



# Budgeting for Results Implementation



## 1) Start with available revenue

- Illinois is required to live within its means
- First time in Illinois history the Governor's office produces a 3 year revenue projection
- 3 year revenue projection increases transparency and provides overview of anticipated spending pressures
- Projections show increasing cost pressures, particularly in the areas of pension payments and Medicaid costs
- Governor's budget must be based on existing revenues



## 2) Determine the State's priorities

### FY 13 Outcome Areas

- 1) Providing a quality education and opportunities for growth
- 2) Enhancing the economic well-being of residents
- 3) Protecting the lives and property of citizens
- 4) Protecting the most vulnerable among us
- 5) Improving access to and cost effectiveness of healthcare
- 6) Improving the quality of life of citizens
- 7) Improving the efficiency and fiscal stability of State Government



## **3) Direct available resources to the programs that best address the needs of Illinois citizens**

- Built out logic models for every State program
- Improved performance metrics
- Data driven analysis
- Spending based on program effectiveness



## BFR: Where We Are

- Multi-year process
  - Development of proper measurements is critical
  - Necessary to create proper tools for measurement
- Introduce, Identify, Measure, Evaluate



# Budgeting for Results

## Laying the Groundwork for the Future

### INTRODUCE

#### FY11/FY12

- Introduce BFR
- Develop goals for each outcome
- Create 7<sup>th</sup> outcome: healthcare
- Begin program identification
- Present FY13 introduced budget by program

### IDENTIFY

- Begin using new performance reporting system
- Develop logic models for programs
- Begin development of outcome metrics

### MEASURE

#### FY13 & Beyond

- Begin collecting outcome data in performance reporting system
- Report outcome data

### EVALUATE

- Institute ongoing performance management with all agencies

Goals for FY13+ are dependent on GOMB's ability to engage performance metrics/management experts



## Presenting the Budget Moving Beyond the Agency Silos

### FY12 Introduced Budget



### FY13 Introduced Budget





## FY 12 Progress

- Developed strategic plan
  - In conjunction with our BFR Commission
- Developed initial goals for each outcome area
- Initial program identification
  - Programs attached to goals
- Begun process of development of logic models

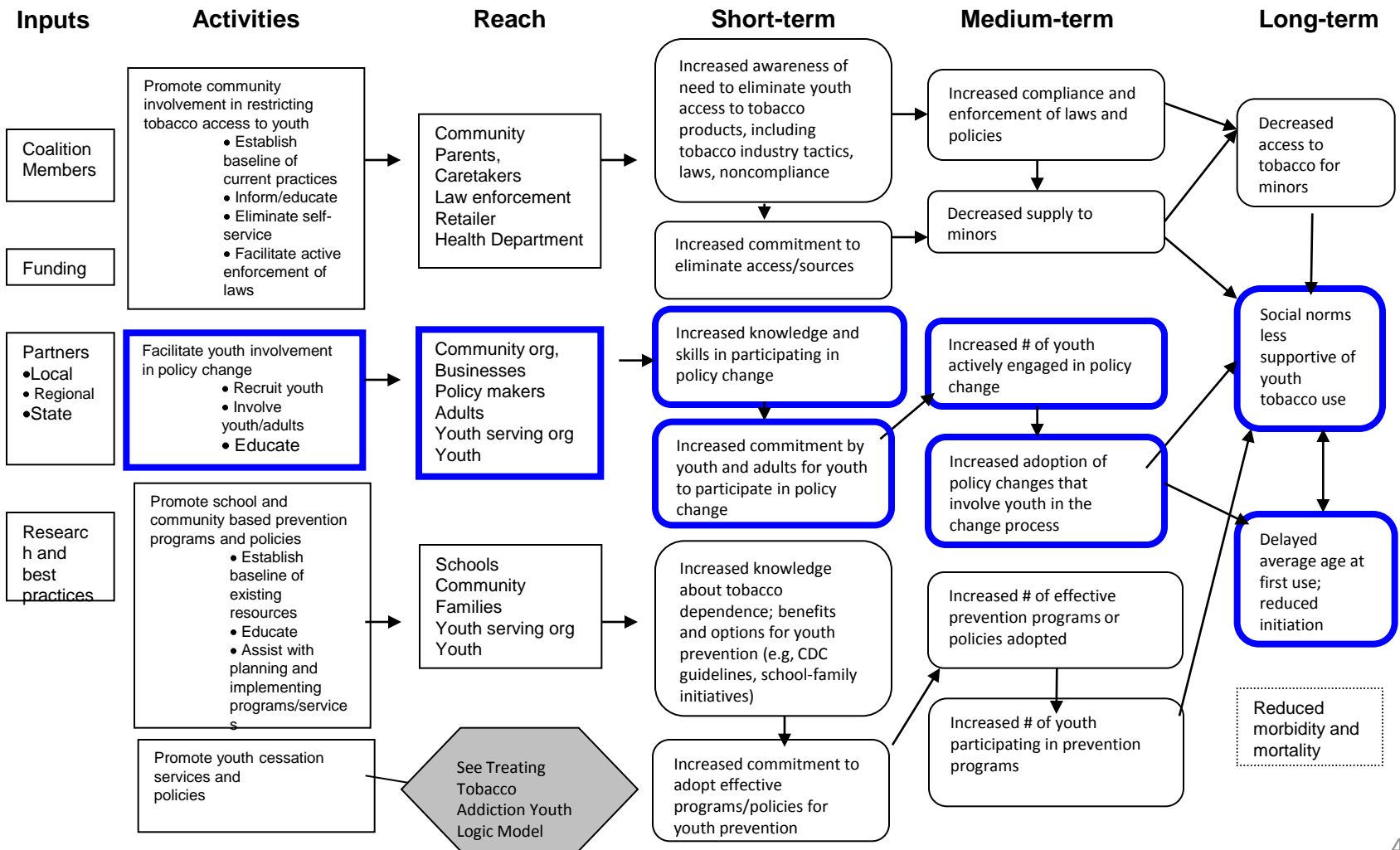




# BUDGETING FOR RESULTS

## Sample state-level logic model: Reducing and preventing youth tobacco use

### Outcomes / Impact





## FY 13 Goals

- Development of enhanced internal performance reporting system
- Public-facing performance website
- Strategy mapping to refine goals
- Determine performance metrics and continue data collection
- Performance management through use of the Strategic Management Accountability Reporting Tool (SMART)



# Challenges

- Capacity
- Timeline and expectations
- Collection, development, and incorporation of metrics
- Agency and stakeholder engagement
- Change management



# What will it take to implement BFR?

## 1) Increased capacity

- Coordinating with Pew Center on the State, Government Finance Officers Association, and the foundation community

## 2) Professional development in performance management

## 3) IT infrastructure and expertise

- Work in building out internal reporting systems and public-facing performance website