

Budgeting for Results Commission

Friday, February 24, 2017

1:30PM—3:30PM

Meeting Location

Chicago—James R. Thompson Center, 100 W Randolph, Governor's Office 16th Floor

Springfield—Stratton Building 500 ½ meeting moved to 603 Stratton Building

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

Attendance

Chicago: Commissioners Jesse Elam, Jim Lewis, and Mischa Fisher

Springfield: Commissioners Representative Will Davis,; Curt Clemons-Mosby Jennifer Butler, Nana Mkheidze, Kevin Kulavic, Sophie Bennett, Jacob Thornten, Beverly Bunch, Glenn Cassidy and various state agency representatives including Chief Results Officers (CROs) were also in attendance.

Phone: Commissioners Senator Pamela Althoff, BFR Co-Chair Senator Heather Steans, Paula Worthington; various state agency representatives including Chief Results Officers (CROs) were also in attendance.

The start of the meeting was delayed until 1:40pm due to Springfield location change from 500 ½ to 603 Stratton Building in Springfield, IL.

1. Welcome and Introduction – Senator Heather Steans

Since the inception of Budgeting for Results, Steve Schnorf has been a vital member of the BFR Commission serving as Co-Chair and Chairman. Steve's boundless knowledge of state government and his enthusiasm for service to the people is an inspiration to many. Therefore, it is with great sadness to learn that Steve has been diagnosed with pancreatic cancer. The BFR Commissions thoughts and prayers are with him and his family at this difficult time.

Senator Steans added that Steve was someone she frequently sought for advice. The BFR Commission and the State of Illinois will miss his active involvement in State of Illinois affairs. Senator Steans noted that Steve continues to do business, even in the care of hospice.

Jim Lewis added that Steve represents the very best of Illinois. The purpose of government is to make this state a better place for its people. Steve would often inquire about the value of work that people bring to Illinois, and during public hearings he would ask which programs provide the best service for the people of Illinois. He recognized that every dollar spent was a dollar that could not be spent elsewhere. Steve challenged us to be able to justify what we do and the value of those contributions. "No margin no mission", Steve would say. Jim emphasized the heart-felt contribution Steve made to the State of Illinois.

Senator Althoff echoed the important contribution Steve has made to the people of Illinois and how the opportunity to know and work closely with Steve over the years has positively impacted her own life. The Senator encouraged those present to reach out to Steve if they were inclined.

Curt Clemons-Mosby, on behalf of the Governor's Office of Management and Budget (GOMB) and the BFR Implementation team, past and present shared: "Thank you for this opportunity to express our prayers and best wishes for Steve and his family. Steve having served in many capacities in the executive branch has always understood the difficulties of operationalizing many of the concepts we work on here in the Commission. We have benefited from his experience tempering expectations and high ideals in the face of our ever present resource constraints. For that, we on the team have always been grateful. On a personal note, over the past 6 ½ years, it has been my great fortune to work closely with Steve on this process. I, and I know others on our team, have benefited from Steve's unfailing good humor and generosity of spirit and willingness to share the benefit of his years of service with those of us in the early part of our careers. For that we are extremely grateful. I will just conclude by saying thank you and God speed Steve!"

Representative Davis added that he was fortunate to glean from Steve's knowledge and wisdom and further acknowledged Steve's contribution to the State of Illinois.

Dianne Barghouti of the Illinois Department of Human Services (DHS) added that she appreciates the leadership Steve provided over the years in his capacity as Chairman of the BFR Commission, and his guidance to DHS.

2. Review and approval of minutes - Senator Heather Steans

The December 9th, 2016 meeting minutes were approved with no comments or edits.

3. Cost-benefit Working Group Proposed Resolution – Jim Lewis/Curt Clemons-Mosby

Jim Lewis stated that the Cost-Benefit Working Group had been advancing the cost-benefit analysis efforts. He noted that this analysis is an important part of the State Program Assessment Rating Tool (SPART). The working group concluded that creating a cost-benefit tool from scratch would be an enormous task and very resource intensive. The group recognized that cost-benefit modeling is an established concept and considered existing tools utilized by other jurisdictions. Results First, created by the Pew-MacArthur foundation, appeared to be the most promising based on prior published analysis for other states including Washington. As a result, the working group spent a good deal of time researching the Results First model and its components. The Results First framework covers seven (7) domains which account for about 47% of the state's all funds budget.

In conclusion, the working group recommends the adoption Results First model by Illinois. The working group further recommends the model be housed in the Governor's Office of Management and Budget (GOMB). To formalize their recommendation, the working group prepared a memo recommending the

BFR Commission adopt a resolution encouraging the Governor's Office and GOMB to pursue the implementation of the Results First model in Illinois.

Curt Clemons-Mosby reviewed the memo.

- The Results First model is built out over 7 domains including, public health, criminal justice and human services. The majority of the model's testing and validation has been done within the criminal justice domain. Results First is working to expand the model to other domains. GOMB/BFR would work with Results First to enhance the model to fit the unique structure and population of Illinois.
- The working group's recommendation also includes hiring an analyst to be trained by Results First to perform cost-benefit analysis of state programs applying the model.. The training provided by Results First would be open to the BFR Commissioners.
- GOMB/BFR would be provided assistance from the Sentence Policy Advisory Council (SPAC). SPAC is currently utilizing the Results First model to make recommendations to policy makers in the criminal justice area.
- It is anticipated that the GOMB BFR Unit would be able complete a pilot analysis of select programs in the criminal justice domain by the end of calendar year 2017 to coincide with the BFR Annual Report.

Curt took questions from the Commissioners regarding the working group's recommendations.

Senator Steans stated that she likes Results First and that it is a credible organization and the state would benefit from the model. Jim Lewis added that several other near-peer states have participated in the Results First process, starting with criminal justice. Noted perception that the Results First methodology is solid.

Senator Steans asked if the governor's office is supportive of this undertaking. Curt responded that GOMB/BFR had engaged with the governor's office to ensure their support before finalizing the working group's recommendation. However, GOMB/BFR has not communicated with state agencies regarding Result First. Furthermore, if the BFR Commission recommends Results First, GOMB will be committed to work to implement it.

Representative Davis asked how information produced from Results First modeling would affect individual program providers. Jim Lewis responded that the analysis is done at the state agency level by measuring the return on investment for state agency programs, not the individual providers. The data that goes into this model may require some additional data collection from providers within the terms of their established performance-based contracts.

Diane Barghouti (DHS) noted that social service organizations that receive money are already required to comply with variety of data collection requirements, primarily federal. Part of the federal requirement is providing performance reports. Representative Davis inquired about unintended consequences if an organization was unable to provide historic data.

Curt responded that the cost-benefit analysis is a small but important part of the overall SPART analysis. SPART determines if the program does what it was created and intended to do. GOMB/BFR has the ability to adapt the model to control for weighting of any comparative variable. Representative Davis acknowledged that due to the budget impasse, organization have had to reduce their operations and many struggle to move forward. He added that Results First must strive to fairly include all factors as part of the program assessment model. Curt stated that with GOMB managing the project under the BFR Commission's guidance, we would work collaboratively to set parameters of the model to maintain an equitable cost-benefit assessment of all program providers. Curt also emphasized that program comparisons generated by the Results First and SPART process are for information purpose only. The BFR Commission must keep the information in the correct context of adding transparency to where and how the State expends taxpayer dollars.

The Illinois State Board of Education (ISBE) inquired how the Results First model be used for their programs? Jim clarified, to his knowledge, Results First has not addressed the specific area of General State Aid (GSA). GOMB/BFR will need to explore methodology to utilize Results First to analyze that particular area of the state budget. Curt assured those present that no steps will be taken to implement the Results First education domain without consultation with ISBE.

The cost-benefit working group recommendation and a resolution to encourage the Governor's Office and GOMB to implement the Results First model were approved with no further comments or edits.

4. BFR Work Plan calendar year 2017 – Jennifer Butler

Jennifer Butler reviewed the BFR Work Plan for calendar year 2017. No changes were suggested. Consensus was that the work plan was well-thought-out and provided good general direction for the calendar year.

5. Mandate Relief Bill Support 2016 annual report – Curt Clemons Mosby

Curt stated that the shell bill filed by Representative Will Davis and Representative David Harris will be used to introduce the mandate relief bill. Representative Davis stated that IEMA had taken that shell bill. Therefore, the shell bill (SB 1936) filed by Senator Heather Steans and Senator Pam Althoff will be used. GOMB is continuing to finalize the bill verbiage.

6. Adjournment - Senator Heather Steans

The commission approved the motion to adjourn.