



2015

## INA Overview

Arkansas General Assembly  
Joint Performance Review Committee | October 28, 2015

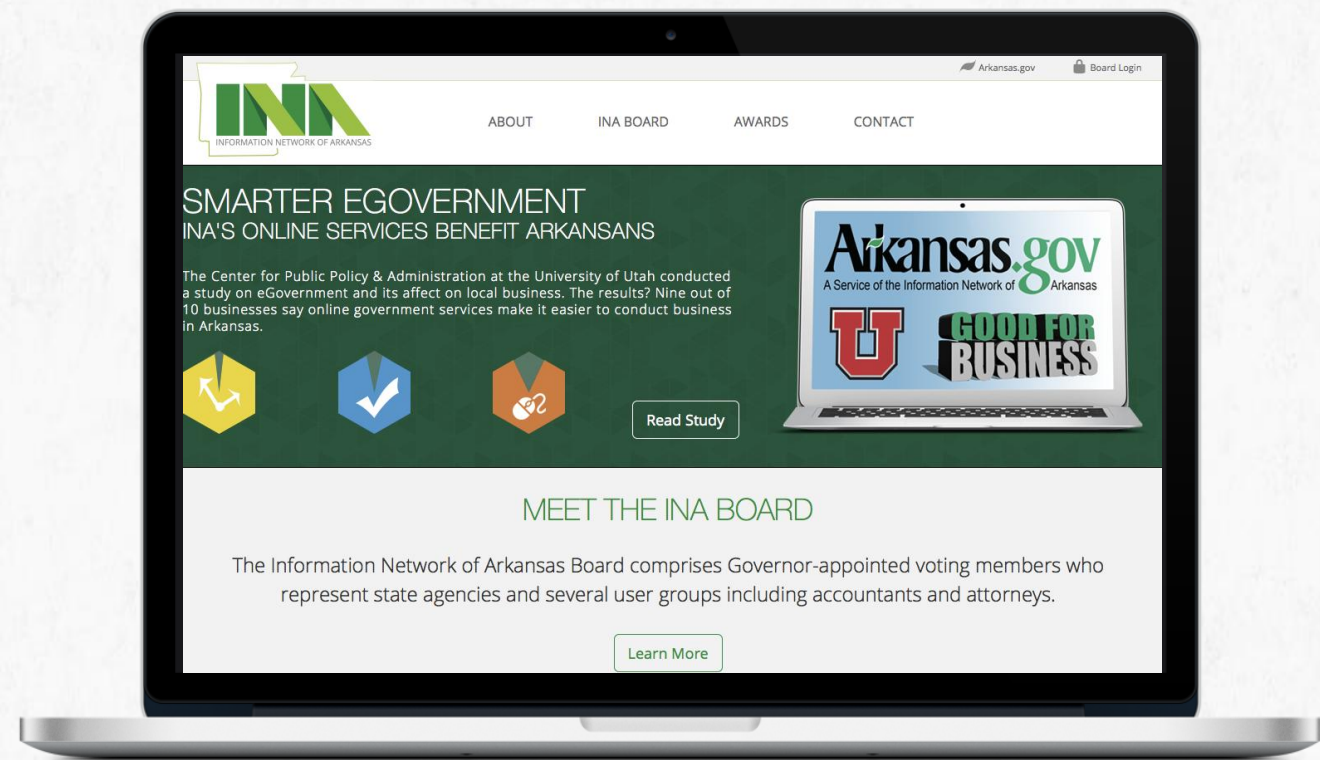
# PRESENTATION OVERVIEW

- 1 Who is INA?
- 2 INA's Mission and Model
- 3 INA's Value to the State
- 4 Financial Information
- 5 Questions



# WHO IS INA?

- ▶ Formed by legislation in 1995
- ▶ Statewide contract awarded through competitive bid process in 1997 and 2011
- ▶ Self-funded business model
- ▶ Governed by a 12-member board; approves fees
- ▶ Public/private partnership through NIC, Arkansas. (AIC)



[ina.arkansas.gov](http://ina.arkansas.gov)

# OUR MISSION - § 25-27-104

1

To develop and implement an electronic gateway system to provide electronic access to members of the public to public information and to develop, implement, and promote the use of electronic commerce and digital signature applications within the state in cooperation with the Department of Information Systems;

2

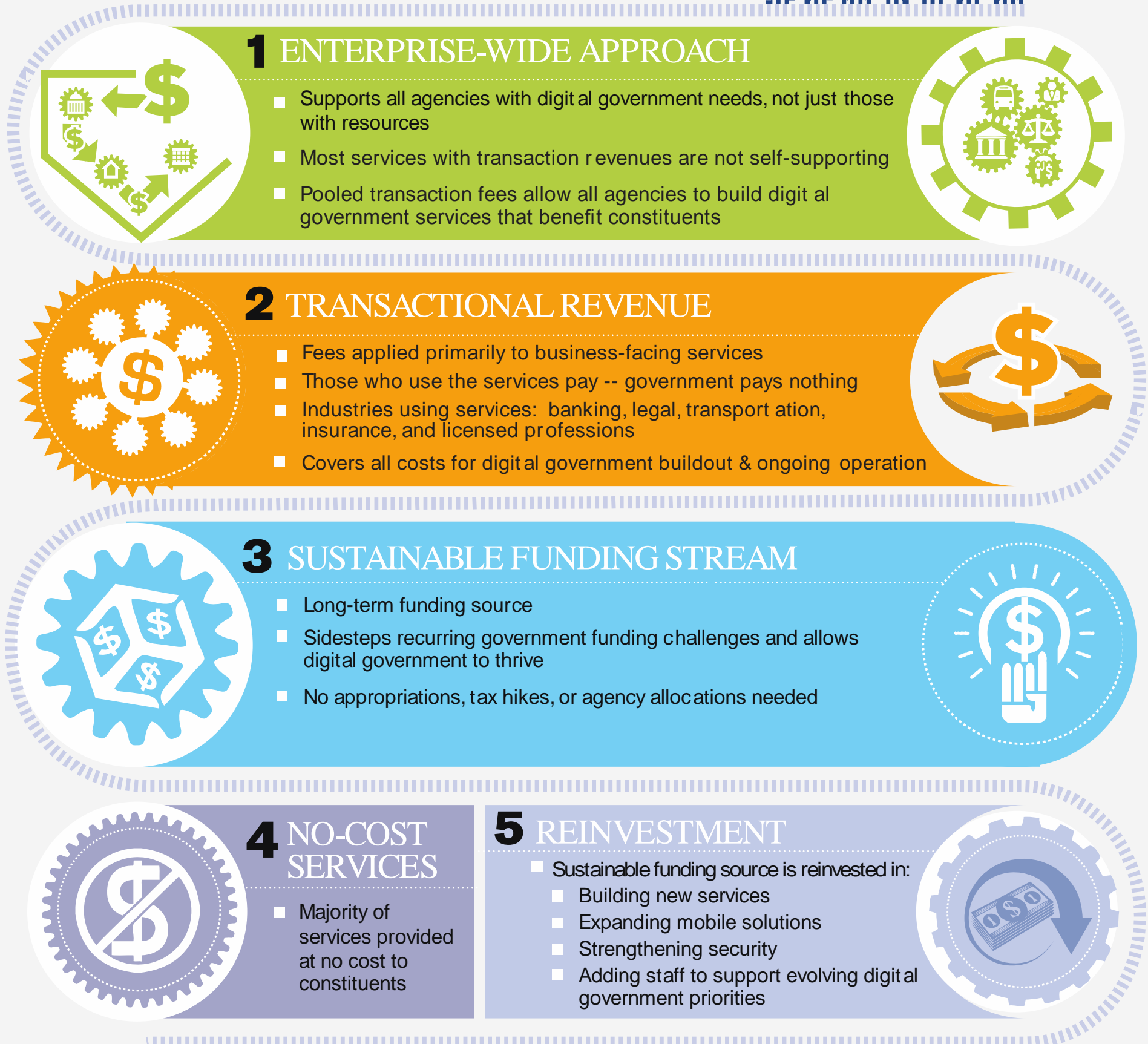
To explore ways of expanding the amount and kind of public information provided;

3

To explore ways of improving citizen and business access to public information, and, where appropriate, implementing such changes;



# How Does The Self-Funded Model Work?



# How Does The Self-Funded Model Work?

## 1 ENTERPRISE-WIDE APPROACH

- Supports all agencies with digital government needs, not just those with resources
- Most services with transaction revenues are not self-supporting
- Pooled transaction fees allow all agencies to build digital government services that benefit constituents



# How Does The Self-Funded Model Work?

## 2 TRANSACTIONAL REVENUE

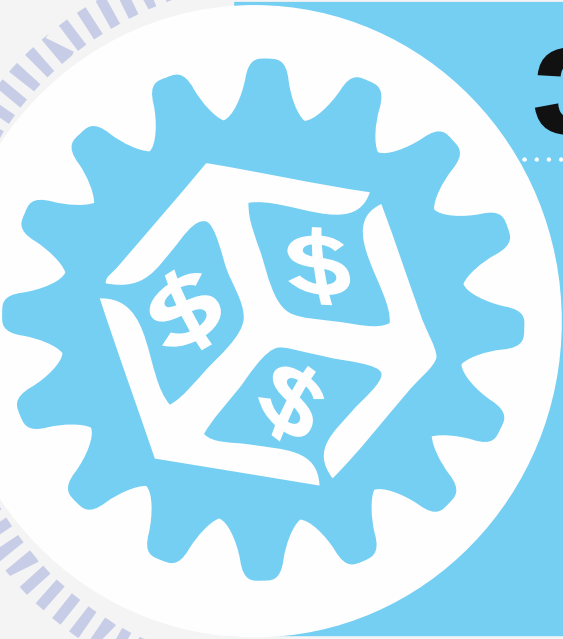
- Fees applied primarily to business-facing services
- Those who use the services pay -- government pays nothing
- Industries using services: banking, legal, transportation, insurance, and licensed professions
- Covers all costs for digital government buildout & ongoing operation



# How Does The Self-Funded Model Work?

## **3** SUSTAINABLE FUNDING STREAM

- Long-term funding source
- Sidesteps recurring government funding challenges and allows digital government to thrive
- No appropriations, tax hikes, or agency allocations needed





# How Does The Self-Funded Model Work?



## 4 NO-COST SERVICES

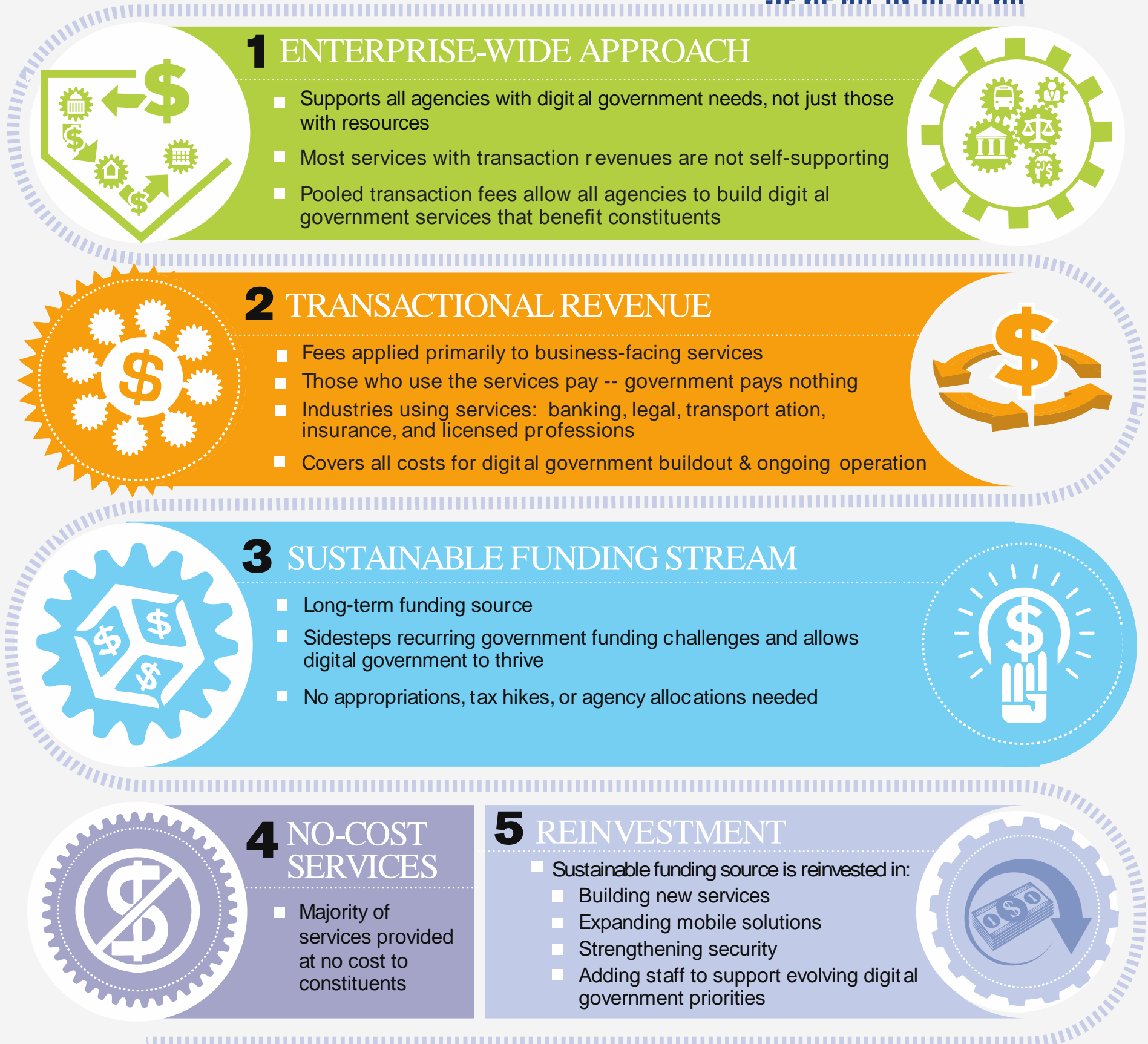
- Majority of services provided at no cost to constituents

## 5 REINVESTMENT

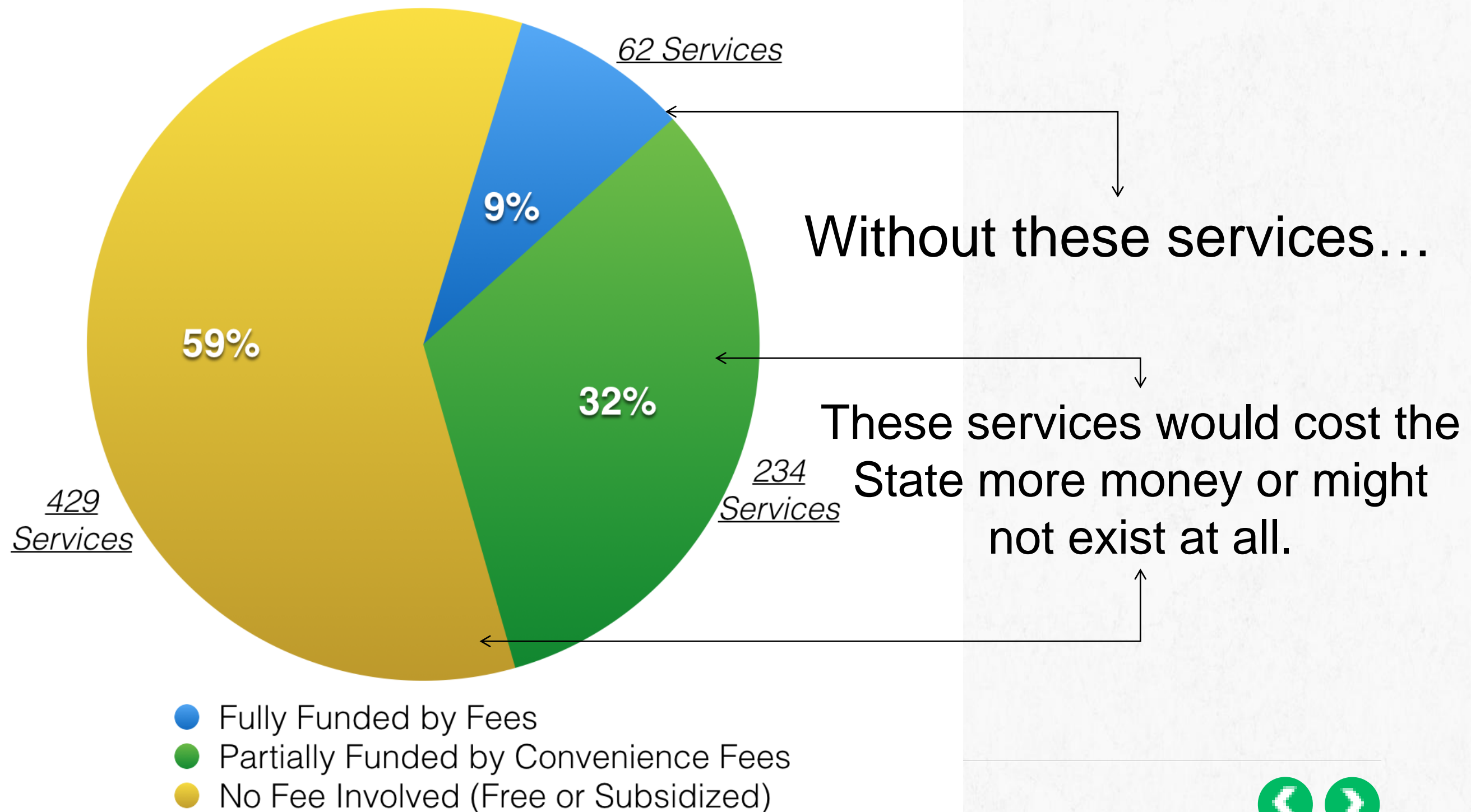
- Sustainable funding source is reinvested in:
  - Building new services
  - Expanding mobile solutions
  - Strengthening security
  - Adding staff to support evolving digital government priorities



# How Does The Self-Funded Model Work?



# INA & AIC - A Valuable Partnership



# A Sample Paper Transaction



Accountant

## License Renewal Due March 31

Statutory Fee to Renew: \$85  
Online Convenience Fee: \$3.55  
Total Online Renewal: \$88.55  
Total Paper Renewal: \$85

Renew Online  
or By Mail?

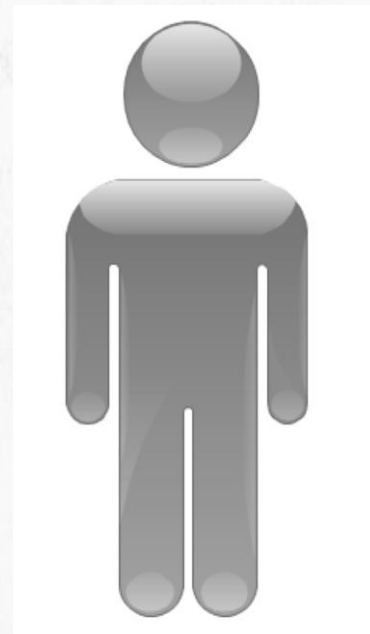
Mail

Board of Accountancy  
Receives Forms, Enters  
Data, Deposits Check,  
Confirms Renewal

Find form on website.  
Complete Form, Write \$85  
Check  
Stamp, Mail  
WAIT

**Average Cost to State: Up to \$17**

# A Sample Online Transaction



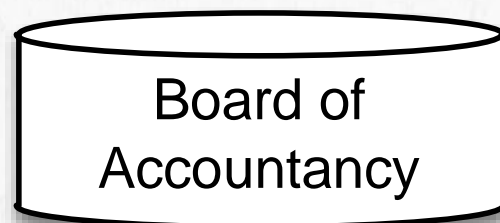
Accountant

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Online



Board of  
Accountancy

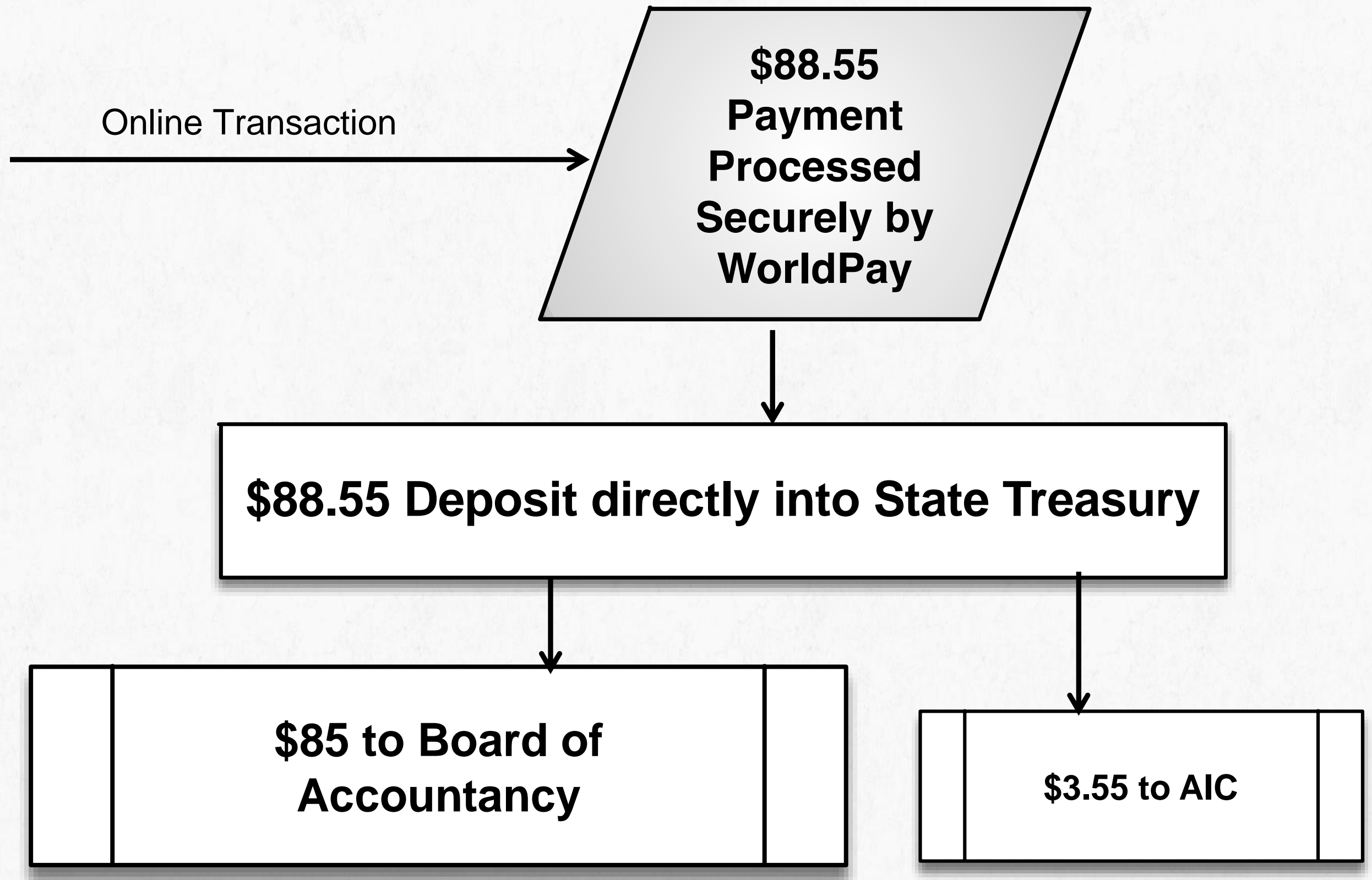
License Renewal Data

**Immediately  
Renew & Pay  
\$88.55 Online**

**Average Cost to State: \$0**



# Where Does the Money Go?



# Where Does the Money Go?

	<b>\$3.55 to AIC</b>	
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## **\$3.55 Pays For:**

1. Merchant Fees
2. Customer & Partner Support
3. Security Management
4. Application Maintenance, Enhancements
5. Personnel & Operating Costs
6. Infrastructure Hardware, Hosting
7. Accounting Chargebacks & Collections
8. Marketing

# INA & AIC - 2014 Highlights



- 1 Saved state and local government \$442,000 in direct discounts for technical services
- 2 Conducted 1.2 million paperless transactions, helping state avoid \$15.6 million in paper-based processing costs
- 3 Launched 48 NEW eGovernment services and applications for Arkansas
- 4 Responded to over 3,000 requests from government partners for support and enhancements to existing eGovernment services
- 5 Garnered Arkansas 12 national and international awards in eGovernment



# Nationally **RECOGNIZED**

## **Auditor:**

354% more claims  
paid

## **DFA Kiosks:**

Renewal wait time  
reduced by 87%



# Arkansas.gov named No. 1 state-run site

Auditor's site, iPad kiosks  
also recognized nationally

MICHAEL R. WICKLINE  
ARKANSAS DEMOCRAT-GAZETTE

For the second time in the past five years, Arkansas.gov has been named the No. 1 state government website in the nation in a competition sponsored by the Center for Digital Government.

The center ranked Arkan-

portals are the way citizens are finding services," as much as they've done in the past, and they're increasingly using search engines to find services these days, Sanders said.

The mobile app was launched this spring and is designed to, among other

# INA & AIC - A Valuable Partnership



- 1 AIC provides 60% of Arkansas eGovernment services for free or at heavily subsidized rates
- 2 AIC provides technology services to government at 25-30% discount
- 3 AIC assumes ALL payment processing risks
- 4 AIC provides 24 X 7 X 365 customer and partner support, security management, and eGovernment marketing services at no additional cost to State
- 5 INA provides oversight to AIC and approves all fees



# AIC- Financials



- 1 State agencies paid \$3.2 million to INA/AIC for technical services in 2014
- 2 Citizens and businesses paid a total of \$9.9 million in convenience fees – mostly from out-of-state businesses who buy Arkansas data and contribute to the state's general revenue
- 3 AIC's Revenue after disbursing to the State: \$13.4 million
- 4 AIC's Cost to Operate the eGovernment enterprise: \$10.5 million
- 5 AIC's Net Income: \$2.7 million, or 21% margin

# AIC/INA- Questions



- 1 Do you require a money transmitter license?
- 2 Do you have an individual contract for each entity or is it a blanket contract?
- 3 Do you sell or profit from state data?
- 4 Are there any “hidden” costs to your clients?

# Recap: What We Do



- 1 AIC is governed by an oversight board that approves all of its fees.
- 2 AIC provides technical services at 70% of market price.
- 3 AIC builds and supports many services that generate no revenue or are built at no cost to the state.
- 4 AIC's profit margin is about 50% less than industry standard.
- 5 Government does not have to partner with AIC.

## So... Why Do We Do It?





# Why Do We Do What We Do?



## **Long term vision, not short term gain.**

- Expands eGovernment access for EVERYONE.
- Proven in 30 states.
- Successful in delivering value to NIC shareholders.

## **Highly successful in Arkansas for 18 years.**

- More online services than most other states.
- Nationally recognized leader.
- We are passionate about our mission.

# REACH OUT TO US

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501.683.2621



## FIND US ONLINE

- 5 State Portal: [www.arkansas.gov](http://www.arkansas.gov)
- 7 INA Website: [www.ina.arkansas.gov](http://www.ina.arkansas.gov)
- t Twitter: @ArkansasGov
- v Facebook: [Facebook.com/ArkansasGov](https://www.facebook.com/ArkansasGov)





THANK YOU!

QUESTIONS?