Connecticut Appropriations Committee RBA Budget Initiative
Phase I Final Report
April 13, 2005

Presented by
The Charter Oak Group, LLC
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I. Background.

In August 2005, the co-chairs of the Appropriations Committee of the Connecticut General Assembly, Representative Denise Merrill and Senator Toni Harp, created an RBA Work Group of the Appropriations Committee. The Work Group’s charge was to determine the applicability to the Connecticut budget process of the results-based accountability framework developed by Mark Friedman of the Fiscal Policy Studies Institute, who provided training to Work Group members at the beginning of the project. The Work Group, which is co-chaired by Representative Diana Urban and Senator Bob Duff, has 16 members. The full membership list is attached as Appendix I. The Work Group, through the auspices of the Office of Policy and Management, retained The Charter Oak Group, LLC, to adapt the Friedman framework for the Connecticut appropriations process and to guide the initial implementation of the project.

II. Work Group Objective and Goals

Following a series of meetings in the fall of 2005, the Work Group determined at its December meeting to conduct a limited pilot project. During the short 2005 legislative session, the pilot would involve several sub-committees of the Appropriations Committee in a demonstration of how RBA could be used to establish population goals, relate program performance to those population goals, and use both to inform the budget process. The first phase pilot of the RBA concept and methodology would pave the way for a broader implementation of RBA in the budget process in the second phase.

The Work Group adopted four objectives for Phase I:

Objective 1. Pilot the RBA budget process in two important policy areas: early childhood education and environment.

Objective 2. Provide training and support to sub-committee chairs and members in the RBA process used in pilot project.

Objective 3. Provide all other state agencies an overview of RBA, the process being employed in the pilot project, and the Connecticut Appropriations Committee RBA Template.

Objective 4. At the conclusion of the sub-committee hearings, review the process with the Work Group and key stakeholders (including agencies that were part of the pilot) to determine next steps in the broader implementation of RBA in the budget process.

The First Phase Goals and Objectives, Tasks, and Schedule as approved by the Work Group are attached as Appendix II.
III. Work with State Agencies and Development of Connecticut Appropriations Committee RBA Template.

The two quality of life (population) results selected for the pilot were:

- All Connecticut children begin kindergarten healthy and ready for school success within their developmental potential.
- A healthy and productive Long Island Sound for Connecticut residents.

The early childhood quality of life result was an objective adopted by the Governor’s Early Childhood Cabinet, which had begun exploration of the RBA framework at the time of the creation of the RBA Work Group. The early childhood result was selected because it involved an inter-agency system and because the Cabinet had already begun to apply the RBA framework. The Connecticut Appropriations Committee RBA Templates for this area were developed by the co-chair of the Cabinet and the three key agencies: State Department of Education, Department of Social Services, and the Department of Public Health. OPM also provided input. The three agencies were included because they were most directly responsible for the first goal identified for the Cabinet’s objective: to provide high quality, center-based child care to all 3 and 4 year olds in communities with the greatest need.

The environmental quality of life result was selected because the Department of Environmental Protection had expressed interest in supporting the RBA process and because it had already developed an advanced system of measurement for the quality of Long Island Sound. The goal that DEP selected to support the quality of life result was to eliminate the detrimental effects of hypoxia in Long Island Sound by improving municipal sewage treatment infrastructure as a key component of a comprehensive management strategy.

Because the short legislative session provided so little time to develop and populate the RBA templates, the pilot project limited each quality of life result to a single goal. Friedman provided a second training for the agencies involved in the pilot project and the members of the Appropriations sub-committees before which the agencies would present their RBA materials: Conservation and Development, Elementary and Secondary Education, Human Services, and Health and Hospitals. The Charter Oak Group worked closely with each of the agencies to prepare and revise its templates in preparation for the hearings. The completed templates for the early childhood initiative are attached as Appendix III, and the templates for the Long Island Sound result are attached as Appendix IV. While based upon the templates developed by Friedman, the structure of these templates was modified by the Charter Oak Group to provide data and key budgetary information that would ensure a more direct link to the budget process.

IV. Sub-committee Hearings

The sub-committees and the agencies were provided copies of the completed templates prior to the sub-committee hearings. In addition, the Charter Oak Group developed a draft agendas and structure for each of the sub-committee hearings. These materials,
which included a list of questions that sub-committee members might ask the agencies in response to their RBA presentations, were provided to the agencies as well as the sub-committee members so that all participants in the hearings would have the same materials and would be on an equal footing. These materials were also used to provide training to the sub-committee members prior to the hearings. The draft agendas and structures for each of the four sub-committees are attached as Appendix V.

The RBA presentations took place on two of the three days reserved for Appropriations sub-committee hearings. The first hour of each hearing was reserved for the RBA presentation by the agency. The rest of the agency’s budget was discussed during the remainder of the hearing or at sub-committee work meetings. Each agency’s commissioner initiated the agency’s presentation and was assisted by appropriate staff. (The co-chair of the Cabinet also assisted with the presentations of the three agencies involved in the early childhood initiative.) The hearings were chaired by the co-chairs of the Appropriations Committee, and questions from sub-committee members were limited to issues raised by each of the templates as it was presented.

Following the hearings, the Work Group sent each agency a list of issues that had arisen during its presentation and that had not been fully addressed. The agencies were not asked to respond to these questions. Rather, the questions were meant to give the agencies a sense of a likely follow-up process had the presentations not been part of a limited pilot project. The list of follow-up questions for each agency is attached as Appendix VI.

V. Work Group Evaluation of the Pilot Process

After the completion of the hearings, the Work Group held a meeting to receive feedback from the participants in the process and to review the pilot project. The meeting was attended by Work Group and sub-committee members, representatives of the four agencies, and OPM. The attendees were unanimous in their belief that the pilot had been worthwhile and that the RBA process should be continued. Their comments and suggestions for improving the process are attached as Appendix VII.

VI. Recommendations for Phase II

The following recommendations for Phase II of the Connecticut Appropriations Committee RBA Budget Initiative are based on the feedback of the participants provided at the Work Group evaluation meeting, discussions with the co-chairs of the Appropriations Committee and the Work Group, and the experiences of the Charter Oak Group in guiding Phase I of the project.

A. Objectives for Phase II:
   1. To apply the full RBA framework to one or more areas of the budget.
      • Develop a set of criteria for selecting the quality of life results and agencies for Phase II
• Involve multiple agencies in one budget area and not more than a few agencies in at least one other budget area
• Identify all programs that contribute to the quality of life results and develop all appropriate measures for those programs (some programs may be excluded if their contribution is very small or indirect)
• Include no budget area in Phase II if administrative or political considerations preclude a full presentation of all indicators and goals

2. To develop a framework and standardized tools for the broad application of RBA that any agency may use without being part of a formal pilot project directed by the RBA Work Group.
• Encourage the broadest application of RBA without compromising other Phase II objectives
• Offer standardized tools and a framework to any agency to use for its own purposes or for its presentations to its Appropriations sub-committee
• Offer a series of RBA trainings to all agencies interested in using the RBA framework
• Offer agencies a technical review and comments on their completed templates

3. To apply RBA to the budget process.
• Conduct a financial scan for each quality of life result that includes all relevant expenditures
• Conduct a joint presentation to the full Appropriations Committee (or joint meetings of the relevant sub-committees) prior to the start of any formal budget hearings
• Identify by agency and program any funding increases necessary over the next five years to turn the curve for the key quality of life indicators
• Provide a brief summary of the agency’s program and budget contribution to the relevant quality of life result when each agency presents its individual budget to its Appropriations sub-committee

4. To develop the institutional capacity within the General Assembly to continue the use of RBA in the appropriations process.
• Consultants and OFA should partner in all aspects of implementation for Phase II
• OFA should prepare to assume primary responsibility for RBA in subsequent phases

B. The RBA Work Group
The Work Group should be reduced in size and include only those legislators who have the time and interest devote to the RBA process. The role of the RBA Work Group should be:
• To oversee the development and implementation of Phase II.
• To designate sub-committees from among its members for each of the Phase II areas. The sub-committees would provide guidance to the consultants and OFA and would serve as liaisons between the agencies and the Work Group.
C. Schedule

- Early May: Work Group meets to approve the goals and schedule for Phase II, the criteria for selecting new population areas and programs for application of RBA, and a list of budget areas for exploration
- End of May: Work Group approves the preliminary quality of life results and the preliminary list of affected agencies. It should also designate sub-committees for each quality of life result
- June 1: Consultants and OFA begin work with the affected agencies.
- Monthly: Work Group, consultants and OFA meet to review progress
- January-February (before regular Appropriations sub-committee hearings): Affected agencies make RBA presentations to the full Appropriations Committee (or to joint meetings of the relevant Appropriations sub-committees)
- February-March: Agencies use abbreviated RBA introduction in their regularly scheduled presentations to their sub-committees
- One month prior to the Appropriations Committee JF deadline: Work Group, consultants and OFA evaluate Phase II and Work Group decides whether to propose legislation relating to RBA