



REGIONAL RESOURCE

The Council of State Governments ■ 3355 Lenox Road, N.E., Suite 1050 ■ Atlanta, Georgia 30326 ■ 404/266-1271

E-Government in the Southern Legislative Conference States

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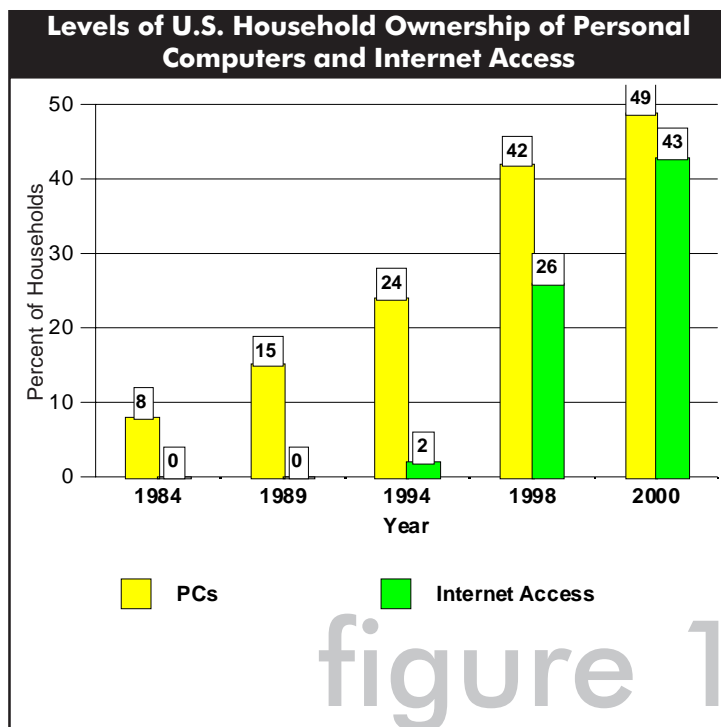
Introduction

The impact of the Internet, and its subsequent growth in the last five years, has astounded a broad spectrum of the American populace from the wariest technophobe to the most skilled digerati. Currently, the influence of the Internet pervades the professional and personal lives of tens of millions of Americans in a manner that never was fathomed just a few years ago. According to the findings of a February 2001 study, released by the Washington, DC-based Pew Internet and American Life Project and A.C. Nielsen, 9 million new users came to the Internet in the last half of the 2000 alone, bringing the total across the country to more than 168 million people.¹ Another study released in October 2000 by the Gartner Group, an organization that works on technology-related consulting projects, indicated that some 127 million U.S. adults used the Internet, while at the end of 1998, the number stood at 108 million adults, a clear indication of the explosive growth in the number of users. In addition, this Gartner Group study noted that some 86 million U.S. adults shop on the Internet, and about 58 million of these users made a purchase on the Internet during the three-month period from August to October 2000.²

While the number of Internet households is expected to expand rapidly, as demonstrated in the 18 percent growth between 1998 and 2000 in the Gartner Group study, it also is anticipated that total global electronic commerce will expand impressively too, reaching \$6.8 trillion in 2004 and capturing some 8.6 percent of the world's sales of goods and services.³ Of note, North America's share of this burgeoning electronic commerce market will be substantial at \$3.5 trillion and the U.S. portion of this amount would expand from an estimated \$489 billion in 2000 to \$1.4 trillion in 2002 to \$3.2 trillion 2004.⁴ Inevitably, the twin issues of electronic commerce and Internet use are inescapably linked and serve to feed off each other. Hence, not only are more and more Americans "getting online," they are demanding faster and more efficient access to the Internet, a trend that is confirmed by a study done by Jupiter Communications, another leading Internet commerce authority, that by 2005 more than 28 million U.S. online households, or over one-third of U.S. online households, are expected to use a high-speed Internet connection.⁵ All these statistics demonstrate the growing power of the Internet and the fact that this medium will continue to play an increasingly critical role in many aspects of society.

Southern Legislative Conference

Alabama ■ Arkansas ■ Georgia ■ Kentucky ■ Louisiana ■ Maryland ■ Mississippi ■ Missouri
North Carolina ■ Oklahoma ■ South Carolina ■ Tennessee ■ Texas ■ Virginia ■ West Virginia



Source: "Creating the CyberSouth," Southern Growth Policies Board, September 2000.

Figure 1 demonstrates the steady growth among U.S. households in the ownership of personal computers and Internet access between 1984 and 2000. As documented in the Pew Internet and American Life Project and A.C. Nielsen February 2001 study, the number of Americans with Internet access has increased to even greater heights.

As depicted in Figure 1, the number of American households acquiring PCs and then getting online has been growing steadily in the last decade and a half, from about 8 percent PC ownership and negligible online access in 1984 to about 49 percent PC ownership and 43 percent online access. Given these trends, it is reasonable to expect that these numbers will continue to expand, further emphasizing the need for more and more government services to be available online, the topic addressed in this *Regional Resource*.

In addition to the national data contained in Figure 1, the U.S. Department of Commerce's National Telecommunications and Information Administration has compiled some valuable state-specific information recently.⁶ Table 1 presents statistics on the percentage of households with a computer and

Internet access in the different SLC states. (Alongside the SLC state ranking, the national ranking for these two criteria is also listed.)

Table 1 presents recent information on computer ownership and Internet access among households in the SLC states. Unfortunately, in both these categories, a majority of the SLC states do not rank favorably in the national rating system. Yet, Maryland and Virginia, two SLC states with a sizable high-technology presence, fared reasonably well in the national ratings securing the 17th and 16th spots, respectively, in households with computers and 16th and 13th spots, respectively, in households with Internet access. (Florida ranked 17th in the latter category).

Not only has the Internet quickly emerged as a strikingly efficient mechanism to deliver information and provide services from the government, it has the potential to change the very nature of the relationship between governments and citizens. Both governments (federal, state and local) and citizens have rapidly realized the many advantages of "getting out of line and getting online." Alongside the radical changes underway with the electronic commerce revolution, a similar transformation is occurring in the interaction between governments and citizens via the Internet. In this connection, the reaction appears to be that citizens generally approve of this growing relationship indicating that the most important benefits of "e-government" include making government more accountable to citizens (36 percent); allowing greater public access to information (23 percent); promoting efficiency and cost-effectiveness in government operations (21 percent); and facilitating more convenient government services (13 percent).⁷ These clear-cut advantages continue to drive more and more American households to deploy the Internet to accomplish a range of tasks with different levels of government.

One of the most obvious illustrations of how far the Internet has extended into the lives of Americans is the fact that in 2001, citizens in a number of states have the option of filing state income tax returns free of charge on state-government sponsored websites.⁸ (This latest development should not be confused with com-

| Households with a Computer and Internet Access in the SLC States | | | | | | | |
|--|---------------------------------|-----------|---------------|----------|-----------------|---------------|----------|
| SLC State | Total Households (in thousands) | Computers | | | Internet Access | | |
| | | Percent | National Rank | SLC Rank | Percent | National Rank | SLC Rank |
| Alabama | 1,742 | 44.2 | 44 | 10 | 35.5 | 43 | 9 |
| Arkansas | 1,041 | 37.3 | 49 | 15 | 26.5 | 49 | 15 |
| Florida | 6,235 | 50.1 | 29 | 4 | 43.2 | 17 | 3 |
| Georgia | 3,066 | 47.1 | 40 | 6 | 38.3 | 35 | 5 |
| Kentucky | 1,614 | 46.2 | 41 | 7 | 36.6 | 40 | 7 |
| Louisiana | 1,650 | 41.2 | 48 | 14 | 30.2 | 48 | 14 |
| Maryland | 2,076 | 53.7 | 17 | 2 | 43.8 | 16 | 2 |
| Mississippi | 1,059 | 37.2 | 50 | 16 | 26.3 | 50 | 16 |
| Missouri | 2,155 | 52.6 | 22 | 3 | 42.5 | 22 | 4 |
| North Carolina | 3,047 | 45.3 | 43 | 9 | 35.3 | 44 | 10 |
| Oklahoma | 1,338 | 41.5 | 47 | 13 | 34.3 | 45 | 11 |
| South Carolina | 1,557 | 43.3 | 45 | 11 | 32.0 | 47 | 13 |
| Tennessee | 2,220 | 45.7 | 42 | 8 | 36.3 | 41 | 8 |
| Texas | 7,353 | 47.9 | 37 | 5 | 38.3 | 36 | 6 |
| Virginia | 2,722 | 53.9 | 16 | 1 | 44.3 | 13 | 1 |
| West Virginia | 744 | 42.8 | 46 | 12 | 34.3 | 46 | 12 |

Source: U.S. Department of Commerce, National Telecommunications and Information Administration, October 2000.

mercially available tax preparation programs. States and the Internal Revenue Service have accepted electronically filed returns for many years now through private software companies. Hence, this trend of state governments offering their own free, direct Internet filing represents a departure from the former trend.) In fact, 19 states currently maintain websites that permit taxpayers to complete and file their returns, and it is expected that in the next few years, nearly all of the 42 states that levy income taxes will provide this ‘e-filing’ service at no cost to the taxpayer. A number of SLC states rank in this listing of 19 states, including Arkansas, Louisiana, Maryland, Missouri, South Carolina and Virginia. While an estimated 500,000 taxpayers directly filed their returns last year under the new format, it is expected that this number will balloon significantly. Private software companies allege that these latest state government efforts undercut

an industry that has spent billions in developing and refining e-filing technology.

Given the fact that more and more governments, at every level, have moved toward offering services online, there has been an increase in the level of scrutiny directed at these services. A number of different research organizations and groups tracking technological and digital developments in government have initiated comprehensive, national surveys in this regard, and it is appropriate to review two of these surveys, released in 2000. Notwithstanding the rankings secured by the SLC states in the aforementioned U.S. Department of Commerce study of October 2000, some of the survey results listed will indicate that a number of SLC states fared impressively in deploying technology to enhance the quality of services extended to their residents.

The first survey was conducted by The Center for Digital Government, based in Sacramento, California, and released in January 2000.⁹ This survey, entitled “*The Digital State*,” seeks to measure how well states are using technology to streamline government operations and improve services. While the entire survey will gauge states’ technological progress in eight different categories, the first installment focused on e-commerce/ business regulation and taxation/revenue. The results of this initial installment demonstrate the evolving nature of electronic government and the manner in which states are delivering a range of transactions through the Internet alongside a number of downloadable forms. The key result of this portion of the survey was that Georgia, scoring 91 points out of a possible 100, earned the highest ranking in each of the survey’s four e-commerce categories. These e-commerce categories included:

- the availability of downloadable permitting and licensing forms;
- the ability of citizens and businesses to actually apply for licenses and permits electronically;
- the availability of help or advice through a general online mailbox; and
- the ability of citizens and businesses to contact agency staff online.

Furthermore, the survey results noted that Georgia received high marks for creating “a highly functional, easy-to-use website and allowing citizens and businesses to pay for licenses or permits online using credit cards.”¹⁰ Table 2 documents the ranking of the top 10 states in two categories: e-commerce and business regulation.

As indicated in Table 2, three of the top 10 states ranked under this category are SLC states (Georgia, Maryland and Kentucky); in fact, these three states rank in the top three.

Another category of evaluation in this first installment of the digital survey was taxation and revenue. Once again, states were assigned scores out of a possible 100 points based on their performance under the following criteria:

- availability of downloadable business and personal tax forms;

| 1999/2000 Digital State Results (Electronic Commerce/Business Regulation) | | |
|--|-------------|----------------------------|
| State | Rank | Score (Highest=100) |
| Georgia | 1 | 91 |
| Alaska | 2 | 88 |
| Maryland | 3 | 82 |
| Kentucky | 3 | 82 |
| Washington | 3 | 82 |
| Kansas | 3 | 82 |
| Wisconsin | 3 | 82 |
| Illinois | 8 | 79 |
| Michigan | 9 | 76 |
| Idaho | 9 | 76 |

Source: The Center for Digital Government, January 2000.

- ability of taxpayers to file tax returns online;
- ability of taxpayers to contact revenue department staff through a general electronic mailbox;
- ability of taxpayers to contact specific revenue department staff members via email; and
- the percentage of tax records stored digitally rather than on paper.

In addition, the state tax and revenue department websites were ranked on their completeness and user-friendliness. Under these categories, Kansas secured the top position with a perfect score of 100. Table 3 presents the top 10 states in this category.

As shown in Table 3, three SLC states rank in the top 10 under this category as well, (Oklahoma, South Carolina and Maryland). In addition to the results in the aforementioned survey, The Center for Digital Government and *Government Technology* magazine announced in August 2000, that North Carolina and Seattle had outperformed close to 200 state and local government entries in the sixth annual Best of the Web Contest.¹¹ According to *Government Technology*, the web entries were scored on their ability to deliver online government services; efficiency and time saved; economy; and functionality for improved citizen access. Of note, the states that secured the top three places in the competition (North Caro-

1999/2000 Digital State Results (Electronic Commerce/Business Regulation)

| State | Rank | Score (Highest=100) |
|-----------------------|------|---------------------|
| Kansas | 1 | 100 |
| Pennsylvania | 2 | 94 |
| New Jersey | 2 | 94 |
| Oklahoma | 2 | 94 |
| Wisconsin | 2 | 94 |
| Alaska | 2 | 94 |
| Washington | 2 | 94 |
| Illinois | 8 | 89 |
| South Carolina | 8 | 89 |
| Maryland | 9 | 83 |

Source: The Center for Digital Government, January 2000.

lina, Georgia and Virginia’s Department of Motor Vehicles) all were SLC states.

The second survey was released in September 2000 by Brown University and entitled *Assessing E-Government: The Internet, Democracy, and Service Delivery by State and Federal Governments*.¹² This survey, a detailed analysis of 1,813 state and federal government websites (1,716 state government sites, 36 federal government legislative and executive sites, and 61 federal court sites), studied what kinds of features were available online; what kinds of variation existed across the country as well as between state and national government sites; and how e-government sites responded to citizen requests for information. In order to determine how the states ranked overall, the survey created an index for each website based on 12 important criteria revolving around citizen contact material, services and information, and quality of access. Some of the criteria included phone contact information, addresses, publications, databases, foreign language access, privacy policies, security policies, an index, disability access, services, email contact information, use of advertisements on state sites, democratic outreach programs and democratic responsiveness and search capabilities.

To ascertain a ranking among the states, an index was used to measure the different state government sites against the criteria listed above, the score was then multiplied by 8.4 to convert it to a scale running from zero (having none of the criteria) to 100 (having all 12 criteria). The figures were then averaged across each state’s site to produce a mean rating for each state. Table 4 presents the results of these calculations for the 16 SLC states.

| Overall State Ranking | | | |
|---|-----------------|---------|----------|
| SLC States | Score (Percent) | Ranking | |
| | | SLC | National |
| Texas | 51 | 1 | 1 |
| Florida, Missouri | 47 | 2 | 5 |
| North Carolina | 45 | 3 | 6 |
| Virginia | 42 | 4 | 9 |
| Alabama, Mississippi, South Carolina, West Virginia | 41 | 5 | 10 |
| Arkansas, Kentucky, Louisiana, Maryland, Tennessee | 40 | 6 | 11 |
| Oklahoma | 39 | 7 | 12 |
| Georgia | 36 | 8 | 14 |

Source: *Assessing E-Government*, Brown University, September 2000.

As noted in Table 4 and in the survey, the top state in the ranking was Texas at 51 percent. Apparently, every website in the state had at least half the features the survey listed as important for quality citizen access. Similarly, other states that scored well included Minnesota, New York and Pennsylvania, all at 50 percent. In terms of the SLC states, Florida and Missouri (both at 47 percent) and North Carolina (45 percent) ranked high.¹³ At the other end of the national spectrum, the states achieving the lowest rankings were Rhode Island (29 percent), Delaware (31 percent), and New Hampshire (32 percent). It is relevant to note that there were no SLC states in the 10 states with the lowest rankings. Overall, the SLC states fared extremely well in this survey of e-government services. Therefore, despite the average showing in computer ownership

and Internet access, a number of the SLC states fared significantly better in the ranking orders associated with the aforementioned two surveys.

An issue that is crucial in the evolution towards Internet-based services involves privacy and policies concerning this matter. The Brown University study considered privacy policies in its grading of states in the study mentioned. According to Dr. Keon Chi with The Council of State Governments, “consumer privacy has become one of the most controversial Internet-related problems,” with the Federal Trade Commission reporting that eight out of 10 of the most popular commercial websites in the U.S. are not implementing fair practices when collecting personal information from or about consumers online.¹⁴ In the swirling debate surrounding Internet privacy, Dr. Chi forwards two critical issues: balancing the rights of consumers with businesses and who should regulate businesses to ensure Internet privacy. In terms of the regulation issue, Dr. Chi presents three alternatives (self-regulation by businesses; federal regulation; and state regulation) and suggests the development of model legislation. In terms of state-based action in this arena, Dr. Chi cites a recent suit by the attorney general of Minnesota against a financial institution that allegedly divulged the names, telephone numbers, social security numbers and account balances of 1 million of its customers without their consent, and Florida Governor Jeb Bush appointing a task force to study Internet privacy and formulate policies to protect consumers.

Given the increasingly pervasive role played by the Internet, a number of SLC states offer a range of online services, too. In an effort to secure the most recent information in this connection, the SLC mailed a survey to the chief information officer or equivalent official responsible for coordinating the operation of various data processing systems within state government. Responses from all 16 SLC states were received.

State Responses and Analysis

The following section presents the state pages and a brief analysis of these responses. The SLC states offer a plethora of online services to residents. In addition, the number and complexity of these services continues to grow consistently. While there is a great deal of variation among the states in terms of the current crop of services, a number of specific services consistently appears on these state sites. For instance, information on vehicle registration (and often, actual registration), different types of tax filings, information on and renewing professional licenses, various license and permit applications remain important here.

It also is significant that while a number of SLC states do permit individuals and corporations to file their taxes online, others do not. For instance, Alabama, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma and South Carolina permit individuals to file their state taxes online. (According to Oklahoma’s response, the Oklahoma Tax Commission was the first in the nation to offer online income tax filing.) Similarly, Arkansas, Louisiana, Maryland, North Carolina and Virginia permit corporations to file their taxes online. In contrast, Georgia, Kentucky, Tennessee, Texas and West Virginia do not permit the online filing of either individual or corporate income taxes.

In gauging an approximation on the number of residents using the Internet for state government services, there is a great deal of variation. Florida (between 1 percent and 10 percent); Georgia (5 percent); Mississippi (between 5 percent and 10 percent); Kentucky (less than 10 percent); Missouri (10 percent); Virginia (25 percent); and, Tennessee (between 20 percent and 35 percent) were some of the SLC states that provided approximate estimates. On the other hand, Alabama, Arkansas, North Carolina and West Virginia, all indicated that it was impossible to even estimate. Several other states, while indicating that it was difficult to furnish a percentage estimate, did provide details on the number of ‘hits’ on their state sites for varying periods of time. For instance, Louisiana counted 7.1 million visits to its sites during the first five months of fiscal

year 2001; Maryland counted 1 million visits per day to its site; and Texas counted 1 million visits per month. In providing an estimate on usage, South Carolina noted that 1 percent and Oklahoma indicated that over 2 percent of their respective populations filed state taxes electronically. (Oklahoma estimates this number will climb to between 5 percent and 7 percent this year.) Florida indicated that some 30 percent of its residents used the online services extended by the state's department of education.

All the SLC states that responded indicated that their sites offered a great deal of information on state-funded/regulated services. (The only exception here was Missouri, which indicated that this service was "in future plans.") The information ranged from licensed day care operations, foster care services, Children's Health Insurance Program (CHIP), veterans benefits, nursing homes, juvenile justice programs and a myriad other services.

None of the states that responded indicated that they had to relocate the processing/ administering of the web-based services away from the capital. Maryland's response did include the comment that the availability of web-based services facilitated multiple access points to its residents for the numerous services offered by the different state agencies. Tennessee's response indicated that "no offices were closed"

as a result of the increasing web-based services. The overwhelming response appeared to be that there was no relocation of administrative processing as a result of the booming Internet-based facilities.

Another issue that the states responded to dealt with the policy regarding private advertisements on state websites to help defray some of the costs associated with operating and maintaining the sites. All the SLC states, except Oklahoma, indicated that current policy did not authorize this practice though several states (Maryland, South Carolina, Texas and Virginia) indicated that they were researching this option. Oklahoma noted that its Department of Tourism and Recreation recently began this service. In addition, Louisiana responded that they were considering the option as well and solicited information from the other states on some of the legal ramifications of enacting this policy. Florida indicated that the state had not eliminated this funding mechanism and that it was reviewing a variety of funding models.

Finally, all the states that responded indicated that the state websites carried a feature whereby residents could either register complaints or comments on a particular state government operation.



Alabama

State Government Services Offered on the Internet

- UCC corporate income tax
- LLC information
- Licensing information
- Tax forms
- State park information

Filing Tax Returns

- Individual income tax and sales and use taxes may be filed via the Internet.

Best Estimate of Residents Using the Internet for State Government Services

- This information is not collected in a consolidated form.

Posting Information on State Funded/State Regulated Services

- Day care occupational professional licensing

Relocating the Processing/Administration of Services Away from the State Capital?

- No

Private Advertising on State Internet Sites

- Prohibited

Comments/Complaints on State Government Services?

- Yes

State Respondent

- James D. Bryce, Chief Information Officer, 334/242-3800

Arkansas

State Government Services Offered on the Internet

- Renewal of motor vehicle licenses
- Renewal of numerous professional licenses
- Renewal of hunting and fishing licenses
- Tax filings
- Listing of available jobs

Filing Tax Returns

- Franchise tax
- Corporate tax
- Excise tax
- Unemployment insurance
- Motor Fuel tax
- Insurance premium tax
- Withholding tax

Best Estimate of Residents Using the Internet for State Government Services

- Information not available

Posting Information on State Funded/State Regulated Services

- Information on most state boards and commissions is posted on the state's Internet site. While they are too numerous to list comprehensively, they include funeral and burial associations, barbers, interior decorators, liquid petroleum (LP) gas dealers, contractors, dentists, etc.

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

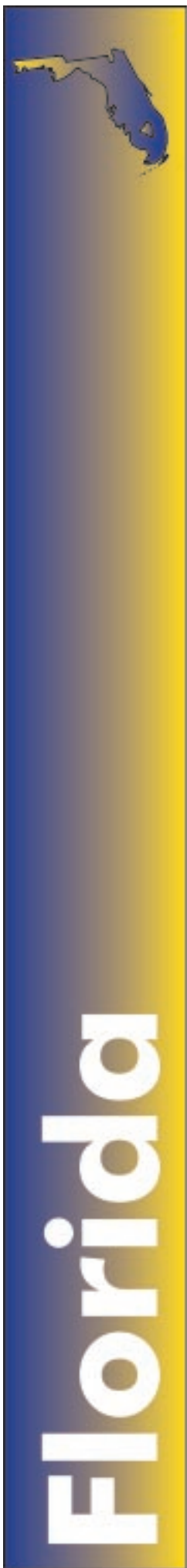
- No

Comments/Complaints on State Government Services

- Yes. Almost all executive branch agencies have a website and most have a method of allowing people to register comments.

State Respondent

- John Reed, Senate Information Director, 501/682-5954



Florida

State Government Services Offered on the Internet

- Employment searches
- Worker's compensation claims
- Vehicle registration and driver license renewal
- Taxpayer registration
- Searches for missing or wanted persons, stolen vehicles and articles
- Online access to inmate and state probation records
- Adoption search
- Ability to purchase maps and other publications online
- Organ donor registry
- Background screening information on nursing home employment
- Searches for current and past winning lottery numbers
- Online access to information on state lands, via the State Lands Modernization Project
- Online license renewal for registered nurses
- Online application for teacher certification
- Online employment application (fill and submit online)
- Add leasing space to an online leasing database
- Federal surplus property eligibility application

Filing Tax Returns

- Citizens within the state do not file a state or other types of tax returns via the Internet.

Best Estimate of Residents Using the Internet for State Government Services

- Most agencies were able to estimate that between 1 percent and 10 percent of citizens in the state take advantages of the services that they offer via the Internet. The department of education, however, estimated that approximately 30 percent of Florida residents use the online services offered by their agency.

Posting Information on State Funded/State Regulated Services

Many state agencies post information on state-funded and/or state-regulated services on their websites. Some of these services are the following:

- Workers compensation claims
- Public Employees Relations Committee services
- State-funded construction projects
- Regulated health care facilities
- Juvenile justice programs
- Information collected by the department of education from school districts across the state
- Operating procedures and policies pertaining to the programs of the department of children and family administration
- Licensed health care facilities, individuals, and nurse assistants
- Drinking water or wastewater operators

Relocating the Processing/Administration of Services Away from Capital

- The introduction of Internet-based services has not resulted in the administration or processing of these services being moved away from the state capital; Tallahassee remains the "base" for information technology administration in the state.

Private Advertising on State Internet Sites

- The state currently does not solicit private advertising on state agency Internet sites or the state web portal, www.MyFlorida.com. While many funding models have been identified to

defray costs associated with the state's websites, none have been excluded as a potential funding model. A decision has not been made on which funding model, or a combination of funding models, should be used. Other policy issues exist within all potential funding models, and until those issues have been analyzed, a decision will not be made regarding which model(s) will be utilized.

Comments/Complaints on State Government Services

- The majority of state websites allow residents to file comments/complaints on the respective sites. Email links and online submittal of forms allow citizens to express their comments, concerns, and questions to the individual agencies. The average turnaround time for these submittals is less than 48 hours. The state web portal, *www.MyFlorida.com*, allows users to submit feedback and also gives email links for the different state agencies.

State Respondent

- Carla Gaskin, State Technology Office, 850/414-7541



Georgia

State Government Services Offered on the Internet

- Employment application processing
- Online forms to request certificates
- Re-certification requests for certain professions
- License (fishing, hunting, boating)
- Permits of various kinds
- Information on a large number of state services

Filing Tax Returns

- No

Best Estimate of Residents Using the Internet for State Government Services

- 5 percent

Posting Information on State Funded/State Regulated Services

- Health care services for indigents, children and Medicare clients
- Mental health services
- Transportation services
- Consumer affairs information
- Child-care services
- Fraud and abuse information

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

- Yes

Additional Information

- A recent announcement of the Georgia Technology Authority (GTA) indicated the state's plan to place all its telecommunications spending measures under a single contract.¹⁵ The seven-year plan, touted as the largest ever sought by the state, is estimated to be worth between \$600 million to \$1 billion a year and is expected to cover all of the state's voice, data, video, wireless and two-way radio communications. Currently, the state spends an estimated \$800 million annually on telecommunications and information technology services. According to the GTA, even though the state might not save money by using a single contractor, it should secure a higher quality of service since it would streamline how state government purchases telephone and data services and upgrades networks throughout the state.

State Respondent

- Bob Simpson, IT Director, 404/656-3992

Kentucky

State Government Services Offered on the Internet

- Purchasing licenses, permits, products, driver history records educational books, memberships, pledges, etc.
- Online inquiries for corporation records, professional licenses for insurance agents
- Online filing of records, reporting on illegal dumping
- Also, see www.kydirect.net for links to other state sites

Filing Tax Returns

- Motor transport tax from trucking firms

Best Estimate of Residents Using the Internet for State Government Services

- Less than 10 percent

Posting Information on State Funded/State Regulated Services

- See www.kycares.net

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- Web advertising is banned by a directive from Kentucky's chief information officer

Comments/Complaints on State Government Services

- Yes, the attorney general's office, the department of insurance and the public service commission provide this service.

State Respondent

- Doug Robinson, Executive Director, KIRM, 502/573-5476



Kentucky



Louisiana

State Government Services Offered on the Internet

- Vehicle registration — Anyone who receives a renewal notice on a vehicle for which the registration has not expired, or where additional information is not required, may renew his or her vehicle registration over the Internet.
- Online truck permits — Truckers and companies who need special permits to move super-size loads within Louisiana can apply for the permits over the Internet.
- Electronic filing for Louisiana state income tax — Beginning in 1993, for tax year 1992, Louisiana began participating in the federal/state e-file program. It is a one-stop service available to taxpayers to file both their federal and state individual income tax returns electronically.
- Internet filing for beer tax — Enrollment packages are mailed to Louisiana beer dealers to provide them the option of filing their monthly *State and Parish and Municipality Beer Tax Return* (Form R-5621) using the Internet.
- Electronic filing for business taxes — In this program, businesses can file their sales tax electronically using electronic data interchange (EDI) formats.
- State parks reservation service — Customers will soon be able to go online to reserve any desired park-site facility across the entire state.
- Louisiana services catalog — This catalog includes a detailed description of all services offered by state government and the best method to obtain the services.
- Louisiana E-Mall — The Louisiana E-Mall is a state-wide enterprise initiative focused on delivering state services and information digitally. It is expected that the E-Mall will substantially increase the number of state services delivered digitally over the next two years. Some of the goods and services offered here include licenses, publications, data, service fees, stamps, permits, rentals, assessments, charges, penalties, fines, and sanctions.

Filing Tax Returns

- Two new options for filing state individual income tax returns are available to taxpayers this year. The department of revenue offers free Internet filing of the state return from its web page and provides free tax assistance and electronic filing through the Volunteer Income Tax Assistance (VITA) program at all of its offices. Last year, more than 368,000 returns were filed electronically by commercial tax return preparers, through the Internet, or by the free TeleFile program offered by the department of revenue.

Best Estimate of Residents Using the Internet for State Government Services

Although the percentage of state residents taking advantage of all Internet services is not available, the following statistics will provide information on Internet usage:

- The mean number of visits to InfoLouisiana, the state's portal, for the first five months of this fiscal year (Fiscal Year 2001) is approximately 7.1 million hits per month
- In December 2000, the department of public safety motor vehicle division reported 70,681 total vehicle registration renewals, with 3,930 (5.6 percent) processed via the Internet, and 43,539 total driver's license renewals, with 1,388 (3.2 percent) processed via the Internet.

Posting Information on State Funded/State Regulated Services

Information regarding state-funded and/or state-regulated services is available on the Internet. Listed below, as an example, is the department of social services state regulations on its services, including day care operations.

The bureau of licensing conducts a licensing program for the department of social services, as mandated by the different licensing laws, that provides a measure of protection to the children and adults of the state who are in care on a regular or consistent basis. Licensing regulations available via the Internet include the following programs:

- Class “A” child day care centers
- Class “B” child day care centers
- Adoption agencies
- Foster care agencies
- Adult day care centers emergency shelters
- Supervised independent living programs
- Family support programs
- Respite care centers
- Personal care programs
- Infant intervention programs
- Maternity homes
- Juvenile detention centers
- Child residential care facilities
- Adult residential care facilities

Relocating the Processing/Administration of Services Away from Capital

- No significant relocation of administrative processing has occurred as a result of the introduction of Internet-based services.

Private Advertising on State Internet Sites

- No, Louisiana does not solicit nor has a specific rule against private advertising on state Internet sites; however, the state does have an unwritten policy to not use private advertisements as a method of funding for websites. The state has been approached by several national organizations that promote this funding methodology. A significant issue is the lack of a legal mechanism to solicit and award a contract and Louisiana is interested in learning from the experience of other states which have successfully addressed this issue.

Comments/Complaints on State Government Services

- The contacts area at the bottom of the InfoLouisiana home page <http://www.state.la.us> is used for residents or Internet users to email/contact the appropriate state department or official. The Louisiana E-Mall features a more focused comment/complaint capability with specific feedback and customer support areas. Each storefront on the E-Mall will feature this facility too.

Additional Information

- A February 2001 newspaper article in *The Advocate* indicated that members of the Louisiana House of Representatives’ Appropriations Committee would “demand that state agencies do a better job coordinating what they buy and how they use high-tech equipment.”¹⁶ According to the information conveyed to the Committee, state agencies spent \$302.7 million on information technology during fiscal year 1998/99 on computer hardware and software, telecommunication devices and other products. In addition, state agencies spent more than \$100 million annually on operating and consulting services for their computers and other information technology. The article also noted that Governor Mike Foster had predicted that his recently hired chief information officer would save the state “\$100 million his first year on the job.” Finally, the article indicated that the state will deploy computers to perform certain labor-intensive tasks. In particular, the state’s tax department got 5,100 returns via the Internet in 1999 and 16,000 in 2000; yet the department still handled about 1.5 million paper returns a year. Interestingly, while it cost less than a nickel to process each Internet tax return, it cost more than \$1 to process each paper return.

State Respondent

- Chris LeBlanc, Statewide Information Technology Project Officer, 225/342-8624



Maryland

State Government Services Offered on the Internet

- Maryland state government offers a great deal of information and many different types of services over the Internet, far too many to individually list here. In 2000, Maryland enacted a law that required state agencies to provide information and services over the Internet according to the following schedule: 50 percent of state information and services available by 2002; 65 percent by 2003; and 80 percent by 2004. Maryland state agencies are working diligently to meet those mandates and 'web-enable' their business processes.
- In this vein, some of the services offered by the state can be categorized as permitting applications, license processing, tax payments and services, business registrations, real property information retrieval, college applications, health and human services, public safety services, transportation-related services, mass transit information, airport information and services, business services, educational services, social services, law enforcement, judicial services, state budgeting, and other categories of information and services. In addition, some examples of award-winning or exceptional websites offering citizens the ability to transact business across the Internet include the Business License Information System (www.blis.state.md.us), the Department of Assessments and Taxation (www.dat.state.md.us), the Department of Labor, Licensing & Regulation (www.dllr.state.md.us), the Comptroller of the Treasury (www.marylandtaxes.com), and the Maryland Department of Transportation (www.mdot.state.md.us).
- In 2000, Maryland's chief information officer received an award from the Center for Digital Government, the Progress & Freedom Foundation and *Government Technology Magazine*, as one of the nation's top 10 states in information technology and e-government.

Filing Tax Returns

- The comptroller of the treasury's website includes tax services. Business people can register for tax accounts online, citizens can submit tax returns electronically, and citizens can access a web-site link to the Internal Revenue Service to file their federal taxes online. See www.marylandtaxes.com for more information.

Best Estimate of Residents Using the Internet for State Government Services

- Many citizens take advantage of Internet services. It is impossible to estimate the percentage of residents at this time. However, the Maryland Electronic Capital website (www.mec.state.md.us) frequently records 1 million hits daily. Hits of state government websites may also vary seasonally throughout the year.

Posting Information on State Funded/State Regulated Services

- Yes, the state posts information on state-funded and/or state-regulated services. For example, many state occupational and business licensing programs list license holders who provide certain services.

Relocating the Processing/Administration of Services Away from Capital

- Yes, Internet services have added multiple access points for citizens' convenience in transacting business with the state. In addition, agencies are strategically located throughout the state in order to best serve citizens. Maryland has several telework centers to ease the commute for workers. In addition, the state sponsors an active telework program for employees with a prescribed goal of 10 percent participation.

Private Advertising on State Internet Sites

- A few state agencies have looked into advertising on state websites to offset the operating and maintenance costs of the sites. See the department of natural resources website at www.dnr.state.md.us or contact Mr. Don Lee, department of assessments and taxation (dlee@dat.state.md.us), for more information.

Comments/Complaints on State Government Services

- Yes, Maryland offers citizens the ability to submit comments and complaints via the Internet and through email. All state websites have feedback mechanisms. Further, sites have email links to the governor and the General Assembly. One example of a customer feedback form that is available to citizens is found on www.blis.state.md.us, under Feedback. Maryland encourages citizen feedback so that the state can continuously improve its services.

State Respondent

- Leslie Sipes, Director of IT Planning, Policies and Standards, 410/260-7291



Mississippi

State Government Services Offered on the Internet

- Vital records (birth and death certificates)
- Legislative Bill Status system
- Access to the Mississippi Code
- Corporation filings and Uniform Commercial Code
- MS Data Warehouse (financial, budgeting, vendor payment and workforce information)
- Job and training opportunities
- Virtual community college

Also see www.state.ms.us for a full listing of the services. In fall 2001, hunting and fishing licenses, drivers' licenses, some professional licenses and environmental quality permits will be available online.

Filing Tax Returns

- Yes, individual income tax returns

Best Estimate of Residents Using the Internet for State Government Services

- 5 percent to 10 percent

Posting Information on State Funded/State Regulated Services

- Mississippi Children's Health Insurance Program (CHIP)
- Day care facilities
- Social services (food stamps, child support)
- See www.state.ms.us for a full listing of the services

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

- Yes

State Respondent

- David L. Litchliter, Executive Director, IT Services, 610/359-1395

Missouri

State Government Services Offered on the Internet

- Job search and resume posting
- Health services, immunizations and family planning
- Missouri court case information
- Ability to compare and analyze data for elementary and secondary education
- Various license and permit applications for agriculture
- Adult abuse protection orders from court
- State online bidding and vendor registration

Filing Tax Returns

- Income tax
- Sales tax

Best Estimate of Residents Using the Internet for State Government Services

- 10 percent

Posting Information on State Funded/State Regulated Services

- In future plans

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

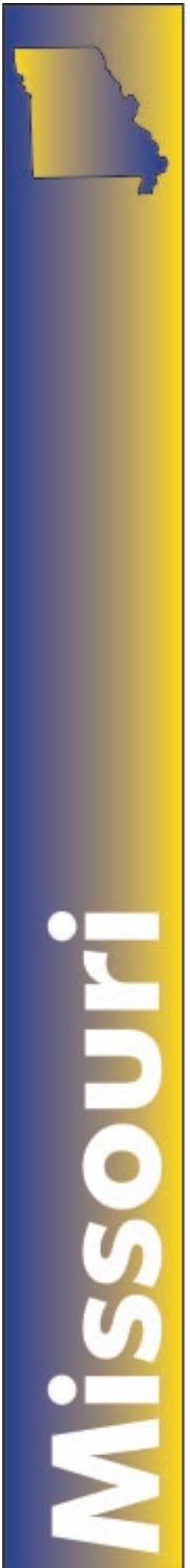
- Yes

Additional Information

- A January 2001 press release from the state's department of economic development demonstrated that Missouri was the sixth-fastest growing state in the nation in connecting to the Internet.¹⁷ The same press release noted that the number of Missouri households owning a personal computer grew by nearly 11 percent between 1998 and 2000; the number of households connected to the Internet nearly doubled, bounding more than 19 percent from 23 percent in 1998 to 42 percent in 2000. In addition, the press release noted that in 1999 there were nearly 64,000 jobs in Missouri directly related to the information technology (IT) sector and an additional 121,188 jobs that were indirectly related. Furthermore, in 1999, the IT sector, directly or indirectly, accounted for more than 8 percent of Missouri's total gross state product (GSP), or more than \$12.5 billion.

State Respondent

- Jan Grecian, Technology Specialist, 573/526-7743





North Carolina

State Government Services Offered on the Internet

Serving Citizens

- Inauguration webcast
- K-12 Education — public schools, homework help
- Children — child support, Smart Start, children's insurance
- Health — rabies vaccine information
- Human services — social services, adult day care
- Jobs — workers' compensation, state job openings
- Occupational licenses — architect, physician
- Environment — ozone forecast, clean up NC
- Home — general contractor, hurricane relief
- Complaints — complain about businesses, insurance fraud
- En Español (Spanish information)
- Emergency management
- NC weather, national weather service information
- Higher education — UNC system, community colleges
- Motor vehicles and water craft — vehicle registration, driver's license
- Recreation and ravel — state map, Museum of Natural Sciences
- Moving to NC
- Law — local court, sex offender registry
- Permits and Licenses — wildlife licenses, handicapped parking
- Taxes — electronic filing, state tax forms

Serving Businesses

- Business with the state — unclaimed property, state contract bids
- Employers and employees — find employees, labor and wage statistics
- Business taxes and insurance — NC taxes, business insurance
- Environment — air quality regulations, water quality data
- Business license — bank charters, business license
- Workplace safety — OSHA classes, safety manuals
- Transportation and motor vehicles — commercial driver's license, boat registration
- Legislature and lobbyists — NC Representatives, NC Senators
- Complaints — financial institutions, insurance fraud
- Business start-up — company name, start any business
- Business expansion/relocation
- U.S. economic data, NC economic data
- Business permits — air quality permit, environmental permits
- Agribusiness information — farm markets, grading information
- Occupational licenses — physicians
- Government databases — Uniform Commercial Code, business names
- NC research — agriculture statistics, small business report
- Business related services — NC publications, eCommerce information
- NC document index — Search NC GILS, NC GILS guidelines

Filing Tax Returns

Electronic Filing for Individual Taxpayers

- General information about individual income tax electronic filing
- Filing electronically using a home PC
- Filing electronically using a tax professional
- Checking the status of your refund

Electronic Filing for Tax Professionals

- 2000 handbook for electronic filers of individual income tax returns
- Electronic filing for software developer

Best Estimate of Residents Using the Internet for State Government Services

- Not available

Posting Information on State Funded/State Regulated Services

Support Services

- Learn about veterans' benefits in NC
- Get help paying medical bills through Medicaid
- Use an electronic benefit transfer (EBT) card
- Use women, infants, and children (WIC) Special Supplemental Nutrition Program services
- Get help living alone in my home
- Learn about programs for NC women
- Learn about programs for NC minorities
- Learn about programs for NC residents with disabilities
- Learn about NC American Indians programs
- Learn about NC minority affairs

Health Issues

- Find frequently asked questions about social services programs

Children's Health

- Obtain safety seats for special needs kids

Local Contacts

- Contact county social services offices

Emergency Services

- Contact county emergency management offices

Senior Services

- Search for a retirement or nursing home
- Find a retirement or nursing home
- Get help living alone in my home
- Get help paying medical bills through Medicaid
- Get in-home aide services
- Locate an adult day care center
- Receive home delivered meals
- Receive meals in a group setting
- Get information on seniors' health insurance information program
- Understand my senior health insurance coverage and benefits
- Learn how seniors can volunteer

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

- Yes

Note

- Additional information about services can also be obtained via the state home page at www.ncgov.net. Information about the General Assembly including bills, statutes, membership, etc., is available directly via the website at www.ncleg.net.

State Respondent

- Peter Capriglione, IT Legislative Analyst, 919/733-6834

Oklahoma

State Government Services Offered on the Internet

- Oklahomans can file their state and federal income taxes online through the Oklahoma Tax Commission
- Oklahomans can renew their car, farm, or commercial vehicle tag and boat/motor decals online through the Oklahoma Tax Commission's regulated tag agent sites
- Hunting and fishing licenses can be obtained through the Oklahoma Tax Commission's tag agents' sites

Filing Tax Returns

- Oklahoma was the first state in the country to offer online income tax filing when the Oklahoma Tax Commission established this facility. Residents must file both their federal and Oklahoma income tax returns.
- According to the Commission, (<http://oktax.state.ok.us/netfilefaq.html>), "federal and state returns can be filed for any state in the United States and from any location within the United States." Taxpayers who choose direct deposit can get their refund within five to seven working days. Others receive their refunds earlier than non-online filers, usually within two weeks, via regular mail.

Best Estimate of Residents Using the Internet for State Government Services

- According to estimates by the Oklahoma Tax Commission, the potential income tax filing population is about 1.4 million. While last year was the second year this service was available, the Commission received about 33,000 online returns. This represented an increase of over 300 percent compared to the initial year.
- For the current year, the percentage estimate of online returns is 5 percent to 7 percent of the total income tax filing population.

Posting Information on State Funded/State Regulated Services

A number of state agencies regularly post information on their websites. Some of these agencies are:

- department of human services — Adoption program, child care locator, family assistance program such as Temporary Aid for Needy Families (TANF), day care and health care benefits.
- bureau of narcotics and dangerous drugs control — common signs of drug misuse, definitions, effects, and photos of drugs; information for parents and school officials to be educated on the signs of drug use.
- board of medical licenses and supervision — view list of physicians and pharmacists for medical board license revocations and reprimands.
- department of corrections — posts sex offender information, by county, as required by law of the sex offender registry.
- department of health — issues such as HIV/AIDS information, tobacco use prevention, nursing home search database, programs for women, infants and children.
- office of handicapped concerns — assistance for handicapped citizens on issues such as skills to obtain education and employment under the Americans with Disabilities Act (ADA) and referral assistance.
- department of wildlife conservation — programs managing the state's wildlife species, providing technical assistance to landowners, sportsmen and sportswomen and wildlife enthusiasts.

- department of public safety — check road conditions statewide.
- department of tourism and recreation — travel planner to view all statewide accommodations such as lodges, cabins, motels, and information on lakes and other outdoor recreational activities.

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- The state in general does not solicit private advertising to defray the costs. However, the Oklahoma department of tourism and recreation recently began this service as a way to reach out to their statewide recreational audience as an alternate media outlet.

Comments/Complaints on State Government Services

- Yes, in 1998, HCR 1080 required agencies to supply an outlet for the public to register a complaint or comment. To date, most state agencies (an estimated 90 percent of state agencies) voluntarily offer an outlet for comment via either email or a comment/ complaint form.

State Respondent

- Shawn Ashley, Public Information Office, Office of State Finance, 405/521-2141

South Carolina

State Government Services Offered on the Internet

- Citizens — state museum (online catalog items); office of general services (state house souvenirs); department of revenue (online tax filing, interactive voice response system for taxes, SnetFile and SctelFile, forms and publications); department of natural resources (wildlife licenses); State Law Enforcement Division, or SLED (purchase and payment for criminal history checks); election central (voter registration); department of motor vehicles (DMV forms, drivers' license renewals, tag renewals, commercial driver's license plates, water craft licensing, organ donor program, mobile voter registration, title and registration); department of transportation (travel advisories and updates); office of state treasurer (search for unclaimed property and notification of claimant interest); budget and control board (job vacancy, job applications, resume posting, enrollment kit for tuition prepayment program); election commission (election returns, voter history records, registration demographics, individual voter records); administrative law division (legal decision searches); office of the solicitor (hearings and dockets); state library (electronic library of information resources, library card form, talking books and equipment).
- Businesses — department of labor, licensing, and regulations (nursing renewals, professional license information search system); budget and control board (online solicitation for the materials management office, vendors can register online, view and download business opportunities, bid on potential jobs); budget and control board (customized health statistics online, create a customized report online); secretary of state (access to corporate filings, UCC filings, notary public listings, forms); office of the attorney general (query opinions of the attorney general and query press releases); legislative printing and information technology resources (online bill search capabilities and broadcasting legislative sessions via the Internet); department of natural resources (review all solicitations, awards and public notices issued); department of commerce (extensive online business site and industry search); department of insurance (forms and publications); commission on higher education (CHEMIS reports and online forms).
- Employee services — budget and control board (brochures, catalogs, manuals, directories, forms, newsletter and calendar for office of insurance services); budget and control board (office of general services central supply store); budget and control board (forms, publications, benefits calculator and unclaimed funds for retirement systems); accident fund (employee directory reports online first injury report, claims reports searching, injury type for date range report); department of education (new teachers check on the status of their certification process and/or expiration of certification).

Filing Tax Returns

- Yes. A number of South Carolina individual income tax forms and returns may be transmitted electronically including refunds, balance-due and zero-balance returns, part-year and non-resident schedules. South Carolina also offers direct deposit of refunds.

Best Estimate of Residents Using the Internet for State Government Services

- Currently, less than 1 percent file taxes online though almost 30 percent of the population files electronically.



Posting Information on State Funded/State Regulated Services

- Yes, links to information for licensed facilities for hospitals, nursing homes, birthing centers, adult and child day care centers, and adoptive services, in addition to previously mentioned sex offender and criminal history background checks are available online.

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No, but the state is researching it.

Comments/Complaints on State Government Services

- Yes, there is an email account set up on each site for complaints, comments and suggestions. The sites also have links to state agencies with both contact information and instructions on filing complaints, i.e., SLED.

State Respondent

- Regis Parsons, Director, 803/896-0380

Tennessee

State Government Services Offered on the Internet

- Vacation planner
- Legislative searches
- Unclaimed property searches
- Vital records
- Driver's license renewals

Filing Tax Returns

- Not yet

Best Estimate of Residents Using the Internet for State Government Services

- 20 percent to 35 percent

Posting Information on State Funded/State Regulated Services

- There is very little information about state services that is not on the state website. Please visit www.state.tn.us for a complete listing of services.

Relocating the Processing/Administration of Services Away from Capital

- No state offices have been closed.

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

- Yes

State Respondent

- Bradley Dugger, Chief of OIR, 615/741-2569





Texas

State Government Services Offered on the Internet

- Vehicle registration and renewal
- Real estate license renewal
- Insurance agent query and license renewal
- Air-conditioning, refrigeration and contractor license renewal
- Sales tax filing
- Oil and gas drilling permit

Filing Tax Returns

- Texas sales tax

Best Estimate of Residents Using the Internet for State Government Services

- The site was launched in late 2000, so demand remains low, but it receives approximately 1 million hits per month.

Posting Information on State Funded/State Regulated Services

- The separate state website containing this information is www.state.tx.us.

Relocating the Processing/Administration of Services Away from Capital

- Agency services are still processed in their current locations. The actual website is hosted at the West Texas Disaster Recovery and Operations Center in San Angelo.

Private Advertising on State Internet Sites

- No, but the state is exploring the option and seeking legislative authority to do it.

Comments/Complaints on State Government Services

- Yes, both TexasOnline and the state website mentioned previously offer this feature.

State Respondent

- Phil Barrett/Genice Manxini, Manager, Enterprise Operations/Systems Analyst, 512/475-4754

Virginia

State Government Services Offered on the Internet

- Virginia's portal, *My Virginia*, offers a wide variety of services from more than 150 agencies and other government entities. Based on life events, it includes online interactive services such as online driver and vehicle license renewal.

Filing Tax Returns

- Tax returns for business can be done online through iFile.

Best Estimate of Residents Using the Internet for State Government Services

- Roughly one-fourth of residents use the state portal, either for services or information.

Posting Information on State Funded/State Regulated Services

- Services in 19 categories are provided, with approximately 25 services offered in each category.

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No, but it is being considered.

Comments/Complaints on State Government Services

- Yes

State Respondent

- Bette H. Dillehay, Deputy Secretary of Technology, 804/786-9579 Ext. 3808



West Virginia

State Government Services Offered on the Internet

- Employment opportunities
- School closings
- Travel and tourist information
- Lottery numbers
- Unclaimed property
- Tax forms and inquiries
- DOT road conditions
- Birth and death certificate request forms
- Business development opportunities
- DMV vanity plate searches
- Highways electronic bid submission

Filing Tax Returns

- No, the state's server does not authorize electronic filing of tax returns.

Best Estimate of Residents Using the Internet for State Government Services

- Currently, unable to determine

Posting Information on State Funded/State Regulated Services

- Employee after-hours education program

Relocating the Processing/Administration of Services Away from Capital

- No

Private Advertising on State Internet Sites

- No

Comments/Complaints on State Government Services

- Yes

State Respondent

- Bill McClanahan, IS Manager, 304/558-8892

Conclusion

In the past few years, the role of the Internet in American society has grown exponentially with little sign of slowing. Not only has it become a more integral part of the U.S. economy compared to prior years, but the Internet also plays a sizable role in creating jobs, increasing productivity and contributing to improvements in the quality of life. Significantly, this impact has extended far beyond the myriad Internet companies, or dot coms, that have mushroomed (and evaporated, in certain instances), as the power of the Internet has propelled change across all sectors of the economy. In fact, a University of Texas Center for Research in Electronic Commerce study, valid through the first half of 2000, noted that employment in the so-called dot com companies still comprises a very small portion of the overall Internet economy, 9.6 percent to be precise.¹⁸ In terms of raw numbers, according to a study commissioned by Cisco Systems, not only did the Internet economy generate \$830 billion in revenues in 2000, a 58 percent increase over 1999, it directly supported 3.1 million workers, including an additional 600,000 in the first half of 2000.¹⁹

These facts and the impressive array of services provided by states clearly demonstrate that the influence of the Internet plays a critical role in state government affairs as well. The SLC states have rapidly realized the power of the Internet in providing services to residents quickly, efficiently and cost effectively. While some SLC states surpass others in terms of the quality and sophistication of services, a number of national surveys have established that several SLC states, despite the low rates of personal computer ownership and Internet access in the region, remain in the forefront of innovative, functional web-based services.

An issue that has cropped up, particularly in a discussion of web-based government services, involves the digital divide, and the debate over whether or not a serious difference exists between those who have access to today's

networked economy and those who do not. While the digital divide remains a complex problem, researchers note that it includes four basic dimensions—access to information technology; computer literacy; information literacy; and appropriate informational content.²⁰ The low rates of computer ownership and Internet access among the SLC state populace does make this issue a concern. Yet the results of a recent study released by the polling agency A.C. Nielsen indicates some positive news on this front.²¹ According to this study, some 60 percent of the U.S. population is using the Internet to communicate, cull information and execute sales transactions. In addition, the study notes that this surge in interest is being led by groups that formerly have lagged behind the rest of the country, including people with low incomes, seniors and children and African-Americans.

In terms of the role of the Internet in the future, even a cursory analysis indicates that its role will only grow and expand in the years to come. This expansion will most certainly involve both the private and government sectors as they grapple with the challenge of staying nimble and functioning on the cutting edge of technology. Notwithstanding the steep decline in the technology-laden Nasdaq index in recent months, the technology arena remains the wave of the future, and potential advancements in the American economy will inexorably be linked to advances in this sphere. After more than quadrupling in value between fall 1998 and spring 2000, technology stocks, and the raging speculative fever surrounding Internet stocks, plunged sharply as investors became alarmed over unsustainable valuations and meager earnings reports. Yet, given the trends of the future, the technology arena will continue to be of paramount importance as the economy continues to calibrate itself to more realistic performance levels. Fortunately, a vast majority of state governments have continued to emphasize the role of technology, quite apparent in their technology-related activities, in steering state economies in upcoming years. ☒

Endnotes

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- ³“North America will Lead Global eCommerce,” *Forrester Research, Inc.*, April 19, 2000.
- ⁴*ibid.*
- ⁵“More than One in Three US Online Households Will Connect Via Broadband in 2005,” *Jupiter Communications*, November 1, 2000.
- ⁶U.S. Department of Commerce, National Telecommunications and Information Administration, “Falling Through the Net: Toward Digital Inclusion,” October 2000, www.ntia.doc.gov/ntiahome/ftm00/chartscontents.html.
- ⁷“Public Sees Internet as a Positive Force in Negotiating the Web of Government,” *The Council for Excellence in Government*, September 28, 2000.
- ⁸“19 States Offer E-Filers a Freebie,” *USA Today*, February 15, 2001.
- ⁹“The Dawn of Electronic States,” *Government Technology*, January 2000, www.govtech.net.
- ¹⁰*ibid.*
- ¹¹“‘Best of the Web’ Winners Announced,” *Government Technology*, August 25, 2000, www.govtech.net.
- ¹²West, Darrell, M. “Assessing E-Government: The Internet, Democracy, and Service Delivery by State and Federal Governments,” Brown University, Providence, Rhode Island, September 2000.
- ¹³It should be noted that North Carolina’s Office of Technology disputed some of the findings of this Brown University survey. (“Web Rating for N.C. Disputed,” *The Raleigh, North Carolina News and Observer*, September 21, 2000). The study had reported that only 45 percent of such features as foreign language assistance, email links, an offering of actual services, etc. were available at all of North Carolina’s web pages. Yet, as noted by the state’s Office of Technology, in August 2000, the state launched its new web portal which provided virtually all of the services listed as important in the Brown University survey. In fact, the survey’s authors, when queried about this, acknowledged that the survey did not include any information after July 2000.
- ¹⁴Chi, Dr. Keon. “Privacy on the Internet,” *State Government News*, February 2001.
- ¹⁵“GA Technology Chief Tells of Plan for Single State Telecom Contract,” *The Atlanta Journal-Constitution*, February 1, 2001.
- ¹⁶“Lawmakers want smarter spending on computers,” *The Advocate*, February 12, 2001.
- ¹⁷“Missouri Sixth Nationally In Internet Connections,” Press Release, *Missouri Department of Economic Development*, January 31, 2001.
- ¹⁸www.internetindicators.com.
- ¹⁹*ibid.*
- ²⁰*Creating the CyberSouth*, Southern Growth Policies Board, September 2000.
- ²¹“‘Digital Divide’ Closing Rapidly,” *The Atlanta Journal-Constitution*, February 15, 2001.

This **Regional Resource** was prepared for the Fiscal Affairs and Government Operations Committee of the Southern Legislative Conference (SLC) by Sujit CanagaRetna, SLC Regional Representative.

The SLC is a non-partisan, non-profit organization serving Southern state legislators and their staffs. First organized in 1947, the SLC is a regional component of The Council of State Governments (CSG), a national organization which has represented state governments for more than 65 years.

The SLC is located in Atlanta, Georgia.