



Budgeting for Results Commission

Friday, April 24, 2020: 1:30 – 3:30pm

DUE TO THE COVID-19 EMERGENCY THIS MEETING WILL BE BY PHONE CONFERENCE ONLY

Dial-in: 888-806-4788

Access Code: 895-685-1121

MINUTES

1. Welcome and introductions Jim Lewis

Jim welcomed everyone to the meeting. Kate took roll call of commissioners. A quorum was confirmed.

2. Review and approval of minutes Jim Lewis

The minutes were approved without comment.

3. COVID-19 Situational Update Curt Clemons-Mosby
a. Impact on BFR Unit Operations

Many units of state government are currently operating remotely, including GOMB. The Stratton Building where GOMB is housed has been closed to non-essential business. GOMB and the BFR team are conducting all meetings by phone and videoconference, and working via remote computer connections.

BFR's work is primarily affected by the state of emergency impacting other state agencies we are working with on program assessments. Other agency staff are often occupied with emergency response, or are working remotely with limited access to the data we need from them. Additionally, much of Curt's time is taken up with direct emergency response as Curt serves as GOMB's lead Emergency Management contact. Thus the BFR team is still operating, but with limited capacity. Staff are taking the opportunity to focus on internal projects and preparation for work that will be done after the emergency situation is resolved.

- b. Discussion of planning for public hearings
i. Chicago: June 24, 2020
ii. Springfield: June 17, 2020

This agenda conforms to the requirements of Section 2.02 of the Illinois Open Meetings Act (5 ILCS 120/2.02). Any individual planning to attend who will need an accommodation under the Americans with Disabilities Act should notify Kate Mayer at (217) 782-1258 or Kate.Mayer@Illinois.gov

The modified shelter-in-place order is currently in effect through the end of May. Even if the order is lifted at the end of May, there may be continued restrictions on gatherings that will prevent the public hearings from occurring in person in June. Given the situation, staff have not yet reached out to schedule speakers for the hearings. Curt suggested two possibilities to the commission: 1) Continue planning the hearings for June and look into virtual meeting options, or 2) Push the hearings back into August or September.

Representative Davis asked whether staff know definitively that there cannot be an in-person meeting in June. Curt replied that no one has stated anything definitively yet about what the restrictions will be in June, but Curt anticipates continued restrictions to promote social distancing such as mask requirements, and to prevent gathering of large groups.

There are concerns that electronic meetings may create barriers to the public that in-person meetings do not. However, postponing the meetings may create scheduling issues for the commission related to the timing of the annual report. Jennifer Butler noted that another consideration is the availability of speaker resources. If the commission chooses to go forward, the caliber of the experts available to speak is important. Jim suggested a compromise of moving the public hearings back to July.

Curt added that if the legislature has a truncated session, they will likely only deal with bills of very high importance. Thus, the BFR mandates reduction bills may get held over to the next session. Representative Davis agreed that this was likely. The current legislative working groups are categorizing bills by importance level, and prioritizing bills that affect Medicaid, bills to extend sunsets and due dates. Many things will be pushed to a later session, possibly an extended veto session in the fall.

Curt suggested that if the mandates bill gets pushed back, the commission could skip identifying new mandates this summer and resubmit the existing mandates next year. The normal mandates reduction process would resume in summer 2021. A motion was made and passed to this effect.

Curt proposed canceling the June dates. Curt can then look for suitable July dates with available space, potentially July 22nd in Chicago and July 29th in Springfield. Jim noted that no vote is needed on this as public hearing dates are generally not voted upon. Curt will update commissioners next week on his inquiries into meeting space.

c. COVID-19 impact on revenue and expenditures (Attachment 1)

State revenue projections have been impacted by the current emergency, particularly because the extension of the state and federal tax filing deadline will push revenue into the next fiscal year. Attachment 1 is an April 15, 2020 report from the Governor's office on the updated revenue projections. The projections released in February was for \$41 billion General Funds revenue in FY2020, which has been revised down to \$38.7 billion. The estimate for FY2021 has decreased from \$42.1 billion to \$37.5 billion. This is a significant impact resulting from decreased economic activity

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due to the COVID emergency. More detail and information on transfers into the state disaster relief fund can be found in the document.

Representative Davis confirmed that the FY2021 revenue estimates include anticipated revenue from the Fair Tax. Paula Worthington noted that the revenue shortfall would increase if the Fair Tax were not to pass.

Jim asked whether there is any sense of the principles that will be used to make cuts on the expenditures side. Curt answered that the Governor's office and GOMB have been focused on immediate emergency response. There are not yet detailed principles other than prioritizing health, life and safety. Strategies will continue to be shaped by the Governor's office in concert with the legislative working groups.

Representative Davis asked when these projections were released (April 15th) and whether there are revisions in the works. Curt confirmed that revenue projections continue to be revised, especially in light of the recent extension of the stay-at-home order.

Paula Worthington noted that the state's unemployment insurance program was poorly funded going into the emergency, and asked how this is being addressed with federal funds. Curt mentioned the CARES Act but noted that these solutions are still being discussed.

Paula also asked about the impact of the emergency on capital funding. Curt answered that the capital dollars are largely bond-funded. The bonds issued recently should be enough to cover ongoing construction, which currently is limited to projects where it is practical for workers to practice social distancing. Future capital funds availability will depend on the bond market, including interest rates and market appetite for state bonds. Fuel tax revenue is also being impacted, but the amount of the impact is not yet known. Fuel tax revenues support the road maintenance program. On the positive side, decreased travel also leads to decreased wear and tear on the roads.

Curt mentioned that the state is encouraging people who become eligible for Medicaid due to COVID-related events to apply. This will increase state costs, but also federal match at the new higher rate, including leveraging CARES Act dollars.

The state continues to look for ways to leverage federal assistance, for instance using CARES Act dollars wherever possible instead of other federal assistance such as FEMA, since the CARES Act has a 100% reimbursement rate where some other programs may have lower rates.

d. ICJIA Electronic Monitoring (EM) program evaluation

Despite the COVID emergency, ICJIA is continuing with the EM program evaluation. ICJIA staff are working remotely and experiencing some hurdles in their work with the Department of Corrections, but ICJIA still anticipates completing the report on schedule by the end of June.

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4. Substance Use Disorder (SUD) Domain Update

Adam Groner

Staff continue to move down two tracks within the SUD domain. Work is continuing on the program assessment of the Department of Human Services' Licensed Recovery Homes program. Staff will also be assessing the department's Oxford Home start-up loan program. A lot of research on recovery homes has been done in Illinois through DePaul University.

As previously discussed, staff have also drafted a SUD provider survey to better understand what services are being provided in Illinois. Staff are working with the DHS Substance Use Prevention and Recovery (SUPR) division to send out this survey to licensed providers, but the timing is impacted by the emergency situation providers are dealing with.

5. IPRS Dashboard Update

Kate Mayer

The IPRS dashboard previously demonstrated to the commission is now live on the GOMB website. It can be found here: <https://www2.illinois.gov/sites/budget/Pages/PerformanceReports.aspx>

Curt noted that this interactive format for IPRS performance measures has been envisioned since IPRS was created, so it's very good to see that idea come to fruition. The efforts of Kate Mayer and Adam Groner were recognized.

6. New Business

Jim Lewis

Adam noted that staff are still on schedule to complete the analysis of horizontal capital project prioritization, which the commission recommended in the most recent annual report.

Paula shared that, independently from her role as commissioner, she has analyzed the relationship between economic activity and state tax revenue, and has written a paper with some conclusions similar to the GOMB report Curt discussed. She may share this work with her fellow commissioners after the call.

Curt suggested that the commission may want to schedule a phone call on June 26th to discuss logistics for the public hearings if they go forward in July. Commissioners are asked to hold that space on their calendars. The next regular commission meeting is not scheduled until August.

7. Adjournment

The meeting adjourned at 2:27 pm.