# Fundamentals of Selling to SLED

November 19, 2015

CJIS GROUP

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Market Intelligence,
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CJIS Group LLC

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# Agenda

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- **What is SLED?**

- **How is SLED funded?**

- **How do you navigate procurement?**

- **How do you engage?**

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# What is SLED?

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## SLED = State, Local, and Education



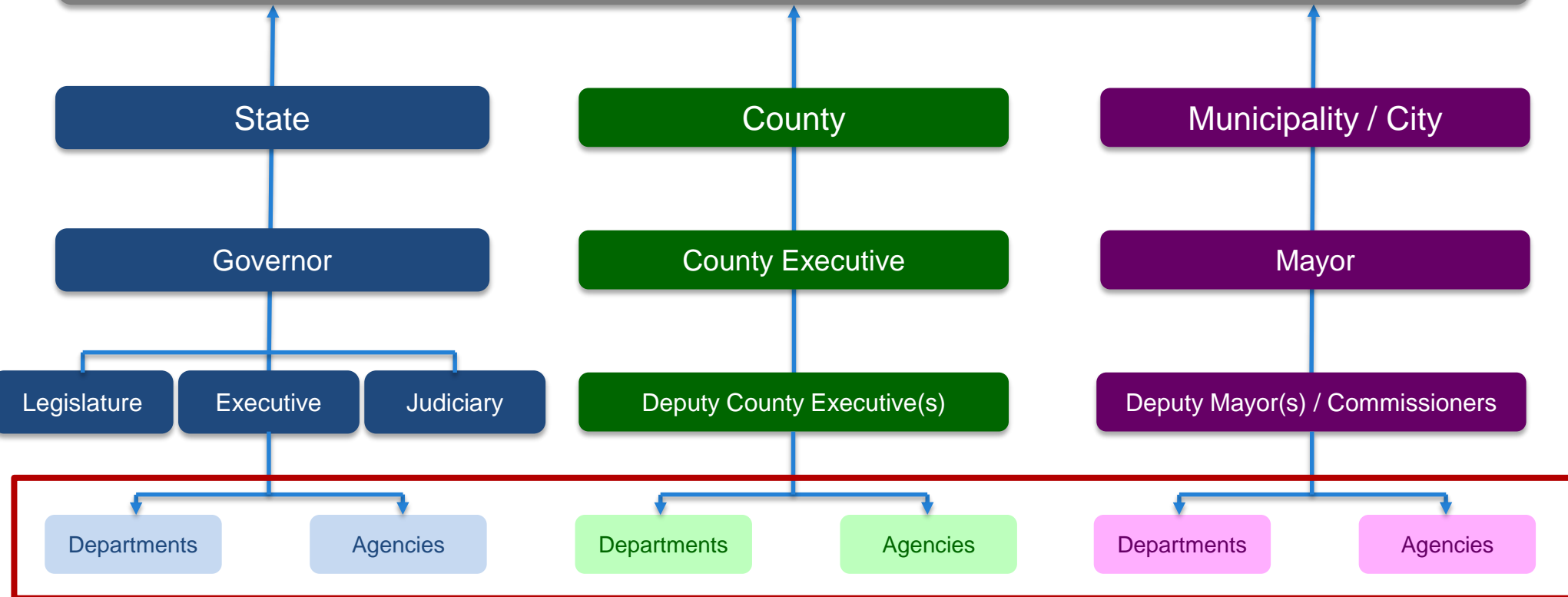Special District · State Government · County Government · City Government · The Citizen
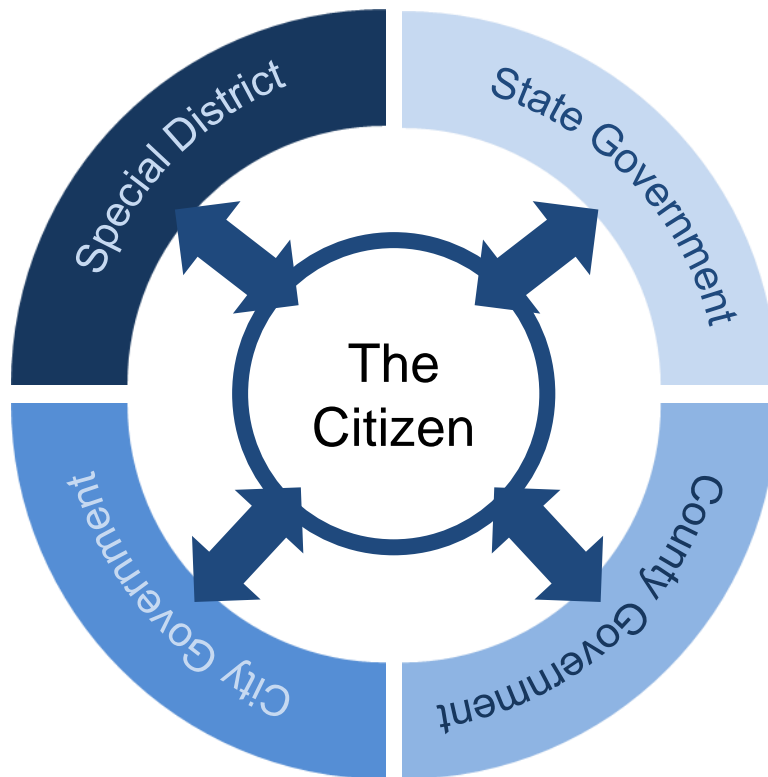
- **There are thousands of separate government organizations**
  - 50 States
  - 3,000+ Counties
  - 36,000+ Cities
  - 14,500+ Public School Systems
  - 1,600+ Higher Education Institutions

- **Each government entity operates independently but they coordinate with each other**

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# How is the state & local government structured?

**The Citizen**

| State | County | Municipality / City |
|---|---|---|
| Governor | County Executive | Mayor |
| Legislature · Executive · Judiciary | Deputy County Executive(s) | Deputy Mayor(s) / Commissioners |
| Departments · Agencies | Departments · Agencies | Departments · Agencies |

## *There are touch points at three different levels*

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# How is SLED different from federal government?

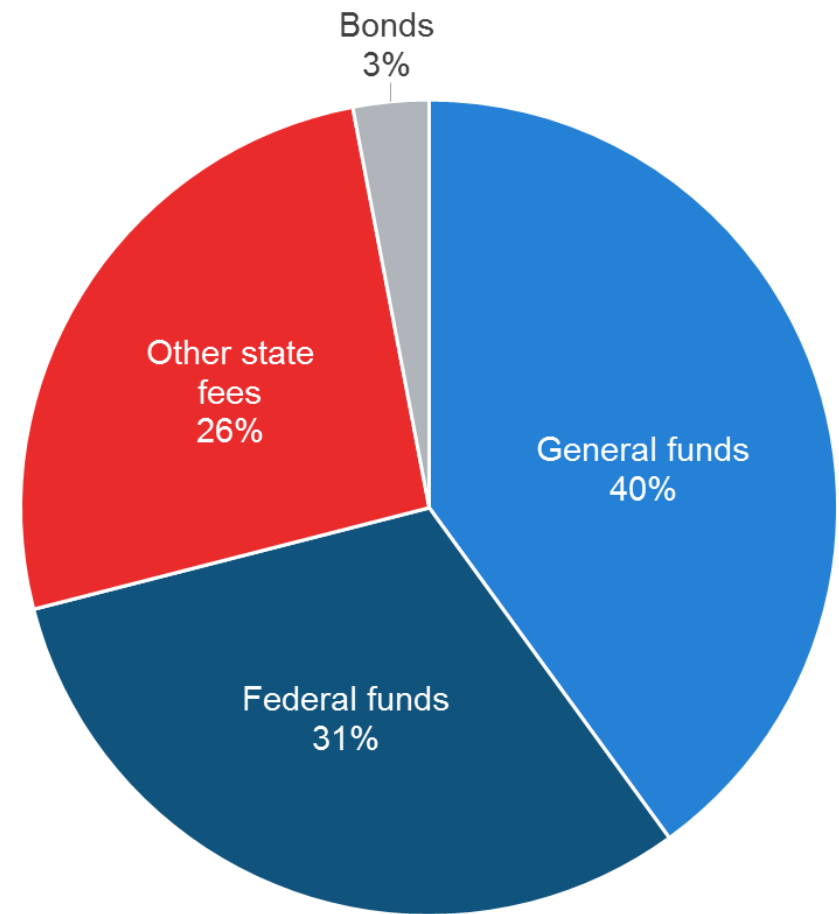| States | | Federal |
|--------|--|---------|
| • JUL 1 – JUN 30 | Fiscal Year | • OCT 1 – SEP 30 |
| • Operations & capital | Budget Funding | • 12 appropriations bills |
| • Pre-budget planning | Acquisition Planning | • Rolling 3 year window |
| • Citizen services | Government Focus | • Meeting the mission |

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How is SLED funded?

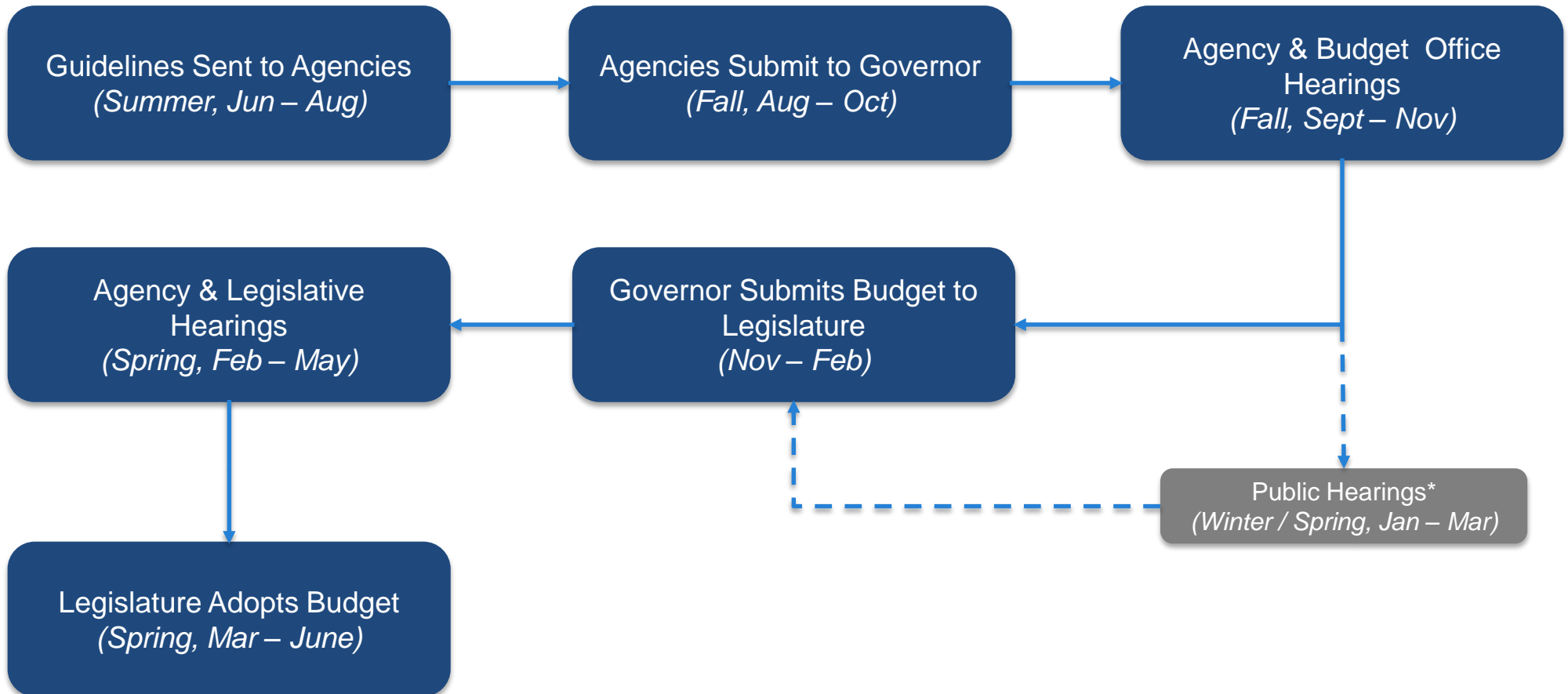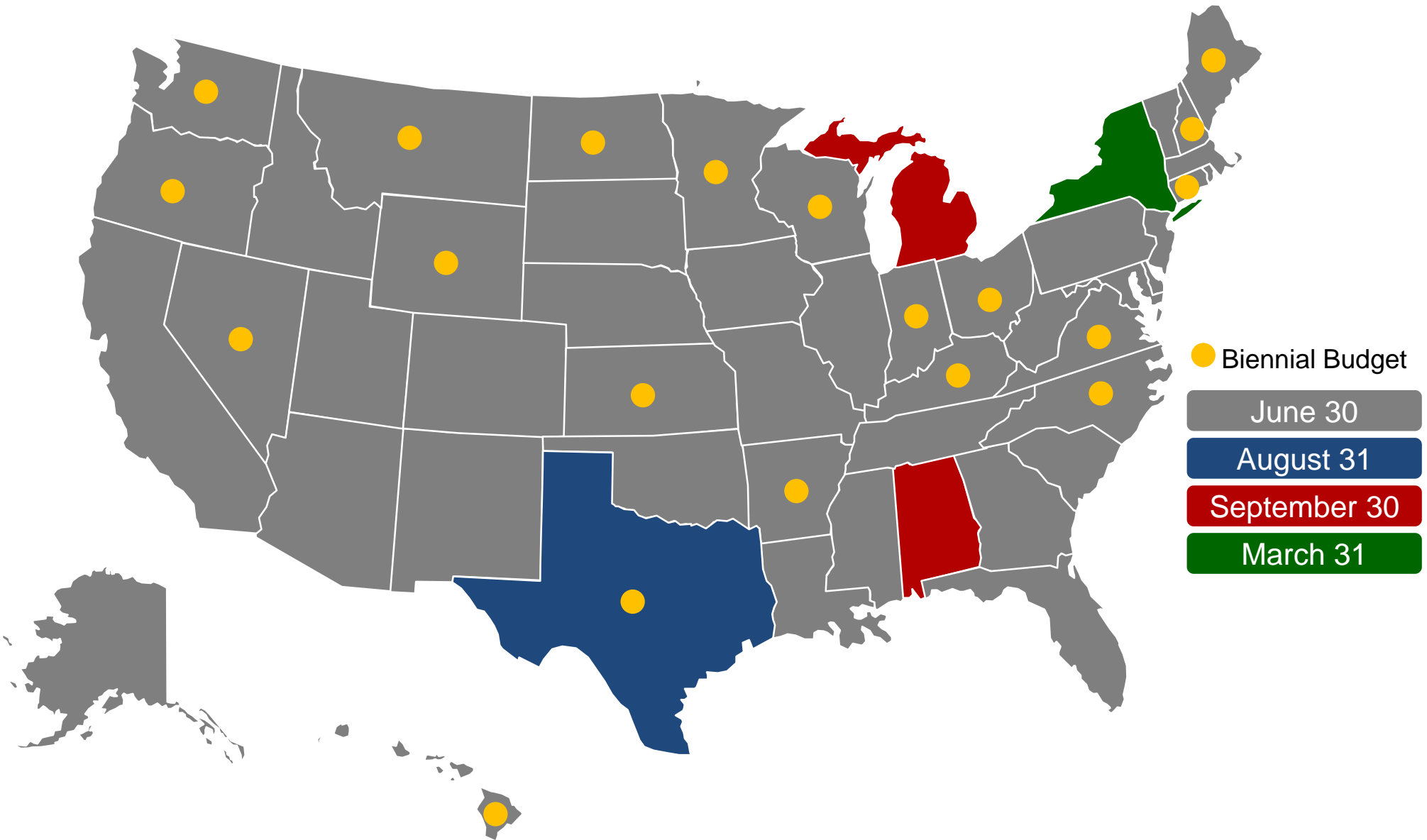# Where does the state's money come from?

- **State funding is a combination of tax revenues and federal funds**

- **Most sales will come out of the General funds budget**

- **Federal funds are usually earmarked for specific programs, like Medicaid or transportation projects**

**State Budget Funding Sources**



Bonds 3%

Other state fees 26%

General funds 40%

Federal funds 31%

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# How do the states formulate their budgets?

```
Guidelines Sent to Agencies    →    Agencies Submit to Governor    →    Agency & Budget Office
(Summer, Jun – Aug)                 (Fall, Aug – Oct)                   Hearings
                                                                        (Fall, Sept – Nov)
```

```
Agency & Legislative      ←    Governor Submits Budget to    ←    
Hearings                       Legislature
(Spring, Feb – May)            (Nov – Feb)
```

```
Legislature Adopts Budget
(Spring, Mar – June)
```

**Public Hearings***
*(Winter / Spring, Jan – Mar)*

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# What is the fiscal year-end for the states?

🟡 Biennial Budget

| June 30 |
| August 31 |
| September 30 |
| March 31 |

# Are states required to pass a balanced budget?

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## Balanced Budget Requirements
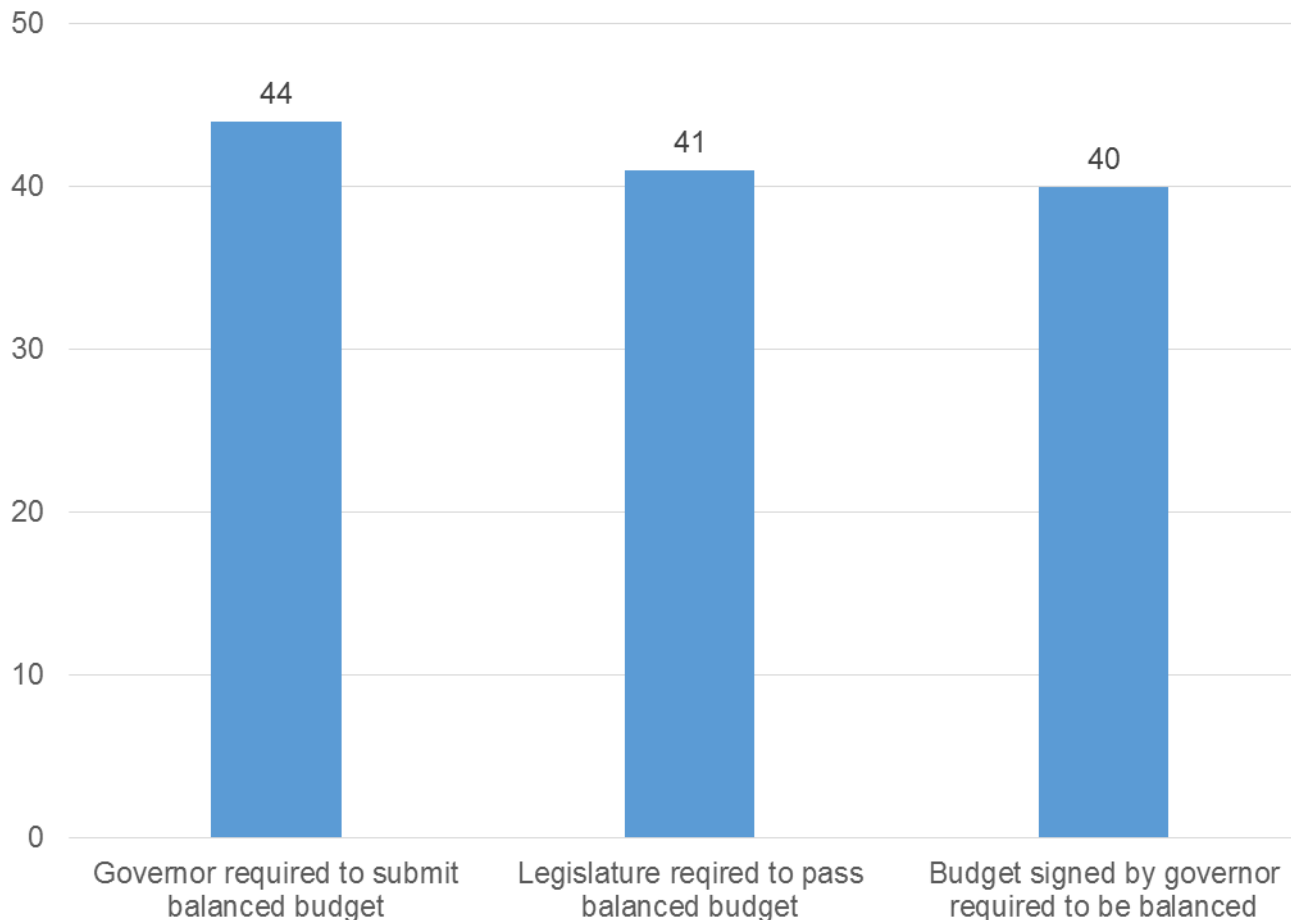


- **80% of states require a balanced budget be passed**

- **Only 11 states allow a deficit to be carried over**

- **41 states give the governor line item veto authority**

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# Who do you talk to?

**Level of Influence** (High → Low)

| | Role | Key Messages |
|---|---|---|
| Enterprise CIO | Policy / Standards | Shared Services, Cloud, Open Government, Cybersecurity, Mobility |
| Agency CIO | Technology Adoption | Modernization, Optimization, Service Delivery |
| Agency / Division Director | Operations | Efficiency, Operational Effectiveness, Budget Management |
| Program Manager | Program Management | Interoperability, Program Delivery, Budget Control |
| Procurement / Contracts Officer | Contracts Processing | Budget Control, Financing |
| Governor / Executive / Mayor | Leader | Jobs, Security, Economic Development |

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How do you navigate State & Local procurement?

# What should I know about state & local procurement?

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- **Increasing "Buy Local" campaigns**

- **Navigating the new consolidated purchasing environment**
  - New York
  - New Jersey
  - Ohio
  - Washington
  - Michigan



- **Encouraging stronger competition**
  - Texas' new IT legislation

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# There are three types of IT operating models*

| | Decentralized | | Federated | | Unified | |
|---|---|---|---|---|---|---|
| | Agency | Enterprise | Agency | Enterprise | Agency | Enterprise |
| Governance | ● | | | ● | | ● |
| Funding | ● | | | ● | | ● |
| IT Staff | ● | | | ● | | ● |
| IT Operations | ● | | ◐ | ◐ | | ● |
| IT Security | ● | | ◐ | ◐ | | ● |
| IT Service Mgmt | ● | | ◐ | ◐ | | ● |

**Does not pertain to local governments**

*Deloitte Report 2014 – "State of North Carolina NC Gear Program, IT Restructuring Report"*

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# There are three types of operating models*



**Decentralized**

**Federated**

**Unified**

**Outsourced**

**In Planning**

*Does not pertain to local governments*

*\* Deloitte Report 2014 – "State of North Carolina NC Gear Program, IT Restructuring Report"*

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# How do state and local governments buy?

| | Stand-alone Contracts | Statewide / Term / Master Contracts | Cooperative Purchasing |
|---|---|---|---|
| Who administers the contract? | Contracts / Procurement Department; IT Department; Individual Department / Agency | Contracts / Procurement Department, IT Department | Purchasing cooperative organization |
| Order of preference for IT purchases | 2 | 1 | 2 or 3 |
| Types | RFP, IFB, etc. | Mandatory or Convenience | Federal, Nationwide, Regional, |

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# What types of Cooperative Purchasing are available to SLED?

| Federal | Nationwide | Regional |
|---------|-----------|----------|
| GSA Schedule Contract 0123456789 | U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE | MHEC Advancing Education Through Cooperation |
| GSA Schedule Contract 0123456789 | MiCTA Technology Solutions for Members Nationwide | DGS CALIFORNIA DEPARTMENT OF GENERAL SERVICES |
| | NASPO ValuePoint formerly WSCA-NASPO | OhioDAS Service · Support · Solutions |

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# Which states do authorize use of GSA schedules?

State Permitted to Use GSA Contract:
- Yes
- No
- To be Determined

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# How do you engage?

# What are the functions of state & local government?

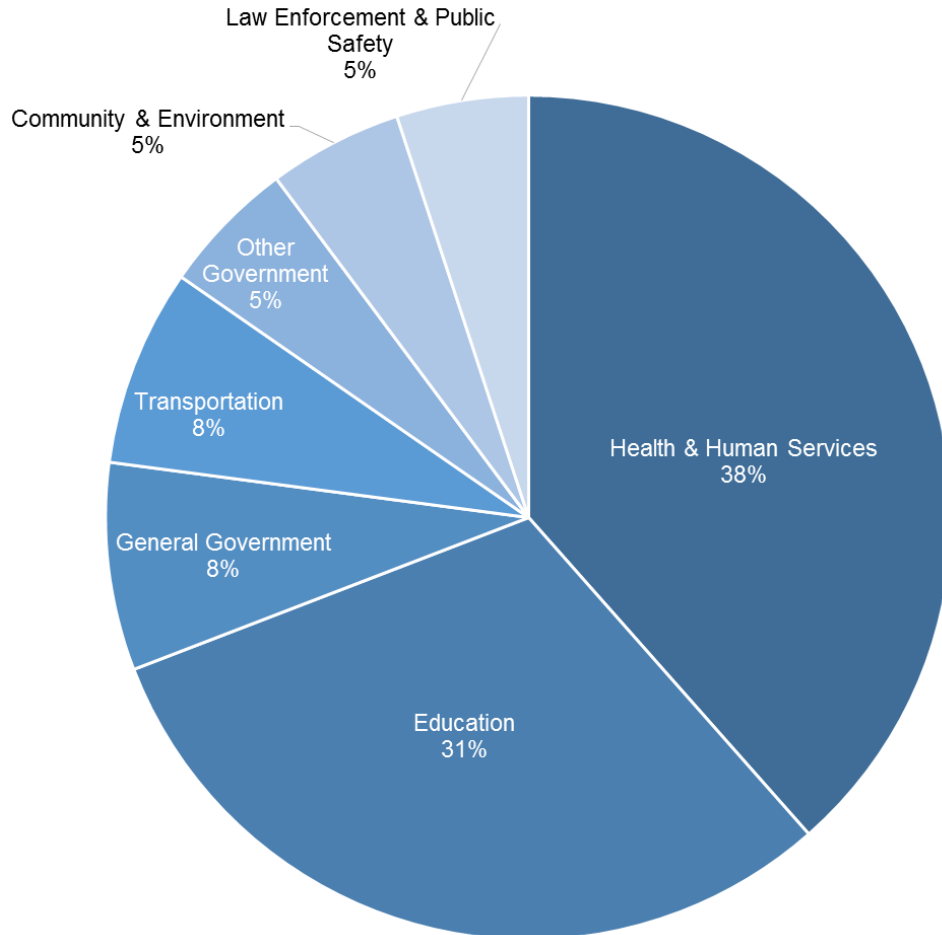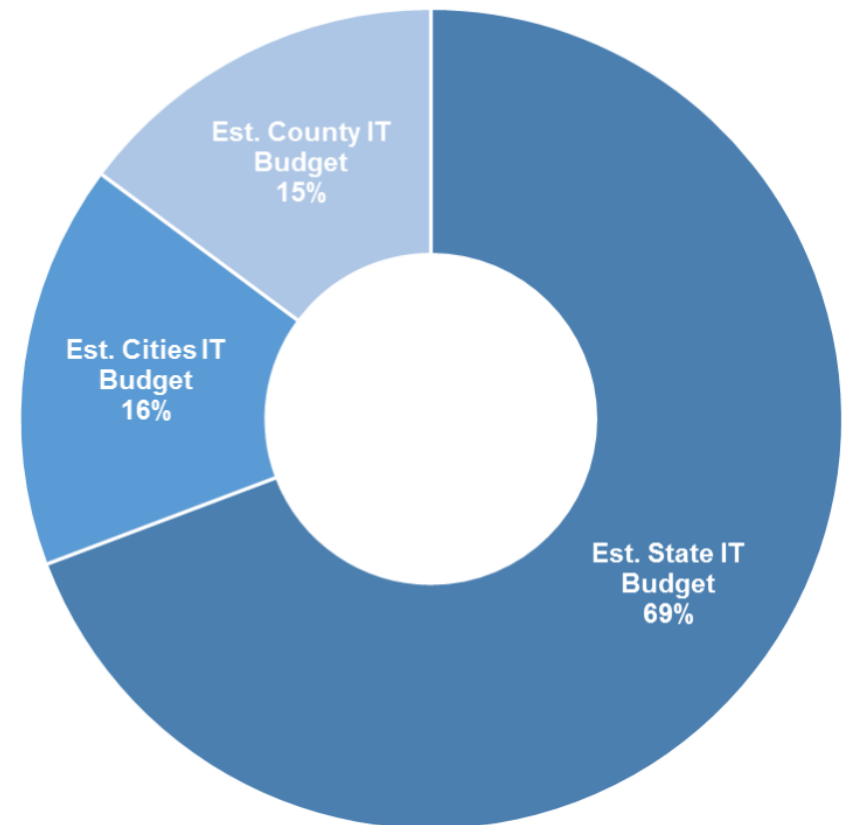| Market Segment | Example Component Departments / Agencies | | Market Segment |
|---|---|---|---|
| Health & Human Services | <ul><li>Department of Health</li><li>Department of Social Services</li><li>Department of Mental Health</li></ul> | <ul><li>Department of Commerce</li><li>Department of Housing</li><li>Department of Veterans Affairs</li></ul> | Community Services |
| Education | <ul><li>Department of Education</li><li>Higher Education Commission(s)</li></ul> | <ul><li>Forest Service</li><li>Department of Agriculture</li><li>Department of the Environment</li></ul> | Environment |
| Transportation | <ul><li>Department of Transportation</li><li>Department of Motor Vehicles</li></ul> | <ul><li>Senate</li><li>House</li><li>Assembly</li></ul> | Legislature |
| General Government | <ul><li>**Department of Information Technology**</li><li>Department of the State</li><li>Governor's Office</li></ul> | <ul><li>Court of Appeals</li><li>Superior Court</li><li>Supreme Court</li></ul> | Courts |
| Law Enforcement & Public Safety | <ul><li>State Police</li><li>Department of the Military / Defense</li><li>Department of Corrections</li></ul> | <ul><li>Retirement Systems Payments</li><li>Grant / Debt Payments</li></ul> | Non-Addressable |

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# How much will SLED spend?

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## FY16 <u>SLED</u> Spending: **$3.5T**



Law Enforcement & Public Safety 5%

Community & Environment 5%

Other Government 5%

Transportation 8%

General Government 8%

Health & Human Services 38%

Education 31%

## FY16 <u>SLED</u> IT Spending: **$97B**



Est. County IT Budget 15%

Est. Cities IT Budget 16%

Est. State IT Budget 69%

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# What does that spending look like across the nation?

## FY16 SLED IT Spending: **$97B**



*Less than $200M* ▢ ▢ ▢ ▢ ▢ *More than $2B*

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# Cybersecurity Technology Priorities
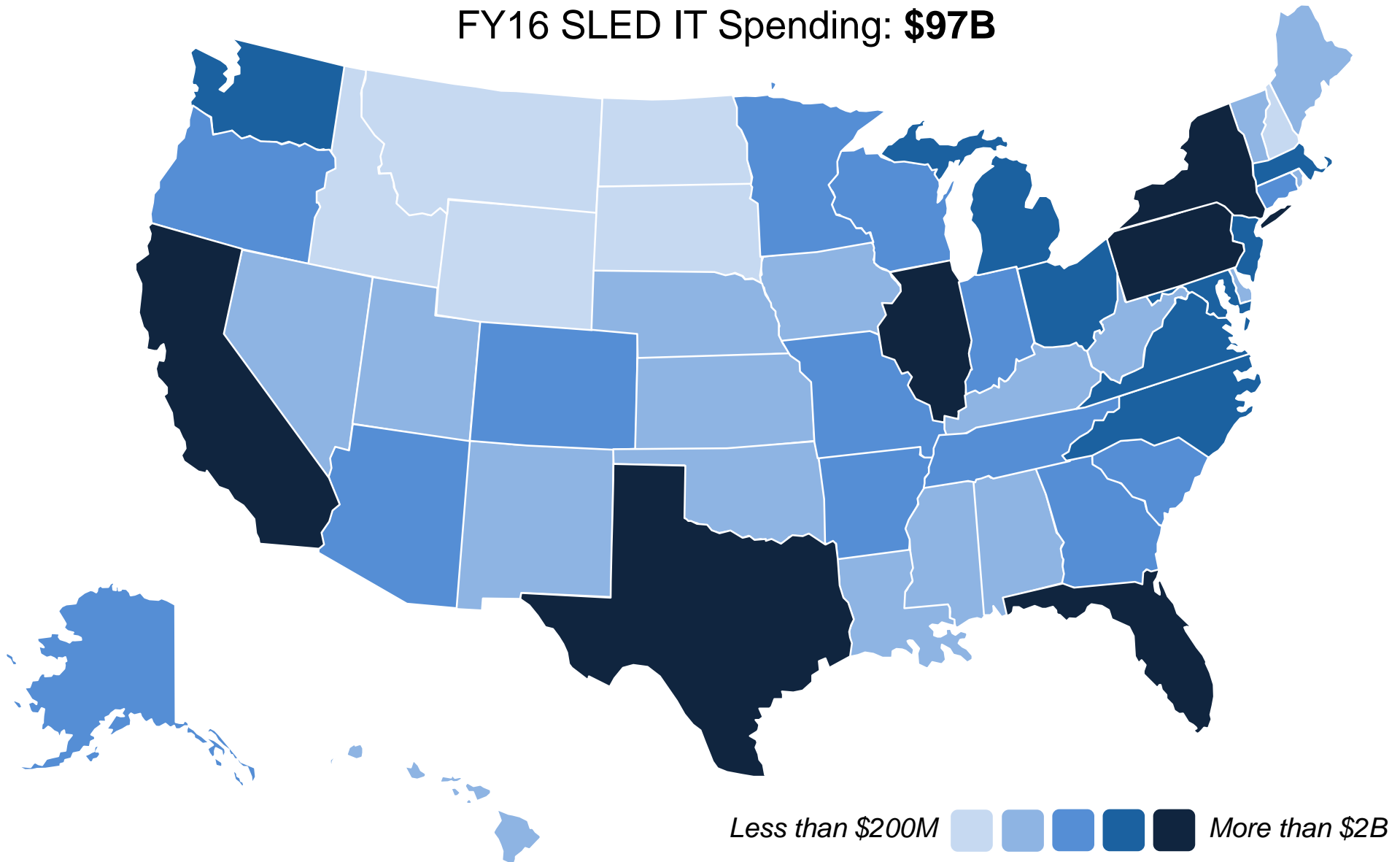
- **Improving cybersecurity strategy and approach**
  - Preventing attacks
  - Improving response
  - Increasing institutional knowledge

- **Consolidating the management and response to cybersecurity incidents**

- **Navigating the budgetary politics**



| | Transportation | | General Government |
|---|---|---|---|

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# Cloud Technology Priorities

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- **Incorporating cloud options where it is appropriate**
  - CA's CalCloud project

- **Investigating options for public cloud**

- **Developing flexible procurement options for new services**
  - VA's CIO and data ownership

| Health & Human Services | Education | General Government |
| --- | --- | --- |

| Transportation | Law Enforcement & Public Safety |
| --- | --- |

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# Mobility Technology Priorities

- **Enhancing digital learning**
  - Apps store that aids in meeting SOLs or university curricula

- **Investigating BYOD options**
  - Establishing a governance policy
  - Leveraging to attract next-generation workers

- **Guaranteeing network protection and security**

- **Increasing citizen touch-points and improving interaction**
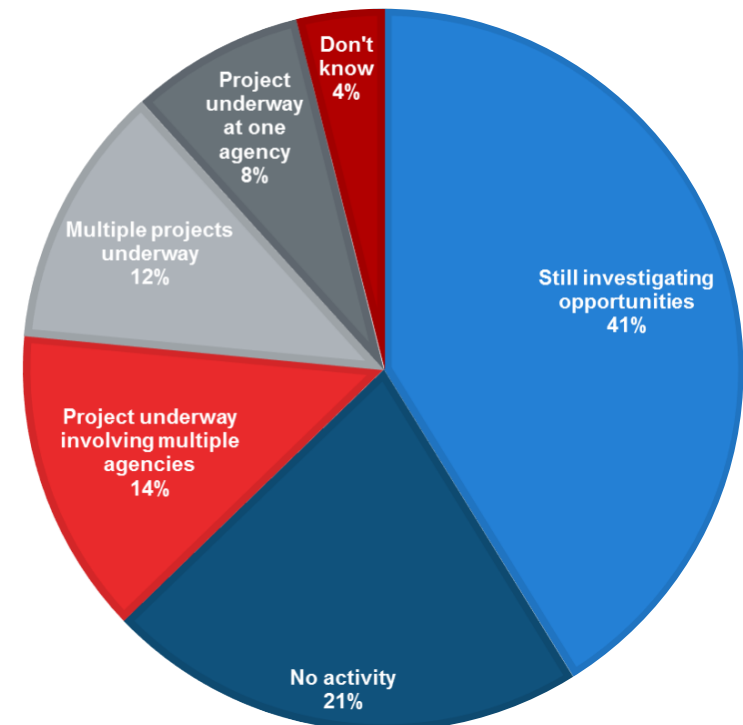
| | Education | | General Government | | Transportation |
|---|---|---|---|---|---|

| | Law Enforcement & Public Safety |
|---|---|

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# Big Data Technology Priorities

- **Improving efficiency of government**

- **Enabling greater government transparency**
  - Facilitating increased data reporting

- **Develop an enterprise view and governance of data**
  - Data as a strategic asset

## How do the states and CIOs describe the status of Big Data?

Don't know 4%

Project underway at one agency 8%

Multiple projects underway 12%

Still investigating opportunities 41%

Project underway involving multiple agencies 14%

No activity 21%

Health & Human Services

Law Enforcement & Public Safety

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# What do the market segments care about?

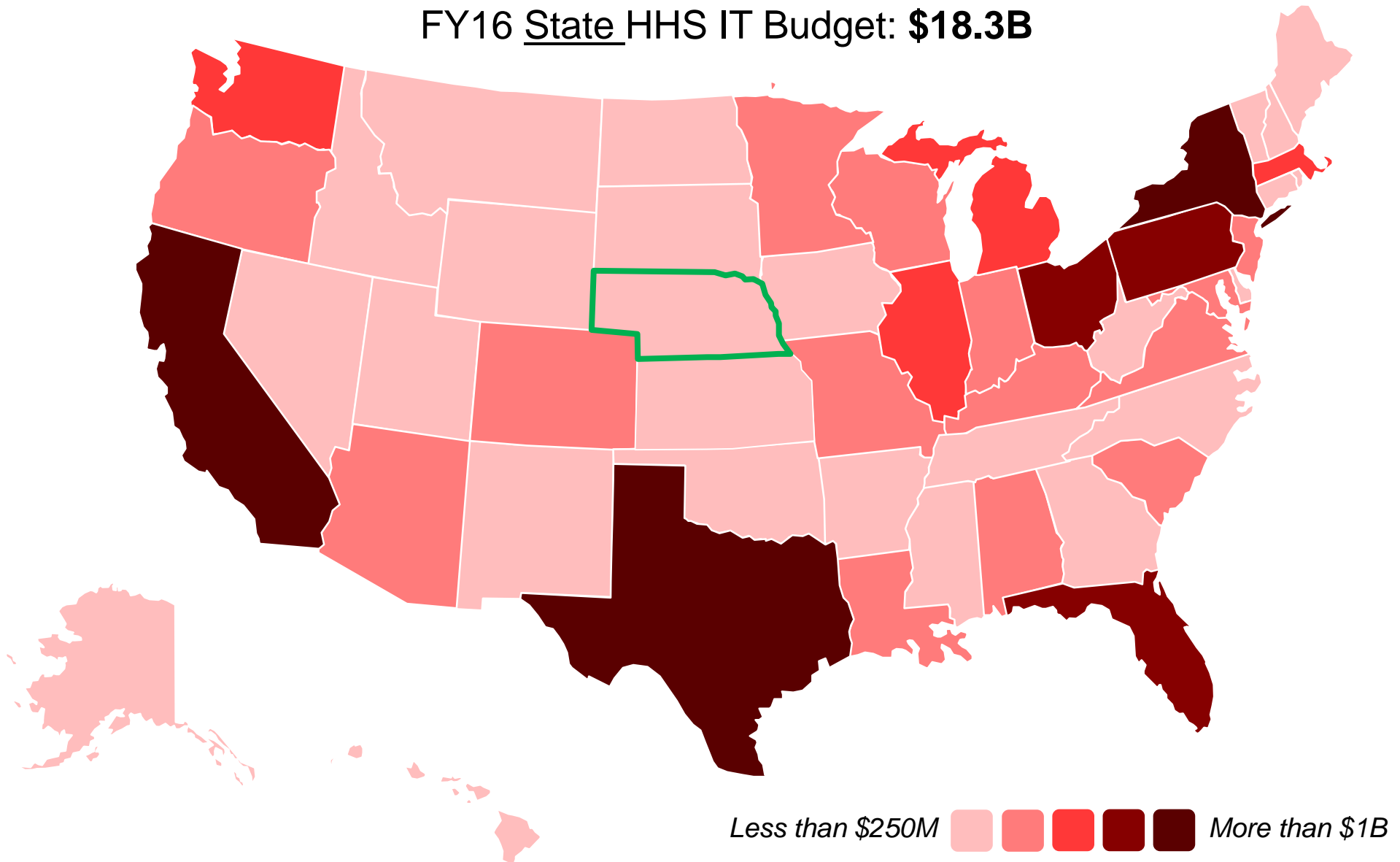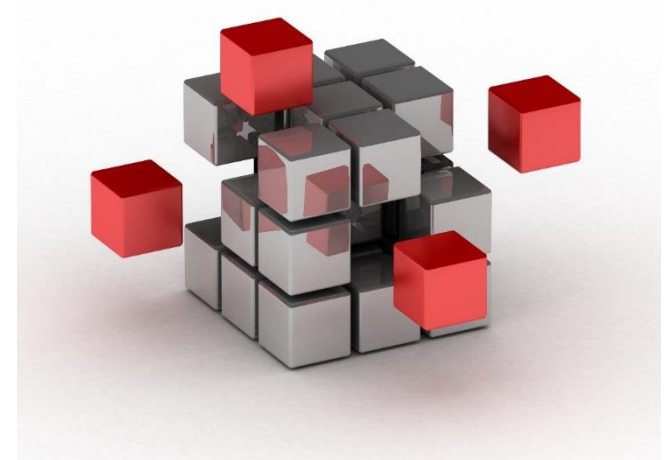| | | | |
|---|---|---|---|
| **Health & Human Services** | ▪ Medicaid expansion<br>▪ Affordable Care Act Implementation | | ▪ Big Data<br>▪ Cloud |
| **Education** | ▪ Common core roll out<br>▪ Digital content transition<br>▪ Broadband expansion | | ▪ Mobility<br>▪ Cloud |
| **General Government** | ▪ Demand for citizen services<br>▪ Push for more accurate financial sharing / reporting | | ▪ Cybersecurity<br>▪ Mobility<br>▪ Cloud |
| **Transportation** | ▪ Demand for citizen services<br>▪ Outdated systems managing an aging infrastructure | | ▪ Cybersecurity<br>▪ Cloud<br>▪ Mobility |
| **Justice & Public Safety** | ▪ Eliminating / reducing data silos<br>▪ Increasing responsiveness for safety and accountability | | ▪ Big Data<br>▪ Cloud<br>▪ Mobility |

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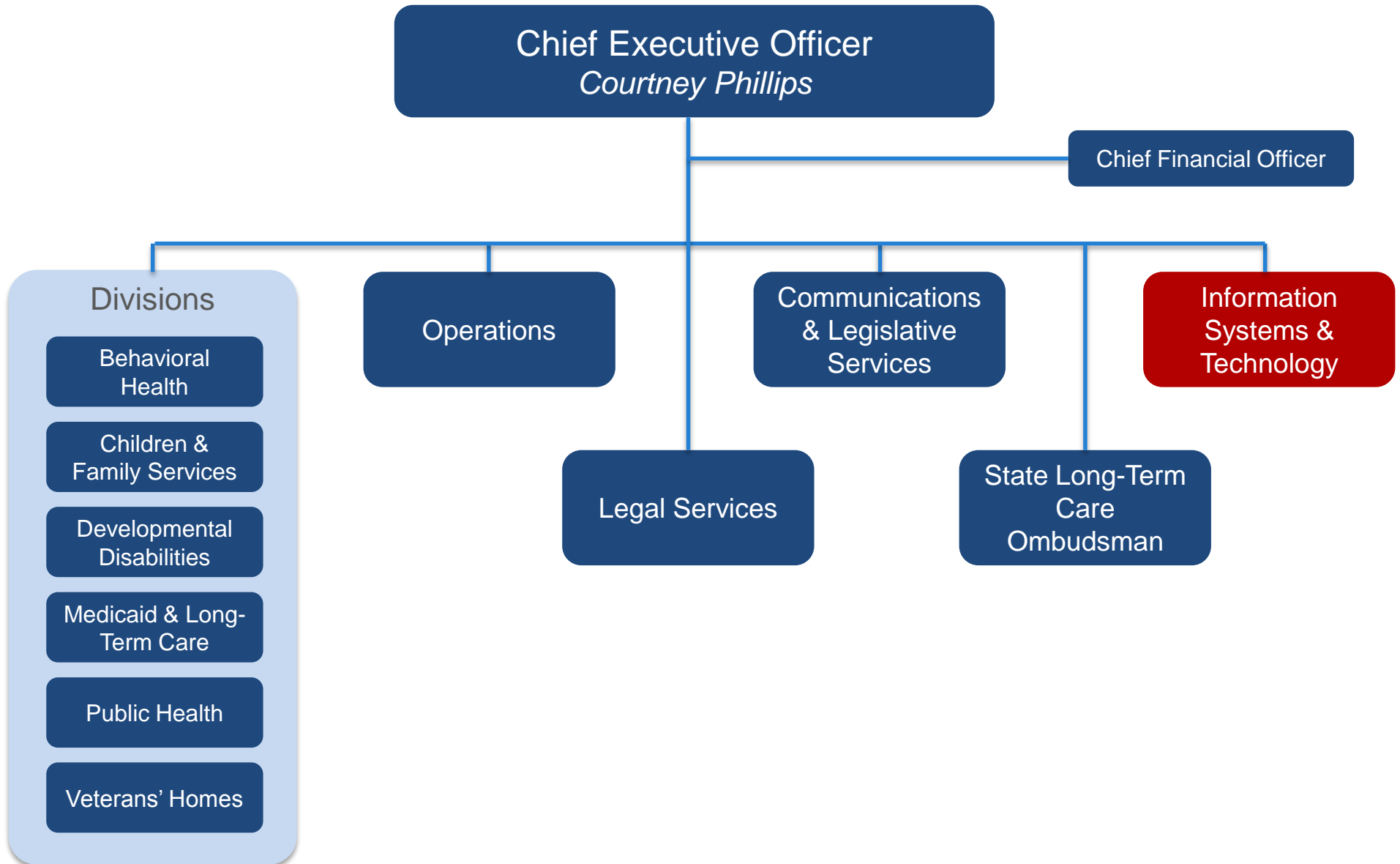## FY16 <u>State</u> HHS IT Budget: **$18.3B**

*Less than $250M*    *More than $1B*

# HHS Key State Trends

- **Increasing collaboration amongst agencies**
  - Consolidating agencies
  - Reducing redundancies

- **Aggregating enterprise data and systems**

- **Incorporating more analytics into decision-making**
  - Applying resources more strategically
  - Improving trauma response and preparedness

- **Implementing the Affordable Care Act**

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# Nebraska – Department of Health and Human Services Organization

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**Chief Executive Officer**
*Courtney Phillips*

**Chief Financial Officer**

**Divisions**

- Behavioral Health
- Children & Family Services
- Developmental Disabilities
- Medicaid & Long-Term Care
- Public Health
- Veterans' Homes

**Operations**

**Communications & Legislative Services**

**Information Systems & Technology**

**Legal Services**

**State Long-Term Care Ombudsman**

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# State of Nebraska

The Nebraska Department of Health and Human Services (DHHS) is developing plans to replace the current N-FOCUS Statewide Automated Child Welfare Information System (SACWIS) that supports child welfare intake and assessment, foster care, adoption, adult protective services and economic assistance programs such as TANF and SNAP, and LEAP.

## STATUS

- Pre-RFP
- RFP expected in JUL 2017
- Mainframe migration of 1.3 billion rows of production data
- Integration with 40+ internal and external applications

## REQUIREMENTS

- Application Development
- Portals / Web Services
- Enterprise Architecture
- Data Management
- Data Integration

## FUNDING SUMMARY

- Total Estimated Cost: $30M-$60M

- 50/50 Funding: State Budget and ACF Federal Funds Participation (FFP)
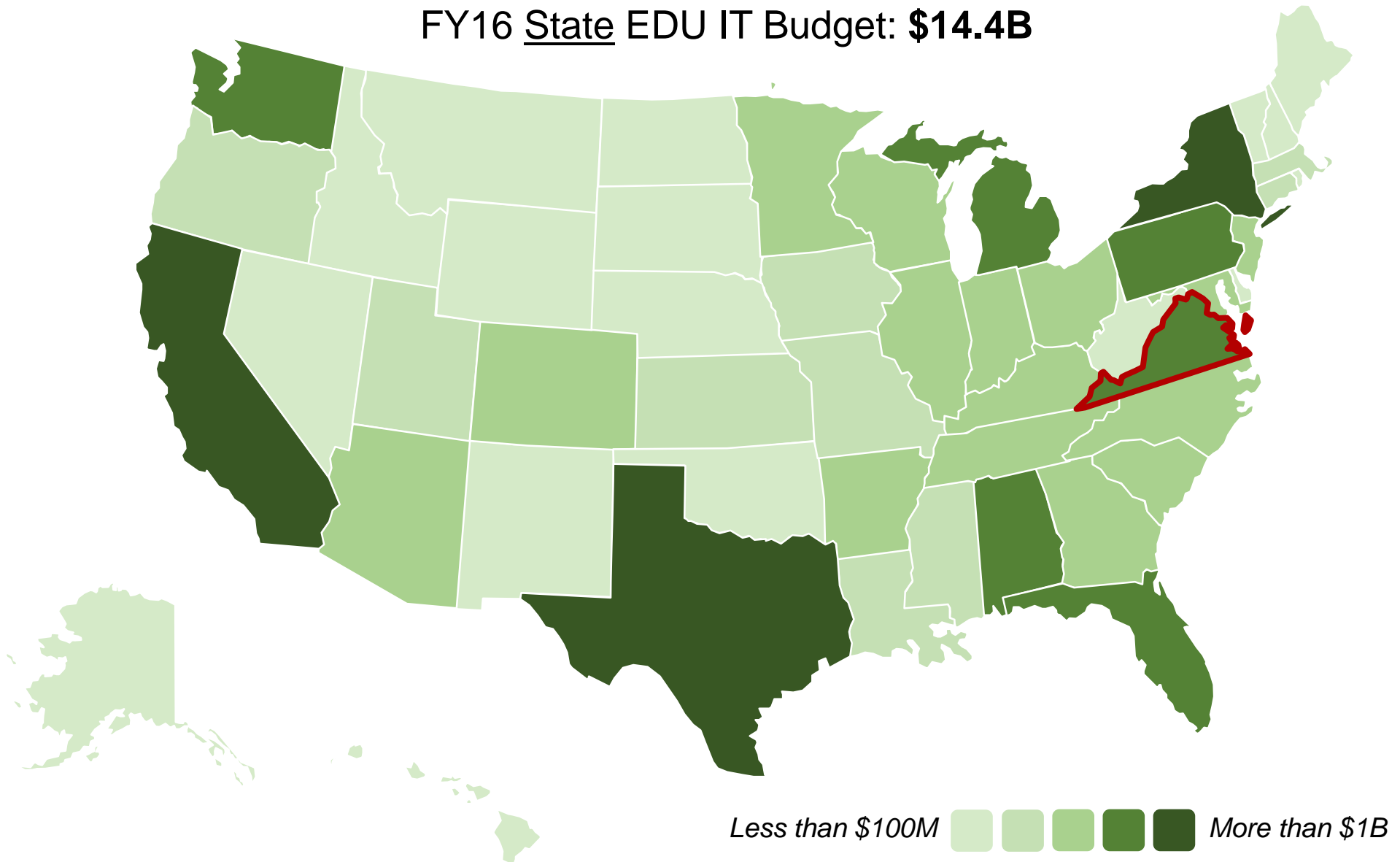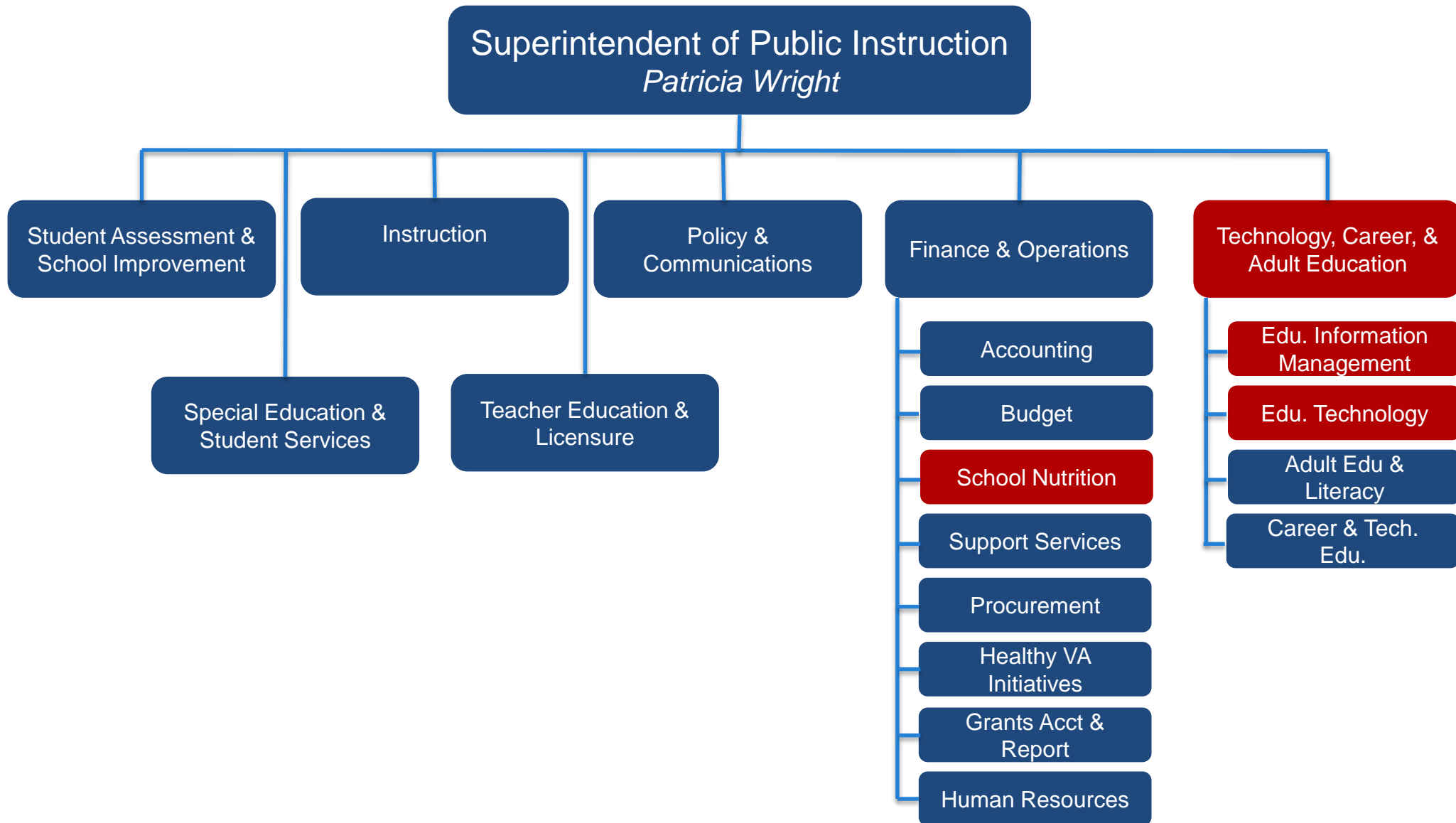
## POINT OF CONTACT

Eric Henrichsen
Chief Information Officer, Department of Health and Human Services

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- **Federal Funds Participation (FFP)**
  - Funds 50% - 90% of major IT system development and operation
  - Specific agencies will fund specific data systems:
    - HHS / Centers for Medicaid and Medicare Services: *MMIS Systems and fiscal agent services, eligibility determination systems*
    - Department of Agriculture : *WIC Management Information Systems, EBT Services*
    - HHS / Agency for Children and Families: *Welfare Management Information Systems, Child Support Enforcement Systems*

- **Competitive grants are based on federal administration priorities, legislation, or major events and are always managed through grants.gov**
  - Affordable Care Act (ACA) = Health Information Technology for Economic and Clinical Health (HITECH)
  - Controlled substance abuse epidemic = Harold Rogers Prescription Drug Monitoring Program

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## FY16 <u>State</u> EDU IT Budget: **$14.4B**



*Less than $100M* ▢ ▢ ▢ ▢ ▢ *More than $1B*

# EDU Key State Trends

- **Transitioning to digital content**
  - Seeking 1:1 device ratios
  - Increasing virtual learning
  - Increasing blended learning

- **Implementing the common core curriculum at Pre-K – 12**
  - 42 out of 50 states have adopted the curriculum

- **Expanding broadband access**

- **Increasing information sharing**


EDUCATION

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**Superintendent of Public Instruction**
*Patricia Wright*

- Student Assessment & School Improvement
  - Special Education & Student Services
- Instruction
  - Teacher Education & Licensure
- Policy & Communications
- Finance & Operations
  - Accounting
  - Budget
  - School Nutrition
  - Support Services
  - Procurement
  - Healthy VA Initiatives
  - Grants Acct & Report
  - Human Resources
- Technology, Career, & Adult Education
  - Edu. Information Management
  - Edu. Technology
  - Adult Edu & Literacy
  - Career & Tech. Edu.

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# State of Virginia

The Virginia Department of Education will acquire a Child Nutrition System to effectively manage complex USDA Child Nutrition programs in order to meet regulatory requirements. The new system will also simplify the administration of the school nutrition programs with online entry of applications and claims through the Internet.

## STATUS

- Pre-RFP
- RFP expected in late 2015
- Vendor-hosted

## REQUIREMENTS

- Portals / Web Services
- Data Management
- Data Integration
- Application Security
- Data Protection

## FUNDING SUMMARY

- Total Estimated Cost: $800K
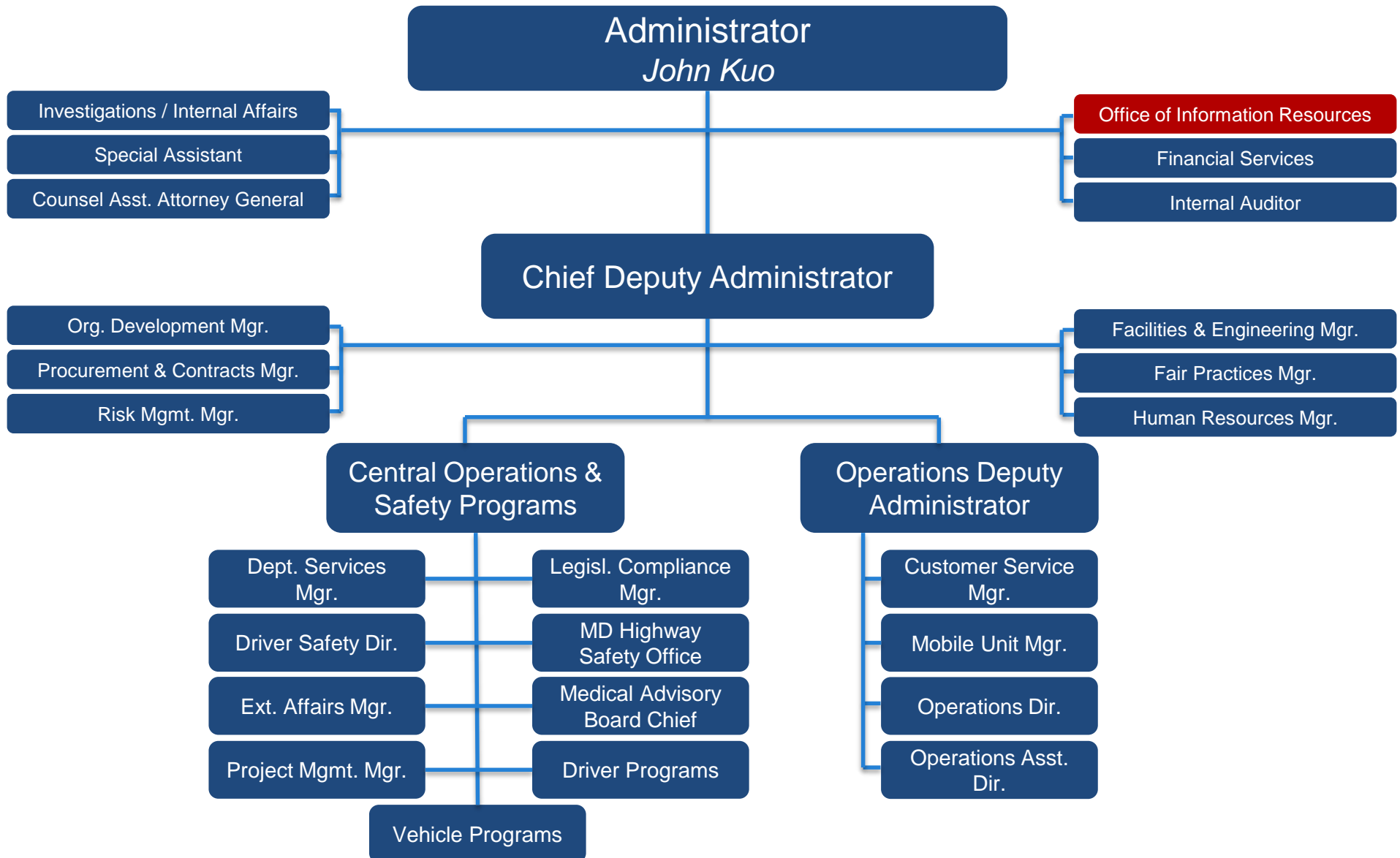- USDA grant will supply some of the funding

## POINT OF CONTACT

Catherine Digilio-Grimes Director of School Nutrition Programs, Department of Education

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# Sample Grants in Education

- **Federal Communications Commission**
  - [E-Rate Discounted Equipment Program](#)
    - Funding may be requested under two categories of service:
      - » Data Transmission Services, Internet Access, and Voice Services
      - » Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections
    - Discounts range from 20% - 90%

- **Department of Education**
  - [Statewide Longitudinal Data Systems (SLDS) Grant Program](#)
    - The 50 States and all territories are eligible (Pre-K thru 12 moving to 20 years)
    - Estimated Range of each award is $1M - $7M

- **Department of Agriculture**
  - [Distance Learning & Telemedicine Grant Program](#) (USDA)
    - Eligible applicants include most entities that provide, or want to provide, education or health care through telecommunications
      - Estimated Range of awards is $50K - $500K

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## FY16 <u>State</u> TRANS IT Budget: **$3.5B**



Less than $25M ▢ ▢ ▢ ▢ ▢ More than $300M

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# TRANS Key State Trends

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- **Expanding e-Government service options**
  - Increasing citizen access online or through mobile devices

- **Updating an aging infrastructure**
  - Outdated road structure
  - Aging IT management systems

- **Investigating applications for "Intelligent Transportation Systems"**
  - "Internet of Things"

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# Maryland – Motor Vehicle Administration Organization

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**Administrator**
*John Kuo*

Investigations / Internal Affairs

Special Assistant

Counsel Asst. Attorney General

Office of Information Resources

Financial Services

Internal Auditor

**Chief Deputy Administrator**

Org. Development Mgr.

Procurement & Contracts Mgr.

Risk Mgmt. Mgr.

Facilities & Engineering Mgr.

Fair Practices Mgr.

Human Resources Mgr.

**Central Operations & Safety Programs**

Dept. Services Mgr.

Driver Safety Dir.

Ext. Affairs Mgr.

Project Mgmt. Mgr.

Legisl. Compliance Mgr.

MD Highway Safety Office

Medical Advisory Board Chief

Driver Programs

Vehicle Programs

**Operations Deputy Administrator**

Customer Service Mgr.

Mobile Unit Mgr.

Operations Dir.

Operations Asst. Dir.

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# State of Maryland

The Maryland Department of Transportation will complete a Motor Vehicle Administration (MVA) System Modernization to replace the following applications: Vehicle Services (Titles & Registrations), Driver Enforcement Services, Driver Licensing Services, Driver License Card Production, Business Licensing Services, and Financial Operations.

## STATUS

- Pre-RFP
- RFP expected in FY16
- Hosted at State Data Centers
- Migration from COBOL

## REQUIREMENTS

- Data Migration
- Application Development
- Application Integration
- Configuration Management
- Identify & Access Management
- Information Security

## FUNDING SUMMARY

- Total Estimated Cost: $30M - $50M
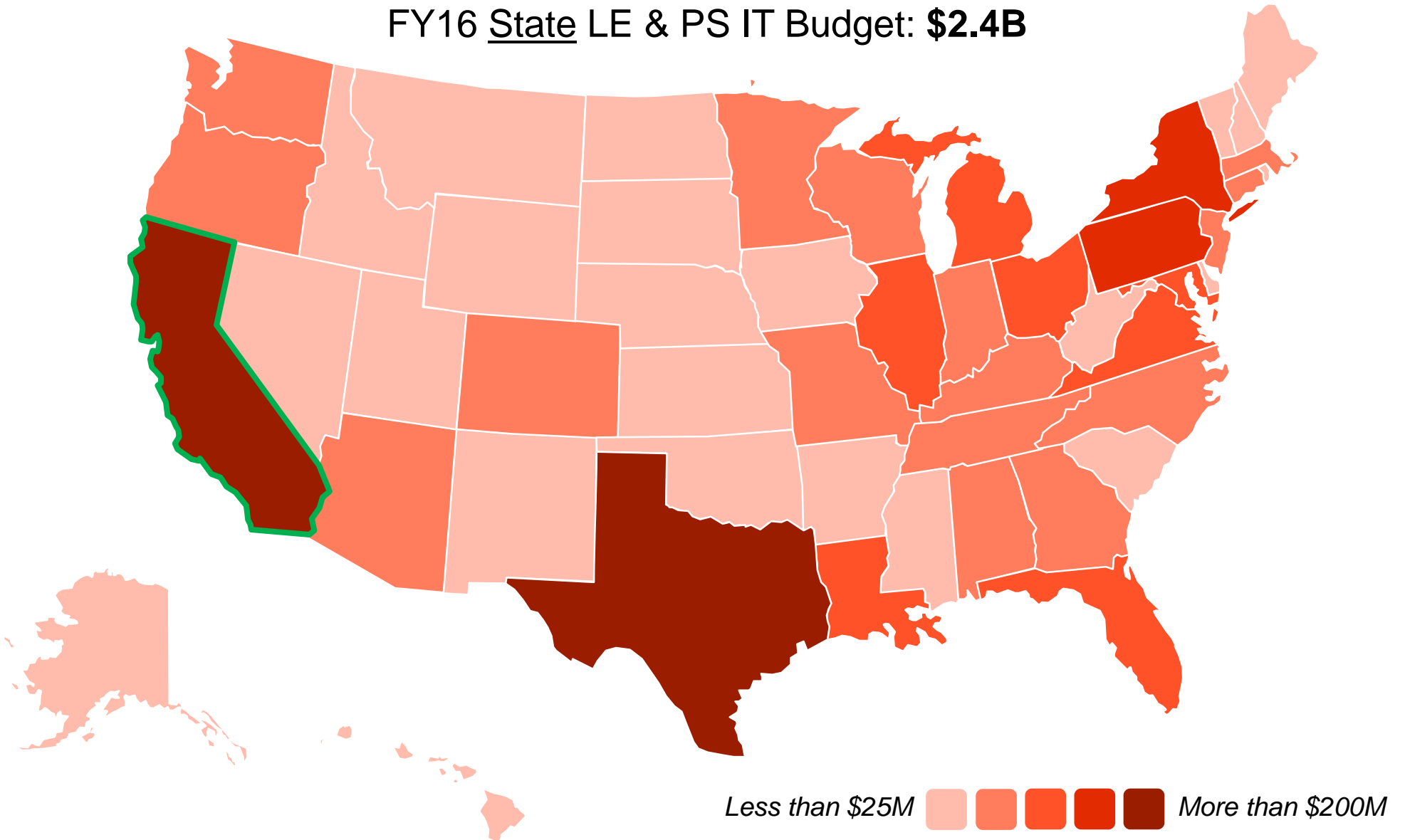- Funding via MVA Capital Program

## POINT OF CONTACT

Patricia Velez
IT Director, Maryland Motor Vehicle Administration (MVA), Department of Transportation

# Sample Grants in Transportation

- **Department of Transportation available grants:**

  - [Moving Ahead for Progress in the 21st Century (MAP-21) Act Discretionary & Formula Program](#)

    - Federal Transit Administration's (FTA) Innovative Safety, Resiliency, and All-Hazards Emergency Response and Recovery Demonstration Program: *Radar-based system for detecting track intrusions, GPS-based technology*

    - Mobility Services for All Americans Deployment Planning Projects Program: *Integrated and intelligent transportation systems, cloud-and mobile-based tools*

  - [Transportation Investment Generating Economic Recovery (TIGER) Competitive Grant Program](#)

    - Since 2009, Congress has dedicated more than $4.1B for six rounds of TIGER to fund projects such as: *Computer Aided Dispatch / Automatic Vehicle Location (CAD/AVL), Intelligent Transportation Systems (ITS)*

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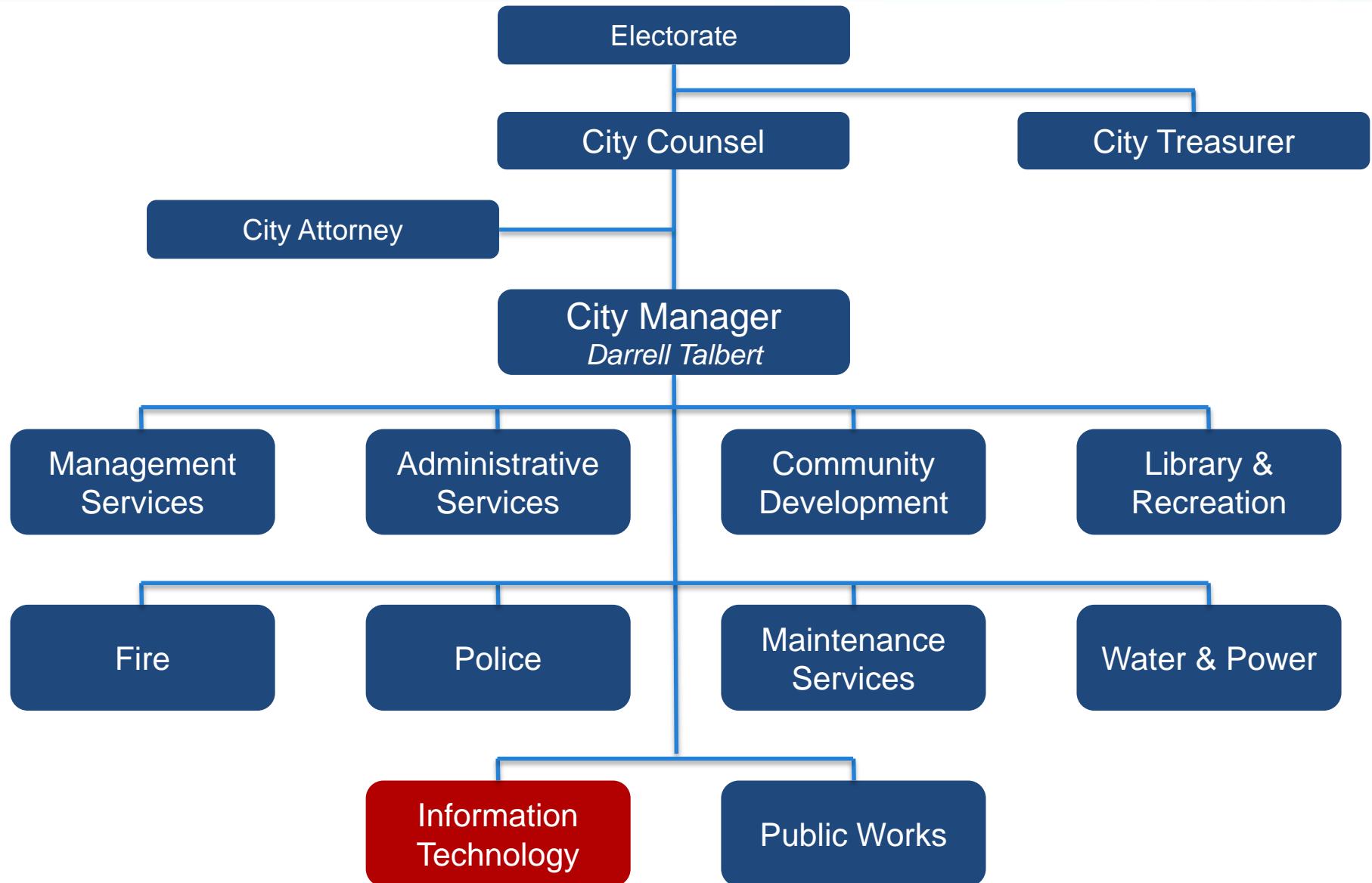# LE & PS State IT Budget Overview

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## FY16 <u>State</u> LE & PS IT Budget: **$2.4B**

*Less than $25M*  *More than $200M*

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- **Reducing and/or eliminating data silos**
  - Information sharing
  - Consolidating responsibilities and missions

- **Deploying body-worn cameras**
  - Law enforcement accountability
  - Data privacy / disclosure

- **Debating the use of UAVs / drones**
  - Moratoriums vs. adoption
  - Drone privacy laws

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# City of Corona, CA Organization

```
                          ┌─────────────┐
                          │  Electorate │
                          └─────────────┘
              ┌──────────────────┴──────────────────┐
      ┌───────────────┐                      ┌───────────────┐
      │ City Counsel  │                      │ City Treasurer│
      └───────────────┘                      └───────────────┘
┌──────────────┐     │
│ City Attorney │────┤
└──────────────┘     │
              ┌──────────────┐
              │ City Manager │
              │ Darrell Talbert │
              └──────────────┘
```

| Management Services | Administrative Services | Community Development | Library & Recreation |
|---|---|---|---|

| Fire | Police | Maintenance Services | Water & Power |
|---|---|---|---|

| Information Technology | Public Works |
|---|---|

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## City of Corona, California

The Corona Police Department will replace the current Computer Aided Dispatch and Records Management System that has been in place for 25+ years. The existing CAD/RMS was recently moved from a hosted environment to the in-house server system, though it hasn't yet been decided which platform the new systems will reside.

### STATUS

- Pre-RFP
- RFP expected in the FY2016-2017 timeframe
- 108,824 police, fire, and medical dispatch incidents annually

### REQUIREMENTS

- Mobility Solutions
- Application Development
- Application Integration
- Information Security
- Data Management
- Data Centers & Servers

### FUNDING SUMMARY

- Total Estimated Cost: $1M - $2M
- Funding via Federal grants, State 911 funds, and City budget

### POINT OF CONTACT

Steve Larson, Information Technology Director, City of Corona Information Technology Department

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# Sample Grants in Law Enforcement & Public Safety

- **Projects funded primarily through local dollars, but there are federal grant opportunities for local agencies, such as:**
  - Justice Assistance Grant (JAG)
    - FY15 awards totaled $78.3M: *Body worn cameras, Video Arraignment, Police RMS, MDCs, and Electronic warrant software*
  - National Criminal History Improvement Program (NCHIP)
    - $48M available in FY15: *Computerized Criminal History Systems, NIBRS Reporting, Sex Offender Registry Improvements, and Background Check Improvements*
  - Port Security Grant Program (DHS)
    - $100M awarded in FY15: *Video Surveillance, Public Safety Radios, and Maritime Safety*
  - Homeland Security Grant Program (HSGP)
    - $1M awarded in FY15: *State Homeland Security Program, Urban Area Security Initiative (UASI), and Operation Stonegarden*
  - Assistance to Firefighters Grant (AFG) (FEMA)
    - FY14 awards totaled $304.5M: *Thermal Imaging Cameras and Public Safety Radios*

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# A Note on the FirstNet Program

- **Primary grant opportunity for general services agencies are broadband and telecom grants through the National Telecommunications and Information Administration (NTIA)**
  - Some NTIA projects on old due to FirstNet program:
    - CharMeck Connect in North Carolina
    - South Carolina Telemedicine and E-Health Network Initiative
    - Santa Fe Regional Telecommunications Coalition (SFRTC) Open Access Broadband Network

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# Conclusion & Summary

# Summary

## What is SLED?

- Interact with government at the State, Local, and Education levels
- Focus on meeting citizen needs
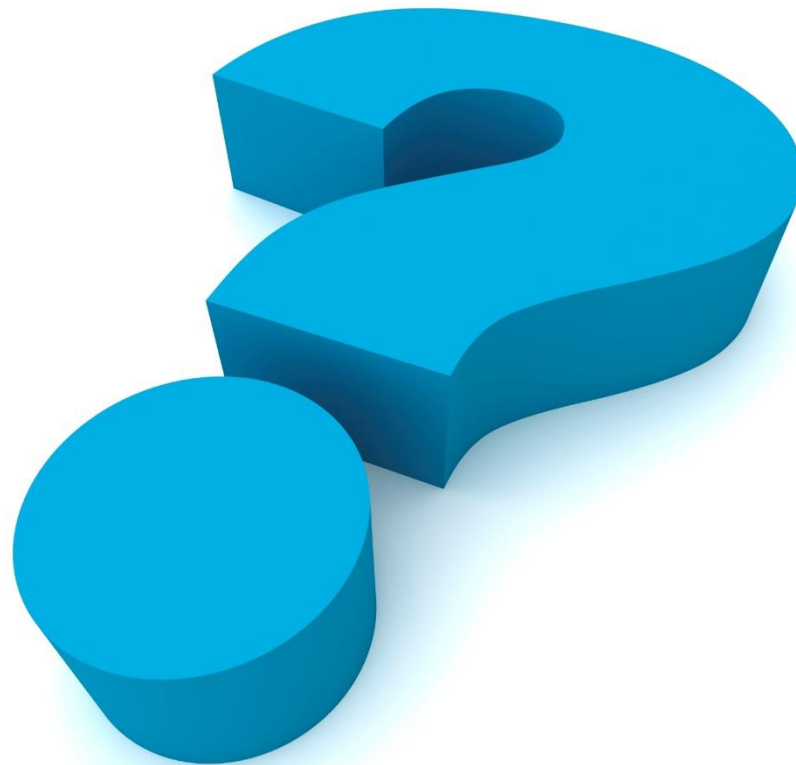
## How is SLED Funded?

- Follow the funds from State taxes and Federal funds
- Watch for a new fiscal year JUL 1
- Understand the balanced budget requirement

## How Do You Navigate Procurement?

- Be mindful of the consolidated environment
- Find the right local partners

## How Do You Engage?

- Focus on specific market segments
- Understand their priorities and challenges

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# Questions

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# Fundamentals of Selling to SLED

November 19, 2015