



USING DATA & EVIDENCE IN GOVERNORS' FISCAL 2020 BUDGETS

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Overview

Recently, NASBO released [state-by-state summaries](#) of governors' budget proposals for fiscal 2020, detailing state fiscal conditions and gubernatorial priorities outlined in their budget recommendations. NASBO also published a series of issue briefs highlighting executive proposals for the next budget cycle in key policy areas including: [education](#); [health and human services](#); [corrections and juvenile justice](#); [environment, agriculture and natural resources](#); [transportation and infrastructure](#); and [tax and revenue measures](#). This installment of NASBO's issue brief series on governors' fiscal 2020 budgets takes a broad look at how gubernatorial proposals reflect states' increasing use of data and evidence to inform decision-making, focusing on several key areas:

- Reporting Performance Measures
- Managing and Budgeting for Performance
- Using Data Analytics
- Investing in Evidence-Based Programs
- Funding Program Evaluation
- Implementing Statewide Initiatives
- Building Staff Capacity

The state examples provided below are meant to be illustrative but not exhaustive.

Reporting Performance Measures

Collecting and reporting performance measures in the executive budget is one of the most common and fundamental approaches taken by states to support data-informed decision-making. According to NASBO's 2015 edition of *Budget Processes in the States*, 37 states indicated that they report performance measures and data in the executive budget document, while some states may publish separate performance measurement reports or websites instead or in addition. The specific performance measure details provided in an executive budget may vary, but they commonly include agency and/or program descriptions, goals and objectives, in addition to performance measure data. Below are several examples of how states present and apply this information, as well as descriptions of recent changes to performance measurement practices.

- **Colorado's** executive budget request discusses how the state has worked to align the budget with performance outcomes, featuring highlights and accomplishments under each of the governor's priority areas.
- **Georgia's** budget book materials explained that the budget office conducts zero-based budget analysis of programs systematically on a rotating basis to evaluate their effectiveness and efficiency. In addition to providing an overview, key activities, funding data and



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performance measures for each program, the analysis also makes recommendations for future review or changes to the program budget and operations.

- **Pennsylvania's** executive budget describes how performance measurement goalsetting continues to be a core component of the budget process. The budget book explains this year's process: "The Governor's Budget Office worked with agencies to select fewer, more meaningful budget book measures and to differentiate them by outcome, output, customer service, and efficiency measures...agency funding requests were to be driven by data collected about each program's effectiveness in achieving its purpose. Where programs are not meeting performance goals, the agency should carefully consider the reasons, and be prepared to justify continued funding of underachieving programs."

Managing and Funding Performance

Governors' fiscal 2020 budgets include numerous cases where performance measures are used to manage and inform the funding of certain programs in areas such as education, criminal justice, and health and human services. Examples from states, provided below, include programs where the distribution of state funds is tied to performance measures, aid to local governments attached to performance reporting requirements, and grants and contracts linked to performance indicators.

- **Arizona's** governor proposed an additional \$60 million to expand Results-Based Funding, a program that provides additional per-pupil funding to schools that achieve the highest standardized test scores.
- **Florida's** governor recommended increased performance funding for public colleges, universities and career technical centers.
- **Maryland's** budget specifies that a general fund appropriation of \$11.9 million for the Baltimore

Mayor's Office of Criminal Justice not be expended without a comprehensive strategic plan and quarterly performance measures.

- **Massachusetts's** governor proposed \$1.1 million in funding for entrepreneur training program grants, requiring grant recipients to agree to performance measures and indicators that will be used to evaluate the services they provide. The governor of Massachusetts also proposed \$28.8 million for a short-term housing assistance program, Homebase, and called on the department to reallocate funding based on performance from under-performing service providers to above-average providers.
- **Michigan's** governor noted that the budget would continue requiring local governments to comply with certain accountability and transparency provisions to receive incentive-based revenue sharing payments.
- **Rhode Island's** governor's budget explained how the Children's Cabinet, with leadership from the Office of Management and Budget, examined appropriations to map investments to desired outcomes for children and youth and track spending in this area.
- **Texas's** governor called for bonus funding to reward school districts when their students meet or exceed established standards.
- **Utah's** governor's budget called for procurement processes to improve the value of contracts by focusing on measurable performance outcomes while also reducing the time and cost it takes to submit requests for proposals.
- **Wisconsin's** governor proposed creating a Medicaid pay for performance initiative to incentivize Health Maintenance Organizations to comply with blood lead testing standards.



Using Data Analytics

States in recent years have worked to increase data sharing and integration for the purposes of facilitating cross-agency collaboration, informing policy choices and program management, and measuring program impacts. In fiscal 2020, governors' budgets continue to make advancements in this area. For example:

- **Minnesota's** governor proposed state funding to enhance a new data collection system, supported by a federal grant, for school districts to collect accurate detailed demographic information so that this data can be used to inform policy decisions.
- **South Carolina's** executive budget allocates \$142,448 in recurring dollars and \$595,000 in nonrecurring dollars to create an "Outcomes and Accountability Data System" for the state's early childhood education initiative, SC First Steps to School Readiness. The goal of the data system is to "allow First Steps to effectively adapt and mission-shift in response to changing circumstances, as well as provide that data to communities to develop localized solutions."
- **Virginia's** governor proposed a supplemental budget that includes funding to enable the state to continue to administer the School Climate Survey and improve its research capacity to analyze school safety data.

Investing in Evidence-Based Programs

In recent years, states have expanded their efforts to invest in evidence-based programs with a proven track record of effectiveness. Whether by partnering with the Pew-MacArthur Results First Initiative, launching a state policy lab, embedding evidence-based requirements in agency budget requests, or other methods, states have taken concrete steps to increase their investments in programs that work. This is clearly evident in governors' budget proposals for fiscal 2020. For example:

- **Florida's** governor proposed \$12.3 million for the Department of Juvenile Justice to contract with evidence-based prevention programs.
- **Illinois's** governor's budget highlighted the Justice, Equity and Opportunity (JEO) initiative, which will implement evidence-based strategies focused on reforming the criminal justice system and protecting public safety, and added funding for information technology initiatives that support evidence-based decisions regarding placement and offender risk and needs assessment.
- **Indiana's** governor recommended \$3.5 million in fiscal 2020 and fiscal 2021 to maintain an evidence-based program to partner with K-12 schools to provide social services to children and families.
- **Kansas's** budget called for \$18.1 million for fiscal 2019 and fiscal 2020 for Children's Initiatives Fund grants, to be used to provide research-based child development services.
- **North Carolina's** governor proposed almost \$3 million to expand evidence-based family preservation services to prevent the unnecessary removal of children from families by improving family functionality, resiliency, and safety.
- **Washington State's** governor recommended additional funding for evidence-based behavioral health programs, such as intensive outpatient treatment / partial hospitalization programs and assertive community treatment.

Funding Program Evaluation

Rigorous research on the level of effectiveness of programs has grown increasingly available and accessible to state policymakers in recent years. To continue to build evidence on what works, particularly within a state-specific context, some states are directing resources to conduct evaluations



and measure program impact. The following proposals from governors' fiscal 2020 budgets help illustrate this trend:

- **Colorado's** Department of Higher Education requested \$6.6 million in general fund dollars to create a scholarship program for teacher preparation programs at public institutions, and provide funding for an evidence-based evaluation of the program.
- **North Carolina's** executive budget recommended \$1 million for grants to state agencies to sponsor rigorous, independent evaluations to generate evidence about program effectiveness and results.
- **Oregon's** governor proposed a new statewide audit for how school districts use funds to achieve the state's goals, integrating the results of this audit into longitudinal data studies to evaluate return on investment.

Implementing Statewide Initiatives

Several governors' budgets announced new statewide initiatives covering all or most state agencies, aimed at harnessing data and evidence to inform decision-making. Other states that already established initiatives to advance the use of data and evidence across state government used their budget documents to highlight the results and successes of these efforts.

- **Alabama's** executive budget highlights how the state recently created an evidence-based budgeting process to ensure state funds are directed to cost-effective programs, measure program outcomes, and incorporate evidence into the decision-making process.
- **Connecticut's** governor announced the creation of a new digital and performance agenda, to include a cross-agency performance management system that breaks down silos and improves service delivery, a Connecticut Digital Service, and strengthened analytics capacity to invest in evidence-based programs that lead to better outcomes.

- **North Dakota** incorporated a new budget approach for the fiscal 2020-2021 biennial budget, following a comprehensive strategy review process.
- **Utah's** executive budget included an entire chapter on how the budget office employs the SUCCESS framework to improve performance and inform funding decisions across state government.
- **Vermont's** governor highlighted efforts under two related initiatives – the Government Modernization and Efficiency Team (GMET), tasked with leading efforts to make government more efficient and effective, and the Program to Improve Vermonter Outcomes Together (PIVOT), tasked with implementing and tracking progress of the recommendations issued by GMET.
- **Washington State's** governor featured the data-driven, collaborative Results Washington initiative, launched in 2013, and how this effort has led to improvements in key areas of government.

Building Staff Capacity

As states work to thoughtfully expand their efforts to leverage data and evidence, governors are proposing concrete steps to recruit new staff with the necessary skills to create more capacity. Some governors are also recommending funds for new training programs related to performance measurement, data analytics and evidence-based practices.

- **Arizona's** governor proposed additional funding to allow the Government Transformation Office to address staffing needs, including filling Lean Coach and Data Analyst vacancies and creating a new Data Scientist position.
- **Colorado's** executive budget requested \$500,000 for the "evidence-based policymaking evaluation and support" function of the governor's offices.
- **Delaware's** executive budget recommended enhanced funding for the state's Technology Office for statewide analytics.



- **Minnesota's** governor included funding in the budget for a new child welfare training program, focused on implementing evidence-based practices through skill development.
- **North Carolina's** governor proposed \$4 million to hire analysts with advanced quantitative and research capabilities in order to build capacity across state government for evidence-based, data-driven decisions.

NASBO expects governors and states will continue taking steps to increase their use of data and evidence to inform decision-making, and will monitor ongoing trends in this area.

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