



Awards for Excellence in Government Finance



2009 APPLICATION FORM

This application form must be completed and returned along with your entry in electronic form to awardsforexcellence@gfoa.org by **January 31, 2009**. If any supplemental supporting materials are not in electronic form, please send five (5) copies along with a copy of this application to GFOA, Awards for Excellence Program, 203 North LaSalle Street, Suite 2700, Chicago, IL, 60601.

Title of Entry: Business Intelligence for Government Transparency: Where the Money Goes

Category (Select only one):

- Accounting, Auditing, and Financial Reporting
- Budgeting and Financial Planning
- Cash Management and Investing
- Capital Financing and Debt Administration
- Economic Development
- E-Government and Technology
- Management and Service Delivery
- Pensions and Benefits

Subcategory (Select only one):

- Policies and Procedures
- Management and Policy Studies
- Communications and Reporting
- Training and Technical Guides
- Other

Name of government submitting entry: Texas Comptroller of Public Accounts

Population served: State of Texas Number of employees: 2,800

Name of person submitting entry: Cindy Gray / Heather Hall

Title of person submitting entry: Project Management Office Manager, Project Manager

Mailing address: LBJ State Office Bldg., 111 E. 17th St., Austin, Texas 78711

Telephone: (512) 463-6970 or (512) 463-9248 Fax: (512) 475-0279

E-mail address: cindy.gray@cpa.state.tx.us or heather.hall@cpa.state.tx.us

If the person submitting the entry is *not* an active member of GFOA, an active member must sponsor the entry. If applicable, provide sponsor information below.

Name of sponsor: N/A Title: _____

Government: _____ Telephone: _____

Mailing address: _____

Please provide simple and direct answers to each of the questions below. If necessary, use additional pages.

A Local Significance and Value (Background)

- I. Please give a brief general description of the project or program being submitted.

When Texas Comptroller Susan Combs took office in January 2007, she posted her own agency's expenditures online the same month. At her request, 24 of the state's largest agencies — accounting for some 80 percent of state expenditures — also provided their expenditure data.

These first efforts, using a repurposed, in-house drill-down application, grew in just a few months into a powerful Web site called Where the Money Goes (<http://www.window.state.tx.us/wherethemoneygoes/>). Behind its functionality was a business intelligence (BI) tool that subsequently won the 2008 award for Best of Texas Technology Solution Serving the Public from the Center for Digital Government.

Where the Money Goes offers transaction details for all state agencies and higher education institutions. They include paying agency, amount, date, payee name, object category and comptroller object. Users can select from several search categories and drill through a hierarchy of summary information. The largest agencies can provide National Institute of Governmental Purchasing codes; for them, users can see quarterly expenditures by purchasing class and item.

The Web site serves anyone with Internet access — vendors, news media, interested citizens and state agencies. Users can cast and recast the data and download it to answer questions such as, “How much is being spent for printing services and who are the contractors?” “How much was this vendor paid last year by all agencies? By any one agency?” “How does our agency's spending distribution compare with other agencies?”

The undertaking was enormous and had to be ready for use in just months. A mandating statute was signed into law in June, a contract for services was signed mid-August, and we began to gather detailed requirements for an Oct. 1 go-live date. Our plans needed to be consistent with the future reality of statewide enterprise resource planning. We needed software with potential for growth and for added value, with minimal maintenance costs, and that could ensure a stable environment. We store transactions by more than 200 state agencies and institutions of higher education. Based on fiscal 2007 data, the repository grows by 39 million transactions annually. We needed to aggregate the data on search keys to optimize the performance of searches we offer the public, and we needed to offer them an intuitive interface.

IT project management gathered a team of technical and financial experts and other stakeholders. At that time, only a few Comptroller's office employees could extract state expenditure data and it could take hours to download from magnetic tape. The team set out to flag confidential data and to make the non-confidential information readily available to the public. Furthermore, our goal was not only to provide data that would be mandated from Oct. 1, 2007, forward, but also seven previous fiscal years.

2. Describe the local events and/or problems that led to the undertaking of this project/program.

The 80th Texas Legislature, Regular Session, issued the mandate (House Bill 3430) that made Texas one of the first states to officially require publicly available online information and tools to examine state government spending. The legislation charged the Comptroller to post state financial data for all Texas agencies, including institutions of higher education, on a searchable Web site by Oct. 1, 2007.

Even before the legislation, Comptroller Combs was focusing on issues involving transparency, public trust and efficient use of tax dollars. She was looking at public service — at the wait times for citizens, contractors, vendors, watchdog groups and the media when they wanted answers about state expenditures. She knew that with better access to more information, vendors could better target their proposals. There was also the potential for state purchasers to use the same information to combine statewide contracts and save money buying in bulk. More transparency could also promote public trust. A better partnership makes for better business overall. Finally, time consuming and costly paper-based processes could be replaced by efficient 21st-century technology that also could make much more information available to users.

3. Describe the role of the finance officer/finance officers in this project/program.

The Comptroller's Fiscal Management Division performs the Comptroller's state accounting responsibilities and works hand-in-hand with agencies on state accounting and purchasing functions. Fiscal Management played an integral role in designing and developing Where the Money Goes. They worked with agency executive management, IT project management teams and other technical and business groups to determine scope, document requirements, test the system and assess user acceptance. They helped develop documentation and training. Finally, they confirmed that the Web site complied with reporting requirements set in state law, and that the information was accurate as of its reporting date.

Comptroller Combs provided oversight for the entire effort. She talked to a variety of audiences about the potential for boosting government transparency and fiscal accountability. And she continues to develop resources on her Web site to encourage it.

4. How much time did each participant devote to this program/project? Were outside consultants engaged?

Over six weeks:

- two full-time employees: a project manager and a full-time data analyst
- several half-time employees: subject matter experts from business areas and two who work in IT Infrastructure

We also contracted for services.

Technical Significance

- I. What financial concepts, standards, or techniques are displayed or advanced by this entry? Why is this important to the public finance profession?

Where the Money Goes set a new standard for transparency and accountability in state finances. With every user inquiry, it counters the idea that government spending is impenetrable to the public view, building confidence among the people we serve. And it helps to ensure that taxpayer dollars are being spent efficiently. Citizens can review and question policymakers' decisions, examine documents, root out inefficiencies and hold officials accountable for the way tax dollars are spent.

Meanwhile, the state spends far less staff time and resources answering inquiries. Many agency divisions can be involved in a public information request — open records, legal, accounting, research, communications, document processing, human resources, program areas of all kinds, IT and sometimes executives and operations of other state agencies.

Citizens and private businesses also save time and money getting answers.

The BI technology has spawned other tools that are powerful, accurate and up-to-the minute to help with state financial operations. We now have tools to put near real-time accounting and personnel data in the hands of state financial professionals for their day-to-day work and other tools to put management information readily at hand. We are adding new information, such as demographic data, to our Web site that the public can search and use for personal and business needs.

The new technology is fostering consistent practices and data-sharing across agencies, all as part of a roadmap for future BI in the Texas state financial world.

Where the Money Goes also has provided a model for other governments to follow, expanding the public benefits of transparency. Publications like Transparency at Work in Texas (<http://www.window.state.tx.us/comptrol/checkup/documents/where-the-money-goes.pdf>) promote the idea of fully tapping powerful, up-to-date technology to put expenditures in the hands of the public and give tips for how to approach the task, maximize existing resources, and leverage the solution for added value. The Comptroller's Open Book Texas Web site (<http://www.window.state.tx.us/openbook/>) offers details about what transparency means, what it can accomplish, and how to save by participating in bulk purchasing. (For a recent press release, go to <http://www.window.state.tx.us/news2008/081203-transparency.html>.)

Transparency at the state level is providing strong encouragement for similar efforts among Texas cities, counties and school districts. Representatives of numerous other states have contacted our office to learn more about how we accomplished this enormous task in such a short time.

B Transferability

- I. How can this project/program be adapted for use by other organizations? Who else might benefit by its adoption? Would significant modifications be required for implementation?

Other government entities can buy the same off-the-shelf BI software we use. They would need to adapt the data systems used in *Where the Money Goes* to their own data environments.

Transparency does not have to be all or nothing. We encourage other government entities to start small and then expand over time and encourage others to do the same. Our advice to government entities is to look closely at existing resources; you may be able to use them. And when you invest, leverage your technology solutions for other uses. Protecting confidential data will be an issue that needs great care. States may find that their agencies need time to adjust to a new reporting environment.

C Documentation

- I. What documentation describes the entry (e.g., reports, forms, memoranda, software, audio-visual materials, etc.)? All materials must be provided, preferably in electronic format.

For the public: On the main page of *Where the Money Goes*, users find links to an online help guide that tells what information is available and how to search and drill through it. Also included are helpful tips and a glossary of terms.

For agencies: To give agency financial divisions advance notice, we posted several bulletins on the extranet for them to access. Also, several articles appeared in our Fiscal Management Division's newsletter, *Statewise*. More recently, Fiscal Management has delivered updates needed to ensure agencies comply with confidentiality requirements. Examples are:

- *Expenditures Bask in the Texas Sunshine*
<https://fmx.cpa.state.tx.us/fm/statewise/07/fall/expenditure.php>
- *Where the Money Goes Requirements*
<https://fmx.cpa.state.tx.us/fmx/systems/ose/index.php>
- *Comptroller Object Screening for Where the Money Goes Has Ended*
https://fmx.cpa.state.tx.us/fmx/pubs/fmxtra/fy09/FMXtra_09-01.pdf

F. Cost/Benefit

- I. Quantify the total resources (money and time) devoted to this project/program and identify the value added (tangible and/or intangible) as a result of its undertaking.

Estimated cost:

- Staff time, \$50,000
- Contracted services, \$310,000

There is enormous potential for added value. Our investment in BI also allowed us to put demographic data on our Web site, Texas Edge (<http://www.window.state.tx.us/texasedge>). Citizens, business and government entities use the information for planning and economic forecasting.

We also have given state agency accountants a Web-based search tool that puts detailed payroll information at their fingertips. FM Query gives secure yet broad analytical access to an agency's financial data. To read about it, go to <https://fmx.cpa.state.tx.us/fm/statewise/08/spring/fmquery.php>).

We also have put our BI investment to work giving in-house managers and business operations instant access to searchable information for decision-making. For example, revenue collection, tax enforcement and audit now have Web-based dashboards — graphical displays that present summaries and details for parameters such as performance metrics, status of tax and fee collections and audit activities, case assignments and timelines.

The dollar cost avoidance and savings with our new BI technology come from so many government, business and public sources that they are incalculable.

In terms of the actual functionality of Where the Money Goes, most of the benefits are for the public. Anyone with Internet access has around-the-clock access to payments, to the penny, made yesterday by state agencies and higher education institutions. They can query, reformulate their questions and query again. They save money and time getting answers.

The subgroups that benefit are many: potential vendors, watchdog groups, the media and researchers of all kinds.

The public also has a sense of — and a real — involvement with their state government, and a new ability to influence where their tax money goes.

D Complexity

- I. Describe the complexity of the project/program. How much training and technical skill is required for employees to make use of this solution?

Designed for the general public, Where the Money Goes is intuitive. It is usable by anyone who is familiar with a home computer. With just a few keystrokes, a user can narrow a search to a particular spending category and drill down to the level of the check register. Online help is readily accessible.

E Originality, Creativity, and Innovation

- I. To your knowledge, is this the first time this type of project/program has been implemented by a government entity? If not, identify previous work in this area and explain the uniqueness of your approach.

We are one of six states that have searchable expenditure data (<http://www.window.state.tx.us/comptrol/checkup/states.php>).

Most other states are using custom applications. We, on the other hand, chose off-the-shelf BI software. In the long run, that investment will allow us to add functionality for less cost. Since companies all over the world are using the same product, there will be more resources for technical staffing, and it will be easier to transfer what we've learned and our transparency functions to other government entities.

Also, compared to other states, we show all payments, not just payments on contracts. The detailed transactions reflect how the state spends its funds. For 2010-11, the state can expect to have \$77.1 billion in funds available for general-purpose spending.

F Other Distinguishing Features (Optional)

I. Highlight any other noteworthy features about your project/program.

Search engines can easily find Where the Money Goes, and every state agency's Web site links to it.

Four types of searches give information at various levels:

- Purchasing Code Search — Gives the detail, showing small-dollar purchases by the state's largest state agencies, down to the pencils.
- Spending Category Search — Gives a bigger picture, showing how much is spent in pre-defined, broad spending categories.
- Agency Search — Shows agencies' spending by category.
- Vendor Search — Shows payments to vendors, including when a transaction was processed.