



Testimony of

**Tony Encinias, Chief Information Officer, Commonwealth of Pennsylvania**

before the

**Senate Communications and Technology Committee**

regarding

**Office of Administration Office for Information Technology's Update on  
Accomplishment and Goal Under Governor Corbett**

February 13, 2012 - 9:30 a.m. - Hearing Room 8 E-A, East Wing

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Chairman Vulakovich, Chairman Farnese and members of the committee, good morning, my name is Tony Encinias and I am the new Chief Information Officer and Deputy Secretary for Information Technology for the Commonwealth. Thank you for inviting me here today to share some of the Governor's Office of Administration / Office for Information Technology (OIT) achievements over the past two years and our goals moving forward.

Prior to being named Chief Information Officer in December, I served as the Chief Technology Officer for the Commonwealth since 2008. I came to the Commonwealth by way of a 20 year career as a Naval Officer, where I earned a Master's of Science degree in Information Technology Management from the U.S. Naval Postgraduate School and completed several significant information technology projects for the United States Department of Defense. When my predecessor, George White, was named Chief Information Officer for the Commonwealth in 2011, we immediately got to work on improving information technology in the Commonwealth and restoring Pennsylvania to its rightful place as the "State of Technology." I am happy to report that the Office for Information Technology has made great strides toward that goal, and we appreciate this committee's help in our achievements. Although I am very proud of what our organization has achieved over the past two years, and I also look forward to building upon our successes.

Before I delve into some of the specifics of our initiatives, for the benefit of the new committee members, I would like to briefly review the role of the Office for Information Technology, or OIT, as we abbreviate it. Organizationally, OIT is an office within the Governor's Office of Administration and has several critical

functions. This office provides a multitude of information technology services. Most importantly, we manage and control the data center operations of more than 47 agencies, boards and commissions in the executive branch under the Governor's jurisdiction. In addition, OIT provides critical, centralized services in the areas of geospatial technology, contract management services for telecommunications services and mainframe systems, as well as IT security. OIT is responsible for establishing and implementing all information technology security policies and for maintaining cyber security protection of all Commonwealth information technology systems and networks. I also want to mention we greatly appreciate the Committee's work on SB 114 to include OA in the bill. In addition, OIT oversees investments and performance of information technology systems, as well as Information Technology procurement and planning. OIT is also home to the Pennsylvania Justice Network (JNET), the statewide justice information sharing portal for law enforcement.

When Governor Corbett took office in 2011, the Commonwealth was in need of major upgrades to several information technology systems. OIT understood that it was necessary to procure these upgrades within strict budgetary limitations. This drove us to explore new and innovative ways of providing information technology. As a result, OIT developed an approach to modernizing and upgrading the Commonwealth's IT utilizing more efficient, cost saving solutions that benefit the agencies we serve. We could no longer look at information technology as simply purchasing more "computer stuff" to replace outdated equipment; but rather, we have undertaken to purchase information technology as you would a utility such as electricity. An apt comparison to this type of Information Technology service is the electrical service in this room. The Commonwealth does not own the electrical generation system, nor does it purchase and own the wires or current. What we do want is the electrical service, so that when we flip the switch the lights turn on. We pay for the electricity that we use – the electrical service; we do not pay for electricity when the lights are turned off.

As we make decisions about the way in which OIT is to meet the Commonwealth's future information technology needs, we must not merely do what has been done before. We must look at current and future trends and consider best practices of both the private and public sector Information Technology leaders to develop the best strategy for our own systems. OIT also understands that this can only be achieved by skilled and dedicated employees. I can confidentially say we have some of the best information technology staff in the country working for us, and they deserve enormous credit for all the successes and future successes of OIT. As I mentioned earlier, many of the Commonwealth's Information Technology systems are technologically insufficient and in need of replacement, including telecommunications infrastructure. A staggering 98% of the existing phone equipment was over 10 years old in 2011. As a result, the phone technology was obsolete and very few vendors were able to repair the equipment. We worked with our telecommunications provider Verizon and its business partner Siemens, to transition our phone system to a voice over Internet protocol, or VoIP system with unified communications software. New productivity tools such as instant

messaging, web collaboration and ad-hoc voice/video conferencing have enhanced communication among employees while reducing the need to travel for meetings. Through the process of changing the phone system, we realized significant savings while improving our communications technology. For example, more than 7,000 unused lines were discovered and eliminated, resulting in a savings of nearly \$1.5 million dollars annually. Because phone calls now travel over our data network, we have eliminated long distance call costs between Commonwealth employees on the VoIP system. OIT was able to achieve these results under the terms of its existing contract with Verizon to make this project near budget neutral for OIT.

OIT is also exploring new ways to deliver data center services. These are the mainframe computers, servers and other hardware that support critical systems for Welfare, Transportation, Revenue, State Police, Health, Labor and Industry, Corrections and others. The data centers also support our enterprise resource planning (ERP) system, which includes HR, payroll, budget, finance, procurement and other functions.

The contract that provides managed services for the Commonwealth's mainframes expires in December 2014. Currently, OIT is engaging in procurement for the transition of these services to a cloud-based, "consumption on demand" model. This is in contrast to our current model, in which we must estimate how much our data and computing needs will grow and purchase equipment to fit that future need. This is very inefficient and forces us to pay for unused capacity. The Commonwealth simply cannot afford that. We will also seek to enhance our disaster recovery capabilities under the new contract.

Our websites are another example of an old and failing system that must be replaced. The hardware and software that supports our websites is at the end of its life cycle, not to mention being very complex and expensive to maintain. After extensive research, OIT has contracted with a company called National Information Consortium (NIC) to manage our portal. Nearly 30 other states have worked with NIC to create award-winning websites focused on delivering service and value to citizens, businesses and other constituents. NIC utilizes an innovative "self-funding" model. Under this model, a nominal convenience charge is applied to a small number of online services. These revenues go towards supporting NIC's operations and are reinvested into all of our websites. Partnering with NIC will allow the commonwealth to eliminate dependence on General Fund appropriations for our websites, as well as avoid costs to replace the current website infrastructure.

Just as important, NIC will help us to expand the number of online services available to citizens and businesses. Our goal is to have people "go online instead of waiting in line." While some of these websites and applications will be built specifically for Pennsylvania, we also have access to nearly 7,500 existing applications that NIC has created for other customers. NIC has created a subsidiary called PA Interactive which will open an office in Harrisburg and hire approximately 20 local employees.

I've talked a great deal about the technology investments that we need to make. However, I'd like to close with an example of how we are leveraging existing investments to improve transparency in state government. Governor Corbett pledged to improve public transparency; a goal he shared with General Assembly. This was achieved through the establishment of PennWATCH, available at [www.pennwatch.pa.gov](http://www.pennwatch.pa.gov). When the General Assembly passed, and the Governor signed, Act 18 of 2011, OIT immediately went to work creating the website. The result of our efforts, the PennWATCH website, integrates budget, expenditure, complement and compensation data all Commonwealth agencies, boards and commissions, as well as the General Assembly and other legislative branch agencies, and presents these records to the public on a single, searchable and easily navigable site. Never before have our citizens had access to this much information at their fingertips. The public can now see how their tax dollars are spent, right down to an agency's appropriation, expenditures and even payments to vendors. In addition, PennWATCH provides information on public employees' salaries.

I am extremely proud of the work we are doing in OIT. Every day, my staff and I go to work understanding we work for the agencies and citizens of Pennsylvania, and that they deserve the best service we can provide. Under the Governor's leadership, we have migrated from working on information technology infrastructure that was in some cases 15 years old, to new, better suited ways to provide computing services in a fiscally responsible way.

I look forward to any questions you may have and working with you in the future.

Thank you.