

Using Performance Measures In Public Management



Fiscal Policy Report No. 16

March 1999

BOARD OF GOVERNORS

Ian M. Rolland, Chair
Lincoln National Corporation

Michael J. Alley
Fifth Third Bank of Central IN

Hugh A. Barker
Cinergy/PSI Energy

Joseph D. Barnette
Bank One Indiana Corporation

Coulter R. Boyle
American Electric Power

Michael G. Browning
Browning Investments, Inc.

Arthur L. Bryant
State Life Insurance Company

James M. Cornelius
Guidant Corporation

Robert J. Darnall
Inland Steel Industries, Inc.

Hon. Sarah Evans Barker
United States District Court

Lawrence Feger
Indiana Energy, Inc.

Michael A. Flexsenhar
Caterpillar, Inc.

H. John Gilbertson, Jr.
Goldman Sachs & Company

Charles E. Golden
Eli Lilly & Company

Robert Gramelspacher
Gramelspacher Farms

John Hagaman
DowElanco

Jess Helsel
Helsel, Inc.

Donald E. Henderson
United Farm Bureau Family
Life Insurance Company

Stephen C. Hilbert
Conseco, Inc.

John Hodowal
Indianapolis Power & Light

J. B. King
Guidant Corporation

Kent A. Lebherz
Ameritech Indiana

L. Ben Lytle
Anthem, Inc.

Don E. Marsh
Marsh Supermarkets, Inc.

James Morris
Indianapolis Water Company

John Mutz
Cinergy/PSI Energy

Gary Neale
NIPSCO Industries, Inc.

Andrew J. Paine
NBD Bank

Ronald G. Reheman
SIGECO

Van P. Smith
Ontario Corporation

John A. Templeton
Templeton Coal Company

Robert Whitsel
Lafayette Life Insurance
Company

BOARD OF DIRECTORS

Allan Rachles, Chair
Crowe Chizek & Company

Charles C. Arthur
Arthur Andersen & Company

A. Gerald Backstrom
Central Soya Company, Inc.

Jean S. Blackwell
Cummins Engine Co., Inc.

Daniel Clark
ISTA

Donald E. Coovert
Venture Management Intl., LTD

Francina Dlouhy
Baker & Daniels

Niel C. Ellerbrook
Indiana Gas Company

Mark Florian
Goldman Sachs & Company

Stephen E. Rahn, Vice Chair
Lincoln National Corporation

Robert D. Kraft
Indiana Farm Bureau

F. Michael Kyle
Charles Schwab Co., Inc.

Martha D. Lamkin
USA Group

Gregg McManus
SIGECO

Terry A. M. Mumford
Ice Miller Donadio & Ryan

William W. Mundell
Inland Steel Industries, Inc.

Joseph A. O'Connell
KPMG Peat Marwick, LLP

David A. Kelly, Treasurer
IWC Resources/NIPSCO

Judith G. Palmer
Indiana University

James T. Parker
Anthem, Inc.

Jerry Payne
Indiana State AFL-CIO

I. Donald Penson
General Motors Corporation

Michael R. Rhodes
Economic Development Group, Inc.

Steve Robertson
Conseco, Inc.

E. Mitchell Roob, Jr.
IWC Resources, Inc.

D. William Moreau, Jr., Secretary
Bingham Summers Welsh & Spilman

Charles E. Schalliol
Eli Lilly & Company

Gregory Schenkel
Pearson Schenkel Public Affairs

Thomas A. Schilling
American Electric Power

Daniel B. Seitz
Bose McKinney & Evans

Larry J. Stroble
Barnes & Thornburg

Gary T. Taylor
AUL Insurance Co.

Charles J. Winger
Cinergy Corporation

IFPI STAFF

William J. Sheldrake
President

Jeannie Hellmann
Administrative Assistant

The Indiana Fiscal Policy Institute (IFPI), formed in 1987, is a private non-profit governmental research organization. It is the only independent statewide source of continuing research into the impact of state taxing and spending policies in Indiana. The IFPI is privately supported by a variety of organizations, corporations, associations, and individuals in Indiana and surrounding states. Contributions to the IFPI are fully deductible under section 501 (c)(3) of the Internal Revenue Code.

Copyrighted © 1999
by the
Indiana Fiscal Policy Institute, Inc.

Permission is granted to make copies of this report providing copies are not sold and the source is identified.

**Using Performance Measures
In
Public Management**

March 1999

**Indiana Fiscal Policy Institute
Capital Center, North Tower
251 North Illinois Street, Suite 980
Indianapolis, Indiana 46204
(317) 237-2890
FAX (317) 237-2893**

Using Performance Measures In Public Budgeting

I. Introduction

This paper is about current efforts in government to improve results and achieve excellence. It follows the case of a state agency in Indiana, the Family and Social Services Administration, as it strives to help people with few resources become self-reliant. The paper reviews processes used in other state government organizations to define and achieve excellence.

What comes to mind when we hear “excellence in government?” Perhaps our thoughts are conflicted. We need government to facilitate decision making on issues that affect the entire community. We need government to deliver the services that benefit all people and create value appropriate for its expenditures.

Our expectations of government may be dampened by a cynicism of bureaucracy, our personal experience with services or regulations, or by stories we read and see in the press and on television. Government’s responsibilities are so broad and complex that government seems incomprehensible. Accountability of government, an essential component to excellence, requires a public that is motivated to participate and a government that communicates effectively.

Many government organizations are working vigorously with citizens, lawmakers, businesses, community groups, and each other, in order to allocate scarce taxpayer resources for the best result. Groups are setting goals, agreeing on strategies, and sharing responsibility to make improvement. As expectations grow, government is responding. This approach to improvement in government is, in the 1990’s, called performance management.

II. Managing for Results at the Indiana Family and Social Services Administration

The Indiana Family and Social Services Administration (FSSA) was formed in 1991 from three existing state agencies serving people with low resources. FSSA provides a set of basic supports to over 1 million Hoosiers. The supports provided through FSSA are food, cash, housing, home care, physical and mental health care, employment, counseling, skill development, child care, and transportation.

At the time it was formed, FSSA provided services through approximately 200 different programs. The path of federal human services legislation has developed a system of human services programs that divides broad service areas into narrow, discrete programs.

Advocates raise awareness in Congress about the needs of specific groups of people .

Advocates, service providers, and government employees are committed to the people that they serve and try to maintain funding for each program they have championed. A system of services that must respond to the needs of people in a neighborhood or a community, instead resembles its roots in successive and iterative federal legislation. The system of human services controls the use of federal funds at the expense of easy access for customers.

FSSA was formed to integrate the efforts of the state, coordinate with communities, and simplify customer access to human services. FSSA adopted a mission of “helping people help themselves” to become as self-reliant and successful as they can be. The process began to transform hundreds of programs into integrated, person-centered services where people already go.

Indiana State Agency Performance Plans

When Governor Frank O’Bannon took office in January 1997, he asked each agency for a performance plan. For the Family and Social Services Administration, certain issues dominated the landscape.

Studies demonstrate that the major growth and formation of a child’s potential to learn occurs during the first three years of life. Governor O’Bannon emphasizes the nurture and growth of healthy children.

The federal government has made available to Indiana an additional \$73 million per year for five years to expand the availability of health insurance for children. FSSA is responsible to reach 90,000 children who are currently or newly eligible for insurance, and get them connected to a regular doctor.

Indiana welfare reform set an expectation of personal responsibility and work. States must offer services that help people get a job, keep working, make enough money to live, and take good care of their children. States must meet spending requirements or pay penalties to the federal government.

People want to live independently and contribute. Services must build on people’s strengths, be accessible close to home, and encompass the family. FSSA systems of doing business must be aligned to support person-centered services.

Information about people who use FSSA services is still mostly separate by program. The separation is reinforced by regulation and reporting requirements intended to assure that federal and state funds are spent only for services for eligible people. Technology offers tools such as artificial intelligence, relational data bases, and networks to manage existing information better. The potential exists to integrate current data bases to analyze who is receiving what combination of services for what cost, and use that information for system design.

The FSSA performance plan for the 1998/1999 biennium recommitts FSSA to its original mission. It describes FSSA values and objectives, defines its measures, and sets goals. A work plan specifies the strategies and approaches that are used to meet the goals.

A Model of FSSA’s Business - Where We Come From

Determining Eligibility and Developing Plans of Service

Exhibit 1 is a picture of how FSSA was structured to administer the delivery of human services. Three service delivery divisions of FSSA: Division of Mental Health, Division of Disability, Aging, and Rehabilitative Services, Division of Family and Children are organized around groups of people based on the specific issues that they share.

Exhibit 1 Family and Social Services Administration			
<i>Issues Among The Families We Serve</i>	<i>Organizations Formally Involved in Process of Determining Eligibility and Planning</i>	<i>Organizations Providing Services Within the Community</i>	<i>State Provided Services and State Administered Resources</i>
94,200 Individuals with Mental Illness/Addiction	42 Managed Care Providers	- Mental Illness Treatment for Adults (30 Managed Care Providers) - Addictions Treatment (29 Managed Care Providers) Prevention (14 Coalitions) - Treatment for Seriously Emotionally Disturbed Children and Adolescents (25 Managed Care Providers)	Larue D. Carter Evansville State Evansville Psychiatric Children’s Center Logansport Madison Richmond
40,000 Individuals with Mental Retardation Disability	9 Integrated Field Offices 28 Vocational Rehab Offices	- Residential Support (80 Providers) - Medical Services - Vocational Rehab (63 Providers) - Supported Employment (60 Providers)	Fort Wayne Muscatatuck Northern Indiana (scheduled to close 12/98) (New Castle – closed 8/98)
315,000 Elderly	16 Area Agencies on Aging	- In-Home Services	Medicaid
Low Income Individuals: 121,000 TANF 355,000 Food Stamps 411,000 Medicaid 862,000 Community Services	25 Community Action Program Agencies 92 DFC Local Offices	- Energy Assistance/Weatherization - Job Training/Placement (57 Providers) - Child Care (3,817 Licensed Providers) - Transportation - Child Support	Cash Assistance Food Stamps
13,000 At-Risk Children	92 DFC Local Offices	- Family Preservation/Support (280 Providers) - Foster Care (995 Licensed Foster Care Homes) - Adoption (68 Licensed Child-Placing Agencies) - Early Intervention for Disabilities (over 700 Providers)	Data Funding Performance Standards
Source: Family and Social Services Administration			

Six different organizations, each with its own administrative structures and local offices, determine eligibility and develop plans of services. A single, unemployed woman with a child can receive cash assistance, food stamps, and apply for Medicaid at the local office of the Division of Family and Children. She is expected to work, and she signs up for employment services at the same location.

For child care, she visits the voucher agent of her local Step Ahead Council. If she has an elderly parent in her home who needs help while she's at work, she applies at the local Area Agency on Aging. For help to pay for heat she applies to the local community action agency. If she is forthcoming about a problem with substance abuse she is directed to a local provider of addiction services.

In this system, people with children, few resources, and often unreliable transportation, make several stops and complete dozens of forms to get the supports they are eligible to receive. It is too much to expect. A business could not sell its product if it expected customers to purchase each component at a different location.

Six different federal agencies and the State establish eligibility standards for FSSA consumers. Eligibility is determined based on income for many services.

Cash Assistance	28% of Federal Poverty Level
Food Stamps	100% of Federal Poverty Level
Employment Services (TANF)	100% of Federal Poverty Level
Child Care	142% of Federal Poverty Level
Medicaid Managed Care	150% of Federal Poverty Level
Energy Assistance	125% of Federal Poverty Level
Children at Risk of Disability	Entitlement
Healthy Families	No Income Standard (Based on Need)
Mental Health services	200% of Federal Poverty Level
Addiction Services	200% of Federal Poverty Level

1998 Federal Poverty Level = \$20,570 per year for a family of 4.
(\$1,714 per month)

A case manager is expected both to support the transition of a family to greater self-reliance and to assure that services and payments are accurately distributed.

Government can't be all things to all people. Standards must exist in order to limit expenditures for services. If the design of the system offers access to services in a more cost effective way, if we are collectively more clear about our expectations of the individual, the local community, and the state, if we collaborate to make the most of our resources, we will likely serve more people, better, for less money. We might choose to invest more resources in a system of human services that demonstrates that people become self-reliant as parents and employees.

Delivery of Services

During 1998, \$3.3 billion of FSSA's \$4.1 billion budget was spent through not-for-profit and private organizations. These hundreds of organizations provide services under contract to FSSA.

Exhibit 2 lists the service providers currently under contract to FSSA in Tippecanoe County. This list does not include hundreds of Medicaid and IMPACT providers. (IMPACT provides support services to welfare recipients who are becoming employed.) The list gives the reader a sense for the size and intricacy of this system.

The structure of contracts with providers varies widely. A declining number are grants based on historic expenditures. Some are based on performance, with payment for success at achieving specific results. There are many versions in between. A provider offering services through different programs is reimbursed on a different basis, and submits claims in different forms, for each program.

Exhibit 2 Family and Social Services Administration	
ACTIVE CONTRACTS WITH SERVICES PROVIDERS IN TIPPECANOE COUNTY	
Grantee Name	Program Area
COMMUNITY AND FAMILY RESOURCE CENTER, INC.	State Latchkey
TIPPECANOE COUNTY CHILD CARE, INC.	State Latchkey
WONDERFUL WEEKDAYS, INC.	State Latchkey
YOUNG WOMEN'S CHRISTIAN ASSOC OF GREATER LAFAYETTE	Emergency Shelter Grant
LAFAYETTE URBAN MINISTRY, INC.	Emergency Shelter Grant
MENTAL HEALTH ASSOC/MENTAL HEALTH ASSOC OF TIPPECANOE	Emergency Shelter Grant
THE SALVATION ARMY OF LAFAYETTE	Emergency Shelter Grant
LAFAYETTE TRANSITIONAL HOUSING CENTER, INC.	Emergency Shelter Grant
COMMUNITY AND FAMILY RESOURCE CENTER, INC.	Youth Services Bureau
YWCA OF GREATER LAFAYETTE	Domestic Violence
PURDUE UNIVERSITY	Older Hoosiers
WABASH VALLEY HOSPITAL, INC.	Rehab Services
WABASH CENTER, INC.	Rehab Services
WABASH VALLEY HOSPITAL, INC.	Rehab Services
FOOD FINDERS FOOD BANK, INC.	Commodities
TIPPECANOE COUNTY CHILD CARE, INC.	Child Care/USDA/SSBG
CHILDREN'S DISCOVERY CENTERS OF AMERICA, INC.	Child Care/USDA/SSBG
COMMUNITIES VENTURES IN LIVING, INC.	Develop. Disability
WABASH CENTER, INC.	Develop. Disability
COMMUNITY & FAMILY RESOURCE CENTER, INC.	CSBG - Discretionary
AREA IV AGENCY ON AGING AND COMMUNITY SERVICES, IN	LIHEAP Weatherization Assistance Program
FAMILY SERVICES, INC.	Regional Independent Living
FAMILY SERVICES, INC.	Regional Independent Living
COMMUNITY & FAMILY RESOURCE CENTER	Child Abuse Challenge
COMMUNITY & FAMILY RESOURCE CENTER/THE COUNSELING	Access & Visitation
COMMUNITY & FAMILY RESOURCE CENTER, INC.	Children's Trust Primary, Secondary
FAMILY SERVICES, INC.	Children's Trust Primary, Secondary
BIG BROTHERS BIG SISTERS OF WABASH VALLEY, INC.	Children's Trust Primary, Secondary
TIPPECANOE COUNTY CHILD CARE, INC.	CCDF Child Care Development
TIPPECANOE COUNTY CHILD CARE, INC.	CCDF Resource Referral
AREA IV AGENCY ON AGING & COMMUNITY SERVICES, INC.	Step Ahead
COMMUNITY & FAMILY RESOURCE CENTER, INC.	First Steps/Part-H
PRESERVATION PARTNERS, INC.	Healthy Families Indiana
PURDUE UNIVERSITY	Healthy Families Indiana
PRESERVATION PARTNERS, INC.	Healthy Families Indiana
FAMILY SERVICES, INC.	Healthy Families Indiana
COMMUNITY & FAMILY RESOURCE CENTER, INC.	IVB-Part II - Family
FAMILY SERVICES, INC.	IVB-Part II - Family
BIG BROTHERS/BIG SISTERS OF WABASH VALLEY, INC.	IVB-Part II - Family
AREA IV AGENCY ON AGING & COMMUNITY SERVICES, INC.	IVB-Part II - Family
COMMUNITY & FAMILY RESOURCE CENTER	Title IV-B Part I/RC
DEBORAH K. SCHETZSLE	Title IV-B Part I/RC
COMMUNITY & FAMILY RESOURCE CENTER, INC.	SPOE/Part-H
WABASH VALLEY HOSPITAL, INC.	Div. of Mental Health - Multiple Services
BOARD OF COMMISSIONERS OF TIPPECANOE COUNTY	TANF
PURDUE UNIVERSITY-SPONSORED PROGRAM SERVICES	SSBG
GREATER LAFAYETTE AREA SPECIAL SERVICES	Local Projects - Vocational Rehabilitation

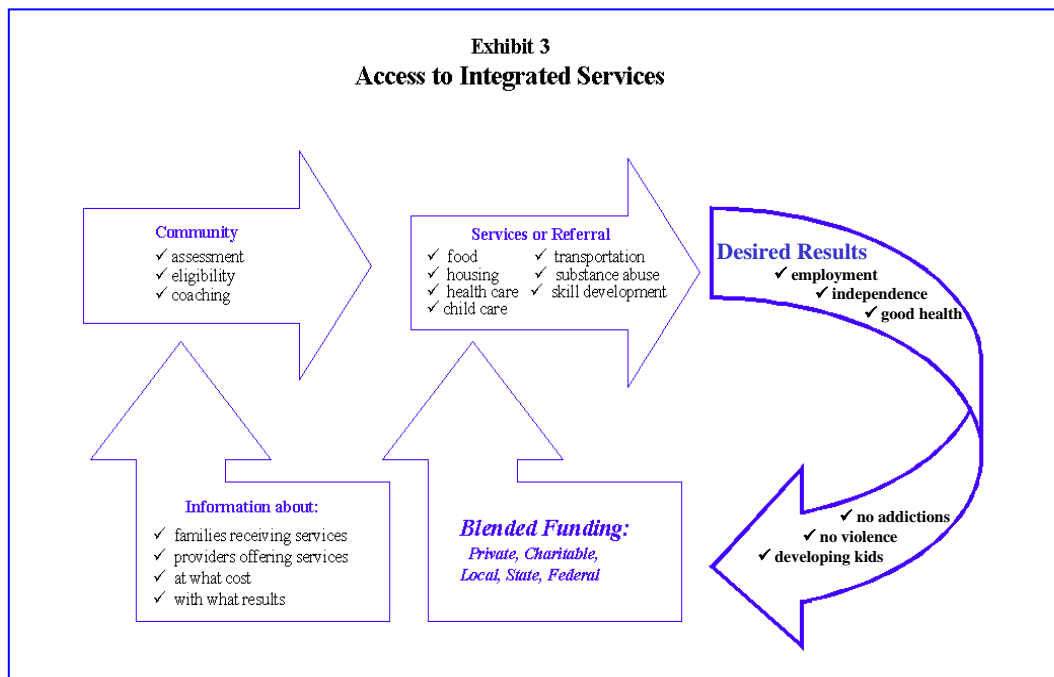
A Model of FSSA's Business - Where we are going

Many communities have worked with FSSA, and other state and local organizations, to integrate services and offer referrals at neighborhood or community locations. For example, Career Corner, a joint venture of The Boner Center and Goodwill Industries, offers employment services to residents of Indianapolis near east side. The FSSA Division of Family and Children, Vocational Rehabilitation, the Indianapolis Private Industry Council, and other government agencies help individuals access a broad set of services through that location. In its first year of operation, Career Corner placed 539* people in employment.

The success story for each person who overcomes being homeless, unemployed, or unable to take care of their children, includes an advocate who cares for that person's future. The advocate, or case manager, pulls together the necessary supports to help a person make the transition to greater self-reliance. The case manager needs training, access to information, the ability to make decisions, and enough time to spend with each client in order to make a difference.

Services are integrated, or not, locally. Transportation routes, schedules for child care or home services and skill development, depend on locations, schedules and needs of local businesses. Shared information about who needs services, who is providing services, and who has jobs enables a community to work together on their system to achieve better results.

Exhibit 3 illustrates the type of system that FSSA, and its partners, are working to build. In this system, people have access to integrated services, and someone to help them, at places where they already go.



FSSA Measures

The FSSA leadership team, consisting of the office of the Secretary of FSSA and seven directors of service delivery and support divisions, worked to develop a shared understanding of responsibilities, values, and goals. The group used a number of strategies to accelerate the change toward managing human services closer to neighborhoods and communities. One strategy, which was consciously completed quickly, was the selection measures. The choice of measures communicated quickly and concretely a specific direction and a level of excellence expected of the organization.

The FSSA management team selected a group of measures from existing data. The measures represent the results of FSSA work from the perspective of its customers. The measures and goals are listed in Exhibit 4.

The list of measures is not a perfect representation of FSSA goals and values. What is easiest to measure doesn't often reflect the result that is truly desired. FSSA measures the number of children removed from home and placed in institutional treatment. FSSA seeks to reduce that number. What FSSA is really after is building skills and supports for families to help them cope with problems. Similarly, FSSA measures the number of co-located services offices. FSSA really seeks to provide access to integrated services where people already go.

The list of measures does represent the sphere of activities and goals within the responsibility of FSSA. Accompanied by discussion and leadership, the ongoing review of these measures communicates priorities and drives behavior. It acknowledges people's accomplishments. It brings people to the table to discuss why results aren't what was expected and make plans for improvement.

The divisions of Family and Children, Disability Aging and Rehabilitative Services, and Mental Health manage the review of operating measures. Staff from the support divisions are linked to a service delivery division and participate in the reviews. For some divisions, these review processes were in place and merely added some new participants. In others, a formal process to review results is newly underway.

Exhibit 4
FSSA Operating Measures
Status as of 8/17/98

	FY 1997	FY 1998 Goal	FY 1998 Actual	FY 1999 Goal
1. Families receiving cash assistance	45,494	38,500	35,600	34,500
2. Families receiving food stamps	147,493	132,744	126,742	124,000
3. Food stamp payment accuracy	90.32%	92%	93.17%	92.5%
4. Clients placed in employment				
(a) TANF	15,790	17,369	20,970	To be determined
(b) FS	11,559	12,714	12,962	To be determined
(c) DDARS	3,844	3,940	3,011	4,046
5. Clients employed at 6 months TANF & FS	42%	75%	Not yet available	50%
6. Collection of child support	\$227 Million	\$240 Million	\$227 Million	\$250 Million
7. Licensed child care slots	86,139	94,966	93,967	98,000
8. Investigations of child abuse/neglect completed within statutory timeframe	N/A	90%	Not yet available	92%
9. Children in institutional placement	1,530	1,500	2,017	1,250
10. Number of children in out-of-home placement	9,781	9,500	10,529	9,000
11. Time to develop TANF client service plan	N/A	30 days	Not yet available	25 days
12. Individuals in institutional placements DDARS	1,059	915	941	844
13. Individuals diverted from institutional placements: DDARS	8,900	10,674	13,364	11,163
14. Processing time for Medicaid waiver eligibility	50 days	45 days	42.8 days	30 days
15. Co-located service offices	13	18	18	25
16. Medicaid Rehab. Option billing	\$83 million	\$100 Million	\$105 Million	\$110 Million
17. Proportion of CMHCs and certified Addictions Providers accredited	86%	95%	100%	98%
18. Actuarially based enrollment rates for all DMH populations		Complete	Average rates Established	
19. Outcome measures for DMH providers for all pops. Established	Measures Established	Baseline Complete	Draft outcome Reports received	Outcomes Reported
20. Consumer choice for three DMH populations: Addictions SED MI	Complete	Complete	Complete	Delayed
21. Hoosier Healthwise member satisfaction	84%	90%	83%	90%
22. Hoosier Healthwise members enrolled through self-selection	68%	75%	80%	80%
23. Emergency room utilization by Hoosier Healthwise members	58 per 1,000	50 per 1,000	63 per 1,000	50 per 1,000
24. Hoosier Healthwise provider satisfaction	47%	70%	53%	75%
25. Medicaid claims paid on time		Interest payable less than 1% of claims		
26. Total number of Indiana Long-Term Care policies purchased	2,768	4,000	0.935% 3,453	5,500

Source: Family and Social Services Administration

FSSA Operating Measures

Explanatory Notes Regarding FY 1998 Data:

- 4(c). Data represents federal fiscal year through June (10/1/97-6/30/98).
5. The remaining clients represent a harder to serve population; therefore, more preparatory time will be needed prior to their first job placement.
18. An actuarial report was completed and submitted to the mental health commission. The commission recommended delaying full implementation of the actuarially established risk adjusted rates for at least one year of review and piloting.
19. A contract has been awarded to assist the Division in risk adjusted outcome measures. Preliminary draft reports are being developed and tested against old data. System will be in full force by the end of FY 1999.
20. DMH is unable to implement consumer choice for SMI services in FY 1999 as originally planned due to insufficient information technology systems. Implementation will, therefore, be delayed at least a year.
21. Survey results received February 26, 1998. The survey was conducted over a seven week period in late 1997.
23. Reflects average monthly data from July 1997 through March 1998.
25. This operating measure is evaluated on a calendar year basis rather than on a fiscal year basis to conform to the terms OMPP's fiscal agent contract. The CY 1997 results reflect interest paid on .935 percent of claims slightly better than the one percent goal.
26. The FY 1997 number and the FY 1998 goal are cumulative numbers (running totals). The latest available report reflects 3,453 policies sold as of March 31, 1998.

FSSA Work Plan

The process to write the FSSA work plan enabled the FSSA leadership team to develop consensus about what would be accomplished in the years of the 1998/1999 biennium budget period. Individual work plans developed a consensus between manager and employee of what specifically was expected from each. In writing work plans, FSSA looked at the challenges presented by the environment. It defined a response to those challenges that both solved immediate problems and moved the system of service delivery toward the new vision.

The major challenges around which FSSA organized its work are:

1. Early Childhood Development

- ✓ Collaborate with the Indiana Departments of Health and Education and communities to build a system of supports to promote healthy development of children.
- ✓ Focus on parenting skills, health care, fast response to signs of a disability, and quality of child care.

2. Welfare Reform and Supporting Working Families

- ✓ Collaborate with the Department of Workforce Development and communities to build a system of supports that help people to learn and succeed.
- ✓ Manage funding from the Temporary Assistance to Needy Families (TANF) block grant. Meet requirements for state and local spending to avoid federal penalties.
- ✓ Focus on child care, child support, work skills, transportation, and employment.

3. Expansion of Health Insurance for Children

- ✓ Hoosier Healthwise is available to more families.
- ✓ Create a system of outreach to enroll 90,000 children.
- ✓ Participate in policy development of Indiana health care for working families.

4. Community Services for People with Mental Illness or Disability

- ✓ Offer person and family-centered services based on a plan for the future.
- ✓ Assure equitable funding per person.
- ✓ Provide the most inclusive setting possible.
- ✓ Expand the capacity of community services and systems of quality assurance.

FSSA's four major efforts have challenges in common. They require that FSSA connect with the people who are eligible for services. They require that FSSA match a blend of services to an individual's or family's specific needs. They require that services demonstrate results. They require that funding supports the plan for individualized services. They require that FSSA knows who is receiving services for what cost and with what results.

FSSA Organization

The service divisions of FSSA are directly responsible to achieve results for consumers. The published FSSA performance measures don't include measures of internal business systems, those that support service delivery but don't directly impact consumers. The effectiveness of those business systems: providing services and referrals in accessible locations, integrating information about the demand for services, blending funds to support individual service plans, and creating incentives for quality and cost control in FSSA contracts is vital to FSSA achieving its goals.

The FSSA management team decided to reorganize the support divisions to emphasize the cross-functional development of specific business expertise. Exhibit 5 depicts the change in structure and responsibility of the support divisions of FSSA.

Exhibit 5
FSSA Structure

Timeframe	1991 - 1996	Implemented 1997
Climate	New Mega Agency	6 years of cross-division collaboration
	Economic Recession	Sustained economic growth, low unemployment.
	Medicaid Reform	To address 20% annual growth in spending.
	Welfare Reform	Since 1994 over \$400 million reinvested from cash assistance to services that support working families.
Division Functions	Administration Budget Human Resources Purchasing and Claims	Policy and Budget Budget Legislation Federal Relations
	Former Division	New Division
Priorities	Control of expenditures. Managing headcount. Attracting federal funds.	Develop budget as management tool. Achieve more flexibility in use of funds. Develop systems of accountability.
Division Priorities	Planning Support coordinated community services for children through Step Ahead.	Contract Management Work across divisions to develop best practices in community collaboration and contracting for performance.
Division Priorities	Information Services Implement and support four new mainframe information systems.	Organization Development Integrate information by family and community. Design jobs, information, training and development to support local service planning and delivery.

The reorganization emphasized support to the service divisions in order to achieve FSSA goals. The new support divisions facilitate communication across divisions to share and develop specific expertise. FSSA is developing its expertise at:

- Using its financial resources more flexibly to respond to consumer needs.
- Establishing desired results and designing services in cooperation with local communities.
- Contracting with service providers to achieve results.

- Having an information system and job design that supports a community based and integrated system of delivering services.

Policy and Budget leads the budgeting process to assure that resources are directed consistent with FSSA priorities. Policy and Budget coordinates FSSA communication on federal policies and state legislation. Policy and Budget leads FSSA efforts to get more flexibility in the use of its funds.

Contract Management coordinates FSSA's work with local communities to established desired results. It develops the strategies to contract with providers of services based on achieving results.

Organization Development combines information services and human resources. This division coordinates the development of family-centered information systems and the role of case management.

The 2000/2001 Biennium Budget

Every two years the Indiana General Assembly allocates taxpayer resources to the functions of government through development of the State budget. The Governor makes recommendations to the General Assembly and, once the budget has passed, manages the functions of state government.

The budget process is an important opportunity for FSSA to communicate with members of the General Assembly about:

- FSSA's role within the State's broad mission to support the success of Hoosier families;
- the function of the FSSA system of service delivery;
- results for consumers; and
- the relationship between funding levels and the demand for services.

It is FSSA's goal to be extremely effective at this communication, and to earn the flexibility in the budget to respond to the needs of consumers. FSSA has proposed to restructure its budget to meet the objectives described in Exhibit 6.

Appendix A shows FSSA's current, 1998/1999, biennium budget. It is difficult even for those very familiar with FSSA to understand its business from looking at the budget. The budget is structured in small, discrete funding streams, or line-item appropriations. The budget controls the specific use of each dollar. It suggests that FSSA or the General Assembly can pre-determine how each dollar is best used to meet the needs of people.

FSSA blends and transfers these appropriations, to the extent allowed by law, to respond to individual plans for services. In some cases, however, FSSA can't respond. FSSA may have funding for day services for people with a developmental disability. But if the elderly parent of a person dies and all funding for residential services is committed, FSSA is not responding to a situation that places a family in crisis.

Exhibit 6
Family and Social Services Administration
Budget Consolidation Plan
FY 2000-Fy2001 Biennium

BACKGROUND

FSSA has developed a revised budget format for the FY 2000-2001 biennial budget. The new budget structure is designed to better reflect the agency's goals and priorities and enable funding to be used more flexibly to meet consumers' needs. In the current FSSA budget, there are 144 accounts, which each have different requirements regarding how they can be spent. As a result, funding does not easily follow consumers as they move through the service delivery system. Different services are funded out of different appropriations, making it difficult to develop a comprehensive person-centered service plan that can be easily modified to meet an individual's changing needs. In the new budget format, accounts will be consolidated so that funding can be used more flexibly to better serve FSSA's consumers.

GOALS AND OBJECTIVES OF REVISED BUDGET

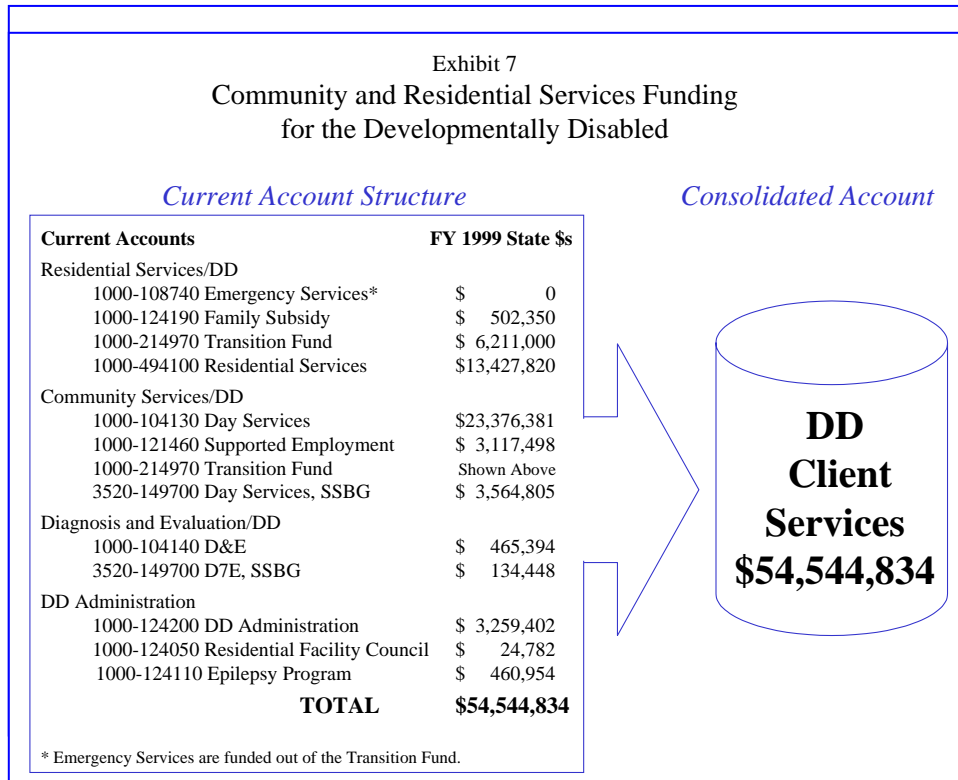
- More accurately reflects FSSA's business goals and objectives.
- Increase flexibility of funding to enable funds to more effectively follow consumers.
- More accurately reflect what services FSSA is purchasing/providing rather than what appropriation or account the money comes from.
- Emphasize funding for services, not categorical programs.
- Streamline the budget so it is easier for advocates, consumers, legislators, and others to readily understand how resources are allocated.

GENERAL PRINCIPLES

- **Consolidate and Streamline Accounts.** FSSA's revised budget eliminates 85 budgeted accounts by consolidating 144 accounts into 59.
- **Budget Funds To Reflect What Services Are Being Purchased/Provided.** To the fullest extent practicable, funds will be budgeted where they are actually used. For example, FSSA currently transfers funding from DDARS Day Services to DFC Early Intervention. In the new budget, funds will be budgeted in the area where they are actually spent in order to reflect what services are being purchased/provided.
- **Maintain Data and Reporting Systems to Ensure Accountability.** FSSA will maintain data and reporting systems to track how funds are spend. In many instances where funds are rolled into a single appropriation in the new budget, FSSA will maintain separate internal expenditure accounts in the short-term for budgeting and tracking purposes. In the long term, FSSA is developing a family-centered information system that will enhance accountability by enabling the agency to track across programs that services families receive, at what cost, and with what outcome.

Source: Family and Social Services Administration

Exhibit 7 shows how the new budget structure supports services to people with a developmental disability. Since these services are funded with state funds and Medicaid, the new budget provides a lot more flexibility than the current budget to respond to the needs of people as they present themselves for services.



FSSA wants to be held accountable for the system of service delivery that it manages and the results that are achieved, rather than controlled by the appropriations in the budget. FSSA will achieve that accountability through information systems that track what services have been provided to whom, for what cost and with what result.

Exhibit 8 shows the structure of FSSA’s new budget with the performance measures that correspond to the new, broader categories of appropriations. Accounts were consolidated based on how the divisions manage their business.

Exhibit 8
Family and Social Services Administration
Operating Measures and Budget Request Summary

<i>Operating Measures</i>	<i>FY 1999 Goal</i>	<i>Budget Request Summary</i>	<i>SFY 1999</i>
MEDICAID SERVICES		MEDICAID SERVICES	
Hoosier Healthwise member satisfaction	90%	TANF Recipients	\$293,387,283
Hoosier Healthwise members enrolled	80%	Non-TANF Pregnant Women & Children	430,484,144
Emergency room utilization by Hoosier Healthwise members	50 per 1,000	Aged Recipients	932,258,656
Hoosier Healthwise provider satisfaction	75%	Blind Recipients	8,225,812
Medicaid claims paid on time		Mentally Retarded/Develop. Disabled Recipients	372,903,462
Interest payable less than 1% of claims		Disabled Recipients	704,677,867
		Subtotal Medicaid*	\$2,741,937,224
		CHIPS Assistance	0
		CHIPS Administration	0
		<u>Administration</u>	<u>51,235,606</u>
		TOTAL MEDICAID	\$2,793,172,830
FAMILY AND CHILDREN SERVICES		FAMILY AND CHILDREN SERVICES	
Family Support		Family Support	
Families receiving cash assistance	34,500	Cash Assistance	\$213,708,808
Families receiving food stamps	124,000	Child Care	157,283,612
Food stamps payment accuracy	92.5%	Foster Care	44,527,139
Licensed child care slots	98,000	Other Services	12,712,572
Co-located service offices	25		
Family Development		Family Development	
Clients placed in employment		Education and Training	37,844,891
TANF & FS	To be determined	Primary Prevention	43,807,643
Clients employed at 6 months			
TANF & FS	50%	Family Preservation/Adoption	35,581,116
Time to develop TANF client service plan	25 days		
Family Preservation		Administration	
Investigations for child abuse/neglect	92%	Automation Projects	36,754,872
Children in institutional placement	1,250	<u>Other Administrative Support</u>	<u>184,114,043</u>
Number of children in out-of-home placement	9,000	TOTAL FAMILY & CHILDREN	\$766,334,696
MENTAL HEALTH SERVICES		MENTAL HEALTH SERVICES	
Medicaid Rehabilitation Option billing	\$110 Million	Administration	\$3,018,767
Proportion of CMHCs and certified Addictions Providers accredited	98%	Quality Assurance/Research	2,104,077
Actuarially based enrollment rates for all DMH Populations		Substance Abuse Treatment	27,825,612
Outcome measures for DMH providers for all populations established	Outcome Reported	Seriously Mentally Ill	93,773,904
Consumer choice for three DMH Populations: Addictions		Seriously Emotionally Disturbed	14,055,726
SED		Prevention	6,108,061
MI	Delayed	Gamblers' Assistance	1,600,000
		<u>State Operated Facilities</u>	<u>117,968,526</u>
		TOTAL MENTAL HEALTH	\$266,454,673
DISABILITY AND AGING SERVICES		DISABILITY AND AGING SERVICES	
Community and Residential Services		Community & Residential Services	
Individuals diverted from institutional placements	11.163	Employment Services	\$149,729,477
Processing time for Medicaid waiver Eligibility	30 days	State Operated Facilities	91,772,644
		<u>Administration</u>	<u>104,699,529</u>
		TOTAL DISABILITY & AGING	\$347,589,530
Employment Services		FSSA ADMINISTRATION	
Clients placed in employment	4,046	General Administration	\$19,120,872
State Operated Facilities		<u>Other Services</u>	<u>3,867,264</u>
Individuals in institutional placements	844	TOTAL FSSA ADMINISTRATION	\$22,988,136
		TOTAL FSSA BUDGET	\$4,196,539,865

A legislator or other interested person should now be able to look at the FSSA budget and generate helpful discussion about FSSA's approach to its work. If other state agency budgets were consolidated in similar ways, one could lay the budget of FSSA against the budgets of other state agencies, and community partners, to identify related expenditures and evaluate how well those expenditures are coordinated.

Once FSSA's budget request for 2000 and 2001 is summarized it can be compared to the budget for 1998 and 1999. The new budget structure will demonstrate to the observer FSSA's progress at redirecting resources:

- From cash assistance
to services, such as child care, that support employment.
- From reacting to the abuse and neglect of children
to prevention.
- From services within state institutions
to services in the community.

III. Results of the Change Effort at FSSA

This most recent phase of improvements at FSSA was intended to accelerate the change toward person-centered human services managed closer to neighborhoods and communities. The FSSA leadership team engaged the organization through the ongoing review of measures and writing of work plans. Expertise at planning for results in conjunction with communities, developing family-centered data bases, contracting based on performance, and blending funding was emphasized through reorganization of support functions. The budget was restructured to improve communication of priorities and to support funding of individualized services.

Organization

A growing number of employees at FSSA describe feeling connected to FSSA goals and energetic to see how their work is contributing. FSSA has achieved agreement within State government and with consumer and provider advocates on its plan, measures, budget structure, and vision for information systems. FSSA has developed information to quantify the demand for services as contrasted with the capacity of the state-supported system.

Welfare Reform

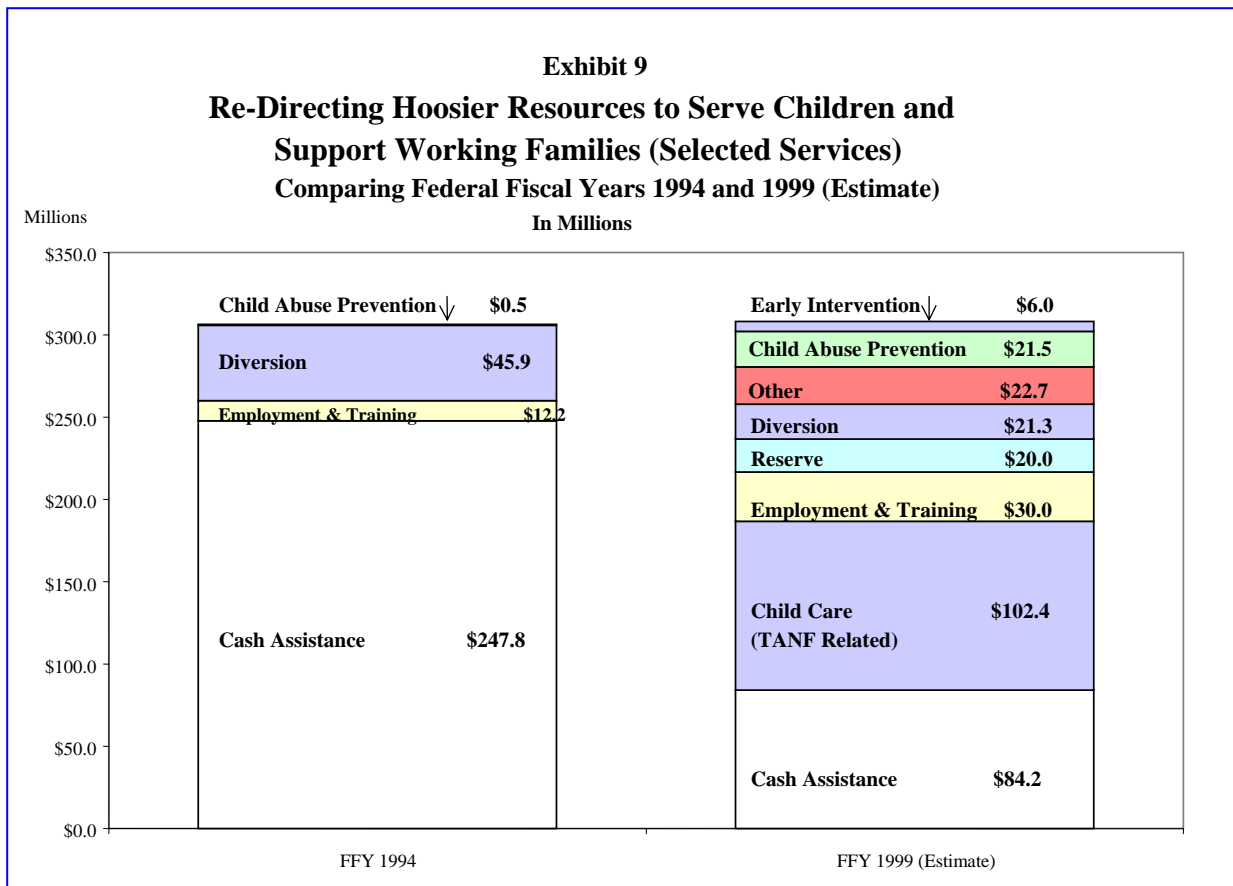
Indiana achieved early success in reducing the numbers of families receiving cash assistance. Under the leadership of Governor Evan Bayh, Indiana implemented welfare reform two years ahead of the federal reform. Exhibit 9 shows how savings in cash assistance have supported significant increases in funding for child care, employment, and family services.

The federal government continues to cut the Social Services Block Grant, by 8 percent in 1998, and 17 percent in 1999. These funds support day care, youth services, services for people with mental illness and developmental disabilities. With the help of consumer advocates and providers, FSSA has been able to shift resources and, to some extent, maintain services to individuals despite the federal cuts.

Welfare funds have supported the development of an information tool to integrate existing FSSA data bases. The tool uses artificial intelligence to discern, for example, whether Mary F. Greene in the welfare system is the same person as M. Green whose children receive subsidized child care. Networked data about the service needs of Mary Green’s family will help the community office support her success.

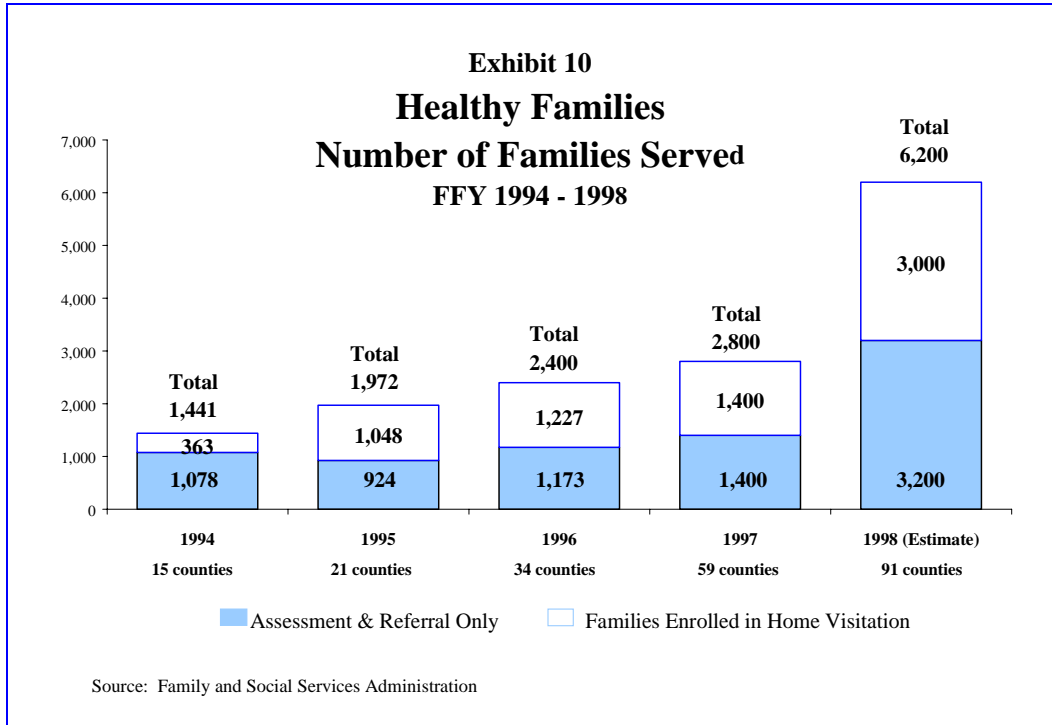
Planning grants to local communities have promoted local leadership to expand child care resources and to design the services that prepare welfare recipients for employment. Three counties in southern Indiana are developing a common data base among the 73 agencies that provide services related to workforce development. The data base will include information about individuals seeking services, services available from providers, and employment opportunities.

The Department of Workforce Development administers a new stream of federal funds from the Department of Labor to support the hardest-to-place welfare recipients. FSSA and Workforce Development, who now serve the same clients, are managing services such that the consumer does not personally deal with two different state agencies.



Early Childhood Development

Savings in welfare cash assistance has allowed Indiana to increase funding for Healthy Families from \$1 million in 1996 to \$24 million in 1999. Healthy Families is a community program that works with families at risk of child abuse or neglect.



Trained employees visit families at the birth of a child to offer support with parenting, health care, and development. Visits are ongoing up to several months. The program is highly effective at preventing child abuse and neglect, and as of this year is offered statewide. Participation in Healthy Families is shown in Exhibit 10.

FSSA, the Indiana Department of Health, the Indiana Department of Education, and communities have identified the programs that support early childhood development. Agencies are coordinating the services. A working group has developed nine state goals, and a plan for community mobilization, to focus investments and efforts in early childhood development.

The goals for Early Childhood Development are listed in Exhibit 11. As these goals are integrated into measures within FSSA, the Indiana Department of Health, the Indiana Department of Education, and local communities, we will develop that next, broader consensus about how systems must improve to serve Indiana families most effectively. We will also develop a record of how investment in young children today impacts education, crime, and incarceration in the future.

Exhibit 11
Building Bright Beginnings – 9 Goals

Responsible Parenting:

- ♦ Increase opportunities for parents to become more directly engaged with their children in order to optimize the child’s development.
- ♦ Increase opportunities for fathers to have positive involvement with their child(ren).
- ♦ Decrease adolescent pregnancies.

Health and Protection:

- ♦ Reduce infant mortality.
- ♦ Increase number of children birth to four with primary medical homes.
- ♦ Decrease the number of substantiated incidents of child abuse and neglect.

Quality Child Care:

- ♦ Meet the demands for child care and early education with high quality licensed and/or registered child care services with special emphasis on infant, toddler, and children with special needs, non-traditional hours and emergency care.
- ♦ Increase the number of certified, well-trained infant and toddler caregivers.

Community Mobilization:

- ♦ Increase the leadership and partnerships between the state, community, and businesses to mobilize and be accountable for efforts that promote the healthy development of children from birth to age four.

Source: Family and Social Services Administration

The Human Resources Investment Council, appointed by Governor O’Bannon, includes leaders of state agencies and representatives from local government and business. Using this forum the state is considering how to invest in families and workforce, including social services, in order to achieve the best results.

Children’s Health Insurance

Hoosier Healthwise is managed care for families funded through Medicaid. One year ago only local offices of the Division of Family and Children, and one Indianapolis hospital, could enroll children in Hoosier Healthwise. Today there are over 400 new enrollment centers including all county hospitals and community health centers.

Community Services

Over the past 18 months Indiana has closed two state developmental centers in New Castle and South Bend. 150 of the 164 people with developmental disabilities who lived at New Castle now live in the community, supported by staff. The closures of New Castle and Northern Indiana State Development Centers modeled a new system of planning and reimbursing for services that is person-centered, i.e., focused on an individual’s plan for his or her future.

FSSA, the City of Indianapolis, the Center Township Trustee, community mental health centers, Community Centers of Indianapolis, and a number of other partners are collaborating with the Coalition for Homelessness Intervention and Prevention on a community project. People who have problems with substance abuse are no longer eligible for federal Social Security Insurance payments. These payments covered housing, food, and mental health services. As many as 400 to 1000 people within the old city limits of Indianapolis may now be homeless and receiving no services. This project focuses on how to use existing funding more effectively to serve a community.

IV. Examples of Federal Barriers to Better Results

Because of the regulations that control the federal funds used by FSSA, many of the changes to the budget represent shifts in philosophy and format more than in true operating flexibility. Federal regulations require that many accounts that FSSA does not need must be maintained for federal reporting, until new data systems take the place of these accounts.

Appendix B lists the 178 data elements required by the federal Health and Human Services Administration to report on expenditures from the Temporary Assistance to Needy Families block grant. Although this block grant provides great opportunity for reinvestment from cash assistance to services that support work, the administration of the block grant is extremely cumbersome. The reporting requirements limit the number of organizations that can utilize funding from this source.

Vocational Rehabilitation, administered by Rehabilitation Services Administration within the federal Department of Education provides vocational services to people with disabilities. The disability community has lobbied Congress to maintain a separate identity for Vocational Rehabilitation. In 1998 that identity was retained. Vocational Rehabilitation Services can not be combined or share costs with another program and remain eligible for funding.¹

Rehabilitation Services Administration (RSA) is known for its level of regulation and lack of flexibility. Many VR services are similar to those that prepare welfare recipients for work. Many providers work with both systems. States must be able to demonstrate to RSA, for example, that case managers supported by their funding work only with clients of Vocational Rehabilitation.

RSA recently visited Indiana and FSSA looked forward to a productive discussion on integrating services and sharing resources to achieve better results. Instead, RSA challenged Indiana regarding how it had organized Vocational Rehabilitation within FSSA.

RSA requires that the Vocational Rehabilitation “state unit” report at the top level of the human services “state agency.” RSA questioned whether the Division of Disability, Aging, and Rehabilitative Services focused enough on rehabilitation to qualify as the state unit. FSSA responded successfully to the challenge to its organization structure but felt discouraged by the federal government’s focus on internal management as opposed to its shared responsibility to achieve results.

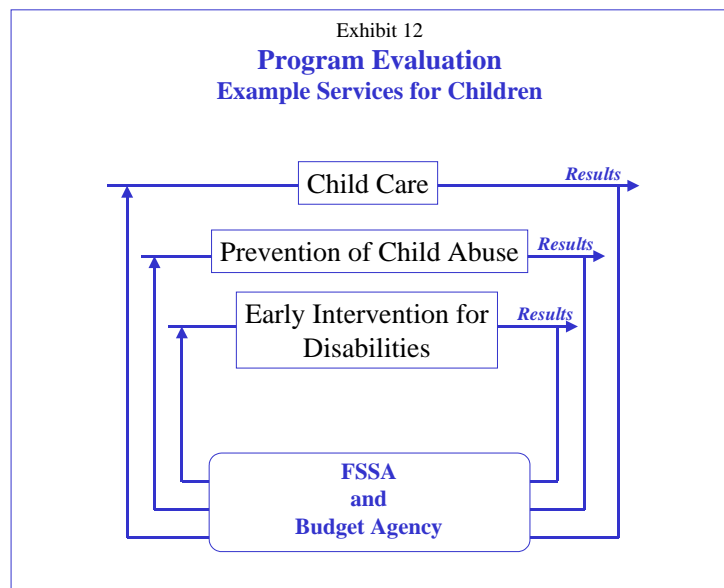
¹ Rehabilitation Act Amendments, 1998.

Managing and Budgeting for Performance in Government

This paper now turns to the improvement efforts in other states. We review the use of tools called program evaluation, performance management, and performance budgeting in state governments. We then draw some conclusions, based on the work at FSSA and across the country, regarding achieving results in government.

Processes to evaluate and improve the performance of government vary by what is reviewed, who is involved, and what is done with the results. Exhibit 12 depicts the concept of program evaluation, using the example of services for children.

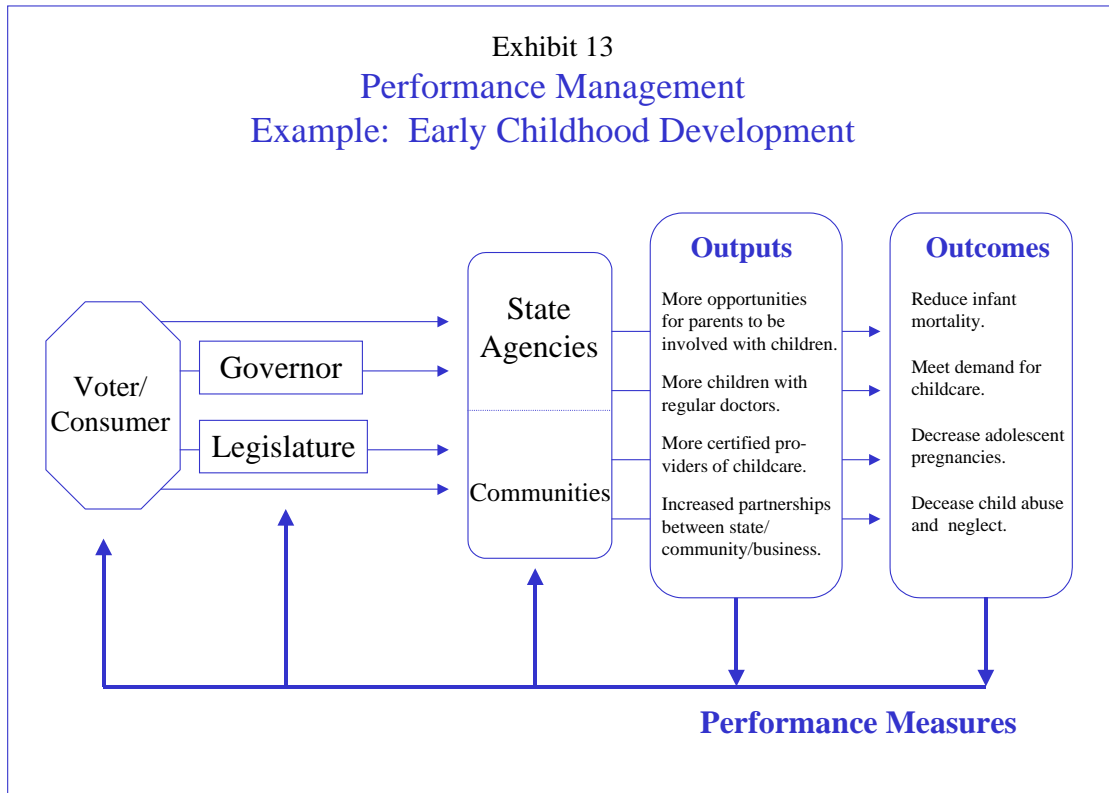
Program evaluation, performance management, and performance budgeting efforts by government to achieve better results. These processes are pictured as Exhibits 12 and 13.



Program evaluation implies a regular review of results from an existing structure of services. The effectiveness of a given program is evaluated in order to recommend improvements to the program or to recommend a different level of funding.

Performance management describes the process of an organization to develop, monitor, and respond to a set of measures. The measures often reflect results for consumers from services that cross agency boundaries. Performance management focuses an organization on the strategies and partnerships it is using to achieve results for its consumers.

Strategies to achieve results are outputs of government. Results for consumers are outcomes. Exhibit 13 depicts the process of performance management using the example of early childhood development.



Performance budgeting uses information about performance to allocate resources. Instead of controlling government by funding it with small, discrete, and regulated line item appropriations, performance budgeting implies that a level of funding is appropriated to achieve an expected level of results. Performance budgeting often implies the involvement of the legislative branch of government in performance management.

Performance Management in the States

Exhibit 14 is a summary of state efforts in program evaluation, as of 1995. The data were compiled by the National Association of State Budget Officers (NASBO).² In 1995, 47 states and Puerto Rico reported having a function in place to evaluate state programs and services. In 35 cases the program review function was carried out with state budget agencies, 18 states reported that evaluations were done annually. In 36 states evaluations of government programs and services were incorporated into the budget process.

The Maxwell School of Citizenship and Public Affairs at Syracuse University has a four-year grant from the Pew Charitable Trusts to rate the management performance of local and state governments and selected federal agencies in the U.S. The project is called the Government Performance Project. Its results will be published in *Governing* and *Government Executive* magazines beginning early in 1999.

² National Association of State Budget Officials report, "Budget Processes in the States," September 1997.

Katherine Barrett, one of the project editors for *Governing* with the Government Performance Project, reports that in 1998, 45 of the 50 states are using performance measures and that “everyone is interested” in the subject. Compared with five years ago, states are investing considerable effort to connect the performance of individual agencies to a strategic plan for the state.

Early indications are that 15 to 20 states are at the stage of experimenting with performance measures through pilots in individual agencies. Indiana reports at this stage.

Exhibit 14 Program Evaluation				
<i>State</i>	<i>State Has Program Evaluation Function</i>	<i>Location of Function</i>	<i>Frequency of Evaluation</i>	<i>Nature of Evaluation</i>
Alabama	X	B,S,L	A,R	AF,IB,IO
Alaska	X	B	R	AF
Arizona	X	B,E,L	A,R,O	AF,IB,IO
Arkansas	X	B	R	IB
California	X	B	R,O	AF,IB,IO
Colorado	X	B,L	R	AF,IB
Connecticut	X	B,L	A,R	AF,IB
Delaware	X	B,L	A	IB
Florida	X	B,L	R	AF,IB
Georgia	X	B,E	O	IB
Hawaii	X	B,E	R,O	IB
Idaho	X	B,L	A	AF,IB
Illinois	X	B,E	R	IB,IO
Indiana	X	B,L	A,R	IO
Iowa	X	B	A,R	IB,R
Kansas	X	B	A,R	IB,IO
Kentucky	-	-	-	-
Louisiana	X	AF,B,L	A	IB
Maine	X	B,S	A,R	AF,IB,IO
Maryland	X	S	A,R*	IB,IO
Massachusetts	X	B,IB,E,L	R	A,IB
Michigan	X	B,E	R	IB
Minnesota	X	L	R	AF
Mississippi	X	IB,E,L	R	AF,IO
Missouri	X	B,E,L	R	AF,IB,IO
Montana	X	L	R	AF
Nebraska	X	L	R	IO
Nevada	X	B	Biannual	IB
New Hampshire	-	-	-	-
New Jersey	X	B,L	A,R	AF,IB,IO
New Mexico	X	B,L	A	IB
New York	X	B,E,L	A,R,O	AF,IB,IO
North Carolina	X*	B	R	IB
North Dakota	X	E*	R	AF
Ohio	X (Education only)	L	R	IO
Oklahoma	X	B,E,L	R	IB,IO
Oregon	X	B,E,L	R	AF,S
Pennsylvania	X	B,E,L	A,R	AF,IB
Rhode Island	X	B,E,L	A,R	AF,IB
South Carolina	X	B	A	IO
South Dakota	X	-	A	IB
Tennessee	X	L	O	AF
Texas	X	L	O	IB
Utah	X	L	R	IB
Vermont	-	-	-	-
Virginia	X	B,L	R,O	IB,IO
Washington	X	L	R	IO
West Virginia	X	B,L	A	AF,IB
Wisconsin	X	B,L	R	AF,IB,IO,
Wyoming	X	B,L	R	AF,IB,IO,
Puerto Rico	X	B	R	AF,IB,S
TOTAL	48			
<p>CODES: AF: Part of Audit IB: Incorporated into Budget Process IO: Informational Only S: Subset of Budget Agency O: Other A: Annual E: Other Executive L: Legislative Agency R: As Requested B: Budget Agency</p>				
Source: NASBO "Budget Processes in the States" September 1997				

Twenty to 25 states are using performance measures broadly within the executive branch in order to improve management and results. States find that using measures differentiates services that achieve results from those that don't. Discussion of desired results and selection of measures permeates the boundaries of state agencies and promotes teamwork. Employees relate their personal work to the mission of the state and their agency.

31 states now have legislation that requires performance-based budgeting. 16 have administrative requirements for performance budgeting.³ Exhibit 15 lists the states with legislated and administrative requirements for performance budgeting.

Katherine Barrett estimates that ten states have a very effective process between the executive and legislative branches of government both to evaluate the effectiveness of their governance and to allocate resources. These states have long histories of cooperative planning. They use performance data to reflect on direction, goals and the viability of selected strategies. Performance impacts decisions in the budget, but does not prescribe those decisions.

Exhibit 15			
Performance-Based Budgeting Legislation and Initiatives in the States			
<i>Performance-Based Legislation</i>	<i>Other PBB Initiatives Nonlegislative</i>	<i>No (Centralized) PBB Initiatives</i>	
Alabama ¹	Mississippi ¹	Alaska	Arkansas
Arizona	Montana	Colorado	Massachusetts
California ^{1,2}	Nevada	Indiana	New York
Connecticut ^{1,2}	North Carolina	Kansas	
Delaware ¹	Ohio	Maryland	
Florida ¹	Oklahoma	Michigan	
Georgia ¹	Oregon ²	Missouri	
Hawaii	Rhode Island	Nebraska	
Idaho ¹	South Carolina	New Hampshire	
Illinois	South Dakota ¹	New Jersey	
Iowa ²	Texas ^{1,2}	New Mexico	
Kentucky ¹	Vermont ¹	Pennsylvania	
Louisiana ¹	Virginia	Tennessee	
Maine ¹	Washington	Utah	
Minnesota	Wisconsin ¹	West Virginia	
	Wyoming		
¹ Strategic planning mentioned in legislation. ² Benchmarks mentioned in legislation. Source: Melkers and Willoughby "The State of the States: Performance-Based Budgeting Requirements in 47 out of 50," Public Administration Review, January/February 1998			

³ Melkers, Julia, and Willoughby, Katherine, "The State of the States: Performance-Based Budgeting requirements in 47 out of 50," Public Administration Review pages 66-73, January/February 1998.

Oregon

Oregon, under the leadership of Governor Neil Goldschmidt, worked with hundreds of citizens in 1989 to create a strategic plan for the state.⁴ That same year, the Oregon legislature created the Progress Board. The Progress Board translated the strategies of the state strategic plan into measurable goals and monitored ongoing progress. The full legislature adopted the benchmarks proposed by the Progress Board in 1991.

In 1992 Governor Barbara Roberts directed state agencies that the Oregon benchmarks were her priority for the upcoming budget. In 1997, Governor John Kitzhaber and the Progress Board released an updated strategic plan, modified the expectations for improvement, revised and reduced the number of benchmarks. Oregon now has discussed and documented state goals, strategies, and accomplishments over a period of ten years and three administrations.

Kentucky

Kentucky developed strong cooperation between its executive and legislative branches of government working on education reform. Before the current administration, Kentucky's Governor was limited to one term. The frequent change in administration prompted leadership of both branches to develop a planning mechanism to support long-term goals.

Kentucky developed a Progress Vision for the 21st Century with 25 goals and many subsets. Work on the plan is organized by task forces with executive branch, legislative branch, and private sector participation. Task forces typically have 11 legislative participants to 10 executive branch participants to assure a strong legislative voice in a "strong-governor" state.

Kentucky manages additional legislative/executive policy initiatives. The foremost of these include the Kentucky Long-term Policy Research Center, the Capital Planning Advisory Board, the Post-Secondary Education Improvement effort, and the Kentucky Education Reform Act (KERA.) KERA restructured Kentucky's entire approach to elementary and secondary education. The Capital Planning Board includes equal membership from the judicial branch.⁵

Missouri

Missouri started with a review of state government called the Commission on Management and Productivity. The review involved the private and public sectors, including legislators and legislative staff. The commission recommended strategic planning and performance budgeting for state government.

Missouri developed statewide goals, known as the Show-Me Results. The legislature has accepted the goals for the state.⁶

All state agencies now have a strategic plan. The plan is updated annually. Agencies link their budget request to the strategic plan and performance measures. Agencies have worked together to develop joint budget recommendations for shared initiatives.

⁴ Presentation at the APWA conference on Budgeting and Financial Management Under Welfare Reform, June 22-23, 1998.

⁵ William Hintze, Jr., Governor's Office of Policy and Management, Frankfort, Kentucky, October 1998.

⁶ Mark E. Ward, Division of Budget and Planning, Jefferson City, Missouri, October 1998.

While the Show-Me Results drive many budget decisions, not every item is linked to a Show-Me Result. The budget process responds to needs of individual districts.

Statewide Goals

Currently, about ten states have, or are attempting to develop, statewide goals. When citizens, businesses, elected officials, government agencies, and community organizations share explicit goals and accept responsibility for their part, performance of the system improves.

States stopping short of the attempt to set statewide goals report that the concept is difficult to grasp. The process to establish goals is confusing. It is easily weighed down seeking to be thorough in communication and comprehensive about goals. Part-time legislators often don't have time to participate. States consider using commissions to undertake the task of setting goals but are unclear about how to structure the authority. Anti-government political contingents criticize the attempt.⁷

The states that are recognized for their impressive joint planning and results have champions in both the executive and legislative branches. States find that they work continually to reduce the number of measures. Even the states that have worked longest to manage for results report they aren't satisfied with their ability to communicate with citizens about government performance.

Help is Available

The literature on performance management in government is extensive. In addition to the references cited above, the NASBO web site offers a summary of recent publications on performance measurement and performance budgeting. It lists upcoming conferences. NASBO also offers access to state web sites that report on managing and budgeting for performance.⁸

The Government Accounting Standards Board, GASB, establishes standards of state and local government accounting and financial reporting. General Accounting Principles (GAP) are developed by GASB.

GASB anticipates that in five years, government financial reports will tie financial data to results.⁹ GASB research on Service Efforts and Accomplishments (SEA) is working to prepare governments for this change by promoting performance measures, offering definitions of terms, reporting on ongoing efforts at the state and local level to use performance measures, and recommending approaches to implementation.¹⁰

V. Conclusions

Indiana Family and Social Services Administration

Indiana has made good strides to achieve the vision for the Family and Social Services Administration. The fact that we have a way still to go should not dissuade us from staying the

⁷ Katherine Barrett, Project Editor for *Governing*, Government Performance Project, October 1998.

⁸ National Association for State Budget Officials (NASBO) www.nasbo.org

⁹ J. Fountain, Government Accounting Standards Board, October 1998

¹⁰ Government Accounting Standards Board (GASB) www.gasb.org

course. Assembling three large state agencies under one business roof, and embracing the goal that the system will encourage high expectations for all people, has taught us a lot about how we help people achieve greater self reliance.

The state is developing goals in concert with consumers and communities, allocating resources based on data-supported results, making consumers aware of opportunities available to them, making consumers responsible for their decisions, and coaching them to success. The FSSA organization has committed to achieve specific performance measures, has sought to be clear about its allocation of resources, and has organized to develop the common systems that support achieving good results.

We support Indiana setting specific expectations for human services. We want to understand the demand for services and the limitations of funding and make informed decisions about how to allocate resources. We encourage the work to improve the effectiveness of services for consumers. We hope this process will continue and grow within FSSA, with other state agencies that serve people, with communities, and with the General Assembly.

Early Childhood Development

We endorse the Governor's priority for supporting children in their earliest development. Helping citizens learn about the development needs of children, assuring preventative health care, helping families cope with problems, and promoting quality in child care are important goals for the long-term health of our state.

Setting goals in early childhood development is an opportunity to focus efforts and resources on what is most important. It is an opportunity to further simplify and coordinate the system that delivers services to children and families. We hope to see this process move forward.

Federal Government

Indiana has developed a \$92 million reserve balance of its federal Temporary Assistance for Needy Families block grant (TANF). Indiana is increasing its appropriation for TANF Maintenance of Effort to avoid federal penalties for not spending our required amount. Meanwhile, there is large unmet demand for services for people with disabilities and mental illness who also receive government services and want to work.

Indiana should make specific recommendations to the federal government about changes to the TANF block grant, and other funds, to gain more local flexibility in exchange for achieving specific results.

Managing for Performance in Government

Government can be very effective in a role of leader and facilitator, assembling interested parties to set goals, plan work, and allocate resources. Shared choice of goals, selection of strategies, and ongoing review of results, helps the executive and legislative branches of government, communities, interest groups, businesses, and citizens work in synch with each other. It develops a shared record of what was sought, what worked, and what was changed in order to work better. It makes the best use of the resources that government takes from the taxpayer and builds our collective capability to achieve results.

References

- 1) Rehabilitation Act Amendments, 1998.
- 2) National Association of State Budget Officials report, “Budget Processes in the States,” September 1997.
- 3) Melkers, Julia, and Willoughby, Katherine, “The State of the States: Performance-Based Budgeting requirements in 47 out of 50,” *Public Administration Review* pages 66-73, January/February 1998.
- 4) Presentation at the APWA conference on Budgeting and Financial Management Under Welfare Reform, June 22-23, 1998.
- 5) William Hintze, Jr., Governor’s Office of Policy and Management, Frankfort, Kentucky, October 1998.
- 6) Mark E. Ward, Division of Budget and Planning, Jefferson City, Missouri, October 1998.
- 7) Katherine Barrett, Project Editor for *Governing*, Government Performance Project, October 1998.
- 8) National Association for State Budget Officials (NASBO) www.nasbo.org
- 9) J. Fountain, Government Accounting Standards Board, October 1998
- 10) Government Accounting Standards Board (GASB) www.gasb.org

Appendix A

HEALTH, FAMILY AND SOCIAL SERVICES, AND VETERANS' AFFAIRS					
Account Number	Fund/Center		State Agency Appropriation Name	Appropriations FY 1997-98	FY 1998-99
-----	-----		-----	-----	-----
			FAMILY AND SOCIAL SERVICES		
			Family and Social Services Administration		
356-706	3560/170600		Family & Social Services Administration - Central Office		
100-520	1000/105200		General Fund	12,742,832	12,765,619
			Federal Funds	6,345,487	6,355,253
			Totals	19,088,319	19,120,872
100-152	1000/101520		Commission for the Status of Black Males		
			General Fund	100,000	100,000
102-020	1000/120200		Health, Family & Social Services Coordination		
			General Fund	167,409	167,785
119-963	1000/499630		State Facilities Contingency Fund		
			General Fund	3,000,000	3,000,000
-----	-----		-----	-----	-----
			Total Family and Social Services Administration		
			General Fund	16,010,241	16,033,404
			Federal Funds	6,345,487	6,355,253
			Totals	22,355,728	22,388,657
=====	=====		=====	=====	=====
			Medicaid		
100-516	1000/105160		Office of Medicaid Policy & Planning Administration		
			General Fund	3,724,656	3,877,769
			Dedicated Funds	190,947	0
			Totals	3,915,603	3,877,769
353-856	3530/185600	*	Medicaid - Current Obligations		
100-924	1000/109240		General Fund	905,680,000	964,540,000
			Dedicated Funds	43,800,000	44,300,000
			Federal Funds	1,633,852,685	1,733,097,224
			Transferred Funds	75,500,000	78,400,000
			Totals	2,658,832,685	2,820,337,224
		*	Dedicated funds for account 3530/185600 include funding from the Hospital Care for the Indigent Fund and from the Medical Assistance to Wards Fund.		
355-700	3550/170000		Medicaid Administration		
100-924	1000/109240		General Fund	18,965,993	18,020,613
			Federal Funds	30,159,107	28,487,224
			Totals	49,125,100	46,507,837
100-509	1000/105090		Medicaid Disability Eligibility Exams		
			General Fund	850,000	850,000
-----	-----		-----	-----	-----
			Total Medicaid		
			General Fund	929,220,649	987,288,382

			Dedicated Funds	43,990,947	44,300,000
			Federal Funds	1,664,011,792	1,761,584,448
			Totals	2,637,223,388	2,793,172,830
=====	=====	=====	=====	=====	=====
			Mental Health		
			Mental Health - Administration		
328-420	3280/142000	Division o	Mental Health -		
100-960	1000/109600		General Fund	2,395,478	2,401,787
			Transferred Funds	1,121,250	1,121,249
			Totals	3,516,728	3,523,036
102-408	1000/124080	Psychiatric Research			
			General Fund	224,980	224,980
600-884	6000/188400	Mental Health Services for the Homeless			
			Federal Funds	392,000	392,000
-----	-----	-----	-----	-----	-----
			Total Mental Health - Administration		
			General Fund	2,620,458	2,626,767
			Federal Funds	392,000	392,000
			Totals	3,012,458	3,018,767
=====	=====	=====	=====	=====	=====
			Mental Health Programs		
			Community Services		
100-412	1000/104120	Work Program For the Chronically Mentally Ill			
			General Fund	373,448	373,448
100-939	1000/109390	Residential Services For The Mentally Ill			
			General Fund	22,292,162	22,292,162
101-410	1000/214100	Community Mental Health Transition Fund			
			General Fund	23,717,248	32,333,335
102-409	1000/124090	Community Mental Illness Clinics			
			General Fund	194,353	194,353
328-410	3280/141000	Community Mental Health Services			
100-943	1000/109430		General Fund	51,557,767	51,557,767
			Dedicated Funds	4,445,000	4,445,000
			Transferred Funds	4,567,476	4,567,476
			Totals	60,570,243	60,570,243
600-191	6000/119100	Shelter Plus Care			
			Federal Funds	392,977	392,977
600-392	6000/139200	Mental Health Services Block Grant			
			Federal Funds	6,344,665	6,344,665
-----	-----	-----	-----	-----	-----
			Total Community Services		
			General Fund	98,134,978	106,751,065
			Dedicated Funds	4,445,000	4,445,000
			Federal Funds	6,737,642	6,737,642
			Totals	109,317,620	117,933,707
=====	=====	=====	=====	=====	=====
			Addiction Services		
323-413	3230/141300	Alcohol and Drug Services			
			Dedicated Funds	2,946,936	2,946,936
			Transferred Funds	1,380,545	1,380,545
			Totals	4,327,481	4,327,481

102-413	1000/124130	Division of Addiction Services			
			General Fund	1,000,000	1,000,000
323-414	3230/141400	Gambler's Assistance Fund			
			Dedicated Funds	1,200,000	1,600,000
600-391	6000/139100	Substance Abuse, Prevention and Treatment Block Grant			
			Federal Funds	28,403,069	28,403,069
600-671	6000/167100	Drug-Free Schools & Community			
			Federal Funds	1,583,668	1,583,668
-----	-----	-----	-----	-----	-----
		Total Addiction Services			
			General Fund	1,000,000	1,000,000
			Dedicated Funds	4,146,936	4,546,936
			Federal Funds	29,986,737	29,986,737
			Totals	35,133,673	35,533,673
=====	=====	=====	=====	=====	=====
-----	-----	-----	-----	-----	-----
		Total Mental Health Programs			
			General Fund	99,134,978	107,751,065
			Dedicated Funds	8,591,936	8,991,936
			Federal Funds	36,724,379	36,724,379
			Totals	144,451,293	153,467,380
=====	=====	=====	=====	=====	=====
		State Facilities			
100-853	1000/108530	* Mental Health Institutions			
			General Fund	85,687,590	78,604,635
			Dedicated Funds	22,407,005	22,351,394
			Totals	108,094,595	100,956,029
		* This account reflects the consolidated budget of all state operated mental illness facilities.			
		Evansville Psychiatric Children's Center			
600-786	6000/178600	EPCC Federal School Lunch			
			Federal Funds	26,400	26,400
		Evansville State Hospital			
600-426	6000/142600	Alcohol Action Grant			
			Federal Funds	72,077	72,223
		Larue Carter Memorial Hospital			
600-252	6000/125200	ESEA Chapter I Grant			
			Federal Funds	15,669	15,669
600-451	6000/145100	Treatment of Mania-Lithium Carbonate			
			Federal Funds	115,570	115,776
600-789	6000/178900	Larue Carter Federal School Lunch			
			Federal Funds	81,969	81,969
-----	-----	-----	-----	-----	-----
		Total Larue Carter Memorial Hospital			
			Federal Funds	213,208	213,414
=====	=====	=====	=====	=====	=====
		Logansport State Hospital			
100-439	1000/104390	Farm Revenue			
			General Fund	35,503	35,503
		Madison State Hospital			
600-431	6000/143100	Alcohol Action Program			

			Federal Funds	63,343	63,479
			Richmond State Hospital		
100-443	1000/104430		Farm Revenue		
			General Fund	61,632	61,632
600-441	6000/144100		Alcohol Treatment		
			Dedicated Funds	212,428	219,846
-----	-----				
			Total Richmond State Hospital		
			General Fund	61,632	61,632
			Dedicated Funds	212,428	219,846
			Totals	274,060	281,478
=====	=====				
			State Facilities, Other		
102-414	1000/124140		Patient Payroll		
			General Fund	320,000	320,000
-----	-----				
			Total State Facilities		
			General Fund	86,104,725	79,021,770
			Dedicated Funds	22,619,433	22,571,240
			Federal Funds	375,028	375,516
			Totals	109,099,186	101,968,526
=====	=====				
-----	-----				
			Total Mental Health		
			General Fund	187,860,161	189,399,602
			Dedicated Funds	31,211,369	31,563,176
			Federal Funds	37,491,407	37,491,895
			Totals	256,562,937	258,454,673
=====	=====				
			Family and Children		
			Family and Children Services		
100-500	1000/105000		Division of Family and Children - Central Office		
			General Fund	6,596,614	6,607,145
270-500	2700/150000		Child Care		
			Dedicated Funds	192,200	192,200
351-500	3510/150000		Title IV-D Administration		
100-511	1000/105110		General Fund	9,659,139	9,377,518
			Federal Funds	24,606,660	23,943,194
			Totals	34,265,799	33,320,712
			County Administration		
210-700	2100/170000		State Welfare Fund - County Administration		
100-504	1000/105040		General Fund	55,132,803	57,063,486
			Dedicated Funds	30,882,198	31,499,841
			Federal Funds	68,897,041	70,646,019
			Transferred Funds	10,893,793	10,893,793
			Totals	165,805,835	170,103,139
225-500	2250/150000		IMPACT Program		
102-147	1000/121470		General Fund	5,618,792	5,671,095
			Federal Funds	7,092,544	7,144,848
			Totals	12,711,336	12,815,943
-----	-----				
			Total County Administration		
			General Fund	60,751,595	62,734,581

			Dedicated Funds	30,882,198	31,499,841
			Federal Funds	75,989,585	77,790,867
			Totals	167,623,378	172,025,289
=====	=====	=====	=====	=====	=====
			Title IV-B Child Welfare		
363-501	3630/150100		Title IV-B Child Welfare Grant		
100-517	1000/105170		General Fund	750,196	751,415
			Federal Funds	7,062,430	7,066,087
			Totals	7,812,626	7,817,502
363-510	3630/151000		Child Protection Auto. Project		
100-517	1000/105170		General Fund	1,691,131	1,785,686
			Federal Funds	1,691,132	1,785,686
			Totals	3,382,263	3,571,372
600-271	6000/127100		Child Welfare IV-B Part II		
			Federal Funds	3,823,211	4,079,693
-----	-----	-----	-----	-----	-----
			Total Title IV-B Child Welfare		
			General Fund	2,441,327	2,537,101
			Federal Funds	12,576,773	12,931,466
			Totals	15,018,100	15,468,567
=====	=====	=====	=====	=====	=====
			Title IV-E Alternative Home Placements		
350-859	3500/185900		Adoption Assistance		
102-903	1000/129030		General Fund	3,642,358	4,093,526
			Federal Funds	9,730,019	10,935,248
			Totals	13,372,377	15,028,774
363-507	3630/150700		Non-Recurring Adoption Assistance		
102-902	1000/129020		General Fund	175,000	175,000
			Federal Funds	175,000	175,000
			Totals	350,000	350,000
350-800	3500/180000		Special Needs Adoption II		
102-292	1000/122920		General Fund	668,627	669,125
			Federal Funds	668,627	669,125
			Totals	1,337,254	1,338,250
363-503	3630/150300		Adoption Opportunities		
102-904	1000/129040		General Fund	50,000	50,000
			Federal Funds	150,000	150,000
			Totals	200,000	200,000
350-857	3500/185700		Foster Care		
			Federal Funds	37,571,874	43,207,169
363-505	3630/150500		Independent Living Program		
			Federal Funds	1,019,970	1,019,970
-----	-----	-----	-----	-----	-----
			Total Title IV-E Alternative Home Placements		
			General Fund	4,535,985	4,987,651
			Federal Funds	49,315,490	56,156,512
			Totals	53,851,475	61,144,163
=====	=====	=====	=====	=====	=====
-----	-----	-----	-----	-----	-----
			Total Family and Children Services		
			General Fund	83,984,660	86,243,996
			Dedicated Funds	31,074,398	31,692,041
			Federal Funds	162,488,508	170,822,039
			Totals	277,547,566	288,758,076
=====	=====	=====	=====	=====	=====

		Title IV-A Temporary Assistance to Needy Families (TANF)			
350-865	3500/186500	Temporary Assistance to Needy Families (TANF)			
100-908	1000/109080		General Fund	35,057,943	35,057,943
			Federal Funds	93,652,095	93,652,095
			Local Funds	23,371,962	23,371,962
			Totals	152,082,000	152,082,000
356-703	3560/170300	Job Opportunities, Basic Skills (JOBS) Program (AFDC Recipients)			
102-148	1000/121480		General Fund	11,332,015	11,466,713
			Federal Funds	13,427,536	13,562,235
			Totals	24,759,551	25,028,948
100-506	1000/105060	Burial Reimbursement - A.F.D.C.			
			General Fund	50,000	50,000
600-857	6000/185700	Emergency Assistance			
			Federal Funds	10,100,000	10,100,000
600-078	6000/107800	Child Care & Development Block Grant			
100-855	1000/108550		General Fund	22,115,020	23,170,756
			Federal Funds	48,144,016	49,836,501
			Transferred Funds	2,340,500	2,340,500
			Totals	72,599,536	75,347,757
-----	-----	-----	-----	-----	-----
		Total Title IV-A Temporary Assistance to Needy Families (TANF)			
			General Fund	68,554,978	69,745,412
			Federal Funds	165,323,647	167,150,831
			Local Funds	23,371,962	23,371,962
			Totals	257,250,587	260,268,205
=====	=====	=====	=====	=====	=====
		Social Services			
102-161	1000/121610	Project Safeplace			
			General Fund	125,000	125,000
102-179	1000/121790	Step Ahead			
			General Fund	3,687,076	3,699,479
600-027	6000/102700	CSBG - Community Services Block Grant			
			Federal Funds	6,006,267	6,006,502
600-029	6000/102900	Cheese Commodities Program			
102-289	1000/122890		General Fund	146,000	146,000
			Federal Funds	724,540	724,751
			Totals	870,540	870,751
600-041	6000/104100	Department of Energy Weatherization Assistance Program			
			Federal Funds	3,071,227	3,071,498
600-064	6000/106400	Department of Energy Training & Technical Assistance Grant			
			Federal Funds	169,964	169,964
600-141	6000/114100	Emergency Shelter Program			
			Federal Funds	1,355,988	1,355,988
600-157	6000/115700	Consolidated Outreach Program			
			Transferred Funds	230,000	230,000
600-211	6000/121100	Child Abuse Challenge Program			
			Federal Funds	313,244	313,244
600-310	6000/131000	LIHEAP - Low Income Home Energy Assistance Program			
			Federal Funds	27,756,541	27,757,075
600-854	6000/185400	Healthy Families Indiana			
			Transferred Funds	1,070,213	1,070,213
636-001	6360/100100	Housing Assistance Program			
			Federal Funds	12,284,296	12,285,082
102-036	1000/120360	Youth Service Bureau Fund			
			General Fund	1,000,000	1,000,000

119-411	1000/494110	Early Childhood Intervention Services			
			General Fund	2,173,500	2,173,500
			Transferred Funds	5,534,933	5,534,933
			Totals	7,708,433	7,708,433
600-184	6000/118400	First Steps Project			
			Federal Funds	6,139,949	6,140,730
350-861	3500/186100	Children's Trust Fund			
			Dedicated Funds	2,093,878	2,093,878
216-497	2160/149700	Child Care Project Fund			
102-940	1000/129400		General Fund	550,000	550,000
332-020	3320/102000	Domestic Violence Program			
			Dedicated Funds	1,121,098	1,121,098
363-504	3630/150400	Investigations of Child Abuse/Neglect			
			Federal Funds	61,051	61,051
600-087	6000/108700	Family Violence Prevention Services			
			Federal Funds	481,449	481,449
		Social Services Block Grant (SSBG)			
352-020	3520/102000	SSBG - Div. of Family & Children, Family Protection			
119-500	1000/495000		General Fund	1,314,774	1,314,774
			Federal Funds	3,966,571	3,966,571
			Totals	5,281,345	5,281,345
352-031	3520/103100	SSBG - Div. of Family & Children, Child Development			
119-500	1000/495000		General Fund	4,131,465	4,131,465
			Federal Funds	12,464,306	12,464,306
			Totals	16,595,771	16,595,771
352-400	3520/140000	SSBG - State Dept. of Health			
119-500	1000/495000		General Fund	166,515	166,515
			Federal Funds	502,363	502,363
			Totals	668,878	668,878
352-410	3520/141000	SSBG - Division of Mental Health			
119-500	1000/495000		General Fund	1,373,748	1,373,748
			Federal Funds	4,144,490	4,144,490
			Totals	5,518,238	5,518,238
352-497	3520/149700	SSBG - Div. of Disability, Aging, & Rehab. Services			
119-500	1000/495000		General Fund	6,162,973	6,162,973
			Federal Funds	18,593,207	18,593,207
			Totals	24,756,180	24,756,180
352-500	3520/150000	SSBG - Div. of Family & Children, Child Welfare			
119-500	1000/495000		General Fund	3,200,209	3,200,209
			Federal Funds	9,654,778	9,654,778
			Totals	12,854,987	12,854,987
352-615	3520/161500	SSBG - Department of Correction			
119-500	1000/495000		General Fund	995,620	995,620
			Federal Funds	3,003,709	3,003,709
			Totals	3,999,329	3,999,329
-----	-----	-----	-----	-----	-----
		Total Social Services Block Grant (SSBG)			
			General Fund	17,345,304	17,345,304
			Federal Funds	52,329,424	52,329,424
			Totals	69,674,728	69,674,728
=====	=====	=====	=====	=====	=====
-----	-----	-----	-----	-----	-----
		Total Social Services			
			General Fund	25,026,880	25,039,283
			Dedicated Funds	3,214,976	3,214,976
			Federal Funds	110,693,940	110,696,758

			Totals	138,935,796	138,951,017
=====	=====	=====			
			Health and Medical Care		
290-800	2900/180000		Hospital Care for the Indigent		
			Dedicated Funds	5,899,396	7,944,365
			Transferred Funds	35,000,000	35,000,000
			Totals	40,899,396	42,944,365
100-590	1000/105900		Medical Service Payments		
			General Fund	13,000,000	13,000,000
-----	-----	-----			
			Total Health and Medical Care		
			General Fund	13,000,000	13,000,000
			Dedicated Funds	5,899,396	7,944,365
			Totals	18,899,396	20,944,365
=====	=====	=====			
-----	-----	-----			
			Total Family and Children		
			General Fund	190,566,518	194,028,691
			Dedicated Funds	40,188,770	42,851,382
			Federal Funds	438,506,095	448,669,628
			Local Funds	23,371,962	23,371,962
			Totals	692,633,345	708,921,663
=====	=====	=====			
			Aging and Rehabilitative Services		
			Aging Services		
100-495	1000/104950		Older Hoosiers Act		
			General Fund	1,914,963	1,915,071
100-497	1000/104970		Aging Services		
			General Fund	355,412	355,412
102-149	1000/121490		IN-Home Services (CHOICE)		
			General Fund	37,482,063	37,482,455
102-274	1000/122740		Adult Protection Services		
			General Fund	758,000	758,000
102-293	1000/122930		Adult Guardianship Services		
			General Fund	398,267	398,345
600-056	6000/105600		Title V Employment Grant		
			Federal Funds	1,959,970	1,959,970
			Transferred Funds	6,719	6,719
			Totals	1,966,689	1,966,689
600-491	6000/149100		Title III Administration Grant		
			Federal Funds	848,825	848,825
			Transferred Funds	282,941	282,941
			Totals	1,131,766	1,131,766
600-493	6000/149300		United States Department of Agriculture Cash Reimbursement Grant		
			Federal Funds	2,510,581	2,510,581
600-498	6000/149800		HHS Title III B Area Administration Grants		
			Federal Funds	16,253,660	16,253,660
600-820	6000/182000		Advocacy Assistance Program		
			Federal Funds	69,955	69,955
			Transferred Funds	12,398	12,398
			Totals	82,353	82,353
-----	-----	-----			
			Total Aging Services		
			General Fund	40,908,705	40,909,283

			Federal Funds	21,642,991	21,642,991
			Totals	62,551,696	62,552,274
=====	=====	=====	=====	=====	=====
			Rehabilitation Services		
600-555	6000/155500		OBRA/PASSARR		
100-793	1000/107930		General Fund	37,538	37,538
			Federal Funds	190,264	190,586
			Transferred Funds	25,883	25,991
			Totals	253,685	254,115
102-287	1000/122870		Office of Deaf and Hearing Impaired		
			General Fund	535,671	536,191
102-405	1000/124050		Developmental Disability Residential Facilities Council		
			General Fund	24,782	24,782
102-420	1000/124200		Residential Services-Case Management		
			General Fund	3,251,472	3,259,402
			Federal Funds	650,000	650,000
100-413	1000/104130		Transferred Funds	400,000	400,000
			Totals	4,301,472	4,309,402
372-723	3720/172300		Vocational Rehabilitation Services Division		
100-907	1000/109070		General Fund	10,936,127	10,942,535
			Federal Funds	40,407,192	40,430,867
			Totals	51,343,319	51,373,402
372-724	3720/172400		Aid to Independent Living		
102-151	1000/121510		General Fund	22,222	22,222
			Federal Funds	356,924	356,924
			Local Funds	17,436	17,436
			Transferred Funds	51,488	37,118
			Totals	448,070	433,700
373-557	3730/155700		Office of Services for the Blind and Visually Impaired		
100-556	1000/105560		General Fund	333,599	334,023
			Federal Funds	1,232,593	1,234,160
			Totals	1,566,192	1,568,183
376-724	3760/172400		Disability Determination Division		
			Federal Funds	24,518,604	24,542,955
376-725	3760/172500		Employee Training		
100-919	1000/109190		General Fund	6,300	6,300
			Federal Funds	56,700	56,700
			Totals	63,000	63,000
600-089	6000/108900		Medicaid Waiver		
			Federal Funds	204,710	205,044
			Transferred Funds	204,710	205,043
			Totals	409,420	410,087
600-123	6000/112300		ATTAIN Project		
			Federal Funds	672,977	672,977
600-137	6000/113700		VR Systems Change Project		
			Federal Funds	258,232	258,232
			Local Funds	69,890	69,890
			Totals	328,122	328,122
600-432	6000/143200		Independent Living for the Blind Elderly		
			Federal Funds	150,000	150,000
			Local Funds	16,667	16,667
600-654	6000/165400		Transferred Funds	92,824	95,515
			Totals	259,491	262,182
600-558	6000/155800		Supported Employment		
			Federal Funds	793,670	833,353
600-654	6000/165400		Vocational Rehabilitation Program Income		
			Federal Funds	4,037,000	4,037,000

600-724	6000/172400	Rehabilitation Facility Grants			
			Federal Funds	3,935,000	4,328,500
			Local Funds	1,065,000	1,171,500
			Totals	5,000,000	5,500,000
614-825	6140/182500	Blind Vending Operations			
102-288	1000/122880		General Fund	127,670	128,298
			Dedicated Funds	535,192	535,191
			Federal Funds	932,614	932,615
			Totals	1,595,476	1,596,104
-----	-----	-----	-----	-----	-----
		Total Rehabilitation Services			
			General Fund	15,275,381	15,291,291
			Dedicated Funds	535,192	535,191
			Federal Funds	78,396,480	78,879,913
			Local Funds	1,168,993	1,275,493
			Totals	95,376,046	95,981,888
=====	=====	=====	=====	=====	=====
		Community Services			
100-413	1000/104130	Day Services - Developmentally Disabled			
			General Fund	27,661,314	27,661,314
100-414	1000/104140	Diagnosis and Evaluation			
			General Fund	465,394	465,394
102-146	1000/121460	Supported Employment			
			General Fund	3,117,498	3,117,498
102-411	1000/124110	Epilepsy Program			
			General Fund	460,954	460,954
102-419	1000/124190	Family Subsidy Program			
			General Fund	502,350	502,350
100-874	1000/108740	Emergency Support Services for Developmentally Disabled			
119-410	1000/494100		Transferred Funds	1,000,000	1,000,000
119-410	1000/494100	Residential Services for Developmentally Disabled Persons			
			General Fund	13,427,820	13,427,820
101-497	1000/214970	DDARS Transition Fund			
			General Fund	6,211,000	6,211,000
-----	-----	-----	-----	-----	-----
		Total Community Services			
			General Fund	51,846,330	51,846,330
=====	=====	=====	=====	=====	=====
		Other Services			
100-860	1000/108600	DDARS Administration			
			General Fund	1,387,060	1,387,880
100-510	1000/105100	Assistance to Persons in County Homes			
			General Fund	5,482,393	5,482,393
100-512	1000/105120	Room and Board Assistance			
			General Fund	5,983,404	5,983,404
-----	-----	-----	-----	-----	-----
		Total Other Services			
			General Fund	12,852,857	12,853,677
=====	=====	=====	=====	=====	=====
		Developmental Centers			
100-854	1000/108540	* State Developmental Institutions			
			General Fund	38,609,826	37,479,745
			Dedicated Funds	69,677,109	74,163,618
			Totals	108,286,935	111,643,363
		* This account reflects the consolidated budget of all state			

		operated developmental centers.		
		Fort Wayne State Developmental Center		
600-103	6000/110300	B 6 Measurement		
		Federal Funds	40,493	6,166
		Muscatatuck State Developmental Center		
600-344	6000/134400	MSDC Vocational		
		Dedicated Funds	2,800	2,800
600-787	6000/178700	Muscatatuck Federal School Lunch		
		Federal Funds	3,000	3,000
-----	-----	-----	-----	-----
		Total Muscatatuck State Developmental Center		
		Dedicated Funds	2,800	2,800
		Federal Funds	3,000	3,000
		Totals	5,800	5,800
=====	=====	=====	=====	=====
		New Castle State Developmental Center		
100-464	1000/104640	Farm Revenue		
		General Fund	3,200	3,200
		Northern Indiana State Developmental Center		
600-788	6000/178800	NISDH Federal School Lunch		
		Federal Funds	41,000	41,000
-----	-----	-----	-----	-----
		Total Developmental Centers		
		General Fund	38,613,026	37,482,945
		Dedicated Funds	69,679,909	74,166,418
		Federal Funds	84,493	50,166
		Totals	108,377,428	111,699,529
=====	=====	=====	=====	=====
-----	-----	-----	-----	-----
		Total Aging and Rehabilitative Services		
		General Fund	159,496,299	158,383,526
		Dedicated Funds	70,215,101	74,701,609
		Federal Funds	100,123,964	100,573,070
		Local Funds	1,168,993	1,275,493
		Totals	331,004,357	334,933,698
=====	=====	=====	=====	=====
600-006	6000/100600	Indiana Protection and Advocacy Services		
		Federal Funds	1,268,570	1,270,688
600-883	6000/188300	Governor's Council for Developmental Disabilities		
		Federal Funds	1,405,466	1,405,979
-----	-----	-----	-----	-----
		TOTAL FAMILY AND SOCIAL SERVICES		
		General Fund	1,483,153,868	1,545,133,605
		Dedicated Funds	185,606,187	193,416,167
		Federal Funds	2,249,152,781	2,357,350,961
		Local Funds	24,540,955	24,647,455
		Totals	3,942,453,791	4,120,548,188
=====	=====	=====	=====	=====

Appendix B

Family and Social Services Administration

INTRA-DEPARTMENTAL MEMORANDUM

May 27, 2004

TO: Marge Gurnik
FROM: William Bogard
SUBJECT: Summary of TANF Reporting Requirements

APPENDIX A - DESEGREGATED DATA FOR FAMILIES RECEIVING TANF ASSISTANCE

1. State Code - Indiana is 18.
2. Three digit county code
3. Tribal code
4. Reporting month and year
5. Stratum data
6. TANF case #
7. Zip code - Place of residence for month
8. Funding stream information
9. Disposition (complete data or not subject to data collection)
10. New applicant (yes or no)
11. Number of family members on assistance
12. Type of family work participation (single parent, two parent, no parent)
13. Receives subsidized housing
14. Receives medical assistance
15. Receives Food Stamps
16. Amount of Food Stamps assistance
17. Receives subsidized Child Care
18. Amount of subsidized Child Care
19. Amount of Child Care disregard
20. Amount of Child Support
21. Amount of families cash resources
22. Cash and cash equivalents (amount, # months)
23. Educational (amount, # months)
24. Employment Services (amount, # months)

25. Work subsidies (amount, # months)
26. TANF Child Care (amount, # months)
27. Transportation (amount, # months)
28. Other supportive services (amount, # months)
29. Transitional services (amount, # months)
30. Contributions to IDA (amount, # months)
31. Other (amount, # months)

Reason For An Amount of Reduction in Assistance

32. Work requirements sanction
33. Family sanction for an adult with no high school diploma or equivalent
34. Sanction for teen parent not attending school
35. Non-cooperation for Child Support
36. Failure to comply with an individual responsibility plan
37. Other sanction
38. Recoupment of prior overpayment
39. Family cap
40. Reduction based on family moving
41. Reduction based on length of receipt of assistance
42. Other non-sanction
43. Waiver Evaluation Research Group (centered group, experimental group, non-experimental treatment group)
44. Is the TANF family exempt from the federal time limit provisions

Person Level Data

45. Family Affiliation -
 1. Member of the eligible family receiving assistance
 2. Parent of minor child in the eligible family
 3. Caretaker relative of minor child in the eligible family receiving assistance
 4. Minor sibling of child in the eligible family receiving assistance
 5. Person whose income or resources are considered in determining eligibility for an amount of assistance for the eligible family receiving assistance
46. Non-custodial parent indicator
47. Date of birth
48. Social Security number
49. Race
50. Gender

Receives Disability Benefits

51. Receives federal disability insurance benefits
52. Receives benefits based on federal disability status
53. Received aid under Title XIV-APOT
54. Received aid under Title XVI-AABD
55. Receives aid under Title XVI-SSI

- 56. Marital status
- 57. Relationship to head of household (codes 1-10)
- 58. Teen parent with child in the family

Education Level

- 59. Highest level of education attained
- 60. Highest degree attained
- 61. Citizenship/alienage (code 1-9)
- 62. Number of months countable toward federal time limit in own state (federal 5 year time limit)
- 63. Number of months countable toward federal time limit in other states
- 64. Number of countable months remaining under states time limit
- 65. Is the current month exempt for the states time limit
- 66. Employment status
- 67. Work participation status (codes 1-17)

Adult Work Participation Activities (Avg. number of hours per week)

- 68. Unsubsidized employment
- 69. Subsidized private sector employment
- 70. Subsidized public sector employment
- 71. Work experience
- 72. On-the-job training
- 73. Job search and readiness
- 74. Community service programs
- 75. Vocational educational training
- 76. Job skills training directly related to employment
- 77. Education directly related to employment for individuals with no high school diploma or certificate of high school equivalency
- 78. Satisfactory school attendance for individuals with no high school diploma or certificate of high school equivalency
- 79. Providing child care services to an individual who is participating in a community service program
- 80. Additional work activities permitted under waiver demonstration
- 81. Other work activities (optional data element)
- 82. Required hours of work under waiver demonstration

Amount of Earned Income

- 83. Earned income tax credit
- 84. Wages salaries and other earnings

Amount of Unearned Income

- 85. Social Security
- 86. SSI
- 87. Workers compensation
- 88. Other unearned income (RSDI, veterans benefits, unemployment, housing subsidy, public assistance)

Child Characteristics (up to 10 children)

89. Family affiliation (codes 1-5)
90. Date of birth
91. Social security number
92. Race
93. Gender
94. Receives benefits based on federal disability status
95. Receives aid under the XVI-SSI
96. Relationship to head of household (codes 1-10)
97. Teen parent with child in the family

Education Level of Child

98. Highest level of education attained (codes 1-12)
99. Highest degree attained (codes 1-9)
100. Citizenship/alienage
101. Cooperation with Child Support

Amount of Unearned Income for Child

102. SSI
103. Other unearned income

Child Care Reporting

104. Type of child care (codes 1-11)
105. Total monthly cost of child care
106. Total monthly hours of child care

**APPENDIX B - DESEGREGATED DATA COLLECTION FOR FAMILIES
NO LONGER RECEIVING TANF ASSISTANCE**

1. State code
2. County code
3. Tribal code
4. Reporting month
5. Stratum

Family Level Data

6. Case number
7. Zip code
8. Disposition (date collection completed or not subject to data collection)
9. Reason for closure (reason 1-8)
10. Number of family members
11. Receives Subsidized housing (1-4)
12. Receives medical assistance
13. Receives Food Stamps (1-4)

14. Amount of Food Stamp assistance
15. Receives subsidized child care (1-5)
16. Amount of subsidized child care

Person Level Data

Adult and Minor Child Head of Household Characteristics

17. Family affiliation (1-5)
18. Date of birth
19. Social Security number
20. Race (1-9)
21. Gender
22. Receives federal disability insurance
23. Receives benefits based on federal disability status
24. Receives aid under Title XIV-APDT
25. Receives aid under Title XVI-AABD
26. Receives aid under Title XVI-SSI
27. Marital status
28. Relationship to head of household
29. Teen parent with child in the family
30. Highest level of education attained
31. Highest degree attained
32. Citizenship alienage
33. Number of months countable toward federal time limit in own state
34. Number of months countable toward federal time limitation other states
35. Number of countable months remaining under states time limit
36. Employment status

Amount of Earned Income

37. Earned income tax credit
38. Wages, salaries and other earnings

Amount of Unearned Income

39. Unearned income

Child Characteristics (up to 10 children per household)

40. Family affiliation (1-5)
41. Date of birth
42. Social security number
43. Race
44. Gender

Receives Disability Benefits

45. Receives benefits based on federal disability status
46. Receives aid under the XVI-SSI
47. Relationship to head of household (1-10)

48. Teen parent with child in the family
49. Highest level of education attained
50. Highest degree attained
51. Citizenship/alienage
52. Cooperation with Child Support
53. Unearned income for child

**APPENDIX C - AGGREGATED DATA FOR FAMILIES APPLYING FOR,
RECEIVING AND NO LONGER RECEIVING TANF ASSISTANCE**

1. State code
2. Tribal code
3. Calendar Quarter

Applications

4. Total number of applications
5. Total number of approved applications by month
6. Total number of denied applications by month

Active Cases

7. Total amount of assistance (cash and non-cash) by month
8. Total number of families by month
9. Total number of two parent families by month
10. Total number of one parent families by month
11. Total number of no-parent families by month
12. Total number of recipients by month
13. Total number of adult recipients by month
14. Total number of child recipients by month
15. Total number of non-custodial parents participating in work activities by month
16. Total number of minor child heads of household by month
17. Total number of births in TANF families by month
18. Total number of out-of-wedlock births in TANF families by month

Closed Cases

19. Total number of closed cases by month