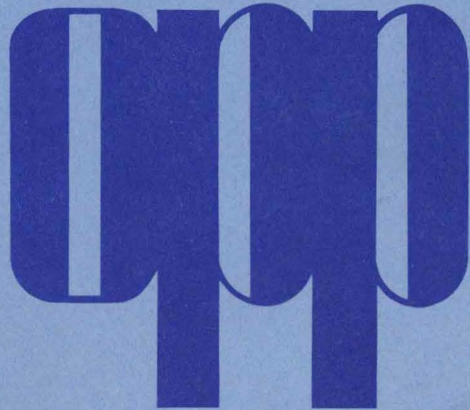


HN
116
.J8
C6
1969



Office for Planning
and Programming
State Capitol
Des Moines, Iowa



353.9
Iow

LIBRARY
Iowa Employment Security Commission
1000 East Grand Avenue
Des Moines, Iowa 50319

MANUAL FOR THE
BIENNIAL DEVELOPMENT PLAN
STATE OF IOWA

(Abridged)

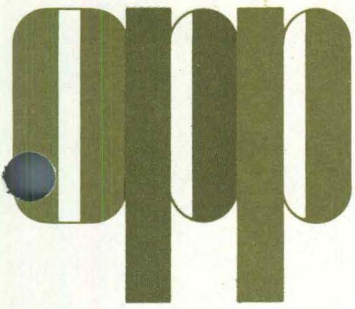
Prepared By The

Office for Planning and Programming
State Capitol
Des Moines, Iowa 50319

Through A Contract With

Public Administration Service
1313 East Sixtieth Street
Chicago, Illinois 60637
March 1969

The preparation of this report was financed in part through a comprehensive planning grant from the Department of Housing and Urban Development.



STATE OF IOWA

Office for Planning and Programming

STATE CAPITOL DES MOINES, IOWA 50319 TELEPHONE 515 281-5974

LEROY H. PETERSEN
Director

December 30, 1969

The Honorable Robert D. Ray
Governor, State of Iowa
State Capitol
Des Moines, Iowa 50319

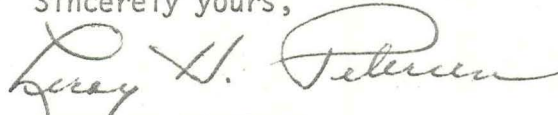
Dear Governor Ray:

Prompted by your strong interest in improving state budget concepts and procedures, my staff has edited and reprinted this *Manual for the Biennial Development Plan* for the State of Iowa, which was originally prepared for us by Public Administration Service.

My staff believes that the conceptual essays contained in the *Manual* are the most appropriate starting point for budget and planning revisions in Iowa. The current State Education Budget Revision Project should be strengthened considerably by the increased availability of the *Manual*. The PAS staff responsible for preparing the *Manual* deserve particular praise for their highly practical and direct approach to Iowa needs, and I call your attention to their names in the attached PAS letter of transmittal.

J. Robert Krebill of my staff has shortened the *Manual* somewhat by including only one set of sample forms and by eliminating appendices which are of internal interest only. We hope the concepts and procedures contained herein will be critically reviewed so that we can further improve future editions.

Sincerely yours,



LEROY H. PETERSEN

LHP:knh

PUBLIC ADMINISTRATION SERVICE



1313 EAST SIXTIETH STREET • CHICAGO, ILLINOIS • 60637

March 14, 1969

Mr. Leroy H. Petersen, Director
Office for Planning and Programming
State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Petersen:

We are pleased to transmit this Manual for the Biennial Development Plan for the State of Iowa. The manual was completed as one of the products called for by our agreement with your office, dated March 14, 1968.

This document is closely related to the two-volume draft Biennial Development Plan (BDP) for the Department of Social Services published in November, 1968, as another of the products of the agreement mentioned above. The manual describes the processes and procedures (including sample forms and instructions for completion) necessary and sufficient to the preparation of departmental biennial development plans.

Unlike most manuals, this one also discusses the nature of the biennial development planning process and the progress Iowa has made to date in installing the process. Based on the review of progress to date, the manual proposes possible next steps and suggests means of accomplishing them. As steps are completed, the parts of the manual treating them should be omitted and other parts of the manual revised to reflect the changes.

In addition, the manual discusses broader developments in administrative practices which have special relevance for biennial development planning. It is in this context that biennial development planning comes into sharp focus as a modification and extension of program budgeting. The manual and BDP for the Department of Social Services provide a solid base for improving the planning, budgeting, and accounting processes of Iowa State Government.

G. Stephen Lloyd and Michael Meriwether of the regular staff of Public Administration Service, working under my general direction, participated in the development and preparation of the manual. Dr. Burton D. Friedman edited parts of the manual.

The production of the manual and the Department of Social Services' BDP would have been impossible without the unusual degree of cooperation and assistance provided by members of your staff and officers and employees of the Department of Social Services. We want to take this opportunity to express our appreciation for this help. J. Robert Krebill of your staff deserves a special note of thanks for his outstanding performance in maintaining liaison between OPP and PAS and drafting sections of the Department of Social Services' BDP.

Sincerely yours,

G. M. Morris

G. M. Morris
Associate Director

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. ADMINISTRATIVE TECHNIQUES AND METHODS RELATED TO THE BDPP	5
Systems Analysis	5
Related Approaches and Techniques	6
Value Engineering	8
III. THE CURRENT SETTING FOR THE BDPP IN IOWA STATE GOVERNMENT	15
Recent Developments Related to the BDPP	15
Areas for Further Improvement	17
IV. ESTABLISHING PROGRAMS AND PROGRAM STRUCTURES FOR BIENNIAL DEVELOPMENT PLANNING	21
Approach	21
Terms and Concepts in Biennial Development Planning	22
Biennial Development Planning	23
Goals	25
Objectives or Program Objectives	28
Policies	28
Activities	29
Program	30
Program Working Papers	32
Program Directory	32
Program Structures and Multiple Program Structures	33
Information System	33
Management Information System	33
Cost Centers or Data Centers	34
Categories and Subcategories	35
Quantitative Measurements and Qualitative Evaluations	35
The Identification and Description of Programs and Program Structures	36
Problems in Identification of Programs and Program Structures	36
Working Papers and Multiple Program Structures	39
Procedures for the Identification and Description of Programs	42
Uses of Program Working Papers and Program Directory Statements	48
Program Data and Management Information Systems	48
Quantitative Measurement and Qualitative Evaluation of Programs	51
Measuring a Program Quantitatively	52
Evaluating Program Effectiveness	56
Program Analysis and the Goals of State Government	57
Application of the Products of Program Analysis	59

TABLE OF CONTENTS (continued)

	<u>Page</u>
V. THE BIENNIAL DEVELOPMENT PLANNING CYCLE	63
VI. ASPECTS OF BIENNIAL DEVELOPMENT PLANNING	67
Possible Products of the BDPP	67
Long-Range Plans	68
Mid-Range Plans	71
Biennial Development Plans	71
Capital Improvements Program	72
BDP and Capital Improvements Program Execution Plans	72
Program Evaluation Reports	73
Special Analyses	73
Instructions and Policies for Preparing BDPs	74
BDPP Circulars and Memorandums	76
Basic BDPP Files	77
Revenue Estimating	79
Sources of Revenue Estimates	80
Data Assembly and Maintenance	80
Preparation of Estimates	82
Final Estimates	82
Tax Research	83
VII. BDPP FORMS AND INSTRUCTIONS	85
General Comments on BDPP Forms	85
The Order of Appearance of Forms in Department BDPs	86
Common Data Required by Forms	90
Form D- 1	92
Form D- 2	94
Form D- 3	96
Form D- 4	98
Form D- 5	100
Form D- 6	102
Form D- 7	104
Form D- 7A	106
Form D- 8	108
Form D- 9	110
Form D-10	112
Form D-11	114
Form D-12	116
Form D-20	119
Form D-30	122

TABLE OF CONTENTS (continued)

	<u>Page</u>
EXHIBITS	
<u>Figures</u>	
I. The Value Engineering Process	10
II. The Biennial Development Planning Cycle	(follows page) 64
III. Basic BDPP Files Maintained by State Government Agencies	78

APPENDICES

A. Glossary	
B. Basic State Budgeting and Accounting Laws	
C. Examples of Tables of Contents for Departmental and Executive BDPs	
D. Examples of Completed BDP Forms	} NOT INCLUDED IN THIS EDITION
E. Notes on Coding for BDPP Information Systems	
F. Schedule for Establishing the Biennial Development Planning Process	

Section I
INTRODUCTION

This manual describes the Biennial Development Planning Process (BDPP) and sets forth the procedures and forms for departments to complete Biennial Development Plans (BDP). The manual is based on a pilot project which produced a draft BDP for the Iowa Department of Social Services.^{1/} The draft BDP--especially introductory and explanatory materials in Volume I--should be reviewed, when possible, in conjunction with the use of this manual.

The BDPP is fundamentally a budgeting and accounting process. The terms BDPP and BDP have been adopted to emphasize the differences between this process and other approaches to budgeting and accounting. A major difference is that the BDPP concentrates on the "outputs"--goods and services--produced by the expenditure of resources instead of "inputs"--objects of expenditure. This shifts attention from things money buys to things accomplished by expending resources. The BDPP does not ignore input data; it simply puts it to greater use in making decisions concerning public resources.

The output orientation results in a second major difference. Input oriented budgeting and accounting processes are of little use for anything more than keeping track of the things or services purchased. They provide no insight into questions such as: (1) why are particular things and services to be purchased, (2) what will the expenditures accomplish in relation to the goals and objectives of government, (3) is this the most effective possible use of resources in pursuing the ends of government, and (4) what alternative uses could be made of resources. The BDPP also keeps track, but it does so in a way that helps to raise and answer questions such as the above.

^{1/} Draft Biennial Development Plan, Department of Social Services, two volumes, prepared by the Office for Planning and Programming, dated November 4, 1968.

Thus, the BDPP, while centrally focused on budgeting and accounting, is an important element in the processes of planning, programming, and evaluating. In other words, it is a device aimed at identifying the goals and objectives of state government, determining appropriate means (programs) for realizing them, identifying resources (fiscal, personnel, and others) required to implement programs, keeping track of the use made of resources to insure that they are used efficiently and economically in accord with agreed-upon objectives and policies, and analyzing the effectiveness of programs and patterns of resource allocation in relation to accomplishing goals and objectives. The BDPP provides the means for integrating the major management functions of planning, programming, budgeting, accounting, and evaluating.

Departmental Biennial Development Plans are, in effect, departmental budgets for a biennium. They constitute the basic source material for the preparation of the Governor's budget document--the Executive Budget--for submission to the General Assembly. This manual is concerned with departmental BDPs and only peripherally touches on the Executive Budget. If the manual is followed in preparing departmental BDPs, the Executive Budget will change since it is basically a summary document. It concentrates on those parts of departmental budgets requiring legislative decisions and excludes detailed routine information insofar as possible. The manual provides the guidelines necessary for revising the format and contents of the Executive Budget.

The manual consists of seven sections. Following this introductory section is a brief discussion of some administrative techniques and methods related to the BDPP. A third section reviews the current setting for BDPP in Iowa State Government. The subsequent section explains a method for establishing programs and program structures. Sections V, VI, and VII outline the BDPP cycle and assignments of responsibilities, describe the steps involved in the process, and present BDP forms and the instructions for their completion.

The manual deals with a flexible and changing process. The BDPP as presented here is not the ultimate in budgeting and accounting systems. It represents a significant advance over present practices in Iowa State Government. However, further advances are possible based on this initial step and should be made to provide adequate systems for management's use. When the BDPP is modified, appropriate changes should be made in the manual.

Section II

ADMINISTRATIVE TECHNIQUES AND METHODS RELATED TO THE BDPP

The BDPP is both a general approach to managing the resources of the state government and a group of techniques and methods drawn from many fields that are used in solving particular problems and making particular decisions. The bulk of this manual is concerned with the general approach--this section treats briefly the techniques and methods used in more specific situations. Many aspects of the approach and techniques are new, having been developed during or after World War II; a few have a longer history.

Systems Analysis

All aspects share in common a systems orientation. They are used to analyze problems and situations existing within a defined system. A system is a set of objects or entities among which a set of relations is identified. These relations are studied in order to understand the way the system operates or behaves. This kind of study is labelled systems analysis.

Under this definition of system, any two or more objects could be identified as a system since it is possible to specify some relations among any two or more objects--even if the relations are as general as the existence of the objects in some sensory, intellectual, or dimensional terms. A state government is an object in (part of) many larger systems such as the international or national economic, social, or political systems. A state government also may be treated as a total system. Finally, within a state government, it is possible to identify countless smaller systems--for example, it is logically possible to specify any two or more employees of the state as a system. Obviously, there must be a limit to the number of systems identified for analysis.

The selection of systems to be analyzed is an initial and important problem in systems analysis. Selecting systems for analysis is a matter of sorting out the most interesting systems. What makes one system more interesting than another is the nature and intensity of relations among the objects constituting the system. Thus, a system consisting of three clerical employees from as many different agencies related only through their common employment by the state government is of little interest to anyone including the three employees. Systems composed of organizational units such as departments or their subdivisions are much more interesting, for they are based on relations of authority and responsibility among employees for performing specified work.

Systems based on organizational relations were the first public entities subjected to systems analysis and remain the most commonly used. In recent years, there has been a strong move to define public systems based on the relations between work performed and the ends (goals and objectives) for which it is performed. This has been labeled the program approach and differs from the organizational approach. Programs often cut across organizational structures. Much of current systems analysis, including the BDPP, adopts a program approach.

The concept of Planning-Programming-Budgeting Systems (PPBS) is the combination of the techniques and methods of systems analysis with a program approach. The BDPP differs from PPBS only in relatively minor respects. It places more emphasis on planning and is designed to permit the use of a wider range of analytic techniques and methods.

Related Approaches and Techniques

There are a confusing number of approaches and techniques for studying organized activity. The International City Managers' Association's (ICMA) recent publication, Introduction to Systems Analysis, Report No. 298, points out that management science (operations research) and systems engineering are the two disciplines which have contributed most to systems analysis. Under those two subheadings, they provide a partial list of approaches related to systems analysis:

Industrial Engineering	Decision Theory
Work Simplification	Micro-Economics
Statistics	Planning Theory
Econometrics	Applied Mathematics
Communications Theory	Computer Science
Quality Engineering	Information Systems
Systems and Procedures	Ecology
Cybernetics	Data Processing
Human Factors Engineering	Management Analysis
Demography	Control Systems Engineering
Social Psychology	General Systems Theory
Regional Science	

Each of these approaches uses a number of analytical tools. Tools vary widely in their complexity from common-sense checklists of questions for consideration to intricate mathematical analyses such as gaming or game theory. Four of the techniques most often used in systems analysis are cost-benefit analysis, simulation, linear programming, and network analysis. The ICMA report mentioned above describes these techniques in the following terms:

Cost-Benefit Analysis. . . . Cost-benefit analysis endeavors to assign dollar values to all costs and all benefits of a group of alternative courses of action to determine which alternative yields the greatest benefits for any given cost. . . . cost-benefit analysis is one of the most difficult [tools] to apply in social areas. The primary difficulty in practice is determining all the costs and all the benefits of each course of action and then assigning accurate dollar values to each. . . . Cost-benefit analysis is generally used in ill-structured resource allocation problems where there is insufficient knowledge to allow a more precise determination of the best solution to the problem. Many practitioners of operations research . . . view it only as a very general approach which must rely on particular methods and techniques to predict and evaluate consequences of alternative course of action.

Simulation. . . . is simply the use of dynamic models--whether physical, mathematical, or procedural--determining results which might be obtained from the real system by varying elements in the model. Simulation is designed to answer questions of "what would happen if"

Linear Programming. . . . This technique is used to determine the best allocation of an organization's limited resources where there is a single criterion of success and where the alternatives are clearly structured. . . . Although linear programming problems frequently involve thousands of variables, the use of tested mathematical techniques and the availability of large-scale computers make it possible to find a single allocation of resources that will provide the greatest dollar profit. A single best solution can also be found by using linear programming where there is a different criterion than dollar profit.

Network Analysis. . . . seeks to find the one best schedule of steps for carrying out operations where certain steps must follow others. . . . The critical path method (CPM) and the program evaluation and review technique (PERT) are specific examples of network analysis techniques. . . . Network analysis can be used to find the single best schedule of operations where the criterion is either cost or time. Network analysis is also applicable when it is desired to use personnel or facilities at an even rate and to arrange the schedule of activities for that purpose.

The BDPP creates an environment facilitating the use of these and other techniques. At the same time, the effectiveness of the BDPP is dependent on the use made of these techniques. If they are well used, the BDPP will be immensely useful to management; if poorly used, the BDPP will be ineffective and an extravagant use of resources.

Value Engineering

Value engineering or value analysis is yet another approach to providing management the tools it needs to solve problems and make sound decisions. It is considered separately here because it has sometimes

been proposed as a preferable alternative to PPBS or BDPP. Actually, value engineering is similar to PPBS and BDPP, although a more limited approach. The BDPP as described in this manual is broad enough to cover value engineering. Therefore, there is no need to create a separate value engineering program. This will be clearer from a short discussion of value engineering.

Value engineering has been defined as "an organized approach that clearly and simply defines the need for, and the requirements of, equipment, structures, and services; establishes minimum cost targets for these needs and requirements; and provides a systematic and rational procedure for the application of the creativity and initiative necessary to reach these cost and performance targets. . . . it is focused on answering six questions:

- (a) What is currently being done or specified?
- (b) What does, or will, it cost?
- (c) What is the basic need or requirement to be met?
- (d) What is the minimum possible cost?
- (e) What are the potential alternative approaches?
- (f) What will each alternative cost?^{2/}

One highly formalized version of value engineering and analysis is summarized in Figure I. This summary suggests the usefulness of the process as an orderly approach to analyzing problems. It also points up some of the major characteristics and limitations of the process. To begin with, value engineering is a relatively simple approach relying on ordered common-sense questions to be raised as analysis of a situation or problem progresses. It is not a useful approach in cases which require the rigorous, scientific logic employed in, for example, certain kinds of mathematical or statistical techniques.

^{2/} U. S. Congress, Senate, Committee on Public Works, Hearings, Value Engineering, 90th Congress, 1st Session, 1967, p. 6.

Figure I
THE VALUE ENGINEERING PROCESS

Basic Steps of the Process	Phases of the Job Plan	Techniques Used
<p>1. <u>Identify the Function.</u> Any useful product or service has a prime function and may have secondary functions. It is necessary to identify functions before proceeding to examine the cost of each with the aim of determining its appropriateness or of finding some other, lower-cost way of accomplishing that particular function.</p>	<p>1. <u>Orientation.</u> Establish what is to be accomplished, the real need or want, and characteristics of a desirable way of meeting the need or want.</p> <p>2. <u>Information.</u> Secure all information pertinent to the problem under study.</p>	<p>1. Avoid generalities. 3. Get answers from best sources. 6. Overcome roadblocks. Identify what prevented improvement earlier and eliminate these obstacles.</p>
<p>2. <u>Evaluate the Function by Comparison.</u> The basic question "Is the function accomplished reliably at the best cost?" can be answered only by comparison with other approaches which omit the particular function or accomplish it in different ways.</p>	<p>2. <u>Information.</u></p>	<p>1. Avoid generalities. 2. Know costs. 3. Get answers from best sources. 6. Overcome roadblocks. 8. Put value on key tolerances. This means putting a dollar sign on tolerances specified for certain products. 9. Use available products wherever possible. 11. Use specialty processes. This technique is intended to reduce the gap between the development of specialized processes and general awareness of their availability. 12. Use applicable standards. Do not use standards that do not apply.</p>

Figure I (continued)

Basic Steps of the Process	Phases of the Job Plan	Techniques Used
<p>3. <u>Cause Value Alternatives to be developed.</u> Realistic situations must be faced; objections overcome; and effective engineering, manufacturing, and other alternatives developed.</p>	<p>3. <u>Speculation or Creation.</u> Generate every possible solution to the overall problems involved, to the parts of problems, and to the individual problems.</p>	<p>4. Blast, create, refine. Generate alternative products, materials, processes, or ideas for accomplishing the function; use creativity to generate alternative means to modify concepts revealed by blasting to accomplish a large part of the function with pertinent increases in cost; and refine the alternatives until a process is identified that fully accomplishes the total function.</p> <p>5. Use real creativity. Avoid intemperate rejection of alternatives.</p> <p>13. Spend money as own. Use the criterion, "Would I spend my money this way?"</p>
	<p>4. <u>Analytical.</u> Estimate dollar value of alternatives, explore advantages and disadvantages of alternatives and ways of overcoming disadvantages, and select the most promising ideas and approaches.</p>	<p>1. Avoid generalities.</p> <p>3. Get answers from best sources.</p> <p>8. Put value on key tolerances.</p> <p>9. Use vendors' functional products.</p> <p>11. Use specialty processes.</p> <p>12. Use applicable standards.</p>
	<p>3. <u>Creative.</u></p>	<p>4. Blast, create, refine.</p> <p>5. Use real creativity.</p> <p>7. Use industry specialists.</p> <p>9. Use vendors' functional products.</p> <p>10. Use vendors' skills.</p> <p>11. Use specialty processes.</p> <p>12. Use applicable standards.</p>
	<p>4. <u>Analytical.</u></p>	<p>1. Avoid generalities.</p> <p>3. Get answers from best sources.</p> <p>6. Overcome roadblocks.</p> <p>13. Spend money as own.</p>

Figure I (continued)

Basic Steps of the Process	Phases of the Job Plan	Techniques Used
<p>5. <u>Program Planning.</u> Establish a program of investigation which will provide the latest information on, and the latest capabilities of, each of the approaches to the problem that show promise. Supply all needed information to specialists and vendors to stimulate new, applicable, and effective solutions.</p>	<p>3. Get answers from best sources. 6. Overcome roadblocks. 7. Use industry specialists. 9. Use vendors' functional products. 10. Use vendors' skills. 11. Use specialty processes. 12. Use applicable standards.</p>	
<p>6. <u>Program Execution.</u> Pursue constantly, regularly, thoroughly, and intensively each of the avenues set up in the program-planning phase until all the suggestions have been appraised and evaluated.</p>	<p>3. Get answers from best sources. 6. Overcome roadblocks. 7. Use industry specialists. 9. Use vendors' functional products. 10. Use vendors' skills. 11. Use specialty processes. 12. Use applicable standards.</p>	
<p>7. <u>Status Summary and Conclusion.</u> Issue a concise summary of the analysis with appropriate conclusions and recommendations, and direct the summary and supporting data to individuals responsible for making decisions on the subject of the analysis.</p>		

Source: Adopted from Lawrence D. Miles, Techniques of Value Analysis and Engineering (New York: McGraw-Hill Book Co., Inc. 1961).

Second, value engineering, as the title implies, is concerned with costs expressed in fiscal terms in relation to production (functions accomplished). For the most part, it is not concerned with values other than dollars and productivity. Situations which involve other values are not amenable to the value engineering approach.

A related further limitation is that value engineering is heavily oriented to cases in which it is possible to identify most, if not all, significant variables and even assign them weights relative to their effect on costs or productivity. Examples include cases where a specific product is manufactured (electric power, license plates) or an uncomplicated service provided (park operation and maintenance, garbage collection and disposal), engineering problems such as location of a highway route, and public works projects.

Value engineering is a useful but limited approach. Both PPBS and the BDPP are broader approaches capable of subsuming value engineering. That is, there is no need for a separate value engineering program where PPBS or the BDPP are in operation. Under either approach, value engineering becomes another analytical tool to be used on appropriate occasions.

Section III

THE CURRENT SETTING FOR THE BDPP IN IOWA STATE GOVERNMENT

Iowa State Government has undergone many progressive changes in recent years. The acceptance of the need to take positive action to improve the management of public affairs is an encouraging sign for initiating the BDPP. There remain certain areas where further improvements could be made which would facilitate establishing the BDPP. This section lists some of the accomplishments and discusses matters needing more attention. More specifically, it touches on (1) organizational arrangements, processes and procedures, and legal and policy bases for state planning, programming, and budgeting and (2) activities and relationships of various organizational levels of state government in the area of planning, programming, and budgeting.

Recent Developments Related to the BDPP

Several efforts have been made to strengthen the planning, programming, budgeting, and accounting processes in Iowa State Government. The Office for Planning and Programming (OPP) was created in 1967, giving separate organizational recognition to planning as an important activity of government. Since its inception, OPP has initiated a number of activities (including this manual and the Draft Biennial Development Plan for the Department of Social Services) to strengthen the over-all state planning and budgeting capabilities. In addition, OPP has completed several planning projects directed at specific subjects and problems. Legislation has been drafted to institutionalize the planning process.

The Office of the State Comptroller is legally responsible for controlling the budgeting and accounting processes. It is continually instituting improvements to those processes. A representative example is the attempts to introduce the concepts and techniques of program budgeting and

PPBS into a line-item, organizational unit type of budget. The Comptroller in his instructions to departments on budget requests for the 1969-1971 biennium asked for the following additional material:

1. What are your objectives?
2. What will it cost to achieve each of your objectives?
3. What are your long-range goals (5-10 years)?
4. Are any of your program objectives related to those of other departments or governmental agencies?
5. What is the level of your present work load, and are you able to fulfill all the requirements? Has this increased, decreased, or remained the same? What do you anticipate this to be in the future?
6. An organization chart as of June 30, 1968, designating any proposed changes for 1968-1969 and the effects on staffing.

As is to be expected, this request produced mixed responses. Some agencies were able to produce good material in the short time available. Other agencies were less successful. Adequate responses to such questions require long and careful thought for which time is not available during the budget cycle. It is reasonable to assume that most agencies making the best responses had developed answers earlier. Section IV of this manual proposes an approach to answering such questions which recognizes the need for sufficient time to do a good job.

The Comptroller is also modifying the accounting system to increase its flexibility as a source of information useful for many management purposes. A category of cost centers is being established in the accounting system. This will permit the use of cost accounting techniques and may be suitable for certain program-oriented procedures.

One consequence of these and other related activities of OPP and the Comptroller's Office is to increase the amount of work involved in planning, budgeting, and accounting. This is a necessary cost justified by the additional benefits resulting from improving the processes. The work load exceeds the capacities of central staff agencies and, therefore, it

must be divided among all the various agencies of state government to avoid placing an onerous burden on an individual department or group of departments. PPBS and the BDPP lead to decentralization of planning, programming, budgeting, and accounting responsibilities and activities. Individual agencies must have staff and resources to do the work necessary to discharge these responsibilities. Iowa State Government is fragmented among some 120 agencies--most of the agencies are too small to command the necessary staff and resources. The creation of the Departments of Social Services and Revenue was a start on reorganizing state government in accordance with the recommendations of several studies. These reorganized departments are large enough to justify units concerned with planning, programming, and budgeting.

The 62nd General Assembly established a merit system of personnel administration for state employees; and since that time, a classification and pay study has been completed. This contributes to an environment facilitating recruitment and retention of the highly skilled personnel needed to operate the BDPP. Eventually, the statewide personnel system should make it possible to develop and offer training programs to instruct personnel in the use of BDP techniques.

Areas for Further Improvement

Despite the impressive progress made to date in Iowa, there are many unmet challenges. The most serious challenge was touched on above--the need to complete the reorganization of state government. The subject was explored thoroughly in the most recent study of the executive branch, completed by Public Administration Service in 1966.

There is a need to clarify organizational arrangements for accomplishing the work involved in the BDPP. To date, there has been impressive cooperation among the agencies involved in the initial phases of establishing the BDPP. As the effort progresses and involves more agencies, it is imperative to clarify who does what when. This requires:

1. Spelling out the Biennial Development Planning Process and procedures step by step. (The manual largely accomplishes this phase.)
2. Formally assigning responsibility for the completion of each step to the appropriate agency or agencies. This establishes a sound policy base for the BDPP. (The manual provides guidelines for assigning responsibilities.)
3. Identifying relations among the steps and among the various organizational levels of state government involved in the BDPP. (The manual partially covers this.)
4. Institutionalizing the BDPP through the enactment of necessary legislation and the establishment of related rules, regulations, and policies.

The existing legislative base for budgeting and accounting (Appendix B contains the relevant statutes) needs to be analyzed and modified to suit the requirements of the BDPP. Present statutes reflect the line-item, object of expenditure, organizational unit approach to budgeting and accounting. They are too detailed and explicit which reduces the flexibility essential to the BDPP. An example of excessive detail is the specification of the contents of the Executive Budget. Consideration should be given to drafting legislation which is general rather than specific. An adequate legal base for the BDPP is one which establishes the general requirements for budgeting and accounting, assigns responsibility and authority for meeting those requirements to appropriate agencies, and leaves those agencies the discretion to determine the best means of fulfilling the requirements.

OPP was created by executive order rather than statute. As part of institutionalizing planning in state government, OPP should be given a statutory base. It would be best to accomplish this in conjunction with revising existing laws governing budgeting and accounting to insure a legal base conducive to an integrated system of planning, programming, budgeting, accounting, and evaluating.

The roles of OPP and the Comptroller's Office in the BDPP need to be specified and working relationships established. This will help avoid some of the difficulties which arise when two organizational units have overlapping responsibilities. Both agencies are deeply involved in activities directed at initiating the BDPP. As the process becomes more established, the areas of overlap and potential conflict will become apparent. A certain amount of overlap can be healthy, provided it is understood and accepted.

The decentralization associated with the BDPP means that more individuals will be involved in planning, programming, and budgeting at all organizational levels of government from program managers and their staffs to the Governor and members of the legislature. Many of these individuals will need some kind of training to participate effectively. Suitable training programs should be provided ranging from short workshops to longer, intensive sessions. In addition to training employees, it will be necessary to hire some additional personnel with skills and experience related to the BDPP. Effective utilization of the BDPP depends on having sufficient competent personnel for the legislative as well as for the executive branch.

The installation of a working biennial development planning process throughout state government will take at least two to three bienniums. It takes that long to introduce basic changes in a budgeting and accounting system. Of course, even in the early stages, the BDPP will produce real benefits through improved analysis of situations requiring decisions about the use of public resources.

The extended period required to develop fully the BDPP makes it important to have legislators and top officials in the executive branch committed to completing the task. Jurisdictions in which such commitment was lacking have tended to complete only part of the job. A partial effort produces benefits, but realization of the full utility of the BDPP depends on installing the complete process. The commitment must extend beyond a general approval of the BDPP to specific agreements on procedures, schedules, and resources. The Comptroller's Office and OPP should jointly develop and keep current a work plan for installing the BDPP, showing for each step of the project the period in which it will be accomplished, the resources it will consume, and the agency or agencies responsible for completing it.

Section IV
ESTABLISHING PROGRAMS AND PROGRAM STRUCTURES FOR
BIENNIAL DEVELOPMENT PLANNING

Approach

It is worth stressing that the Biennial Development Planning Process (BDPP) outlined in this manual is only a beginning step toward realizing the potential benefits of using existing analytic methods and techniques and technological products. The completion of this step will make it possible to take some of the next steps to improve further the planning, budgeting, and accounting activities of Iowa State Government.

The most immediate results of installing the BDPP will be the greater integration, utility, and effectiveness of the management processes of planning, programming, budgeting, accounting, and evaluating. Resources--most often expressed in fiscal terms--of an enterprise are managed primarily through these processes. The five processes share a predominant fiscal orientation. Their strength is dependent to an important extent on the kinds of budgeting and accounting systems in operation. The more limited and rigid these systems are the more they constrain the range of actions and results possible in each process.

The major objective of biennial development planning is to increase the flexibility and capacities of the budget and accounting systems as a direct means of improving the planning, programming, budgeting, accounting, and evaluating processes. The installation of the BDPP accomplishes this objective by modifying and extending present budget and accounting systems through the introduction of concepts and procedures common to program budgeting and planning, programming, and budgeting systems (PPBS).

The first phase in creating an operational BDPP consists of establishing and describing programs and program structures and designing certain program-oriented procedures. This section of the manual explains

the work required to complete phase one. It begins, in the following subsection, by defining and discussing several concepts and terms relevant to the BDPP.

The next subsection covers means of identifying and describing programs and program structures. Some aspects of designing program-oriented management information systems are explained in a fourth subsection. The subject of the final subsection is the quantitative measurement and qualitative evaluation of programs.

Terms and Concepts in Biennial Development Planning

The concept of program has been in vogue for nearly two decades. In this period, it has proven to be useful in that it focuses attention on governmental goals and the work performed to realize those goals. Accordingly, the tendency has grown to give administrative processes and techniques a program orientation; witness such increasingly common terms as "program budgeting," "program planning," "program evaluation," and, most recently, "planning-programming-budgeting systems (PPBS)." Many other terms and concepts have been defined, in some sense, in relation to the concept of program.

This subsection defines the criteria of good definitions of such terms, offers definitions of several of them, and discusses them as elements of biennial development planning. (Shorter versions of the definitions of these as well as other terms are in the Glossary which forms Appendix A of this manual.)

The definitions derive from a "systems approach" to biennial development planning. In systems terms, government is a structure of differentiated roles developed to contribute to successful functioning of the political system. The political system consists of those interactions through which values are authoritatively allocated for a society. It is necessary because the tangible or intangible things that are desired (i.e., considered valuable by individuals or groups) are in limited supply. Allocations are authoritative in the sense that they are accepted by the concerned parties. Without a means of authoritatively

allocating values, conflict over valued things would make society impossible. One of the primary functions of government, as part of the political system, is to help determine who is to receive what share of valued things. The executive branch of government shares in these determinations, but its primary responsibilities center on administering the operations that effectuate the decisions allocating values.

Many of the terms included here and in the Glossary have been defined in countless ways to suit a wide variety of specific situations. The definitions in this manual are tailored to suit the particular subject of biennial development planning for Iowa State Government at this point in time. No claim is made for their wider validity.

Biennial Development Planning (See Section II for a related discussion.)

Biennial development planning is the process of determining the course of action to be pursued by state agencies for a particular biennium. It is an effort to discover and set forth the mix of objectives, policies, priorities, activities, and resources that will maximize progress toward the attainment of long-range goals. Steps in the BDPP include:

1. Review long-range goals and the current position of government in relation to those goals.
2. Define and analyze alternative strategies (i.e., mixes of objectives, policies, priorities, and activities) for progressing toward attainment of goals.
3. Develop estimates of all resources required to implement each strategy. Estimates should provide fairly accurate data for the next biennium plus more general projections of costs for subsequent bienniums.
4. Select one pattern of strategies and resources as a plan for the biennium, and express it in a formal document as a detailed proposal for the legal and fiscal authority to carry it out. This document is the Biennial Development Plan (BDP).

5. After the General Assembly provides the necessary authority, prepare a plan for executing the authorized version of the BDP.
6. Evaluate the execution of the BDP relating resources used to work accomplished, objectives realized, and progress made toward attainment of long-range goals.

Considered one at a time, there is nothing new about any of these steps. All are performed in some fashion by every public jurisdiction. The BDPP is one specific approach to completing the steps. It differs from most other approaches in several respects:

1. It is more formal--procedures are clearly defined and detailed, reports and other products are called for on a regular schedule, and responsibilities are explained and assigned to all participants.
2. It employs the analytic techniques and methods of systems analysis and operations research.
3. It searches for relationships among the various steps of the process and ways of tightening such relationships.

Installing the BDPP starts with modifications to the budgeting and accounting systems for several reasons. In the first place, these are the systems which contain the rudimentary forms of the steps in the BDPP. At the least, these systems produce estimates of revenues available and resources required during future periods and records of past and current expenditures. These data are incorporated into published documents ranging from budgets to accounting and auditing reports.

Second, the primary purpose of the BDPP is to facilitate the making of better decisions in the management of public affairs--decisions that inevitably may be reduced to statements of intent to increase, decrease, or maintain constant the work performed by government. Decisions on the kinds and amounts of work to be performed involve determinations of the resources required. In this way, data on fiscal and other resources are central to the BDPP just as they are to more traditional budget and accounting processes.

Third, personnel involved in budget and accounting work are more likely to have training and experience which will enable them to readily master changes introduced by the BDPP.

Goals

The BDPP is focused on the work performed by government from the perspective of how work contributes to realization of goals and their subordinate objectives. Goals are the ends for which work is performed.

Governmental goals may be divided into two major categories. The majority of the goals of government are shaped as individuals, and groups make their demands on the political system for a share of valued things. Among other things, for example, individuals and groups value physical and mental health. They make demands on the political system to help realize this value to the fullest possible extent. To make a positive response to those demands, the political system might decide formally to recognize that providing for the physical and mental health of the citizenry is a goal of government.

The fulfillment of this goal (or value) is limited in two major ways. In the first place, health can be defined in such a way (e.g., total absence of illness and disability) that its attainment exceeds the capacities of man's knowledge and skills. Realistically, therefore, the goal of "health" must be defined in relation to what is possible within the present or foreseeable limits of man's knowledge and skills. Men's knowledge is limited in all fields, of course; therefore, goal fulfillment in each field is subject to this basic limitation. Secondly, health and all other valued things compete for the available supply of scarce resources (money, personnel, materials) that are needed to engage in the activities essential to goal achievement. Acknowledging these limitations on both knowledge and resources, a governmental goal concerned with health might be formulated as follows: "to provide, within the limits of man's knowledge and skills and to the extent resources are available, for the physical and mental health of the citizenry." Once it is understood that these dual limitations apply to virtually all goals, it is unnecessary to repeat them in every formal statement of goals.

From this point of view, goals describe how values have been authoritatively allocated, and they should refer to who is to receive what share of which valued things. In the case of the health goal just stated, for example, the citizenry (presumably excluding noncitizen residents) is to receive valued physical and mental health; the share to be received is defined by the limits of man's knowledge and skills and available resources. This way of stating the share of valued things to be received is not very precise. To state the share of valued things allocated, in fact, probably presents the greatest difficulty in formulating informative goals. Some improvement might be made by restating the comprehensive health goal: "to provide for the physical and mental health of the citizenry by reducing morbidity and mortality rates"; or "to provide for the physical and mental health of citizens by making available to all the foundation program of services set forth in Document X." Obviously, these statements remain inadequate in many respects. Precision necessarily decreases as goals become broader and more complex. Clarification and precision can be introduced through the careful statement of goals and their subordinate objectives (as defined below).

This use of "goal" differs significantly from some common definitions. Goals often have been defined in ways that link them necessarily to the fundamental needs of the clientele to be served by an organization. Under a definition of this kind, governmental activities would be legitimate only if they were directed at some fundamental need of the members of the society. To identify fundamental needs requires judgments which, by the very nature of the subject, cannot be objective. These difficulties are avoided in the definition adopted here. "Valued" things may or may not include, among other things, "fundamental" needs. It is possible to conceive of objective means of identifying valued things and, indeed, of objectively measuring (at least roughly) the magnitude of desire for valued things.

In the social sciences, "goal" frequently denotes any change in a situation which a person or a group intends to bring about through his or its action. This definition does not conflict with the characterization

of a goal as the manner (way) in which values have been authoritatively allocated, for allocations and activities effectuating allocations also imply change. It should be noted that the social science definition of goal is closely linked to the definition of objectives given below.

There is a second major category of governmental goals; these goals are concerned with activities directed at maintaining or strengthening governmental processes and the political system. An example of such a goal might be "to recruit and retain the best available personnel." Statements of goals in this category should specify, insofar as possible, the nature and magnitude of the desired efforts for sustaining or strengthening the system. The activities related to these goals are generally labeled administration and support. Such goals do not normally involve an allocation of valued things, although they may have important indirect consequences for the effectuation of value allocations.

Of course, there are other ways of categorizing governmental goals in addition to the foregoing systems approach. One such approach begins from the assumption that all work performed by government is directed at the resolution of problems. By definition, problems represent the needs of individuals or groups for some kind of help. The identification of goals is a matter of defining the problems--i.e., the needs of individuals or groups for help--governmental activities are directed at resolving. This scheme also includes a separate category for activities which exist to provide services to other agencies--administrative and support activities.

A modification of the problem-need approach omits the concern with problems and makes a distinction between activities aimed at meeting (1) the needs of individuals and groups for public services where need is interpreted in the sense of necessity--a condition of things compelling action--and (2) the desires of individuals and groups for public services where no condition of need exists. Again, administrative and support activities constitute a separate category.

Wisconsin used a "services provided" approach when first defining programs. Programs were defined in terms of what services were provided for a group which has a number of similar disabilities, needs, or attributes.

The basic question asked was "what is done for whom?" Subcategories were developed by subdividing the "whom" into more specific groups.

The purpose of mentioning these various approaches is to stress the point that there are many ways of identifying goals, objectives, and programs. Each approach raises questions which deserve to be asked in the course of analyzing governmental operations.

Objectives or Program Objectives

There is a tendency in current planning terminology to distinguish goals from objectives. Goals are characterized as long in range, general in content, broad in scope, and closely related to ultimate ends. Objectives are short-range, specific, narrow, and directed at intermediate ends. These are imprecise criteria at best; it is often difficult to determine whether an end should be labeled "goal" or "objective." However, the distinction can be useful, and it is accepted here.

Objectives often are defined as intermediate goals. Also, objectives are defined as the aggregate of the anticipated benefits (quantified wherever possible) of a specific activity or set of activities aimed at the resolution of a common problem or the achievement of a common goal. In this view, objectives are the desired outcomes of work activities, or what should be produced if activities are successfully performed. Insofar as possible, statements of objectives should describe desired outputs in terms which permit measurement of progress toward attainment of the objectives. Therefore, statements of objectives often will indicate the nature and magnitude of anticipated or desired outputs. They also may specify how much service is to be provided, what quantity and quality of end products are anticipated, or what degree of change is desired in the status of a problem.

Policies

Governmental goals have been defined as (1) determinations of how values are to be allocated or (2) as ends desired to maintain or strengthen the system. Pursuant to this interpretation, "policy" may be defined thus:

a course of action (or intended course of action) directed at the realization of one or more goals and adopted after a review of possible alternatives. The adopted course of action provides a set of general principles to guide the management of government. Stated somewhat differently, policies refer to the rules adopted as guides to the behavior of those who have the day-to-day responsibility for governing.

The term "policy" is frequently used elsewhere in a broader sense, i.e., to include both goals and the planned courses of action for achieving goals. This is the meaning of the term in such phrases as "the housing policy of the government" or "the government's social welfare policies." The broader usage is avoided in this manual.

Activities

Work ranges from simple actions (sharpening pencils) to more complex actions (making decisions). Regardless of their complexity, actions or tasks are of little intrinsic interest in the BDPP. It is the relationships among tasks that are of interest. In this case, relationships are established by identifying those which serve the same objective or set of objectives. A task or, more often, a related group of tasks constitutes an activity. Activity is the performance of any work. It, therefore, is essentially a synonym for effort or work as input. It does not imply any constant scope, amount, method, or area of work. Activities may include work groupings of different scope. An activity may consist of a single task related to one or more objectives or of two or more tasks related to one or more common objectives. The decision as to what scope, amount, or area of work is to qualify as "an activity" must be somewhat arbitrary.

Activities which include two or more tasks are sometimes subdivided for special purposes. These subdivisions frequently are labeled as subactivities, units, operations, or other similar terms.

Tasks and activities are basic building blocks. They are the materials used to construct cost or data centers and programs. Obviously, the analysis of tasks and activities is critical to establishing programs and program structures.

Program

All definitions of "program" are attempts to describe work in terms of the specific ends for which work is performed. An ideal definition would clarify the range and characteristics of work to be included in a program so thoroughly that all persons familiar with the work of an organization could arrive independently at an identical division of that work into programs. The realization of the ideal runs into two major difficulties. In the first place, what is classified as insignificant or as important will depend on who is doing the classifying. Secondly, no adequate criteria have been developed which can be uniformly applied to determine how much of what kinds of work constitute a program. There are no standards for deciding when too much or too little work has been grouped to make a valid program.

As long as these difficulties exist, there is and must be an element of arbitrariness in definitions of the term "program," hence in all identification of programs in an organization. The exercise of judgment based on more or less explicitly recognized values is therefore required. A flexibility in administrative processes is also needed to reflect the changing scope and nature of organizational operations. Finally, the readiness and ability to consider a multiplicity of program definitions or program identifications also is one of the major virtues of a program approach. It encourages a continuing examination of work (i.e., activities) in relation to a priority of desired objectives and goals. The following definitions presuppose as desirable an element of arbitrariness encouraging the exercise of administrative judgment.

A program of state government may be defined usefully as: a major governmental operation which is directed toward the achievement of an important goal or the accomplishment of an important mission of state government and which, in most instances, could be carried on independently of other programs. Stated more specifically and in somewhat different words: a program consists of one or more work activities, directed at the realization of one or more related objectives and designed to further progress

toward attainment of major state goals. The decision to identify a certain scope, amount, or area of activities as a program necessarily involves some arbitrariness, as has been noted. In this sense, the value of the above definition of program lies in its ability to serve as a guideline for the process of identifying programs.

There are, of course, other guidelines. One such guideline is related to the purposes for which the concept of program is to be used. Generally, the concept is used in processes like planning, budgeting, managing, and evaluating. The effective performance of each of these processes requires certain decisions and judgments to be made about the work of government. How detailed must knowledge about work be in order to make sound decisions and judgments? At what point do the costs (time, energy, expense) involved in acquiring additional data exceed the likely benefits? Answering these questions will suggest possible patterns for grouping activities into programs.

The initial work of identifying and describing programs is inevitably a trial and error process which will yield still other guidelines. Several steps in this process can be expected to yield guidelines for identifying programs; among these are: (1) definition of governmental goals and objectives; (2) development of the theoretical constructs which provide rationales for program structures; and (3) the preparation of written statements, describing the work activities of government and relating them to specific objectives and goals. Each of these steps will be discussed in detail in subsequent parts of the manual.

The identifications of goals, objectives, policies, activities, programs, and program structures are essential steps which create conditions necessary for subsequent phases of the planning process and of management. For example, once these steps have been accomplished, it is possible to choose--from among the variety of organizational, administrative, and operational relationships--those which seem most likely to attain the desired ends. In turn, this prepares the way for determining the resources required for progression toward the realization of goals. All of these steps

provide a general frame of reference for management of the work performed by government, and they also make it possible to measure and evaluate that work.

Program Working Papers

A program working paper is a concise description of a program centering on objectives and activities. At a minimum, a program working paper should include: (1) statement of objectives and their relationship to broad goals of state government, (2) description of work performed in each activity, (3) identification of quantitative measures of work performed, and (4) identification of means of qualitatively evaluating program effectiveness in accomplishing objectives.

A program working paper reduces to writing fundamental information on the major characteristics of a program. It provides a common base for consideration of the program by program personnel and others who have a concern with the program. It eliminates the necessity for repeatedly having to record part or all of such information in budget documents and other reports.

Program working papers are essential in a program-oriented budget system with an incremental approach. They capture those aspects of programs which remain stable for periods of time extending over several biennial budget cycles. This facilitates concentration during the budget cycle on items reflecting changes in present operations.

Program Directory

The program directory contains a description of each program summarizing the information included in the program working papers. Program descriptions should be limited to one or two pages. The directory, in contrast to the working papers, should receive fairly wide distribution as a basic source document on governmental operations. The availability of working papers should be limited to persons or agencies engaged in analyses requiring detailed knowledge about operations.

Program Structures and Multiple Program Structures

A program structure reflects the relationships among all programs. The sum of the work performed in all programs of the program structure should equal the total of work performed in the organization or jurisdiction. A program structure is based on and reflects the relationships among programs in terms of (1) the broad organizational goals they serve and (2) the relationships of each program's objectives and activities to those of other programs. A program structure is one of the categories used for classifying and codifying cost or data centers in information systems.

Any given objective may be served by one, two, or more activities. Conversely, any given activity may contribute to one, two, or more objectives. The use of a single program structure necessarily results in the arbitrary assignment of each activity to a single program even when the work performed in an activity contributes to the attainment of the objectives of two or more programs. In effect, there are many useful patterns for ordering objectives and work activities into programs. Each pattern is a program structure. Multiple program structures is a convenient term for describing this phenomenon.

Information System

An integrated, logically related set of policies, procedures, and processes for collecting, ordering, storing, retrieving, analyzing, and reporting information.

Management Information System

A management information system is a system designed to produce data necessary to the effective discharge of management responsibilities. One way to identify possible management information systems is to analyze each major management process to determine data requirements and other factors (content, format, periodicity, and relationships with other data) affecting the design of an information system. Examples of major management processes are planning, programming, budgeting, administering,

controlling, and evaluating. An accounting system may be viewed as a management information system which ideally should produce data useful in each of the foregoing processes.

Cost Centers or Data Centers

A cost center is the smallest unit separately recognized in an organization's (or jurisdiction's) records, accounts, and reports. In many accounting systems, the smallest unit recognized is equivalent to the smallest unit separately identified on organization charts or in tables of organization. Such organization-oriented accounting systems keep track of object of expenditure data by cost centers which represent organizational units. At all times, the complete set of cost centers recognized in an organization's budget, accounts, and other information systems must reflect the total fiscal resources of the organization.

Cost centers are units for which object of expenditure data shall be separately recorded, accumulated, and processed. Cost centers, therefore, are the basic blocks used to build a budget and produce other fiscal reports. New cost centers may be established virtually at any time and, similarly, old cost centers may be discontinued. This reflects the fact that an organization's responsibilities and work activities change from time to time.

The term cost centers carries the implication of utility limited to financial matters. Management information systems may deal solely or primarily with fiscal data (e.g., accounting systems), nonfiscal data (e.g., motor vehicle records systems), or both (e.g., personnel records systems which include payroll data). All management information systems employ the equivalent of cost centers--i.e., the smallest units for which data for the information system are separately recorded, accumulated, and processed. It is convenient to label these units data centers in management information systems partly or wholly concerned with nonfiscal data.

This manual uses the term data centers in a broad sense to refer to cost as well as noncost centers.

Categories and Subcategories

A category is a basis for classifying and codifying data centers in an information system. There are as many categories as there are ways of considering data centers. An information system may include as many categories as management decides are useful and necessary. Categories contain subdivisions which are referred to here as subcategories. Subcategories may be further subdivided.

With respect to any given category, each data center is assigned to one subcategory among the possible subcategories provided for within the classification system. Every data center must be assigned to a subcategory in each category to insure that when subdivisions in a category are totaled they reflect a correct organizational total. The same logic holds when subcategories are further subdivided.

Quantitative Measurements and Qualitative Evaluations

Although they differ in important respects, quantitative measurement and qualitative evaluation are interrelated, and both operations are basic to adequate management. Quantitative measurements indicate the amount of work performed or, in other words, the quantity of activity and program outputs. Taken over time, these measurements identify changes in work load. Qualitative evaluations yield information about how effectively programs are accomplishing their objectives. Quantitative measurements usually occur at the activity level; qualitative evaluation most frequently is accomplished at the program level. Different measures and approaches are needed to measure work quantity and to evaluate program effectiveness, although some measures and approaches will serve both purposes.

It is important to do both operations. To measure the work performed without evaluating its effectiveness is to be blind to the reasons for engaging in the activities. To evaluate effectiveness without measuring the quantity of work is to ignore the means through which goals are expected to be attained.

The following criteria are useful guides in developing measures of work or effectiveness. Measures should:

1. Be valid; that is, they should directly measure the work performed or the progress gained toward attainment of objectives and goals.
2. Be reliable; that is, they should provide the same result even when used by different people, in different places, at different times.
3. Cost little to use.
4. Take little time to apply.

The Identification and Description of Programs and Program Structures

This unit contains a discussion of some difficulties in identifying programs and program structures; outlines methods and procedures for identifying and describing programs; and suggests some possible uses of the products that result from program identification and description.

Problems in Identification of Programs and Program Structures

Program structure is one of the key concepts employed in the BDPP. Literature on this subject repeatedly emphasizes that the primary purpose of a program structure is to provide the framework which will direct management's attention to the major problems of resource allocation. It thus is said to facilitate rational choices among alternative means of achieving stated objectives and goals. Further, it is held that a program structure need not correspond to organizational patterns or budget and accounting classifications.

This line of reasoning, even if theoretically sound, leads to major practical difficulties. How realistic or meaningful are decisions about resource allocations which are not based on reasonably accurate fiscal and related data? How can decisions made on a program structure be implemented through an unrelated organizational structure? Different solutions to these problems have been proposed. One such solution proposes the creation of "crosswalks" to assure compatibility (1) between

the program structure used for resource allocation planning and the formal organizational structure and (2) between the program structure and budget categories. Data for the program structure would be general and approximate, whereas data for organizational units and budget categories would be specific and exact.

Another approach is to develop initially "imperfect" programs within the existing organizational-budget structures. This would enable the development of accurate fiscal and related data for "programs." From this base, adjustments could be made to further rationalize ("perfect") the program structure.

Proposed adjustments leading to the divergence of the program from the organizational or budgeting and accounting structures should raise this question: whether to change the latter structures to correspond to the modified program structure. Common sense quickly suggests that the answer most often will be affirmative, for--it may be held--if it makes sense to plan and allocate resources on a program basis, it makes as much or more sense to perform other administrative functions (including managing, accounting, and evaluating) on the same basis. However, this common sense view is too simple for reasons suggested in the following paragraphs and in the unit on "Program Data and Management Information Systems."

State government may be regarded as an enterprise that is oriented to the achievement of specified broad and basic goals; under each such goal, there may be a complete hierarchy of subordinate objectives. Presumably, each activity of government is undertaken because the activity is predicted to be helpful in achieving an identified objective related to a particular goal. If all activities that are oriented to the same objective are regarded as constituting one program, then clearly a new activity addressed to the specified objective must become a part of that program. Apparently, it should follow, therefore, that each activity can be labeled as a part of a particular program.

One obvious difficulty arises almost immediately, however, to weaken this apparently clear one-to-one relationship between "activity" and "program." It turns out that a given activity may serve two or more

objectives simultaneously; hence it may be considered to be a part of at least two programs. With equal logic, it may be labeled as part of either this program or that one. If the program structure and related procedures force each activity to be labeled in only one way, the records of government will identify it consistently as part of only one program. Clearly, the result of such rigidity is that the records would delete part of the truth about the activity; that must be avoided.

A program supposedly shall consist of all activities oriented toward achievement of a single objective. However, an activity may serve either one objective or several objectives, hence may have to be recognized as a part of several programs. Regardless of the number of objectives it serves, an activity may be performed by either one organizational unit or a combination of units. In every case, therefore, an activity must be so labeled as to relate it clearly (1) to each organizational unit engaged in its conduct and (2) to each program of which it is a part. At the activity level, therefore, data about the work of government must be captured and recorded in ways that will make it available for use in various "program" descriptions or analyses and in various organizational reviews; such data must fit into a number of different patterns for use in connection with different goals, objectives, and programs.

Other difficulties arise from the fact that the state government performs certain activities or groups of activities that do not fit into programs as defined above; i.e., activities that are not immediately directed at achieving an important goal or accomplishing an important mission. Examples of such "awkward" activities include: (1) administrative activities at the agency, department, or divisional level; these may need to be labeled as self-contained programs because the effort necessary to prorate their costs among appropriate programs would far exceed the potential benefits; and (2) activities which provide services to several programs as, for example, a materials testing laboratory or a research and statistics unit; for the same reason, it may be better to designate these also as "programs."

Working Papers and Multiple Program Structures

Some programs may consist of a single activity and data center. In those instances, program, activity, and data center are identical. Other programs may consist of many activities and data centers. In such programs, some of the activities and data centers may be identical--other activities may consist of many data centers. Programs are defined in relation to the objectives they serve and the work (aggregated by data centers and activities) performed in pursuance of those objectives. A program is a static pattern of objectives, activities, and data centers. Altering the pattern changes the definition of the program.

However, data centers and activities are not statically related to a single program. When they include work that serves the objectives of more than one program, they become a part of each program to which they contribute. The same work may be reported in more than one program and, therefore, the total of all programs would equal more than the total work performed by the enterprise. This particular difficulty is avoided by the device of multiple program structures.

There remain other difficulties related to the preparation of program working papers and the identification of programs and program structures. Should a program working paper be prepared for every program? One result would be a great deal of duplication of effort and material since the same activity or data center might be covered in more than one paper. A better answer is to prepare working papers and a program directory for the programs of only one program structure.

This resolution raises still further questions. Which of the many program structures should be chosen for compiling working papers and the program directory? If working papers are prepared for the programs of only one program structure, will this lessen the usefulness of program structures with programs for which working papers have not been prepared? Will activities and data centers described to suit one set of programs be appropriate when applied to programs in other structures? In other words, since activities and data centers describe work performed in relation to objectives,

will descriptions of work in relation to the objectives of one program be applicable when applied to another program with different objectives?

The choice of a program structure for initially compiling working papers and the program directory should begin with an appraisal of currently existing ways of categorizing the work performed by the enterprise. It is preferable to begin with a categorization that is in use and accounts for the total work of the enterprise rather than attempt to develop a program structure from scratch. In the first place, it is a way of making sure of including all work performed. Second, a program structure or any category involves many more elements than a simple classification scheme if it is to be something more than a useless abstraction. For example, categories are ways of keeping score on an enterprise's operations--this means that there must be information systems which yield data to fit the subdivisions of the category. The development from scratch of all the elements necessary for a program structure to contribute effectively to the BDPP requires tremendous resources and considerable time--probably more of either than most enterprises can readily command.

Third, it is possible that a categorization exists that can be easily adapted to suit the BDPP. Fourth, starting from the familiar and moving to the unknown is likely to minimize negative reactions from personnel affected by the changes.

All enterprises categorize their work in at least one way--an organization structure based on authority and responsibility relationships. There is a large overlap between organization and program structures. Program structures order work in relation to the objectives it serves. Organization structures order work in relation to (1) the individual or group responsible for performing specific tasks and (2) the individual or group with authority for enforcing responsibility for performing assigned tasks. Authority and responsibility directed at getting work done will frequently be the same as authority and responsibility directed at accomplishing objectives. To this extent, an organization structure resembles a program structure although the arrangement of work and objectives may not be particularly suited to program-oriented techniques and methods.

It will be unusual to find an enterprise with a way of categorizing work more closely related to a program structure than is its organizational structure. Except for such enterprises, the organizational structure should be used in the initial preparation of working papers and a program directory. The effect of this is to identify--individually and in combinations--organizational units which are separately recognized in records, accounts, budgets, and reports as programs.

This is an acceptable beginning provided certain precautions are observed. All personnel involved in instituting the BDPP should be consciously aware that the initial program structure is nothing more than a relabeled organization structure. It is useful in the transition to a program approach, permitting the preparation of working papers which will facilitate taking next steps such as refining programs, preparing alternate program structures, developing or modifying information systems to meet the needs of the BDPP, introducing program-based management tools, and training personnel.

There must be a commitment, on the part of those with the appropriate authority, to completing the subsequent steps essential to installing the BDPP. Experience indicates many jurisdictions stop with the first step. The consequence is a failure to realize enough of the potential benefits of the BDPP to warrant the resources expended.

Two things can be done to insure the usefulness of program structures consisting of programs for which no working papers have been prepared. First, the working papers which are completed should contain:

1. A description of every objective served by the work performed in the program.
2. A description of work performed in sufficiently accurate detail to permit the grouping of tasks into data centers which can be classified in appropriate subdivisions of all categories of information systems contributing to the BDPP.
3. The classification of each data center into the appropriate subdivision in each category.

Second, provided working papers contain the above items, it will be possible to prepare a master document containing the following items for each information system serving the BDPP:

1. A descriptive definition of each category and subdivisions of categories.
2. A list of data centers assigned to each categorical subdivision with a reference to the working paper defining and describing the data center.
3. A list of objectives served by each of the subdivisions of program structure categories.

This makes it possible for one set of working papers to satisfy the requirements of an unlimited number of programs and program structures. It also provides the answers to the other questions raised earlier in relation to a single set of working papers.

Procedures for the Identification and Description of Programs

In this unit, methods and procedures are outlined for identifying and describing programs. These are aimed at the production of a program directory and of working papers for each program of one program structure. These products are potentially useful to a number of people for a variety of purposes. To maximize their subsequent use, it is recommended that the products' preparation involve the full participation of those people who ultimately must use them. Much of this participation can be gained by having them engage in a careful review of drafts and then recommending changes.

Responsibility for preparing each draft should be assigned jointly to a central administrative office (e.g., planning, budgeting, or organization and methods) and to the individual responsible for program direction. Reviewers of the drafts should include, wherever feasible, an individual subordinate to the program director, the immediate supervisor of the program director, the agency head, representatives of other central administrative offices, and permanent legislative staff concerned with fiscal or general administrative functions. In some cases, it may be helpful to create

task forces consisting of personnel temporarily freed from other responsibilities or to employ consultants as supplementary resources.

Such broad involvement is essential to ensure general agreement and acceptance of the identification of programs and the content of working papers. A general consensus is necessary to utilize effectively the program approach in making decisions affecting the level of quality of public services.

The preparation of working papers involving, as it does, the in-depth analysis of governmental operations is a major undertaking. It is a matter of prudence to try to derive maximum results from a project so intensive that it is unlikely to be frequently repeated. This spirit of prudence guides the procedure set forth here for completing working papers.

Working papers should be developed through the following steps:

1. Training sessions should be held with agency heads and their primary subordinates to introduce to them the concepts and procedures required in a program approach to administration.

These initial sessions also should outline the steps involved in establishing the BDPP and the assignment of responsibilities for completing steps. It should be made clear what is expected from agency personnel and how they will benefit from the BDPP.

2. Agency heads with the assistance and cooperation of staff in the responsible central administrative office should identify the program structure to be used for preparing working papers and a program directory.
3. The same personnel should develop tentative categories and their subdivisions. These will serve as guidelines for identifying data centers.
4. Staff of the central administrative office should be assigned responsibility for drafting working papers. The work required in drafting working papers makes it mandatory to assign personnel who are at least temporarily free from other duties. If central administrative office staff cannot be relieved of other duties to assume this responsibility, it may be necessary to create task forces of staff drawn from many agencies or use consultants.

5. Central office staff should interview the individual responsible for directing a program and other program personnel, as necessary, and also should review available records and other material in order to develop the information for a working paper.
6. Central office staff should draft the working paper.
7. The draft should be circulated to reviewers with an appropriate cover letter urging careful reading and encouraging them to make recommendations.
8. Central office staff should analyze the responses of reviewers and, if necessary, meet with them to resolve differences.
9. Central office staff should go over the draft carefully with the person responsible for directing the program.
10. A final draft of the working paper should be prepared and distributed.

The procedure outlined above may be modified to meet the circumstances of a particular situation.

The working papers should be reviewed periodically and then modified to reflect changes in activities and programs. This should be a joint responsibility of the central office staff and program directors.

The term "working papers" is used to emphasize the fact that they are tools to be used in the management of public affairs. They must be designed to suit the purposes for which they are to be used, and they must be used by those sharing in the processes of administration. Wherever possible, they should become an integral part of these processes.

Organization of Working Papers. There probably are many valid ways to organize the content of a working paper, but it is suggested that a relatively uniform outline be followed. The outline should provide flexibility adequate to accommodate unique program characteristics, but provide a desirable degree of uniformity in presentation to assure that essential points have been covered. Some uniformity is necessary for purposes of comparison and for understanding relationships among governmental activities.

Each working paper should contain the following information in narrative form and should be accompanied by tables or charts as necessary:

1. Title of program.
2. Organizational unit primarily responsible for program.
3. Location of program headquarters and field offices.
4. Background information on the program including: the legal bases for the program; sources of financing, identified by fund and legal base; nature and disposition of program earnings; number and kinds of personnel; and, if the program is temporary, the date and conditions for termination. This section would be a logical place to include historical data such as legislative actions.
5. A concise statement of all objectives served by the work performed in the program and a narrative explanation of how objectives relate to broader governmental goals.
6. A definition and description of program work activities stated, insofar as possible, in terms of their contribution to achievement of program objectives. This section should indicate, where applicable, the clientele groups served by activities and the nature of the services rendered.
7. A definition and description of each data center in the program. This section should classify each data center into an appropriate subdivision in each category used in BDPP information systems.
8. The identification of quantitative measures of program activities and an explanation of how to use the measures.
9. The identification of ways of qualitatively evaluating the effectiveness of the program.
10. Identification and description of major relationships with other public or private agencies or programs.

In addition, it may be desirable to list materials available or regularly produced which contain useful information about the program.

The information outlined above is not subject to frequent or regular change (with the possible exception of data on personnel). While the working papers should be periodically reviewed and updated as necessary, it is conceivable that a working paper could remain more or less the same over a relatively long period. Of course, whenever a working paper is revised, the program directory statement should be reviewed and modified if necessary.

With the working paper as a basic source document, additional related short-lived data could be developed for a variety of management purposes; e.g., budgeting, planning, and evaluating. In the case of budgeting, past, current, and projected fiscal requirements could be presented on a program basis and, if desired, related to data drawn from quantitative measurements and qualitative evaluations. Planning which draws on this and related data could define program problems and opportunities and could determine means of and resources for resolving problems and realizing opportunities. The working paper provides the framework for accumulating specific data for measuring program work load, work load changes, and effectiveness in accomplishing objectives. There are obvious relationships among these processes which suggest that data collected for one purpose will usually serve other purposes as well.

Identifying Program Work Activities. Activities were defined above as one or more related tasks directed at accomplishing one or more related program objectives. Identification of activities is easy in some cases and difficult in others. There exists no mathematical formula or universal set of principles which can be mechanically applied to identify activities. The staff assigned responsibility for preparing working papers must carefully review each program with agency personnel to identify the noteworthy means used to pursue program objectives. There are some possibly helpful guides for the review process.

In the first place, the activities which are identified should, when listed, provide any reader a good idea of the means employed to reach defined ends. Secondly, activities should be specified in the light of the purposes for which such specifications are to be used. For example, a more

detailed and elaborate classification will be required if employees are to account for all their working time by activities. Thirdly, activities should be, insofar as possible, mutually exclusive so there are no difficulties about where to place work on specific tasks. Next, since quantitative measurements normally occur at the activity level, activities should be designated with this process in mind. They should not include insignificant tasks or too few tasks to make measurement useful; equally, neither should they include a complex of tasks that makes measurement difficult or impossible. Finally, when programs consist of groups of separate projects (as is often the case with research programs), it may be expedient to identify individual projects as activities.

Program Directory. The program working paper should serve as the source of the summary description of the program to be included in the program directory. Program directory statements should answer the following kinds of questions:

1. What are the reasons for the state to participate in this program? (The answer to this question will, in effect, state the program's objectives, hence constitute a justification of the program's objectives.)
2. By what legislative or executive mandate was this program authorized?
3. From what sources (funds) is this program financed?
4. Does this program produce revenue, and if so, what is the nature of these earnings and to what funds are they credited?
5. What organizational unit has primary responsibility for this program?
6. What activities are included in the program and which organizational units engage in them?
7. What relationships does this program have with other public or private agencies or programs?
8. Where are the headquarters and primary field offices located?

Uses of Program Working Papers and Program Directory Statements

In addition to the advantages and uses already mentioned, working papers and a program directory have the potential of serving as the basic documents for all program-oriented administrative processes. They can serve as basic source materials for development plans, operating budgets, and similar documents. They make it unnecessary to include extensive narrative descriptions of operations in those documents. In thus defining the ends and means of current governmental work, a frame of reference is provided for analyzing and evaluating present efforts and possible changes, deletions, or additions. The working papers and directory offer a convenient and compact source of information on state governmental programs for use by legislators, administrators, and others who require a good understanding of the nature of a program in a short period of time.

As the product of a joint effort on the part of state central office staff and agency and program personnel, the working papers should represent their best thinking and general agreement on program objectives, activities, quantitative measurement, and qualitative evaluation. The process: (1) makes it easier for an agency to present its case for support of its programs; (2) permits state planning, budgeting, or other staff personnel to review programs from a perspective which makes sense to the agency; and (3) concentrates attention on the ends of government and the effectiveness of program progress toward those ends.

Program Data and Management Information Systems

Most program-oriented approaches employed in one or another of the various management processes call for the division of all work performed by an organization among programs. Each identifiable work activity is placed in one program. The total of the work activities of all programs equals the total of all work performed in the organization. Next, a program structure is charted based on the relationships among: (1) goals served by programs, or (2) program objectives and work activities, or (3) some combination of 1 and 2. The result is a single program structure establishing

boundaries for the use of program-oriented processes and procedures. This approach has been typical of most efforts in program budgeting and planning, programming, and budgeting systems.

Commitment to the concept of a single program structure has many disadvantages. It is only one way of looking at an organization, whereas it is clear that managers and others concerned with the operations of an organization need to view its activities from many perspectives. The necessity of assigning each work activity to a single program ignores the reality that an activity may contribute to two or more objectives scattered among several programs. This heightens the arbitrariness of program definition and lessens the utility of the approach. It complicates the problems of program definition and subsequent modification. The element of arbitrariness offers opportunities for questioning the validity of program-based analyses.

The effectiveness of program-oriented approaches is heavily dependent on having data of sufficient quantity and quality available by programs. There must be information systems which yield data by programs. In the case of program budgeting, PPBS, or the BDPP, this means, for one example, that the budgetary accounting system must yield fiscal data by programs. Accounting systems designed to process fiscal data only by categories such as organizational unit, fund, year, and object of expenditure must be modified to include programs if program budgeting, PPBS, or the BDPP is to be implemented. The same kind of logic that supports the single program structure is frequently used to argue that accounting systems should produce data in a limited number of ways. In effect, the program structure is seen as competing with organizational units and other potential categories for a place among the limited number of categories that will be available.

These and other difficulties can be avoided through the use of several concepts and techniques. To begin with, the notion of single program structures should be replaced by the concept of multiple program structures. (The discussion here is with multiple program structures in keeping with the subject of this manual. However, it should be obvious

that program structures may be viewed as simply additional categories for processing data in accounting or other information systems, and this discussion is equally relevant if the term information system categories is used instead of multiple program structures.) Instead of a single program structure based on organizational objectives, the Department of Social Services, for example, may find that it is useful and important to keep score on matters such as clientele groups served, kinds of services provided, types of clientele problems, and levels of assistance provided clients. Each of these might be labeled a program structure and treated as a separate category in accounting and other information systems.

Computer-based information systems may be designed with a technical capacity for coping with as many categories as are ever likely to be required for effective management of an enterprise. For all practical purposes, the number of potentially available categories can be considered open-ended.

The categories in information systems serving the BDPP can include as many different program structures as it is determined contribute to an effective process. Of course, there will usually be other categories, in addition to program structures, covering things such as organizational units, funds, or other desired breakdowns.

Modification of existing information systems or creation of new ones is generally necessary to produce data required for effective biennial development planning. Several important steps in attaining adequate program-oriented information systems are part of or closely related to establishing the program base. One such step is to define the categories to be included in each system. A next step is to define the subcategories for each category. Where subcategories are to be further subdivided, these breakdowns should be identified. Another step is to define and describe data centers. Data centers must be coded to indicate their assignment to subdivisions in each category. After completing these steps, it is necessary to design and implement the policies and procedures necessary to make the systems operational. This includes detailed systems design and programming for computer-based systems.

The task of identifying categories and their subdivisions should involve persons requiring program-oriented data for the effective discharge of their responsibilities. This would mean the involvement in varying degrees of, among others, departmental management personnel from the program level to the department head, personnel from central state government staff agencies, and legislative staff. What needs to be accomplished is the conceptualization of the various perspectives for viewing the enterprise which are helpful (or essential) to its adequate management. It is desirable to develop at least a tentative set of categories and their subdivisions by the time working papers begin to be prepared, for they serve as criteria for defining data centers.

Defining and describing data centers is more of a technical matter than it is conceptual. It may be accomplished during the completion of working papers. In the course of analyzing programs and activities, staff responsible for producing working papers are in a good position to identify suitable data centers. The definition of data centers must be at least partially based on the tentative list of categories and their subdivisions.

Appendix E of this manual contains a discussion of coding data centers and categories and their subdivisions and provides some examples in chart form. That material elaborates on this section and may help clarify the points made here.

Quantitative Measurement and Qualitative Evaluation of Programs

The program approach requires the careful analysis of individual programs. Ways of quantitatively measuring and qualitatively evaluating programs should be tailored to fit the unique characteristics of each program. This section is devoted to a discussion of some of the concepts and techniques of program analysis.

Measuring a Program Quantitatively

Programs may be subjected to quantitative measurement for two distinctly separate purposes. First and foremost, there is the need to measure the magnitude of demand or need for service. Second, it is necessary to measure the amount of work performed within a program.

The following example may help clarify the distinction between these two kinds of measurements. Almost all of the work of parole and probation agents employed by the Iowa Board of Parole is divided between (1) supervising and assisting parolees and probationers and (2) conducting pre-sentence investigations of convicted public offenders. If there is an increase in the total number of parolees, probationers, or convicted offenders, it is safe to conclude that there is a quantitative increase in the need for parole and probation services (assuming that the current level of service is to be maintained). Conversely, if the number of parolees, probationers, or convicted offenders decreases, less work will be required to provide the current level of services. Thus, the number of parolees, probationers, or convicted offenders is a good measure of the magnitude of need for services. However, that measure provides no information about the amount of work that parole board personnel perform in rendering services. Indications of the amounts of work performed must be gained from data on: (1) the nature and number of direct contacts with parolees and probationers with their families, potential employers or employer groups, and with other agencies or individuals to whom parolees or probationers are referred; (2) the nature and number of pre-sentence investigations; (3) the nature and number of meetings with institutional classification committees, the Board of Parole, court officials, and other individuals or groups; (4) the nature of preparation for and number of public speaking or public information contacts; and (5) the content, average time required for preparation, and number of reports prepared.

It is possible to develop a standard work measure such as case load. Case load might refer to the number of parolees and probationers that a parole and probation agent can supervise and assist at any one time

at an agreed-upon level of service; case load could refer to the number of pre-sentence investigations which can be conducted in a given time span at an agreed-upon level of service; or case load could reflect some combination of these two factors. A standard (the number of parolees and probationers per agent, per year) could be applied to a measure (the number of parolees and probationers to be supervised and assisted) to determine the required number of agents.

Although often helpful, such standards and measures have certain limitations. Sometimes they are used incorrectly, for instance, when they are cited as justification for a government program. The fact that there are parolees and probationers does not, in itself, necessarily constitute sufficient justification for having a parole and probation program manned by a group of parole and probation officers. Rather, justification depends on the potential benefits likely to accrue to society generally, to the individuals receiving services, or to both, if such officers are engaged to conduct such a program.

Even if it was theoretically possible to do so, it should not be concluded that it is desirable to develop measures and related standards for every program or for most programs. Whether to develop and use measures and standards is a decision that should be made, program by program, by considering the costs (time, effort, and other resources required) as compared to the possible benefits (better understanding of the program, higher quality of decision-making, improved manageability). Costs will tend to equal or exceed benefits: (1) the smaller the size of a program, as measured by number of employees, funds expended, nature and importance of responsibilities, or similar criteria; (2) the greater the number of activities within a program; and (3) the larger the number of separately identifiable work tasks carried on in program activities. Thus, a program with 30 employees, 9 different activities, and several types of major tasks performed within most activities might require 30 or 40 different measures and standards. The use of so many measures and standards would usually require costs well in excess of benefits and might be more confusing than helpful.

For making decisions about plans and budgets, the quantitative measure of change in the demand or need for service is normally more useful than is the measure of work performed. In the parole and probation program, a decision to have agents contact parolees and probationers more frequently will, all other things remaining equal, increase the amount of work performed. However, the number of contacts will not serve as a meaningful index of the need for work. This factor is better measured by the number of parolees and probationers who are to receive an accepted level of service.

There are programs and activities which do not lend themselves to quantitative measurement of either the demand, the need for work, or work production. This is often the case with programs or parts of programs concerned with applied research. The amount of money the State chooses to spend on studying means of developing the economy or causes of social disorganization must be based on subjective judgments about the nature and magnitude of the problems, availability of resources, past successes or failures, and the likelihood of progress toward defined objectives and goals.

Merging Quantitative Data. A program usually includes several constituent activities. Frequently, program personnel will be responsible for performing work in several of these activities. Some of the activities will be measurable in terms of the need for service, some in terms of production or work performed, and some will not be usefully measurable at all. If analysis requires examination of the work record of each employee or the presentation of a large amount of detailed work load information on each activity, it will be difficult and perhaps impossible to focus attention on work-load changes. It, therefore, is most helpful if agreement can be reached easily and rapidly on the direction and magnitude of work-load changes in a particular program area; effort then can be concentrated on such worthwhile questions as how to meet work-load changes--e.g., to add staff, revise procedures, eliminate or decrease services, mechanize operations--and of how effective the program is in accomplishing its

purposes. It is difficult to present work-load data on programs that are composed of several activities, each one measured in a different way; however, the following simple method for merging quantitative data can be employed to facilitate the matter utilizing percentages.

To begin with, each activity in a program may be assigned a weight approximately equivalent to the per cent of staff time required to discharge that activity. Secondly, the change in the work load for each activity (from one time period to another) may be expressed as a percentage. Next, the weight for each activity is multiplied by the percentage change in work load; the resulting products are added together. Finally, the resulting figure is divided by the total number of weights, in order to determine the average work-load increase for all activities taken together. As mentioned above, some activities are not easily or usefully measurable. It will, therefore, be more reasonable, in most instances, not to attempt measurement, but simply to assume that the work-load increase in nonmeasured activities approximates the average work-load increase for measured activities. The following tabulation illustrates the application of this method:

Activity	Measure	Work Load		Change in Work Load (Per Cent)	Relative Weight
		1967	1968		
A	a	100	100	0	10
B	b	1,000	1,150	+15	20
C	c	10	9	-10	35
D	Not measured	--	--	--	10
E	e	500	600	+20	25

Note: Total change in work load = 10 times 0, plus 20 times 15, minus (35 times 10), plus 25 times 20 ÷ 90 (the total weight of activities for which measures exist) = 5 per cent.

If changes are made in a program, then the list of activities will need to be revised. If work procedures are modified, the relative weights assigned to particular activities may need to be changed. Finally, if

greater certainty is desired about the validity of the relative weights assigned various activities, a time analysis study can be conducted. This merging process does not yield highly refined data, but it is satisfactory for most planning or budgeting needs.

Evaluating Program Effectiveness

One of the positive features of the BDPP is that it emphasizes governmental goals and objectives and program effectiveness in realizing those ends. In the past, evaluation of program effectiveness was the neglected stepchild of planning and budgeting, which have traditionally manifested a preoccupation with quantitative measurements such as unit costs, work production data, and work standards. This preoccupation has obscured the more interesting, challenging, and, in many respects, more important aspects of planning and budgeting. If significant amounts of resources are to be used more effectively on existing programs, reallocated to more essential purposes, or saved, decisions must be made about the value of present programs and alternate possibilities. These decisions can be made more wisely if they are based on valid data concerning program effectiveness.

The point needs to be stressed that quantitative measurement and qualitative evaluation both are useful tools for analyzing programs. They often are closely interrelated, and to ignore one is to weaken the usefulness of the other. In this sense, it is just as important to decide in advance how to determine the effectiveness of a program--i.e., its success in attaining its objectives--as it is to develop means of measuring the direction and magnitude of work-load changes.

Evaluating program effectiveness requires identification of the criteria that indicate successful endeavor. In private enterprise, the profitability of an operation provides the measure of its effectiveness; while optimum profitability is not always easy to compute, its existence as the ultimate measure of success is unquestioned. Profit is not often a criterion for government's programs. Criteria that are available seldom are susceptible of precise measurement. Vague standards, such as an

ill-defined or undefined "public welfare" or "social benefit" are not very helpful. Therefore, it is necessary to develop special criteria of effectiveness, specifically designed to reflect the objectives and unique characteristics of individual programs.

During the preparation of working papers, accordingly, agreement should be reached both on the purposes of and reasons for a program and on the best means of evaluating its effectiveness in accomplishing objectives. Frequently, the simplest and best way to describe how to determine program effectiveness is to list questions, the answers to which would be helpful in making qualitative evaluations.

Useful guides in determining how to examine program effectiveness include: (1) most qualitative evaluations should be made at the program level, rather than the activity level, since concern is with the effectiveness of the program; (2) qualitative evaluations always are closely related to the objectives of (or reasons for) a program; (3) no single qualitative measure should be relied on to the exclusion of other measures; (4) sufficient time should be allowed after program actions are taken to obtain results before attempting to determine effectiveness; (5) the answer to a particular evaluative question does not by itself indicate the course of action (increasing the appropriation, mechanization, etc.) which should be taken with respect to a program; (6) it may be necessary to experiment with or devise new methods of making qualitative measures in order to obtain satisfactory data on program effectiveness; and (7) it will be necessary in certain cases to devote special effort to collecting data to be utilized in evaluating the effectiveness of a program.

Program Analysis and the Goals of State Government

Program analysis may be broad or limited in scope and intensive or restricted in depth, depending on the purposes of the evaluation and the time and resources available. As discussed in this report, program analysis is geared to program objectives; at best, it will provide only rough clues to the need for, and to the value or effectiveness of, governmental effort directed at broad goals. Even with adequate program analysis, it will be

necessary periodically to reassess the adequacy of governmental goals and to delete, add, or shift emphasis among goals.

The following kinds of questions will need to be asked about each broad state government goal and the entire set of programs organized around it:

1. Is the goal still appropriate in light of present conditions, i.e., is it still necessary?
2. Is the emphasis or amount of effort and resources directed at this goal appropriate in relation to the emphasis on other goals?
3. What are federal, state, and local governments doing to realize this goal and why? What agencies of each government are involved in this area? What are private groups or individuals doing in the area?
4. What should be the responsibilities of the public and private sectors in regards to this goal?
5. What progress is being made toward achievement of the goal?
6. Has governmental participation in relation to this goal resulted in limiting the freedom of action of individuals and groups?
7. How do present processes and procedures in this area compare to what is being done in other states?
8. What are the available alternatives for improving efficiency or economy of efforts directed at this goal?
9. Are existing organizational arrangements and procedures as effective as possible for progress toward the goal?
10. Are the various public and private efforts properly coordinated?

The review of each broad goal and the programs organized around it is required to evaluate the work and responsibility of several programs, agencies, or governments directed at common ends. Whereas program analysis

probably should be a continuing process with specific annual or biennial products, the analysis of broad goals may be required only at longer time intervals of five years or even longer in some cases.

Application of the Products of Program Analysis

The test of the usefulness of the program approach occurs when the products of program analysis are applied during the BDPP. Program analysis is justifiable only if those products are useable and are actually used. The combination of goal and program analysis will provide--to decision makers, administrators, and analysts--a general frame of reference which gives meaning to specific concerns with minutia such as objects of expenditure. Without a frame of reference, attention is drawn to the "pieces" of state work and, by concentrating attention on small items, this results in a failure to consider the broader and more fundamental matters that deserve attention.

Quantitative Measurements. Quantitative changes in the need for work (or in productivity) should be analyzed annually for each program for which quantitative measures or standards have been developed. For comparative purposes, it is helpful to have data on work-load changes over a three- to five-year period for the detection of long-range trends. Trend data will strengthen the planning and budgeting systems by making possible, among other things: (1) a better understanding of the extent of resources committed to ongoing programs; (2) analyses of shifts in emphasis among goals, policies, and programs; (3) informed judgments on the necessity for and feasibility of reallocating resources among goals and programs; (4) the identification of clues to unmet needs or demands which require attention; and (5) the development of possible alternative courses of action to choose among in developing resources and putting them to the most effective and efficient use.

Quantitative measurement is an integral part of the process of qualitative evaluation. The relationship between the two is simply that between (1) measuring progress toward objectives and goals and (2) measuring the nature and magnitude of work produced as a result of existing patterns of resource allocation.

Information on work load provides a basis for certain decisions in planning and budgeting.

In the first place, it is presumed that if there is no change in work load, a program would require approximately the same amount of resources in the future to provide a stable level of services. In effect, to maintain an existing level of services, the amount of resources is committed; the commitment is essentially altered only by a decision to change governmental goals, program objectives, or the level of services or by the discovery of more efficient ways of providing the same services (although, of course, improved productivity might permit some reduction of resources, and increased costs might necessitate some additional resources).

Second, in the case where the work load has increased, it probably will be necessary to take some positive steps to maintain the same level of services. Such steps might include addition of personnel, revision of processes or procedures, mechanization, modification of services offered, etc. These steps might require increased resources, although the magnitude of additional resources required will normally be less than the percentage increase in work load. A 15 per cent increase in work load, for example, might result in the need for only a 5 per cent increase in financial support; this is attributable to the stability of the constant or fixed costs of being ready to offer services, rather like the basic "cost of doing business" in a commercial enterprise. In a probation and parole program, there will be a relatively stable need for a program chief and for some clerical and stenographic help, whether the work load rises or falls 10 per cent.

Third, if work load decreases, it may be possible to reduce resources supporting the program without affecting the level of services. Again, however, the constant or fixed costs make it unlikely that the level of resources can be reduced as much as the work load has decreased.

Finally, it often is possible to estimate the effect that proposed changes in goals, objectives, or policies will have on work load. These estimates should be factors in the decisions to make such changes.

Qualitative Evaluation. The effectiveness of each program (in achieving objectives and contributing to realization of major state

government goals) should be evaluated annually, using the criteria specified in the program working paper. A short written report should be prepared for each program to summarize the findings of the evaluation, identify problems and opportunities, and recommend ways of increasing program effectiveness. The program effectiveness report should be a responsibility of appropriate program or agency personnel. These written reports could provide the basis for annual review by state planning and budgeting personnel in developing executive branch positions on future support levels of programs. In turn, this process should improve the quantity and quality of information available to the General Assembly in its deliberations.

The material in written reports will be useful in analyzing: (1) whether increased program support might be expected to produce significant changes in program effectiveness; (2) whether program emphasis should be changed in order to strengthen certain phases of one program at the expense of others; (3) whether the State is presently achieving its purposes in a particular program, hence whether added support would yield only unessential fringes; and (4) whether the State could reduce support but still maintain an adequate level of program effectiveness.

Evaluation of Goals and Programs Organized Around Them. The goals of state government are broad and general in nature. Each goal is pertinent to more than one program or one agency. Program analysis tends to focus attention primarily on the objectives of individual programs or, at most, on the combined program efforts of a single agency. Program analysis, therefore, is of limited use in evaluating the net effectiveness of all those efforts of state government that are directed toward a common goal. Broader evaluations should help to fill this gap. They should be performed at longer time intervals than program analyses, and should be as intensive as possible.

The scope and intensity of these surveys may lead to recommendations which have far-reaching implications. In large measure, the utility of broader evaluations depends on how adequately the recommendations are reviewed by officials who are responsible for making the decisions that contain potentially large consequences for programs. To the extent feasible,

accordingly, the review process should be designed to produce clear determinations as to which recommendations are to be accepted, which will be rejected, and what schedule will be followed in implementing changes.

Section V
THE BIENNIAL DEVELOPMENT PLANNING CYCLE

The steps, participants, and time sequences of the biennial development planning cycle are shown in Figure II accompanying this section. They are self-explanatory for the most part.

Implementation of the cycle would result in several modifications of the present budgeting system. First of all, the cycle assumes the existence of long-range plans which many departments now lack. Obviously, such plans must be formulated as soon as possible to make the planning element of the BDP effective.

A fundamental assumption of the BDPP is that more work on the processes of planning, programming, budgeting, accounting, and evaluating will improve the performance of management at all levels. Indeed, effective management--whether at program level or in the office of the Governor--is largely dependent on the nature and quality of these processes. The increased work load involves real costs, some of which are suggested by the figure in this section.

The list of participants indicates one cost element will be decentralization. In contrast to present budgeting practices, the BDPP depends on the participation of program managers (and sometimes managers of units within programs) in addition to central department staff units and department heads. Effective participation may require, in some instances, additional staff at program or department levels.

More participants generate more and better information for analyses in making decisions. Agencies responsible for analyzing the information, including the Office of Planning and Programming (OPP), Office of State Comptroller (OSC), and legislative fiscal units, may need additional staff.

The BDPP is one way of sorting out and ordering some of the tasks of management. Eventually, it will have to be reflected in organizational

arrangements. As the BDPP develops, present organizational arrangements for planning and budgeting will need to be reviewed and modified as necessary. The review should cover all participant agencies.

Placing development planning on an annual rather than biennial cycle would not change the steps or participants in the process. The time sequence for steps 1-14 would be the same except that they would be performed annually instead of each even-numbered year. Steps 15-16 would cover 12 months instead of 24. Clearly, going to an annual basis would effectively double the work load for all participants.

The cycle, as outlined, emphasizes two of the major characteristics of the BDPP. It is output-oriented. The predominant concern is with the goals and objectives to be realized through the activities performed by government. Second, analysis during the preparation of BDPs is limited to changes. Little, if any, attention is given to programs expending a stable level of resources.

These two characteristics are ways of sorting out important matters requiring decisions by elective officials. It is assumed that existing activities of government have been subjected to previous analyses and decisions made on the need for the activities and how they should be operated. At most, they need to be thoroughly reviewed at intervals of several years or when they change. The periodic reviews might occur every three or four years for some activities and at longer intervals for other activities. Step 17 covers these reviews.

A schedule of in-depth reviews should be worked out covering all activities. Reviews are a continuing process. However, during months 1-10 of the cycle, the work of preparing BDPs will leave little time for reviews. The bulk of review work must be accomplished during months 11-24 when OPP, OSC, and agency personnel with BDPP responsibilities have time available.

The division of labor between producing BDPs and in-depth program analyses presents one of the major difficulties when development planning is attempted on an annual cycle. Staff responsible for producing BDPs simply have no time left for intensive surveys. If the job is to be done,

Figure II

THE BIENNIAL DEVELOPMENT PLANNING CYCLE
 STEPS, PARTICIPANTS, AND TIME SEQUENCE

(STEP 1 STARTS MARCH 1 OF EACH EVEN-NUMBERED YEARS)

Steps	Participants	Months																		Dates
		1 March	2 April	3 May	4 June	5 July	6 Aug.	7 Sept.	8 Oct.	9 Nov.	10 Dec.	11 Jan.	12 Feb.	13 March	14 April	15 May	16 June	17 July	18 - 40 Aug. - June	
1. Develop and issue instructions for the general review of long-range plans and current programs.	Office of Planning and Programming (OPP) in cooperation with Office of State Comptroller (OSC).	■																		March 1-24
2. Review long-range plans and current programs. Identify proposed changes in goals, policies, and programs.	OPP; OSC; Agency personnel--program managers, their supervisors, administrative support staff, agency heads.		■																	April 1-30
3. Prepare Budget Form D-30 and narrative justification for each change proposed in Step 2. (See Section VII.)	Agency personnel--program managers and their staffs with review by superiors, administrative support staff, and agency head.			■																May 1-31
4. Review Budget Forms D-30 and narrative justifications and develop recommendations for gubernatorial consideration.	OPP; OSC. Review and discuss recommendations with agency personnel.				■															May 15-June 15
5. Governor and Executive Office staff review of Budget Forms D-30 and narrative justifications with OPP and OSC recommendations. Hearings with each agency submitting Budget Forms D-30.	Governor; Executive Office staff; OPP and OSC staff serve as resource persons during review process and hearings; agency personnel attend hearings.					■														June 1-30
6. Develop and issue instructions for preparation of agency EDP's. Instructions include general policies governing the EDP set by the Governor and his decisions on the requests in Budget Forms D-30.	Governor and Executive Office staff set policies and decide on D-30 requests with assistance of OPP and OSC. OPP and OSC develop and issue instructions and forms.						■													June 15-July 7
7. Completion of agency EDP's.	Same as Step 3.							■												July 15-September 30
8. Review of agency EDP's and development of recommendations for gubernatorial consideration.	Same as Step 4.								■											August 1-October 15
9. Review of agency EDP's and OPP and OSC recommendations.	Same as Step 5.									■										October 16-November 15
10. Prepare EDP for total executive branch and accompanying legislation for submission to General Assembly.	OPP and OSC.										■									October 16-December 15
11. Legislative analysis of Executive EDP, hearings, and enactment of appropriation (and, if necessary) revenue measures.	General Assembly. OPP, OSC, and agency personnel may be called on as resource people.																			January 1-June 30
12. Develop and issue instructions for preparation of agency plans for executing EDP's as approved by the General Assembly.	OPP and OSC.																			May 15-June 15
13. Completion of agency plans for executing EDP's.	Same as Step 3.																			June 15-July 15
14. Review of agency EDP execution plans.	Same as Step 4.																			July 1-31
15. Execution of EDP's.	Agencies subject to review of OPP and OSC.																			July 1-June 30 (24 months)
16. Evaluation of EDP.	Same as Step 2.																			July 1-June 30 (24 months)
17. In-depth analysis of selected long-range plans and programs. Program analysis includes study of current services expenditures.	Teams composed of members from the staffs of OPP, OSC, and the agency involved.																			Continuously

^a/ March 1, each even-numbered year.

other personnel have to be given the responsibility. Experience indicates that in most instances the job is not done at all. A division of this labor has the further disadvantage that each staff accumulates knowledge useful to the other, and this creates communication problems which are never satisfactorily resolved.

Section VI
ASPECTS OF BIENNIAL DEVELOPMENT PLANNING

This section discusses selected aspects of the BDPP as outlined in other sections of the manual. Specifically, it covers the products or formal reports and documents which could be produced, the issuing of instructions and policies governing preparation of BDPs, the use of circulars and memoranda for keeping the process current, contents of basic BDP files, and the necessity of effective revenue estimates.

Possible Products of the BDPP

At a minimum, the BDPP must produce BDPs for each agency of the executive branch, the executive BDP summarizing all agency BDPs, and a capital improvements program (CIP). The executive BDP should cover all the expenses of operating governmental programs for a biennium; the capital improvements program should include all requested capital investments for a biennium. They can be integrated into a single document or presented as parts I and II of the executive BDP. The two parts should be prepared simultaneously in accordance with the BDP cycle described in Section V.

These products are the bare bones of the BDPP. Other regular reports are necessary to build the bones into a skeleton and put some flesh on it. Other products include program working papers, program directory, long-range plans extending more than five to six years into the future, mid-range plans extending five to six years into the future, execution plans for the executive BDP and capital improvements program, program evaluation reports, and special analysis. Each of these is discussed below except for program working papers and the program directory which are dealt with at length in Section IV.

Long-Range Plans

There are many possible futures depending on how events develop as time passes. Long-range planning begins by depicting the most likely possible futures. This is not just a matter of projecting current trends nor predicting the future. It requires, first of all, awareness and understanding of the values society in general and government in particular are concerned with attaining or maintaining. To specify the values to be attained or maintained through public programs is to define the goals of government.

A second requirement is knowledge about the contributions of present activities to attainment or maintenance of identified values. Third, there must exist the capacity for anticipating future developments and events and speculating on their consequences for realizing goals. Another requirement is the ability to conceptualize alternate courses of action and evaluate each in terms of (1) potential contribution to achieving goals and (2) costs. Costs should be measured not only in terms of resource requirements, but also in terms such as options foreclosed, negative effects on other activities or goals, and impact on private enterprises.

Defining Goals. The heart of long-range planning is defining goals. A few comments on this element shed light on other requirements as well. The definition of goals presents many problems. In this society, no single individual or agency has the authority to define the goals of public activities or to order goals by priorities. This is accomplished through the competitive mechanisms of the political process. Several conclusions follow from this fact:

1. Members of the society are unlikely to universally agree on the desirability of goals except for glittering generalities such as establishing justice, insuring domestic tranquillity, promoting the general welfare, and securing liberty. The range of agreement narrows as goals become more specific. Whereas nearly everyone agrees on the desirability of a just society, fewer individuals agree on the desirability of equal opportunity for all individuals to earn the rewards available in the society, and fewer still agree on the desirability of integrated schools and housing.

2. Even at the level of glittering generalities, goals overlap, conflict, or are even diametrically opposed. For example, acts of civil disobedience often involve a conflict between insuring domestic tranquillity and establishing justice.
3. In theory, goals established through the political process have the approval of a majority of the members of a community or, at least, a majority of their representatives. In reality, many public goals are adopted as much from a lack of organized opposition as from the positive desires of a majority. Examples are some occupational licensing laws which benefit only practitioners through giving them legalized control over the practice of the occupation. Misuse of this power in ways such as limiting the number of practitioners as a means of driving up prices for services may have undesirable consequences for the majority.
4. A related point is that the rhetoric of politics dictates cloaking public activities with acceptable goals. Thus, the goal of occupational licensing laws is expressed as protecting the public and not as strengthening the economic situation of practitioners.

Public goals are large in number, conflict and overlap, are acceptable to varying sized segments of the population, and sometimes misrepresent reality. These factors help explain why long-range planning must consider many possible futures. There is no single most desirable future in the sense of a utopia acceptable to all members of the community. Men have and will continue to have different visions of the good life and the good society.

Long-range planners in public agencies are not free to create goals. However, they must be able to identify and describe the goals of current activities as well as propose new or modified goals for the consideration of elective officials. On the one hand, present operations of government must be analyzed to determine the goals to which they actually contribute. On the other hand, different futures must be sketched, and this is a process of developing alternate views of attainable good societies enhancing the individual's pursuit of the good life. Long-range planners must be a mixture of practical realists and visionaries.

Both the practical and visionary aspects are essential if long-range planning is to be a useful exercise. It is necessary to know what exists and how it is likely to develop in the future to avoid devising unrealizable and meaningless alternate futures. It is equally essential to have ideas about what is ultimately desirable in the future to both direct and evaluate existing or proposed activities.

As a matter of good management, each agency of state government should engage in a continuing effort to define long-range goals directing its activities. The role of the agency responsible for over-all state planning includes developing, maintaining, and modifying comprehensive long-range plans and evaluating agency plans to insure that they are compatible with one another and with comprehensive plans.

Contents of Long-Range Plans. Long-range plans may extend as much as 20 years into the future for some public activities. As the time span lengthens, the future becomes less precise and clear. There are a large number of variables involved in anticipating possible futures for state government. Each variable might change in many different ways with differing impacts on other variables. It is possible to anticipate changes in variables with reasonable accuracy for periods up to two years and occasionally even longer. Some margin of error exists even in such short-range plans. Obviously, long-range plans will have larger margins of error.

Plans that deal with detailed and specific data are subject to greater margins of error than plans dealing with generalities and abstractions. Long-range plans must be largely qualitative in nature in contrast to quantitative short-range plans. A long-range state health plan can cover matters such as the availability of health services in relation to geographical and population patterns, the relation of public and private sectors in the health field, and the construction of major health facilities. At this level of generality, long-range futures can be discussed with enough accuracy to be useful as guides to current activities and short-range plans.

The qualitative concerns of long-range plans will usually require narrative discussions. Graphs, figures, tables, charts, and other modes of presenting statistical and other hard data can be expected to occur infrequently in long-range plans.

Mid-Range Plans

Mid-range plans extend five to six years into the future. They accomplish two things. They are an initial effort to express long-range qualitative plans in quantitative terms. They attempt to identify the specific activities and resources that will be required to progress toward the goals embodied in long-range plans. In addition, mid-range plans should project current activities and relate them to long-range plans. This provides the base for establishing the future biennial costs of current and new activities included in BDPs.

Mid-range plans need updating as part of the BDP cycle to reflect changes incorporated in the BDP adopted by the General Assembly. At the same time mid-range plans are updated, long-range plans should be reviewed and modified as necessary.

Biennial Development Plans

Biennial development plans must be highly quantitative in content, for they present the detailed and specific resource requirements for a biennium. Justifications for these requirements also should be expressed in quantitative terms insofar as possible. That is, justifications preferably should be based on items such as measures of work load and effectiveness of performance. Quantitative data have the advantage over qualitative data of greater empirical reliability and are easier to verify. Of course, quantitative data may be misleading or incorrectly interpreted.

The narrative parts of BDPs should be directed at interpreting and clarifying quantitative data and providing further explanations of subjects which cannot be treated quantitatively. The bulk of the BDP narrative will explain and justify changes in the level of services or new services. Much of this can be taken directly from completed D-30 forms. Some narrative will be required to explain adjustments to current services and funding arrangements.

Appendix C contains examples of tables of contents for agency BDPs and for the executive BDP.

Capital Improvements Program

Both long- and mid-range plans should touch on the major capital investments necessary for accomplishing the plans. The capital improvements program covers capital investments for a biennium in the same way the BDP covers the resources required to operate public programs. They are so closely interrelated they should be completed together.

The capital improvements program should cover all proposed capital improvements projects for the biennium. Information on each project should cover any expenditures and work accomplished in prior bienniums, expenditures and work planned for the forthcoming biennium, estimated expenditures and work to be done in subsequent bienniums, estimated impact of the project on BDP requirements, and narrative explanations and justifications of the need for the project.

BDP and Capital Improvements Program Execution Plans

The requests included in departmental BDPs and capital improvements programs usually undergo some modification in the course of their inclusion in the executive BDP and CIP. Similarly, the requests in the executive BDP and CIP are modified by the General Assembly in the course of enacting appropriation measures. Departmental execution plans show how departments are going to adjust their original BDPs and CIPs to account for any changes incorporated in legislative acts.

In addition, execution plans outline how much of the authorized resources will be used during each part (usually quarterly or semiannually) of the biennium and how much of the biennial programmed activity will be accomplished. Thus, execution plans provide a basis for making allotments and supervising and evaluating the effectiveness of agencies in carrying out their BDPs and CIPs.

Execution plans should consist of brief memorandums explaining adjustments made to original department BDPs and CIPs, schedules of proposed expenditures and program accomplishments, and narrative explanations of any items in schedules which are not self-explanatory. Staff from OPP and OSC should be responsible for reviewing and approving execution plans.

Program Evaluation Reports

Program managers and their staff should prepare evaluation reports at the conclusion of each biennium. These reports should take the form of concise memorandums stating: (1) what has been accomplished during the biennium, (2) what was not accomplished, (3) what changes were made from original BDP and CIP execution plans and why, (4) problems and difficulties arising during the biennium, and (5) recommendations for future program activities.

The evaluation reports are essential means of identifying strengths and weaknesses in BDPs and CIPs. They provide the major source of information feedback into mid- and long-range plans. In addition, they may provide indications of needed modifications of program working papers. Problems and difficulties identified in evaluation reports might lead to special analyses to discover possible solutions.

Evaluation should be a continuous process and not limited to the preparation of biennial evaluation reports. The day-to-day management of programs involves making judgments on the effectiveness of activities and instituting such improvements as seem necessary. The evaluation reports are, in part, a check to insure that some separate, conscious thought is given to program effectiveness.

Special Analyses

Inevitably, many matters arise in the operation of public enterprises which require more attention than can be given them in the normal course of events. Such matters are proper subjects for special analyses. Special analyses can take many forms and be accomplished through temporarily freeing personnel from assigned duties to work on the problem, creating

task forces or special analyses units, hiring additional temporary or permanent employees, or using consultants.

The nature of the problem to be studied will dictate the personnel to be used, methods to be employed, and the type of product the analysis should yield. Products of special analyses might include recommendations requiring action by many levels of government from program personnel to department heads, central staff agencies, the Governor, or the General Assembly.

Instructions and Policies for Preparing BDPs

The BDP manual should contain forms, instructions, and policies for preparing BDPs. Once the BDPP is established, this material will be relatively stable, much of it maintaining currency over several bienniums. However, some factors affecting the BDPP will vary from biennium to biennium. These factors should be treated separately from the manual in one or more memorandums issued by the Office of the Governor, OPP, and OSC at the beginning of the cycle of preparing BDPs and CIPs. Individual departments may want to supplement these memorandums with additional materials for internal use.

Appropriate topics for these memorandums include:

1. A summary of revenue estimates for the forthcoming biennium, the implications of these estimates for the BDPs.
2. A statement of the general policies, priorities, and major areas of emphasis established by the Governor. This might include initial estimates of resources available for changes in levels of services and new services and ceilings set on departmental requests.
3. Reminder of major BDPP deadlines for agencies.
4. Explanation of any changes from manual procedures and instructions or description of permissible variations.

5. Explanation of changes in state laws or rules and regulations governing the BDPP.
6. A statement of known cost factors affecting agency BDP requirements such as variations in the cost-of-living index, postal rate increases, and social security increases.
7. A price list for items with known costs such as office supplies and equipment, motor vehicles, equipment, utilities, and insurance.
8. Known personnel cost factors including permissible salary increments, merit increases, retirement system contributions, and estimated turnover savings to be reflected in departmental BDPs.
9. Known changes in fringe-benefits such as vacation, sick leave, overtime, holidays, and employee perquisites.
10. List of OPP and OSC staff with BDPP responsibilities and the departments for which they are responsible.
11. General guidelines for computing resource requirements, reporting departmental revenues, and treating funds.
12. Other information or instructions helpful to agencies in preparing their BDPs and CIPs.

A supply of BDP forms should be supplied each agency with the appropriate memorandums. Thus, if a separate memorandum is issued on changes in levels of services and new services, it should be accompanied by a supply of D-30 forms. Other BDP forms would be sent out with later memorandums dealing with other phases of the BDP cycle.

The BDP cycle lends itself to the issuance of two memorandums containing instructions and policies for preparing departmental BDPs and CIPs. The first memorandum would cover changes in levels of services and new services and might include early revenue estimates and tentative gubernatorial policies, priorities, and areas of emphasis. The second memorandum would appear after executive decisions have been made on changes in levels of services and new services and would cover the remaining steps of the BDP cycle. They might be labeled BDP Memorandums 1 and 2. Additional materials could be issued as supplements to these basic memorandums.

When a draft of each memorandum is completed, it should be circulated for review and then discussed at meetings of OPP and OSC staff and agency heads and selected agency personnel. This is advisable to insure understanding, avoid impractical or unrealistic instructions, identify possible difficulties, and permit departmental personnel the chance to criticize the contents and recommend modifications. Once the meetings are completed, the memorandums and accompanying supplies of forms can be finalized, printed, and distributed.

BDPP Circulars and Memorandums

As previously mentioned, the BDPP is a decentralized process involving a large number of participants. This creates a need for adequate means of communication among participants to avoid confusion, chaos, and work at cross purposes. One responsibility of BDPP staff in OPP and OSC is to develop and maintain an effective communication system.

The BDP manual and the BDP memorandums discussed above are parts of the communication network. Direct contact of OPP and OSC staff with agency personnel is another part. The use of circulars or memorandums by OPP and OSC will be necessary to round out the system.

Some of these circulars can be regularly scheduled. For example, it will probably be necessary to issue a biennial circular to all departments on the completion of BDP and CIP execution plans. Other circulars or memorandums can be issued to cover specific situations as they arise.

The communication system should not be regarded solely as a device available to central staff agencies to use in controlling the actions of departments. The BDPP puts heavy responsibilities on departments as well as on the central staff agencies. An effective BDPP requires the use of the communications system to impart information to departments which will improve their capabilities for adequately discharging their responsibilities.

Basic BDPP Files

Figure III shows the basic BDPP files to be maintained by various participants in the process. It is largely self-explanatory. Complete sets of all BDPP files should be maintained by OPP, OSC, and legislative fiscal staffs. OPP and OSC share responsibility for over-all direction of the BDPP in the executive branch. Legislative fiscal staffs have the responsibility of keeping track of the BDPP for the General Assembly.

The Office of the Governor requires complete sets of those files covering all agencies of state government. Other files need be furnished only during a regular review phase of the BDPP or on an exception basis for matters on which the office should be informed or must make a decision.

Departments require complete sets of files which provide summary information on the over-all activities and concerns of state government. This provides a broad perspective in which to make specific departmental decisions. For files containing more detailed data on programs or dealing with specific problems, departments need only maintain an internal set. Similarly, programs require department sets of files which contain information helpful in setting the context for program level BDPP activities. Other files contain only material relevant to the program.

The organization of basic files underlines two characteristics of the BDPP. Participants should have information available which gives them a perspective sufficiently broad enough to enable them to view their own roles with some degree of objectivity. Second, the roles of participants are interrelated and to some extent overlapping. The primary responsibility of program managers obviously is managing their programs. However, they also have a role to play in the management of the program groupings or departments of which their programs are a part. Department heads are primarily responsible for over-all departmental management; they also have roles to play in the management of programs in their departments and in the over-all management of state government.

Figure III

BASIC BDPP FILES MAINTAINED BY
STATE GOVERNMENT AGENCIES

78

	Office of Planning and Programming; Office of State Comptroller	Departmental BDP Units	Programs	Legislative Fiscal Staffs	Office of the Governor
1. Program working papers.	Complete set	Department set	Program set	Complete set	On request
2. Program directory.	Complete set	Complete set	Program set	Complete set	Complete set
3. Long-range plans.	Complete set	Complete set	Department set	Complete set	Complete set
4. Mid-range plans.	Complete set	Complete set	Department set	Complete set	Complete set
5. Program BDP and CIP requests for most recently completed biennium, current biennium, and forthcoming biennium.	Complete set	Department set	Department set	Complete set	As needed during review
6. Department BDP and CIP requests for past, current, and forthcoming biennium.	Complete set	Department set	Department set	Complete set	As needed during review
7. Executive BDP and CIP requests for past, current, and forthcoming biennium.	Complete set	Complete set	Department set	Complete set	Complete set
8. BDP and CIP execution plans.	Complete set	Department set	Department set	Complete set	Review only
9. Program evaluation reports.	Complete set	Department set	Department set	Complete set	Review only
10. Special analyses.	Complete set	Department set	Program set	As needed	As needed
11. Instructions for preparing BDPs and CIPs.	Complete set	Complete set	Complete set	Complete set	Complete set
12. Current BDP circulars and memorandums.	Complete set	Complete set	Complete set	Complete set	Complete set
13. BDP and CIP Worksheets.	Complete set	Department set	Department set	Complete set	Complete set
14. Appropriation measures.	Complete set	Department set	Department set	Complete set	Complete set
15. Progress reports (fiscal and others) on execution of BDP and CIP.	Complete set	Department set	Department set	Complete set	As needed
16. Other materials helpful in the BDPP.	Complete set	Department set	Program set	Complete set	As needed

Revenue Estimating

The BDPP is the central instrument for managing state government resources. Most resources can be expressed monetarily as public revenues. There must be a steady flow of information on revenues--what was available, what has been used, how much remains available, how much is likely to be used, and what will be available in future periods. The information should be as comprehensive as possible, covering revenues available to state government from all sources regardless of funding arrangements.

Accurate, comprehensive estimates of revenues to be available during future periods of time are critical to the BDPP. There is little meaning to planning, programming, and budgeting if they are conducted without reference to realistic information on resource limitations. Estimates must be timely and current. That is, they must be available when needed at various stages of the BDPP, and they must be continuously updated to reflect the most recent available data.

Inaccurate revenue estimates create problems whether the error is overestimating or underestimating. Overestimations can lead to spending more than is available. Deficit spending is generally frowned on at state government levels. Therefore, when it becomes apparent a deficit may occur, the tendency is to cut back wherever possible to avoid the situation. This leads to arbitrary limitations on expenditures which may curtail public services or even severely cripple some activities. It negates the usefulness of planning and programming to some extent.

Underestimates are equally undesirable. They can result in surpluses which are an ineffective use of resources. There are always more good things to do than there are resources to accomplish. A surplus means that something good was not done even though the resources were available. Sometimes surpluses are treated as unexpected windfalls and are used less effectively than if they had been subjected to the BDPP.

Sources of Revenue Estimates

A wide range of individuals and agencies, public and private, can make useful contributions to revenue estimating. These include the State Department of Revenue, OPP and OSC, federal and local government agencies generating basic economic data, university personnel, economic research staffs of banks, and other agencies with competencies in economic analysis.

State agencies with their own sources of revenue or charged with administering special funds should be responsible for developing at least initial estimates of those items.

The key agency is the Department of Revenue. It maintains the central storehouse of revenue data. It is commensurate with its other functions to provide it the staff and other resources necessary to analyze and interpret revenue and other economic data and develop estimates.

Data Assembly and Maintenance

Individual revenue sources differ in characteristics and relative importance. An estimate of receipts anticipated from another level of government may require simply the use of a prescribed formula. An estimate of major state tax yield, on the other hand, may emerge only from analysis of pertinent economic trends directly affecting the state. Revenue estimating benefits from methodical data collection including the following for each revenue source:

1. Basic Documents File. Continuously updated to reflect current conditions, this file would include:
 - a. A synopsis of the legal history covering origination of the revenue, subsequent amendments, and current provisions.
 - b. An actual copy of each current legal provision bearing on the particular revenue source.
 - c. A listing of applicable rates, bases, and valuation methods.
 - d. A description of factors likely to influence the revenue productivity of the source.
 - e. A bibliography of publications containing relevant material on the revenue source.

2. Cumulative Collections Record on which space is provided for recording:
 - a. Monthly collections for a five-year period.
 - b. Percentage relationships among monthly, quarterly, and annual totals for the most recent five-year period.

3. Economic Conditions or Numbers (ECON) File. Includes local, regional, state, and sometimes national data continuously updated (with any major revenue source involved indicated in parentheses):
 - a. Number, type, value of building permits, and other indices of construction activity.
 - b. Department store and other wholesale and retail sales.
 - c. Payroll data for commercial and industrial activities.
 - d. Personal and business incomes, gross and category totals, and averages.
 - e. Production of electric power.
 - f. Consumption of industrial gas.
 - g. Bank deposits and similar indications of money supply and activity.
 - h. Investment in industrial and commercial fixed assets.
 - i. Particular trends in selected sectors of economic activity.
 - j. Real estate sales and rentals.
 - k. Student population by primary and secondary school levels.

4. Advisory Comment File. This would contain volunteered and solicited comment from operating officials regarding revenue sources having some relevance to their official responsibilities. It would also contain suggestions concerning possible new revenue sources.

Preparation of Estimates

As the point of departure in developing estimates for the biennium, a projection is made of current revenues at current rates, within the context of any new applicable federal or state legislation which may affect state fiscal responsibilities and options. Since this is done at a time when preliminary estimates of expenditures are also formulated, indications of probable surplus or deficit should be made available to state authorities. If new revenue sources are being considered at this time, or have already been created by higher governmental action, projections should incorporate such elements. Obviously, no previous collections will be involved.

In general, the projection of current revenues, even for a major revenue component, should receive careful rather than perfunctory attention. Even relatively stable taxes can vary from year to year due to fluctuations in the economy.

Final Estimates

Once the choices are made among revenue options and expenditure commitments, estimates must be refined. Those for minor sources can be assigned to the collecting agencies responsible. It is suggested that a simple form be devised for standardizing such work. Basic information shown for each revenue source should include:

1. Identification of the revenue source, by name and accounting code number.
2. Collection figures for the two fiscal years preceding to show some indication of trends.
3. Current appropriation.
4. Experience estimate for current biennium.
5. Estimate of collections for the biennium.
6. Any short narrative remarks necessary to explain an estimate.

For major sources, similar documentation is necessary, but for a longer past period and in the detail required for realistic projection. If an average experience factor can be identified over a 5- to 10-year period, a reasonable conclusion about a likely biennial experience should be possible. Use of statistical procedures is recommended if the nature of the source in question requires it. Such procedures include sampling, correlation analysis, regression equations, and simple rate of change techniques. The use of empirical data is essential in identifying relationships among mathematical magnitudes for different time periods, adjusting rigidities resulting from the use of formulas, and adapting broad trends to the local situation.

Tax Research

This activity, as such, is not generally considered part of the BDPP. It should be recognized, however, that tax decisions relating to the BDP often require previous or concurrent research activity somewhere within the state government. The prospect of a state initiated change, or the need to adapt to an imposed change, or the decision to promote an imposed change, all require a knowledge of tax effect, in terms of revenue, equity, and administrative feasibility.

Will a proposed tax increase help or hurt the State? Can procedures for ending tax delinquency be improved? Should the State seek to end an unproductive or inequitable tax and enact an alternative levy? What groups bear the heaviest burden under present tax measures?

Answers to such questions invariably have relevance for the BDP. As the need for state revenues increases, the questions can be expected to proliferate. It is therefore important that tax research, as an activity, exist as a continuing responsibility of state government.

INTRODUCTORY NOTE TO SECTION VII

To shorten and simplify this edition of the Manual for the Biennial Development Plan, examples of completed forms (which were previously contained in Appendix D) have been substituted for the blank forms originally included in Section VII. The examples are based on a hypothetical budget for the Department of Social Services.

Section VII
BDPP FORMS AND INSTRUCTIONS

This section contains examples of forms recommended for use in preparing agency BDPs, explanations of the forms, and instructions for their completion. Examples of completed forms are included in Appendix D.

General Comments on BDPP Forms

The forms discussed in this section reflect the fact that Iowa is in the process of transition from a budget system concentrating on line-item objects of expenditure and organizational units to a program-oriented BDPP. The old and new are married in the forms presented in this section. Elements of the old are found particularly in forms D-5 through D-12, which correspond closely to the budget forms issued by the Office of State Comptroller (OSC) for preparation of the 1969-1971 biennial budget. The major variations introduced into these nine forms are (1) they are prepared for programs instead of organizational units and (2) data are presented by type of request (current services, changes in level of services, new services).

In addition to these variations, other major new elements are found in forms D-1 through D-4, D-20 and D-30. Forms D-1 through D-4 present data by program categories and type of request, almost dropping completely organizational units and objects of expenditure. Form D-20 represents a complete departure from current practice which provides no worksheets covering the total budget cycle for the use of participants. Form D-30 also departs from current practice which has not developed refined methods for sorting out requests for changes from current service levels.

The Order of Appearance of Forms in Department BDPs

The forms included in this section present, for the most part, fiscal or numerical data. Departmental BDPs should supplement these forms with narrative analyses, explanations, and justifications of the data they contain. The forms in departmental BDPs will be interspersed with narratives where necessary. Given the nature of the BDPP, narratives can be brief in the extreme in cases where no changes from current service levels are proposed, and data on the forms are self-explanatory. Narratives need to be more extensive where changes must be explained and justified or complicated form data interpreted. A possible table of contents for departmental BDPs is included in Appendix C.

Forms D-20 and D-30 are presented separately from the departmental BDPs. The order of appearance of the other forms in departmental BDPs is as follows:

<u>Order</u>	<u>Departments With Program Groupings and Program Elements</u>	<u>Departments Without Program Groupings, but With Program Elements</u>	<u>Departments Without Program Groupings or Program Elements</u>
1.	D-1 Summary of Total Department Request by Program Grouping.	D-1 Summary of Total Department Request by Program.	D-1 Summary of Total Department Request by Program.
2.	D-2 Summary of Total Department Request by Program Grouping and Type of Request.	D-2 Summary of Total Department Request by Program and Type of Request.	D-2 Summary of Total Department Request by Program and Type of Request.
3.	D-3 Summary of Total Request for first departmental Program Grouping by Programs and Type of Request.	D-4 Summary of Total Program Request for first departmental program by Program Element and Type of Request (omit for Programs without Program Elements).	D-5 Summary of Total Request for the first departmental program by Type of Request and Major Objects of Expenditure.
4.	D-4 Summary of Total Program Request for the first program of the first departmental Program Grouping by Program Element and Type of Request (omit for Programs without Program Elements).	D-5 Summary of Total Request for the first program element of the first departmental program by Type of Request and Major Objects of Expenditure.	Narrative for first departmental program discussing (1) briefly the request for current services and explaining any changes in the current services base, and (2) describing and justifying each proposed change in level of services or new service.
5.	D-5 Summary of Total Request for the first program element of the first program of the first departmental program grouping by Type of Request and Major Objects of Expenditure.	Narrative for first program element of the first departmental program discussing (1) briefly the request for current services and explaining any changes in the current services base, and (2) describing and justifying each proposed change in level of services or new service.	The following forms are presented in numerical order for the first departmental program with narrative inserted where necessary for purposes of interpretation, explanation, or justification: D-6 D-9 D-7 D-10 D-7A D-11 D-8 D-12

Order	Departments With Program Groupings and Program Elements	Departments Without Program Groupings, but With Program Elements	Departments Without Program Groupings or Program Elements
6.	Narrative for the first program element of the first program of the first departmental program grouping discussing (1) briefly the request for current services and explaining any changes in the current services base, and (2) describing and justifying each proposed change in level of services or new services.	The following forms are presented in numerical order for the first program element of the first departmental program with narrative inserted where necessary for purposes of interpretation, explanation, or justification: D-6 D-9 D-7 D-10 D-7A D-11 D-8 D-12	Repeat numbers 3-5 for each remaining departmental program.
7.	The following forms are presented in numerical order for the first program element of the first program of the first departmental program grouping with narrative inserted where necessary for purposes of interpretation, explanation, or justification: D-6 D-9 D-7 D-10 D-7A D-11 D-8 D-12	Repeat numbers 4-6 for each program element of the first departmental program.	
8.	Repeat numbers 5-7 for each program element of the first program of the first departmental program grouping.	D-4 For second departmental program.	
9.	D-4 For second program of the first departmental program grouping.	Repeat numbers 4-6 for each program element of the second departmental program.	

Order	Departments With Program Groupings and Program Elements	Departments Without Program Groupings, but With Program Elements	Departments Without Program Groupings or Program Elements
10.	Repeat numbers 5-7 for each program element of the second program of the first departmental program grouping.	Repeat numbers 8-9 for each remaining departmental program.	
11.	Repeat numbers 9-10 for each remaining program of the first departmental program grouping.		
12.	D-3 For second departmental program grouping.		
13.	Repeat numbers 9-10 for each program of the second departmental program grouping.		
14.	Repeat numbers 12-13 for each remaining departmental program grouping.		

Common Data Required by Forms

All BDP forms call for sorting out requests into the three categories of current services, changes in level of services, and new services. Unless a program or program element is being terminated, it will always have at least a current services request. The forms are designed so that there is no need to mention changes in level of services or new services if none are requested. Whenever requests are made in more than one category, forms should be completed to show subtotals for each category as well as a final grand total. Subtotals and totals should always show: (1) total requirements from all sources of revenue, (2) the netting out separately of each nongeneral fund resource, and (3) the general fund appropriation required. This is essential to the review and management of the total resources of state government in contrast to the haphazard consideration of arbitrarily selected bits and pieces.

Forms D-5 through D-12 get into object and subobject of expenditure data. Departments will complete these forms only if they have requests for the particular object. That is, a department that is not requesting motor vehicles need not complete forms D-7 or D-7A. Departments with no travel expenses will not include that object on any of their BDP forms.

Forms D-1 through D-12 are the basic forms included in agency BDPs. As is to be expected, they present data in a roughly common format. Except for forms D-6, D-7, D-7A, D-9, and D-11, all forms have identical column headings in columns 2-9. These columns present: (1) actual expenditures for the most recently completed fiscal year, (2) estimated expenditures for the current fiscal year, (3) a total of items 1 and 2, (4) requests for first fiscal year of next biennium, (5) requests for second fiscal year of next biennium, (6) a total of items 4 and 5, (7) the Governor's recommendations for the next biennium, and (8) the appropriation eventually made for the next biennium.

Forms D-6 (details of personal services) and D-7 (details of travel expenses) drop the first three items since part or current levels

of expenditure serve no useful purpose in analyzing future requests. Forms D-7A (description of motor vehicles requested), D-9 (details of printing and binding requests), and D-11 (details of equipment requests) also omit past and current expenditure data as useless in analyzing future requests. Each of these three forms includes selected data unique to the items requested which are helpful in analyzing requests.

The BDPP relegates object and subobject of expenditure data to backup materials for program element or program requests. Forms D-1 through D-4, D-20, and D-30 build on object and subobject of expenditure of data, but present the data in other ways to focus attention on changes in the current services base, changes in level of services, or new services. If it was considered desirable or useful for any reason, it would be possible to develop forms comparable to D-1 through D-4, D-20 and D-30, which substitute object of expenditure data for type of request data (current services, changes in level of services, or new services).

The following instructions for completing forms should be available to all personnel responsible for completing forms. This means wide distribution of the manual in whole or in part. Alternatives are to print instructions separately for distribution with forms or print instructions on the back of forms.

Form D-1

This form contains a summary of the total budget request for a department. Departments large enough to have program groupings list each program grouping in column 1. Other departments list programs. Columns 2-7 are completed by each department and are self-explanatory. Columns 8-9 are provided to make the forms useful as worksheets for recording gubernatorial and legislative actions.

Columns 2-7 (and 8-9 when completed) should add up to the total fiscal resources used or requested by the department. The total requirements figure should include all resources regardless of source or funding arrangement. All nongeneral fund resources are separately listed and netted out from the total requirements figures to arrive at the final figure which is the amount of general fund resources used or requested.

DEPARTMENT BUDGET REQUEST SUMMARY I
 BY PROGRAM GROUPINGS (OR PROGRAMS)
 1971-1973 BIENNIUM

Page 1
 Budget Form D-1

Department: Social Services

1	2	3	4	5	6	7	8	9
Program Groupings	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommendations 1971-1973	Appropriation 1971-1973
Family and Children's Services	12,000,000	13,000,000	25,000,000	14,000,000	15,000,000	29,000,000		
Mental Health Services	12,000,000	14,000,000	26,000,000	15,000,000	16,000,000	31,000,000		
Mental Retardation Services	9,000,000	11,000,000	20,000,000	12,000,000	13,000,000	25,000,000		
Adult Correction Services	7,000,000	9,000,000	16,000,000	10,000,000	11,000,000	21,000,000		
Income Maintenance	125,000,000	125,000,000	250,000,000	130,000,000	135,000,000	265,000,000		
Administrative Support	2,000,000	2,000,000	4,000,000	3,000,000	3,000,000	6,000,000		
Total Requirements	<u>167,000,000</u>	<u>174,000,000</u>	<u>341,000,000</u>	<u>184,000,000</u>	<u>193,000,000</u>	<u>377,000,000</u>		
Less:								
Federal Funds	80,000,000	84,000,000	164,000,000	90,000,000	95,000,000	185,000,000		
Special Funds:								
County Funds	11,000,000	11,000,000	22,000,000	12,000,000	12,000,000	24,000,000		
Recoveries and Refunds	3,000,000	3,000,000	6,000,000	3,000,000	3,000,000	6,000,000		
General Fund Appropriation	<u>73,000,000</u>	<u>76,000,000</u>	<u>149,000,000</u>	<u>79,000,000</u>	<u>83,000,000</u>	<u>162,000,000</u>		

Form D-2

Form D-2 summarizes total departmental budget requests by program groupings or programs and type of request. Type of request refers to the division of resources among current services, changes in level of services, and new services. Departments with program groupings enter program grouping in column 1. Other departments list programs in column 1. The format for entries in column 1 is as follows:

Program Grouping I (or Program I):

Current Services
 Changes in Level of Services
 New Services
 Total Requirements--Program Grouping I
 Less: (identify each nongeneral fund resource)
 General Fund Appropriation

and so forth, until each program grouping (program) is completed. A department total follows the last program grouping (program).

Department Total:

Current Services
 Changes in Level of Services
 New Services
 Total Requirements--Department
 Less: (identify each nongeneral fund resource)
 General Fund Appropriation

Columns 2-9 are identical to columns 2-9 of Form D-1 and are self-explanatory.

DEPARTMENT BUDGET REQUEST SUMMARY II
 BY PROGRAM GROUPINGS AND TYPE OF REQUEST (CURRENT SERVICES,
 CHANGES IN LEVEL OF SERVICES, OR NEW SERVICES)
 1971-1973 BIENNIUM

Page 2
 Budget Form D-2

Department: Social Services

1	2	3	4	5	6	7	8	9
Program Groupings--Type of Request	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommen- dations 1971-1973	Appropri- ation 1971-1973
Family and Children's Services:								
Current Services	11,000,000	12,000,000	23,000,000	13,000,000	14,000,000	27,000,000		
Changes in Level of Services	750,000	1,000,000	1,750,000	1,000,000	500,000	1,500,000		
New Services	250,000	---	250,000	---	500,000	500,000		
Total Requirements	<u>12,000,000</u>	<u>13,000,000</u>	<u>25,000,000</u>	<u>14,000,000</u>	<u>15,000,000</u>	<u>29,000,000</u>		
Less:								
Federal Funds	1,500,000	2,000,000	3,500,000	2,000,000	3,000,000	5,000,000		
General Fund Appropriation	<u>10,500,000</u>	<u>11,000,000</u>	<u>21,500,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>24,000,000</u>		
 (Note: The same information in the same format would be provided for each of the other five program groupings, i.e., (1) Mental Health Services, (2) Mental Retardation Services, (3) Adult Correction Services, (4) Income Maintenance, and (5) Administrative Support.)								
Department Totals--All Program Groupings:								
Current Services	157,000,000	167,000,000	324,000,000	174,000,000	184,000,000	358,000,000		
Changes in Level of Services	8,000,000	6,000,000	14,000,000	8,000,000	8,000,000	16,000,000		
New Services	2,000,000	1,000,000	3,000,000	2,000,000	1,000,000	3,000,000		
Total Requirements	<u>167,000,000</u>	<u>174,000,000</u>	<u>341,000,000</u>	<u>184,000,000</u>	<u>193,000,000</u>	<u>377,000,000</u>		
Less:								
Federal Funds	80,000,000	84,000,000	164,000,000	90,000,000	95,000,000	185,000,000		
Special Funds:								
County Funds	11,000,000	11,000,000	22,000,000	12,000,000	12,000,000	24,000,000		
Recoveries and Refunds	3,000,000	3,000,000	6,000,000	3,000,000	3,000,000	6,000,000		
General Fund Appropriation	<u>73,000,000</u>	<u>76,000,000</u>	<u>149,000,000</u>	<u>79,000,000</u>	<u>83,000,000</u>	<u>162,000,000</u>		

Form D-3

Form D-3 is used only by departments with program groupings. Departments without program groupings will have provided the same information on Form D-2.

Form D-3 is completed for each program grouping in a department and summarizes the total program grouping budget request by programs and type of request (current services, changes in level of services, new services). Entries in column 1 follow the same format as column 1 entries on Form D-2, except that (1) program is substituted always for program grouping and (2) a program grouping total replaces the department total.

Columns 2-9 are identical to columns 2-9 of Forms D-2 and D-1 and are self-explanatory.

PROGRAM GROUPING BUDGET REQUEST SUMMARY
BY PROGRAMS AND TYPE OF REQUEST (CURRENT SERVICES, CHANGES
IN LEVEL OF SERVICES, OR NEW SERVICES)
1971-1973 BIENNIUM

Department: Social Services
Program Grouping: Family and Children's
Services

1	2	3	4	5	6	7	8	9
Program--Type of Request	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommendations 1971-1973	Appropriation 1971-1973
Services to Children and Their Families:								
Current Services	9,000,000	9,750,000	18,750,000	10,250,000	11,050,000	21,300,000		
Changes in Level of Services	500,000	500,000	1,000,000	800,000	350,000	1,150,000		
New Services	250,000	---	250,000	---	400,000	400,000		
Total Requirements	<u>9,750,000</u>	<u>10,250,000</u>	<u>20,000,000</u>	<u>11,050,000</u>	<u>11,800,000</u>	<u>22,850,000</u>		
Less:								
Federal Funds	<u>1,250,000</u>	<u>1,500,000</u>	<u>2,750,000</u>	<u>1,750,000</u>	<u>2,500,000</u>	<u>4,250,000</u>		
General Fund Appropriation	<u>8,500,000</u>	<u>8,750,000</u>	<u>17,250,000</u>	<u>9,300,000</u>	<u>9,300,000</u>	<u>18,600,000</u>		
(Note: The same information in the same format would be provided for each of the other four programs in this program grouping; i.e., (1) Services to Adult Public Assistance Recipients, (2) Services to Veterans, (3) Services to Indians, and (4) Services to Migrants.)								
Program Grouping Totals--All Programs:								
Current Services	11,000,000	12,000,000	23,000,000	13,000,000	14,000,000	27,000,000		
Changes in Level of Services	750,000	1,000,000	1,750,000	1,000,000	500,000	1,500,000		
New Services	250,000	---	250,000	---	500,000	500,000		
Total Requirements	<u>12,000,000</u>	<u>13,000,000</u>	<u>25,000,000</u>	<u>14,000,000</u>	<u>15,000,000</u>	<u>29,000,000</u>		
Less:								
Federal Funds	<u>1,500,000</u>	<u>2,000,000</u>	<u>3,500,000</u>	<u>2,000,000</u>	<u>3,000,000</u>	<u>5,000,000</u>		
General Fund Appropriation	<u>10,500,000</u>	<u>11,000,000</u>	<u>21,500,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>24,000,000</u>		

Form D-4

Form D-4 is used only for programs which are subdivided into two or more elements. Form D-4 is completed for each subdivided program in a department and summarizes the total program budget request by program elements and type of request (current services, changes in level of services, new services).

Entries in column 1 follow the same format as column 1 entries on Form D-2, except that (1) program element is always substituted for program grouping and (2) a program total replaces the department total.

Columns 2-9 are identical to columns 2-9 of Forms D-3, D-2, and D-1 and are self-explanatory.

PROGRAM BUDGET REQUEST SUMMARY
BY PROGRAM ELEMENT AND TYPE OF REQUEST
1971-1973 BIENNIUM

Department: Social Services
Program Grouping: Family and Children's Services
Program: Services to Children and Their Families

1	2	3	4	5	6	7	8	9
Program Element--Type of Request	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommendations 1971-1973	Appropriation 1971-1973
Community Services:								
Current Services	3,250,000	4,000,000	7,250,000	4,350,000	4,750,000	9,100,000		
Changes in Level of Services	400,000	250,000	650,000	400,000	250,000	650,000		
New Services	100,000	---	100,000	---	300,000	300,000		
Total Requirements	<u>3,750,000</u>	<u>4,250,000</u>	<u>8,000,000</u>	<u>4,750,000</u>	<u>5,300,000</u>	<u>10,050,000</u>		
Less:								
Federal Funds	<u>1,000,000</u>	<u>1,250,000</u>	<u>2,250,000</u>	<u>1,500,000</u>	<u>2,000,000</u>	<u>3,500,000</u>		
General Fund Appropriation	<u>2,750,000</u>	<u>3,000,000</u>	<u>5,750,000</u>	<u>3,250,000</u>	<u>3,300,000</u>	<u>6,550,000</u>		

(Note: The same information in the same format would be provided for each of the other five program elements in this program; i.e., (1) Institutional Services for Dependent/Neglected Children--Annie Wittenmyer Home, (2) Institutional Services for Dependent/Neglected Children--State Juvenile Home, (3) Institutional Services for Delinquent Children--Iowa Boys' Training School, (4) Institutional Services for Delinquent Children--Iowa Girls' Training School, and (5) Administrative Support and Special Services.)

Budget Form D-4 (continued)

Page 5

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
Program Totals--All Program Elements:									
Current Services		9,000,000	9,750,000	18,750,000	10,250,000	11,050,000	21,300,000		
Changes in Level of Services		500,000	500,000	1,000,000	800,000	350,000	11,500,000		
New Services		250,000	---	250,000	---	400,000	400,000		
Total Requirements		<u>9,750,000</u>	<u>10,250,000</u>	<u>20,000,000</u>	<u>11,050,000</u>	<u>11,800,000</u>	<u>22,850,000</u>		
Less:									
Federal Funds		<u>1,250,000</u>	<u>1,500,000</u>	<u>2,750,000</u>	<u>1,750,000</u>	<u>2,500,000</u>	<u>4,250,000</u>		
General Fund Appropriation		<u>8,500,000</u>	<u>8,750,000</u>	<u>17,250,000</u>	<u>9,300,000</u>	<u>9,300,000</u>	<u>18,600,000</u>		

Form D-5

Form D-5 is completed for each program which is not subdivided into program elements. In the case of subdivided programs, Form D-5 is completed for each program element and not for the program as a whole.

Form D-5 summarizes the total program (or program element), budget request by type of request (current services, changes in level of services, new services), and major objects of expenditure. The format for entries in column 1 is as follows:

Current Services:

Object of Expenditure 1
Object of Expenditure 2
Etc.

Total Current Services:

Less: (identify each nongeneral fund resource)
General Fund Appropriation

and so forth, for changes in level of services and new services. A program (or program element) total follows new services.

Program (Program Element) Total:

Object of Expenditure 1
Object of Expenditure 2
Etc.

Total Requirements:

Less: (identify each nongeneral fund resource)
General Fund Appropriation

Columns 2-9 are identical to columns 2-9 of forms D-4, D-3, D-2, and D-1 and are self-explanatory.

Department: Social Services
Program Grouping: Family and Children's Services
Program: Services to Children and Their Families
Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST SUMMARY
BY TYPE OF REQUEST AND OBJECT OF EXPENDITURE
1971-1973 BIENNIUM

1	2	3	4	5	6	7	8	9
Type of Request--Object of Expenditure	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommendations 1971-1973	Appropriation 1971-1973
Current Services:								
Salaries	430,000	500,000	930,000	550,000	575,000	1,125,000		
Travel	10,000	10,000	20,000	11,000	11,000	22,000		
Office Supplies and Expense	40,000	40,000	80,000	43,000	43,000	86,000		
Printing and Binding	5,000	5,000	10,000	5,000	5,000	10,000		
Telephone and Telegraph	10,000	10,000	20,000	11,000	11,000	22,000		
Equipment	5,000	5,000	10,000	5,000	5,000	10,000		
Other (Benefit Payments)	2,750,000	3,430,000	6,180,000	3,725,000	4,100,000	7,825,000		
Total Current Services	<u>3,250,000</u>	<u>4,000,000</u>	<u>7,250,000</u>	<u>4,350,000</u>	<u>4,750,000</u>	<u>9,100,000</u>		
Less:								
Federal Funds	800,000	1,125,000	1,925,000	1,300,000	1,875,000	3,175,000		
General Fund Appropriation	<u>2,450,000</u>	<u>2,875,000</u>	<u>5,325,000</u>	<u>3,050,000</u>	<u>2,875,000</u>	<u>5,925,000</u>		
Changes in Level of Services:								
Salaries	50,000		50,000					
Travel								
Office Supplies and Expense	5,000		5,000					
Printing and Binding								
Telephone and Telegraph								
Equipment	1,000		1,000					
Other (Benefit Payments)	344,000	250,000	594,000	400,000	250,000	650,000		
Total Changes in Level of Services	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>		
Less:								
Federal Funds	200,000	125,000	325,000	200,000	125,000	325,000		
General Fund Appropriation	<u>200,000</u>	<u>125,000</u>	<u>325,000</u>	<u>200,000</u>	<u>125,000</u>	<u>325,000</u>		

	1	2	3	4	5	6	7	8	9
New Services:									
Salaries						97,000	97,000		
Travel						1,000	1,000		
Office Supplies and Expense						1,000	1,000		
Printing and Binding									
Telephone and Telegraph									
Equipment						1,000	1,000		
Other (Benefit Payments)		100,000		100,000		200,000	200,000		
Total New Services		<u>100,000</u>		<u>100,000</u>		<u>300,000</u>	<u>300,000</u>		
General Fund Appropriation		<u>100,000</u>		<u>100,000</u>		<u>300,000</u>	<u>300,000</u>		
Program Element Totals:									
Salaries		480,000	500,000	980,000	550,000	672,000	1,222,000		
Travel		10,000	10,000	20,000	11,000	12,000	23,000		
Office Supplies and Expense		45,000	40,000	85,000	43,000	44,000	87,000		
Printing and Binding		5,000	5,000	10,000	5,000	5,000	10,000		
Telephone and Telegraph		10,000	10,000	20,000	11,000	11,000	22,000		
Equipment		6,000	5,000	11,000	5,000	6,000	11,000		
Other (Benefit Payments)		<u>3,194,000</u>	<u>3,680,000</u>	<u>6,874,000</u>	<u>4,125,000</u>	<u>4,550,000</u>	<u>8,675,000</u>		
Total Requirements		<u>3,750,000</u>	<u>4,250,000</u>	<u>8,000,000</u>	<u>4,750,000</u>	<u>5,300,000</u>	<u>10,050,000</u>		
Less:									
Federal Funds		1,000,000	1,250,000	2,250,000	1,500,000	2,000,000	3,500,000		
General Fund Appropriation		<u>2,750,000</u>	<u>3,000,000</u>	<u>5,750,000</u>	<u>3,250,000</u>	<u>3,300,000</u>	<u>6,550,000</u>		

Form D-6

Form D-6 contains the details of budget requests for personal services. It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 lists each item of personal services expenses by type of request (current services, changes in level of services, new services).

A possible format for entries in column 1 is as follows:

Current Services:

Positions:

(Positions in the same class, salary range,
and step are grouped together)

Group I

Etc.

Subtotal--Gross Payroll

Less Estimated Turnover Savings

Total Gross Payroll

Additional Salary Costs:

State's Share of F.I.C.A.

State's Share of I.P.E.R.S.

State's Contribution for Insurance

Other State Costs

Subtotal --Additional Salary Costs

Temporary and Part-Time Help

Total Current Services Request

Less: (identify each nongeneral fund resource)

General Fund Appropriation

and so forth, for changes in level of services, new services,
and program (or program element) totals.

Columns 2-6 are self-explanatory.

Department: Social Services

Program Grouping: Family and Children's
Services

Program: Children and Their Families

Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
SALARY EXPENSES
1971-1973 BIENNIUM

1 Type of Request--Position Title	Salary Range	2 Total Request 1971-1972		3 Total Request 1972-1973		4 Total Biennial Request 1971-1973		5 Governor's Recommendations 1971-1973		6 Appropriation 1971-1973	
		Amount	Number of Positions	Amount	Number of Positions	Amount	Number of Positions	Amount	Number of Positions	Amount	Number of Positions
Current Services:											
Positions:											
Casework Supervisors	23	110,000	10	110,000	10	220,000	10				
Caseworkers	18	330,000	40	345,000	40	675,000	40				
Clerical	10	50,000	10	55,000	10	105,000	10				
Subtotal--Gross Payroll		<u>490,000</u>	<u>60</u>	<u>510,000</u>	<u>60</u>	<u>1,000,000</u>	<u>60</u>				
Less Estimated Turnover Savings--2%		9,800		10,200		20,000					
Total Gross Payroll		<u>480,200</u>	<u>60</u>	<u>499,800</u>	<u>60</u>	<u>980,000</u>	<u>60</u>				
Additional Salary Costs:											
State's Share of F.I.C.A.		10,000		11,000		21,000					
State's Share of I.P.E.R.S.		49,800		54,200		104,000					
State's Contribution for Insurance		4,000		4,000		8,000					
Other State Costs		<u>1,000</u>		<u>1,000</u>		<u>2,000</u>					
Subtotal--Additional Salary Costs		64,800		70,200		135,000					
Temporary and Part-Time Help		<u>5,000</u>		<u>5,000</u>		<u>10,000</u>					
Total Current Services Request		<u>550,000</u>	<u>60</u>	<u>575,000</u>	<u>60</u>	<u>1,125,000</u>	<u>60</u>				
Less:											
Federal Funds		<u>250,000</u>		<u>275,000</u>		<u>525,000</u>					
General Fund Appropriation		<u>300,000</u>	<u>60</u>	<u>300,000</u>	<u>60</u>	<u>600,000</u>	<u>60</u>				

(Note: This example does not include any salary increase requests under the heading of Changes in Level of Services.)

	1	2	3	4	5	6
New Services:						
Positions:						
Casework Supervisors	23		11,000	1	11,000	1
Caseworkers	18		84,000	10	84,000	10
Clerical	10		5,000	1	5,000	1
Subtotal--Gross Payroll			<u>100,000</u>	<u>12</u>	<u>100,000</u>	<u>12</u>
Less Estimated Vacancy Savings-- 10%			<u>10,000</u>		<u>10,000</u>	
Total Gross Payroll			<u>90,000</u>	<u>12</u>	<u>90,000</u>	<u>12</u>
Additional Salary Costs:						
State's Share of F.I.C.A.			1,000		1,000	
State's Share of I.P.E.R.S.			5,000		5,000	
State's Contribution for Insurance			1,000		1,000	
Subtotal--Additional Salary Costs			<u>7,000</u>		<u>7,000</u>	
Total New Services Request			<u>97,000</u>	<u>12</u>	<u>97,000</u>	<u>12</u>
General Fund Appropriation			<u>97,000</u>	<u>12</u>	<u>97,000</u>	<u>12</u>
Program Element Totals:						
Positions:						
Casework Supervisors	23	110,000	10	121,000	11	231,000
Caseworkers	18	330,000	40	429,000	50	759,000
Clerical	10	<u>50,000</u>	<u>10</u>	<u>60,000</u>	<u>11</u>	<u>110,000</u>
Subtotal--Gross Payroll		<u>490,000</u>	<u>60</u>	<u>610,000</u>	<u>72</u>	<u>1,100,000</u>
Less Estimated Savings--Turnover and Vacancies		<u>9,800</u>		<u>20,200</u>		<u>30,000</u>
Total Gross Payroll		<u>480,200</u>	<u>60</u>	<u>589,800</u>	<u>72</u>	<u>1,070,000</u>
Additional Salary Costs:						
State's Share of F.I.C.A.		10,000		12,000		22,000
State's Share of I.P.E.R.S.		49,800		59,200		109,000
State's Contribution for Insurance		4,000		5,000		9,000
Other State Costs		<u>1,000</u>		<u>1,000</u>		<u>2,000</u>
Subtotal--Additional Salary Costs		<u>64,800</u>		<u>77,200</u>		<u>142,000</u>

Budget Form D-6 (continued)

	1	2	3	4	5	6
Temporary and Part-Time Help	<u>5,000</u>		<u>5,000</u>		<u>10,000</u>	
Total Salaries Request	<u>550,000</u>	<u>60</u>	<u>672,000</u>	<u>72</u>	<u>1,222,000</u>	<u>72</u>
Less:						
Federal Funds	<u>250,000</u>	<u>—</u>	<u>275,000</u>	<u>—</u>	<u>525,000</u>	<u>—</u>
General Fund Appropriation	<u>300,000</u>	<u>60</u>	<u>397,000</u>	<u>72</u>	<u>697,000</u>	<u>72</u>

Form D-7

Form D-7 contains the details of budget requests for travel expenses by type of request (current services, changes in level of services, new services). It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

A possible format for entries in column 1 is as follows:

Current Services:

State Car Expense for Authorized Fleet of ___ Cars:
 Depreciation
 Maintenance and Overhead
 Subtotal--State Car Expense
 Subsistence Expense:
 Field Staff (No. ___)
 Office Staff
 Subtotal Subsistence Expense
 Private Automobile Mileage
 Commercial Transportation (Itemized)
 Other--Itemized
 Total Current Services Request
 Less: (identify each nongeneral fund resource)
 General Fund Appropriation

and so forth, for changes in level of services, new services, and program (or program element) totals.

Columns 2-6 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 TRAVEL EXPENSES
 1971-1973 BIENNIUM

1 Type of Request--Items of Expenditure	2 Total Request 1971-1972	3 Total Request 1972-1973	4 Total Biennial Request 1971-1973	5 Governor's Recommendations 1971-1973	6 Appropriation 1971-1973
Current Services:					
State Car Expense for Authorized Fleet of 10 Cars:					
Depreciation	2,000	2,000	4,000		
Maintenance and Overhead	1,000	1,000	2,000		
Subtotal--State Car Expense	<u>3,000</u>	<u>3,000</u>	<u>6,000</u>		
Subsistence Expense:					
Field Staff (No. 20)	3,000	3,000	6,000		
Office Staff	1,000	1,000	2,000		
Subtotal--Subsistence Expense	<u>4,000</u>	<u>4,000</u>	<u>8,000</u>		
Private Automobile Mileage	1,000	1,000	2,000		
Commercial Transportation (Itemized)	2,500	2,500	5,000		
Other--Itemized	500	500	1,000		
Total Current Services Request	<u><u>11,000</u></u>	<u><u>11,000</u></u>	<u><u>22,000</u></u>		
Less:					
Federal Funds	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>		
General Fund Appropriation	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>		
 (Note: This example does not include any travel expenses under the heading of Changes in Level of Services.)					
New Services:					
Private Automobile Mileage		1,000	1,000		
Total New Services Request		<u>1,000</u>	<u>1,000</u>		
General Fund Appropriation		<u>1,000</u>	<u>1,000</u>		

1	2	3	4	5	6
Program Element Totals:					
State Car Expense:					
Depreciation	2,000	2,000	4,000		
Maintenance	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>		
Subtotal--State Car Expense	<u>3,000</u>	<u>3,000</u>	<u>6,000</u>		
Subsistence Expense:					
Field Staff	3,000	3,000	6,000		
Office Staff	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>		
Subtotal--Subsistence Expense	<u>4,000</u>	<u>4,000</u>	<u>8,000</u>		
Private Automobile Mileage	1,000	2,000	3,000		
Commercial Transportation	2,500	2,500	5,000		
Other	<u>500</u>	<u>500</u>	<u>1,000</u>		
Total Travel Request	<u>11,000</u>	<u>12,000</u>	<u>23,000</u>		
Less:					
Federal Funds	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>		
General Fund Appropriation	<u>9,000</u>	<u>10,000</u>	<u>19,000</u>		

(Note: This example does not reflect the addition of any vehicles to the current authorized fleet. If vehicles were added, their costs and related expenses would be shown under the appropriate type of request. Thus, fully depreciated, worn out vehicles replaced with new vehicles would require an entry under Current Services as follows:

Current Services:
State Car Expense for Authorized Fleet of 10 Cars:
 Depreciation
 Maintenance
 Maintenance and Overhead
 Subtotal--State Car Expense Authorized Fleet
State Car Expense for Replacement Vehicles:
 Depreciation
 Maintenance and Overhead
 Subtotal--State Car Expense, Replacements
Current Services--All State Car Expenses:
 Depreciation
 Maintenance and Overhead
 Subtotal--Current Services State Car Expense)

Form D-7A

Form D-7A contains detailed information on each motor vehicle to be replaced or added. It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 describes and justifies the acquisition of each requested vehicle beginning with vehicles replacing currently owned vehicles and then listing additional vehicles requested.

Columns 2-10 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 MOTOR VEHICLES
 1971-1973 BIENNIUM

1	2	3	4	5	6		7		8		9	10
Description of Vehicle and Justification for Acquisition (List replacement vehicles first and then list additional vehicles.)	Identification Numbers of Vehicles to be Replaced	Year Model of Vehicles to be Replaced	Miles Run	Turn-In Value	Current Services		Changes in Level of Services		New Services		Governor's Recommendations 1971-1973	Appropriation 1971-1973
					1971-72	1972-73	1971-72	1972-73	1971-72	1972-73		

Replacements:

2-door sedan (compact), 6 cylinder, standard to replace 1953 Chevrolet 4-door sedan driven over 110,000 miles and considered no longer serviceable.

SV 1724 1953 114,750 0 2,238

(Note: The above columns have been filled in to complete the example. However, the money for this item has not been included in the other examples of completed forms.)

Form D-8

Form D-8 contains the details of budget requests for office supplies and expenses by type of request (current services, changes in level of services, new services). It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

A possible format for column 1 follows:

Current Services:

Executive Council Supplies:

Object of Expenditure 1

Object of Expenditure 2

Etc.

Subtotal--Executive Council Supplies

Printing Board Supplies:

Object of Expenditure 1

Etc.

Subtotal--Printing Board Supplies

Other Expenses:

Object of Expenditure 1

Etc.

Subtotal--Other Expenses

Total Current Services

Less: (identify each nongeneral fund resource)

General Fund Appropriation

and so forth, for changes in level of services, new services, and program (or program element) totals.

Columns 2-9 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Services to Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 OFFICE SUPPLIES AND EXPENSE
 1971-1973 BIENNIUM

1	2	3	4	5	6	7	8	9
Type of Request-- Category of Expenditure Subobjects of Expenditure	Actual Expendi- tures 1969-1970	Estimated Expendi- tures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommen- dations 1971-1973	Appro- priation 1971-1973
Current Services:								
Executive Council Supplies:								
Object 1	5,000	5,000	10,000	5,500	5,500	11,000		
Object 2	2,500	2,500	5,000	2,750	2,750	5,500		
Object 3	2,500	2,500	5,000	2,750	2,750	5,500		
Subtotal--Executive Council Supplies	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Printing Board Supplies:								
Object 1	2,500	2,500	5,000	2,750	2,750	5,500		
Object 2	5,000	5,000	10,000	5,500	5,500	11,000		
Object 3	2,500	2,500	5,000	2,750	2,750	5,500		
Subtotal--Printing Board Supplies	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Other Expenses:								
Object 1	5,000	5,000	10,000	5,000	5,000	10,000		
Object 2	5,000	5,000	10,000	5,000	5,000	10,000		
Object 3	10,000	10,000	20,000	11,000	11,000	22,000		
Subtotal--Other Expenses	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>	<u>21,000</u>	<u>21,000</u>	<u>42,000</u>		
Total Current Services	<u>40,000</u>	<u>40,000</u>	<u>80,000</u>	<u>43,000</u>	<u>43,000</u>	<u>86,000</u>		
Less:								
Federal Funds	20,000	20,000	40,000	22,000	22,000	44,000		
General Fund Appropriation	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>	<u>21,000</u>	<u>21,000</u>	<u>42,000</u>		

	1	2	3	4	5	6	7	8	9
Changes in Level of Services:									
Other Expenses:									
Object 2		5,000		5,000					
Total Changes in Level of Services		<u>5,000</u>		<u>5,000</u>					
New Services:									
Other Expenses:									
Object 2						1,000	1,000		
Total New Services						<u>1,000</u>	<u>1,000</u>		
Program Element Totals:									
Executive Council Supplies:									
Object 1		5,000	5,000	10,000	5,500	5,500	11,000		
Object 2		2,500	2,500	5,000	2,750	2,750	5,500		
Object 3		<u>2,500</u>	<u>2,500</u>	<u>5,000</u>	<u>2,750</u>	<u>2,750</u>	<u>5,500</u>		
Subtotal--Executive Council Supplies		<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Printing Board Supplies:									
Object 1		2,500	2,500	5,000	2,750	2,750	5,500		
Object 2		5,000	5,000	10,000	5,500	5,500	11,000		
Object 3		<u>2,500</u>	<u>2,500</u>	<u>5,000</u>	<u>2,750</u>	<u>2,750</u>	<u>5,500</u>		
Subtotal--Printing Board Supplies		<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Other Expenses:									
Object 1		5,000	5,000	10,000	5,000	5,000	10,000		
Object 2		10,000	5,000	15,000	5,000	6,000	11,000		
Object 3		<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Subtotal--Other Expenses		<u>25,000</u>	<u>20,000</u>	<u>45,000</u>	<u>21,000</u>	<u>22,000</u>	<u>43,000</u>		
Total Requirements		<u>45,000</u>	<u>40,000</u>	<u>85,000</u>	<u>43,000</u>	<u>44,000</u>	<u>87,000</u>		
Less:									
Federal Funds		<u>20,000</u>	<u>20,000</u>	<u>40,000</u>	<u>22,000</u>	<u>22,000</u>	<u>44,000</u>		
General Fund Appropriation		<u>25,000</u>	<u>20,000</u>	<u>45,000</u>	<u>21,000</u>	<u>22,000</u>	<u>43,000</u>		

Form D-9

Form D-9 contains the details of budget requests for printing and binding expenses by type of request (current services, changes in level of services, new services). It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 lists each document or item requiring printing or binding during the biennium by type of request. Columns 2-8 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Services to Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 PRINTING AND BINDING EXPENSES
 1971-1973 BIENNIUM

1	2	3	4	5	6	7	8
Type of Request-- Document Name	Quantity	Estimated Cost Per Copy	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommen- dations 1971-1973	Appropri- ation 1971-1973
Current Services:							
Annual Report	500	2.00	1,000	1,000	2,000		
Field Staff Manual	1,500	1.00	1,500	1,500	3,000		
Guide to Welfare Services	10,000	.25	2,500	2,500	5,000		
Total Current Services			<u>5,000</u>	<u>5,000</u>	<u>10,000</u>		
Less: Federal Funds			<u>2,500</u>	<u>2,500</u>	<u>5,000</u>		
General Fund Appropriation			<u>2,500</u>	<u>2,500</u>	<u>5,000</u>		

(Note: No requests under Changes in Level of Services or New Services.)

Form D-10

Form D-10 contains the details of budget requests for telephone and telegraph expenses by type of request (current services, changes in level of services, new services). It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 lists each item of expenditure (subject) by type of request. Columns 2-9 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Services to Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 TELEPHONE AND TELEGRAPH EXPENSES
 1971-1973 BIENNium

1	2	3	4	5	6	7	8	9
Type of Request-- Item of Expenditure	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommen- dations 1971-1973	Appropri- ation 1971-1973
Current Services:								
Monthly Rental Charges for 100.								
Telephones	7,000	7,000	14,000	7,000	7,000	14,000		
Long Distance Charges	1,500	1,500	3,000	2,000	2,000	4,000		
Watts Lines	1,000	1,000	2,000	1,000	1,000	2,000		
Telegraph Expense	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>		
Total Current Services	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>11,000</u>	<u>11,000</u>	<u>22,000</u>		
Less:								
Federal Funds	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>	<u>5,500</u>	<u>5,500</u>	<u>11,000</u>		
General Fund Appropriation	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>	<u>5,500</u>	<u>5,500</u>	<u>11,000</u>		

(Note: No requests under Current Services for item:
 Other (Itemize):
 and no requests under Changes in Level of Services or New Services.)

Form D-11

Form D-11 contains the details of budget requests for equipment to be replaced or added. It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 describes and justifies the acquisition of each requested item of equipment beginning with items replacing currently owned equipment and then listing additional items requested. Columns 2-8 are self-explanatory.

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
EQUIPMENT EXPENSES
1971-1973 BIENNIUM

Department: Social Services
Program Grouping: Family and Children's Services
Program: Services to Children and Their Families
Program Element: Community Services

1 Description of Equipment--Item and Justification for Acquisition (List replacement items first and then list additional items.)	2 Cost Per Unit	3 Number of Items	4 Current Services		5 Changes in Level of Services		6 New Services		7 Governor's Recommendations	8 Appropriation
			1971-1972	1972-1973	1971-1972	1972-1973	1971-1972	1972-1973	1971-1973	1971-1973
Replacements:										
Chair, executive, spring tension back to replace 14-year-old chair with broken seat	100	1	100							
Typewriters, electric, 15-17 inches to replace old manual typewriters with short carriages which produce unsatisfactory stencils	700	7	4,900							
Additional:										
Equipment for evaluation and training of in-service personnel:										
CC-324 Vidicon Camera	900	1		900						
Tripod	100	1		100						
Videotape Recorder	2,700	1		2,700						
Lighting Equipment	800	1		800						
Portable TV Receiver/Monitor	400	1		400						
Wiring and Miscellaneous Items	Varied	Several		100						
Equipment for 1 new casework supervisor, 10 new caseworkers, and 1 new stenographer-typist:										
Desks, 45x30	100	7						700		
Chairs	40	7						280		
Typist Table	20	1						20		
Total Requirements			<u>5,000</u>	<u>5,000</u>				<u>1,000</u>		
Less: Federal Funds			<u>2,500</u>	<u>2,500</u>				<u>500</u>		
General Fund Appropriation			<u>2,500</u>	<u>2,500</u>				<u>500</u>		

Form D-12

Form D-12 contains the details of budget requests for other expenses by type of request (current services, changes in level of services, new services). It is completed for each program not subdivided into program elements and for each program element of subdivided programs.

Column 1 describes each item of expenditure by type of request. Columns 2-9 are self-explanatory.

Department: Social Services
 Program Grouping: Family and Children's Services
 Program: Services to Children and Their Families
 Program Element: Community Services

PROGRAM (OR PROGRAM ELEMENT) BUDGET REQUEST DETAILS
 OTHER EXPENSES
 1971-1973 BIENNIUM

1	2	3	4	5	6	7	8	9
Type of Request-- Description of Item of Expenditure	Actual Expenditures 1969-1970	Estimated Expenditures 1970-1971	Estimated Total Biennial Expenditures 1969-1971	Total Request 1971-1972	Total Request 1972-1973	Total Biennial Request 1971-1973	Governor's Recommen- dations 1971-1973	Appropri- ation 1971-1973
Current Services:								
Benefit Payments	<u>2,750,000</u>	<u>3,430,000</u>	<u>6,180,000</u>	<u>3,725,000</u>	<u>4,100,000</u>	<u>7,825,000</u>		
Total Current Services	<u>2,750,000</u>	<u>3,430,000</u>	<u>6,180,000</u>	<u>3,725,000</u>	<u>4,100,000</u>	<u>7,825,000</u>		
Less:								
Federal Funds	<u>568,000</u>	<u>868,000</u>	<u>1,436,000</u>	<u>1,015,500</u>	<u>1,565,500</u>	<u>2,581,000</u>		
General Fund Appropriation	<u>2,182,000</u>	<u>2,562,000</u>	<u>4,744,000</u>	<u>2,709,500</u>	<u>2,534,500</u>	<u>5,244,000</u>		
Changes in Level of Services:								
Benefit Payments	<u>344,000</u>	<u>250,000</u>	<u>594,000</u>	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>		
Total Changes in Level of Services	<u>344,000</u>	<u>250,000</u>	<u>594,000</u>	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>		
Less:								
Federal Funds	<u>200,000</u>	<u>125,000</u>	<u>325,000</u>	<u>200,000</u>	<u>125,000</u>	<u>325,000</u>		
General Fund Appropriation	<u>144,000</u>	<u>125,000</u>	<u>269,000</u>	<u>200,000</u>	<u>125,000</u>	<u>325,000</u>		
New Services:								
Benefit Payments	<u>100,000</u>		<u>100,000</u>		<u>200,000</u>	<u>200,000</u>		
Total New Services	<u>100,000</u>		<u>100,000</u>		<u>200,000</u>	<u>200,000</u>		
General Fund Appropriation	<u>100,000</u>		<u>100,000</u>		<u>200,000</u>	<u>200,000</u>		

Budget Form D-12 (continued)

Page 20

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
Program Element Totals:									
Benefit Payments		<u>3,194,000</u>	<u>3,680,000</u>	<u>6,874,000</u>	<u>4,125,000</u>	<u>4,550,000</u>	<u>8,675,000</u>		
Less:									
Federal Funds		<u>768,000</u>	<u>993,000</u>	<u>1,761,000</u>	<u>1,215,500</u>	<u>1,690,500</u>	<u>2,906,000</u>		
General Fund Appropriation		<u>2,426,000</u>	<u>2,687,000</u>	<u>5,113,000</u>	<u>2,909,500</u>	<u>2,859,500</u>	<u>5,769,000</u>		

Form D-20

Budget Form D-20 is included as an example of one possible combination form of executive and legislative BDP worksheet. It has been completed to the extent of showing samples of the kinds of entries which might be made at various stages in the budget process.

The form is designed to accord with the major emphasis of the biennial development plan approach to budgeting: (1) the concentration on program as a means to stressing concern with outputs rather than inputs and (2) focusing the attention and efforts of those responsible for making budgetary decisions at all levels of state government on items representing changes from the current service base. This latter emphasis accepts as a fact the essentially incremental nature of budgeting for state government. The form also reflects current trends in accumulating and utilizing more detailed and accurate data in budgetary analyses.

Several assumptions underlie the need for some kind of legislative worksheets which are program- or output-oriented and contain for each item which increases or decreases the current service base, a level of detail which extends to (1) a capsule narrative explanation and justification and (2) object of expenditure data. To begin with, there is the assumption that at least the general outlines of the budget process should be common to all participants from program personnel to legislators. Standard procedures, forms, and patterns for ordering data are essential means of establishing a common budget process. A second assumption is that the General Assembly must get involved in the budget process to this extent in order to increase its effectiveness as a participant in the process. This is related to the broader assumption that BDP budgeting provides a general orientation plus appropriate information resulting in more informed decisions. The worksheets make it possible to pinpoint the precise cuts and additions made by the Governor and General Assembly to departmental requests. This helps clarify executive and legislative intent. There is the further assumption that budget decisions in some detail should be available as matters of public record and that this, in turn, will help raise the level of public visibility of governmental operations.

Form D-20 (continued)Completing Budget Form D-20

Columns 1-5 should be completed after the Governor's final recommendations are made. The responsibility for completing these columns could be assigned to OPP and OSC or divided among all departments. It is preferable to arrange the budget schedule to permit departments to complete these columns as a means of dividing the work load. When worksheets are completed through column 5, complete sets should be distributed to OPP, OSC, Office of the Governor, legislative fiscal offices, and appropriate committees and legislators. Each department should have a departmental set, and each program should have the worksheets pertaining to its requests.

The responsibility for completing columns 6 and 7 lies with the staff of the appropriate house committees; responsibility for columns 8 and 9 with staff of appropriate Senate committees; and responsibility for columns 10 and 11 should be determined through agreement between House and Senate. If desired, the staff of legislative fiscal offices could be assigned part or all of the responsibility for columns 6 to 11.

Depending on the relations between the executive and legislative branch, it would be possible to involve staff of OPP and OSC in the legislative phases of the BDPP to the extent they could complete columns 6 to 11. Even if this is not done, the worksheets should be available to executive branch agencies following completion of columns 6 and 7, 8 and 9, and 10 and 11.

Time pressures during legislative sessions make it difficult to do the amount of work involved in completing columns of the worksheets. There are ways of overcoming these difficulties. One way is to complete columns 6 through 11 by writing in figures rather than typing them. As each pair of columns (6 and 7, 8 and 9, 10 and 11) is completed, a master copy can be reproduced rapidly by any one of several methods in the necessary number of copies. Staff responsible for completing columns should make appropriate entries as soon as decisions are made to keep from getting hopelessly behind.

In addition to writing in figures in columns 6 through 11, staff can use the space in those columns to make short notations explaining changes.

Department: Social Services
Program Grouping: Family and Children's Services
Program: Services to Children and Their Families
Program Element: Community Services

BDP WORKSHEET

1	2	3	4	5	6	7	8	9	10	11
Items of Adjustment by Type of Request	Departmental Request		Governor's Recommendations		House Draft		Senate Draft		Conference Draft	
	1971-1972	1972-1973	1971-1972	1972-1973	1971-1972	1972-1973	1971-1972	1972-1973	1971-1972	1972-1973
Departmental Current Service Base:	4,350,000	4,750,000	4,350,000	4,750,000	4,150,000	4,500,000	4,150,000	4,500,000	4,348,000	4,750,000
Less:										
Disallowed Equipment Items			2,000							
Adjustment to benefit payment levels to standards prevailing during 1969-71 biennium			198,000	250,000			198,000	250,000	198,000	250,000
Adjusted Current Services	<u>4,350,000</u>	<u>4,750,000</u>	<u>4,150,000</u>	<u>4,500,000</u>	<u>4,150,000</u>	<u>4,500,000</u>	<u>4,348,000</u>	<u>4,750,000</u>	<u>4,150,000</u>	<u>4,500,000</u>
Changes in Level of Services:										
Increased benefit payments due to estimated increase in number of eligible recipients	400,000	250,000	400,000	250,000	400,000	250,000	400,000	250,000	400,000	250,000
New Services:										
Additional caseworker to provide more intensive community services to estimated case load of 350 in Winneshiek, Allamakee, and Clayton counties previously served from Waterloo.		Salary 9,300 Supplies 400 Equipment 300 <u>10,000</u>		10,000				10,000		10,000
Increases in average amount of benefit payments to raise clothing allowance from \$1 to \$2 per month		290,000		290,000				290,000		Increase to \$1.50/monthly 145,000
Total Requirements	<u>4,750,000</u>	<u>5,300,000</u>	<u>4,550,000</u>	<u>5,050,000</u>	<u>4,550,000</u>	<u>4,750,000</u>	<u>4,748,000</u>	<u>5,300,000</u>	<u>4,550,000</u>	<u>4,905,000</u>
Less:										
Federal Funds	1,500,000	2,000,000	1,500,000	2,000,000	1,500,000	2,000,000	1,500,000	2,000,000	1,500,000	2,000,000
General Fund Appropriation	<u>3,250,000</u>	<u>3,300,000</u>	<u>3,050,000</u>	<u>3,050,000</u>	<u>3,050,000</u>	<u>2,750,000</u>	<u>3,248,000</u>	<u>3,300,000</u>	<u>3,050,000</u>	<u>2,905,000</u>

Budget Form D-20 (continued)

	1	2	3	4	5	6	7	8	9	10	11
Total Biennial Requirements			10,050,000		9,600,000		9,300,000		10,048,000		9,455,000
Less:											
Federal Funds			<u>3,500,000</u>		<u>3,500,000</u>		<u>3,500,000</u>		<u>3,500,000</u>		<u>3,500,000</u>
General Fund Appropriation			<u><u>6,550,000</u></u>		<u><u>6,100,000</u></u>		<u><u>5,800,000</u></u>		<u><u>6,548,000</u></u>		<u><u>5,955,000</u></u>

Form D-30

Form D-30 is the first form completed in the BDP cycle. It contains the details of requests for changes in level of services or new services. A form D-30 is completed for each such requested change. At the top of the form are blanks to be checked to indicate whether the request is for a change in level of services or for a new service. Also at the top, space is provided to indicate the priority of the request in relation to other departmental requests.

Column 1 lists each item or subobject of expenditure requested by major objects. A possible format for column 1 follows:

Major Object 1:
 Subobject 1
 Subobject 2
 Subtotal--Major Object 1

and so forth, for each major object. After the last major object would be the following summary:

Total Requirements:
 Less: (identify each nongeneral fund resource)
 General Fund Appropriation

Columns 2-7 are self-explanatory. Columns 5, 6, and 7 are included to provide some indication of the continuing costs of the request. This is necessary since the initial costs of instituting changes are often disproportionately high or low in relation to the costs of maintaining the change on a continuing basis.

The form D-30 presents only the fiscal details of a request. It does not explain or justify the request. This must be accomplished through other materials beginning with a narrative statement. The narrative may be supported by other data presented in appropriate form.

Department: _____
Program Grouping: _____
Program: _____
Program Element: _____

Check One:

Change in Level of Services _____
New Services _____ Priority _____

REQUEST FOR CHANGE IN LEVEL OF
SERVICES OR NEW SERVICES

Object of Expenditure-- Sub-object of Expenditure	Expenditure Requests					
	First Year	Second Year	Total Biennium	Third Year	Fourth Year	Fifth Year
Salaries: (List positions requested by title and salary range. When two or more positions are requested with the same title and in the same salary range they may be grouped.) Subtotal--Salaries						
Support: (List support requests by sub-objects.) Subtotal--Support						
Equipment: (List each item of equipment.) Subtotal--Equipment						
Total Request						
Less: (Net out all funds except general fund appropriations.) General Fund Appropriation						

(Note: This form must be accompanied by a narrative justification. See instructions for completing Form D-30.)

APPENDIX A

GLOSSARY

Accounting

The process of recording, ordering, reporting, and analyzing information on fiscal resources and transactions for purposes of: (1) strengthening management of day-to-day operations, (2) controlling waste and inefficiency, (3) insuring that resources are used in accordance with executive and legislative intent, (4) checking the legality of resource administration and utilization, and (5) informing interested parties about financial conditions and operations.

Activity

An activity consists of one or more work tasks directed at attaining one or more related program objectives.

Appropriation

The legal authorization of the legislative body to expend resources from specified sources for stated periods of time.

Biennial Development Plan (BDP)

The financial plan for operating governmental activities for a specific biennial period. The plan relates the resources requested to: (1) the products, services, or other outputs that will be accomplished through the use of the resources; and (2) anticipated progress toward realizing goals and objectives incorporated in mid-range and long-range plans. The BDP outlines the mix of objectives, policies, priorities, activities, and resources to be employed during a biennium.

Biennial Development Planning Process (BDPP)

The biennial development planning process is both a general approach to management as well as a group of techniques drawn from many fields and useful in solving problems or analyzing specific situations. The BDPP provides a means of identifying and strengthening the relationships among the management functions of planning, programming, budgeting, accounting, and evaluating.

Budget

A comprehensive financial plan for operating governmental activities for a specific time period. The BDP is one form a budget may take. Budgets are commonly divided into two parts:

Budget (continued)

The Operating Budget. Covers only the operating costs of government and is usually limited to one- or two-year periods of time.

The Capital Budget or Capital Improvements Budget. Covers the planned capital investments of governments over much of longer periods of time than the operating budget.

Budgeting

The process of reducing long- and mid-range plans, policies, and priorities to specific programs to be accomplished in a defined period of time. Budgeting involves specifying what is to be done, why it is to be done, the total resources required to do it, and the revenues to be used to meet resource requirements. There are many approaches to budgeting. The more common include:

Line-Item Budgeting. Line-item budgeting is preoccupied with identifying the things (objects and subobjects of expenditures) requested resources will be used to purchase. These data are generally accumulated and ordered in relation to organizational units.

Incremental Budgeting. Budgeting which begins by establishing the costs of existing activities as a base to be generally accepted in subsequent budgets. This base is often labeled "current services" or the "current level of services." Budget efforts are thereafter concentrated on changes in the current services base or additions to it.

Performance Budgeting. Budgeting which relates costs to work performed or services rendered. Costs are considered as inputs into governmental operations, and the work performed or services rendered are treated as outputs of governmental operations. Efforts are made to relate the kinds and amounts of inputs to the kinds and amounts of outputs they produce.

Program Budgeting. Budgeting which relates costs to work performed or services rendered. Generally considered an initial step toward performance budgeting.

Categories and Subcategories

A "category" is a basis for classifying and codifying cost or data centers in information systems. There may be as many categories in an information system as there are useful ways of considering cost or data centers. Subcategories are subdivisions of categories. They are important in information systems because, in respect to any category, each cost or data center in the information system must be assigned to one of the subcategories provided for in the classification system.

Changes in Level of Services

This term covers increases in the budget due to growth in the current service base. The increases provide for the same level of services to more people or the same level of work performed to meet an increased level of activity. One example is a request for more nurses and attendants to care for an expanding institutional patient population. Another example is a request for more accounting personnel to meet an additional work load caused by a growing number of accounts and financial transactions.

Cost-Benefit Analysis

An analytical approach to solving problems of choice which requires the definition of objectives and identification of the alternative that yields the greatest benefits for any given cost or that yields a required or chosen amount of benefits for the least cost. The term usually applies to situations in which the alternative outputs can be quantified in dollars. A chief characteristic of cost-benefit analysis is that its aim is to calculate the present value of benefits and costs, subject to specified constraints.

Cost-Effectiveness Analysis

An analytical approach to solving problems of choice which requires the definition of objectives, identification of alternative ways of achieving the objective, and identification of the alternative that yields the greatest effectiveness for any given cost or that yields a required or chosen degree of effectiveness for the least cost. The term is usually used in situations in which the alternative outputs cannot be easily quantified in dollars.

Cost or Data Centers

A cost center is the smallest segment of a program or activity that is separately recognized in the agency's records, accounts, budgets, and reports. Cost centers in BDP information systems are the units where object and subobject of expenditure data are accumulated. Data centers are the "cost centers" of information systems which are not primarily concerned with fiscal data.

Current Services or Current Level of Services

The current level of services reflects the amount of money required during the biennium to provide the same kind and level of services authorized for the current biennium. Salary increments and increased prices for materials and supplies are usually included in this total.

Effectiveness

The performance or output received from an approach or a program. Ideally, it is a quantitative measure which can be used to evaluate the level of performance in relation to some standard, set of criteria, or end objective.

Evaluating

Measuring the effectiveness of governmental operations in relation to accomplishing objectives and goals and, thereby, determining the effectiveness of patterns of resource allocation.

Funds

A fund is an amount of resources separately identified in fiscal and accounting records. Funds are created for many reasons including: (1) dedication of resources to specific activities or objectives, (2) maintenance of integrity of funds from certain sources, and (3) compliance with legal restrictions or terms establishing a jurisdiction as trustee or agent. Among the more commonly used funds are:

General Fund. Covers all revenues of the state government not accounted for in some other fund. Usually, the largest part of state revenues are placed in the general fund.

Special Funds. Funds accounting for resources set aside for particular purposes.

Federal Fund. Covers all resources received from the federal government.

Bond Fund. Covers resources received from general bond issues.

General Fund Appropriation

Legislative authorization to expend specified amounts from the general fund in a given period of time.

Goals

The ends for which work is performed or services rendered.

Information Systems

An integrated, logically related set of policies, procedures, and processes for collecting, ordering, storing, retrieving, analyzing, and reporting information.

Management Information System

An information system tailored to produce data useful to management in the effective discharge of its responsibilities.

New Services

Increases in resource requirements in excess of current services and changes in level of services. New services raise the level of services, enlarge the scope of existing services, or add new services.

Objectives or Program Objectives

The intermediate ends for which work is performed or services rendered. Intermediate in the sense that accomplishing objectives represents progress toward attainment of goals.

Operations Research

The use of analytic models adopted from mathematics and other disciplines for solving operational problems. Among the common techniques used in operations research are: linear programming (q.v.), probability theory, information theory, Monte Carlo methods (q.v.), and queuing techniques (q.v.).

Qualitative Evaluation

Determining the effectiveness of governmental activities in accomplishing defined objectives and goals.

Quantitative Measurement

Determining the amount of work performed or services rendered.

Planning

The process of preparing a set of decisions for action in the future, directed at achieving goals and objectives by optimal means.

Planning-Programming-Budgeting Systems

An approach to planning, programming, and budgeting which integrates performance budgeting and the program orientation with the techniques and methods of systems analysis.

Policies

A policy is a course of action (or intended course of action), adopted after a review of possible alternatives, directed at the realization of one or more objectives or goals.

Program

A program consists of one or more related activities directed at attaining one or more related objectives. Programs may or may not coincide with organizational units.

Program Element and
Program Subelement

Large, complex programs may be divided to facilitate analysis or for reasons of improving their manageability. When a program is divided into parts, the parts are labeled program elements. When program elements are divided into parts, the parts are labeled program subelements.

Program Grouping

A program grouping consists of two or more programs directed at accomplishing one or more major related objectives of state government. Program groupings are commonly defined in relation to a major clientele group--such as the Mentally Ill or Adult Criminals--or in relation to a common objective--such as Income Maintenance which provides economic assistance to various clientele groups who have in common a lack of income sufficient to supply basic necessities or Administrative Support which provides central supportive services to all programs so that programs may pursue their objectives.

Programming

The process of determining the programs and activities to be used in accomplishing plans.

Program Structure
and Multiple Program
Structures

A program structure is one way of ordering all departmental activities into programs based on one set of relationships among the activities and programs. There are many possible sets of relationships among activities and programs; therefore, there are many possible ways of ordering activities. Multiple program structures refers to the existence of more than one program structure.

Systems

A system is a set of objects or entities among which a set of relations is identified.

Systems Analysis

The study of the relationships among the entities constituting a system in order to understand the behavior of the system. Systems analysis is sometimes used to refer to the techniques and methods employed in studying systems.

Task

The smallest unit of work identified in the analysis of governmental operations. Tasks are the basic building blocks for constructing activities. Tasks considered separately cannot usually be related to a program objective. Individual tasks must be grouped into activities before it is possible to relate them to the ends for which work is performed.

Note: Definitions for cost-benefit analysis, cost-effectiveness analysis, effectiveness, and operations research are taken from Planning-Programming-Budgeting, and Systems Analysis Glossary, U.S. General Accounting Office, Washington, D.C., January, 1968. The definition for planning is from Yehezkel Dror, "The Planning Process: A Facet Design," International Review of Administrative Sciences, Vol. 29, No. 1 (1963).

APPENDIX B

BASIC STATE BUDGETING AND ACCOUNTING LAWS

Budget and Financial Control Committee

2.41 Committee created. There is hereby created a committee to be known as the budget and financial control committee, which shall have ten members. Five of said members shall be members of the house of representatives and appointed by the speaker; three of these members shall be from the majority party and two from the minority party. Five of said members shall be members of the senate and appointed by the president of the senate; three of which shall be from the majority party and two from the minority party; provided, however, that when the membership of the minority party is not more than ten percent of the total membership of their respective house, then in that case, there shall be four members appointed from the majority party and one member appointed from the minority party of such house. The presiding officers of the senate and house, in appointing such members to the budget and financial control committee, shall make the appointments, so far as is practicable, to represent each congressional district of the state.

2.42 Terms of office--vacancies. The terms of office for the committee members shall be four years beginning February 1 after the convening of the general assembly in regular session, provided, however, that, except in the case of vacancies, members shall serve until their successors are appointed. Any vacancies occurring on the committee shall be filled by appointment for the unexpired term made in the same manner as original appointments. A vacancy shall exist whenever a committee member ceases to be a member of the general assembly.

The expiration of terms of office of the membership of said committee shall be staggered, and in order to achieve that purpose the initial appointments of members by the speaker of the house shall be three members for the two-year terms and two members for the four-year terms, and initial appointments by the president of the senate shall be three members for four-year terms and two members for two-year terms.

2.43 Authorized purposes of committee. The authorized purposes of the budget and financial control committee shall be as follows:

1. Budget. To gather information relative to budget matters for the purpose of aiding the legislature to properly appropriate money for the functions of government, and to report their findings to the legislature.

2. Examination. Said committee shall examine into the reports and official acts of the executive council and of each officer, board, commission, and department of the state, in respect to the conduct and expenditures thereof and the receipts and disbursements of public funds thereby.

3. Reorganization. The committee shall make a continuous study of all offices, departments, agencies, boards, bureaus and commissions of the state government and shall determine and recommend to each session of the legislature what changes therein are necessary to accomplish the following purposes:

a. To reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of state government.

b. To increase the efficiency of the operations of the state government to the fullest extent practicable within the available revenues.

c. To group, co-ordinate, and consolidate judicial districts, agencies and functions of the government, as nearly as may be according to major purposes.

d. To reduce the number of offices, agencies, boards, commissions, and departments by consolidating those having similar functions, and to abolish such offices, agencies, boards, commissions, and departments, or functions thereof, as may not be necessary for the efficient and economical conduct of state government.

e. To eliminate overlapping and duplication of effort on the part of such offices, agencies, boards, commissions and departments of the state government.

2.44 Powers and duties. For the purpose of carrying out the foregoing authorized purposes, the committee shall have the following powers and duties:

1. Organization. To elect one of their own number chairman and to determine their own method of procedure.

2. Meetings. To hold monthly meetings at the office of the state comptroller or at such meeting place as the committee may direct. Six members shall constitute a quorum.

3. Special meetings. To meet on call of the chairman or any three members.

4. Record. To make a record of its meetings and transactions which shall be kept in the office of the secretary of state and shall be open to public inspection.

5. Subpoenas. To summon and examine witnesses, administer oaths, compel the production of books and papers and punish for contempt in the conduct of any investigation.

6. Investigators. To employ its own investigators and other necessary personnel and pay for same from funds appropriated.

7. Suggestions to governor. To make suggestions to the governor concerning the committee's opinion as to what ought to be included in the budget.

8. Departmental co-operation. To require all offices, departments, agencies, boards, bureaus and commissions of the state to cooperate and furnish such information as the committee may from time to time desire. The office and facilities of the state comptroller shall be available to the committee for its meetings.

2.45 Compensation and expenses. For meetings of the committee other than those held during the time the legislature is in session, each member of the committee shall receive his actual traveling expenses and a per diem of forty dollars per day for each day in attendance.

2.46 Legislative fiscal director. There is hereby created in the budget and financial control committee the office of legislative fiscal director, who shall be its chief administrative officer and shall be qualified to perform, and shall perform the duties hereinafter specified.

Such legislative fiscal director shall be appointed by and serve at the pleasure of the budget and financial control committee; his compensation shall be fixed by the budget and financial control committee, which compensation, together with any expenses incurred, shall be paid from the contingent fund provided for the budget and financial control committee.

2.47 Duties of director. The duties of such legislative fiscal director to be performed for the budget and financial control committee and for the general assembly when in session, in addition to performing the usual administrative duties pertaining to such office, shall be the following:

1. Make by continuous review of state expenditures, revenues and analysis of budget through an audit and preaudit, if necessary, or such other means deemed necessary to ascertain the facts, compare costs, work-load and other data, and make recommendations to the general assembly concerning the state's budget and revenue of the departments, boards, commissions and agencies of the state, and such other duties as shall be assigned to him by the budget and financial control committee, or by the general assembly, by statute or other method during its sessions.

2. Make biennial report to the budget and financial control committee and to the general assembly within five days after the convening of each general assembly and to make such other reports as may be required of him by either the budget and financial control committee, or the general assembly.

3. Such director or his designated agents and employees shall attend the biennial budget hearings required by section 8.26 and may offer explanations or suggestions and make inquiries with respect to such budget hearings within the purview of sections 2.46 to 2.48, inclusive. The fiscal director and his staff shall furnish information and act in an advisory capacity to the committees on appropriations, tax revision and ways and means of the general assembly and their several subcommittees when so requested.

2.48 Powers. Such director or his designated agents and employees shall at all times have access to all state offices, departments, agencies, boards, bureaus and commissions, and to the books, records, and other instrumentalities and property used in the performance of their statutory duties, and all state offices, departments, agencies, boards, bureaus and commissions shall cooperate with the director in the performance of the foregoing duty, and shall make available to him such books, records, instrumentalities, and property.

Budget and Financial Control Act

8.1 Title. This chapter shall be known and may be cited as the "Budget and Financial Control Act".

8.2 Definitions. When used in this chapter:

1. The terms, "department and establishment" and "department" or "establishment", mean any executive department, commission, board, institution, bureau, office, or other agency of the state government, including the state highway commission, except for funds which are required to match federal aid allotted to the state by the federal government for highway special purposes, and except the courts, by whatever name called, other than the legislature, that uses, expends or receives any state funds.

2. "State funds" means any and all moneys appropriated by the legislature, or money collected by or for the state, or an agency thereof, pursuant to authority granted by any of its laws.

3. "Private trust funds" means any and all endowment funds and any and all moneys received by a department or establishment from private persons to be held in trust and expended as directed by the donor.

4. "Special fund" means any and all government fees and other revenue receipts earmarked to finance a governmental agency to which no general fund appropriation is made by the state.

5. "Repayment receipts" means those moneys collected by a department or establishment that supplement an appropriation made by the legislature.

6. "Budget" means the budget document required by this chapter to be transmitted to the legislature.

7. "Government" means the government of the state of Iowa.

8. "Unencumbered balance" means the unobligated balance of an appropriation after charging thereto all unpaid liabilities for goods and services and all contracts or agreements payable from an appropriation or a special fund.

9. "Code" or "the Code" means the Code of Iowa.

8.3 Governor. The governor of the state shall have:

1. Direct and effective financial supervision over all departments and establishments, and every state agency by whatever name now or hereafter called, including the same power and supervision over such private corporations, persons and organizations that may receive, pursuant to statute, any funds, either appropriated by, or collected for, the state, or any of its departments, boards, commissions, institutions, divisions and agencies.

2. The efficient and economical administration of all departments and establishments of the government.

3. The initiation and preparation of a balanced budget of any and all revenues and expenditures for each regular session of the legislature.

8.4 State comptroller--salary--bond. There is hereby created an office to be known as "office of state comptroller", which shall be directly attached to the office of the governor and shall be under the general direction, supervision and control of the governor. Such office shall be in immediate charge of an officer to be known as "state comptroller", who shall be appointed by the governor, with the approval of two-thirds of the senate, and shall hold office at his pleasure and shall receive a salary as fixed by the general assembly. Before entering upon the discharge of his duties, he shall take the constitutional oath of office and he shall give a surety bond in such penalty as may be fixed by the governor, payable to the state, but such penalty shall not be less than twenty-five thousand dollars conditioned upon the faithful discharge of his duties. The premium on his bond shall be paid out of the state treasury.

* * *

8.6 Specific powers and duties. The specific duties of the state comptroller shall be:

1. Audit of claims. To audit all demands by the state, and to preaudit all accounts submitted for the issuance of warrants.

2. Collection and payment of funds. To control the payment of all moneys into the treasury, and all payments from the treasury by the preparation of appropriate warrants, or warrant checks, directing such collections and payment and to advise the state treasurer monthly in writing of the amount of public funds not currently needed for operating expenses.

(Paragraph pertaining to local government added by chapter 87, Acts of the Regular Session, Sixty-second General Assembly.)

3. Contracts. To certify, record and encumber all formal contracts to prevent overcommitment of appropriations and allotments.

4. Forms. To prescribe all accounting and business forms and the system of accounts and reports of financial transactions by all departments and agencies of the state government other than those of the legislative branch.

5. Accounts. To keep the central budget and proprietary control accounts of the state government. Budget accounts are those accounts maintained to control the receipt and disposition of all funds, appropriations and allotments. Proprietary accounts are those accounts relating to assets, liabilities, income and expense.

6. Preaudit system. To establish and fix a reasonable imprest cash fund for each state department and/or institution for disbursement purposes where needed; provided, that these revolving funds shall be reimbursed only upon vouchers approved by the state comptroller. It is the purpose of this subdivision to establish a preaudit system of settling all claims against the state, but the preaudit system shall not be applicable to the institutions under the control of the state board of regents or to the state fair board.

* * *

10. Report of standing appropriations. To biennially prepare a separate report containing a complete list of all standing appropriations showing the amount of each appropriation and the purpose for which such appropriation is made and furnish a copy of such report to each member of the general assembly on or before the first day of each regular session.

11. Budget document. To prepare the budget document and draft the legislation to make it effective.

12. Allotments. To perform the necessary work involved in reviewing requests for allotments as are submitted to the governor for approval.

13. Certification for levy. On August 1 the state comptroller shall, for each year of the biennium, certify to the department of revenue, the amount of money to be levied for general state taxes.

14. Investigations. To make such investigations of the organization, activities and methods of procedure of the several departments and establishments as he may be called upon to make by the governor and/or the governor and executive council, or the legislature.

15. Legislative aid. To furnish to any committee of either house of the legislature having jurisdiction over revenues or appropriations such aid and information regarding the financial affairs of the government as it may request.

16. Rules and regulations. To make such rules and regulations, subject to the approval of the governor, as may be necessary for effectively carrying on the work of the state comptroller's office. The comptroller may, with the approval of the executive council, require any state official, agency, department or commission, to require any applicant, registrant, filer, permit holder or license holder, whether individual, partnership, trust or corporation, to submit to said official, agency, department or commission, the social security or the tax number or both so assigned to said individual, partnership, trust or corporation.

17. Budget report. The comptroller shall prepare and file in his office, on or before the first day of December of each even-numbered year, a state budget report, which shall show in detail the following:

a. Classified estimates in detail of the expenditures necessary, in his judgment, for the support of each department and each institution and department thereof for the ensuing biennium.

b. A schedule showing a comparison of such estimates with the askings of the several departments for the current biennium and with the expenditures of like character for the last two preceding bienniums.

c. A statement setting forth in detail his reasons for any recommended increases or decreases in the estimated requirements of the various departments, institutions and departments thereof.

d. Estimates of all receipts of the state other than from direct taxation and the sources thereof for the ensuing biennium.

e. A comparison of such estimates and askings with receipts of a like character for the last two preceding bienniums.

f. The expenditures and receipts of the state for the last completed fiscal year, and estimates of the expenditures and receipts of the state for the current fiscal year.

g. A detailed statement of all appropriations made during the two preceding bienniums, also of unexpended balances of appropriations at the end of the last fiscal year and estimated balances at the end of the current fiscal year.

h. Estimates in detail of the appropriations necessary to meet the requirements of the several departments and institutions for the next biennium.

i. Statements showing:

(1) The condition of the treasury at the end of the last fiscal year.

(2) The estimated condition of the treasury at the end of the current fiscal year.

(3) The estimated condition of the treasury at the end of the next biennium, if his recommendations are adopted.

(4) An estimate of the taxable value of all the property within the state.

(5) The estimated aggregate amount necessary to be raised by a state levy.

(6) The millage necessary to produce such amount.

(7) Such other data or information as the comptroller may deem advisable.

18. General control. To perform such other duties as may be required to effectively control the financial operations of the government as limited by this chapter.

* * *

8.7 Accounting. The comptroller may at any time require any person receiving money, securities, or property belonging to the state, or having the management, disbursement, or other disposition of the same, an account of which is kept in his office, to render statements thereof and information in reference thereto.

* * *

8.13 Claims--limitations. The state comptroller shall be limited in authorizing the payment of claims, as follows:

1. Three months limit. No claim shall be allowed by the state comptroller's office when such claim is presented after the lapse of three months from its accrual.

2. Convention expenses. No claims for expenses in attending conventions, meetings, conferences or gatherings of members of any association or society organized and existing as quasi-public association or society outside the state of Iowa shall be allowed at public expense, unless authorized by the executive council; and claims for such expenses outside of the state shall not be allowed unless the voucher is accompanied by so much of the minutes of the executive council, certified to by its secretary, showing that such expense was authorized by said council. This section shall not apply to claims in favor of the governor, attorney general, Iowa state commerce commissioners, or to trips referred to in section 217.10.

3. Payment from fees. No claims for per diem and expenses payable from fees shall be approved for payment in excess of such fees where the law provides that such expenditures are limited to the special funds collected and deposited in the state treasury.

* * *

8.19 Claims exceeding appropriations. No claim shall be allowed when the same will exceed the amount specifically appropriated therefor.

* * *

The Budget

8.21 Budget transmitted. Not later than February 1 of the year of each biennial legislative session, the governor shall transmit to the legislature a document to be known as a budget, setting forth his financial program for each of the fiscal years of the ensuing biennium and having the character and scope hereinafter set forth.

8.22 Nature and contents. The budget shall consist of three parts, the nature and contents of which shall be as follows:

Part I--Referred to in Part III

Governor's budget message. Part I shall consist of the governor's budget message, in which he shall set forth:

1. His program for meeting all the expenditure needs of the government for each of the years of the biennium to which the budget relates, indicating the classes of funds, general or special, from which such appropriations are to be made and the means through which such expenditures shall be financed.

2. Financial statements giving in summary form:

a. The condition of the treasury at the end of the last completed fiscal year, the estimated condition of the treasury at the end of the year in progress, and the estimated condition of the treasury at the end of each of the two years to which the budget relates if his budget proposals are put into effect.

b. Statements showing the bonded indebtedness of the government, debt authorized and unissued, debt redemption and interest requirements and condition of the sinking funds, if any.

c. A summary of appropriations recommended for each of the two years of the biennium to which the budget relates for each department and establishment and for the government as a whole, in comparison with the actual expenditures for the last completed fiscal year and the estimated expenditures for the year in progress.

d. A summary of the revenue, estimated to be received by the government during each of the two years of the biennium to which the budget relates, classified according to sources, in comparison with the

actual revenue received by the government during the last completed fiscal year and estimated income during the year in progress.

e. Such other financial statements, data and comments as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operation of the government and the effect that the budget as proposed by him will have on such condition and operations.

If the estimated revenues of the government for the ensuing biennium as set forth in the budget on the basis of existing laws, plus the estimated amounts in the treasury at the close of the year in progress, available for expenditure in the ensuing biennial period is less than the aggregate recommended for the ensuing biennial period as contained in the budget, the governor shall make recommendations to the legislature in respect to the manner in which such deficit shall be met, whether by an increase in the state tax or the imposition of new taxes, increased rates on existing taxes, or otherwise, and if the aggregate of such estimated revenues, plus estimated balances in the treasury is greater than such recommended appropriations for the ensuing biennial period, he shall make such recommendations in reference to the application of such surplus to the reduction of debt or otherwise, to the reduction in taxation, or to such other action as in his opinion is in the interest of the public welfare.

Part II--Referred to in Part III

Recommended appropriations. Part II shall present in detail for each of the two years of the ensuing biennium his recommendations for appropriations to meet the expenditure needs of the government from each general class of funds, in comparison with actual expenditures for each of said purposes during the last completed fiscal year and estimated expenditures for the year in progress, classified by departments and establishments and indicating for each the appropriations recommended for:

1. Meeting the cost of administration, operation, and maintenance of such departments and establishments.

2. Appropriations for meeting the cost of land, public improvements, and other capital outlays in connection with such departments and establishments.

Each item of expenditure, actual or estimated, and appropriations recommended for administration, operation and maintenance of each department or establishment shall be supported by detailed statements showing the actual and estimated expenditures and appropriations classified by objects according to a standard scheme of classification to be prescribed by the state comptroller, hereinabove provided for.

Part III

Appropriation bills. Part III shall embrace a draft or drafts of appropriation bills having for their purpose to give legal sanction to the appropriations recommended to be made in Parts I and II. Such appropriation bills shall indicate the funds, general or special, from which such appropriations shall be paid, but such appropriations need not be in greater detail than to indicate the total appropriations to be made for:

1. Administration, operation, and maintenance of each department and establishment for each fiscal year of the biennium.

2. The cost of land, public improvements, and other capital outlays for each department and establishment, itemized by specific projects or classes of projects of the same general character.

8.23 Biennial departmental estimates. On, or before, September 1, next prior to each biennial legislative session, all departments and establishments of the government shall transmit to the state comptroller, hereinabove provided for, on blanks to be furnished by him, estimates of their expenditure requirements, including every proposed expenditure, for each fiscal year of the ensuing biennium, classified so as to distinguish between expenditures estimated for (a) administration, operation and maintenance, and (b) the cost of each project involving the purchase of land or the making of a public improvement or capital outlay of a permanent character, together with such supporting data and explanations as may be called for by the state comptroller, hereinabove provided for.

In case of the failure of any department or establishment to submit such estimates within the time above specified, the governor shall cause to be prepared such estimates for such department or establishment as in his opinion are reasonable and proper.

8.24 Biennial estimate of income. On, or before, October 1, next prior to each biennial legislative session, the state comptroller, hereinabove provided for, shall prepare an estimate of the total income of the government for each fiscal year of the ensuing biennium, in which the several items of income shall be listed and classified according to sources or character, departments or establishments producing said funds and brought into comparison with the income actually received during the last completed fiscal year and the estimated income to be received during the year in progress.

8.25 Tentative budget. Upon the receipt of the estimates of expenditure requirements called for by section 8.23 and the preparation of the estimates of income called for by section 8.24 and not later than December 1, next succeeding, the state comptroller, hereinabove provided for, shall cause to be prepared a tentative budget conforming as to scope, contents and character to the requirements of section 8.22 and containing the estimates of expenditures and revenue as called for by sections 8.23 and 8.24, which tentative budget shall be transmitted to the governor.

8.26 Hearings. Immediately upon the receipt by him of the tentative budget provided for by section 8.25 the governor shall make provision for public hearings thereon, at which he may require the attendance of the heads and other officers of all departments, establishments and other persons receiving or requesting the grant of state funds and the giving by them of such explanations and suggestions as they may be called upon to give or as they may desire to offer in respect to items of requested appropriations in which they are interested. The governor shall also extend invitations to the governor-elect and the state comptroller to be present at such hearings and to participate in the hearings through the asking of questions or the expression of opinion in regard to the items of the tentative budget.

8.27 Preparation of budget. Following his inauguration, the governor shall proceed to the formulation of the budget provided for by sections 8.21 and 8.22.

8.28 Supplemental estimates. The governor shall transmit to the legislature supplemental estimates for such appropriations as in his judgment may be necessary on account of laws enacted after transmission of the budget, or as he deems otherwise in the public interest. He shall accompany such estimates with a statement of the reasons therefor, including the reasons for their omission from the budget. Whenever such supplemental estimates amount to an aggregate which, if they had been contained in the budget, would have required the governor to make a recommendation for the raising of additional revenue, he shall make such recommendation.

* * *

Execution of the Budget

8.30 Availability of appropriations. The appropriations made shall not be available for expenditure until allotted as provided for in section 8.31. All appropriations now or hereafter made are hereby declared to be maximum and proportionate appropriations, the purpose being to make the appropriations payable in full in the amounts named in the event that the estimated budget resources during each fiscal year of the biennium for which such appropriations are made, are sufficient to pay all of the appropriations in full. The governor shall restrict allotments only to prevent an overdraft or deficit in any fiscal year for which appropriations are made.

8.31 Quarterly requisitions--exceptions--modifications. Before an appropriation for administration, operation and maintenance of any department or establishment shall become available, there shall be submitted to the governor, not less than twenty days before the beginning of each quarter of each fiscal year, a requisition for an allotment of the amount estimated to be necessary to carry on its work during the ensuing quarter. Such requisition shall contain such details of proposed expenditures as may be required by the governor.

The governor shall approve such allotments, unless he finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, in which event he may modify such allotments to the extent he may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of such fiscal year, and shall submit copies of the allotments thus approved or modified to the head of the department or establishment concerned, and to the state comptroller, hereinabove provided for, who shall set up such allotments on his books and be governed accordingly in his control of expenditures.

Allotments of appropriations made for equipment, land, permanent improvements, and other capital projects may, however, be allotted one amount by major classes or projects for which they are expendable without regard to quarterly periods.

Allotments thus made may be subsequently modified by the governor either upon the written request of the head of the department or establishment concerned, or in the event the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, upon his own initiative to the extent he may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of such fiscal year; and the head of the department or establishment and the state comptroller, hereinabove provided for, shall be given notice of such modification in the same way as in the case of original allotments.

Provided, however, that the allotment requests of all departments and establishments collecting governmental fees and other revenue which supplement a state appropriation shall attach to the summary of requests a statement showing how much of the proposed allotments are to be financed from (a) state appropriations, (b) stores, and (c) repayment receipts.

The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, will be that outlined in section 8.6, subsection 7.

The finding by the governor that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, as provided herein, shall be subject to the concurrence in such finding by the executive council before reductions in allotment shall be made, and in the event any reductions in allotment be made, such reductions shall be uniform and prorated between all departments, agencies and establishments upon the basis of their respective appropriations.

8.32 Conditional availability of appropriations. All appropriations made to any department or establishment of the government as receive or collect moneys available for expenditure by them under present laws, are declared to be in addition to such repayment receipts, and such appropriations are to be available as and to the extent that such receipts are insufficient to meet the costs of administration, operation, and maintenance, or public improvements of such departments:

Provided, that such receipts or collections shall be deposited in the state treasury as part of the general fund or special funds in all cases, except those collections made by the state fair board, the institutions under the state board of regents and the state conservation commission.

Provided further, that no repayment receipts shall be available for expenditures until allotted as provided in section 8.31; and

Provided further, that the collection of repayment receipts by the state fair board and the institutions under the state board of regents shall be deposited in a bank or banks duly designated and qualified as state depositories, in the name of the state of Iowa, for the use of such boards and institutions, and such funds shall be available only on the check of such boards or institutions depositing them, which are hereby authorized to withdraw such funds, but only after allotment by the governor as provided in section 8.31; and

Provided further, that this chapter shall not apply to endowment and/or private trust funds or to gifts to institutions owned or controlled by the state or to the income from such endowment and/or private trust

funds, or to private funds belonging to students or inmates of state institutions.

The provisions of this chapter shall not be construed to prohibit the state fair board from creating an emergency or sinking fund out of the receipts of the state fair and state appropriation for the purpose of taking care of any emergency that might arise beyond the control of the board of not to exceed three hundred thousand dollars, provided, however, that any expenditure from said fund shall be subject to the approval of the executive council. Neither shall the provisions of this chapter be construed to prohibit the state fair board from retaining an additional sum of not to exceed three hundred fifty thousand dollars to be used in carrying out the provisions of chapter 173.

* * *

8.35 General supervisory control. The governor and the state comptroller and any officer of the office of state comptroller, hereinabove provided for, when authorized by the governor, are hereby authorized to make such inquiries regarding the receipts, custody and application of state funds, existing organization, activities and methods of business of the departments and establishments, assignments of particular activities to particular services and regrouping of such services, as in the opinion of the governor, will enable him to make recommendations to the legislature, and, within the scope of the powers possessed by him, to order action to be taken, having for their purpose to bring about increased economy and efficiency in the conduct of the affairs of government.

8.36 Fiscal year. The fiscal year of the government shall commence on the first day of July and end on the thirtieth day of June. This fiscal year shall be used for purposes of making appropriations and of financial reporting and shall be uniformly adopted by all departments and establishments of the government.

8.37 Biennial fiscal term. The biennial fiscal term of the state ends on the thirtieth day of June in each odd-numbered year, and the succeeding biennial fiscal term begins on the day following.

8.38 Misuse of appropriations. No state department, institution, or agency, or any board member, commissioner, director, manager, or other

person connected with any such department, institution, or agency, shall expend funds or approve claims in excess of the appropriations made thereto, nor expend funds for any purpose other than that for which the money was appropriated, except as otherwise provided by law. A violation of the foregoing provision shall make any person violating same, or consenting to the violation of same liable to the state for such sum so expended, together with interest and costs, which shall be recoverable in an action to be instituted by the attorney general for the use of the state, which action may be brought in any county of the state.

8.39 Use of appropriations--transfer. No appropriation nor any part thereof shall be used for any other purpose than that for which it was made except as otherwise provided by law; provided that the governing board or head of any state department, institution, or agency may, with the written consent and approval of the governor and state comptroller first obtained, at any time during the biennial fiscal term, partially or wholly use its unexpended appropriations for purposes within the scope of such department, institution, or agency.

Provided, further, when the appropriation of any department, institution, or agency is insufficient to properly meet the legitimate expenses of such department, institution, or agency of the state, the state comptroller, with the approval of the governor, is authorized to transfer from any other department, institution, or agency of the state having an appropriation in excess of its necessity, sufficient funds to meet that deficiency.

8.40 Misdemeanors--removal--impeachment. A refusal to perform any of the requirements of this chapter, and the refusal to perform any rule or requirement or request of the governor and/or the state comptroller made pursuant to or under authority of this chapter, by any board member, commissioner, director, manager, building committee, or other officer or person connected with any institution, or other state department or establishment as herein defined, shall subject the offender to a penalty or two hundred fifty dollars, to be recovered in an action

instituted in the district court of Polk county by the attorney general for the use of the state, and shall also constitute a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the court. If such offender be not an officer elected by the vote of the people, such offense shall be sufficient cause for removal from office or dismissal from employment by the governor upon thirty days notice in writing to such offender; and, if such offender be an officer elected by vote of the people, such offense shall be sufficient cause to subject the offender to impeachment.

APPENDIX C

EXAMPLES OF TABLES OF CONTENTS FOR DEPARTMENTAL AND EXECUTIVE BDPs

This appendix includes one example of a possible table of contents for a departmental BDP and one example of a possible table of contents for the Executive BDP presented to the General Assembly. The departmental example is for the Department of Social Services and is based partly on the draft BDP prepared for that department in November, 1968, by the Office for Planning and Programming. In particular, the program groupings and programs are taken directly from the draft BDP.

The Executive BDP example does not refer to the specific departments of Iowa State Government. It is intended to indicate as inclusively as possible the materials which could be placed in the Executive BDP. Most of these materials present information directly useful in making BDP decisions. Some materials such as the summary of trust and agency funds usually require no decisions but are included to round out the complete picture of the state's financial activities. Inclusion in the BDP is a convenient means of periodically bringing these matters to the attention of officials in the executive and legislative branches ultimately responsible for competent stewardship of all state resources.

BIENNIAL DEVELOPMENT PLAN
DEPARTMENT OF SOCIAL SERVICES

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
1. Comments of the Department Head on the BDP (Brief summary stressing the priorities, objectives, and policies incorporated in the BDP.)	
2. Organization Chart--Department of Social Services	
3. Program Structure Chart--Department of Social Services (Omit if program and organization structures are identical.)	
4. Departmental Fiscal and Personnel Summaries (Tabular summaries by program groupings of total departmental requests for funds and personnel.)	
5. Summary Review of Non-General Fund Finances (Tabular summary by programs of revenues other than general fund appropriations.)	
6. Summary of Changes in Level of Services and New Services Requested for the Biennium (Lists by program each change in level of services or new service requested.)	
7. Family and Children's Services Program-Grouping Summary (Summary by programs of total program-grouping requests.)	
a. Services to Children and Their Families (Includes program summary and details of program requests--Forms D-5 through D-12--and supporting material in narrative, tabular, or other format.)	
b. Services to Adult Public Assistance Recipients	
c. Services to Veterans	
d. Services to Indians	

ItemPage

- e. Services to Migrants
- 8. Mental Health Services Program-Grouping Summary
 - a. General Institutional Care, Treatment, and Rehabilitation
 - b. Mental Health Services to Alcoholics
 - c. Mental Health Services to Children
 - d. Mental Health Services to Adolescents
 - e. Mental Health Services to the Aged
 - f. Institutional Administration and Ancillary Services
 - g. Mental Health Community Services
 - h. Administrative Support
- 9. Mental Retardation Services Program-Grouping Summary
 - a. Community Services
 - b. Institutional Services
 - c. Administrative Support
- 10. Adult Correction Services Program-Grouping Summary
 - a. Institutional Correction Services
 - b. Community Correction Services
 - c. Prison Industry Services
 - d. Administrative Support
- 11. Income Maintenance Program-Grouping Summary
 - a. Old Age Assistance
 - b. Aid to the Permanently and Totally Disabled
 - c. Aid to the Blind
 - d. Aid to Families With Dependent Children

ItemPage

- e. Medical Assistance
 - f. Work Incentive Program
 - g. Indian Relief
 - h. Food Stamp
 - i. Administration
12. Administrative Support Program-Grouping Summary
- a. Policy Direction, Leadership, and Technical Support
 - b. Planning and Budgeting
 - c. Business Management, Data Processing, and Office Services
 - d. Personnel Services
 - e. Public Information
 - f. Architectural and Engineering Services
 - g. Legal Services

THE EXECUTIVE BIENNIAL DEVELOPMENT PLAN
For The
FISCAL YEARS 1969-1971

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
<u>Section A--The General Setting</u>	
1. <u>State Organization Chart (see inside back cover)</u> Shows the present organizational structure of state government.	
2. <u>BDP Message of the Governor</u> Presents a brief summary of major BDP policies and objectives, the fiscal condition of the State, new or expanded services provided for in the BDP, and proposed changes in the revenue structure.	
3. <u>The Economic Outlook For the State of Iowa</u> Discusses general trends in the State's economy and analyzes major factors affecting the economy.	
4. <u>Definition of BDP Terms</u> Defines terms used in the document.	
<u>Section B--Summary of the Total Budget</u>	
5. <u>The Financial Plan</u> Shows the total budget for the biennium.	
6. <u>The BDP Summary</u> Shows the budget for the biennium by major functional areas and how it will be financed.	
7. <u>Governor's BDP by Departments for the Biennium</u> Shows the budget for the biennium by departments.	
8. <u>Summary by Departments of Recommended Changes in Level of Services or New Services</u> Summarizes changes in a level of services or new services recommended for the biennium.	

ItemPage

9. Review of State Revenues and Expenditures
Summarizes the composition and levels of current revenues and operating expenses.

Section C--General Fund Revenues

10. General Fund Revenue Estimates
Summarizes general fund revenue estimates for the biennium and explains the bases of revenue estimates for each of the major taxes.
11. Comparative Statement of General Fund Revenues by Taxes and Other Major Sources
Statement covers one completed fiscal year, estimates for current fiscal year and estimates for the fiscal years of the forthcoming biennium.

Section D--Departmental Requirements

12. Department of Social Services Summary
Summary of total departmental BDP requirements and means of financing the requirements.
13. Program Presentations
Summary and details of BDP requirements and means of financing the requirements for each program in the Department of Social Services. Includes narrative explanations and justifications of requests.
14. Items 12 and 13 repeated for each department of Iowa State Government.

Section E--Details of General Fund Revenues

15. Details of General Fund Revenues by Sources of Receipt
Covers one completed fiscal year, estimates for current fiscal year, and for the two fiscal years of the forthcoming biennium.

Section F--Details of Federal Fund Revenues

16. Details of Federal Fund Revenues by Departments
Covers one completed fiscal year, estimates for current fiscal year, and for the two fiscal years of the forthcoming biennium.

ItemPageSection G--Summary of General Fund Budget by Appropriations

17. Financial Condition of the General Fund
Shows receipts, expenditures, and surplus (or deficit) for three most recently completed fiscal years.
18. Statement of Operations of the General Fund
Shows cost of current services, departmental requests, and Governor's recommendations by appropriations for the biennium compared with estimates for the current biennium and actual expenditures for the most recently completed biennium.
19. Schedule of General Fund Appropriations by Departments
Shows the total amounts of general fund appropriations recommended by the Governor for each department compared with the total amounts requested by departments, estimates for the current biennium, and actual amounts for the most recently completed biennium.
20. Schedule of Specific and Carry-Over Appropriations (if any)
Shows by General Assembly sessions the expenditures through the most recently completed fiscal year and balances as of the end of that year for each specific and carry-over appropriation.
21. General Fund Appropriations Authorized by the General Assembly
Shows for each of the three preceeding General Assembly sessions the specific general fund appropriations authorized by the General Assembly.

Section H--Special Funds

22. Financial Condition of the Special Fund
Summary statement for the total of all special funds showing current resources, obligations, and surplus at the close of the last three completed fiscal years.
23. Statement of Operations of the Special Fund
Summary statement for the total of all special funds showing receipts, expenditures, and balances for most recently completed fiscal year and estimates for current fiscal year and the two fiscal years of the forthcoming biennium.
24. Summary of Receipts, Expenditures and Balances
Shows receipts, expenditures, and balances of each special

ItemPage

fund by departments for most recently completed fiscal year and estimates for current fiscal year and the two fiscal years of the forthcoming biennium.

Section I--Trust and Agency Funds

25. Financial Condition of the Trust and Agency Fund
Summary statement for the total of all trust and agency funds showing resources, obligations, and surplus at the close of the last three completed fiscal years.
26. Statement of Operations of the Trust and Agency Fund
Summary statement for the total of all trust and agency funds showing receipts, expenditures, and balances at the close of the last three completed fiscal years.
27. Summary of Trust and Agency Fund Receipts, Expenditures, and Balances
Shows receipts, expenditures, and balances of each trust or agency fund by departments for the last three completed fiscal years.

LIBRARY
Iowa Employment Security Commission
1000 East Grand Avenue
Des Moines, Iowa 50319

3172302109 6086

STATE LIBRARY OF IOWA



3 1723 02109 6086