



**Program Title:** Utilizing Videoconferencing Technology to Save Time and Money

**Check One:** Individual State Award

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### **NASCA 2009 Outstanding Program Application**

#### **Summary of Program**

The California Department of General Services' Office of Administrative Hearings (OAH) is a quasi-judicial tribunal with seven regional offices statewide. It spends about \$125,000 per year in travel for staff (including its 73 administrative law judges) just for travel to meetings, training, and exams.

In February 2007, OAH conducted a cost-benefit analysis to determine if a videoconference system would minimize travel costs associated with the regularly scheduled leadership meetings. As a result of this analysis, OAH invested in a web-based video conferencing system connecting its seven regional offices to its Sacramento headquarters.

In the 17 months since its installation, this user-friendly system has not only saved travel dollars, it has greatly increased the speed by which critical and time-sensitive information can be disseminated to staff.

OAH estimates that the system has saved approximately \$144,000 in money that would have been spent on travel for meetings, training and exams to date. Additional savings of \$309,000 is expected over the remaining three-year lifespan of the equipment.

The OAH system has been so effective that the California Department of Corrections and Rehabilitation intends to upgrade its own video conferencing equipment to ensure compatibility. Hearing officers from other State of California agencies have also been granted access to the OAH system so that they too could save time and money.

## **Responses to Award Program Requirements**

### **1. How long has the program been operational?**

The videoconferencing system was installed in September 2007.

### **2. What was the program's startup cost? Provide detailed information about specific purchases for this program, including staffing needs and other expenditures, as well as existing materials, technology and staff already in place.**

The initial outlay for videoconference equipment was \$141,000. This price included seven separate sets of hardware (one for each regional office). Each system is comprised of a central processing unit and dual 42 inch monitors that permit multiple locations to be viewed simultaneously. Existing internet connections provide the necessary conduit to transmit the signals to and from each regional office; no additional staff is required to operate the system.

### **3. What are the program's operational costs?**

Although system maintenance could be performed by existing technology support staff, there was a concern that a higher level of expertise might be needed in order to address problems efficiently and quickly. Therefore, OAH entered into a maintenance agreement with a set annual cost of \$22,000. This agreement covers the equipment at all seven regional offices, and includes troubleshooting and replacement components as necessary. Because the system is web-based, there are no other operational costs such as the per-minute use charges associated with older telephone-based systems.

### **4. How is the program funded?**

OAH is a fee-for-service agency that contracts with state and local agencies to provide dispute resolution services. The revenues derived from these contracts were used to purchase the equipment and will continue to pay for ongoing maintenance.

### **5. How do you calculate actual savings, i.e., short-term and/or long-term?**

OAH uses a videoconference usage log to track usage and the number of people who do not need to travel. Prior to the installation of this system, OAH spent upwards of \$125,000 in annual travel costs for staff to attend meetings, examinations, training and other similar activities:

$$\begin{aligned}
 & \$309/\text{per trip/person} \times 405 \text{ avoided trips} = \$125,000 \text{ per year} \\
 & \text{Annual maintenance costs} = \$22,000 \\
 & \qquad \qquad \qquad \$125,000 \\
 & \qquad \qquad \qquad - \quad 22,000 \\
 & \qquad \qquad \qquad \hline
 & \qquad \qquad \qquad \$103,000 \text{ savings per year}
 \end{aligned}$$

Savings over expected life of the system:

$$3 \text{ years} \times \$125,000 - \$66,000 \text{ maintenance} = \$309,000$$

**6. How do you measure this program's success? Provide quantitative benefits realized by service recipients, taxpayers and/or state agencies.**

The direct success of the video conference equipment is measured in savings to the state of \$103,000 each year, or \$309,000 over the next three years. The system has also greatly improved OAH productivity, as the time saved by not traveling is now applied toward hearing cases, planning, and other essential office functions. Because OAH is a fee-for-service agency, the more time each administrative law judge spends on cases, the more revenues are generated.

Additional cost savings will be realized by our customers, attorneys and witnesses, as they will also experience significant time and cost savings through the ongoing and expanded use of the system.

Indirect benefits of the program include improved customer satisfaction, higher levels of participation, and a reduction in greenhouse gasses introduced into the environment as a byproduct of the daily business of OAH.

**7. How has the program grown or changed since its implementation?**

The original intent of the video conference system was to reduce travel costs. Since then, it has expanded to allow OAH's Special Education Division to webcast advisory meetings for parents of special needs children (there are over 700,000 special needs children in California) to actively participate in these meetings from home. Parents can now watch the proceedings, listen and contribute to the discussions on issues impacting them and their children. Further exploration and expansion of the system's use is anticipated. For example, OAH's client agencies (state, county, city and local government agencies) have requested permission to use OAH's videoconferencing system. OAH is currently exploring these requests as a way to improve customer service.

**8. Describe the program's applicability to other state/local/federal governments?**

Videoconferencing technology is now readily available and can be easily purchased by state, local and federal agencies. It is especially effective in bringing parties together when large distances separate offices, stakeholders, clients, or the public. By coordinating with other agencies to ensure that the systems purchased are compatible, a countywide, statewide, countrywide, or global system could save agencies thousands, if not millions, of dollars annually.