



State of Louisiana

Division of Administration
Office of the Commissioner

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Consolidated Office of Technology Services Saves \$75 Million in First Year

BATON ROUGE – Today, the Office of Technology Services (OTS) announced that in the first year following the consolidation of IT services in the executive branch of state government, OTS was able to realize \$75 million in savings for Louisiana. Included in that number is \$20 million in General Fund savings. These savings were achieved by combining information technology functions across Louisiana state government, including the Office of Computing Services, the Office of Information Services, Office of Telecommunications Management, and the Office of Information Technology as well as the internal technology functions of other executive cabinet agencies.

Specifically, savings for FY15 have been achieved by consolidating IT equipment into two dedicated data center facilities, moving to a shared infrastructure services model, and eliminating unnecessary vacant positions. More savings were accomplished by right sizing the quantity of required licenses and equipment needed by restructuring software agreements and equipment warranty contracts.

Commissioner of Administration Kristy Nichols said, "The OTS consolidation has more than exceeded its original savings estimates. This is wonderful news for our State because this translates into direct savings to the taxpayers. And we have accomplished all of this without any layoffs. Streamlining services to make the government work better and more efficiently is not only a good budgeting practice, it works and the savings show that."

The consolidation of all IT services throughout the state directly reduces Louisiana's government footprint and streamlines the way services are provided. The reduction of 69 positions required to support the consolidated environments was achieved through gains in staff efficiency and improved resource utilization. The reductions in staff were accomplished through the elimination of vacant positions and normal workforce attrition.

"We have made significant strides in reducing duplication of resources over the past year through the information technology consolidation, and I am excited to share that our achievements are reflected in the cost savings realized thus far. We will continue leveraging information technology as a means of generating efficiencies while improving service delivery," said Chief Information Officer Richard "Dickie" Howze.

SB 481 by Senator Jack Donahue created OTS and was signed by Governor Bobby Jindal to become Act 712 of the 2014 Regular Legislative Session. As part of a continued effort to bring IT services together, OTS will seek more savings in the future through the leveraging of Cloud Services, the utilization of software subscription services, and the implementation of consolidated disaster recovery services. OTS will continue to take advantage of new and emerging technologies, as well.

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