

This report addresses Government Code, Sections 2054.260 and 2054.055, which requires DIR to report on the status, progress, benefits, and efficiency gains of the state electronic internet portal, Texas.gov.

BACKGROUND

Texas.gov is the official website for the State of Texas. It has operated through a self-funded, public-private partnership since the year 2000. Texas.gov provides portal and payment services for Texas state agencies and eligible local governmental organizations, enabling them to cost-effectively conduct business with their customers online.

DIR provides contract management, strategic and operational oversight, enterprise-level coordination, and advocacy for the Texas.gov program. The portal operator currently manages all other aspects of the program, including operational management, security management, 24/7 help desk and service desk coverage, application development, and marketing.

Texas.gov offers more than 1,000 online services for more than 300 state and local government agencies, including all 254 Texas counties. Since its inception, the site has processed more than 245 million financial transactions. Examples of services that Texas.gov has provided the past two years include:

- Web-enabled payment processing that is integrated with the state's uniform statewide accounting system;
- Driver license renewals and authorized driver record access;
- Vehicle registration renewals and specialty license plates;
- Vehicle inspection licenses for facilities and inspectors;
- Professional and occupational licenses;
- Vital records like birth, death, and marriage certificates, and
- State licenses and permits for hunting, concealed handguns, Capitol access, etc.

These services allow citizens and private enterprises to conduct business online with state agencies and local government organizations. DIR's governing board is authorized to establish fees to recover the cost of developing, operating, and supporting these services. Forty percent of this revenue is contributed to the state's general revenue fund. Additionally, program revenues allow the Texas.gov partnership to invest in new projects that are approved and prioritized by their respective governance boards. The Texas Veterans Portal and the Texas Open Data Portal are examples of non-revenue generating projects that have been developed and supported by these funds.

Critical Components

Texas.gov offers common infrastructure, development framework, governance, payment processing, and communications services that allow agencies to provide a convenient, constituent-focused interface to agency business. These services include:

Security

All Texas.gov services and products maintain compliance with all applicable state, federal, and industry laws, rules, and regulations.

The Texas.gov payment engine, which allows credit cards to be accepted online, is annually certified as fully compliant with the Payment Card Industry's Data Security Standards (PCI-DSS), a requirement of credit card companies. This compliance is met through building and maintaining a secure network, protecting cardholder data, maintaining a vulnerability management program, implementing strong access control measures, regularly monitoring and testing networks, and maintaining an information security policy.

Mobility

The Texas.gov program takes a proactive mobile-first approach to develop websites and online services. This pursuit of responsively designed interfaces ensures a simple, yet highly-functional user experience across a range of devices, including desktops, tablets, and smartphones. Many of the Texas.gov most popular online services, including drivers license renewal, nurse license renewal, and vehicle inspection licensing, feature mobile-friendly design to enable smooth, seamless transactions via a tablet or smartphone. Here is how we know:

- From 2012 to 2016, visits from mobile and tablet devices to the Texas.gov website increased by 285 percent.
- A 2015 report released by The Pew Research Center indicated that 40 percent of smartphone owners used their mobile devices to look up government services or information, and 13 percent of Americans rely on their smartphones to access the internet.
- A recent Government Accountability Office report concluded that maintaining mobile-friendly sites is critical for citizen access to government information and services, as many citizens do not have home access to desktop computers.

Speed to Market

The Texas.gov program has developed a suite of configurable products to be used for common government online payment including utility payments, ticket pay, fee/fine, licensing, etc. The TxPay product line delivers increased speed to market for the many online payment needs of Texas government entities. These services can be implemented through simplified configuration settings rather than custom application developments.

Local governments and state agencies are using TxPay for fees, fines, and licensing needs, including City of Troy, Jasper and Val Verde Counties, the Texas Department of Agriculture, DPS, and the Texas Department of Motor Vehicles.

Accessibility

The Texas.gov website is compliant with state and federal accessibility standards. Ninety-nine percent of the applications provided on Texas.gov are fully accessible. Texas.gov uses a template for new applications, which is optimized for the accessibility of all users.

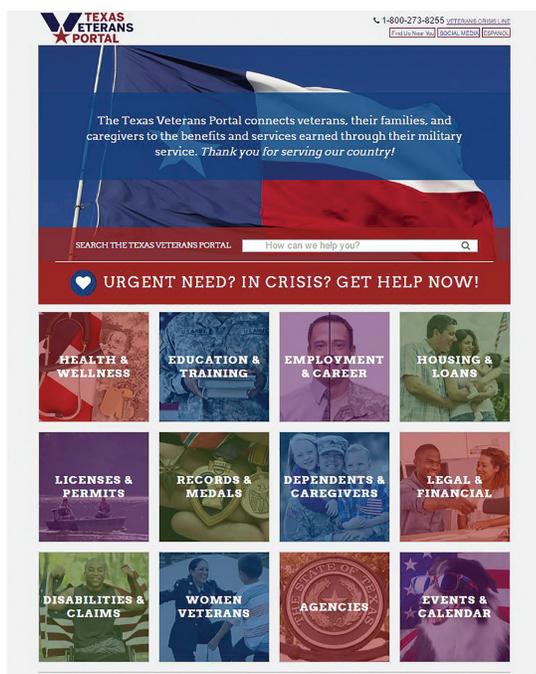
Customer Services

Over the last biennium, Texas.gov provided a wide range of services to meet a broad variety of customers' needs:

Enhancements to Existing Applications

Texas.gov and the Texas Veterans Commission (TVC) launched the Texas Veterans Portal in 2010 to provide online access to a range of information on veterans' benefits, education, employment, health services and family/survivor support. Although the site was stable and contained helpful information, the design was not mobile-enabled, or searchable.

A subgroup of the Veterans Portal Advisory Committee (VPAC), the portal governance body chaired by TVC and DIR, and comprised of public and nonprofit veteran organizations, worked collaboratively through 2016 to validate and update all data, prioritize new feature implementation, and improve the architectural infrastructure of the site. The new redesigned Veterans Portal, which launched on Nov. 11, 2016 is mobile-enabled with search, map, calendar, and social media features.



New Applications in Development

On August 31, 2016, Texas.gov deployed the new Texas Online Private Security (TOPS) system for the DPS. Prior to the launch of TOPS, DPS business users were challenged with managing and processing large volumes of paper applications and supporting documentation. The new system now enables the private security community to apply for and renew licenses, update information, and request pocket cards via an easy-to-use online application. Featuring the latest digital technologies and workflow automation, TOPS has benefitted not only the system's end users but DPS in numerous ways, including: automating back-office workflows, providing license management and maintenance capabilities, delivering automated notifications to customers, and increasing self-service options to reduce customer support calls.

Governance

The Texas.gov governance model supports DIR's oversight authority and provides ongoing opportunities for customers to guide responsible decision making. DIR works with the governance bodies and the state's private partner, Texas NIC, to make collaborative decisions regarding strategic direction and project prioritization.

This governance framework also supports a communication and decision-making platform that fosters agility and transparency in addressing complex technology decisions involving multiple stakeholder perspectives.

Benefits and Efficiency Gains

Texas.gov is a nationally recognized program that delivers a broad portfolio of digital services to solve government needs and challenges and provides convenience and time-savings benefits to both citizens and government. Benefits for Citizens

The Texas.gov program provides more than 1,000 online, over-the-counter, and interactive voice response (IVR) services to citizens. Significant accomplishments during the last biennium include:

- **Single Sticker Initiative** – In 2013, the 83rd Legislature required the Department of Motor Vehicles (DMV) vehicle registration system and the Department of Public Safety (DPS) and Commission on Environmental Quality (TCEQ) vehicle inspection programs move to a single sticker model within two years of the bill's passage. The Texas.gov team performed a significant amount of work behind the scenes that enabled the three agencies to coordinate the data exchanges necessary to make the single sticker initiative a success, and citizens now have just one sticker on their vehicle instead of two.
- **Wide Open for Veterans** – The Texas Workforce Commission (TWC) and Texas Veterans Commission (TVC), in partnership with Texas.gov, created a new website – www.texaswideopenforveterans.com –

as a recruiting tool to attract military veterans to stay in or relocate to Texas. Before Texas Wide Open for Veterans existed, veterans had to search at least three different state agency websites to learn more about housing, jobs, schools, and other information that typically factors into a relocation decision. Now, users can visit a single website to determine if Texas is a good fit for their civilian life.

- **Texas.gov/Driver** – Online constituent transactions benefit government agencies by reducing manual, paper-based processes and the government agencies can provide better customer service. Constituents who take care of their government business online realize benefits as well, such as avoiding travel and waiting in lines. As such, the Texas.gov program has invested in an advertising campaign promoting Texas.gov/Driver as the website where constituents can take care of their driving related matters online, including renewing a driver license or vehicle registration, ordering and printing a driver record, paying driver reinstatement fees, and more.

Benefits for State Agencies

The Texas.gov program works collaboratively with Texas government entities to streamline business processes, create cost savings, and operate more efficiently by putting services online. The program develops, operates, and maintains digital government services for more than 300 state and local government and higher education entities, including all 254 counties.

Support for Existing Texas.gov Applications and Services

Texas.gov provides both crucial and value-add operational support initiatives to augment the delivery of an enterprise digital government program. These include:

- **24/7/365, multi-channel customer service solution** that offers both agencies and constituents with multi-lingual help desk support via phone, email, and live chat. This solution supports more than 23,000 agency and constituent contacts every month.
- **Comprehensive and compliant security** to safeguard the integrity of agency and constituent data that is handled via the program. The security solution meets and often exceeds federal, state, and industry standards while securely processing 209 million transactions worth more than \$23.2 billion.
- **Marketing activities** to grow awareness and promote online adoption to Texas.gov services.

Development of New Applications

Some of the applications deployed via the Texas.gov program are major, custom-developed systems that require considerable resources and years of effort. For example, the Texas Department of Public Safety (DPS) collaborated

with the Texas.gov program to pioneer an efficient, innovative approach to system modernization. Together, they developed a custom enterprise solution – DPS Direct – to support the licensing and regulation of multiple, diverse legacy regulatory programs including vehicle inspection, private security, concealed handgun licensing, and more. *Benefits of these efforts include:*

- Increased resource efficiencies and scalability;
- Improved customer experience and service delivery, and
- Leveraged opportunities for savings and reduction in legacy IT costs.

Other new applications are based on configurable frameworks that support rapid deployment.

Training and Development Opportunities for State Agencies

The Texas.gov program addresses key government issues in ways that lead to real solutions through the use of webinars, roundtables, videos, and case studies.

Presentations topics have included:

- Developing a Portfolio Based Organization
- Web Analytics for Government – Turning Insights into Action
- IT Security – Tips & Tricks for Protecting Sensitive Data
- How to Inspire & Engage Millennials: A Conversation with Our Next Generation Workforce
- Going Digital – The Evolving World of IT

Benefits to the State

Texas.gov processes more than two million transactions, averaging more than \$115 million each month. Since its creation in May 2000, Texas.gov has had 240 million site visits and has processed more than 320 million financial transactions.

The Texas.gov Master Agreement with the state's private partner, effective January 1, 2010, contributed \$57.9 million to the state share of revenue in FY15-16.

Improving Effectiveness and Cost-efficiency

The Master Agreement that governs the Texas.gov program expires on Aug. 31, 2018. Procurement efforts have been underway at DIR for more than a year. With input and support from state agencies, local governments and executive leadership, DIR is using the procurement process as an opportunity to improve the effectiveness and cost-efficiency of the Texas.gov program. The goals of the procurement are to improve the transparency of program expenses, foster competition for projects within the program, and leverage strategic opportunities for enterprise services. These efforts will, in turn, lead to increased cost-efficiencies of program services.

Financial Summary

Texas.gov continues to provide significant revenue to the state's general revenue fund. Agencies, local governments, and citizens have processed over \$35 billion through Texas.gov through FY 2016. The cumulative revenue deposited to the state's general revenue fund since its inception through FY 2016 exceeded \$260 million. The state's revenue share for the most recent four-year period is shown below.

Table 1. Texas.gov State Revenue Share, FY 2013–2016

FY 2013	FY 2014	FY 2015	FY 2016
\$34,910,152	\$36,426,277	\$29,222,168	\$28,698,561

The primary factor in the reduction in state revenue share was that the SmartBuy application with the Comptroller's office and the e-Filing application with the Office of Court Administration are no longer administered by the Texas.gov program.

The following table shows the unaudited Texas.gov statement of operations for FY 2016. The statement details the revenue and expenditures associated with the TexasOnline Master Agreement, as well as projects included in the Master Work Order. The consolidated amount represents the revenue and expenditures for all Texas.gov projects.

Table 2. TexasOnline Statement of Operations, FY 2016

Item	Existing Projects	Master Work Order	Consolidated
REVENUE	—	—	—
Transaction Revenue	\$83,907,831	\$0	\$83,907,831
Service Revenue	\$5,321,145	\$25,665	\$5,346,810
Total Revenue	\$89,228,976	\$25,665	\$89,254,641
Revenue Budget through 8/31/2016	\$90,993,518	\$0	\$90,993,518
Revenue Over (Under) Budget	(1,764,542)	25,665	(1,738,877)
EXPENDITURES	—	—	—
Operations Costs	\$24,580,956	\$0	\$24,580,956
Variable Cost	\$18,976,203	\$0	\$18,976,203
State 40%/20% Revenue Participation	\$28,683,161	\$5,133	\$28,688,294
Depreciation	\$764,455	\$0	\$764,455
Bad Debt Expense	\$0	\$0	\$0
Loss on Discontinued Projects	0	0	0
Total Expenditures	\$73,004,775	\$5,133	\$73,009,908
Expenditure Budget through 8/31/2016	\$74,513,748	\$0	\$74,513,748
Expenditure Over (Under) Budget	(\$1,508,973)	\$5,133	(\$1,503,840)
Net Cumulative Recovered (Unrecovered)	N/A	(\$46,642,132)	(\$46,642,132)
Investment in Operations	\$16,224,201	\$20,532	\$16,244,733
Favorable (Unfavorable) Net Variance	(\$255,569)	\$20,532	(\$235,037)

Source: Texas NICUSA LLC