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PUBLIC SYSTEMS ASSOCIATES, INC.

CONCEPTUAL DESIGNS

FOR

THE MINNESOTA HOUSE OF REPRESENTATIVES

PREPARED BY PUBLIC SYSTEMS ASSOCIATES, INC.

DATE SUBMITTED: MAY 4, 1981

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JUN 18 1991

EXECUTIVE SUMMARY

The second phase of the study of improved information services for the Minnesota House of Representatives presents three services that have been selected for detailed description and study. Those services are: Budget and Expenditure History, Revenue Tracking and Appropriations Tracking. The service designs contained in this report do not necessarily represent computer systems designs, but are intended as guidelines and specifications for improving information availability and the role of that information in the legislative process. These information improvement opportunities should be reviewed for their potential to assist members and staff. The methods for accomplishing any of these improvement programs will be discussed in the final report for this study.

The Phase I report analyzed current data gathering activity within the state capitol complex and evaluated the information processing needs of the House of Representatives. Following that effort seventeen opportunities for improved information services to the legislature were identified and generally described. The first report presented criteria for evaluating and prioritizing the various service opportunities and a step-by-step procedure to assist the reader in this process. The outcome of this process was the selection by the Task Force of three services for detailed design and development.

This report contains Phase II of the study activity for the Minnesota House and presents the three selected services with conceptual and service designs that inform the reader as to:

- *What the service is*
- *How it will operate*
- *Who will use it*
- *What data it will require and its sources*
- *How the data may be used*
- *What formats are available for presenting the data*
- *And the resources necessary to support and maintain the services*

The full range of service opportunities presented in the first report should be viewed as the "long-range plan" for the House. The three expanded services detailed in this report will be used as the first step in the "short-range plan" for improving information systems. The descriptions of the services contained herein are recommended designs based upon the study team's review and evaluation of the needs of the Minnesota House. The service areas were selected by the House Task Force on Data Systems and are presented for review by the legislative community. The information service descriptions are not a recommendation by the study team to proceed with a particular service.

The final report will provide the remaining portions of the "short-range plan" by presenting the options for enhancing information processing for the Minnesota House of Representatives, and providing a detailed plan for accomplishing and coordinating development. The study team determined that there is an abundance of data available to the legislature and that all three services are manageable for initial development within eight to

twelve months regardless of the development technique selected. There also exists sufficient interest to support the services and the data necessary to implement them is available. This timetable would allow for evaluation during the '82 session, refinement during the interim, and full operation by the '83 session.

While computer assisted information services are one option for accomplishing the designs presented here other methods, such as improving manual techniques, are also possible. However, the potential for computers to assist the legislative community must be strongly considered. The growth in the use of automated tools in the legislature will surely occur. The issue to address is the level at which the House feels it would like to manage and coordinate the continued use of computerized services. That issue will be addressed by the study team in the final report and a set of options and recommendations will be included.

CONCEPTUAL DESIGN

A conceptual design for a particular information processing service describes in some detail what the service is designed to provide to a user. It contains a description of the intent, projected use, and the types of access to the information to be provided. It provides a set of specifications about automating the services, if such is desired, that indicates to programmers and data collection staff what is involved in the service generally and what programmatic functions are necessary. It specifies report formats and a data collection and verification work plan. The design will also indicate the availability of data and source for each service. It is important to understand that the conceptual design does not necessarily imply a recommendation to automate an information service. Recommendations and options regarding automation and justifications for such decisions will be presented in the final report.

A conceptual design attempts to give a detailed description of the objectives of the service in a form that can be understood by the reader. It achieves this objective by taking the subheadings of the "service-design" and explaining them in a way that the user of the service can understand. The conceptual design identifies who the service is intended to serve, in what way they are anticipated to use the service and to what advantage. The design includes a description of the functions the service will perform. As an example the Revenue service includes a comparison function for showing the relationship of two or more taxes. It also contains functions for illustrating revenue trends and for tracking the history of particular taxes. Further, the design describes the data in ways that enable the reader to more easily understand and use the information of the service.

Presently, the legislature requires submissions of information and data from agencies to support its decision-making process. These submissions frequently require alteration and modification by staff to be useful to the legislature. This time consuming effort burdens the orderly progress of of the legislative session. The presence and availability of previously formatted presentation models will reduce the turnaround time between request and presentation for legislators and free staff for other activity. Each design includes an explanation of how the service will improve the materials currently available and how each service provides an improvement to the process it addresses.

The conceptual design provides a description of the collection, verification, and maintenance of the data necessary to support the service. The design also uses report samples as a visual means for the reader to evaluate the specific service.

How is it used?

The various elements of the conceptual design as described above can be used to:

- *provide a means of evaluating the need and effectiveness of a service in the legislative environment*

- *evaluate the availability of the information necessary to provide the service*

- *evaluate the resources required in order to make the decision as to whether or not to proceed with the service*

- *serve as a means for non-technicians to sign-off on a system concept, data base, functional activity, report formats, etc., and know that the conceptual design document can be converted without loss of intent into detailed specifications for technicians if the task force chose an automated approach to information processing.*

- *provide the set of objectives necessary for the user and the technical information required for the technician.*

REVIEW OF SELECTED SERVICES

Which services?

The services selected by the House Task Force on Data Systems for development and design were: Budget and Expenditure History, Appropriations Tracking, and Revenue Tracking.

The services presented in this report are discussed in the context of an "information system". Such a system describes the process by which data is collected, centralized, verified and is generally accepted by the system users. The system would produce data and graphic presentations in a timely manner and in a format specifically adapted to the needs of the legislature. Above all an information system for a legislature must be easy to use and be reflective of the unique needs of the legislative process; this process placing emphasis on reliability and timeliness of the data utilized.

Why were they chosen?

These services were chosen because they represent tools which can provide assistance to the legislature in the complex area of fiscal policy. The services can provide a format for data and information application not presently available. All three services relate to the appropriations process, an area of legislative activity that requires the availability and use of large amounts of data. Key to membership consumption and understanding of the data surrounding questions of revenue and budget is the data transmission, its format, timeliness, and application to the question at hand. The information systems discussed in this report seek to illustrate ways in which the applications process and the staff necessary to support that process can be made more efficient and effective.

In addition, the service opportunities presented in the five year plan included descriptions of the potential users and the relationship of dependency of the various services to one another. The selected services contain data and information that will become the basis for future service development. The users of the initial services represent the broadest cross section of the House membership thereby providing a chance for education and understanding of the benefits of the improved legislative services.

The selection of fiscal services reflects the increasing complexity of the budget process in Minnesota and many other states. The service report formats and time saving features are important to the legislative process.

How could they serve the legislative process?

The three selected services will aid the legislative process by providing timely and uniform data to support legislative decision-making. The data contained within the services can be used to enhance staff analysis and presentations, to rapidly display options available to a legislative body or to illustrate trends and projections of a particular action or set of

actions. The information systems could aid in the maintenance of continuing data and serve to distribute that data in a timely and uniform manner throughout the legislature. The simplified presentation format would not only assist the non-technical reader but also lend themselves to varied types of staff analysis. For example, graphic displays of trends and projections relating revenue or expenditure activities not only are illustrative to a legislator but are instruments for staff analysis. Various techniques such as factor analyses, regression and correlations may be performed either directly or in concert with the data involved with support of the information systems.

The services selected also provide a means of increasing the effectiveness of the staff resources available to the fiscal committees. The immediate availability of the data contained within the service designs should reduce the present turn-around time required for completion of assignments.

Time and resources for service development?

The selected services contain individual requirements of time and resources for development. However, when initiated jointly, it is projected that if development is begun shortly after the 1981 legislative session all the services could be ready for testing and adjustment during the 1982 session. Following evaluation of their performance the information systems could be fully operational prior to the 1983 session. The resource estimates cited in this report relate to the collection and maintenance of the data contained within the services discussed not to the development and implementation of new manual or computer assisted procedures. The management of any services developed and the coordination with other elements of the legislature will be addressed further in the final report.

Data resources

In reviewing the services presented in this report it is important that the reader be aware that the study team found that agencies in Minnesota collect and maintain a wide variety of data regarding their activities. While the fact of this data is important the study team also found that legislative staff was required to spend a significant amount of time in preparing agency data for legislator and committee use. This is not an uncommon occurrence. Executive agencies develop and collect information regarding their activities that report "operational" activity designed to support management as opposed to reflecting "policy" impact or implications. An example of this is in the area of financial assistance. The executive agency collects data indicating the number of applicants, number eligible, categories of ineligibility, amount of assistance, length of assistance, various demographics on the recipients, and other similar data. Information regarding the impact of the state policy of providing assistance such as what was the assistance used for, what would be the effect upon various tax revenues if the amount of assistance were varied and what percentage of revenue from what source is seldom maintained or evaluated. It is a finding of the study team that normal data submissions by the executive branch in support of fiscal proposals do not fully satisfy legislative needs.

It is also important that the timeliness of data availability be considered. A legislature frequently requires discreet categories of data within very narrow timeframes. The study team found that state agencies responded to such requests with admirable efforts. However, if the legislature's needs could be met by continuing systems within the legislature the resources expended by executive agencies in data preparation would be available for other purposes.

Given that the decision-making environment in Minnesota is supported by adequate data and that the individuals responsible for maintenance and evaluation of that data are responsive to legislative requests, the question of improved information systems for the House of Representatives becomes: "Is there a need for a centralized system of information processing for the legislature?" The services presented in this report represent three examples of improved information handling for the legislature. Recommendations for development where appropriate will be presented in the final report of the study team.

Characteristics of an Information Service

The characteristics of the three selected information services discussed in this study are common to the service opportunities presented in the previous report and to all information processes or systems. Basically those features are:

centralization - *the information or data to be processed is maintained in a body and maintained on a continuing basis.*

verification - *the data base is originally verified as to its accuracy and appropriateness and is subject to continuing tests*

acceptance - *the consumers of the information or target group generally accept the data as being accurate*

format - *the products of the system array the data requested in a clear and understandable way. In the case of legislative systems the information required should be represented in a way that addresses the needs of legislature and reflects the unique environment of that process*

easy to use - *the information system should be easily used and understood by the system's target group*

illustrations - *the data contained by the system should be able to be presented in easy to understand visual ways using graphs and charts to enhance other products*

timeliness - *the information must be the most recent available and be responsive to the timeframes of the legislative process.*

These characteristics are particularly significant to the legislative environment where rapid, relevant and understandable information is critical to the operation of the legislative process.

SERVICE DESIGN - REVENUE TRACKING

Service objective

The Revenue History and Tracking service should provide information on five years of revenues from licenses, taxes, fees, etc. Both original estimates and actual collections will be provided for three prior years. In addition, the latest estimates for both fiscal years of the biennium should be added to the data base.

Information regarding revenue should be available by tax category. Reports comparing actual to estimates for a three-year period and five-year collection trends will enable House committees to more effectively evaluate existing and proposed state and local government tax measures. The current review and reporting process emphasizes individual tax examination. The Revenue service should provide for enhanced statistical and comparative analysis to the committee and its staff. Sophisticated modeling techniques can be applied in conjunction with the Revenue service reporting format to more clearly illustrate the impact of varying tax measures singly and in comparison with one another.

Staff would have an updated instrument to assess the status of revenue collections and trends. This capability could aid the legislature in its own determination of the State's economic condition as well as provide an invaluable tool in isolating for further study particular conditions in revenue activity as they occur.

User and user philosophy

It is anticipated that the service will be most in demand during the legislative session. The periods of the legislative session where the revenue reports will be of greatest assistance would be when staff is finalizing the status of the data to be used by their committees and the first weeks of the session when committee hearings are held. The staff support the service provides is an important issue. Staff is responsible for collecting and analyzing the data necessary to support the review of the Governor's budget proposal. The availability of revenue information is a critical part of this process and its timeliness will bear upon the legislature's review process.

The first weeks of the legislative session is used by the Finance and Appropriations committees to receive the executive revenue estimates and expenditure proposals. The revenue service could allow for immediate display and distribution of not only the presentations before the committees, but any alternatives to the proposals before them that the committee or staff may wish to consider.

Later in the session the legislature is pressed to respond to changing revenue and budget conditions as requested and reported by the Governor. Availability of a means of determining the most current status of revenue collections, trends in those collections, histories of available revenue from categories of taxes and the ability to examine the relationships between two or more taxes could be extremely helpful in assisting the legislature in drawing its own conclusions on selected tax issues.

Service capability

The reports generated by the Revenue service not only provide the framework for enhanced analysis but they represent a clear and understandable method of communication within the legislature. Leadership could, at its discretion, use the reports for distribution throughout the legislative body. The ability to immediately offer timely information in an understandable format could enrich legislative debate and decision-making.

The Revenue service could use this data, not only to show the history and trends of specific taxes or revenue sources but also to graphically array and illustrate conditions of those revenues. An example would be such items as may be seasonal in their collection, such as certain kinds of fuel or recreation measures. Or, those revenues which exhibit an interdependence upon each other such as corporate taxes and collections from retail or inventory assessments.

The reporting formats illustrated in the section on sample reports provide the user with several different ways of aiding his understanding of the revenue information. The flexibility of these various report forms makes the service a useful tool in dealing with interrelated data such as different revenue requirements vs. alternate appropriations targets. The service could provide a series of different reporting formats designed to display the data in the manner most appropriate to the inquiry being made. Calculations, trends, projections and alternative options may be displayed and reproduced in fractions of time now required for preparation of this data for the legislature.

Service advantages over current practices

The advantages the revenue service could represent to the legislature are primarily in the areas of time and consumption. The revenue service could contain report formatting that, when regularly updated by staff, provided relevant data immediately available to a legislator or a committee. Currently data is maintained randomly by staff only after extracting the pertinent data from agency submissions or following a specific request to an agency. In maintaining a regular and consistent data base staff can quickly respond to legislative inquiries. The format of the data is equally important. Currently data is presented to the legislature in a confusing matrix of numbers that frequently contain more useless information than relevant. The fund balance analysis provided by the Department of Finance is heavily "balance" and almost devoid of "analysis". In order to extract useful information legislators and staff waste valuable time in arraying the data they desire. The suggested report formats of the revenue service not only require less time investment but array the proper data in a manner that nontechnical legislators can more easily understand and use.

Data requirements

The categories of data that could be used in a revenue service are: actual revenue collections by tax source, collections from fees and assessments, and projections and estimates as determined by the executive.

Such data is presently available either within the Department of Finance or in reports prepared and circulated by them. The formats of the service for reporting revenue estimates and collections are straightforward and identical. Individual documents could be provided for each year's estimate or actual collection.

The data for the Revenue service could be collected and maintained by tax source and state agency responsible for collection. Estimated and actual revenue collections for the three base years could be taken from the State Financial Report prepared by the Department of Finance. Revenue estimates for the pending biennium period would be derived from the Governor's budget message to the legislature. The Table below illustrates the data requirements.

	Data Elements	Proposed Sources
78-79	Revenue collections (actual)	State Financial Report
79-80	Revenue collections (actual)	State Financial Report
80-81	Revenue collections (actual)	State Financial Report
81-81	Revenue estimates	Executive Budget Message
82-82	Revenue estimates	Executive Budget Message
79-81	State Revenue surplus/deficit	Department of Finance

It is estimated that to input the initial data necessary for the Revenue service would require ten man-days. Revisions to the revenue data could be obtained form the Department of Finance and input as soon as they were available. Such an effort is estimated to require two man-days per month.

The development of the initial data base would necessitate gathering data for three base years and the two biennium fiscal years. This size is selected in order to insure that trending and projections have a sufficient statistical base. The inclusion of both biennium years would enable tracking to support legislative monitoring and oversight. This body of data would require initial acquisition, verification on an item by item basis of the accuracy and monthly updating.

Sample presentation formats

The sample formats presented here are only examples of applications of improved information processing. They represent the uniform collection and array of existing data in formats that are clear and understandable to a legislator. They vary from existing data availability in that they eliminate unnecessary and duplicative data frequently contained in agency submissions. When maintained on a continuing basis they free staff to engage in analysis and evaluation rather than the arithmatic required to constantly translate executive documents.

They emphasize individual subject review and stress simplicity in presentation. The present revenue reports available are needlessly cluttered and complex.

Sample Report 1: Revenue

GENERAL FUND REVENUE *DATE:*

FIVE YEAR COMPARISON *PREPARED BY:*

DATA SOURCE:

Category	*78-79 Actual*	*79-80 Actual*	*80-81 Actual*	*81-82 Estimate*	*82-83 Estimate*
Beverage Tax					
Corporate Tax					
Gasoline Tax					
Income Tax					

The format of this sample report differs from the present Fund Balance Analysis supplied by the Department of Finance in several ways:

1. *It presents only revenue information instead of the numerous accounting categories such as cancellation adjustments, accruals and levels of allotment,*

2. *it indicates complete dollar figures instead of rounding to thousands, and*

3. *in a cleaner, simpler format it would be easier to use than the present instruments.*

Sample Report 2: Revenue

REVENUE GROWTH

BY CATEGORY

DATE:

PREPARED BY:

DATA SOURCE:

Category	*79-80 Acutal*	*80-81 Actual*	*% Increase*	*81-82 Estimate*	*% Increase*
Beverage Tax					
Corporate Tax					
Gasoline Tax					
Income Tax					

This sample report format would array available revenue data in a simple easy-to-read-and-follow manner. It would eliminate unnecessary detail and accounting categories aimed for use by executive comptrollers. The change in revenue from the different sources would be shown as a percentage which would replace the repetitive staff effort used to draw the information and then calculate changes from the agency submissions.

Sample Report 3: Revenue

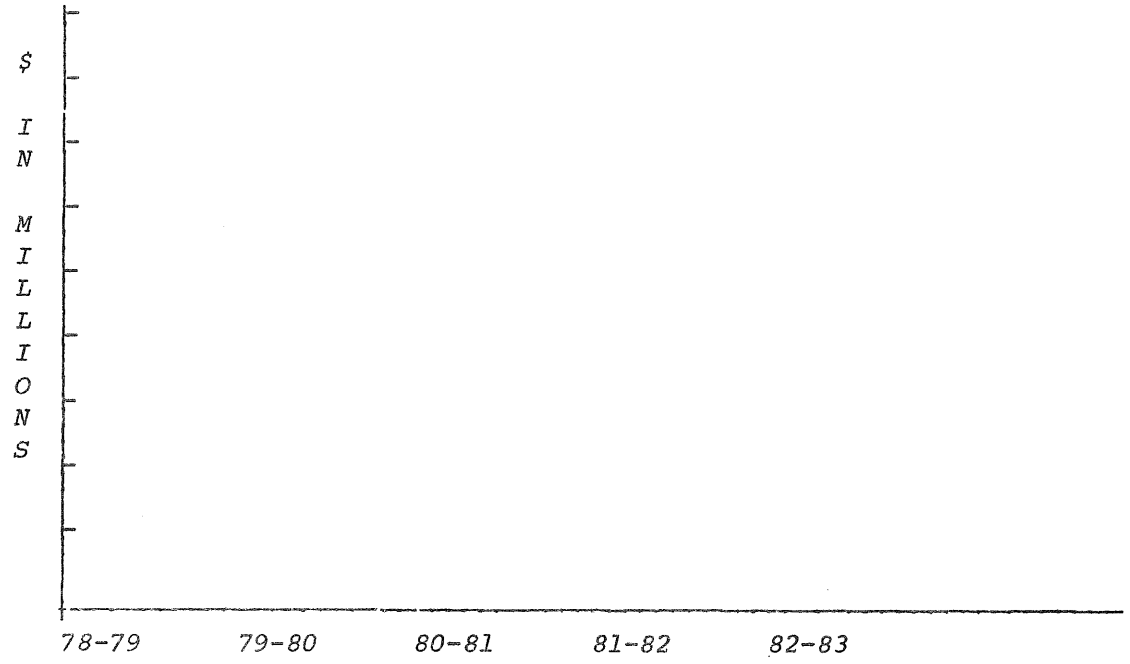
FIVE YEAR TREND

MAJOR REVENUE CATEGORIES

DATE:

PREPARED BY:

DATA SOURCE:



This report format provides a graphic presentation of revenue trends in an easily understood illustration. To the extent that such information is currently presented it is randomly prepared and varies as to the staff person generating the document. This situation allows for differing base data and alternate graph design. Using a common graph with consistent data references enables the report to become more easily understood by a legislator and enables him to quickly reference changes over time as the report is updated.

Sample Report 4: Revenue

REVENUE COLLECTIONS *DATE:*

ACTUAL VS. ESTIMATE *PREPARED BY:*

DATA SOURCE:

Category	*78-79 Estimate*	*78-79 Actual*	*79-80 Estimate*	*79-80 Actual*	*80-81 Estimate*	*80-81 Actual*
Beverage Tax						
Corporate Tax						
Gasoline Tax						
Income Tax						

The data presentation contained in this sample would be particularly useful in evaluating the reliability of executive revenue forecasts. The array of original revenue estimate vs. actual revenue collections can give a legislature an indication of the accuracy and reliability of the executive revenue estimate. This report would identify areas for further inquiry and evaluation. For this information to be available at the present time staff must either gather and array the data or request that the executive agency prepare it for them. The same agency is responsible for the original forecast.

Sample Report 5: Revenue

TOTAL FUNDS AVAILABLE

FOR APPROPRIATION

DATE:

PREPARED BY:

DATA SOURCE:

ESTIMATED SURPLUS

ALL FUNDS - July 1, 1981

ESTIMATED REVENUES

Taxes, Licenses, Fees, etc.

Revenue Collected by Agencies

Federal Revenue Sharing

Federal Grants

Others

TOTAL REVENUES

TOTAL AVAILABLE FOR APPROPRIATION

The value of the data format represented by this sample report is consistency and reliability. Staff maintenance and verification of the status of all funds provides a yardstick for measuring legislative activity not only in the fiscal areas but in all areas of the legislative process where issues having fiscal impact are heard.

Currently this data is received from a variety of sources and in differing formats at different times. Frequently the actual information is buried among extraneous data that requires staff to extract and rearray the submissions. A uniform collecting and reporting format could be an important tool to legislative leadership.

SERVICE DESIGN - BUDGET AND EXPENDITURE HISTORY

Service Objective

The Budget and Expenditure History service could not only provide the framework for staff analysis and committee evaluation, but it could generate graphic output documents that could provide information and an overview perspective to all members of the legislature.

The service should provide three prior years of fiscal information at the detailed program expenditure level. The legislature could review expenditure and budget patterns for each program or agency of government as well as the overall state level to compare expenditure categories as a percentage of total expenditures or choose categories whose increase or decrease exceeded the amount specified by the legislature. Comparisons between prior budgets biennium would also be available.

User and User Philisophy

The primary user of the budget and expenditure history would be the Committee on Appropriations and its staff. The most intense application of the service would occur during the budget hearing and allocation periods. At these times the various subunits of the Appropriations Committee receive presentations by the agencies of state government. The availability of budget information in a format specifically designed for legislative use could allow committee members and staff to assess the data presented in hearings in a more productive manner. The most up-to-date budget data would be available for analysis of the current trends and the fiscal impact of legislative options.

Staff could use the service to provide immediate status reports to committee and House leadership. The enhanced availability of information could enable members and staff to prepare amendments and more quickly and accurately prepare and evaluate legislative options. The House member or his staff who does not serve on the Appropriations Committee could have access to information designed to enable him to respond to constituent inquiries or particular areas of interest. The availability of timely and properly formatted budget data could reduce the time spent in data gathering by staff and enable the legislature to more easily monitor and evaluate agency expenditure activity.

The period between legislative sessions usually presents the single best opportunity for oversight and review of governmental activity. Supported by regularly updated expenditure data committee members and staff would be able to maximize site visits, program this fiscal service could be an important element in evaluating executive performance.

Service Capability

The budget and Expenditure History service could provide the legislature with its own data base for evaluation and analysis of executive fiscal

activities and proposals. The legislature and its staff could be in a position to make independent assessments relative to the financing and operation of state government, its agencies and programs, free from dependence on executive information and personnel.

The specific capabilities of the budget and expenditure history service could include measurements to show if an individual or group of expenditure categories is over/under the budgeted amount, to reflect the expenditure at any point in time as a percentage of the authorized amount or as a percentage of any or all other expenditures. In addition the service could array single or groups of expenditures graphically to show trends or graphs of the amount against the budget limits. These capacities would be immediately available for illustration or distribution, allow staff analysis to take place and decision making to occur more rapidly and with a reduced margin for error.

The option of using a video and/or hard copy capability not only during hearings, but on-site, could be a significant feature. The service would present a timely and centralized support tool to committees working in fiscal areas.

Service Advantages

The primary advantages of the Budget and Expenditure History are that of a uniform, centralized and verified fiscal record of the activities of state government. The current practice of individualized record keeping among and within the various staffs and committees is time consuming, confusing, and could make accurate fiscal determinations difficult. While it would be anticipated that the acutal data would be derived from executive sources, the verification by staff, the uniformity of format and maintenance could provide a reliable resource for the legislature.

The sample presentation formats suggested within this report are merely a few of the instruments to be derived from this service. They would contribute significantly to reducing staff time spent in report preparation and provide for continuity within the legislative process. It is a feature of a centralized system that users may find that frequently special requests for data preparation produce a need for additional report formats. This evaluation is not only possible but desirable. Situations and legislative needs vary and any process should adjust to meet those circumstances. The key is that the generation and maintenance of the data required to respond to those conditions be uniform and reliable. This service would provide the framework for that growth.

Data Requirements

The data required to support a budget and expenditure history system would be in the categories of actual expenditures by state agencies at the program level, estimated expenditures for the '81 fiscal year, the authorized expenditures for both years of the 81-83 biennium, and the actual monthly expenditures at the program level for the period of '79 and '80.

The actual expenditures for the '79 and '80 fiscal years and the estimated expenditures for the current '81 fiscal year could be derived from the Executive Budget Proposal. The authorized expenditure levels for all agencies and programs could be gathered from the Department of Finance. The data could be stored at the detailed program expenditure level for each agency. This data would form the foundation of the Budget and Expenditure History. Executive budget proposals would be readily available from the Department of Finance. Additional reference material is maintained in the files of the Appropriations Committee. Assimilation of data could be directly from the executive budget reports. Updated expenditure data is available from the Biennial Budget System maintained within the Department of Finance.

The input and verification of the initial data for a budget service is estimated to require thirty man-days. Maintaining the data within a developed system is projected to require two man-days per month.

The initial data base should contain two years of actual expenditures, the current year's estimates of expenditures and the authorized expenditure levels for both years of the new biennium. The gathering, verification and updating of this data would take place over a period of three months. Below is a table illustrating the data to be contained and its sources.

Data Elements	Proposed Source
78-79 actual expenditures (program level)	1981-83 Executive Budget Proposal
79-80 actual expenditures (program level)	1981-83 Executive Budget Proposal
80-81 estimated expenditure (program level)	1981-83 Executive Budget Proposal
81-82 approved budget (program level)	Department of Finance
82-83 approved budget (program level)	Department of Finance

Sample Presentation Formats

The suggested presentation formats for budget and expenditure histories that follow, aim to provide individual or groupings of categories for identification and evaluation. They also illustrate how detail levels may be used for review and then elevated to higher levels of analysis. The graphs shown are examples of how to better use the data available. Again, the samples presented are but a few of the applications that may be used.

Sample Report 1: Budget and Expenditure Histories

FISCAL HISTORY *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:

Expenditure Category	*78-79 Actual*	*79-80 Actual*	*80-81 Estimated*	*81-82 Request*
PERSONNEL				
authorized positions				
salary				
overtime				
benefits				

This sample report illustrates two elements; one, the grouping of several related expenditure items for review and analysis and two, the trend of expenditures of the items over time. The legislator or staff analyst would immediately identify the expenditures in the major area of program fiscal activity. The present executive budget proposal contains seven separate classifications of personnel services, rounds off expenditures in thousands and at the bottom of the budget proposal uses as many as three categories to list the number of authorized positions associated with the program. This level of detail, while useful for management is almost always unnecessary for legislative decision-making. By use of a simplified format the legislature could still readily identify relevant trends and changes in expenditure activity.

Sample Report 2: Budget and Expenditure Histories

REQUESTED INCREASE *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:

Expenditure Category	*78-79 Actual*	*79-80 Acutal*	*% Increase*	*80-81 Actual*	*% Increase*
PERSONNEL					
authorized positions					
salary					
overtime					
benefits					

This sample report builds upon the previous illustration with a significant application, that of the expression of change in percentage amounts. This representation would allow for rapid review of the various patterns of state government. For example, in the area of utility expense to state agencies. The percentage of increase among the agencies should be uniform over time. If they are not, as indicated by the reporting format, then something has occurred that warrants examination. Possible finding would be from agency growth/decrease to office hour changes to varying utility services and rates. Absent this format such information is only randomly forthcoming to the legislature and then in a form that is difficult to verify.

With slight modification this reporting process could be used to measure the impact of across-the-board fiscal policies such as percentage reductions in travel or blanket increases in benefits. While a number of these measures are available from the Biennial Budget System the timeliness and preceived reliability of that system impair its use within the legislature.

Is this true.

Sample Report 3: Budget and Expenditure Histories

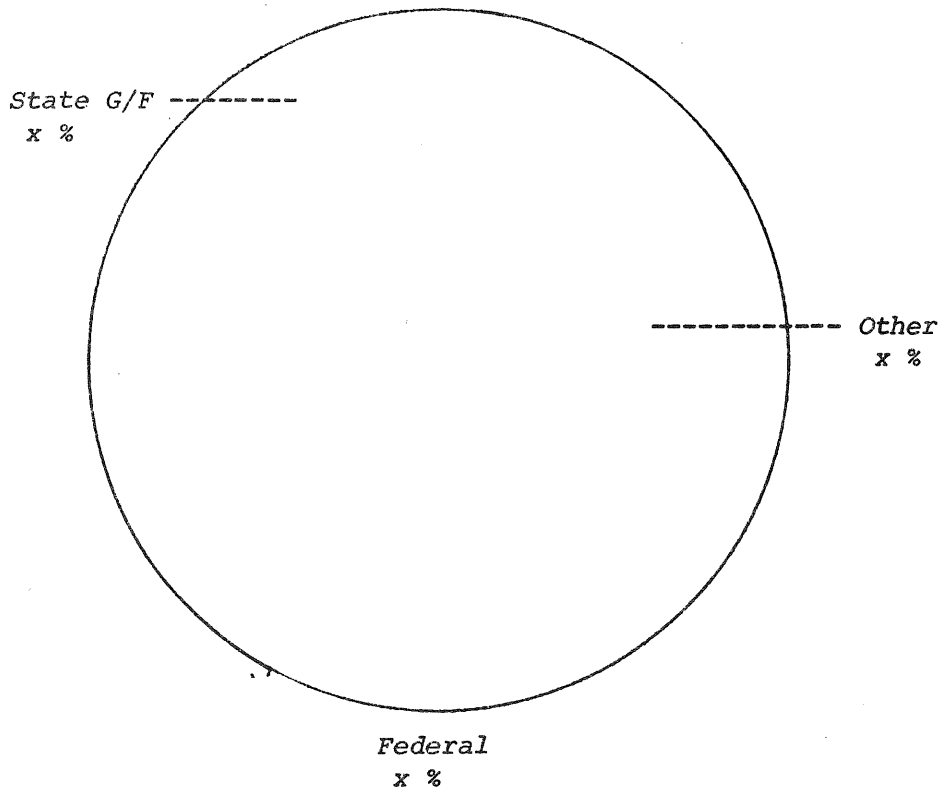
MEANS OF FINANCING

AGENCY:

DATE:

PREPARED BY:

DATA SOURCE:



This report allows for graphic illustration of the relationship between revenue sources. Such illustrations are available to the legislature at present by assignment. However, it must be remembered that an information system would be uniform and reliable. With diversity of staff within the Minnesota legislative process documents such as these should be prepared by, and accepted from, a reliable sole source. This would prevent variance in data and suspicion of bias on the part of legislators.

Sample Report 4: Budget and Expenditure Histories

TWO YEAR COMPARISON *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:

Expenditure Category	*80-81 Actual*	*% of Total*	*81-82 Request*	*% of Total*
PERSONNEL				
authorized positions				
salary				
overtime				
benefits				

This sample report shows how the expenditure history may be used as a tool for discovering changes within pending budget proposals before the legislature. The previous year expenditure categories are arrayed to represent their percentage of allocation within the program budget. Also indicated is the requested amounts similarly arrayed. Changes in percentages can indicate to the legislature changes in behavior or management patterns of the state agencies. The level of comparison can be raised to illustrate changes within full agencies or all of state government. This can demonstrate increased contractual services in lieu of state personnel or indicate where the state is experiencing its increases in costs of operation. To develop this data currently would require significant legislative staff and executive staff effort.

SERVICE DESIGN - APPROPRIATIONS TRACKING

Service objective

The Appropriations Tracking service could provide the legislature with a uniform and continuing measurement of executive agency expenditures against the levels authorized by the legislature. The service could contain appropriations for each agency, program, and sub-program of state government and indicate all expenditures made against these budget entities. The tracking service could provide continuing data to support interim legislative activities such as program evaluations, site visits, and committee hearings. The overall goal would be to provide a comprehensive framework for legislative oversight of agency expenditures.

User and user philosophy

The primary user of a centralized expenditure tracking would be the Committee on Appropriations and its staff. However, virtually every subject area of the legislature could be expected to avail themselves of agency expenditure activity in the conduct of their oversight and evaluation effort.

The information contained within the service would provide indications of agency activity. Overspending could be the result of abnormal demand or a seasonal fluctuation in an agency. Such a condition may have an impact that required legislative remediation. Underspending may indicate declining use or shifting economic patterns which could earmark the agency or its programs as candidates for review or elimination. The overall application of an expenditure system is to provide a framework of inquiry and analysis for legislators and staff to isolate expenditure behavior and measurement of executive implementation of legislative mandate. Such a system does not insure adequate monitoring, but without a continuing, reliable data framework comprehensive legislative oversight cannot take place.

Service capability

The improved information system would provide for continuing and timely array of executive expenditures against the limits established by the legislature. The regularly updated data base would provide timely and reliable data for mid-biennium or more frequent evaluations of expenditure activity down to the most discreet program and sub-program level. Further, the service could have the capability of grouping categories of expenditures such as office supplies from all agencies for staff evaluation and assessment. It is likely that individual program variations may indicate a significant trend when viewed collectively. A uniform and centralized monitoring system would allow the legislature to identify and interpret trends as they develop rather than waiting to be informed of their development and implications.

Service advantages

The advantages of the appropriations tracking service are the centralization and uniformity of the data and the format presentations. The information system also emphasizes graphics which are not now available.

The expenditure service would serve to remove the clutter from budget reports and present to legislators and staff data that they can quickly and easily use and understand.

Is there a lot of stuff we don't use?

Data requirements

The data required to support an expenditure tracking service would appear in the categories of authorized appropriations and actual expenditures recorded against these authorizations. The data for the appropriations would be obtained for the House Appropriations and Senate Finance Committees. The actual monthly expenditures to be charged against these levels would be derived from the BBS reports issued by the Department of Finance.

The initial data input would require approximately three man-days and the collection and input of the monthly expenditures is estimated to require two-man days per month.

	Data Elements	Proposed Source
81-83	Authorized appropriations levels (program level)	House Appropriations Comm. Senate Finance Comm.
81-83	Monthly expenditures (program level)	Department of Finance (BBS Report)

Sample presentation formats

The illustrations presented here are intended to show the detail, trend and graphic formats the appropriations data may be contained within. The data may be used in other ways but the selection of reporting format should aim to give the user his clearest understanding of the issue.

Sample Report 1: Expenditure Tracking

FISCAL TRACKING *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:

Expenditure Category	*81-82 Appropriations*	*81-82 Expenditures To Date*	*81-82 Projection of Expenditures At Current Rate*
PERSONNEL			
authorized positions			
salary			
overtime			
benefits			

Could be Useful

This sample report presents the appropriated funding level for agency, program and sub-program atributes and arrays the total to the most recent month of actual expenditures. In addition the third column represents the calculated annualized expenditures based upon the most recent month-to-date reports. This information may be elevated to the agency and statewide levels and in the summary format can serve to identify the presence and degree of a pending deficit.

Sample Report 2: Expenditure Tracking

FISCAL TRACKING *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:

Expenditure Category	*81-82 Appropriations*	*81-82 Expenditure To Date*	*Percent Of Year To Date*	*Percent Of Year To Date*
PERSONNEL				
authorized positions				
salary				
overtime				
benefits				

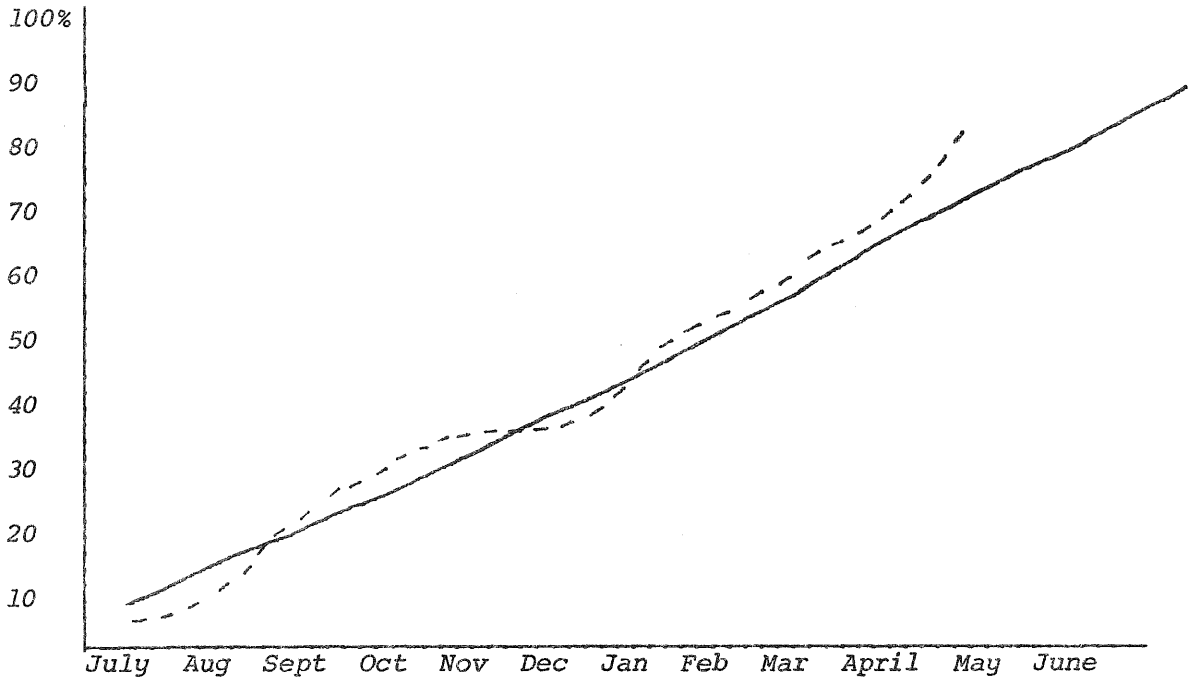
This sample report represents the most recent month-to-date expenditures as a percentage of the total years authorization and arrays the expenditure percentage against the precentage of the fiscal year expired. The percentage calculation is not now available to the legislative from agency reports.

Sample Report 3: Expenditure Tracking

FISCAL TRACKING *DATE:*

AGENCY: *PREPARED BY:*

DATA SOURCE:



MONTHLY AUTHORIZATIONS _____

MONTHLY EXPENDITURES - - - - - - - - - - - - - - - - -

This report format represents in a graphic illustration the relationship of actual monthly expenditures to authorized appropriation levels. This application could be used for budget presentations of the program, agency or statewide levels.

DEVELOPMENT OPTIONS

Thus far the study team has prepared for the House Task Force on Data Systems a Five-Year or long-range plan for improving the information systems within the legislature and detailed descriptions of the elements and construction of three of the information systems presented in the long-range plan. These three services represent short-range goals or objectives and were selected by the Task Force. The three service areas, Revenue Tracking, Budget and Expenditure History, and Appropriations Tracking, all reflect an emphasis on data acquisition, verification and presentation.

In evaluating the legislative environment in Minnesota the study team found that there was significant interest on the part of the legislators and staff to make better use of the data made available to them. The review of the selected services addressed the wealth of data maintained in the state, but it was found that the use and presentation of that data within the legislature was less than satisfactory. The services contained within this report describe means by which available data could be maintained and reformatted in ways designed to meet a legislature's unique needs.

The three services are each individually valuable to the decision-making process and the development of all three would provide a critical tool to the legislative process. It is important to view the development of these services as enhancement or modifications to already existing communications between the executive and legislative branches. Certainly such avenues exist, after all business does get taken care of. However, the data submitted is rarely in a form that is consumable or appropriate to legislative use without major staff modifications. It was found that legislative staff frequently spent the majority of their time "moving numbers around" at the expense of performing analysis. Institution of upgraded information processing and formatting would free this valuable legislative resource for greater evaluative and analytical activity. The development and implementation of these processes may be in the form of either manual or automated systems. The final report will describe and evaluate the following development options:

1. *Non-Automated Improvements - changes or adjustments in data gathering, formatting, and presentations that would be performed without computer support.*

2. *Incremental Coordination - which assumes small individual development of automated services within the legislature and seeks to manage this development for efficiency and non-duplication.*

3. *Centralized Computer System - this approach would encompass all legislative services operating within a centralized computer system with common management and support.*

4. *Do Nothing - means what it says, make no changes nor establish any coordination policies.*

These options will be presented and discussed in the final report. The study team will make recommendations regarding each of the options and an overall recommendation at that time.