

Budgeting for Results Commission

Friday, August 28th, 2015

10:00am – 12:00pm

Meeting Location

Chicago – James R. Thompson Center, 100 W Randolph, 2nd floor, Room 2-025

Springfield – Stratton Building, 500 ½

Dial-in: 888-806-4788 Access Code: 895-685-1121#

Attendance

Chicago: Senator Dan Kotowski, Representative Will Davis, Peter Matsuka, Bruce Benty, Roger Myerson, John Kamis, Sophia Ronis, Charlie Weikel, Anthony (TJ) Galullo

Springfield: Curt Clemons-Mosby, Deb Matthews, Scott Harry, Godfrey Angara, Steve Schnorf, Dianne Barghouti, Justin Sinner, Kevin Kulavic, Howard Peters

Phone: Maria de Jesus Prado, Layla Suleiman Gonzales, Joseph Beyer, Jack Kaplan, Judith Gethner, Alex Rourke, Tim McDevitt

Agenda

1. **Welcome and Introductions** – Senator Dan Kotowski

Senator Kotowski welcomed everyone to the meeting and had everyone present introduce themselves.

2. **Review and Approval of Minutes** – Senator Dan Kotowski

The August meeting minutes were approved with no comments or edits.

3. **Subcommittees Update** – Curt Clemons-Mosby, Governor's Office of Management and Budget

a. **Mandate Subcommittee**

Curt Clemons-Mosby explained that the current members of subcommittee are Jim Lewis and John Kamis, and Steve Schnorf acting as chair. Curt inquired if any other members of commission would want to join the committee. Senator Kotowski joined the subcommittee.

Steve Schnorf stated that Curt had sent out survey materials to state agencies. Agencies are asked to submit for review any statutory mandates that are unduly burdensome or out of date. The surveys are due to be returned to GOMB by the 8th of September. Steve Schnorf stated that it is helpful for a member of the General Assembly to be in the subcommittee.

b. Transparency Subcommittee

Curt explained that Senator Althoff, Larry Joseph, Roger Myerson, Howard Peters, and Alexander Rorke are all members of the transparency subcommittee. He inquired whether any other commission members would like to join; no additional members joined.

Kevin Kulavic stated that staff have compiled data from the transparency subcommittee and will soon discuss with everyone on how to complete the report by January first. He noted that his colleagues and he have a lot of data to go through to understand what works best for Illinois.

c. GATA Performance Measure Subcommittee Update

Layla Suleiman Gonzales gave a short update on the GATA performance measure subcommittee.

Layla stated that the progress with the initiative has been incredible. The subcommittee has been moving very fast with the rules that should be recommended for adoption. She noted that the GATA subcommittee has adopted all of the federal rules that were presented to the single audit commission. Layla stated that the GATA performance measure subcommittee is developing new rules that asks state agencies to have some type of consultation with their grantees. She stated that she would like some feedback from the Budgeting for Results Commission on the recommendation of agency/grantee consultation. She stated that she raised two issues to steering committee. Layla noted that the subcommittee is still trying to determine how they can get wider grantee engagement with this process. She noted that they would have a general engagement plan but also specialized plans for Latino, African American, and smaller grantees. She stated that the subcommittee is asking themselves what they can do to make rules work for smaller grantees to avoid marginalization. An additional question the subcommittee is working through is how they can make sure GATA has been successful with the performance measures.

Senator Kotowski stated that he would like updates to be done by the next commission meeting.

Layla agreed. She noted that she participates in both the Commission and the Subcommittee and can relay information between the two. She stated that it is important that efforts are aligned.

Senator Kotowski requested a hard copy of the subcommittee's updates. Layla confirmed that the subcommittee can provide a written report that will show the adopted rules and draft language for new rules.

Layla stated that the performance subcommittee is adhering to the language of the federal government rules; however, there have been minor changes. She reiterated that the subcommittee is also proposing new rules. Layla noted that the process has been very detailed, thorough, and is moving along as quickly as possible. She stated that the next phase is implementation. Layla clarified that the Commission's goal is to reduce redundancy, decreasing costs, and increasing efficiency.

4. IPRS – Data Posted on Line - Curt Clemons-Mosby, Governor's Office of Management and Budget

Senator Kotowski stated that he is very excited about hitting this milestone of posting IPRS data onto a public platform. He acknowledged that a lot of work has been put into this project and this has been a long time

coming. He stated that the Quinn and Rauner administrations and state employees have been working on this collectively since 2011. The Senator stated that this has been a collaborative effort and state employees and GOMB has finally produced a public document. He acknowledged that most states do not have this type of data. He stated that this data has been generated internally and this committee had been instrumental in making it happen. He stated that the Commission should be excited and proud of it. Senator Kotowski expressed his gratitude for all the work the Governor's Office and GOMB has done on this project thus far. The Senator extended additional praise to Curt Clemons-Mosby and Scott Harry for their leadership regarding BFR. Senator Kotowski stated that he is excited to see that the Rauner administration has embraced this initiative and moved it across the goal line. He stated that a lot of people have stayed the course and have worked very diligently on this and it is something to build on. Senator Kotowski reiterated his congratulatory thoughts for the GOMB team.

Curt thanked Senator Kotowski. He stated that the administration and GOMB is extremely proud of this accomplishment. He noted that it has been a long time coming. Curt explained that PDF versions of the IPRS data was posted to GOMB's public website earlier in the month. He added that each agency's PDFs include program summaries, target populations, goals, appropriations information and key metrics that have been identified by agencies and GOMB for each individual program. Curt stated that each PDF is available on the GOMB website. Curt stated that it is important for people who view the newly public product to review the measures, identify how measures can be improved, and identify which measures really reflect the outcomes. He noted that this is great opportunity for the state, public, and providers to collaborate. Curt stated that, going forward, GOMB is committed to update the IPRS data on a quarterly basis and anticipates having the updates online at the end of the month following the end of the state's fiscal quarter. Curt stated that GOMB is looking forward to updating the current published data.

Senator Kotowski asked if GOMB has thought of doing a webinar for stakeholders or the provider community where GOMB can take them through the website and walk them through it. He stated that this process cannot be expensive. Curt stated that that option is certainly something GOMB can do. He stated that he believes a great venue to launch that webinar is at a public hearing that the Commission plans on having mid to late September. Curt agreed with Senator Kotowski that a webinar posted onto GOMB's website is a great move and something that GOMB will certainly pursue. He added that there is also a data dictionary of the available along with the IPRS documents on budget.illinois.gov.

Steve Schnorf thanked GOMB and other staff who have worked on this project. He stated that this is the first of its kind since he has been in government. He stated that the Commission must go through the individual goals and objectives established by agencies because although some are excellent, others needs work. Steve stated that there are quite a few that use process driven measures rather than outcome related metrics. He asked Curt if he agreed with what he just said. Curt agreed and stated that that is the next thing the GOMB and the Commission needs to work on.

Curt stated that the majority of measures that are currently in the system are called "legacy measures" and that they were developed for prior performance initiatives. He stated that when GOMB came to the current process and shifted the view from a line item budget to a more programmatic budget the organization had to first create programs then assign line items for those programs. He noted that they knew they needed a measure for outcomes so legacy measures were taken and applied to the new programs. Curt stated that in many instances the measures do not reflect a true measure of outcomes of new programs and the established nine outcomes. He noted that an infrastructure had to be built and the next step is to reexamine measures to modify or redevelop new ones.

Scott Harry stated that, having been a CRO, one of his observations is that state funded programs most likely have an output kind of measure rather than outcomes. He noted that his previous agency had a mixture of state and federal government programs. Scott stated that for years, the feds provide funding to state agencies to have dedicated staffs to track performance metrics and provide an infrastructure on getting that data back to the federal level. He noted that those funding structures are things built into state plans which are approved by the feds. Scott acknowledged that the state just does not find that (dedicated staffs for performance metrics) a priority or funded function at the state level so there is some catch up that needs to be done there. He added that another hope moving forward is that, under Director Tim Nuding's leadership, BFR becomes more important in future budget cycles. He stated that analysts need to understand numbers but also statutes, rules, program service delivery method, caseloads, metrics and how all of them tie together. He stated that the most important part is understanding the policy they are trying to achieve. He acknowledged that this will not happen overnight, but GOMB wants to let the Commission know that this is important to GOMB and Director Nuding. He added that it is necessary to develop how GATA can fit into the BFR process. He stated that those are definitely two things that should be integrated and added that GOMB is will put together a strategic plan for GATA and BFR.

John Kamis requested for Curt to provide a bullet point summary of how the Commission got to its current point. John stated that a timeline of the IPRS story would be useful for commissioners because it would show the progress for members who attend sporadically. Senator Kotowski requested for that item to be put on the next meeting's agenda or to have that document between this meeting and the next. He asked to include what the Commission has accomplished and the plans going forward, which can be gone over it in the next meeting.

Senator Kotowski asked the Commission if there were any other thoughts.

Layla Gonzalez stated that it is really important that this state is the only one that gives background on how the Commission has gotten to this point and acknowledged that it is a huge accomplishment.

Roger Myerson stated that any dissatisfaction towards the way outcomes are measured is completely to be expected. He noted that the key is to be flexible and for the General Assembly, executive branch, and groups interested in programs need to know that there is a way to work through the process and how there is dialogue on how to come up with a different measure. He stated that the state needs an IT infrastructure to move forward with this initiative on an ongoing basis.

Representative Will Davis stated that he likes to solicit feedback. He stated that he would like to make sure that those tentacles asking for feedback reaches communities he represents. Representative Davis expressed that he wants to make sure it is an engaged process with individuals who are working, small mom and pops; regardless of whether or not they benefit from state dollars. He stated that this process is about measuring how well the state does what it does. He added that the Commission needs to make sure it gets to the grass root level and not just agencies expressing how they're doing. Representative Davis stated that getting to communities will really show how effective state work is.

John Kamis stated that historically, the Commission can work with larger providers but it is harder to reach smaller providers. He noted that the Commission has not figured out how to reach out to smaller providers in this process. John stated that the Commission should be aware of this and everyone here is happy to help but getting small providers engaged has been difficult. Layla stated that some of the efforts that the GATA team is trying to resolve that issue reaching smaller providers.

5. **Metrics Review Process** – Charlie Weikel, Office of Governor Bruce Rauner

Charlie Weikel stated that there has been tremendous work done and the next step is to audit the work that has been done and the metrics collected. He noted that some metrics are pretty on point and some are not. He reiterated that the next phase is to audit (i.e. quality assurance review) and revise. Charlie stated that one of his ideas is to use the expertise and external connections the Commission has to attract individuals to help revise metrics. He stated that this has been internally driven thus far and that the next step is to test it with the external community to see how they measure the value. He added that the Commission can identify individuals who can audit metrics.

Senator Kotowski stated that what Charlie suggested is to take an outcome area and have agencies and meet with stakeholders. Senator Kotowski stated that as John said before, they have gone across the state and this can allow ten to 15 people from different provider groups and/or academics to provide feedback.

Charlie stated that one of the tough parts about this is that they are working with really complex questions. He expressed a desire to answer the question of how can we analyze the data in a way to truly understand what revealing.

Representative Davis inquired if there is a distinction made between those who are directly granted money versus a fee for a service organization. Charlie asked for clarification from Representative Davis on whether or not he was referring to the programmatic level.

Representative Davis stated that with Corrections, there are a lot of community based services ultimately focused on reducing recidivism. He continued stating that there are organization that are granted money to provide services but there also organizations that have service fees. He provided the example of an organization only getting paid if ten ex-inmates do not return to prison. Representative Davis inquired on whether or not there is a distinction within the data between money granted on the front end versus the back end. Charlie stated that that would be a relevant distinction that should be made

Layla stated that that was the \$60 million dollar question and that there should be a distinction. She stated that that issue was brought up with the last Illinois Single Audit Commission meeting and they suggested that the Commission needs to further review information on this topic. She added that for the purpose for BFR, it is important to identify the source of funding. Senator Kotowski stated that ultimately the BFR Commission seeks to find a more effective method in reaching the outcome. He stated that the Commission does not want to necessarily get bogged down with the funding source.

Howard Peters stated that one of the things to be aware of, directed to Charlie, Curt, and Scott, is the fundamental shift in delivery that is happening in the human services side as a result of Medicaid expansion and ACA. He stated that it will affect providing the data. He stated that with the expansion of Medicaid, many of the behavioral services now have access to Medicaid. He stated that there will be an agency switch with an overlay the delivery system from fee-for-service to managed care shifts. Howard stated that who is having the impact and how the impact should be measured and where this data is collected needs to be monitored after the shift. He stated that as the Commission is thinking of measures and outcomes it should be particularly conscious of this delivery system shift. Charlie agreed with Howard. Charlie stated that when work is outsourced it heightens the need for stronger outcomes and to make sure the Commission is getting the right outcomes for that.

Layla stated that she brought providers together at DHS. She stated that there were two panels of providers

that discussed measuring outcomes. She added that one of the things they did was invite foundations, representatives from the city and the county. She recommended to include different levels of government and foundations to participate to get those perspectives because each level asks for different outcomes.

Senator Kotowski stated that if there were any meetings members of foundations should be told that data is now public.

John stated that Jim Lewis has funded BFR projects in the past and at this phase, they would be supportive. He stated that in his experience they have pulled external help and used grant money to help cover that effort.

6. **Public Hearings** – Curt Clemons-Mosby, Governor’s Office of Management and Budget

Curt stated that the public hearings are coming up. He stated that Sophia has reached out to many of the Commission members regarding public hearing dates. He stated that dates have not been decided yet but he is aiming for mid-September. He stated that after this meeting GOMB will reach out to finalize available dates. He stated that locations are to be chosen once the dates are established. He clarified that according to statute one meeting must be held in Chicago and one is to be held in Springfield. Curt reminded the Commission that there has been a desire to have a teleconference component so people from around the state are afforded the opportunity to engage with the Commission. He stated that the format of the meeting will determine what venue can be used. Curt stated that the Commission should utilize the CMS’ technology at the JRTC if Chicago is chosen to host the *tele-town hall*. Curt noted that a *tele-town hall* cannot work at UIS, if chosen, due to the university’s lack of proper equipment. Curt asked the Commission for its preferences.

Senator Kotowski warned that the Commission should be prepared for an unproductive meeting because if anything related to the budget is brought up it will distract from the hearing agenda. He stated that people will air out their concerns for services not being paid. He noted that 10% of the budget has an extreme amount of pressure on it. He inquired whether or not the JRTC has the best technology.

Howard Peters suggested that 160 North LaSalle (The Bilandic Building) may be a better option. Sophia Ronis stated that she would call to inquire about availability.

Steve Schnorf stated that there is usually an issue with the size of the room being too large or too small in comparison to the attendance turnout. John Kamis stated that the committee hearing room is a good size for the amount of people that usually show up.

Curt stated that GOMB will explore to see if technology needed can be used at the Bilandic Building, and if so, he will make arrangements for the use of a room.

Steve stated that the more difficult hearing for Commission is normally the Springfield one because so few of the commissioners are from down state. He stated that in terms of the Commissioners, everyone has to travel to Springfield. John suggested to build the hearing date around legislative session days. Sophia stated that she can put in a request for a room around legislative days.

Curt stated that last year’s hearing had a good turnout in Springfield due to UIS’ promotion of the event. John stated that the Commission has had success in the past holding public hearings in the Capitol hearing rooms. He stated that it might be a good idea to go back to the Capitol this year.

Senator Kotowski stated that the Commission does have performance reports on MAP grants. He stated that it may be good to have it at a university to hear from students and get their feedback. He stated that he believes the Commission has a positive relationship with UIS and they should continue to do so.

7. **Other Business** – Scott Harry, Governor’s Office of Management and Budget

Scott Harry thanked the Commission for the kind words about the accomplishment of posting data to GOMB website. He stated that the majority of the work was completed by the prior administration to get us to the goal line and the new administration had the opportunity to punch it over the goal line. Scott stated that Sophia has played a very supportive role in that and thanked her and another person who was not there, Jacob Stuckey. Scott stated that Jacob was a huge contributor to staffing, alongside Curt, the efforts of GOMB to provide assistance to the Commission. Scott informed the Commission that Jacob has resigned GOMB and is now an member employee of the Office of the Illinois Treasurer. He added that there used to be three people on the GATA side; however, as a result of turnover, GATA is down to one person, with Carol Kraus directing those efforts. He stated that Joan Small has accepted a position DHS and will be making that transition in the middle of next month. He informed the Commission that GOMB has hired Jennifer Butler to oversee GATA and BFR. He stated that it is important that these initiatives work closely together. Scott stated that Jennifer comes from the private sector and has a wide range of experience in terms of management consulting and has worked with large initiatives that have reengineered business practices and change management. Scott stated that she has experience in this arena and that she will be in the next Commission meeting. He added that a representative from the GATA team will also come and give an update on GATA.

Senator Kotowski stated that everyone is in a challenging period of time in the state. He stated that what is not appreciated is the work state employees do. He continued by stating that state employees work very hard and does work that impacts people’s lives. Senator Kotowski stated that people have been toiling on this budget issue for a long time and he wishes for an opportunity for Governor Rauner to laud what is happening here with the Commission. He stated that so much credit goes to the people who have been doing this hard work. He stated that speaking on behalf of the Commission he knows working in public service is important and an honorable profession and it is something that should be appreciated and respected. He stated that it is important to remember that during times like these. He stated that he looks forward to moving forward on this. He thanked the commission and adjourned the meeting.