

The Bureau of IES, which manages the IES program, is not a traditional government agency but rather an enterprise institution supporting other agencies. As a consequence, there exists no internal agency return such as one would find in an agency like a department of transportation or a ministry of finance. The public returns from this investment currently are focused instead on government operations in the form of secondary performance gains to the Commonwealth agencies that use the IES. However, the potential exists to extend the returns beyond improved government operations to include both direct political and social benefits, as well as potential and indirect effects. The shading in Figure 6 below (modified from Figure 1 in the introduction) represents these existing and potential returns, indicating where there is evidence for direct and documented returns (unshaded sections) and for indirect or potential returns (hatched sections).

The IES statistics and financial and non-financial returns included in Tables 3 and 4 above represent secondary performance gains in the form of continuing savings of direct expenses and enhanced efficiency in those agencies or agency departments responsible for the core administrative functions of Budget, Finance, Human Resource, Travel, and Procurement functions.

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Hatched = Indirect or potential returns

Unshaded = Direct and documented returns

Shaded = Not applicable or lack of foreseen indirect or potential returns at this time

Figure 6. Types of Documented and Potential Returns

Potential returns are linked to the Commonwealth's ability to leverage the existing government infrastructure to support other political, policy, management, and even technology strategies and investments for improved government operations beyond core administrative functions to other core business needs. Examples of areas where additional public returns could be identified and measured include the current IES Plant Maintenance and SRM projects and their impacts on Commonwealth efforts to bring additional efficiencies and improved services beyond administrative overhead to areas such as public transportation. Moreover, the potential to link the SRM project to other public returns such as general economic development or direct citizen returns is a logical next step in the evolution of the IES. For example, as highlighted in Governor Rendell's strategic sourcing initiative, expected savings of at least \$100 million each year from "buying smarter" can go to early-childhood education, economic development, and health and human services.⁽²¹⁾ The IES infrastructure and its SRM component clearly represent one strategy to enable such public returns.

(21) For more on the Governor's strategic sourcing initiative see <http://www.governor.state.pa.us/governor/cwp/view.asp?a=1113&q=438224>.