

Human Services Commission Budgeting For Results Work Group Recommendations

In late 2011 Governor Quinn extended the mandate of the Human Services Commission through the end of 2012 and directed it to focus on three priorities, including the role of human services in shaping Budgeting For Results. The Commission convened a work group of providers and other experts to “carefully consider the role that human services play and how these results can be measured.” Their recommendations are outlined below. With the recent enactment of legislation to make the Human Services Commission permanent, its work on Budgeting for Results will continue over the next year.

1) Human Services Are Integral to Successfully Shaping and Implementing Budgeting for Results

Human services encompass a wide spectrum of publicly supported programs that touch multitudes of individuals and families throughout Illinois. Given the sector’s large scope and numerous professional disciplines, the expertise of human services providers is a critical resource for developing and implementing a high-quality BFR system. Multiple opportunities for input should be established at every stage of the BFR process to ensure that providers and other experts contribute on-the-ground perspectives and their deep knowledge of the needs, best practices, and appropriate measurement of their services.

Recommendation: Revise “Result Six” of the Budgeting for Results strategic plan to clarify that BFR takes into account the full spectrum of services that impact Illinois families and is not limited to a specific set of programs for high-need populations or a specific state agency.

Recommendation: The Budgeting for Results process should ensure that each state agency provides multiple points of input from providers, other experts, and the public regarding BFR and its implementation. This input should include information about the needs of Illinois residents, feedback on appropriate measurement of program quality and impact, development of the "return on investment" analytical model, monitoring and data collection, the elimination of redundant reporting and administrative requirements, and periodic updates to BFR system. Additional outreach may be needed to ensure stakeholders across the state have opportunities to contribute.

2) Ensure that Transparency and Credible Data Drive the Allocation Process

Improving services and maximizing the effective use of financial resources are at the core of Budgeting for Results. To ensure public dollars are efficiently and equitably deployed, the BFR allocation process must be highly transparent, monitored continually, and guided by credible and appropriate data about needs, costs, and best practices. The BFR Strategic Plan outlines a seven-step process, including “Step 6: Allocate Resources,” which states “once evaluations are conducted and programs scored, a process must be put in place to assign funding allocations based on available resources, established priorities, and performance toward goals.”

Recommendation: Clarify the BFR Strategic Plan by amending Step 6, as follows: “As part of the resource allocation process, obtain and use information from community-based providers and other credible experts in program delivery to determine the funding required to obtain the results and to achieve required scale. Credible, regional data about actual costs for quality services should be used to guide funding decisions.”

Recommendation: The Budgeting for Results process should explicitly recognize that full funding for high-quality services is a guiding principle for allocating state resources. In the event full funding is not available, the BFR system should make adjustments to outcome requirements and ensure these adjustments are promptly communicated to providers, consumers, and other key stakeholders.

3) Regular Public Communication about BFR Planning and Implementation:

Budgeting for Results must be rooted in the realities of the needs of Illinois residents, effective program delivery, and accountability in the use of public resources. Accordingly, all stakeholders -- including providers and the public -- should know how the state is progressing with BFR and have ample opportunities to participate in the process and express any concerns. Communication about BFR should focus on establishing this transparency, gathering input to create a high-quality BFR system, and encouraging authentic dialogue about the best ways to deliver services and measure results.

Recommendation: Budgeting for Results should have a clearly defined communication process that publicly reports progress on a quarterly basis. The reports will cover progress on BFR systems development, milestones, and benchmarks. The Human Services Commission should assist in disseminating BFR progress reports across the human services sector.

4) Use Multiple Measures to Ensure the Most Vulnerable Illinoisans Are Served

Appropriate measurement should be the watchword of Budgeting for Results. Quality measurement systems deploy a range of methods to assess specific services that may vary widely. To minimize potential negative impacts on vulnerable Illinoisans, BFR must take into account differences among programs, providers, and populations. The capacity of small providers to implement new systems varies from that of larger peers. Multiple factors must be considered to ensure the state's vulnerable residents do not become the victim of its chronic budget pressures.

Recommendation: Illinois should be cautious of attempts to monetize the outputs of publicly funded programs and services to produce "return on investment" comparisons in fields where outcomes do not lend themselves to this form of measurement. Similarly, program scoring procedures should reflect the variation of services and appropriate measurement methods in each program area. BFR should clarify how ROI calculations and program scoring procedures will be customized to distinct program areas.

The assessment and scoring of programs under Budgeting for Results should be weighted to account for the different needs and expected outcomes associated with different populations in order to ensure that assessment does not funnel investment away from programs and services aimed at the hardest to serve, which require greater investment and involve more difficult to measure outcomes. Assessment should likewise account for the realities of service delivery, where often a successful outcome is the result of many different programs/services working in concert to provide support for individuals and families.

5) An Integrated and Phased Approach to Implementation

Submitting all state programs to a rigorous new process will require careful planning and broad support among many decision-makers and stakeholders. Historically, the budget priorities and proposals of state agencies, Office of Management and Budget, Governor's Office, and legislature have not always been aligned. Some providers and lawmakers have expressed concerns that a rush to put BFR in place will increase the risk of assessment errors or unrealistic administrative demands that sap resources from services. The Budgeting for Results process must help interested parties see how its priorities, outcomes, and allocations will help providers meet the needs of Illinois residents.

Recommendation: Illinois should take a phased approach to implementing BFR. This approach will allow for the thoughtful and timely realignment of expectations regarding data collection, outcome measurement, and performance, while ensuring agencies and providers establish the management capacity required by the new system. The BFR rollout process should include a fully funded capacity-building and technical assistance initiative to ensure that community-based providers are fully prepared and supported in implementing this new system. Likewise, a major focus of BFR systems design and implementation efforts should be reducing administrative redundancies, inefficient processes, and other non-service-related cost-drivers that already plague service providers. These efforts should be developed with counsel and participation from providers.

Decisions about pilots and phase-in strategies should consider the potential impact on highly vulnerable Illinoisans as different agencies and programs implement BFR. Similarly, Budgeting for Results should also

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be linked to a state budget process according to both need and impact. Predetermined spending caps should not be applied to the seven state budget categories in either the development of the Governor's budget proposal or the legislative appropriations process.