

Ted Wheeler
State Treasurer
www.ost.state.or.us



FOR IMMEDIATE RELEASE
June 30, 2010

Contact: James Sinks
503-508-0737 (cell)
James.Sinks@state.or.us

State Treasury saving Oregon money and cutting power usage with technology innovations

Computing shift to virtual server model reduces costs while maintaining security

SALEM – Technology innovation at the Oregon State Treasury is allowing Oregonians to continue to benefit from a highly secure computing network for state financial functions – while paying less for those services.

The Treasury completed the first stage of a computing redesign on May 31 that adopts what’s known as a “virtual server” format. Under that design, systems share many hardware components, and as a result it reduces costs for equipment, electricity and cooling.

In the month since, electricity consumption in the Treasury’s computing center has fallen by 25 percent. At the same time, the system continues to provide essential security, reliability and data recovery capacity.

“Innovation is what we do at the State Treasury,” said State Treasurer Ted Wheeler. “This is just one example that shows how Oregonians benefit because we are thinking like a business, making dollars stretch further and are being more sustainable by using less power.”

The savings in equipment alone are estimated to be more than \$80,000 when the project is completed.

The Treasury is the State of Oregon’s financial hub and provides a menu of investment, bonding and banking services to serve citizens and government entities. To perform those functions, the Treasury must maintain a suite of business-related tools and systems, including a highly secure computing network.

Treasury managers are asked to continually rethink and innovate to provide the highest level of service at the lowest cost, and that was a key driver in the study and development of the new

computer architecture. In all, 32 Treasury servers were migrated to the new setup in the first stage of the redesign.

The Treasury is an early adopter among state entities for virtual server technology, said Ron Pope, the Treasury's Director of Information Services. The State Data Center also is investigating this approach.

Treasurer Wheeler commended the Treasury's technology team for its work to develop the new computing setup, and he said it could be a model for other public agencies as they reevaluate their own computing systems.

He said he will make Treasury technology managers available to answer questions from other government agencies who are interested in the Treasury project. "The goal of government is to provide essential services and also to provide the best value to those we serve," Wheeler said.

The hardware savings in the first phase is estimated at \$45,668 and the second phase has an estimated savings of \$37,363. The power-related savings pencil out to more than \$200 a month.

Based on the success of the first phase, managers anticipate that power use will drop another 20 percent after the second phase is completed in early 2011.

"We have seen tremendous operational performance improvements as anticipated, but most striking to me is the amount of power savings we are seeing in our server room," said Pope, the information services manager.

Saving Oregon money is one of the key functions of the State Treasury. Oregon state and local governments and public trust funds saved more than \$150 million in 2008 by utilizing the financial services provided by the State Treasury, when compared to the cost of the same services in the private sector.

An independent study by Cost Effectiveness Measurement Inc. found that Oregon's investment management costs are cheaper than the median costs paid by peer funds. That translated to nearly \$14 million in savings in 2008.

Treasury also continually seeks ways to cut costs, such as converting to electronic payments instead of traditional checks, which are expensive to mail and to process. Electronic payments are also convenient for recipients and reduce the frequency of check fraud.

The Oregon State Treasury protects public assets and saves Oregonians money through its investment, banking, and debt management functions. The office also promotes public outreach and education to help Oregonians learn strategies to save money, invest for college and make smart financial choices.

###