

Budgeting for Results Commission

Friday, August 30, 2012

10:00am – 12:00pm

Chicago – JRTC, 100 W. Randolph, 2nd floor, Room 2-025

Springfield – Capitol, 2nd and Monroe, 2nd floor, Room 205

Dial in: 888-494-4032 Access Code: 6371670294#

Minutes

Chicago: Sen. Pam Althoff, John Bowman, John Kamis, Sen. Dan Kotowski, Jim Lewis, Roger Myerson, Maria de Jesus Prado, Jason Saul, Sen. Heather Steans, Cristal Thomas

Springfield: Public guests and staff only, no Commissioners attending in this location

Phone: Alex Rourke, Lt. Governor Sheila Simon

I. Welcome & Introductions – Senator Dan Kotowski

Chair welcomed Commissioners and guests. He asked Commissioners to introduce themselves in Chicago, Springfield, and on the phone.

He announced several new additions who bring a wealth of experience and expertise would be joining the Commission. He noted that Cristal would further describe each new Commissioners background more in detail upon her arrival. Cristal noted that new Commissioners bring the years of experience in state government administration, legislative affairs, and the state budgeting process as well as data analysis and research.

Chair noted that he was moving to reorganizing the agenda. He also expressed his enthusiasm to share the feedback received during the public hearings.

II. Review & Approval of Minutes – Senator Dan Kotowski

Chair called for any edits or additions to the minutes from June 28 meeting. Minutes approved as presented.

III. Overview & Discussion of Public Hearings – Tasha Cruzat, Governor's Office of Management & Budget

The Chair noted that the Commission held six hearings across the state with each resulting in robust discussion around local issues impacted by the State's budgeting process and administrative procedures. He

then welcomed Tasha Cruzat to provide summary of the public hearings including key recommendations made for the Commission's consideration.

Tasha noted that hearings were held in Chicago, South Holland, Moline, Springfield, Collinsville, and Marion. She noted the number of participants in each location. She thanked Amber and Kristen for their outreach efforts and support in coordinating the hearings. She briefly summarized those who were engaged in outreach efforts. Staff worked with the state agencies and Chief Results Officers, statewide advisory bodies, local elected officials and legislators as well as postsecondary institutions in each of the regions where hearings were held. She indicated that a summary of recommendations were included in the meeting packet and were organized by category including communications, legislation, data collection and reporting, etc.

John Kamis noted that based on the hearings he attended he believed that participation is increasingly diverse and that those who testified represented social services, healthcare, education, and economic development. Participants ranged from advocates to providers to administrators to local government planning groups.

The Chair noted that many were initially hesitant to testify but after listening to the overview of BFR, goals, and accomplishments, they were encouraged to engage in a candid dialogue. Commission briefly discussed reducing the number of public hearings for next year or reformatting the structure of hearings to ensure that they are welcoming to those who are not accustomed to providing public comment.

IV. Transparency Task Force – Senator Pamela Althoff

Senator Althoff described the Transparency Task Force which was established via legislation she sponsored during this legislative session. The group is charged with reviewing best practices for ensuring the state budget process is as transparent and accessible as possible. She also noted that she will be chairing the group and hopes to keep the group relatively small so that it functions as a working group. It was agreed that the Committee will report its recommendations to the Commission.

It was noted that Larry Joseph had previously volunteered to participate on the Task Force. Jim Lewis and Maria de Jesus Prado also volunteered to serve. The Senator thanked them for volunteering to serve and encouraged a balanced representation on the group.

John Kamis suggested that the Senate caucuses providing staff support to supplement the work of OMB with respect to this group. Both Senators Kotowski and Althoff agreed to identify staff to work with the group.

V. Mandates Committee – John Kamis

John noted that the Mandates Committee would be reconvening and that he would be encouraging those who participated last year to continue to serve this year. He also noted that the Committee was instrumental in identifying several mandates last year which were included in the report and recommended for elimination. He looks forward to working with the agency to identify additional items which are duplicative, obsolete, and overly burdensome that might be recommended for elimination this year.

VI. Pilot Project Update – John Kamis

John provided brief update on the status of the Pilot Project including fundraising efforts. He noted that discussions with several foundations are ongoing but that conversations are progressing. He indicated that a number of foundations have made generous commitments to supporting the project and that the Chicago Community Trust was playing an instrumental role.

Jason asked that the timeline for the project be firmed up within the context of the budget cycle. Cristal indicated that the budget cycle would pick up in October so the sooner that we could begin training budget analysts the better.

Senator Steans asked if the information produced through the pilot would be used in the Governor's budget proposal. Cristal indicated that this would depend on at what point information was received in the budgeting cycle.

Commission inquired about the area of focus for the pilot. Cristal noted that the area would likely depend on the priorities of the foundations supporting the project. The Commission made a motion in support of pursuing education as the area of focus.

VII. Funding Innovations from the Philanthropic Community: Performance Based Grant Making – Wendy DuBoe & Jack Kaplan, United Way of Metropolitan Chicago

Chair welcomed Wendy DuBoe and Jack Kaplan to share their presentation on performance based grant making, a process which we heard about during the public hearings that closely aligns to the objectives of BFR. Wendy provided background on the organization and described the work and reach of the organization both nationally and locally. She followed by describing the strategic planning the organization undertook and the resulting priorities and changes made to the United Way's fundraising and grant allocation process. Highlights included focusing efforts in a limited number of priority areas to concentrate impact, diversifying fundraising strategies to include larger private donations, and leveraging funding to support high impact strategies. Particular focuses include education, income stability, health, and safety nets services.

Following her presentation, she opened for questions from the Commission. Cristal noted that this approach closely aligns with many of the principles of BFR. It was also mentioned that presentation was made available electronically via link in email to BFR site in advance of the website. The Chair thanked Wendy and Jack for their presentation on behalf of the United Way of Metropolitan Chicago.

VIII. Addressing Funding Challenges in the Non-Profit Sector – Harold Rice, Albany Park Community Center (APCC)

Senator Kotowski excused himself and requested the Cristal Thomas chair the remainder of the meeting.

Cristal welcomed Harold Rice, Executive Director of the Albany Park Community Center. Harold thanked the Commission for the opportunity to present on the funding and performance management challenges facing

non-profit sector as well as highlighting strategies his organization employed to overcome these challenges. He began by noting that his background before joining the non-profit world was in private sector business and management. He continued by describing the background of the organization as a community based service provider in one of the nation's most diverse neighborhoods and provided an overview of the organization. He went on to discuss the circumstances of the organization at the beginning of his tenure and went on to share some of the strategies he used to strengthen the organization both fiscally and operationally.

Highlights included creating a culture of change centered around accountability that is aligned to specific goals and targets and focused on data to drive planning and facilitate discussion around performance improvement. Harold concluded by describing the positive changes his organization has seen since adopting this approach. Lastly, he shared several recommendations to the Commission for their consideration. The Commission indicated that they would welcome continued dialogue with APCC as well as providers around the issues raised.

Cristal thanked Harold for joining the Commission and sharing his insightful presentation.

IX. Update from National Association of Budget Officers (NASBO): Key Lessons on Performance Based Budgeting in Other States – Greg Wass, Governor's Office of Management & Budget

Cristal welcomed Greg to provide a summary of the key findings of the NASBO conference. Greg thanked Cristal and referred the Commission to the summary document included in the handouts. He noted that several states sent representatives to the meeting including Utah, Washington, and Virginia. He also mentioned that many states have embraced data based performance management systems but many continue to struggle with the performance based funding aspect. Key takeaways included be realistic in goals and timelines for this level of change, maintain dialogue with stakeholders to ensure ownership and buy-in, and focus on indicators and data points that are most meaningful and relevant.

X. Other Business

Cristal noted that the next Commission meeting would take place on Friday, September 27, 2013 at 10am in the same locations.

XI. Adjourn