



**Fourth Report
of the
Nevada Spending and Government Efficiency Commission
to
Governor Jim Gibbons
June 30, 2009**



Nevada SAGE Commission

Spending and Government Efficiency

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Jim Gibbons

Chairman

Bruce R. James

June 30, 2009

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Honorable Jim Gibbons
Office of the Governor
101 North Carson Street
Carson City, NV 89701

Dear Governor Gibbons,

The SAGE Commission has reached its halfway point and with the three recommendations we include with this report, the Commission has submitted a total of 26 recommendations that fully implemented could save our state government more than a billion dollars over the next five years.

At our Commission meeting on June 25 in Las Vegas, considerable time was spent discussing our progress to date as well as both executive and legislative action on our recommendations. While optimally we would like to see all of our recommendations adopted and implemented, we realize that government moves incrementally. Even though considerably more progress needs to be made in implementation, we felt that all of our recommendations were seriously considered and incremental progress was made on some. The direction on most is good.

Now that the legislative session is completed, we expect to work closely with your staff and department heads over the next six months to complete two dozen recommendations in the development stage, many of which we expect can be implemented under the authority of the Governor.

Sincerely,


Bruce R James
Chairman

Staff

Executive Director

Frank A. Partlow

Deputy Director

J. Perry Comeaux

General Manager

Suzanne Kilgore

Recommendations

To Governor Jim Gibbons
from the
Spending and Government Efficiency (SAGE) Commission Meeting
June 30, 2009

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Note: Savings/Enhanced Revenue Estimates shown for “Year 1” on these Recommendations are net of Start-Up Cost Estimates, and “Year 1” refers to the year of implementation, which is not necessarily this budget year.

Recommendation #24

The State should make statutory changes to the interest rates paid on overpayment of taxes and charged on underpayment of taxes for both individuals and businesses. The State should adopt the index used by the Internal Revenue Service, as adjusted periodically, for businesses and individuals.

Issue:

The State is currently paying 6% interest on tax overpayments it has received and is charging 12% interest on tax underpayments due to the State. This is in excess of interest rates charged and paid by the Federal government, banks and other states. There apparently exists no regular review and adjustment procedure for these rates by the State.

Start-Up Cost Estimate:

Unknown

Saving/Enhanced Revenue Estimates: **1 Year:**

Unknown

5 Year:

Unknown

Explanation:

The interest rates paid by the State to its taxpayers, both individuals and businesses, who are entitled to reimbursement for tax overpayments as well as the interest rate charged by the state for underpayment of taxes by individuals and businesses are currently in excess of rates paid and charged by the Federal government and in the private sector. The state currently has no statutory process in place to regularly review and adjust these rates. By aligning the rates charged and paid by the State with the Internal Revenue Service rates for businesses and individuals, the State's interest rates will be automatically adjusted in keeping with an agreed standard.

Recommendation #25

Nevada's Department of Information Technology (DoIT) should implement and maintain an Enterprise Web Content Management System capable of hosting agency Web content and Web based applications, providing a single point of access for Nevada's citizens, while reducing costs.

Issue:

Individual agency Web presence has created a redundancy of personnel tasks and increased costs. By acquiring a Web Content Management system, DoIT will be able to provide State agencies with a complete package supporting all of their needs with no additional charges to them. DoIT can then accommodate the approximately 160 State-sponsored Web sites not currently being serviced by its Web Group, while maintaining its service to the 157 existing Web sites that are currently serviced by DoIT.

Start-Up Cost Estimate:

\$76,500

(Enterprise Web Content Management System software)

Savings/Enhanced Revenue Estimates:

1 Year

\$500,000

5 Year

\$1,500,000

(Cumulative savings as all state agencies switch to DoIT)

Explanation:

DoIT currently supports 157 State agency Web sites. In order to properly support current customers and have the capability to accept new State customers, DoIT's Web Group needs to update current technology by acquiring a Web Content Management system.

The tool used currently by various Nevada agencies in Web development and maintenance is outdated and is no longer supportable. In order for them to achieve the necessary enhancements, they must be acquired outside DoIT's services. Accordingly, 500 new licenses for these services would need to be purchased at a cumulative State expense of \$200,000, which does not include the cost of training to use the software. As the proposed DoIT Web Content Management system is an Enterprise system, there is no additional cost for individual licenses or any other software needed by using organizations.

Purchasing this Web Content Management system will provide the State with leading edge technology to build a much needed State portal with a consistent look and feel for all State sites. It will improve workflow, increase version control and approval authorization levels, provide better Web authorizing tools, help integrate Web services, promote Web site personalization and provide Web site consistency throughout State Web sites.

Recommendation #26

Establish a common email platform for all Executive Branch Agencies.

Issue:

When the UNR Center for Research and Design, a Nevada State entity, conducted a SAGE email survey of 17,000 State Executive Branch employees, it was able to reach only 13,777 of them after repeated attempts. One agency's email Spam protection prevented that entire agency from participating. Collaboration technologies link people, processes, and information within and across organization boundaries and are most effective when implemented using an enterprise approach. With multiple email systems, economies of scale, centralized collaboration, and functionality are lost, while hardware and software costs are excessive.

Start-Up Cost Estimate:

\$6.49 per
additional user per month

Savings/Enhanced Revenue Estimates:

1 Year

\$150,000

(based on adding 2,000 users each year)

5 Year

\$750,000

Explanation:

Analysis indicates that regardless of the choice of email platform, the cost per user decreases as the user count grows. These economies of scale allow provision of additional services to user agencies without significant impacts on the overall cost of services. Through cooperative partnership with Nevada agencies, the Department of Information Technology is able to deploy value added services to the existing email environment such as:

- Common Address Books, which allow users to simply enter names rather than addresses when sending emails;
- Enhanced security through provision of the best anti-Spam and anti-Virus solutions available and by providing email service internally, rather than having an outside vendor house sensitive data;
- Shared calendaring and appointment scheduling, enabling users to schedule meetings without having to contact participants ahead of time; and,
- Provision of web access to every mailbox, enabling users to check email 24x7 from anywhere in the world.

Creation of collaboration systems based on broader, enterprise considerations is more likely to produce adaptive business solutions. Although point solutions for localized workgroup collaboration may provide improved user productivity, enhanced benefits can be realized through widespread integration into processes, workflow, and applications. Effective use of collaborative technologies provides a high degree of transparency by hiding the complexity of any underlying technologies in favor of accomplishing the business objective. Other services and enhancements possible in a common e-mail platform include:

- Centralized Scheduling of Resources
- Public Folders
- Fault Tolerant Mail Services
- Secure Wireless Email
- Instant Messaging / Audio/Video Conferencing & Collaboration possibilities