Portal Report:

Partner Avoided Costs

Savings: Avoided Costs

There are many savings that our government partners realize as a benefit of the Portal program and our online applications. There are actual savings that result from reduced need for printing, mailing and other costs as well as those associated with business process re-engineering.

Avoided Costs:
Before beginning to work with HIC, each department had manual processes. These were the baseline for doing business with the department. A form is submitted, the form information must be reviewed and entered into the computer system, the form must be scanned (of filed), workflow must commence and a confirmation communicated. Through the portal program State and County partners and HIC have transformed their systems into some of most customer-focused department in the state. In optimizing division workflows with modern technology and leveraging the Internet, the Judiciary, Tax and DCCA Departments realize huge savings each year.

Decreased labor is one area in which there are significant savings. However it is difficult to calculate a reliable number. Tax collection is an area where much research has been completed. The IRS says that it costs roughly $2.87 to process a paper form (not validate, just enter it), versus $0.35 for an electronic filing without a payment. The Georgia State Department of Revenue has found that it costs $8.00 to process and review each paper filing. These numbers do not include the processing of the payment associated with the filing.

Forms vary in complexity greatly. Electronic DCCA BREG annual filings and DOTAX Forms are largely automated, requiring no review at all. DCCA BREG and initial filings, DLIR and Tax License forms do require review for name clearance, but most other fields are validated (addresses, agent information, fees, etc.) DOH, HTSB, PVL and Insurance renewals are also largely automated since the validations that take place are extensive. Specific licensees can be selected for audit after the renewal is processed, without impacting the renewal process and license statuses are updated in a matter of hours (due to mainframe integration.)

Mailing, printing and postage is another area of significant avoided cost. Beginning in 2005, the Portal began printing the renewal forms and postcards for BREG and PVL. HIC absorbs the design and printing costs, while the partner pays for postage in these cases. We also began to change the way that notifications were sent out at that time:
- The Portal sends out email reminders for renewals on the first business day of the new cycle.
- After two to six weeks (depending on the division) postcard reminders are sent out only to those who have not yet renewed online.
- After another two to four-week delay, the paper forms are mailed out.

This process continues today with the exception that most divisions are phasing out mailing the paper forms.

Actual Avoided Cost Savings

HIC's three largest partners: The Judiciary, DCCA and Taxation realized avoided costs savings of over $2 Million dollars in calendar year 2010 and $2.5 Million in 2011.

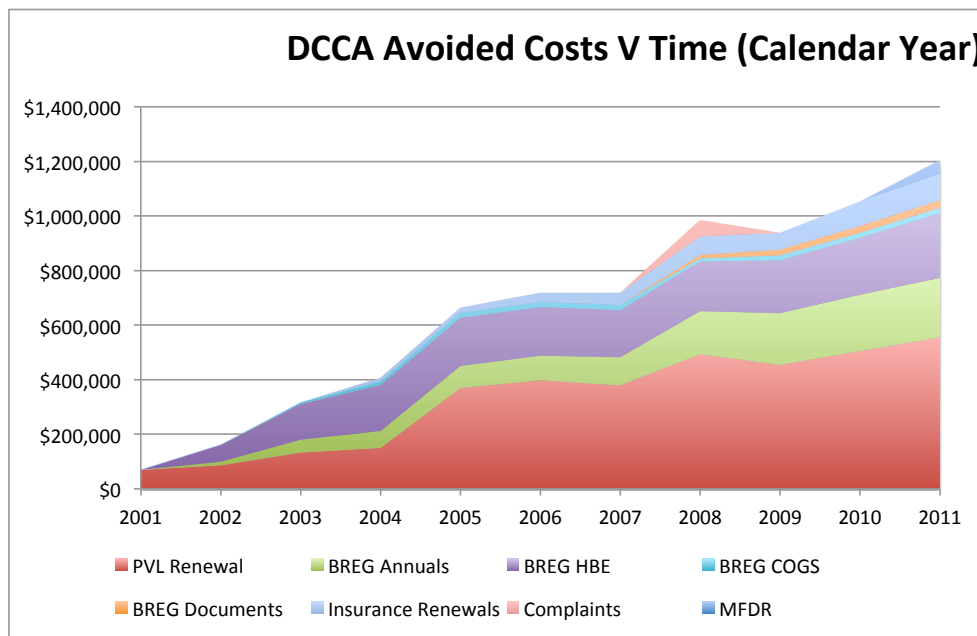The DCCA Divisions realized over $1 Million in avoided costs due to eHawaii.gov applications.

Image 1.0 DCCA Avoided Costs by Calendar Year

The costs presented include data entry time, paper, printing and mailing fees. IT development time, payment processing discounts, next best alternatives and other real savings are not considered.

Each year our applications save DOTAX huge amounts of labor costs. In CY 2010, our applications resulted in over **$1.5 million in avoided labor cost**s and in 2011 we saved nearly **$2 million**. All at no cost to DoTax.
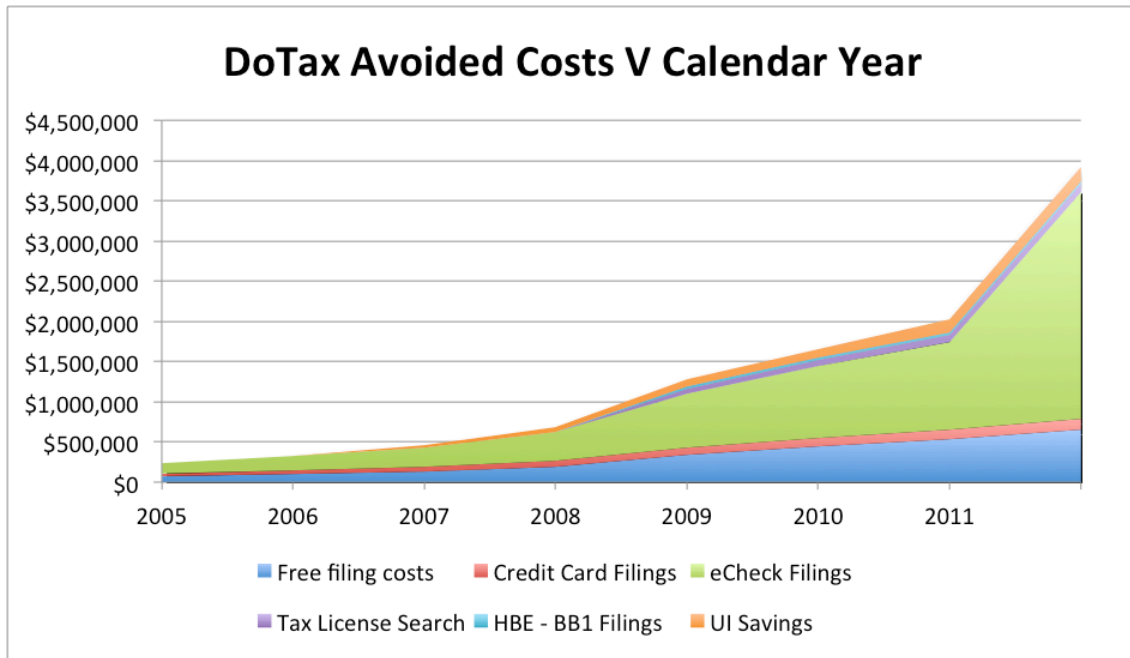
Image 1.1 DoTax Avoided Costs (2012 Projected)

The Hawaii State Judiciary began to avoid significant costs after HIC deployed the Electronic Traffic Abstract System in late 2005.
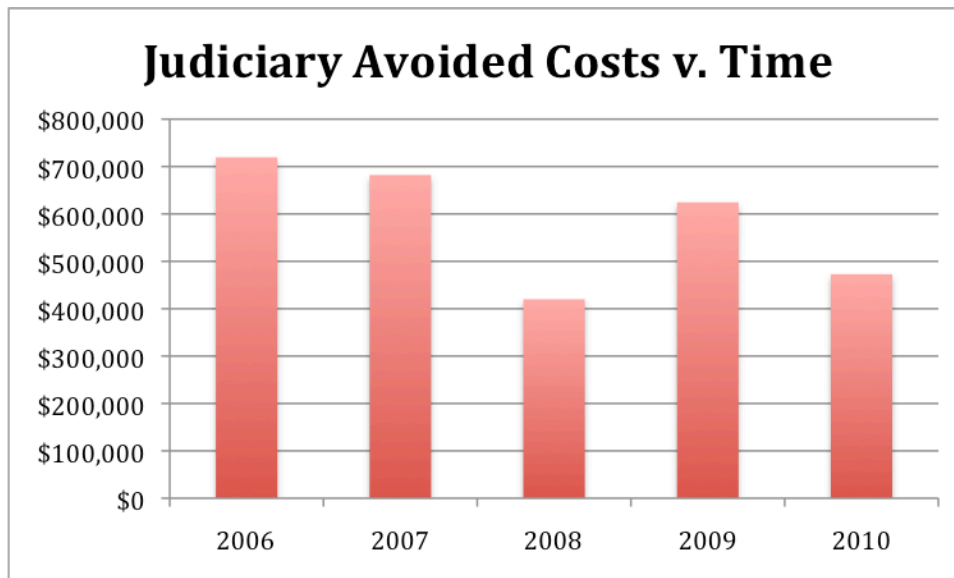

Image 1.2 Judiciary Avoided Costs

The portal program clearly saves our government partners a great deal of money. Constituents also save from the convenience of portal services. In 2012, the state is poised to avoid over $4 Million in costs due to portal programs.