

BFR Recommendations by Category 2013 Draft

Revenue and Funds:

2011 - 5: Allocations proposed by both chambers of the General Assembly should be based on a common set of General Funds revenue estimates. This recommendation builds on Public Act 96-1529 which calls for the Governor's introduced and the enacted budget to be based on revenue projections solely from existing revenue sources.

2011 - 6: To the extent possible, decisions regarding allocation of available revenue should distinguish between state resources and federal resources and should also consider state resources outside the General Funds.

2012 - 12: Budget allocations by both the Governor and the General Assembly should be made based on reliable and evidence-based revenue estimates. The Commission will examine consensus revenue practices in other states to recommend a similar process for Illinois.

Transparency:

2011 - 11: Improve transparency in the budgeting process, as it is a core goal of Budgeting for Results.

2011 - 12: The Governor's annual budget book should include:

1. Clear and accessible summary data on revenues and expenditures in the front of the budget book, as well as in a separate executive summary.
2. Itemized data on transfers into and transfers out of the General Revenue Funds.
3. Itemized data on federal revenue sources for the General Revenue Funds.

2011 - 13: All appropriations bills considered or approved by either chamber of the General Assembly should include summary data on amounts appropriated by agency and fund.

2012 - 17: GOMB is required to annually submit an economic and fiscal policy report to the General Assembly outlining the long-term economic and fiscal policy objectives of the State, and the "economic and fiscal policy intentions" for the next three fiscal years. The Commission recommends that the GOMB report also present projected revenues, expenditures and liabilities for three years based on current law and policies.

Liabilities and Future Growth:

2011 - 8: The growth rate for Medicaid should be analyzed separately for expenditures from the General Revenue Fund (GRF) and expenditures from Other State and Federal Funds. Medicaid growth rate calculations should be segregated into GRF, Other State Funds, and Federal Funds.

2011 - 9: State programs growing at financially unsustainable rates should be closely evaluated for effectiveness, and long-term sustainability of those programs found to be effective should be achieved by controlling costs or securing adequate new funding sources.

2011 - 10: Calculate and report both the normal cost and "payments toward unfunded liability" components of the pension liability for each of the state's five pension systems.

2012 - 16: The State should establish a long-term fiscal planning process based on projected liabilities and revenues to make sure they are compatible with projected spending in priority areas.

2012 – 18: The state budget process should address the problem of liabilities or spending commitments (e.g., pension obligations, medical assistance, state employee group insurance) that are or have been incurred separately from legislative appropriations in a given fiscal year. For example, in the absence of a separate legislative action, Medicaid liabilities accrue regardless of whether funding is appropriated.

Implementation and Process Change:

2011 - 14: The history, intent, and current need of all statutory budget transfers should be evaluated. In most instances, funding through statutory transfers should be subject to the annual appropriations process. Exceptions would include revenue-sharing with units of local government, transfers to debt services funds, transfers to revolving funds, and cash low transfers. The Commission will review the budget transfers as part of the current and future fiscal years to evaluate the effectiveness of this approach.

2011 - 15: Align the legislative appropriations process and executive agencies with the BFR result areas, to the degree practicable. This will enable legislators and the public to better understand overlaps in agency mission, to break down silos among agencies and to better determine where efficiencies can be achieved.

2011 - 18: Work with agencies to make appropriate plans to adopt new budgeting procedures and communicate those procedures to outside stakeholders. A streamlined process of implementation originating at the State level will help providers interface with the State in a timely and resource efficient manner.

2012 – 7: During the next year, the Commission should research the staffing patterns of states with similar size and demographics to Illinois that have the best evidence-based budgeting for results systems and develop recommendations for staffing to successfully implement BFR in the state agencies, GOMB and the legislative appropriations staff.

2012 – 9: The Commission should develop a mechanism to collect feedback on government services that are delivered directly by state agencies in addition to those provided through grants or contracts.

2012 – 14: The General Assembly should make changes to the appropriations and budget approval process to ensure the intent of the BFR statute is fully realized

Reporting Burden Reduction/Efficiency:

2011 - 17: Strive for increased intra-agency and inter-agency cooperation as a means to eliminate redundancies in information collected from providers for applications, monitoring, and other relevant records. Eliminating duplicative processes and streamlining administrative requirements will improve relationships between state government and community-based providers.

2012 – 6: State agencies, in cooperation with private partners, should develop capacity-building and technical assistance plans to help grantees adapt to the Budgeting for Results process.

2012 – 8: GOMB and relevant state agencies should review the information that the State currently collects from providers and other agents and eliminate duplicative, unnecessary, or unhelpful reporting in an attempt to reduce administrative burden for both agencies and providers.

2011 – 20: Consult with providers about existing performance metrics found within their infrastructure. Many organizations evaluate outcomes, for their own use and for foundations and endowments that support them. GOMB should consider assessing the adequacy of these outcomes for their applicability to the Budgeting for Results process to reduce duplicative data collection.

Budget Allocation/BFR Philosophy:

2011 – 22: Account for the challenges in measuring outcomes. There are inherent difficulties in attempting to measure the absence of a negative outcome and in quantifying results for prevention programs. As many organizations provide intangible products, it may be difficult to calculate their outcomes and measure their progress.

2012 – 10: State agencies should assess and consider the actual costs of achieving a desired outcome when determining funding amounts.

2012 – 11: The Commission recommends that the Governor and General Assembly acknowledge that the allocation of resources cannot be determined by performance evaluation or return on investment alone. Decisions about funding priorities must involve responsible value judgments and recognition of the probable and actual results of funding decisions.

2012 – 13: The process for allocation of resources should maintain flexibility for adjustments between major statewide priorities in order to enhance the achievement of relevant policy objectives. Policymakers should avoid establishing artificial silos or fixed, pre-determined shares for major policy areas at the beginning of the process.

2011 – 21: Remain cognizant of the potential unintended consequences of Budgeting for Results. As funding becomes more closely linked to organizational abilities to demonstrate outcomes, a vacuum may be created in which providers target easier-to-serve populations to achieve better outcomes, while the most challenging client populations are not served. The Commission will work to ensure that the goals and outcomes reflect actual quality of service as well as cost-effectiveness.

Engagement:

2011 – 16: Engage and communicate with relevant stakeholders throughout the duration of the Budgeting for Results process.

2012 – 1: The Commission should have more public hearings over the next year and make a concerted effort to proactively engage a broad range of stakeholders in all seven of the BFR Result Areas; this should include holding hearings after regular business hours and using new outreach methods to inform stakeholders about hearings.

2012 – 2: GOMB should establish a user-friendly, publicly accessible website that includes materials from Commission hearings, the BFR table from the annual budget, and performance measures and outcomes to the program level.

2012 – 3: State agencies and stakeholders should utilize social media and existing communications with their customers and members to further engage the public in BFR.

2012 – 15: The General Assembly should incorporate Budgeting for Results into orientation for new legislators.

Information Technology:

2011 - 19: Increase access to appropriate digital and technological infrastructure needed by providers to monitor and quantify results. Given the importance of accurate and relevant data in the BFR process, the use of proper IT tools will enhance the quality of measured results and prevent cumbersome data collection.

2012 – 5: The Commission urges the State to invest in necessary investments in technology and data infrastructure to support an outcome-driven budget and evaluate program performance.

