

# Budgeting for Results Public Hearing:

## Summary of Recommendations

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### Implementation

1. The Commission should continue to emphasize the importance of recognizing the need for continual comment, feedback, re-evaluation and adjustment of BFR implementation, both at a statewide and an individual department level in its recommendations. In order for BFR to be successful sustained training will be necessary to address internal capacity issues such as staffing but would also establish common core competencies in their programs which would align state and provider activities – and presumably help define quality.
2. The State should focus on robust landscape assessment and invest in capacity building for grantees by aligning with the philanthropic community to help with resources and share their program measurement expertise with government. Additionally, providers should encourage nonprofit organizations to use BFR as an opportunity for continued strategic growth and impact for their communities.
3. It is recommended that after the results/goals are agreed upon by the Commission that each state agency, or division of a state agency, develop a clear crosswalk that aligns their current funding streams with a particular result/goal. Some funding streams are not well aligned with any goal may be able to be redirected. In order for the crosswalk development to be legitimate, it will need the input of a wide range of stakeholders, including consumers. Also the agencies should develop consensus with stakeholders on specific measurable goals within each funding stream.
4. The State should be cognizant of grant making practices which might favor more heavily populated areas and may unintentionally disadvantage smaller or more rural communities so as to avoid unintentionally removing much needed resources in these communities.
5. Many who subscribe to programs and services would not likely experience the same outcomes without receiving a comprehensive set of supports simultaneously. Often service providers work closely together to best meet the needs of clients and further the goals outlined for their programs. Recognizing the interdependency of services and possible multiplier effects through a robust set of metrics is vital to truly assessing the effectiveness and efficiency of services.
6. Taking into consideration the unique challenges to achieving outcomes which may be present in each region will help to ensure the most accurate, representative measures. For example, funds for providing transportation are essential to reaching clients and maintaining continuity of services in more rural areas.

### Data Collection and Management

#### (Human Services):

1. Due to the “patchwork quality” of reporting outcomes and a lack of staffing, funding, and technology, the state should consider helping to identify best practices to improve programming as it relates to data collection and sharing of information. In order to truly learn about the work being done around the

state, we will need the necessary resources to gather those involved in the measurement of human services and compile the data in a way that categorizes it into the same manageable outcomes. The resources and staff needed to create this process in a formal manner are imperative to the success of Budgeting for Results. It was also recommended that the state help support the work necessary to overcome these significant barriers.

2. The Commission should consider the process by which data will be collected to ensure the results and goals of the Commission are being met and that the data collection and reporting requirements are not just over-laid on top of the current requirements. If the Commission's final results/goals are truly the priority and the direction of the state human services system then all state agencies should be expected to use them for all reporting mandates. State agencies should be required to drop many existing reporting requirements and utilize data collection and reporting systems that will support the intent of the Commission to avoid duplication and overly burdensome data collection.
3. Agencies closing the data loop and sharing reports and aggregate information collected on performance and progress towards targets with grantees would help grantees to better understand their standing as compared to their peer providers and develop performance improvement plans.
4. It is recommended that the State design, implement and maintain an Internal Managerial System for the State of Illinois. Number crunching is far less costly than continued State funding of waste and malfeasance. This Internal Managerial System will generate the data to identify the cost-effectiveness and the lack of cost-effectiveness of every State activity.

## **Budget Allocation**

### **(Education):**

1. The State needs to prioritize funding equity among schools districts by enacting a Teacher Retirement System cost shift with savings re-invested in General State Aid. Although the over-reliance on property taxes is the main driver of inequities in school funding, the State can alleviate disparities by taking a more progressive approach that will direct more funds to school districts with low property wealth and high concentrations of children in poverty. Currently, the wealthiest districts with the highest teacher salaries get the biggest benefit from the State covering teacher pension costs.<sup>1</sup> The poorest districts with the lowest teacher salaries get the least benefit.
2. Additionally, for the last several years, the State has not appropriated enough General State Aid to fully fund the statutory Foundation Level. When the appropriation is insufficient, ISBE prorates GSA payments across-the-board to all school districts, which disproportionately impacts the poorest districts. If GSA funds are insufficient, do not prorate across the board; instead, impose a more equitable flat per-pupil cut.
3. Prioritize education funds to school districts in the equitable and flexible General State Aid formula, rather than through categorical grants that come with red tape and spending limitations.
4. Maintain accountability on the backend to enforce good financial management and a budgeting for results mindset within districts. With increased flexibility at the front end comes the need for strong accountability on the back end.

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<sup>1</sup> "Playing Favorites," Illinois Policy Institute, May 2012,  
[http://www.illinoispolicy.org/uploads/files/Playing\\_Favorites\\_Full\\_Report\\_050312.pdf](http://www.illinoispolicy.org/uploads/files/Playing_Favorites_Full_Report_050312.pdf)

5. The State should consider re-evaluating mandates based on the priority outcomes it establishes. Mandates which the State wishes to continue should be reflected in the performance metrics designed to ensure alignment of incentives and outcome priorities.
6. The State should take into consideration the recommended per pupil funding levels of the Education Funding Advisory Board. For several years, the State has failed to meet these guidelines for adequate funding.

## **Legislation**

### **(Education):**

1. Supporting the State Board of Education with the infrastructure to provide supports and interventions to school districts that are struggling has to be a top budgetary priority. The first choice is to protect local control with flexible and equitable funding, but if that fails, we cannot let students slip through the cracks. Substantively, we need to enact legislation like SB 2340 to narrow the universe of when it is appropriate for the State to intervene. The relatively small amounts of spending for smart assessments, growth tracking, state supports, and in-depth intervention in struggling districts are the counterpoint to the flexible General State Aid appropriation. It was suggested that maintaining appropriations for the State Board of Education to continue its oversight and hold districts accountable for student learning is central to budgeting for results in education.

## **Transparency**

1. Communicating about BFR is a critical part of its success or failure. Currently, it is very difficult to find any current information on the BFR on any state agency website. It needs to be much more visible on the Governor's page and the webpage of each state agency.
2. Senior state staff should be expected to include BFR in group meetings they have with state contractors and stakeholders to maintain an ongoing dialogue around the process.

### **(Education):**

3. Require school-level budget transparency so we can see where those dollars are being invested. At the state-level in Illinois, budget information is tracked to the district level, rather than the school level. This leaves both State and local policymakers in the dark on hidden intra-district inequities. We talk often about inter-district disparities, but those can pale in comparison to the disparities that exist within a single district. We cannot overemphasize the need to have school-level budget information publicly reported. Communities cannot appropriately respond to local spending decisions if the school-level costs are masked.