

The George Washington University
School of Business and Public Management

Modernizing Public Management through Expenditure Quality Improvement
– A Case Study at Rio Grande do Sul (Brazil) State's Legislature –

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Introduction

Public institutions play an extremely important role in the population's quality of life. The government administers the legal and the justice system, develops and delivers social programs and services, regulates the economy and promotes fair trade, and represents and protects the interests and values of its nation in the international community.

In Brazil, public sector management seems to have garnered discredit, at least for 1.3 million voters from the State of São Paulo. In 2010, these voters elected a candidate to Federal Congress whose main profession was playing a clown on comic television shows and circus. During the whole campaign, he referred to himself as "Tiririca," his clown's name. He was elected with more than double the votes of the next closest candidate.

It's reasonable to say that most of the population of Brazil does not know that Tiririca's real name is Francisco Everardo Oliveira Silva. In his campaign advertisements Silva was inhabiting his role as Tiririca. In his principal advertisement he said: 'Do you know what a representative does? Me neither. But vote for me and I'll tell you later.' His slogan was: 'Vote Tiririca. It can't get any worse'. There was also evidence (prior to the election) that he was illiterate.

As public servants, we must honor our positions and try to alter the bad image public service may have. The citizens expect the Government to pursue policies and programs that take into account and are responsive to public priorities. They expect the Government to operate in an open, transparent and accountable manner. They want to know that government programs and services are well managed. Above all, they want assurances that they are receiving good value for each cent they pay in taxes.

Even though we must consider that public wishes can be incoherent. *Often, what we want is not exactly what we need.* Going along with this thought, we could assume that if the Legislative Assembly of Rio Grande do Sul State announced that it would hire professional

consultants to help compose and implement a strategic plan, at a cost of, let's say, 1 million reais, people would get very dissatisfied.

On the other hand, if we hire someone to implement methods of expenditure analysis for increasing expenditure quality, paying 1.5 million reais in order to save 3.5 million reais in 14 months, and prove that, we may be applauded.

If we could disregard public *opinion* (not society's *real needs*), it would probably be better, in a mid or long term analysis, to begin with a consistent strategic planning process to get even better results in terms of saving public money and promoting efficiency in the core functions of the state parliament. But the consequences for the institution's image would be harmful, and we would be disrespecting one of the main principles of democracy, which is popular participation.

With that in mind, we began the MGA Program. MGA are the initials in the Portuguese language for *modernizing assembly management*. MGA Program begins with expenditure analysis and prompt action on savings opportunities, all in order to achieve and to register fast financial results. We call this Program GMD (it stands for *matricial expenditure management*). As a side effect, we certainly improve the workflows related to those expenses, creating a kind of *scent of innovation and better quality* in the House. The GMD also includes a Program RM, standing for Revenue Management, which main target is to innovate implementing ideas that can generate new revenues for the House. The subjacent wanted effect is to get the sympathy of people in and outside the organization, in order to create a better scenario to move forward to a second step: strategic planning, which we expect to lead us to a lot of other steps that can really generate deep changes in the results of the Parliament's work for the society.

Although GMD is nowadays the main program, and RM a secondary program, we have been trying to include in MGA program every single innovative initiative detected at the House, and show it off on a blog: www.al.rs.gov.br/mga. When we say we will save 3.5 million

Brazilian Reais in fifteen months by investing 1.5 million Brazilian Reais on GMD Project, it sounds great – and it is, but maybe people do not realize our annual budget is around 343 million Brazilian Reais, and the amount we are saving is not very significant when you look at the whole budget. An interesting aspect is that we do not intend to decrease the service level, but to find creative solutions in order to pay less and still get what we need. Besides, it is true that only about 43 million reais of our budgeted expenses are manageable, 300 million reais are mandatory expenses.

This paper intends to show the development – including both: techniques applied and results achieved – of the four initial months of The MGA Program, with focus on its main Project – GMD, a radical expenditure reduction with almost no consumption reduction; as we say, “doing more spending less”. Also, it will show the development of The Revenue Management Program. During this initial period, we have planned almost every modification that is being or will be made, based on opportunities identified through expenditures analysis techniques. Even these four months being more for planning and analyzing than for really cutting expenses, we already saved almost 1 million reais, which is a great result, since the final goal is 3.5 million reais by the end of fifteen months.

On interest of best understanding, from now on, the GMD will be called MEM, standing for Matricial Expenditure Management.

By the end of this paper, it will be shown charts and conclusions on the overall results of The Modernizing Public Management Program, comparing the investment budgets of 2011 (projected and approved) with previous years.

1 Context

The Rio Grande do Sul State's Legislature, in 2010, decided to face the challenge of modernizing its management system by implementing methods to improve the handling of revenues and expenses. In order to achieve this project it was necessary to hire specialists and consultant companies. The search resulted in an arrangement with PGQP (Gaúcho Program of Quality and Productivity) and the INDG (Institute of Management Development). The specialists involved in the Program daily routine belong to INDG, while the leadership is shared between the Legislature itself and the PGQP.

The Program statement considered the need of generating financial resources to the House, through the optimization of current expenses, making it possible to increase the level of investments against current expenses.

Therefore, two main Projects were established: MEM Project (Matricial Expenses Management), which considered 2009 as the reference year, in order to build indicators for comparison, and the RM Project (Revenue Management), in order to elaborate projects to identify new possible revenue, in order to modernize the House's management system and infra-structure.

2 The Main Projects Implemented



2.1 The Matricial Expenditure Management Program (MEM)

2.1.1 Diagnosis of initial situation

Aiming to optimize the expenditures of the Legislature, The MEM has its initial target set in the gain of 3.5 million reais. The actions were organized to ensure the participation and mobilization of the servants. Therefore, it was appointed from within the structure of the Legislative Assembly, a team of 7 Experts who have analyzed in detail the expenses of 7 sets (1 for each expert) of items of similar nature named packages. The analysis resulted in knowing their generating factors, defining the indicators of use efficiency and comparing it with benchmarkings.

In the process, more than 20 goals for reducing costs were defined (values below in Brazilian Reais).

The defined packages were Consumption Material, Utilities, Information Technology, Third Part General Services, Travel and Lodging, Communication and Transportation.

PACKAGE	SUB-PACKAGE	2009	ACTION LINE	GOAL (-)
Consumption Material	Graphic Services	1,871,510	Change in the central of printing and copies supplier	125,000
			Alter the internal rules and limits (Res. 419)	258,018
Utilities	Mobile Telephony	796,697	Open new selection of suppliers	79,000
	Electricity	777,985	Consciousness Campaigns	59,000
	Water Supply	230,280	Consciousness Campaigns, Cistern for collecting rain water	20,000
Information Tecnology	Third Part Data Processing	1,600,000	Review Contract (Procergs and Stefanini)	440,000
	Investments	1,300,000	Registro de Preços (notebooks and desktops)	375,000
	Printing Park	959,000	280,000	599,000
Third Part General Services	Cleaning and Hygiene	1,090,646	Outsourcing of machines and supply	599,000
	Newspapers and Magazines Signatures	442,755	Review Contract (Gussil)	254,189
	Other services	2,121,706	Alter the internal rules and limits (Res. 419)	102,714
Travel and Lodging	Own Vehicle use	2,445,382	Contract review (Gres and Damovo)	409,000
	Restitution	552,093	Alter the internal rules and limits (Res. 419)	66,677
	Air Tickets	552,093	Alter the internal rules and limits (Res. 695/01)	15,546
Communication	Advertising	3,326,516	Alter the internal rules and limits	59,176
			Optimization of media insertions	1,100,000
Transportation	Official Fleet	360,300	Bargain prices on new vehicles	54,000

The initial identified savings opportunities summed R\$ 4,296,320. The roles of the Packages Managers was created and reinforced through training and the managers began to act strongly in the deep awareness of the expenses.

2.1.2 Operating the MEM Project

The negotiation process and validation of targets resulted in a recovery of about 72% of the identified opportunities. In this phase, action plans were developed in order to systematize the actions that help in achieving the goals.

The planning phase required the following steps:

- Preparation of Base Budget;
- Data Collection and Preparation;
- Definition of Preliminary Goals;
- Negotiation and Consolidation of Goals;
- Developing Action Plans;
- Preparation of the Monitoring Instruments (Follow up Method).

The targets are supported by action plans that were drawn up with the managers of the packages. That is, the departments involved in the project areas and develop action to achieve the targets validated. Currently there are 193 planned actions, of which 91 (47%) are finalized.

In follow-up phase initiated in December 2010 in reference to the results of November 2010, began the ritual of analysis of expenditure incurred in relation to the target set. In the process, begin the analysis and reflection on the deviations that make up the matrixes of Superintendences (administrative areas), which together comprise the matrix of the Legislative Assembly of Rio Grande do Sul

2.1.2.1 Packages and sub-packages

2.1.2.1.1 Communication Package

COMMUNICATION – Manager: Carlos Eugênio

Sub-Packages	Advertising, Rental of Machines and Equipment, TV AL.
Base	R\$ 9.55 mi (august 09 – October 10)

Parameter	Amount of media insertions
Indicator	R\$/Amount of Media Insertions
Strategies	Alterations on internal rules (resolutions) for price/number of insertions.
Opportunities Found	R\$ 1.1 mi
Validated Target	R\$ 1.1 mi

2.1.2.1.2 Information Technology Package

INFORMATION TECHNOLOGY – Manager: Adriano Leindecker

Sub-Packages	Data Processing, Investments, Printing Park and Maintenance
Base	R\$ 6.22mi (august 09 – October 10)
Parameters	Page Printed Number of Printing Machines
Indicators	R\$/Printed Page; R\$/Printing Machine
Strategies	Data Processing: Re-negotiate current contracts (Procergs and Stefanini) Outsource printing park Investment: bargain with suppliers Adopt free software in simple tasks
Opportunities Found	R\$ 1.69 mi
Validated Target	R\$ 1.69 mi

2.1.2.1.3 Consumption Material Package

CONSUMPTION MATERIAL – Manager: Icléia Borges

Sub-Packages	Graphic Services, Mail, Maintenance, Expedient Material, Furniture and Food
---------------------	---

Base	R\$ 5.51mi (august 09 – October 10)
Parameters	Page Printed Posted Mail
Indicators	R\$/Department; R\$/Printed Page; R\$/Posted Mail
Strategies	Graphic Services: substitute current supplier of copy center; reduce consumption of printing services (through alteration of limits on internal rules) Mail: shift for less expensive product from mail company
Opportunities Found	R\$ 839 mi
Validated Target	R\$ 483 mi

2.1.2.1.4 Third Part General Services

THIRD PART GENERAL SERVICES – Manager: Tatiana Pellizan

Sub-Packages	Newspaper and Magazine Signatures, cleaning and hygiene, technical services, maintenance of furniture and building, trainees payments, insurances
Base	R\$ 11.25 mi (august 09 – October 10)
Parameters	Signatures: Departments Cleaning and Hygiene: square meter, employee Maintenance of furniture and building: service orders
Indicators	Signatures/Departments Cleaning and Hygiene: employee/square meter Maintenance: R\$/service order
Strategies	Signatures: reduce consumption (alter internal rules fixing limits) Cleaning and Hygiene: re-negotiate contract in order to reduce de number of employees to match the benchmark

	Maintenance Services: re-negotiate contract
Opportunities Found	R\$ 1.13 mi
Validated Target	R\$ 483 mi

2.1.2.1.5 Consumption Material Package

CONSUMPTION MATERIAL – Manager: Icléia Borges

Sub-Packages	Graphic Services, Mail, Maintenance, Expedient Material, Furniture and Food
Base	R\$ 5,51mi (august 09 – October 10)
Parameters	Page Printed Posted Mail
Indicators	R\$/Department; R\$/Printed Page; R\$/Posted Mail
Strategies	Graphic Services: substitute current supplier of copy center; reduce consumption of printing services (through alteration of limits on internal rules) Mail: shift for less expensive product from mail company
Opportunities Found	R\$ 839 mi
Validated Target	R\$ 483 mi

2.1.2.1.6 Transportation Package

TRANSPORTATION – Manager: Cátia Regina Silva

Sub-Packages	Fuel and lubricants, rental and maintenance of vehicles, investment on new vehicles.
Base	R\$ 1.99 mi (august 09 – October 10)
Parameters	None
Indicators	Liquidation and tenders

Strategies	Investment in vehicles: negotiation with suppliers.
Opportunities Found	R\$ 54,000
Validated Target	R\$ 54,000

2.1.2.1.7 Utilities Package

UTILITIES – Manager: Cátia Regina Silva

Sub-Packages	Water, electric energy, land telephone lines, mobile phones
Base	R\$ 3.12 mi (august 09 – October 10)
Parameters	Square meters, cubic meters, servants, departments
Indicators	Kwh/m ² ; m ³ /servants; R\$/department
Strategies	<p>Water: install system to save water from rain; optimize consumption measurement system</p> <p>Mobile telephony: new contract, block or substitute some services</p> <p>Electricity: consciousness campaigns, standardization of materials attached to the net, individualization of switches and presence sensors</p>
Opportunities Found	R\$ 712,000
Validated Target	R\$ 216,000

2.1.2.1.8 Travel and Lodging Package

TRAVEL AND LODGING – Manager: Lúcio Bescow

Sub-Packages	Restitution by own vehicle use, air tickets, per diems.
Base	R\$ 8.48 mi (august 09 – October 10)
Parameters	<p>Restitution: km</p> <p>Air Tickets: amount</p> <p>Per diems: amount</p>

Indicators	Restitution: km/parliamentary cabinet Air tickets: R\$/ticket Per diems: spent per diems/department
Strategies	Alter internal rules to enforce reduction in consumption.
Opportunities Found	R\$ 914,000
Validated Target	R\$ 228,000

2.1.2.2 OMA – Software for follow-up

To assist the administrative areas in monitoring the monthly results, it was made the follow up software called OMA. The System is linked to the budget and is used to watch the development of the project, measuring the amount reached in savings and comparing to the planned goals. It shows sheets, graphics and scorecards. The system also shows the action plans and registers follow-up entries, especially at cases in which goals were not reached in time.

That means that all servants responsible for administration and others involved in managing costs can easily analyze and get to know their main expenses and then make the necessary reflections, upon the occurrence of spending more than anticipated. The system can meet the actions taken by ALERGS with spending above the target and serve as support for decision making.

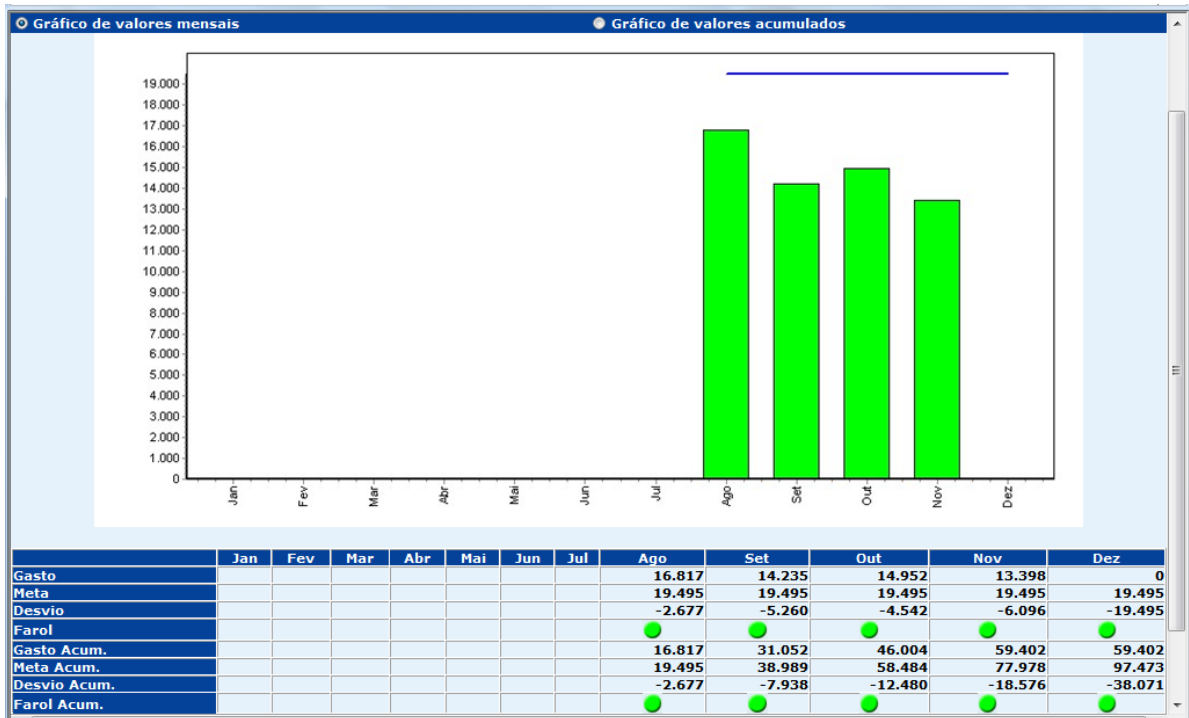
Below is a sequence of slides taken from the OMA itself in relation to the vision of the Presidency over spending and its consequences.

ALERGS	ALERGS			
Período: Ago/2010 a Nov/2010				
Pacote / Conta	Realizado	Meta	Desvio	Farol
+ COMUNICAÇÃO	1.053.720	1.062.784	-9.064	●
+ GMR	195.861	195.861	0	●
+ INFORMÁTICA	1.693.245	1.733.033	-39.788	●
+ MATERIAL DE CONSUMO	866.881	1.609.263	-742.382	●
+ SERVIÇOS DE TERCEIROS	2.681.210	2.887.064	-205.854	●
+ TRANSPORTES	420.504	628.086	-207.582	●
+ UTILIDADES	681.199	790.456	-109.257	●
+ VIAGENS E ESTADAS	1.422.408	2.141.512	-719.103	●
Total	9.015.029	11.048.059	-2.033.030	●

Inside the system, it's possible to access each package and open it to the sub-packages level, as shown above:

ALERGS	ALERGS			
Período: Ago/2010 a Nov/2010				
Pacote / Conta	Realizado	Meta	Desvio	Farol
+ COMUNICAÇÃO	1.053.720	1.062.784	-9.064	●
+ GMR	195.861	195.861	0	●
+ INFORMÁTICA	1.693.245	1.733.033	-39.788	●
+ MATERIAL DE CONSUMO	866.881	1.609.263	-742.382	●
+ SERVIÇOS DE TERCEIROS	2.681.210	2.887.064	-205.854	●
+ TRANSPORTES	420.504	628.086	-207.582	●
- UTILIDADES	681.199	790.456	-109.257	●
▪ AGUA E ESGOTO	59.402	77.978	-18.576	●
▪ ENERGIA ELETRICA	230.771	281.954	-51.183	●
▪ TELEF FIXA	47.116	74.413	-27.297	●
▪ TELEFONIA MOVEL	343.910	356.111	-12.201	●
+ VIAGENS E ESTADAS	1.422.408	2.141.512	-719.103	●
Total	9.015.029	11.048.059	-2.033.030	●

The system eases a graphic vision of the expenditure, analyzing the historic behavior comparing it to the monthly goal.



The OMA also makes it possible to reflect on those results which were not satisfactory, identifying the causes of deviance and proposing countermeasures to neutralize the negative results, by filling the anomaly report:

Ação Corretiva - Windows Internet Explorer

https://sistemas.indg.com.br/gmd/sjrs/smi_ePlano.asp?tipo=conta&dataregistro=15/12/2010 &operacao=alterar&chave: [lock icon]

Causa:
 -Falta de controle efetivo das ligações dos celulares, acarretando um alto valor gasto
 -Ligações particulares

Ação:
 - Bloquear ramais para fazer para celulares
 -Criar sistemática de controle das contas

Porque:
 Para alcance da meta estabelecida na otimização de telefone

Como:
 - Enviando ofício a área responsável para pedir bloqueio
 - Criando planilha de controle mensal
 - Criando campanha de conscientização

Responsável:
 Luis Fernando

Local:
 ÁREA XXX

Prazo:
 31/12/2010

Investimento:
 0

Status:
 Em andamento/Prevista Cancelada Concluída

Gravar **Cancelar**

Internet | Modo Protegido: Ativado 95%

2.1.3 The Matricial Expenditure Management Program 2011

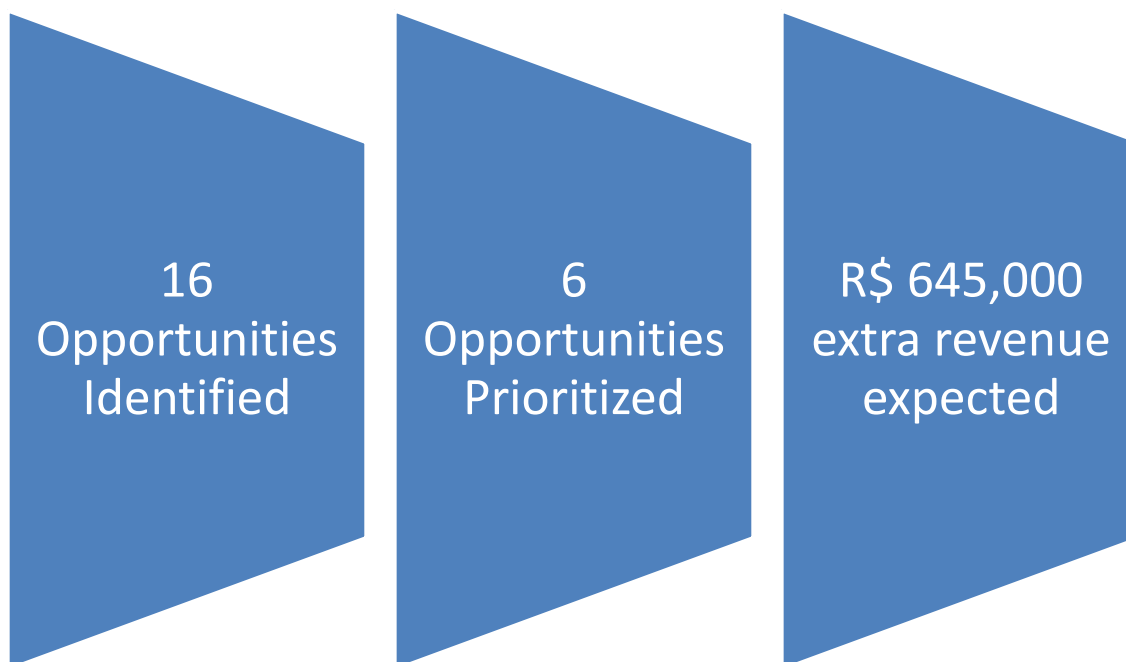
Since the planning phase of the MEM was conclude in 2010, the year of 2011 must be dedicated to implement and follow up the developed and validated action plans. Of course, the exercise of follow up and other factors can require or identify desirable changes or adding on the plans. It's up to the Package Managers to organize and present eventual new opportunities to the Administration.

2.2 The Revenue Management Program

2.2.1 Initial Situation and Planning

The first step of The Revenue Management Project was to make a brainstorming session with the objective of identify possible opportunities of new revenues. The brainstorm resulted in the identification of 16 revenue opportunities. Thereafter, a team of seven experts from the Legislature and three consultants raised detailed data in order to estimate the returns, which were translated into financial opportunities.

After that, the Administration prioritized 6 opportunities to be worked as a first phase of The Revenue Management Project.



2.2.2 Operating Revenue Projects

The Revenue Management Program was developed through four steps, as shown in the figure above:



Hence after the brainstorming, validation and prioritizing of six revenue opportunities, those six opportunities was structured in projects, using basic concepts of the PMBOK (Project Management Body of Knowledge, edited by The Project Management Institute – PMI). This phase required practical training sessions for the experts, whom became the project managers for each of the six fresh revenue projects.

The sixteen opportunities found was:

- Rental of existent spaces in The Farroupilha Palace (legislature headquarters) for exhibitions
- Rental of The Dante Baroni Theater
- Agreements for investment in training (revenue from the federal level and other institutions)
- Financing for investments in infrastructure
- Agreement with IPHAN, an institution dedicated to the preservation of historic and cultural patrimony
- Financing for maintenance of historic protected buildings
- Sponsorship for TV AL
- Buildings with potential lease/demobilization
- Merchandising on TV AL
- Auctions of longer useful goods
- Billboards and panels in the buildings of The Legislature

- Negotiate with the Executive Power the interest rate (currently zero) on the Legislative's money, which is budgeted yearly, but transferred monthly
- Charge for service of payroll retentions to corporations which sell goods to the servants
- Compensation of the legislature (negotiate restitution of historic debts from The Executive Power with The Legislative Power)
- Other services that can be provided by the Legislature
- Rental of the space on the top of the palace building to install mobile telephony antennas

These revenue opportunities have resulted in six projects prioritized and validated by the Superintendent of Administration and Finance.

The leaders were trained to implement their projects when they learned the PDCA, the use of analysis tools and project management. In total, seven servants were trained for the smooth progress of work.

Each project was detailed by establishing himself as a "Project Plan", containing:

- Project Data
- Project Goal
- Breakdown Structure (Solution Tree)
- Plan of Action
- Work Agenda
- Follow Up Scheme

The next sections comprehend details on each prioritized project.

2.2.2.1 Financing for maintenance of historic protected buildings

Leader: Tatiana Pelizan

Team: Regina Becker, Lorena Garcez, Alfredo, Maicon, Alma and Luiz Barbosa

Main Goals:

- Get R\$ 60,000 financing for The Solar dos Câmara maintenance in 14 months.
- Get R\$ 40,000 financing in events sponsorship in 14 months.
- Develop three projects of service selling to be offered in The Legislative Memorial, until 2011 March.

Current situation: Ongoing. All the events for 2011 are listed and the material for the potential sponsor is being prepared.

2.2.2.2 Sponsorship for the AL TV.

Leader: Celina Carvalho

Team: Carlos Eduardo Lang and Paulo Basso

Goal: Get sponsorship for at least 50% of the shows on broadcast.

Current situation: The team is seeking information among other public TVs related to their sponsorship programs.

2.2.2.3 Rental fees for the use of spaces of The House (exhibition spaces, theater, others)

Leader: Eduardo Homrich

Goal: Financial goal will be defined after research on market prices for similar spaces.

Current situation: Market prices collecting, elaboration of draft in order to alter the current internal rule (Resolution 835/2008) on the spaces utilization, to include the financial compensations.

2.2.2.4 Interest Rate on Budget, from Executive Power

Leader: Eduardo Homrich

Goal: Get R\$ 300,000 of extra revenue on 2011 budget due to the interest rate.

Current Situation: Math and paperwork ready to apply for 2011 budget.

2.2.2.5 Compensation of the Legislature (Retirement System Institute)

Leader: Alexandre Oliveira

Team: Alexandre Heck

Goal: Restitution of about R\$ 200,000 lamely collected to the Retirement System Institute (IPE), administrated by The Executive Power.

Current Status: More precise calculation was done and the correct value (R% 195,000) was restituted from The Executive Power to The Legislative Power.

2.2.2.6 Promote auction of goods no longer in use

Leader: Giovana Tornquist

Equipe: Ricardo Germano Steno

Goal: Assure revenue of R\$ 100,000 in 14 months

Current Status: In December 16th, it was promoted the first auction, where vehicles no longer in use, due to the acquisition of new models, were sold, generating a revenue of R\$ 71,535.

2.2.3 The Revenue Management Program 2011

The next steps for the Program include the follow up of the ongoing projects and prioritizing the projects left for the second phase. It's also recommendable to make a new brainstorm in the presence of the new administration.

3 Results and Conclusion

The results achieved so far were only possible due to the involvement and participation of the Administration, the Package Managers and the Revenue Projects Leaders, combining critical success factors, such as Leadership, Technical Knowledge and Management Knowledge.

The so current results of The Modernizing Public Management Program at Legislative Assembly of Rio Grande do Sul were presented on a press conference in the December 15th of 2010. Important members of the community, such as government authorities, business men and non-governmental organizations were present, showing the prestige the Program acquired.

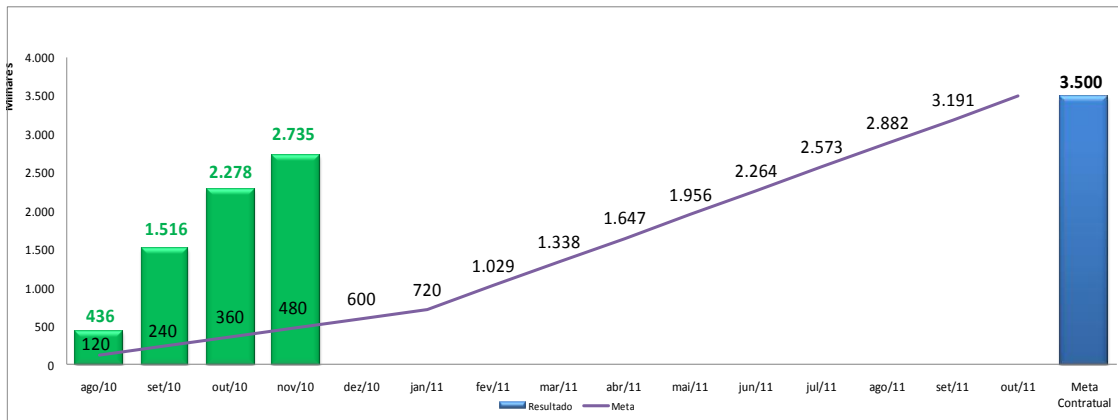
Here are some numbers concerning the Program:

- 39 people trained in the methods
- 13 managers appointed by the Presidency of the Legislative Assembly
- 9 Departments involved (validation of targets + mounting Action Plans)
- 247 improvement actions in development
- 2.7 million Reais in gains until November of 2010, due to the optimization of revenue and expenditure

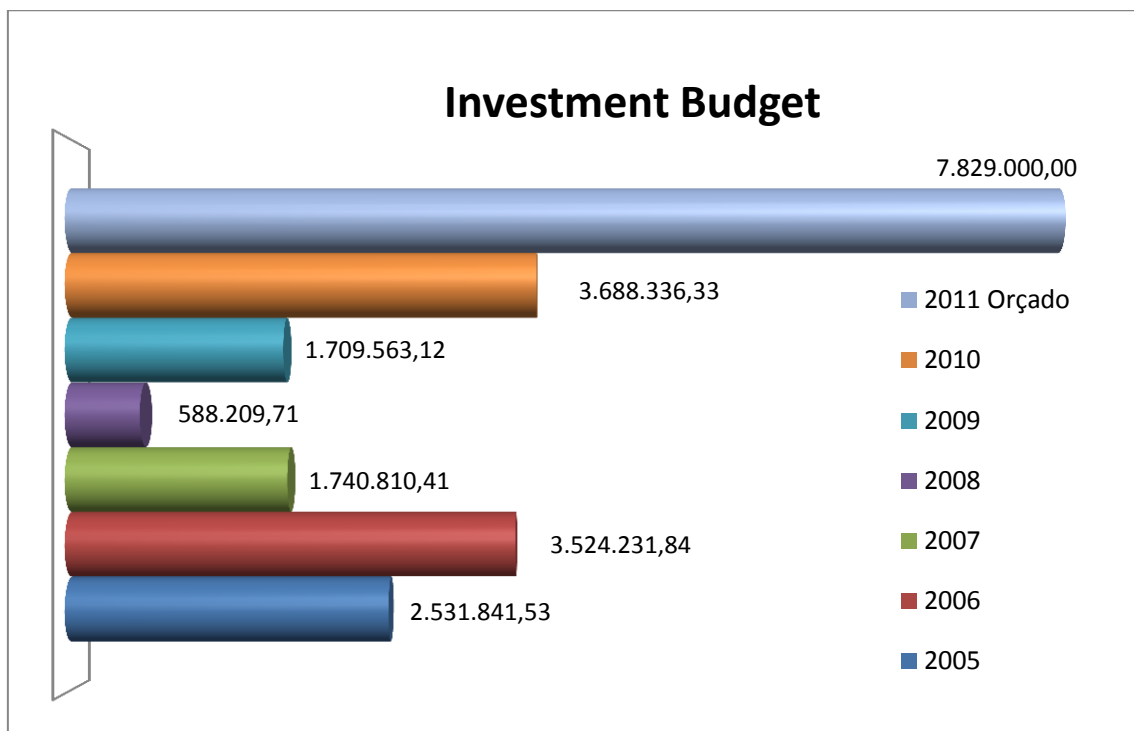
For involvement and empowerment of the Institution several tools were used, such as a blog relating activities of the Program (www.al.rs.gov.br/mga), classroom training, meetings involving all the project managers, among other activities.

During the initial four months of the project, a gain of 2.7 million reais was reached. Those are really remarkable results, since the final target is to gain 3.5 million of reais in a period of fifteen months (from August 2010 to October 2011). Therefore The Legislative Assembly was able to exceed by 470% the target (reference: November 2010). This was due to the implementation of actions and projects integrating The Matricial Expenditure Management Program and The Revenue Management Program. By November 2010, The MEM

Program contributed with R\$ 2,540,000 in savings, while The RM Program contributed with R\$ 196,000 in new revenues.



Due to the excellent results achieved, the Legislature was able to approve a remarkable investment budget for 2011, using resources saved from the diminishing current expenses.



The actions implemented in MGA Program changed the spending patterns of the organization toward more effective ways and keeps saving public money. The Program has acceptance from the press and sectors of the society.

The internal culture of the House changed for better due to training and outstanding results. After all, the whole scenario is more favorable to implement core changes in the operation of the Legislature.

4 Recommendations

This section contains recommendations to maintain the Program running properly during 2011 and to achieve good results:

- Institutionalize the programs by editing internal rules. There's a draft ready to be appreciated by The Board of The Legislative Assembly.
- Make sure the Program has support on the next Administration, assuming in February 2011.
- Train the new Package Managers and Revenue Projects Leaders, in case the current ones are substituted.
- Introduce the MEM project on the Parliamentary Offices routines.
- Prioritize and develop new Revenue Projects on the scope of The RM Program.
- Move forward implementing actions to improve the core operation of the Legislature towards society's expectations.

MODERNIZING PUBLIC MANAGEMENT THROUGH EXPENDITURE QUALITY IMPROVEMENT

A Case Study at Rio Grande do Sul State's
Legislature

BASIC MANAGEMENT SCHEME



ALIGNMENT



HOW TO DO IT?

- What do people expect from the legislative branch?
- Strategic Planning
 - Mission
 - Vision
 - Goals
 - Strategy
- It requires time, money and maturity, and results appear in the medium term

HOWEVER, PUBLIC SECTOR HAS FALLEN INTO DEEP DISCREDIT



'Vote for Tiririca, it can't get any worse.'

1.3 MILLION VOTES




- The Most Voted Federal Representative
- More than double the votes of the next closest candidate
- *'Do you know what a representative does? Me neither. But vote for me and I'll tell you...'*


HOW TO BEGIN?

- The Constraints
 - Public opinion
 - 1 year term of the President of The Legislature
 - Budget
 - Structure unused to modern administrative tools
- The Needs
 - Prepare The House to launch a richest path...
 - Simple and straightforward programs
 - Fast and remarkable results

The Answer:

- Fine tune current expenses saving by excellence on management
 - Seek for new revenue opportunities
- 

GOAL

- After preliminary analysis, with consultants aiding, we came up with a proposal of:
 - SAVE 3.5 MILLION REAIS, in 14 months, requiring a 1.5 million reais investment for consultants.
- 

Modernizing Public Management

MEM

RM

Planning
Expenditure

Follow up
goals and
actions

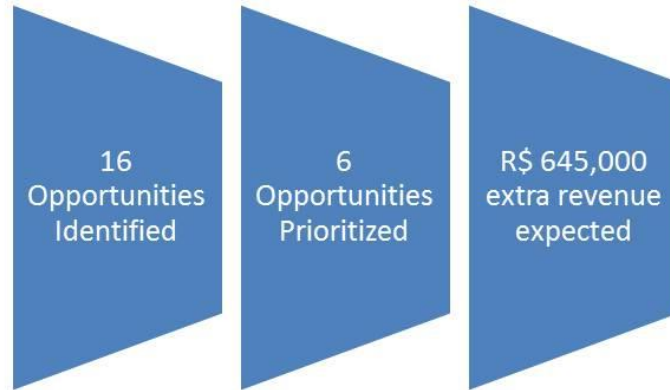
Planning
Revenues

Running and
following up
Revenue
Projects

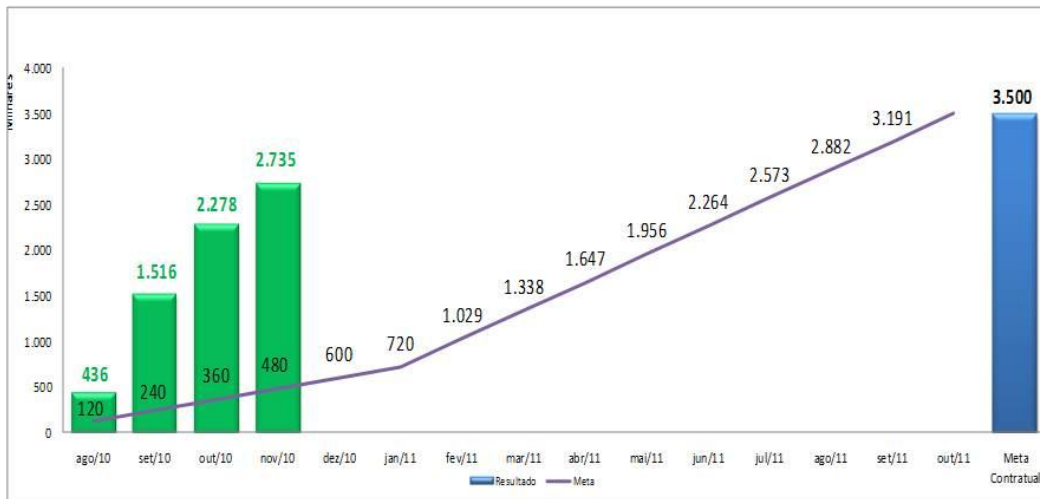
MEM – MATRICIAL EXPENDITURE MANAGEMENT

- Actions organized to ensure participation and mobilization of the servants
- Team of 7 Experts appointed from within the structure of The House
- They analyzed in detail the expenses of 7 sets (1 for each expert) of items of similar nature named packages
 - Define indicators of use efficiency
 - Compare spending patterns to benchmarks, when possible
 - Come up with new ideas

RM – REVENUES MANAGEMENT



FINANCIAL RESULTS

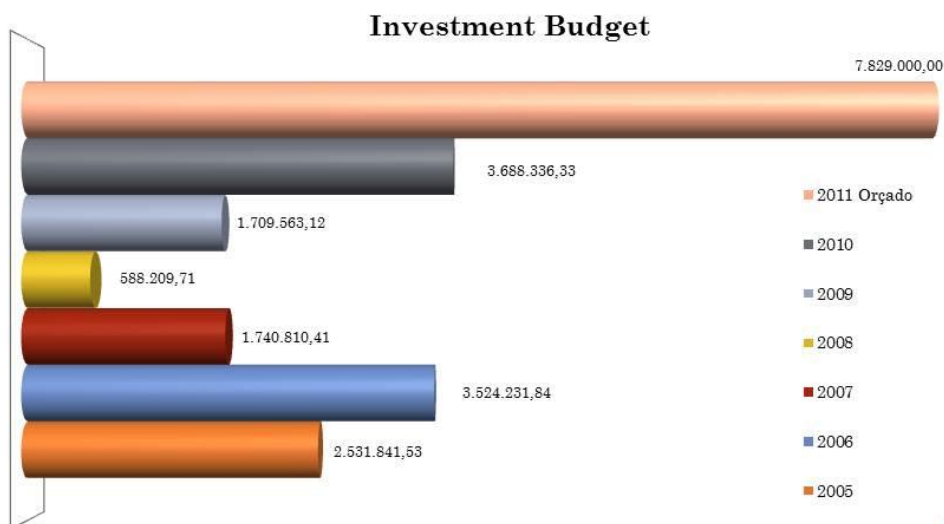


Exceeded 470% of the target for Nov 2010.

OVERALL RESULTS

- 39 people trained in the methods
- 13 managers appointed by the Presidency of the Legislative Assembly
- 9 Departments involved (validation of targets + mounting Action Plans)
- 247 improvement actions in development
- 2.7 million Reais in gains until November of 2010, due to the optimization of revenue and expenditure
- Blog stands the modernization initiative to both - internal and external public
www.al.rs.gov.br/mga

OVERALL RESULTS



CONCLUSIONS

- The actions implemented in MGA Program changed the spending patterns of the organization toward more effective ways and keeps saving public money
- The Program has acceptance from the press and sectors of the society
- The internal culture of the House changed for better due to training and outstanding results
- **After all, the whole scenario is more favorable to implement core changes in the operation of the Legislature.**

