

RECOMMENDATIONS TO THE HUMAN SERVICES COMMISSION ON HUMAN SERVICES AND BUDGETING FOR RESULTS

April 15, 2011

BACKGROUND INFORMATION ON THE ISSUE

Human service programs in Illinois have undergone substantial cuts in funding in recent years. The Governor's proposed budget would entail additional substantial cuts. These funding cuts have resulted in a substantially reduced capacity of the state to deliver services essential to the well-being of Illinois residents. Additionally, the performance-based budget process mandated in HB 5424T requires better articulation of human services outcomes. This report, therefore, asserts three points fundamental to how the state should proceed with its funding and design of human service programming:

- 1) Human services are a vital function of state government upon which much of the quality of life for all Illinois residents rests.
- 2) The Governor and General Assembly are in the initial stages of implementing a budgeting process that will link appropriation levels to state agency and program performance according to pre-determined measures of desired outcomes. The Human Services Commission welcomes this process as an opportunity to examine the state budget to identify efficiencies and highlight successes. Measuring human services outcomes can be complicated. Some services – such as quality early child care – might be investments well supported by years of research but have a value that is difficult to track as an annual measurable in our state. Others, such as counseling for battered women, might be impossible to chart as providing cost-savings to the state but are a minimal requirement of a humane society. Care and time must be taken to ensure that good programs that improve the social and fiscal environment of our state are assigned their true value.
- 3) Once goals are determined, it is essential that programs are implemented so that those goals can be attained. This requires a deliberate review of how programming is provided, aimed at improving quality and efficiency.

RECOMMENDATIONS

I. It is recommended that the Human Services Commission adopt the following statement on the significance of human services.

THE SIGNIFICANCE OF HUMAN SERVICES

A) All residents in Illinois have a common interest in the following:

1. The state is highly economically competitive with strong job creation, high wages, and low unemployment.
2. Children grow into productive residents by being prepared to enter school and doing well in school.
3. Every resident has a shelter and adequate food and nutrition.
4. Illinois residents live in safe environment, and the vulnerable can rely on protection from harm.
5. Illinois residents are healthy, physically and mentally.
6. Persons who have significant limitations, be they due to a disability, aging, or some other cause, have supports that facilitate their reaching their potential and having high quality of life.

Human services contribute to these common social interests because they:

1. Provide job preparation, training and child care that facilitate productive participation in the Illinois workforce.
2. Provide supports for families through the prenatal and early years in a child's life.
3. Prepare children for school and offer social, academic and nutritional support that enable them to do well in the classroom
4. Provide assistance to individuals and families that lack the economic or social resources, or skills, to provide adequate quality of life.
5. Help offenders to develop productive lives and reduce recidivism to the corrections system.
6. Provide direct assistance to persons in danger of starvation, who are homeless, or need assistance with direct care.
7. Provide medical and mental health services to those lacking private insurance.

B) In fields where failure to provide a service has a cost, effective human services save taxpayers money.

Examples include:

1. Quality childcare leads to better school outcomes, leading to better economic and social outcomes
2. Strong and targeted workforce development programs can lead to higher rate of employment and retention.
3. Effective childcare programs enable work and reduce unemployment.
4. Strong substance addiction programs lead to reduced crime and stronger economic outcomes.
5. Prevention programs lead to fewer primary health costs.
6. Strong child welfare programs reduce the future costs of higher uses of multiple human services.
7. Reducing prison recidivism leads to reduced costs for criminal justice and law enforcement, and strengthens neighborhoods, leading to better economic outcomes.

C) Overall economic competitiveness

Illinois is more attractive as a state for businesses and for future residents when there is a strong public safety net for vulnerable populations and neighborhoods and community centers are vibrant. This means:

- Having a healthy population
- Having institutions that care for seniors and the disabled
- Ending homelessness and hunger
- Having a variety of options for childcare and child development
- Having low crime rates, not because there is heavy law enforcement or incarceration; rather because young people develop in healthy ways and the community is economically prosperous.
- Having strong community mental health programming and low levels of illicit substance use that leads to people feeling good about their communities and their futures.

D) Illinois human service capacity has eroded in recent years, and was not particularly strong relative to other states before the erosion.

E) Significant levels of need exist in Illinois at this time due to the state of the economy and other factors. This is not, therefore, a time to be reducing commitment to this work. Key groups experiencing growths in service needs include immigrants, veterans and seniors. Poverty rates have risen with the recession. Demand exceeds supply in many fields, including services for persons with disabilities, substance abuse treatment and mental health.

F) Illinois has been a leader in many human services domains, and in many areas, among the top performers in the nation. These include child welfare, early childhood and child care, TANF caseload reduction, successful welfare reform provisions unique to Illinois, improvements in food stamp take-up, health care models, and others.

II. It is recommended that the Human Services Commission adopt the following guiding principles on the outcomes of human services.

OUTCOMES OF THE ILLINOIS HUMAN SERVICES SYSTEM – GUIDING PRINCIPLES

In order to implement the performance-based budget process mandated in HB 5424, the state is currently designing goals, objectives and metrics through which state agency activities will be prioritized, assessed, structured and funded. While initial sets of goals are being created in the spring of 2011, the process will be iterative over coming years as the system is fully developed and implemented. The Human Services Commission, therefore, recommends that the following be incorporated into that system:

A) The state human services system has two fundamental purposes:

1. To enable people to achieve their full potential, which in turn makes our state as socially and economically strong as it can be.
2. To provide a safety net for persons lacking the means to live an acceptable quality of life.

B) All residents of the state have, therefore, an interest in the following outcomes being achieved and so these interests should drive human services outcomes. These categories are somewhat different from those that structure the FY-12 budget because they are limited to human services, rather than including all state functions, as does the budget proposal. Because they are key interests, state human service goals should be based upon them.

1. The state is highly economically competitive with strong job creation, high wages, and low unemployment.
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3. Every resident has a shelter and adequate food and nutrition.
4. Illinois residents live in safe environment, and the vulnerable can rely on protection from harm.
5. Illinois residents are healthy, physically and mentally.
6. Persons who have significant limitations, be they due to a disability, aging, or some other cause, have supports that facilitate their reaching their potential and having high quality of life.

While the HB 5424 process will appropriately consider public input into goal-setting, it is essential that needs of vulnerable populations, whose needs may or may not be popular with the general public, be met.

Outcomes may be structured into one of four categories:

1. Basic support
2. Prevention
3. Maximizing independence
4. Resilience and recovery

C) Attaining social-level outcomes requires attaining various subordinate outcomes that in the aggregate produce them. Examples are:

- A child's successful matriculation from an early childhood program to kindergarten
- A person attaining a job with a livable wage
- A foster child successfully emancipating
- A person with a substance addiction attaining sobriety

D) Outcomes must be achieved in three basic types of service settings:

1. In some of these instances, the outcome may be attained by the delivery of a single service, for instance a mother who needs only a child-care provider in order to go to work.
2. In other instances, multiple services are needed and a single provider is equipped to provide them, or coordinate service provision from multiple providers. An example would be a developmentally disabled person working with a single provider or many child welfare cases.
3. The third instance is where multiple services are needed from multiple providers, and strong systems of care coordination do not exist. Examples of these might be re-entering offenders, TANF cases with multiple needs, or substance addiction cases.

Currently, the state mostly collects data on individual units of service rendered in all three types of service settings. In most instances, these are not, strictly speaking, outcome measures. The data may or may not relate to achievement of any of the six major social-level outcomes.

In order to implement a strong outcomes-based budgeting system, the system must be able to do the following things, and service provision must be aligned to achieve them:

1. Provide data and accountability for specific services rendered to individuals.
2. Provide a system of ownership and accountability for outcomes of persons who utilize multiple services, in some instances crossing agencies.
3. Track long-range outcomes of persons receiving service so as to assess whether priority outcomes were achieved, i.e. jobs were held, children performed in school, or offenders or persons with addictions recovered.
4. Be able to measure and assess the relative contributions of different services to attainment of social-level outcomes.

In order to create strong outcome goals and metrics, state personnel in the executive and legislative branches, and the HB 5424 Commission, must establish processes to obtain receive meaningful input from:

1. State agency personnel
2. Service providers
3. Scholars in the field and other subject matter experts

III. It is recommended that the Human Services Commission adopt the following statement on how the state could best achieve the proposed human services outcomes.

HOW TO ACHIEVE PROPOSED OUTCOMES

The state is at an important transitional period for how it provides services:

1. Significant budget shortfalls require that a high priority be placed on attaining greater cost-efficiency.
2. A new budgeting for results process necessitates that service delivery systems be aligned with proposed outcomes.
3. Federal health care reforms will result in new payment mechanisms and new clients in state health-related systems during the next five years.
4. The State is committed to major redesign of its IT systems through the Framework initiative. This should be aligned with needs of state agencies related to goals and outcomes.
5. In a number of fields there is evidence that improved service strategies could lead to better client outcomes. These might include, but not be limited to, prisoner re-entry, rebalancing institutional and community care, better integrating substance and mental health treatment, better care coordination to multi-system user clients, and wider implementation of Open Door or family case management.

We cannot presume that current policies and programs are necessarily aligned with outcomes that may be generated by the HB 5424 Commission. This is in consideration of the transformative factors listed above, an opportune time to implement improvements in the state's human services system.

The Human Services Commission, therefore, recommends a comprehensive review of the current service delivery system in Illinois with the goal of implementing changes leading to:

1. Aligning programs and outcome goals
2. Ensuring quality client outcomes and building mechanisms for quality improvement
3. Reducing disparities in quality of life between members of different social groups and protecting vulnerable populations
4. Maximizing efficiency in service provision and reducing costs where possible

Task scope would include:

1. Assessing agency assignment for programs
2. Maximizing federal and other grant opportunities
3. Coordinating services for clients, particularly those with multiple needs
4. Identifying most effective service strategies
5. Aligning service provision with desired outcomes
6. Aligning service and data needs with the Framework process and building annual and interim indicators systems

The planning process would:

1. Coordinate with the executive and legislative processes related to budgeting for outcomes
2. Include input from state agencies, providers and advocates, experts, and elected officials
3. Build on strong existing service models and demonstration projects existing in Illinois
4. Be evidence-based