

Rating the States

Forty-four states responded to the 2006 *Digital States Survey*. The biennial survey, conducted by the Center for Digital Government, examines state governments' technological progress across three broad areas:

1. online citizen and business self-service;
2. architecture and infrastructure; and
3. planning, policy and structure.

The survey releases rankings for the top 25 states, and compiles a broad array of aggregate statistics on digital government growth and acceptance. In partnership with *Government Technology* magazine, the Center for Digital Government is releasing findings from the 2006 survey online at <www.govtech.net/digitalstatesawards>. The site will provide comprehensive analysis — released in six biweekly installments — of the 2006 *Digital States* findings, as well as interviews with the top-ranked states.

Top 20 Digital States

2006 2004

2006	2004	
1	1	Michigan
2	3	Virginia
3	26+	Ohio
4	8	Utah
5	5	Arizona
6	9	Arkansas
7	6	South Dakota
8	12	Kentucky
9	25	Wisconsin
10	7	Tennessee
11	17	Minnesota
12	15	Maryland
13	16	Mississippi
14	22	Nebraska
15	11	Massachusetts
16	26+	California
16	2	Washington
17	26+	Texas
18	26+	New York
19	12	Illinois
19	19	Kansas
20	24	Pennsylvania

2006 *Digital States Survey* reveals growing e-government maturity.

The 2006 *Digital States Survey* found double-digit growth in the number of states providing a wide range of online services. Just as importantly, the survey shows double-digit growth in citizens and businesses using the electronic channel to transact business with their state governments.

As a whole, the top 25 states reflect variations on a common theme of improved service delivery, increased capacity and lower costs. Michigan successfully defended its first place finish in 2004 and remains in the top spot in the 2006 survey.

Michigan was among a half dozen top 10 incumbents — along with Virginia, Utah, Arizona, Arkansas, South Dakota and Tennessee — to remain among the top ranked states. They were joined by Ohio, Kentucky and Wisconsin this year.

Growth in the implementation and use of direct online delivery on the citizen-facing side of government, coupled with increasing maturity in the technical back end of government, suggest that the campaign for Internet-driven modernization of government has permanently changed the way the public's business gets done. Moreover, modernizing efforts continue apace in many states.

Key Findings

Online Services to the Citizen

Almost 90 percent of the responding states provide online fishing and hunting licenses; 98 percent offer online job searches; and 88 percent provide

unemployment insurance applications through electronic channels.

Online Services to the Licensed Professional

Online professional license renewals are increasingly common. For example, 71 percent of responding states offer electronic license renewals for physicians, and 91 percent offer such a service for nurses — a 25 percent increase in both categories since 2004.

Online Services to the Regulated Business

More than two-thirds of responding states provide master business licensing online, up 40 percent since 2004. Responding states also process an average of 46 percent of all new business licensing applications electronically.

Online Services to the Taxpayer

Of responding states with individual income tax, 86 percent offer online filing and payment services — up 19 percent from 2004. Among responding states, an average of 52 percent of individual tax returns are filed and paid online, a modest 4 percent increase in the last two years.

Infrastructure and Architecture

To support the continued growth and maturity of direct online self-service, state governments also are modernizing their underlying computing and network infrastructures. The 2006 survey results indicate a 19 percent growth in consolidation since 2004. ☎



Enlightened Approach

For more, please visit www.govtech.net/digitalstatesawards.

61 percent of responding states have a shared services strategy that identifies overlapping business and IT functions.

59 percent of responding states have a process to prioritize projects based on their return on investment.

50 percent of responding states have a governance model to manage multiagency use of shared services, coordinate development efforts and resolve conflicts.

Top finishers: Using a five-star dashboard for each of the *Digital States Survey's* six key categories, a brief profile of each of the top five states follows:

Michigan

Most Significant Achievements (2004-2006)

Online Self-Service	★★★★★
Planning, Policy & Projects	★★★★★
Cross Boundary Collaboration	★★★★★
Architecture	★★★★★
SOA Maturity	★★★★★
Infrastructure	★★★★★

- Web services data exchanges reduced environmental compliance costs by 40 percent.
- Realized \$60 million in annual productivity gains by re-engineering eligibility system.
- Forty new applications in a year; saving up to \$14 million in development costs alone.

Virginia

Most Significant Achievements (2004-2006)

Online Self-Service	★★★★★
Planning, Policy & Projects	★★★★★
Cross Boundary Collaboration	★★★★★
Architecture	★★★★★
SOA Maturity	★★★★★
Infrastructure	★★★★★

- Virginia has been adept in managing the single most ambitious change among the states in the way IT is used and managed.
- The commonwealth has made a sustained commitment to increasing capacity for delivering public services in partnership with the private sector, all while integrating government modernization with community development and job creation.
- Over two biennia, the commonwealth has consistently placed in the top 10, moving from sixth place in 2002 to third in 2004 and now second in 2006.

Ohio

Most Significant Achievements (2004-2006)

Online Self-Service	★★★★★
Planning, Policy & Projects	★★★★★
Cross Boundary Collaboration	★★★★★
Architecture	★★★★★
SOA Maturity	★★★★★
Infrastructure	★★★★★

- Secure e-mail box system, an enhanced e-payment engine, and collaboration among 580 municipalities and 100 banks were central to the modernization of tax systems; the state receives \$23 in revenue for every dollar spent on development.

Utah

Most Significant Achievements (2004-2006)

Online Self-Service	★★★★★
Planning, Policy & Projects	★★★★★
Cross Boundary Collaboration	★★★★★
Architecture	★★★★★
SOA Maturity	★★★★★
Infrastructure	★★★★★

- Unified transaction payment engine processed 1.3 million credit card and electronic check transactions on behalf of 20 state agencies in support of 100 online state services.

Arizona

Most Significant Achievements (2004-2006)

Online Self-Service	★★★★★
Planning, Policy & Projects	★★★★★
Cross Boundary Collaboration	★★★★★
Architecture	★★★★★
SOA Maturity	★
Infrastructure	★★★★★

- Statewide Arizona 211 referral program helps residents navigate the full range of public and nonprofit health and human services; collaborative, Internet-based approach pegs cost at 98 cents per call, compared to a national average of \$11.38.