



## Budgeting for Results Commission

Friday, August 30, 2019: 1:30 – 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

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### Minutes

1. Welcome and introductions Jim Lewis

Chairman Jim Lewis welcomed everyone to the meeting. Kate took roll call of commissioners. A quorum was confirmed, with four commissioners present and two having given proxy authority to Curt.

2. Review and approval of minutes Jim

The minutes were approved without comment.

3. 2019 Annual Public Hearings assessment Jim / Curt Clemons-Mosby

- a. Updated Location, Updated date, public promotion, review

The commission's annual public hearings took place in June. The Springfield hearing included a panel of experts on substance use disorder (SUD) and included useful discussion around performance metrics. The Chicago hearing produced good discussion between commissioners, speakers and the public on the use of BFR in the legislative and budget processes. GOMB Director Alexis Sturm testified to GOMB's strong commitment to the BFR process.

Jim noted that participation from the public is still not a strength of the hearings, but since hearings are becoming more focused on particular subject matters relevant to commission business, public at large engagement is less critical. The commission will continue to work on improving publicity to attract more participation during the public hearings.

Curt agreed that the Springfield hearing in particular was very useful for BFR staff as they move into the SUD policy domain. The Springfield hearing was a good opportunity to connect with agency and provider experts and get a broad picture of the policy area. The Springfield hearing was one of most relevant hearings the commission has hosted, as it related to the policy work of staff.

Adam noted that the new location in the Senate hearing room in Springfield was better for governmental participation. Curt thanked the Senate for accommodating the commission in their space.

b. NPR story

NPR did a story about BFR based on material from the public hearings. The story is available at <https://www.nprillinois.org/post/will-illinois-ever-embrace-budgeting-results>.

4. Discussion of 2019 Mandate Working Group – September call Curt

A request was sent to state agencies in July asking for recommendations for statutes that are out of date or unduly burdensome. Those agency submissions were received in early August. The commission received 95 submissions, which were presented to a working group composed of members of the commission and representatives from the four legislative caucuses, including the caucus appropriations directors. This group was a reflection of lessons learned from the mandate reduction process two years ago: it's helpful to have legislative allies at the table from the beginning of process, to help the commission steer away from mandates that are too policy-focused and outside of the BFR purview.

As a result of the recent working group phone call, 25 mandates are continuing in the BFR process. Seventeen of these are ready to go to the full commission, while eight have additional questions that need clarification. BFR staff are currently working with agencies to get these questions answered, and will schedule a call during week of September 16-20 to discuss the follow-up research and make a formal list of mandates for recommendation to the full commission. When the commission next meets on October 4<sup>th</sup>, the full commission will review and vote on mandates to be published in the annual report and drafted into legislation for the spring session.

Jim noted that this year there seem to be fewer mandate submissions, and more were tabled as substantive compared to previous years. It could be that there are not many mandates left that are appropriate for this BFR process. Curt explained that the first year of BFR mandate reduction was in 2011, and since then there have been some years with bills that had 50-60 items in them. There have been close to 300 total mandates addressed already, so the low-hanging fruit may be mostly gone.

There is some disagreement about the scope of BFR's authority and the appetite of the legislature to take on more substantive issues through this process. The state agencies also have their own legislative processes that they use for legislative changes. A large number of the mandates that were not approved for the BFR process this year were procurement-oriented, and legislative staff believe these could be more appropriately addressed through a specific procurement approach. There may be an opportunity for larger procurement reform, but that would not go through BFR.

Nate Steinfeld asked whether BFR has the authority to address municipal or local mandates. Curt answered that the BFR mandate is limited to state agencies, boards and commissions. The previous administration had an effort for local government mandate relief, but that was not through BFR.

Logistically, extending BFR's mandate scope would take up a lot of commission and staff time. Curt reminded members of the working group to respond to the email poll to schedule the September call. Mandates will be a voting action item at the commission's October 4<sup>th</sup> meeting.

5. Discussion of BFR assessment of transportation capital projects                      Jesse Elam / Jim / Curt

Last spring the General Assembly passed a capital plan with new revenue for first time since 2009. The plan includes \$45 billion of spending over six years. It includes both horizontal capital, which includes roads and other transit projects, and vertical capital, which is mostly state facility projects. Jesse suggested to the commission that the capital plan is a form of budgeting where BFR's input could be valuable. He acknowledged that current work is focused on the operating budget. A horizontal capital focus was suggested, which is the biggest part of the capital plan, and which has few selection criteria already established in law. Jesse asked if the commission would like to look into this possibility and asked the BFR staff to lay out a basic work plan.

Jim asked what the timing would be on this project, and what would be the product that staff would produce. Jesse explained that the state by law must put out its capital spending plan every spring for the upcoming fiscal year. So this would not be an urgent project, since no new plan would be forthcoming until next spring. The commission could produce some discussion for the legislature in their annual report. BFR staff could produce a work plan involving background research on what other states do in this area (e.g. Virginia's statewide scoring process, North Carolina, Tennessee, Washington). The commission could also have IDOT speak at a meeting or at a public hearing.

Curt noted that this proposal is of interest not only to the BFR staff, but also to GOMB as a whole. Capital deputy directors were interested in this process as beneficial not only to the commission, but also to the GOMB capital unit. Staff have capacity to look at Illinois capital planning processes and best practices from other states, producing an informative report, and having IDOT appear and answer questions on what Illinois does currently. The commission could then come back next year and decide what to do as far as forming a recommendation from the commission. Curt suggested Jesse could make a formal recommendation in this year's report that staff undertake this study and bring results to the commission to formulate a process recommendation for 2020 annual report and FY22 budget process.

Curt cautioned that the capital budget is slightly outside of BFR's purview, so the commission should be careful not to stretch the staff too thin. Jennifer Butler agreed that the focus should remain on operations. Jim agreed that commission should clarify the scope of their mission before inviting IDOT to testify. Curt noted that the advantage of staff being housed in GOMB is that they can also conduct research under that authority for background information. If the commission wanted to do more and actually conduct evaluations on capital items, they would want to clarify their legal authority to do so.

John Webber, the current CRO of CMS, was on the phone. He explained that he worked at IDOT until 2014, and that IDOT traditionally does a very good benefit-cost analysis on every IDOT project in the capital budget. So that is already being done by professional engineers. The problem is that there are a few obvious top priority projects, but there are a lot of projects that are close to one another in importance and where political factors come into consideration. IDOT has done a lot of work on its operating budget in 2001-14, after an executive order from Governor Ryan for strategic management in operating budgets. There is always a need for project assessment, but it's important to see what IDOT has already assessed themselves.

Jim asked, assuming interest in the concept, what would be the next steps. Curt explained that first the commission should recommend formally in this year's annual report that GOMB/BFR staff should do a review of IDOT's current processes for assessing capital projects and comparative information from best practice states, and produce a report for the commission. This would include conversations with IDOT, and perhaps IDOT could come explain their process directly to the commission. This report would be presented next year before the 2020 annual report.

Kathy asked how adding this would affect bandwidth. Curt noted that staff have a goal to hire a new staffer who would onboard before the first of the year, and another before the end of FY2020. With IDOT's engagement, it will be a matter of gathering and condensing information and would not take too much time away from work on SUD. The scope of the report being discussed at this point is within staff's ability; broader or more detailed reports would require further discussion.

Curt said that commissioner will need to submit recommendations for the annual report in September, so those will be voted on at October 4<sup>th</sup> meeting. Curt and Jesse agreed to draft language for a recommendation.

## 6. Update on Results First and SPART

Adam Groner / Kate Mayer

### a. DJJ SPARCS Mental Health Report

Adam reported on the final program assessment BFR has conducted for DJJ. The DJJ mental health program is a service mandated by law. One part of DJJ's mental health program is the SPARCS group therapy curriculum. SPARCS is a form of cognitive behavioral therapy, which is a rigorously studied program. Illinois' DCFS has done its own pilot study of SPARCS. BFR's report concluded that the SPARCS program is evidence-based, and DJJ is working to improve performance measures and implementation. DJJ worked with program authors to modify the curriculum to be shorter to help move youth out of detention. BFR was unable to speak with curriculum authors directly about this modification. DJJ struggles with turnover among SPARCS facilitators, such that not all facilitators are directly trained by authorized trainers. DJJ generally has a good process for collecting performance measures on other programs, but it is not yet implemented for this program. DJJ is working on getting data for program completers and the recidivism rate among completers. The program received an SPART score of 65, which is "moderately effective". The OROI is large, over \$53 per dollar spent. This is the final program assessment in DJJ.

Kathy questioned the SPART giving points for “independent and thorough evaluations”. It’s important to be specific about what “evaluation” means, and what JHA does is not that.

Jim was skeptical of the high return on investment. There was discussion of interpretation of the OROI number, lack of knowledge of the number of youth served and the total cost of the SPARCS program (isolated from the mental health program overall), and how the cost of the program was estimated. There may be need for more explanation in performance reports to emphasize that a high OROI is not necessarily indicative of a program whose funding should be increased.

The commission will continue to explore options for improving the clarity of communication about program assessments. One option could be to add a recommendation to this year’s annual report to explore a clearer classification system for programs.

Adam clarified that the DJJ education program, which is its own school district, will be assessed as part of the K-12 education policy domain, instead of juvenile justice. This is because the school district is considered part of DJJ youths’ basic right to an education, and is not considered a program aimed at reducing recidivism.

This program assessment will be posted to the BFR website after a couple of minor modifications suggested by commissioners.

#### b. Technical Appendix

Adam gave an overview of the technical appendix recently completed by staff, which explains the methodology underlying program assessments in the adult crime and juvenile justice policy domains. BFR will release technical appendices along with each policy domain, and post them to the BFR website.

#### c. SUD policy domain beginning

BFR staff’s entry into the SUD policy domain began with the panel of agency and community leaders at the Springfield public hearing. Staff are currently working with agency contacts to identify programs that can be assessed. One of the difficulties is the prevalence of Medicaid funding for these services and the opacity introduced by MCOs. Staff will continue working with agencies and with community service providers to identify programs and cost data. Many SUD programs are funded by grants and not directly provided by state agencies, which complicates assessment.

#### 7. Interactive Budget

Kate Mayer / Adam Groner

Kate demonstrated improvements staff have made to the Illinois Interactive Budget. The new version will be posted to the GOMB website before the next commission meeting, and will include the FY2020 enacted budget.

#### 8. GIS updates

Kate Mayer / Adam Groner

One of the commission's 2018 recommendations was to explore the potential uses of geospatial mapping to further the work of BFR. Kate demonstrated a proof-of-concept project that staff have built, which maps the locations and capacities of DHS-funded emergency homeless shelters in Illinois, as well as the density of the homeless population by county. The map also displays the unsheltered homeless population in Chicago by ward.

Staff noted that the most difficult part of this project was obtaining good data, and more work with homelessness experts in the state is needed before this project could be appropriate for public release. Drea Hall, the CRO from DHS, noted that she is a homelessness expert, and expressed interest in connecting with staff about improving and publicizing this project.

#### 9. New Business

Jim Lewis

Curt noted that there are three commission meetings left in the year, and they are very important. The commission's next priority is to complete the annual report. Curt went over the schedule for completing the annual report, which will be sent out to commissioners. There will be an additional phone call for commissioners on October 18<sup>th</sup> for feedback on the annual report draft.

At the December 13<sup>th</sup> meeting, the commission will set meeting dates and work schedule for 2020.

#### 10. Adjournment

Meeting adjourned at 3:25 pm.