

U.S. House of Representatives

Committee on Oversight and Government  
Reform

**Government Management, Organization, and  
Procurement Subcommittee**

14 April 2010

**TESTIMONY BY JOHN BARTON**

Texas Legislative Budget Board

**H.R. 2142**

*The Government Efficiency, Effectiveness, and  
Performance Improvement Act of 2009*

Madam Chairwoman and Members:

Good morning.

My name is John Barton, and I am the Public Information Officer and Manager of Report Production for the Texas Legislative Budget Board. I have been on the staff of this nonpartisan, highly respected legislative agency for the past 25 years. During this time, we have developed and implemented numerous Good Government Accountability initiatives. (Please see Exhibit A)

I am privileged to serve as a resource witness on H.R. 2142.

This morning, I would like to touch upon three of the Good Government Accountability initiatives that were developed and implemented during the early 1990s—namely statewide strategic planning, performance budgeting, and performance monitoring. These initiatives are the foundation of our fiscal accountability system—a system that Representative Cuellar, a sponsor of H.R. 2142, championed in Texas throughout the 1990s.

In 1991, Texas faced a massive budget shortfall. To engender support for a tax bill, and in response to a growing sense of frustration on the part of the Legislature and the public as to “What are we getting for our money?”, three interdependent initiatives were subsequently enacted: Strategic Planning, Performance Budgeting, and Performance Monitoring. (Please see Exhibit B)

The strategic planning process requires state agencies to identify the goals and strategies and performance measures that constitute the basis for their biennial request

for appropriations. The strategic planning process is a long-term iterative, and future-oriented process of assessment, goal setting and decision-making. An agency's strategic plan is used as a starting point for developing the agency's budget structure, (i.e., goals, strategies, measures, measure definitions, and other items of appropriation). (Please see Exhibit C)

The development of performance budgets occurs during the legislative appropriations process. Performance measures, definitions, and targets are established for each item of appropriation. Each agency develops a budget structure that includes its performance measures and targets. (Please see Exhibit D)

Once the state budget is enacted, performance monitoring involves each agency reporting to the Legislative Budget Board electronically every quarter on their success in achieving agency-specific performance targets. To ensure the integrity of the performance information that is being reported, measure certification audits are conducted by the State Auditor's Office on an ongoing basis. Assessment of how well agencies are able to achieve their performance targets provides essential information for the next iteration of the biennial appropriations and strategic planning processes.

After more than 15 years of daily use, we have learned many important lessons about our fiscal accountability system. For example, our system enables legislators and citizens alike to: (1) understand what we are getting for our money, (2) assess agency and program performance, and (3) improve and ensure greater governmental accountability and transparency. That said, the system cannot--and should not--be used to abdicate the hard policy, budget, and political decisions that we, as public servants, have an obligation to make in the best interest of the public and the taxpayer.

Texas' fiscal accountability system is the foremost system of its type of any state in the U.S. During the past 15 years, 28 delegations of foreign government officials

representing 38 countries have travelled to Austin to learn how Texas has integrated strategic planning, performance budgeting, and performance monitoring into a seamless system that promotes statewide accountability, effectiveness, and efficiency—and most importantly—extols the many virtues of budget transparency.

I would be delighted to respond to any questions.

Thank you very much.

## Exhibit A

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### TEXAS STATEWIDE GOVERNMENT ACCOUNTABILITY INITIATIVES

1973	Program Evaluation
1973	Fiscal Note Process
1977	Sunset Review Process
1979	Survey of Organizational Excellence
1991	Texas Performance Review
1991	Performance Budgeting
1991	Strategic Planning
1991	Federal Funds Analysis
1991	School Performance Review
1993	Performance Monitoring
1993	Rewards and Penalties
1995	Performance Benchmarking
1995	Investment Budgeting
1995	Budget Analysis by Service Type
1997	Activity-based Costing
1997	Enhanced Compensation Program
1999	Customer Satisfaction Assessment
1999	Higher Education Performance Reviews
2002	Fiscal Officers' Academy

**TEXAS' STRATEGIC PLANNING, PERFORMANCE BUDGETING,  
AND PERFORMANCE MONITORING SYSTEM**

**STRATEGIC PLANNING**

- Five-year Strategic Plans
- Internal/External Assessment
- Goals, objectives, and strategies
- Outcome, output, efficiency, and explanatory measures



**PERFORMANCE BUDGETING**

- Appropriations by goals and strategies
- Outcome, output, efficiency, and explanatory measures, and targets
- Object-of-expense informational listing



**PERFORMANCE MONITORING**

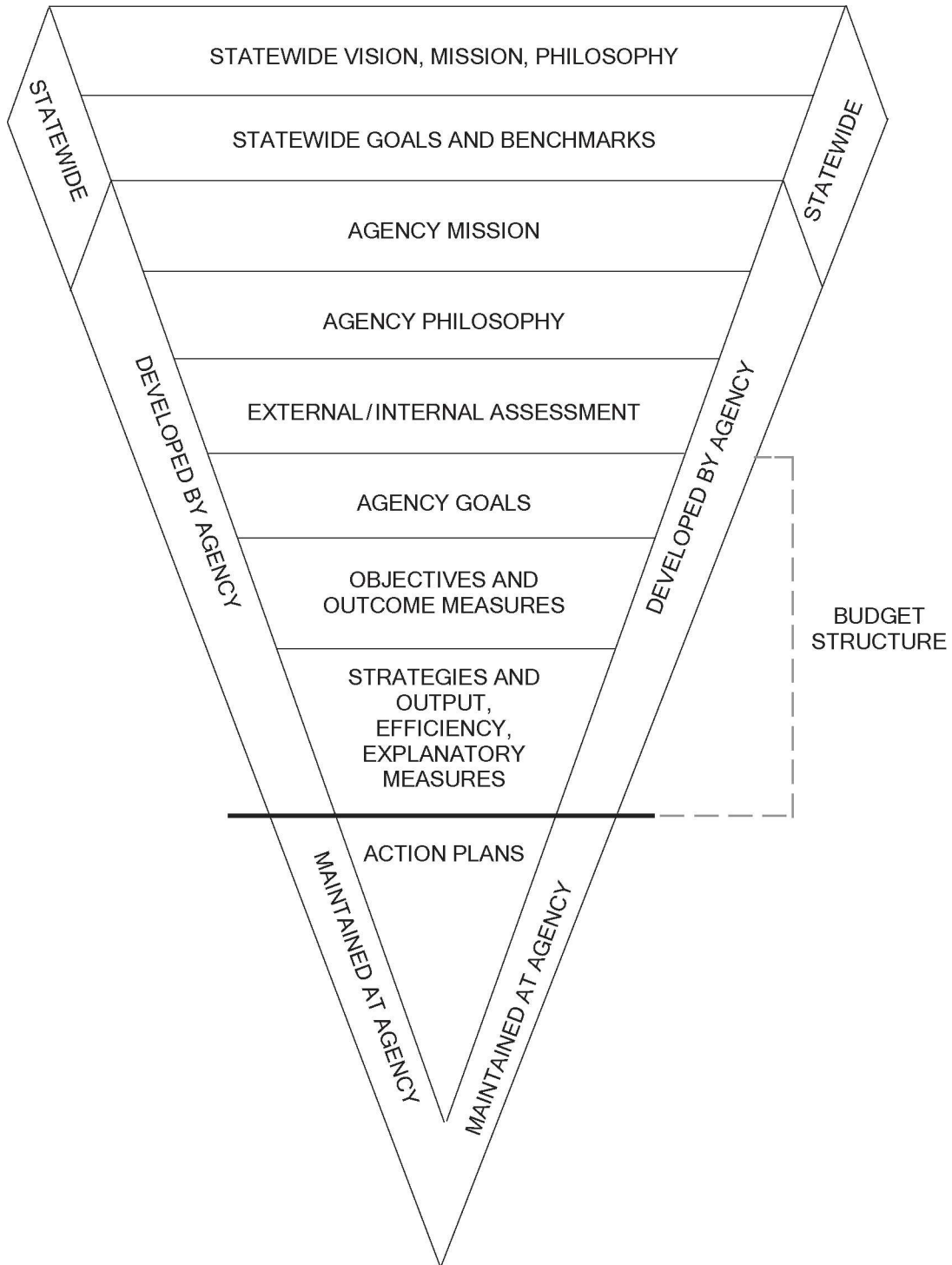
- Quarterly reporting
- Measure audit and certification
- Annual budget and performance assessments



**PERFORMANCE REWARDS AND PENALTIES**

- Discretionary use by Legislature
- Use of enhanced compensation

# TEXAS' STRATEGIC PLANNING AND PERFORMANCE BUDGETING TEMPLATE



# Exhibit D

## EXAMPLE OF PERFORMANCE BUDGETING

### TEXAS DEPARTMENT OF HEALTH

	Fiscal Year 2004	Fiscal Year 2005
<b>D. Goal: EQUITABLE ACCESS</b>		
Work to eliminate disparities in health status among all population groups. Reduce rates of diseases and conditions which disproportionately affect minority populations. Allocate public health resources in a rational and equitable manner.		
<b>Outcome (Results/Impact):</b>		
Number of Infant Deaths Per Thousand Live Births (Infant Mortality Rate)	5.5	5.5
Percentage of Low Birth Weight Births	7.2%	7.1%
Number of Pregnant Females Age 13-19 Per Thousand (Adolescent Pregnancy Rate)	63.5	62.4
<b>D.1.1. Strategy: WOMEN AND CHILDREN'S HEALTH SRVS</b>		
Provide easily accessible, quality and community-based maternal and child health services to low-income women, infants, children and adolescents.		
<b>Output (Volume):</b>		
Number of Infants <1 and Children Age 1-20 Years Provided Services by the Maternal and Child Health Program	45,366	45,366
Number of Women Provided Services by the Maternal and Child Health Program	69,538	69,538
<b>D.1.2. Strategy: FAMILY PLANNING</b>	\$ 78,565,466	\$ 80,980,454
Increase family planning services throughout Texas for adolescents and women.		
<b>Output (Volume):</b>		
Number of Adults and Adolescents Receiving Family Planning Services	464,883	444,260
<b>Efficiencies:</b>		
Average Annual Cost Per Family Planning Client	179.99	192.6
<b>D.1.3. Strategy: SPECIAL NEEDS CHILDREN</b>	\$ 37,522,763	\$ 37,522,764
Administer the Children with Special Health Care Needs Program.		
<b>Output (Volume):</b>		
Number of Children with Special Health Care Needs - Receiving Case Management Services	31,372	31,372
<b>Explanatory:</b>		
Number of Clients Removed from Waiting List and Provided Services	250	250
<b>D.1.4. Strategy: ABSTINENCE EDUCATION</b>	\$ 5,309,110	\$ 5,309,110
Increase abstinence education programs in Texas.		
<b>Output (Volume):</b>		
Number of Persons Served in Abstinence Education Programs	288,520	288,520
<b>D.2.1. Strategy: COMMUNITY HEALTH SERVICES</b>	\$ 18,483,168	\$ 18,483,168
Develop systems of primary and preventive health care delivery to alleviate the lack of health care in underserved areas of Texas; and develop and implement program policies that are sensitive and responsive to minority populations.		
<b>Total, Goal D: EQUITABLE ACCESS</b>	<u>\$ 187,230,998</u>	<u>\$ 189,645,989</u>