

CONTINUATION SHEET

the Division of the Budget stands ready to help in that discussion and are interested in improving their performance budgeting capabilities.

Director Goossen gave a description of Performance Budgeting: Preparing a budget that measures performance and focuses on results. He also mentioned that the terms strategic planning, managing for results, bench marking, performance measures and performance budgeting are terms used as part of this larger concept. Director Goossen mentioned that the concept surrounding all this is very simple and it involves answering three basic questions for every agency:

- What is our mission?
- How do we get there?
- How do we measure our progress?

Director Goossen noted that they try to use these answers to base the budget deliberations and budget preparation. He mentioned that they try to do that for three very clear reasons. One is simply to be accountable to the public and to policymakers so that agencies can be accountable. Second is for agencies to learn and improve their operations. Third is to keep focused on priorities. ([Attachment 2](#))

Director Goossen referred the Committee to the following handouts which, are more in depth, to describe what Kansas is currently doing:

S Agency Strategic Plan ([Attachment 3](#))

Director Goossen mentioned that this 16-page document is pulled from the budget instructions that their office sends out to every state agency. Director Goossen mentioned that each June the Division of the Budget sends a fairly lengthy document to all agencies which instructs an agency on how to put together their budget submission for the Division which ultimately is used to help the governor in drafting the governor's budget report. Part of the instructions refer to strategic planning, development of performance measures, outcome and output measures and how to develop such documents.

S Narrative Information – DA 40, Division of the Budget ([Attachment 4](#))

Director Goossen mentioned that this document is the portion of an agency's budget submission that was submitted to the Division of the Budget that details their strategic plan, their objectives and the performance measures. He noted this as an example of what an agency submits to the Division of the Budget office.

Director Goossen mentioned that Kansas does a lot on performance budgeting. It is a topic they have been considering for a number of years. Kansas is part of a nationwide movement to try to look much more closely at performance and result-oriented goals as budgets are produced. He also noted that for a number of years Kansas has been making good strides in including more performance and outcome data in the budgeting process. Director Goossen mentioned that this year there are some challenges because there are limited resources available and performance budgeting does not eliminate funding challenges and does not eliminate the obligation to carefully analyze the detailed expenditures proposed for each agency.

Director Goossen noted the following points to consider:

1. Performance measurement is not necessarily easy or a process that is ever fully perfected.
2. Performance measurement is a tool that adds value but will not "revolutionize" Kansas budget deliberations.
3. The most important thing the Legislature can do is to show sustained interest in reviewing strategic plans and performance measures.

Committee questions and discussion followed. Vice Chairman Neufeld thanked Director Goossen for his time in appearing before the Committee and hoped that the Director would be available for further comments if the Committee comes up with a new set of questions.

Bill Introductions

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A motion was made by Representative Neufeld, and seconded by Representative Ballard, to introduce a bill regarding medication necessary for treatment for social anxiety disorders, an insurance bill. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 8, 2000.