

**POSSIBLE RECOMMENDATIONS
BFR COMMISSION REPORT**

Potential Sources of Recommendations from the 2012 BFR Minutes:

BUDGET PROCESS

- **The Commission could recommend that the Governor and the General Assembly take anticipated program growth into consideration when making appropriations for programs.** For example, in March 2012, Commissioners also debated Medicaid underfunding. The \$2.7 billion in unfunded liability for FY 13 does not include the \$1.8 billion backlog for FY 12. It also does not include program cuts from the backlog. Commissioners stressed that it was important to understand that the backlog came from the idea that the State could save money by cutting appropriations. Program costs are not the same as spending. Policy changes need to be made in cutting the budget because under-appropriation does not equate to real cost savings. (March 2012)
- **Commissioners discussed the importance of understanding spending pressures when crafting the state budget.** They believe that Illinois should subtract fixed costs and then allocate the remaining revenue based on program performance. (March 2012)
- **Commissioners would like to discuss the following themes at future meetings: more provider perspectives, OSF and Federal matches, and how to better communicate budget tradeoffs with the legislature.** (March 2012)
- **Despite minor opposition, the Commission generally agreed to ask the General Assembly to move up the deadline for COGFA's revenue estimates in order to provide the Governor's Office with greater influence over the adopted revenue estimates.** (April 2012)
- **The Commission also decided that it wants to examine tax breaks and tax credits.** Commissioners will establish standards to evaluate the performance of these incentives. (August 2012)
- **Additionally, the Commission discussed the possibility of recommending a mandatory fiscal note on every piece of filed legislation.** (August 2012)

IMPLEMENTATION

- **Challenges Associated with Cost-Savings Proposals (like Results First):**
Commissioners then noted that many cost-savings proposals increase costs in the short-term. However, the State has no loose change to invest in cost-saving programs. As a result, the Governor and the General Assembly would have to take funding away from other programs in order to fund the cost-saving proposals. Commissioners argued that in a climate of cuts, constituents will justify their programs' existences, and "when everything is a priority, nothing is a priority." Ultimately, few organizations will ask for their programs to undergo cuts in order to fund the short-term costs associated with long-term cost-saving proposals. (April 2012)

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- **Other commissioners expressed the concern that Budgeting for Results may develop into a “value-less model.”** They found it increasingly troubling that an effective, efficient, well-run program in Human Services will have the same value as an effective, efficient, well-run program in Transportation (for example). The Budgeting for Results model has no values beyond efficiency and effectiveness, and efficiency and effectiveness may not be the only important values. Commissioners cautioned against placing items such as “rebalancing” in the “Quality of Life” priority area because the priority categories would be mixed with human and budget needs. Programs should be evaluated against other programs that achieve the same ends. (April 2012)
- **Commissioners decided that the General Assembly needs to be totally informed of BFR.** Budgeting for Results is starting to come into the conversation, but currently, it does not drive the process of how state revenues should be spent. (April 2012)
- **Commissioners provided suggestions to improve the Strategic Plan:**
 - Commissioners discussed whether the Strategic Plan should include “Step 6.5: Agencies receive money and allocate it in contracts.” They argued that the BFR process will ultimately decide who receives a contract and who does not receive a contract. Proposed Step 6.5 would help providers understand that they are partners in state government. Commissioners wondered how they could gather feedback from providers in order to ensure the successful implementation of BFR.
 - Some commissioners believed that Step 6 was the most significant step for the Commission. They believed that the Commission should make recommendations about how the General Assembly should think about the budget in terms of BFR.
 - Commissioners agreed that the Strategic Plan should have an executive summary. (April 2012)
- **Commissioners discussed the current work of the Results Teams and made 3 key recommendations:**
 - First, Commissioners suggested that the steering committee invite legislators and legislative staff members to serve on and/or observe the Results Teams.
 - Second, Commissioners recommended that the steering committee provide the Commission with a sample end product. Representatives from the Governor’s Office stated that they would provide a sample end product to Commissioners.
 - Third, Commissioners suggested that the Results Teams present their work at public hearings throughout the State in order to gather feedback and improve their strategy maps. (July 2012)
- **Commissioners recommended the creation and publication of a BFR glossary.** The BFR glossary will appear in the Commission’s November 2012 report. (July 2012)
- **Additionally, in the November 2012 report, the Commission will provide an update on the progress of the 22 recommendations that it issued in its previous report.** (July 2012)

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- **Commissioners agreed that they must engage legislators about BFR.** The Governor's Office will connect with certain commissioners to develop a General Assembly outreach strategy. (August 2012)

MANDATES

- **The Commission agreed to develop guiding principles for the future elimination of mandated expenditures and to apply those principles to develop a list of mandated expenditures for potential termination.** A workgroup composed of a subset of Budgeting for Results Commissioners will examine the mandated expenditures after an initial review by GOMB. (July 2012)
- **Commissioners discussed the idea of eliminating mandates every year.** They will likely FOIA Auditor General Holland's list of unfulfilled mandates and propose some of them for elimination. Because these mandates are not being fulfilled, they likely will not result in fiscal savings for the State. Members of the mandates subcommittee may also designate funded mandates and unfunded mandates in determining proposed mandates for elimination. (August 2012)