The pandemic has caused an ongoing recession that has affected the public and private sectors alike. Over the last year, many state and local governments have dealt with double-digit percentage revenue shortfalls — though the outlook has improved in some municipalities, especially with a recent influx of federal funding. However, there are specific parameters around how federal aid can be used. Many of these funds will be passed on to other recipients at the state and local level, rather than used solely for state and local governments themselves.

At the same time, government agencies face increased constituent demand for digital services and a massive shift to remote work. The need for technology modernization to achieve their missions has only been magnified by the global crisis.

While the current economic downturn has been especially steep, government agencies are no stranger to budget and revenue shortfalls. The reality is that resource constraints will be an ongoing challenge for state and local government long after federal funding and the crisis subsides.

If state and local governments are looking for a playbook for how to do more with less in 2021 (and beyond to future-proof their operations), they should reassess their approach to content management and embrace next-generation digital strategies and capabilities that include robotic process automation, low-code development, integrated constituent portals and automated customer communication management, as well as deployment models via the cloud and shared services.

While it’s common for governments to turn to monolithic, siloed point solutions to access all these capabilities, there’s a much more effective approach they can adopt: Integrate a cloud-based, enterprise content services platform that enables them to modernize processes, reduce costs for the long term and deliver services when constituents need them most.

The Need for Modernization and Lessons Learned During the Pandemic

State and local governments have long incurred ongoing operating costs that drain tight budgets, but that can be reduced through modernization. For example, IT maintenance and support for legacy systems and recurring software licenses can consume much of an agency’s budget. Approximately 40 percent of state and local agencies report spending more than a quarter of their budgets on legacy system maintenance.

Then there’s the range of soft and hard costs related to maintaining paper-based and manual processes. Each four-drawer cabinet that is used to file and store hard copy documents costs approximately $1,500 per year and takes up to 9 square feet of floor space. Paper-based processes also cost government agencies in other ways. A typical employee spends 30 to 40 percent of their time looking for information locked in email or filing cabinets that typically contain an average of 10,000 to 12,000 documents. Paper-based processes also have an error rate of 80 percent, which can lead to costly inefficiencies and productivity losses.

“Governments definitely need to digitize their processes. Whether that’s for constituents or to streamline all the
internal processes the public doesn’t interact with directly, all these things need to be automated,” says Otto Doll, a senior fellow at the Center for Digital Government and the former chief information officer for the city of Minneapolis. “There’s a big push for organizations to do this because they want to take advantage of technology to deal with the new normal.”

Along with paper-based processes, churn is another drain on state and local government resources. Churn in social services programs costs agencies $80 per recertification.4

“It’s critical to use technology to communicate with constituents in the way they want to engage with their government agency. It also helps ensure people don’t fail to recertify for a program on time, which happens a lot and creates churn when someone falls out of compliance. It costs vastly more to process an application all over again than to just do a recertification,” says Kevin Albrecht, manager of industry consulting at Hyland Software, which provides enterprise content and process management solutions for government agencies.

During the pandemic, all these existing challenges came to a tipping point as government agencies dealt with the potential for severe budget crunches while also seeing an increased demand and backlogs for services.

Existing legacy systems, including licensing and permitting, unemployment and other social service systems, weren’t able to keep up with this demand. Governments weren’t well equipped for remote work either, as many still rely on paper-based and manual processes, hindering digital service delivery. Most organizations automate just 25 to 40 percent of their workflow,5 but leveraging an enterprise content services platform to integrate modern digital capabilities into their processes can position governments to be more resilient and deliver constituent services cost-effectively, even during budget crunches and times of crisis.

Next-Generation Capabilities for Modernization

A modern enterprise content services platform provides a suite of scalable, configurable tools, such as intelligent data and electronic document capture and business process automation to centralize information and documents online in a single repository, reducing paper-based, manual practices, automating workflows and increasing productivity.

A robust content services platform also should provide next-generation capabilities such as robotic process automation (RPA), low-code development, customer communication management and the ability to integrate a constituent portal within an agency’s existing website to maximize return on investment. Deploying the platform in the cloud and via a shared services model provides additional opportunities for efficiencies and cost savings.

Robotic process automation. Twenty-two percent of an employee’s time is spent on repetitive tasks,6 while low-level tasks consume 30 percent of IT departments’ time.7 However, RPA can streamline repeatable government processes, like credentialing or compliance reporting, and reduce errors and rework due to manual entry. This leads to both time and cost savings for organizations, while freeing up knowledge workers for more value-added work.

The Cost of Paper

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A typical employee spends 30-40% of their time looking for information locked in email or filing cabinets that typically contain an average of 10,000 to 12,000 documents.
“With RPA, if you can take manual tasks and automate those instead of getting a person to do them, then technically you should be able to save money,” Doll says.

Several state and local agencies are already taking advantage of RPA or business process automation. New Mexico’s Department of Health and Human Services, for example, uses virtual bots to help make eligibility determinations. Ohio uses similar technology to enroll newborns in Medicaid.9 The Housing Authority of Alameda County, Calif., also uses information from a tenant’s previous re-examination to create a custom packet along with an e-form that allows employees to easily track all documents sent to and submitted by tenants.9 These examples illustrate the long-term value government organizations can reap by using emerging technologies to automate their processes.

**Low-code development tools.**

These tools allow governments to easily configure solutions across a wide range of use cases. From licensing and permitting to public assistance, inspections and investigations, low-code development enables agencies to quickly build solutions and improve case management across the enterprise. This reduces the need for costly, time-consuming custom coding and disparate, non-interoperable point solutions. It also minimizes IT sprawl, while increasing business agility and responsiveness.

Albrecht says agencies often deal with tedious tasks that, when added together, take up more time than it may seem. Low-code development tools allow agency IT teams to easily create what Albrecht calls “micro-solutions” for these tasks instead of managing these processes using paper or spreadsheets.

With low-code development tools and an enterprise content services platform, agencies “can find all these little pain points and — with no code — create their own solution and solve it themselves to see a huge return on investment,” Albrecht says.

“You can get a lot more done if you’re in a position where you’re not having to funnel projects through professional IT developers to get something accomplished,” Doll adds.

Some agencies are already realizing these benefits. The city of Bowling Green, Ky., leveraged a modern content services platform to reduce paper-based processes. It also took advantage of the platform’s low-code development capabilities to automate a wide range of use cases, from uniform and equipment requests to managing performance evaluations. Bowling Green’s staff has built and deployed solutions across more than 65 divisions to improve processes throughout city government.

The city of Bowling Green, Ky., maximized the value of its existing technology investment in an enterprise content services platform to cost-effectively manage its operations; onboard new capabilities that improve service delivery; and reduce its labor, software, training and storage costs.

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**Automated customer communication management (CCM).** CCM capabilities also help lower costs through templates, customized documentation and automated personalization, allowing agencies to better deploy staff resources and reduce manual document management.

Automated customer communication management improves constituent engagement and enables agencies to deliver relevant, timely communications to the public, whether it’s about new mass vaccine locations or testing centers, real-time transportation updates or program eligibility. This also can help reduce churn, for example, by ensuring constituents receive program communications and deadline information in a timely manner so their eligibility doesn’t lapse.

The Montana Department of Labor and Industry leveraged CCM to move away from legacy applications and ensure constituents get timely information about needed services. The department previously relied on outdated mail merge processes, but turned to CCM to allow its staff to
make changes to documents more easily. The system maintains font sizes, address location, headers, footers and other key elements of documents, providing consistency and flexibility across all the communications the department sends to constituents,11 while delivering timely information that may improve public health, safety and citizen engagement.

- **Cloud deployment and shared services.** While agencies can access all the aforementioned capabilities in a unified platform, an enterprise content services solution can further maximize efficiencies and reduce costs if it is deployed in the cloud and via a shared services model.

The cloud provides a scalable digital foundation that government employees can use to access documents from any location, whether they work from home, in the office or in the field. Hosting in the cloud means solutions are accessible from anywhere and organizations can access real-time data more easily, which improves efficiency and transparency.

Migrating content services from an on-premises environment to the cloud also gives budget-strapped government agencies the agility to onboard modern solutions and extend the capabilities of their systems without having to do a full rip and replace or go through a bureaucratic maze for budget approval. A modern, cloud-based platform also provides secure content storage and facilitates collaboration, while ensuring data ownership and control for agencies.

Under a shared services model, state and local governments can take advantage of economies of scale to manage content, processes and cases related to IT, procurement, accounting and finance, HR and various digital services, including electronic records management and email services. A shared services approach can fundamentally change governments’ cost equation. For example, several counties in New Jersey have used this model to share correctional services, resulting in more than $21 million in cost savings in 2018 alone.12

With a content services platform, shared services organizations also can reduce paper-based processes, take advantage of automation and streamline different processes — from accounts payable and receivable processes to contract and records management. Ultimately, this approach provides end-to-end data visibility within state and local governments and drives a better experience for constituents, vendors and other key stakeholders who interact with governments. It also allows organizations to centralize siloed IT solutions on a single platform and support a hybrid and remote workforce model that is likely here to stay.

**Government’s Digital Future**

State and local governments have long dealt with issues such as legacy systems and budget constraints, but modernizing with an enterprise content services platform gives them the opportunity to truly do more with less. This single solution can be seamlessly integrated with existing systems and allows governments to implement next-generation digital strategies, including RPA, integrated constituent portals and automated customer communication management.

By migrating to the cloud and operating within a shared services model, state and local governments can achieve even greater long-term cost savings. As governments look to a future filled with more fiscal uncertainty than ever before, they can harness modern technologies to ensure business continuity, effectively navigate budget and revenue shortfalls, and ensure they consistently meet the needs of constituents — today and for years to come.

This piece was written and produced by the Center for Digital Government Content Studio, with information and input from Hyland Software.

Endnotes: