



Budgeting for Results Commission

Friday, April 5, 2019

1:30PM-3:30PM

Chicago – James R. Thompson Center, 100 W Randolph, 16th floor, Room 16-100

Springfield – Stratton Building, 500 ½

Dial-in: 888-806-4788

Access Code: 895-685-1121

Attendance:

Springfield: Kathy Saltmarsh, Jennifer Butler, Curt Clemons-Mosby, Adam Groner, Kate Mayer

Chicago: Representative Will Davis, Jim Lewis, Paula Worthington

Various state agency representatives including legislative staff and Chief Results Officers (CROs) were also in attendance in Springfield, Chicago and by phone.

1. Welcome and introductions (Jim Lewis)

Chairman Jim Lewis welcomed everyone to the meeting. Kate took roll call of commissioners. A quorum was confirmed, including two proxy votes provided to Curt by Nelson Gerew and Jose Sanchez.

2. Review and approval of minutes (Jim)

Commissioner Paula Worthington noted that the minutes from the last meeting did not include everyone who had been present in Chicago on the attendance list. It was explained that the attendance list only lists by name commissioners and BFR staff. The minutes of the March 1, 2019 meeting were approved.

3. Planning for annual public hearings (Jim/Curt Clemons-Mosby)

The dates and locations have been set for the commission's annual public hearings. There will be a hearing in Springfield on June 12th, from 1:30-3:30pm in Room 212 in the Capitol Building. There will be a second hearing in Chicago on June 26th at the same time, in the JRTC conference room 9-040. "Save the date" calendar invites have been sent to commissioners and CROs.

Public hearing speakers and topics were discussed. Past years have included an overview of BFR and an open mic portion, which often included statements from the public about Illinois' budget status rather than about BFR specifically. In more recent years, the format has been more

structured, with planned presenters speaking on specific topics related to BFR initiatives in addition to providing an open forum for the public.

Jim presented his proposal for this year's agenda. He suggested three topics relevant to the current work of BFR: 1) Due to the gubernatorial transition, it could be helpful to have someone from the Pritzker administration speak about the Governor's vision for the use of performance metrics over the next four years. 2) A couple of CROs could speak about data issues facing their agencies, and how BFR products can be useful to agency work. 3) State legislators could be asked to speak about how BFR products can be useful in the appropriations or general legislative process.

Curt noted that last year the commission invited representatives from Pew MacArthur to speak about their benefit-cost analysis (BCA) model. They could be invited again to give a briefing about Results First work nationally, and about how BFR has been and will be applying the model, especially as BFR's program assessments expand into the substance use disorder (SUD) policy domain.

Jennifer Butler emphasized that the Governor's office is talking about the concept of embedding data analytics into budget-building. BFR staff would need to do some research to determine the appropriate staff at the Governor's office to approach about this idea.

Paula noted that the idea of using metrics to guide resource allocation is something that should be applicable to other state sectors as well, such as transportation. The hearings could be an opportunity for a broader conversation about the role of data analytics and metrics in state-level decision-making. Jim recalled that in 2018 the commission invited David Meltzer from the University of Chicago to speak on a similar topic. Bringing in an academic expert is another option. Jennifer noted that last year's panel approach engaged several subject matter experts with different perspectives, which added depth to the conversation and led to an engaged dialogue.

Curt suggested the idea of a themed panel of experts, perhaps on the topic of data analytics in the SUD policy domain. Commissioner Kathy Saltmarsh agreed this would be timely. There was good testimony before the heroin taskforce recently about addiction and approaches. Although they are public events, the BFR hearings usually draw an audience of primarily government staff and students. Involving the Governor's office would present a good opportunity for them to get to know the commission and its work. Curt proposed that one of the hearings be oriented toward SUD, and the other toward a panel with speakers from the legislature, CROs, and the Governor's office. SUD disorder might be more appropriate as the Springfield topic, since legislative and Governor's staff as well as BFR commissioners tend to be more available in Chicago.

Jim asked which hearing would be better to include a speaker from Pew MacArthur. Curt recalled that Pew is currently starting up a new SUD project, so they might have input into one or both hearings depending on their availability. Liz Ryder from Pew MacArthur, who was

present via phone, explained that representatives from Pew MacArthur would be happy to come to one or possibly both hearings, but might not yet be ready to publicly discuss their new SUD project by June.

Nate Steinfeld suggested that staff from the comptroller's office could also be invited to discuss their own performance measured. Curt explained that the comptroller's Public Accounting Report (PAR) is based on an accounting framework for performance measurement, which doesn't necessarily align very well with the BFR approach. Discussions about how to merge the two reports or replace the PAR with BFR reporting is one of the 2018 Commission recommendations (see below). It was agreed that the PAR and BFR performance reporting dialog will be scheduled outside of the public hearings.

Conclusions: BFR staff will work offline to identify appropriate speakers from the Governor's office, CROs, the comptroller's office, and Pew MacArthur. Commissioners will coordinate offline about approaching the appropriate legislators about speaking. BFR staff will contact DHS to identify SUD experts for the Springfield panel. Planning will continue over email and be concluded at the commission's next meeting on May 3rd.

Hearing public notice and advertising

Curt noted that in prior years the commission has had mixed results in getting the word out to the public about the annual hearings. BFR staff are hoping to leverage the Governor's communication office to get a press release this year. In the past, the commission has also asked state agencies to send out notices to their contact lists. Additionally, Curt suggested that each of the commissioners write an op-ed for a local publication or use their own social media to spread the word. Notices will also be posted to public GOMB website as usual. Importantly, this year the commission will clearly communicate that it is mandatory for CROs to attend one of the hearings or send a designee.

Jim suggested inviting the Governor to come and say a few words at one of the hearings. Curt confirmed that, following protocol, formal invitations will be made to the Governor and the leaders of the General Assembly. Last year unfortunately the Governor was in Springfield when the hearing was held in Chicago, and vice versa.

The BFR staff will prepare a save-the-date flyer with hearing dates, locations and rough content information by the end of next week to share with commissioners, along with a list of suggestions for promulgation. This flyer will be updated after the May commission meeting once panelist names are finalized. It can then be sent out again, with the hope that the panelist information will spark further interest in the event.

Curt noted that in prior years, the commission has been able to stream the hearings live online. That should be possible in Chicago this year, but Springfield is more uncertain. At a minimum, the hearing can be recorded and posted online for on-demand viewing. Kathy suggested reaching out to Blue Room Stream to see if they are willing to stream it. BFR staff will get in touch with them.

Kathy also suggested that BFR staff draft a sample op-ed for commissioners, which staff will circulate for discussion at the next meeting.

4. Discussion of 2018 commission recommendations (Curt)

a. Improved efficiencies in program assessment

The FY2020 budget meetings between GOMB and state agencies incorporated review of agency performance metrics by BFR staff and GOMB senior staff. Comments were made to each state agency regarding improving their performance measures and making them more outcome-based. Written comments have been sent to agencies and responses are expected later this month. Many suggestions involve adding data that may not be simple to operationalize. BFR staff will report back to the commission on the status of these efforts and how many measures have been improved. This is an iterative process. Agencies should strive to regularly and actively improve their performance measures. GOMB leadership support of this initiative for more outcome-based measures will continue to drive efforts within state agencies.

Jim noted that one of the motivating factors in this recommendation was that Pew-style assessment of all state programs would take many years; there may be a need to supplement with other program assessment techniques to create a broader state program assessment regime. One approach to this might be to take an inventory across state programming of any evaluations that have been done of state programs by other entities in the last 5-10 years. Additionally, some program objectives have complexities for evaluation, and some program outcomes may not be meaningfully monetized, such that there may never be a formal BCA. It might be good to also identify those programs and think about alternative metrics to assess them. A program's goal is not always to save money.

BFR staff will consider those ideas and report back to the commission in May. Jim noted that his second suggestion especially might be a lot of work, and as such it would be good to form a subgroup of the committee to help work on it. Jim would be interested in being part of that. Paula suggested that the solution might be to develop domain-specific metrics that have more to do with cost-effectiveness than with BCA ratios. For instance, in the case of programs that address homelessness, one would not be monetizing the value of providing shelter, but instead comparing programs that provide shelter by how cost-effective they are. Paula would be interested in being part of that discussion.

BFR staff are currently working on classifying existing program inventory by policy domain, and doing a rough sort of what programs could be BCA analyzed at all. The next step would be a deeper dive with the subcommittee. BFR staff will reach out offline to Jim and Paula. Curt noted that BFR staff will also be looking at how to engage with smaller agencies that want to assess their programs, but may not be ready for BCA analysis for some time.

b. Exploring the feasibility of an Impact Note for legislation

The commission wants to explore the possibility of introducing an Impact Note to be attached to legislation, similar to the existing Fiscal Note. Paula inquired about the scope and level of detail of the Fiscal Note. She suggested thinking of an impact note as a quick marginal analysis of a proposal based on existing spending impact models. The taxpayer effects of the impact note model could be aligned with and consistent with the fiscal note. Jim clarified that the impetus for this recommendation was to discuss if the RF model could be applied to a program that hadn't been implemented yet.

Clarifications were made that the existing Fiscal Note is used in the House, but not the Senate. An Impact Note would not replace the Fiscal Note. The Impact Note would be a separate deliverable with the goal of doing evidence-based analysis on a pending piece of legislation. Curt explained that legislators would bring legislation to GOMB for analysis, and the BFR team would do a very rough meta-analysis to determine what the literature says about the proposal. That would be turned into a very compact analysis that would be attached to the legislation.

Legislators would determine whether and how the Impact Note would be used. The process to generate the Impact Note would add at least a few days of research to the legislative process with all of its associated deadlines. This could have a potential for slowing things down at least on the House side, which could be used as a tactic to slow or kill a bill, as existing Fiscal Notes are sometimes used. Incorporating the Impact Note into an official legislative process creates the potential to stall bills, which GOMB does not support. A better approach may be for an Impact Note process to be conducted in a manner where legislators voluntarily bring ideas to the BFR Unit before drafting legislation. The Fiscal Note is defined in statute and can generally be turned around quickly because the analysis has already been done by GOMB analysts and agencies. Fiscal Notes can usually be turned around within a day, whereas an Impact Note would be slower.

Jim noted that the potential for embedding the BCA tools into the legislative process is significant, but this process would require legislation which the commission is not in a position to craft and significantly more BFR staff. It might make more sense for this to be voluntary for those who desire BCA analysis on their proposals. Curt clarified the BFR Unit has already offered legislators and others this technical assistance.

Representative Will Davis explained that the Fiscal Note has a statutorily mandated five-day turnaround time. As a result, Fiscal Notes are sometimes used as a slow-down tactic. The House already has 8 or 10 different kinds of notes that can be attached to legislation, so the important thing is not whether the note can or would be used to slow down legislation, but what its analytical purpose would be. There is also currently legislation in the House to create a racial impact note, so the term "Impact Note" would need to be more clearly defined. Curt clarified that the goal would be to say broadly whether a proposal would have a positive or negative impact on various stakeholder groups, not to do a full BCA. Jennifer suggested that if legislation was written with a clear understanding of the sponsor's policy goal, the BFR staff could do external research to see if anyone else is using a program to accomplish that goal,

how their program compares to what is being proposed in Illinois, whether there has been any evaluation of that program, best practices, etc.

Paula noted that this seems like something that could be really valuable for a state government body to provide, even if it's limited in scope. As it is, BFR assessments might be a bit backward-looking since they only assess what the state is already doing, as opposed to assessing new ideas before deciding whether to do them, which is very forward-looking.

Nate pointed out that the Sentencing Policy Advisory Council does a similar broad fiscal impact analysis of sentencing bills, but it still is somewhat retrospective because thinking about how all the criminal justice actors will respond to legislation requires a lot of assumptions and is very difficult.

Gia Orr (CRO from the Guardianship and Advocacy Commission) noted that when looking for bill sponsors and co-sponsors, agencies will have stakeholder forums including proponents and opponents so that the final bill language responds to all questions and does what the agency wants it to do. She noted that, to some extent, this kind of analysis is already being done. The advantage of a process like the one being discussed is that it would be public, transparent, and viewed as more objective and unbiased since it would not be coming from proponents or opponents of the legislation. Involving the impacted agencies in doing the analysis could help address issues of timeliness and staffing.

Jim proposed resuming this discussion at a future meeting.

c. Engaging with the comptroller's office about the possibility of combining GOMB program measures with the PAR

This recommendation would reduce some duplication of effort for GOMB, the comptroller's office and state agencies. This conversation was previously broached in 2011, but not completed.

Jim asked to what extent the comptroller considers the PAR to be at the center of their work. Curt stated that for a long time, PAR was the only performance-based reporting the state produced and the only one mandated by statute, so the IOC worked hard to produce a quality product. The report is oriented around accounting and financials. This is different from the BFR approach. The end result to this conversation thus might be a hybrid sort of report. The main point is to relieve burden on state agencies. Back in 2011 the comptroller's office was open to the conversation. BFR staff plans to engage comptroller's office on this topic over the summer, with the help of GOMB Director Alexis Sturm, who used to manage the production of the PAR.

d. Geospatial analysis

The BFR staff recently met with IDOT, who worked up a mock data map in GIS on state homelessness need and resources. The BFR team is working on improving that demo to bring

to the commission possibly at the next meeting. The commission has been discussing the idea of a “needs atlas” since 2011.

e. Continued investment in BFR

BFR received a \$300,000 appropriation in FY2019, which allowed the hiring of Kate as the third BFR staff member. There is one position still open, and the BFR staff are hoping to use that to bring on a fourth team member in FY2019. Prior to FY2019, BFR was an unfunded mandate. To continue operations at the current level, the \$300,000 appropriation should be continued. An additional \$150,000 – 200,000 appropriation would allow BFR to bring on one or two more staff, which positions the unit to be fully dedicated to the program analysis component while devoting time to other BFR and GOMB functions. Additional staffing is needed to produce program analyses more quickly and continuously

f. Discussion of mandatory program evaluations for programs that receive a score of 49 or below on the SPART

The commission discussed possible avenues for evaluation of state programs. Kathy suggested that programs paid with state funds might be able to fund a program evaluation, although this method would add to state costs of grant-making. Jim responded that if there is a material deficiency in the grant-funded program, evaluation might still be a good use of state money. Curt noted that the entity doing the evaluation would most likely be external to the state, since most state agencies do not have the necessary staff or appropriations to conduct evaluations. A dedicated evaluation program appropriation or philanthropic funds could possibly be leveraged to increase program evaluation capacity in the state. Jim questioned the reliability of philanthropic funds.

Megan Alderman from the Illinois Criminal Justice Information Authority (ICJIA) was on the phone, and added that for criminal justice programs, ICJIA could do program evaluation. However, most ICJIA funds cannot be used to evaluate state programs in general. If the funds were made available, ICJIA could help the state with evaluation and contract with external evaluators when appropriate. Evaluation resources exist in the state, but the problem is identifying the mechanism and funding to make these resources available to state programs.

One possibility would be to dedicate a small amount of funds to be used only for programs that get this low SPART score. That would be a limited amount of programs in any given year. Rep. Davis asked whether the evaluation would lead to correcting the program, or to determining whether the program should be continued. Curt responded that this would depend on the program, but the bias should be toward making programs better rather than cutting them completely. Paula noted that a recommendation to discontinue a program would not be out of place if a program scored very low. However, Jim pointed out that many programs the state operates are legally mandated, so improving them may be the only option.

The commissioners discussed utilizing a dedicated portion of a new revenue source to fund evaluations of select programs. A proposal to the to the Governor’s office was suggested. Curt suggested BFR staff approach the Governor’s office on the GOMB side. He noted the

value of a letter from the commission expressing the same desire. Rep. Davis clarified that this funding request is separate from the funding needed for additional BFR staff. There amount needed to fund program evaluations is currently unknown, but should be relatively small. In addition, clarification of who and how the evaluations will be done is still needed. BFR staff will draft a letter for commissioners to review.

5. Update on Results First and SPART (Adam Groner/Kate Mayer)

Based on previous committee discussions, BFR staff have begun drafting a technical appendix to the program assessments. This document explains the BCA model in detail, as implemented in Illinois. The current document applies only to the adult crime and juvenile justice policy domains, since these are the domains BFR has been working in so far.

Adam and Kate gave an overview of the technical document, which explains what outcomes are currently included in the model, how program benefits and costs are monetized using dynamic cost models, and how the model accounts for uncertainty by using Monte Carlo simulation. Paula expressed appreciation for the BFR team and SPAC, which contributed a lot of work on the cost of crime in Illinois.

6. New Business (Jim)

Curt gave an update on the progress of the commission's mandate reduction legislation. The majority of the BFR bills have passed the House and are proceeding through the Senate. Two bills are still in the House, and Curt continues to work with Rep. Davis to try and move those bills. The major fund cleanup and mandate omnibus bills, as well as the horse racing cleanup and motor fuel tax cleanup bills are in the Senate. Curt expressed gratitude to Rep. Davis for shepherding the bills.

7. Adjournment

The meeting adjourned at 3:29 pm.