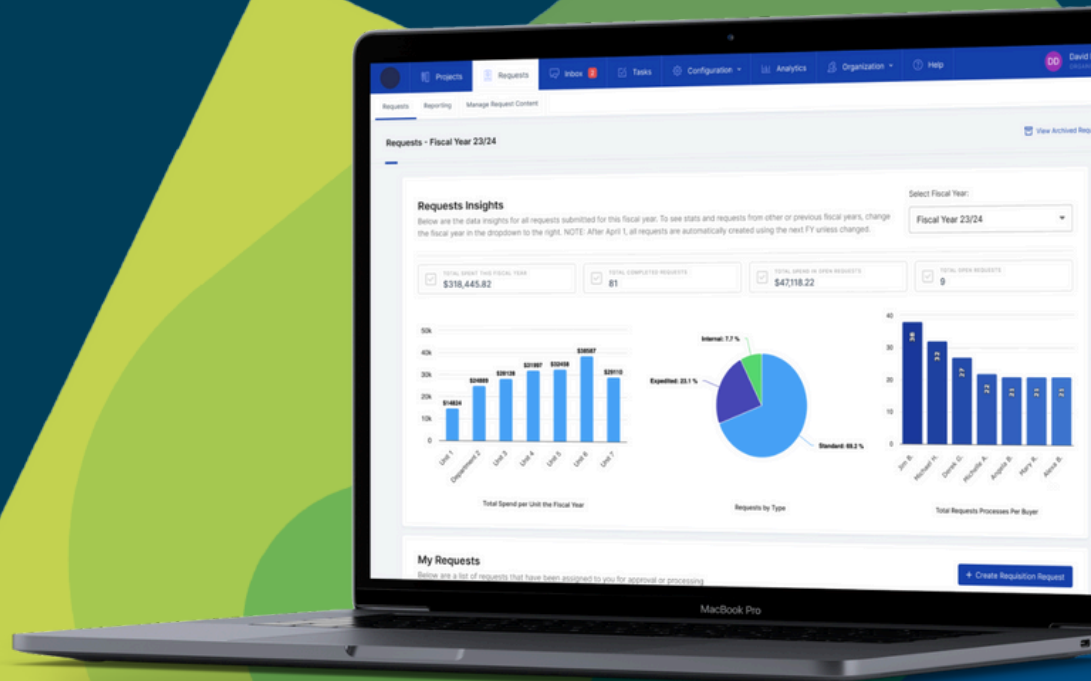


Unlocking Visibility, Building Trust

Empowering Government Transformation
During Budget Challenges

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Synopsis:

Governments face budget challenges from hyperlocal to global scales. High-performing departments have been able to respond to these challenges and turn these setbacks into opportunities — the key is **visibility**. When governments are able to see how dollars are being spent, they can make better decisions, ultimately leading to better outcomes and increased trust.

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Investigating Current Budget Challenges

From hyperlocal issues to global economic factors, all levels of government — local, county, state, and federal — face the dilemma of meeting constituent needs while navigating budget challenges.

Increasing Public Trust

At the constituent level, officials strive to build and maintain the trust of their residents – and it's a formidable task.

SINCE 2007,

≤ 30%

of Americans say they can “trust the government always or most of the time”

IN THE LATE 1950s,

75%

of Americans “trusted the federal government to do the right thing almost always or most of the time.”

Source: Pew Research Center, June 2024

Leaders are aware of these sentiments and are looking for ways to avoid further loss of trust, and restore their constituents' confidence in government.

Optimistically, 2019 Pew data showed that 84% of Americans “believe it is possible to improve the level of confidence people have in the government.” Among respondents' suggestions for increasing trust: “starting with more disclosure of what the government is doing.”

Government's ability to increase information-sharing with the public starts with internal visibility. When governments are able to gain access to their own often siloed and disparate data, documents, and information, they are then able to make decisions and take the best actions in service of their constituents.

Maintaining Departmental and Programmatic Funding

A department or agency's inability to answer foundational questions about their spending can impede a program's ability to maintain or expand funding for services. Slower, less informed decision making may lead to cutting the wrong programs, or not being fast enough to take action to maintain critical programs.

The inability to answer these questions may be the result of an abundance of paperwork, disconnected workflows and reporting structures, or aging technologies that can no longer keep up with current demands, among others. In these instances department leaders are faced with tough decisions to evaluate which of their efforts are worth advocating for continued funding.

Effective leaders are able to answer these key questions:

1

Are we spending money effectively?

3

How do we justify new staffing needs?

2

Are we taking full advantage of incentives?

4

Are we compliant with all current state and federal regulations?



An agency's inability to maintain funding for programs can have long-lasting effects, as described by Dr. Monica Bertagnolli, Director of the National Institutes of Health – the nation's biomedical research agency and largest public funder of biomedical research in the world – in a February 2024 *Politico* story:



POLITICO

"I know the last time NIH saw significant funding cuts, we lost a generation," Bertagnolli told POLITICO, referencing budget cuts during the federal spending wars between President Barack Obama and the Republican-controlled House in 2013. She added: "The funding level of grants goes down. Junior people see this. They decide: 'Why would I go into biomedical research? I won't be able to have a stable job.' They move away from this field."

What's next: While Bertagnolli declined to name specific programs or initiatives at risk, if budget cuts are flat or shallow, the NIH would try to spread the losses around the agency and make up the shortfall by reducing funding to a broad range of investigators, she said.

Deeper cuts would require harder decisions. In anticipation, NIH officials have centered discussions on how to allocate funding for the next generation of new researchers.

"That takes highest priority in the difficult decisions we have to make. If you think about it, that means there will be very promising research done by more senior people that will go unfunded."

Dr. Bertagnolli describes that funding cuts can have impacts that last an entire generation. Across the nation, leaders at every level of government face similar tough decisions. Having access to data is key to ensuring they are making the best decisions for not only their current residents, but generations to come.

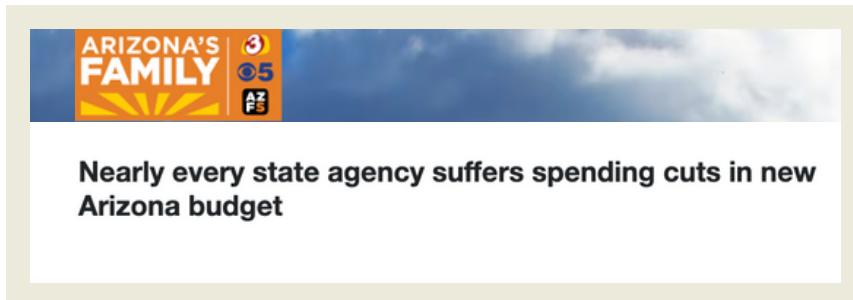
Responding to Statewide Budget Cuts

Budget deficits implore states and counties to do more with less and find ways to deal with cuts, as noted in news stories including, among others:



[California faces record \\$68 billion budget deficit, nonpartisan legislative analyst says](#)

AP, 12/8/23



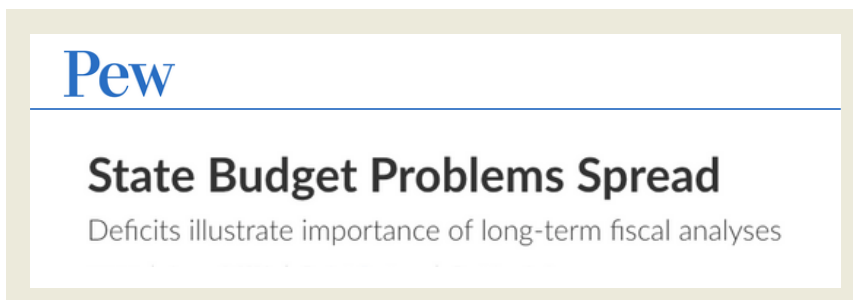
[Nearly every state agency suffers spending cuts in new Arizona budget](#)

Arizona's Family, 6/17/24



[Maryland's budget math: \\$761 million shortfall predicted](#)

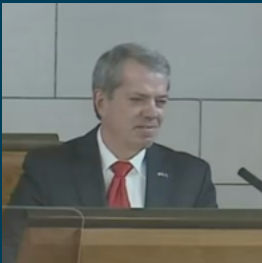
The Baltimore Banner, 12/14/23



[State Budget Problems Spread](#)

Pew Trusts, 1/9/24

The impact and seriousness of these situations quickly rises to the Executive Office, with Governors across the nation, speaking directly to budget issues in their 2024 State of the State speeches:



We tightened our belts and passed a historic fiscal conservative budget with only 2 percent growth...Since my inauguration, we have been relentless in searching for efficiencies, cutting costs, ending bloated contracts, and working to meet the performance improvement targets this Legislature set out for us last session.

Nebraska Governor Jim Pillen



Continued success is not inevitable; we must constantly challenge ourselves to put individuals before the system, strive to be even better stewards of your taxpayer dollars, and more accountable to the people of this state.

New Hampshire Governor Chris Sununu



With historic one-time federal aid ending, another large increase in our pension obligation, and last year's spending decisions catching up to us, we are back to where we were several years ago with difficult decisions to be made...Once again, we'll face the discomfort of saying "no," choosing between many good things, and maintaining the discipline to focus on what Vermonters need most.

Vermont Governor Phil Scott



Governors are recognizing the budgetary constraints and proposing budgetary reductions. Departments need visibility into their expenditures and contracting processes to prioritize amongst their programs and effectively implement reductions.

These challenges are further amplified by rising costs due to variables far beyond a department or state's borders. As individuals and businesses experience higher costs for goods and services – due to national inflation, supply chain issues, and the current global landscape – governments too, feel the effects.

Businesses that fulfill government contracts or receive grants pass along those higher costs. When a transaction gets caught up in bureaucratic logjams, those costs are often felt – in higher labor costs (due to more administrative hours) and sometimes missed opportunities. For example, a highly-qualified vendor may choose not to pursue a government contract due to the administrative hurdles and lengthy processing times.

The longer a procurement takes to complete, the higher the end costs.



Four Keys to Successful Visibility

Even with these challenges, government leaders are faced with making choices and taking action. As they decide how to use finite resources – taxpayer funds – visibility is the key to increasing their ability to make efficient and effective choices.

Whether a program manager oversees drawdowns on a grant program, a procurement official reviews contracts on a daily basis, or a department leader looks to increase their organization's impact, the most successful teams are able to gain visibility in these specific ways:

Get transparency into existing processes and systems.

If a Cabinet secretary in Vermont is tasked by the Governor to “maintain discipline” and “focus” on what residents need most (see page 6), they need to be able to see real-time processes and spending, before deciding what tough decisions, like service reductions, to propose.

Oftentimes, the lack of visibility into existing processes is the consequence of having numerous disparate systems of record that aren't integrated into a single source. This sprawl of records introduces inconsistencies in data, potentially creates compliance issues, and stands in the way of staff being able to effectively complete their work.

2 Access analytics and reporting data.

Effective teams not only have access to their own program data, but are able to gain value from that data. For example, if a team is able to see when and where procurements and processes are in progress, they can proactively communicate these timelines to related teams, thereby increasing departmental collaboration and efficiency.



If the data shows that a particular budget action is stalled and managers see repeated bottlenecks, they can implement changes to the workflow or raise these issues with the appropriate departments, improving the effectiveness of their work. Financial decision makers rely on reports and other analytical capabilities to make informed decisions around investments of public funds, prioritization of requests, and important operational actions, including hiring or acquisition of new resources to support their greatest needs.

Departments that are able to effectively manage their document-centered processes not only are able to keep costs down, but stay informed throughout the entire procurement.

3 Stay on top of required reporting.

Whether funds are coming from the state legislature, a federal grant, or another source, programs must stay compliant with established reporting requirements. For example, many states have small business-, women owned-, minority owned-, and veteran owned- business goals. In California, [Consolidated Annual Reports](#) are due each year by October 1 to track agency participation efforts on these goals. Failure to meet these requirements may result in negative consequences for non-compliant agencies.

4 Map and manage the lifecycle of a contract.

The relationship between a department and a vendor or service provider doesn't end after a check has been cut. Successful programs look at contracts holistically and are able to proactively monitor for strong compliance. Furthermore, programs are able to:

-  Evaluate progress of spending/contracts
-  Create an environment that enables suppliers to easily document their progress and for program staff to monitor draw downs
-  Efficiently update language across all documents – as dictated by regulatory and legislative changes – to ensure full compliance
-  View change logs to gain up-to-the-minute visibility into actions taken
-  Enable staff to efficiently search and access historical documents at a moment's notice
-  Enable agencies to create benches of vendors sorted by specific attributes such as Disadvantaged Business Enterprise participation, geographic coverage, or specialized services or capabilities
-  Track contract renewals and expirations

In Focus: Visibility During a Budget Freeze

How One Department's Procurement Modernization Launched Just in Time to Respond to Statewide Expenditure Freeze

March
2023

A state department in California began working with Authorium to modernize their procurement workflows. For years, the department had relied on an outdated system, Lotus Notes, for intake and requisition of procurements. The old system was difficult to navigate and records were challenging to access.

Summer/
Fall 2023

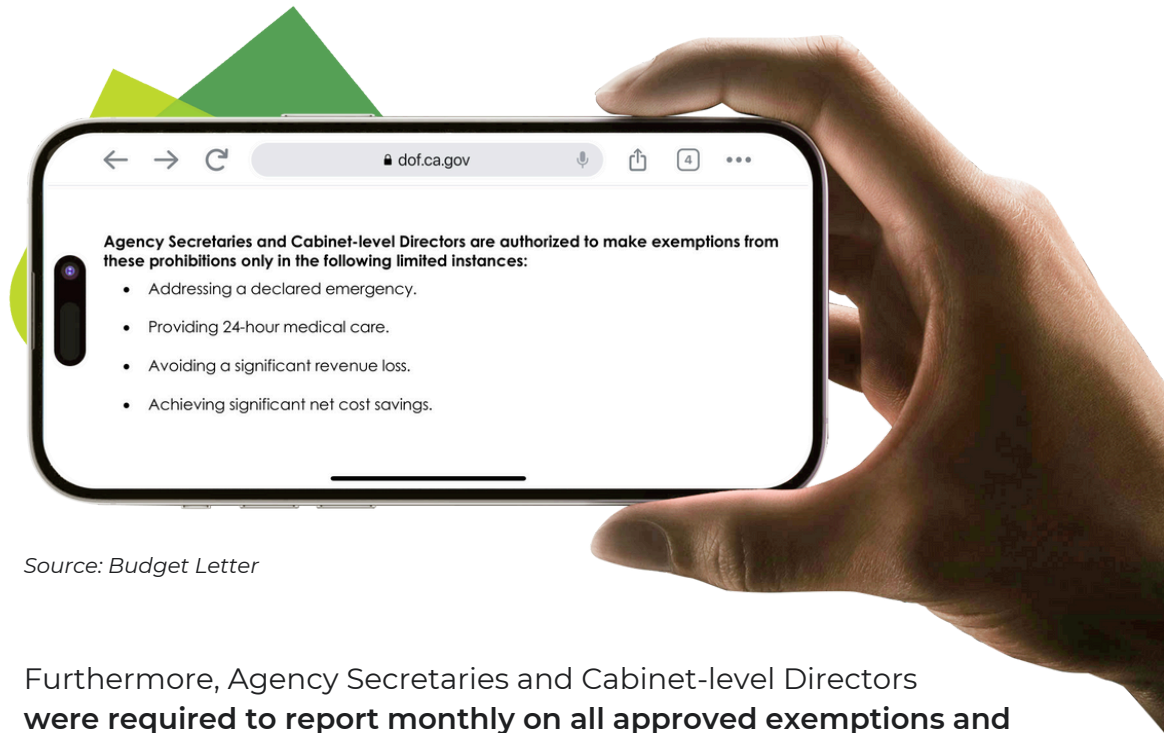
As the Authorium team worked with the department to prepare for the launch of the new system – **built for government needs and entirely configurable** – the Governor's Office and the State Department of Finance were strategizing about how to handle the State's significant budget deficits.



December
2023

During the same week that the department launched the new Authorium platform, the state's Finance office released a [Budget Letter](#) to all state agencies calling for a sweeping expenditure freeze. The letter called on agencies to **"take immediate action to reduce current-year General Fund expenditures,"** including, but not limited to: heavy scrutiny of supplies, cancellation of in-state and out-of-state travel, cancellation of employee leave buy-backs, and a pause and possible termination of IT projects that did not meet necessary criteria.

Agency Secretaries and Cabinet-level directors were held accountable with the following stipulations:



Source: Budget Letter

Furthermore, Agency Secretaries and Cabinet-level Directors **were required to report monthly on all approved exemptions and the achieved savings** to the Department of Finance and the Governor's Office.

February
2024

Following the release of the Budget Letter, the department acted quickly and **together with Authorium were able to update their workflow to include the required justification**, as set forth in the Budget Letter.

Since all data lives in Authorium's platform, the department is able to **track every dollar being spent, at any time**. Department leaders are enabled to explore every request, and efficiently compile reports that comply with the state's new mandates.

Outcomes

The department has significantly increased visibility into spending, and using the Authorium framework, is able to efficiently and effectively meet the State's new compliance requirements.

How Authorium Supports Increased Visibility for Government Transformation

Authorium is a cloud-based platform to improve government procurement, budget, policies, HR, and grant processes in the service of enabling data-driven decision making.

Authorium automates complex processes and transforms traditional documents and files into interactive, actionable resources. We consolidate and replace legacy, siloed, and cobbled together applications with modern, cloud-based equivalents that are compatible with existing enterprise resource planning and mission-critical operational systems. In doing so, we unlock the value of data trapped in documents to enable everyone – from project specialists to CIOs to Deputy Administrators – to gain meaningful, mission-critical insights. The platform ensures comprehensive compliance, enhances cross-functional collaboration and visibility, dramatically increases efficiency, improves review and approval processes, and frees up staff time for higher-value work.

Authorium's platform improves project visibility and speeds up processes by 70%. According to government partners, documents that used to take 9-18 months to produce, now take 9-18 weeks when using Authorium's platform and teams are able to gain visibility like never before.

In conjunction with our expert team of implementation and project success leads, government program staff are able to get up and running on Authorium's platform in a matter of weeks.

To learn more about how to unlock siloed government data and leverage technology to gain unprecedented visibility into your organization's existing documents processes, [get in touch with our experts](#).



authorium.com



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Sources:

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[Governor Chris Sununu's 2024 State of the State Address](#), 13 Feb 2024; *image via National Governors Association video*

[Vermont State of the State](#), 4 Jan 2024; *image via Vermont Public video stream*