5 million a year by making California more efficient at handling everything from tax returns to travel vouchers.

Electronic filing of tax returns and refunds were already expected to save up to \$7.5 million each year, and the next steps – including on-line processing of travel claims, payroll and benefits for state workers will bring additional savings of up to \$29 million each year, Westly said.

“It’s time for government to be ‘point and-click’ not ‘stand-and-wait,’ ” Westly said. “Millions of Californians pay their bills on line. It’s about time their government did too. E-government means less time moving piles of paper and more time getting the real work done.”

Westly discussed his e-government agenda at the annual Western Region Government Technology Conference in Sacramento. At the conference, he outlined recent successes in e-government, as well as next steps and long-term efforts to plan and manage the use of technology in government.

E-Government: Early Successes

E-File

This service is now available to more than 95 percent of taxpayers. About 6.7 million taxpayers – more than half – took advantage of e-file this year, saving the state about \$1 each. In addition, e-filers get their refunds in less than 7 days. SAVINGS: \$6.7 MILLION

E-Refunds

Westly has encouraged taxpayers to receive their tax refunds by direct deposit. Use increased 30 percent in the last year, now accounting for more than one third of taxpayers. Each of the 2.8 million direct deposit refunds saved at least 30 cents. SAVINGS: \$840,000

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E-Travel

Westly has launched an online travel expense claiming system (CalATERS) that issues reimbursements more quickly and at roughly half the cost of a paper-based claim (\$21 vs. \$39). The system is ultimately expected to save \$9 million each year. **PROJECTED SAVINGS: \$9 MILLION**

E-Government: Next Steps

E-Pay

Westly is working to bring the state payroll and benefits systems up to date, replacing a 30-year-old hard to maintain system with online access and instant, paperless processing. The Controller's Office is seeking proposals from technology companies to put the system in place by January 2007. While the system is expected to cost \$70 million to \$100 million to build, it is expected to save up to \$20 million a year. **PROJECTED SAVINGS: \$20 MILLION**

E-Funding for Local Governments

The Controller makes \$38 billion in payments each year to cities and counties under 52 programs, from trial court fees to timber taxes. The state currently uses 25-year-old systems that issue one check at a time – even when the local agency has several payments due. Some of these systems are so out of date that they are in constant danger of failing. The Controller is about to seek proposals from technology companies to build a \$3 million consolidated system that would reduce paper and processing time, as well as making the system more reliable and more secure.

E-Claims for Local Government

Beginning in 2005-06, local governments will file one-third of all mandate claims to the Controller's Office over the Internet through a \$370,000 pilot project funded out of the Controller's current budget. This will eliminate paper processing and speed up processing of each claim by two to three weeks. The \$200,000 in annual savings expected mean this project will pay for itself in two years, including \$19,000 less for paper storage, \$11,000 less for folders and labels and \$162,000 in reduced data entry costs. **PROJECTED SAVINGS: \$200,000**

E-Government: Long-term Projects and Governance

E-Claims (State interagency)

The Controller's Office plans to launch an inter-agency payment system where claims by state agencies are submitted and paid electronically, saving paperwork costs both at the Controller's Office and at agencies themselves.

E-Commerce

Westly is sponsoring legislation (AB 2738-Nation) to create an eCommerce Commission made up of the Controller, the Director of Finance and the Treasurer to develop strategies and set priorities for the state's fiscal system as a whole. Stakeholders would participate in identifying business needs and find the best information technology solutions.

E-Strategy

The Controller's Office has established a governance board that evaluates business needs across the organization to make information technology and other key decisions. Controller Westly supports statewide information technology governance based on this model.

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