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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/04/09

SPONSOR     Keller     LAST UPDATED                      HB                     

SHORT TITLE     Identify & Measure State Welfare Indicators     SJM     19    

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ANALYST     Wilson    

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non- Rec	Fund Affected
<b>Total</b>		Indeterminate See Below	Indeterminate See Below			General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Aging and Long Term Services Department (ALTSD)  
 Department of Finance & Administration (DFA)  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 19 resolves that DFA work with other state agencies and the legislature to identify and measure consistent key indicators of the welfare of the state, develop and publicize a benchmarking report to compare to other states over time that the department of finance and administration aggregate the results of the key indicators and measures.

### FISCAL IMPLICATIONS

DFA claims that substantial resources will be needed.. To comply with this memorial DFA will require one additional FTE and one FTE in each state agency concerned with this memorial.

ALTSD states that additional information technology infrastructure and training may be required to link agency data bases and or establish more comprehensive and efficient reporting and analysis capabilities with the field.

### SIGNIFICANT ISSUES

DFA states that if this memorial fails to pass state welfare measures will still be available through DFA and a variety of agency sources.

DFA further notes that measures change over time, with improved methodology, and are qualitatively and quantitatively subject to funding and support, so that consistency is likely to be infeasible

The Accountability in Government Act was enacted in 1999 by the Legislature requiring all state agencies to implement performance-based budgeting by fiscal year 2004. Modifications were made to the act in 2004. The PED uses key indicators and measures including benchmarks. The Public Education Department Fiscal Year 2009 Strategic Plan, Performance Monitoring Report, Quarterly Reports, and Public Education Department website exhibit the use of these elements.

SJM 19 will require the development of a benchmarking report and an annual report to appropriate interim legislative committees that identified and measured key indicators over time including a comparison of these indicators with other states to guide statewide strategic planning. Although best practices, key performance indicators and measures, and benchmarks are currently used by the PED, this will impact the statewide strategic planning process including all PED and Public School Support performance measures by influencing:

- The Strategic Plan;
- The Performance Monitoring Plan; and
- The Quarterly Reports.

ALTSD provided the following:

Government agencies tend to be insular, have difficulty collaborating and resist change. Transforming the organizational culture of state government so it embraces performance excellence and continuous improvement through quality management practices, such as benchmarking, strategic planning, measurement and accountability is a significant and enduring leadership issue.

The quality and effectiveness of management, programs and services, inter-agency collaboration and resource utilization may decrease over time if performance standards and metrics are not continually challenged through benchmarking and the adoption of best practices.

Public trust and confidence in state government accountability, transparency and performance improvement may decrease, especially during a period of protracted economic uncertainty.

## **ADMINISTRATIVE IMPLICATIONS**

The PED and other state agencies will identify and measure key indicators of the welfare of the state, aggregate results, develop action plans, maintain consistency of key indicators from year to year, develop and publicize a benchmarking report to compare these indicators with other states' experience; provide annual reports to interim legislative committees, and use these indicators and measures as guidance for the statewide strategic planning effort.

ALTSD states benchmarking and interagency collaboration may require additional staff and travel

DW/mt