

Utah OPS: Building on SUCCESS

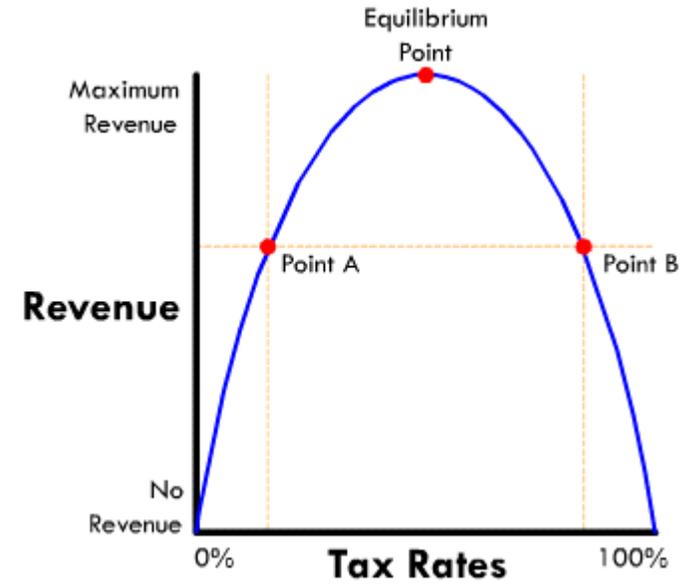
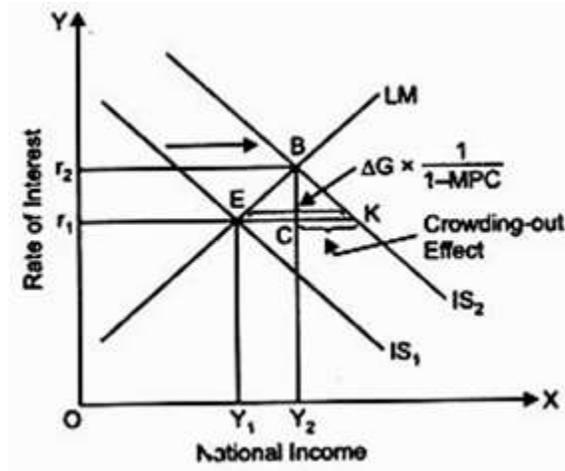
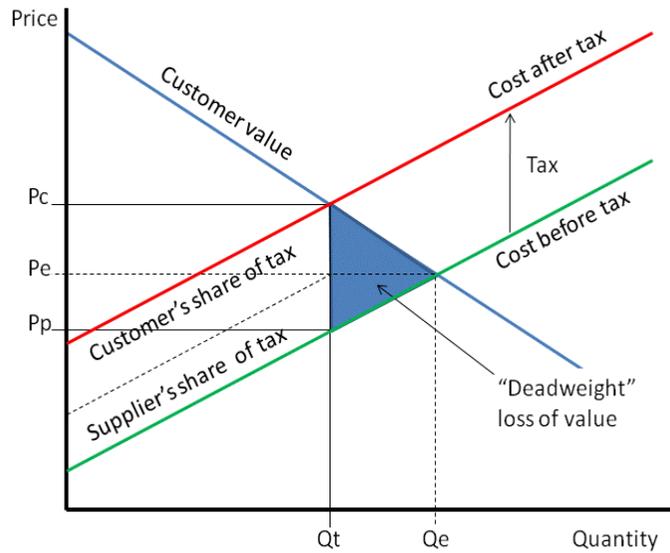
September 8, 2016
Salt Palace Convention Center

Whose Money is it Anyway?
*Our Stewardship to Safeguard Utah's
Scarce Tax Dollars*

Phil Dean, Budget Director & Chief Economist, GOMB
Nate Talley, Budget Manager and Policy Economist, GOMB

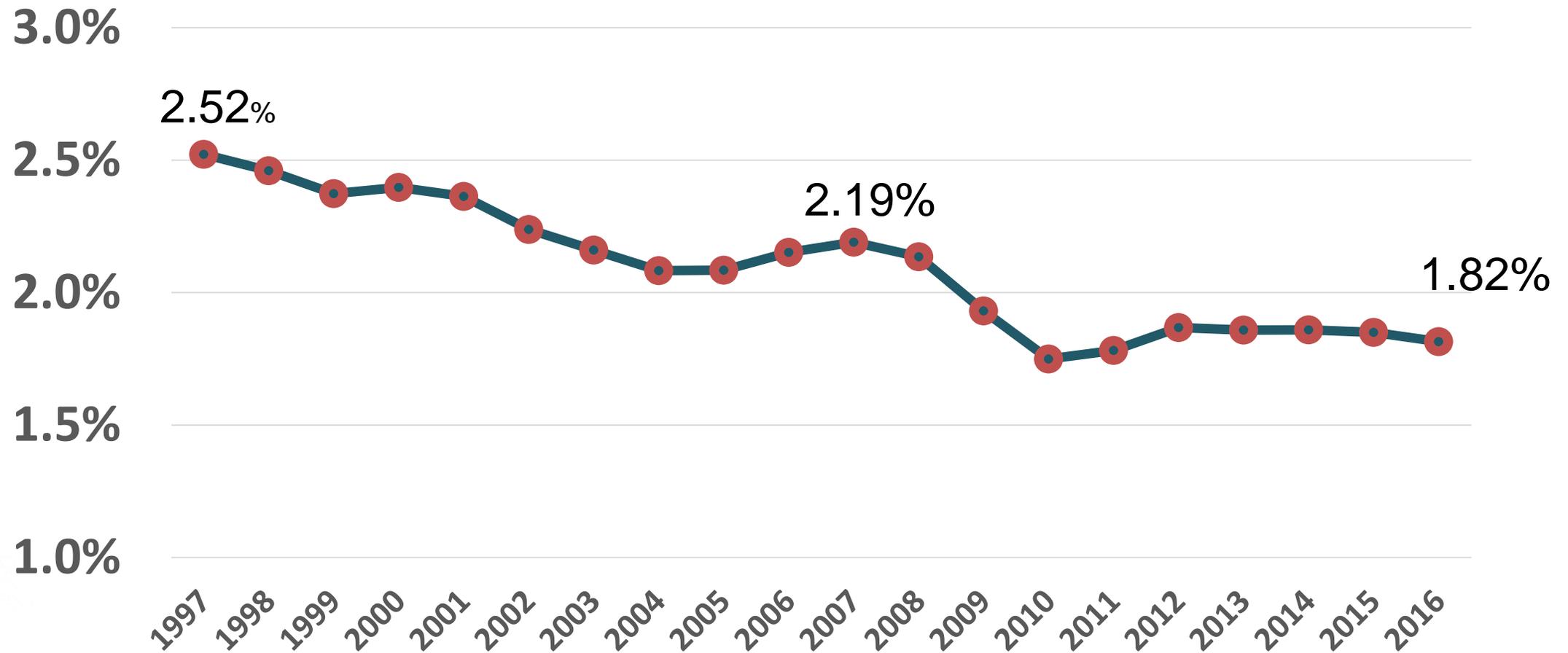


S U C C E S S
— F R A M E W O R K —



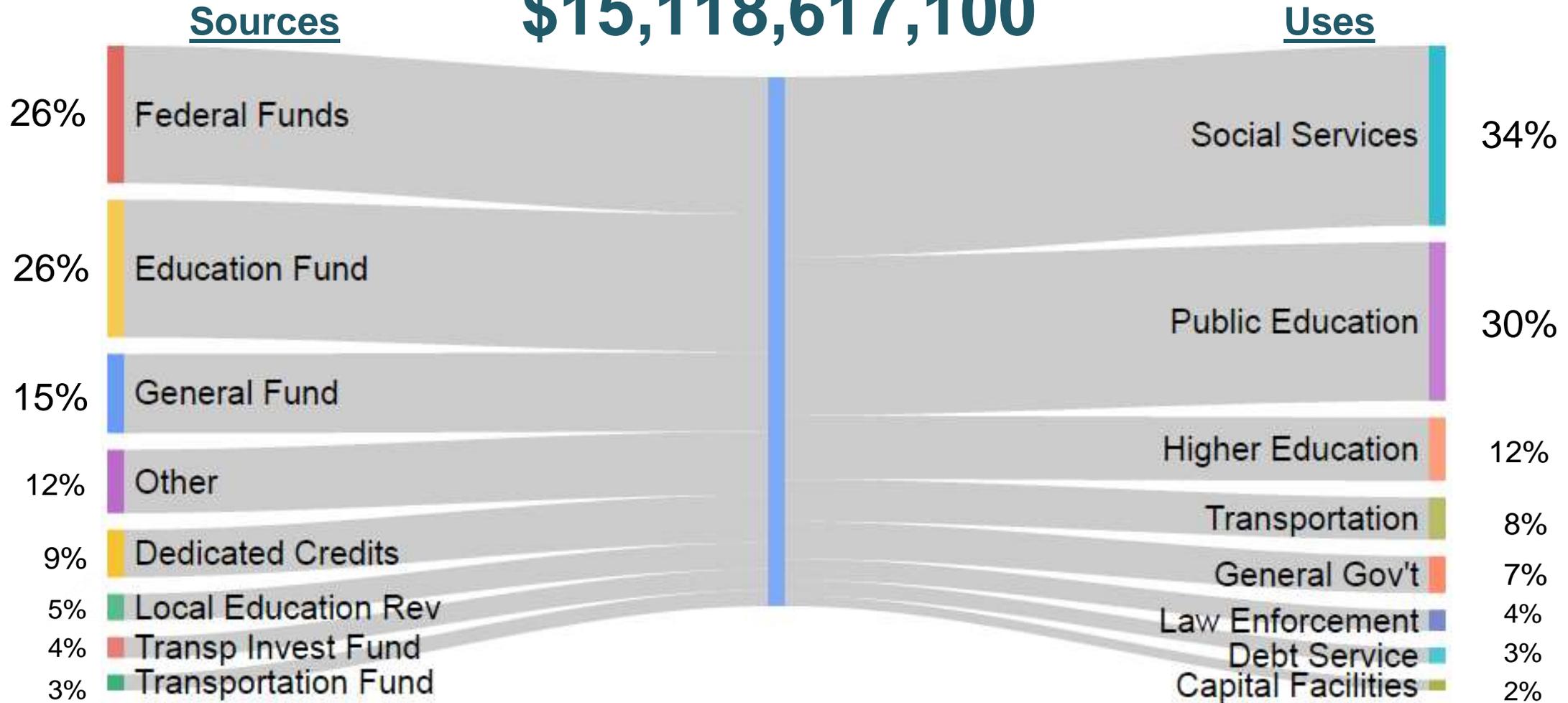


**To Create More Value for Every
Tax Dollar Invested**

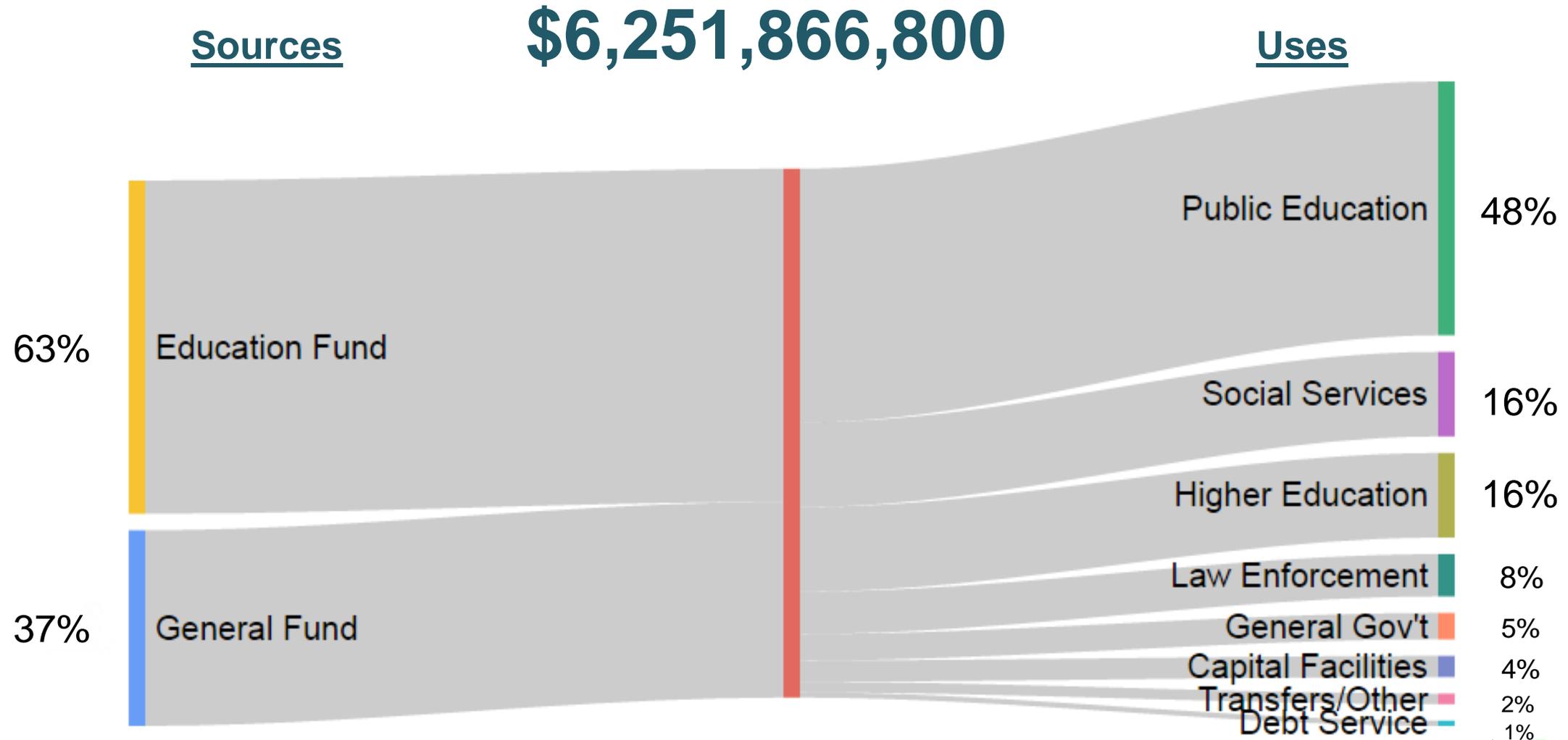


Whose Money is it Anyway???

\$15,118,617,100



Whose Money is it Anyway???



In the year 2013, there were ~370 requests

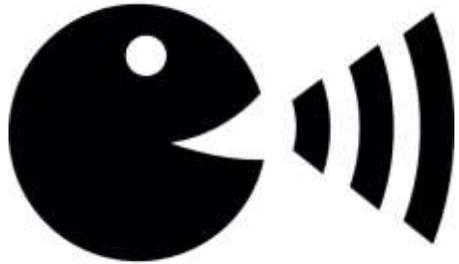
In the year 2015, there were:

~290 Requests

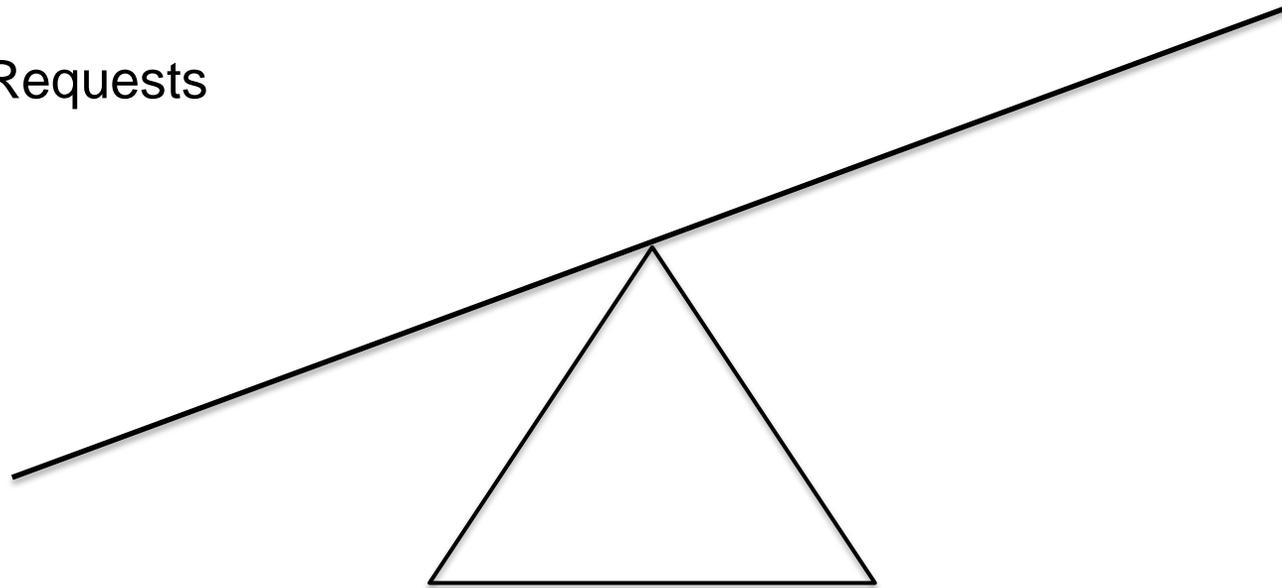
22% Reduction!

FY 2016/2017 Available GF/EF Revenue

FY 2016/2017 GF/EF Requests



>\$800m 1x
>\$700m OG



\$150m 1x
\$400m OG

There are always unmet needs:

- Services for People with Disabilities waiting list
- Employee compensation
- Public Education
- Others?

Which is why creating more value is so important

- ⚙️ QT/OE and Agency System Measures
- ⚙️ GOMB and Agency Evaluation Efforts
- ⚙️ Integrating SUCCESS with the Budget Process

Q

=

QUALITY

T

=

THROUGHPUT

OE

=

OPERATING EXPENSE

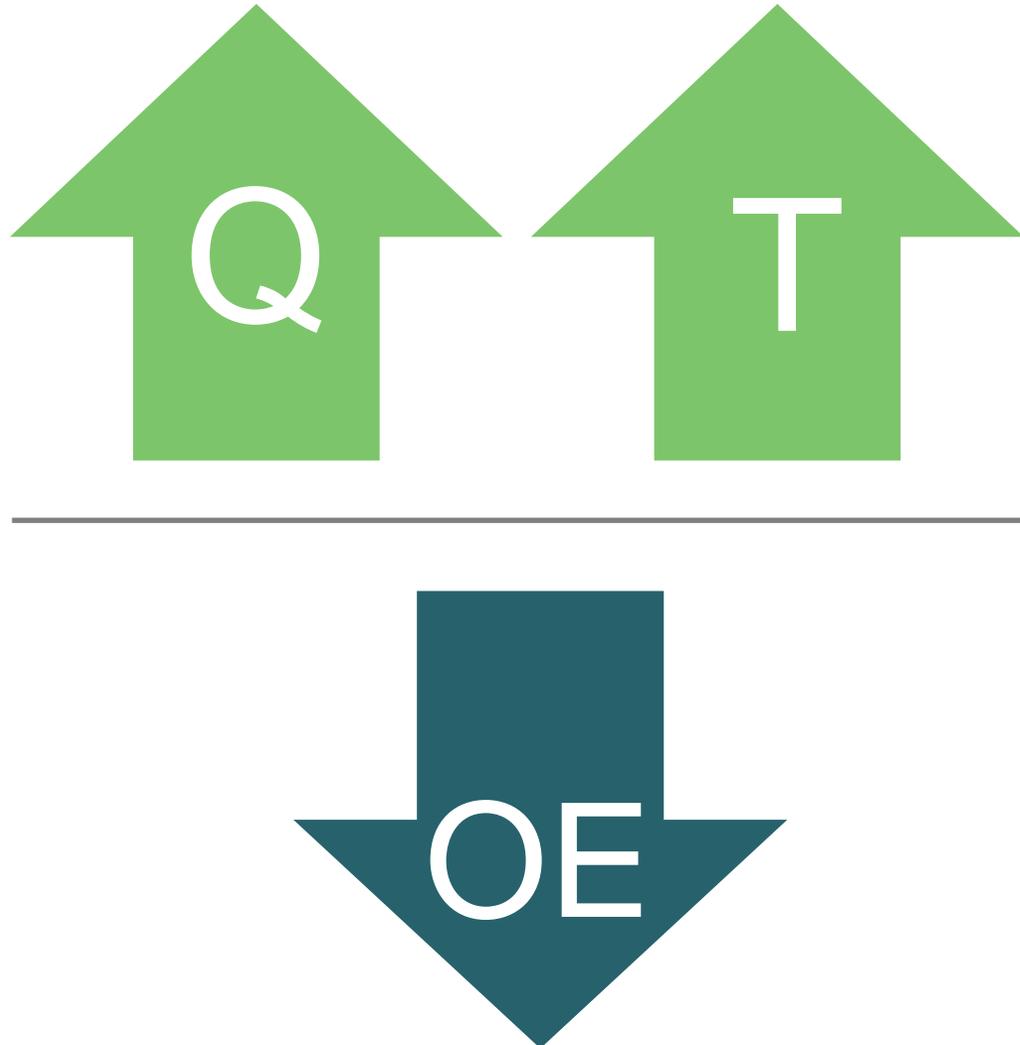
Quality describes effectiveness or the “degree to which we are successful in producing a desired result. Often quality indicators are accuracy, reliability or effectiveness.

Throughput is the demand or volume of work completed by the system, or people served.

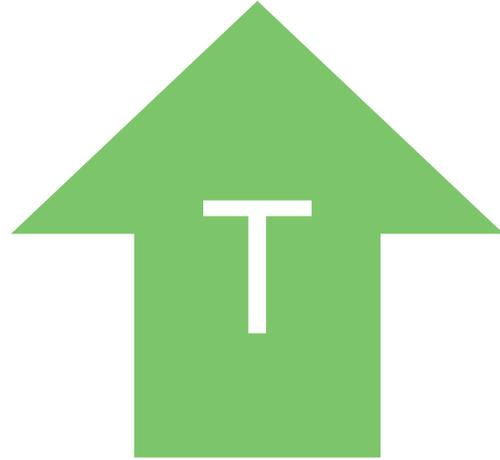
Operating Expenses are the sum of total costs associated with producing quality throughput.

$$\frac{QT}{OE}$$

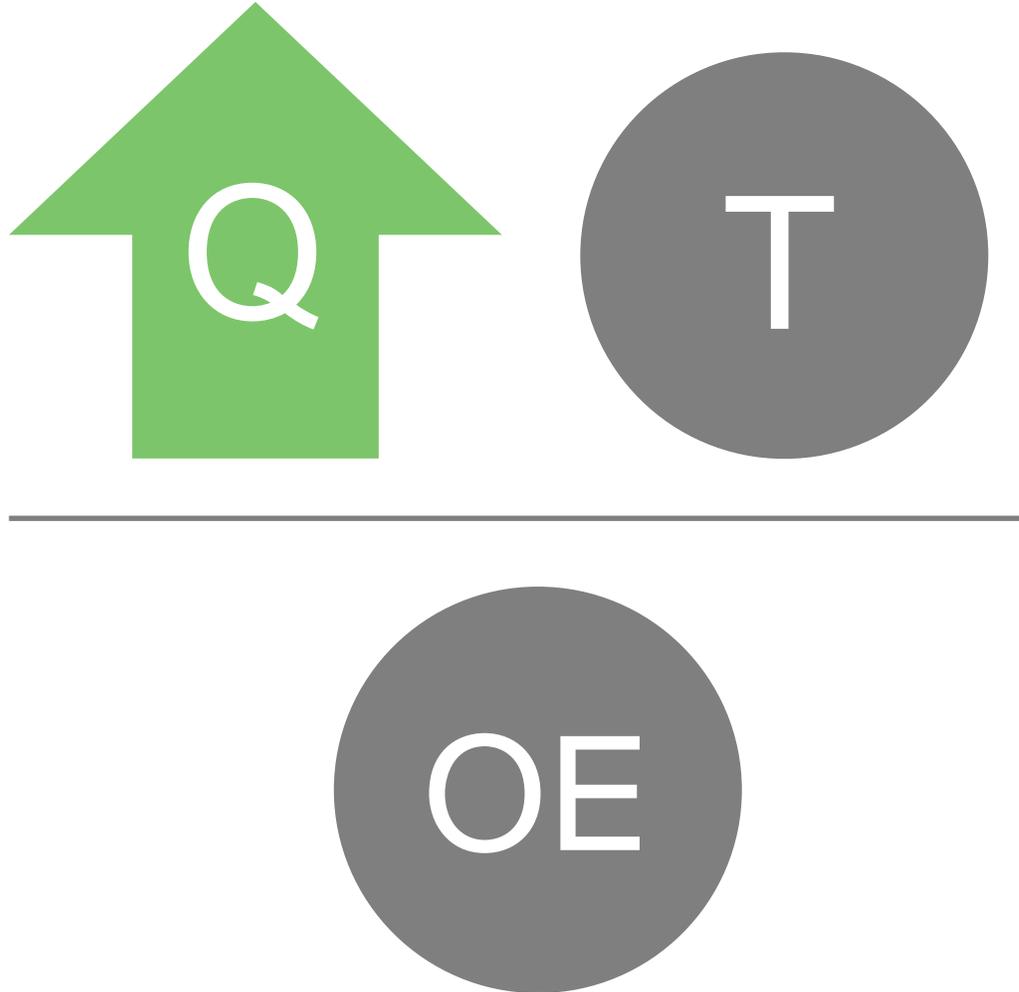
QT/OE is a ratio that we want to improve over time



Is This System
Performing
Well?



Is This System
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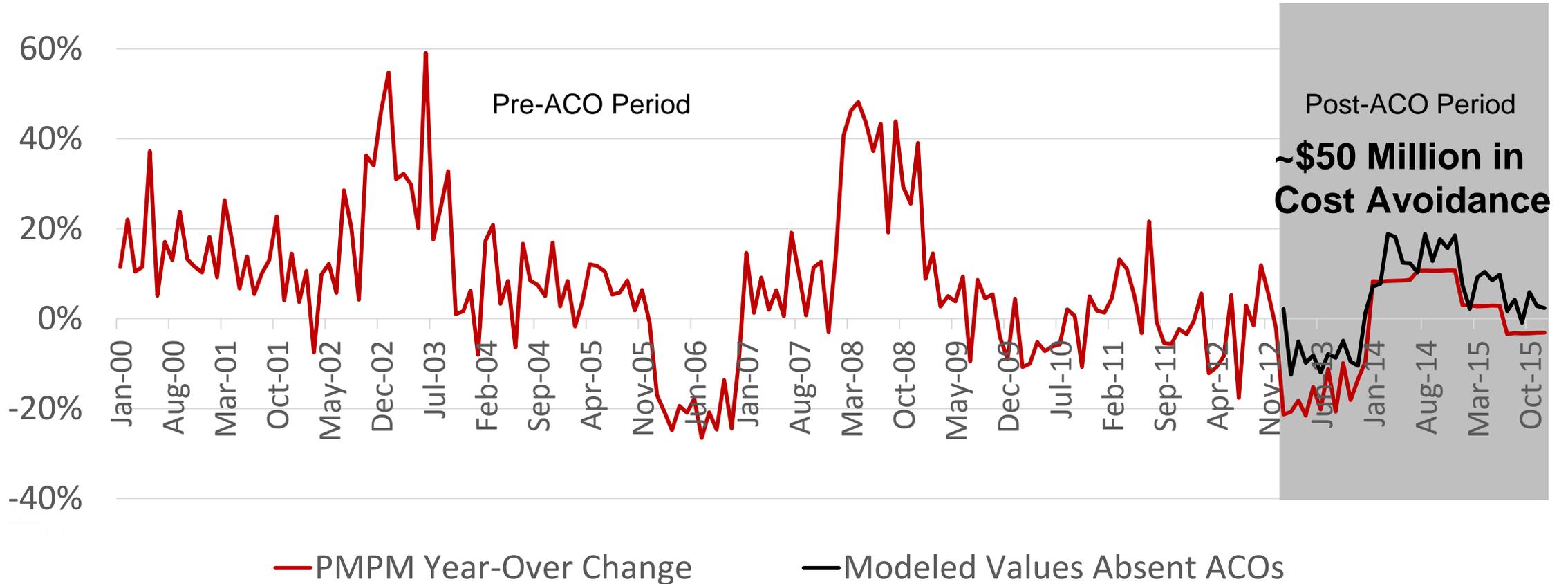


Is This System
Performing
Well?

Some Elements of Evaluation

- ⚙️ Determining evidence basis of the program/activity
- ⚙️ What are the outcomes attributable to the program/activity?
How do we know these outcomes are caused by the program (i.e. what's the treatment effect?)
- ⚙️ What is the cost/benefit of the program/activity in its current or requested state and should we pursue alternatives until more data can be gathered?

Year-Over Per-Member-Per-Month Medicaid Growth Rates



*Data Displayed for Disabled Eligibility Category

Set clear, measurable and ambitious goals

Use data, analysis and thinking tools

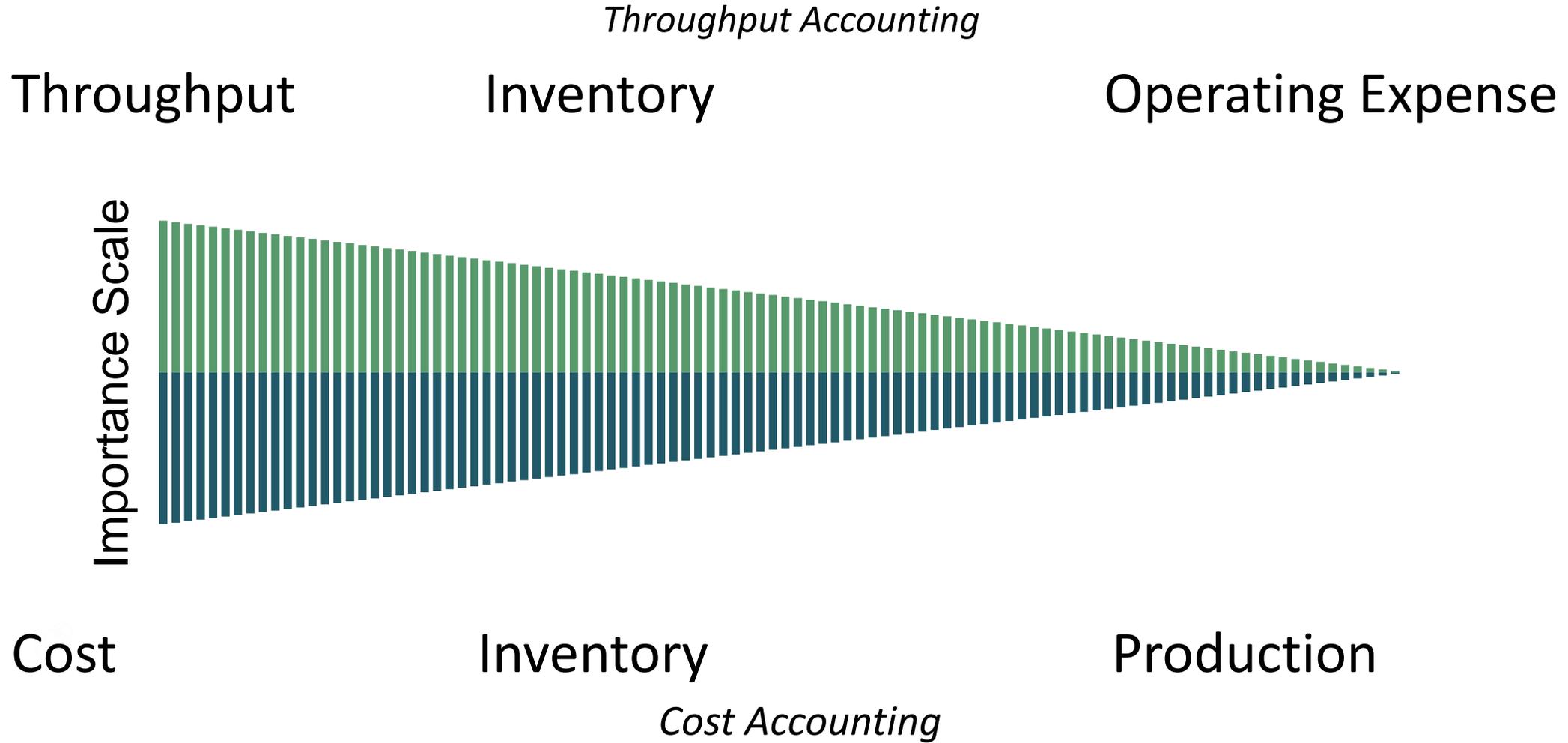
Create the strategy

Create the organization and culture

Engage employees and customers

Synchronize projects and policies

Stay focused



New Budget Processes

- ⚙️ Justifying fee increases (Form 1)
- ⚙️ Reallocating resources (Form 2)
- ⚙️ Budget change requests (Form 4 & Business Case Forms)



Start with Your Highest Priority Funding Need!

- ⚙️ The Business Case exercise is designed to isolate the highest priority funding needs
- ⚙️ Is the activity the proper role of state government?
- ⚙️ Is the activity the proper role of the state agency?



Success **M**anagement **I**nformation **S**ystem

GOMB Preference for Funding Requests

Non-GF/EF Funding Sources

GF/EF Funding Sources.....

Maybe!

This request must be funded because *“we will incur the expense regardless”*

This request must be funded because *“there is a public demand/need”*

This request must be funded because *“we’ve been doing more with less for too long”*

This request must be funded because *“this is an investment opportunity that will save resources in the long run”*

What are we buying with our investment?

“What, specifically, is being purchased with this requested investment? If this investment will support increases in variable costs and output, please describe the expected change in corresponding output (e.g. caseload per FTE). How will these activities support the overall system, program or activity?”

Unique Aspects

- Is this a legislative mandate?
- Federal requirements that truly leave no discretion as to whether this program is undertaken or modified?
- Caseload increases that cannot be turned away?

Answering the Question “What are we buying?”

- Hypothetical: HB 172 from the 2016 GS requires a licensed clinical therapist to interview a public benefit applicant before a drug test can be administered

Note: Made-up Numbers

- 5,000 public benefit customers a year, 20% must be interviewed by licensed clinical therapist.
- Estimate for number of full-time therapists (sources: pilot testing, evidence-based literature, etc.)
- Cost estimates of full-time therapists
- Outcomes expressed in terms of Quality, Throughput and/or OE

Unique Aspects

- General justification that is inherent to most requests
- Could support funding needs that don't tie well to per-unit results
- Could support funding needs that are latent or preconditions to the broader objective (e.g. more admin, infrastructure)

Answering the Question “What are we buying?”

- Hypothetical: Proposed expenditure for outdoor recreational facilities

Note: Made-up Numbers

- Visitation has increased at an average rate of 9% per year over the past five years
- Camping and day use areas frequently reach carrying capacity
- Overcrowding and overflow visitation in surrounding sites without proper facilities results in resource degradation and safety concerns
- Non-GF Funding Source
- Outcomes

Unique Aspects

- Could be hybrid of “incur the costs anyway”, for example, absorbing costs related to mandatory caseload increases
- Choice between not meeting mission or sacrificing quality
- Additional costs are being created because of the circumstances (e.g. poor morale causing high turnover, rework etc.)

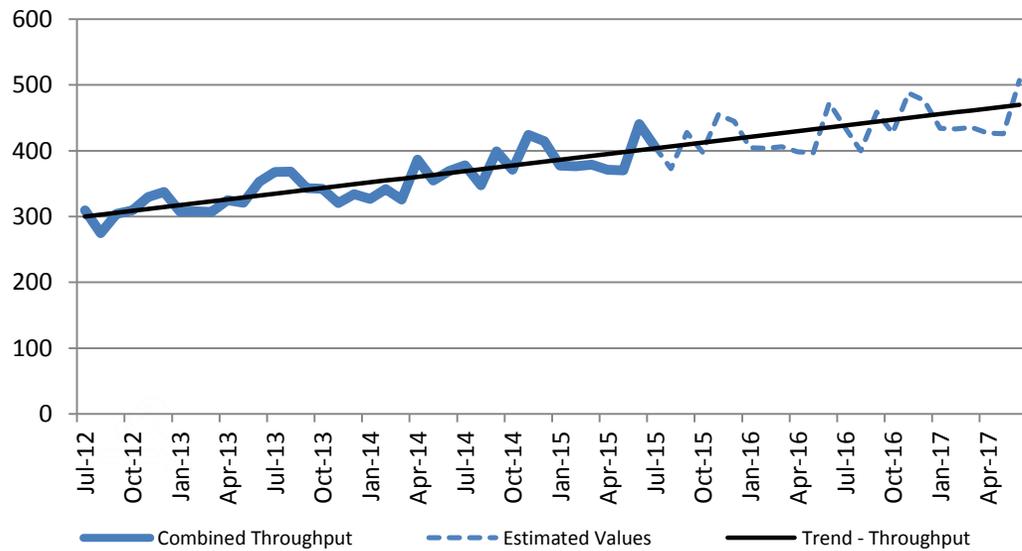
Answering the Question “What are we buying?”

- Last year’s Office of Medical Examiner Business Case Template

Key aspects of last year's template

- Office of the Medical Examiner must determine cause of deaths. Standard examination workload is 250 per pathologist per year, currently performing 325, which is the maximum limit allowed for accreditation.

Health - Medical Examinations
Combined Throughput



- Have exhausted alternatives to meet demand: reorganized administrative duties, triaging, using outside vendors for lower level duties, etc.
- Currently completing 75% of reports within 15 weeks of origination.
- With this funding request, will be able to complete 90% of reports within 6 weeks of origination.

Unique Aspects

- Opportunity to improve or replace existing system or program
- Will address established needs in a new fashion and more efficiently
- Program outcomes are usually key to these requests

Answering the Question “What are we buying?”

- Hypothetical: Intergenerational Poverty Initiative to help youth ascertain in-demand skills and transition into the workforce

Note: Made-up Numbers

- Proposing an intervention that will help break the cycle of intergenerational poverty by connecting youth with skill development and work opportunities through mentorships with employers and modified educational curriculum
- Cost estimates on a per-participant basis
- Anticipated outcomes in counterfactual form
- Estimates for savings and/or cost avoidance over time

Business Casing your highest priorities

Communicating system measures to SMIS

Ruled-out other alternatives to asking for new funding

Other funding sources before GF/EF are not available

Calculated “what are we buying with this investment?”

Know that it's the proper role of state government

Safe that it's within the proper role of your agency

Tenably demonstrated consequences of not funding the request

Articulated the importance of the timing of the request

Reported information around the scalability of the request

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Budget Packet Materials

<https://sites.google.com/a/utah.gov/budget/>

GOMB Website -Staff Assignments & Contact

<http://gomb.utah.gov/about/staff-assignments-and-individual-contact-information/>



S U C C E S S
— F R A M E W O R K —