



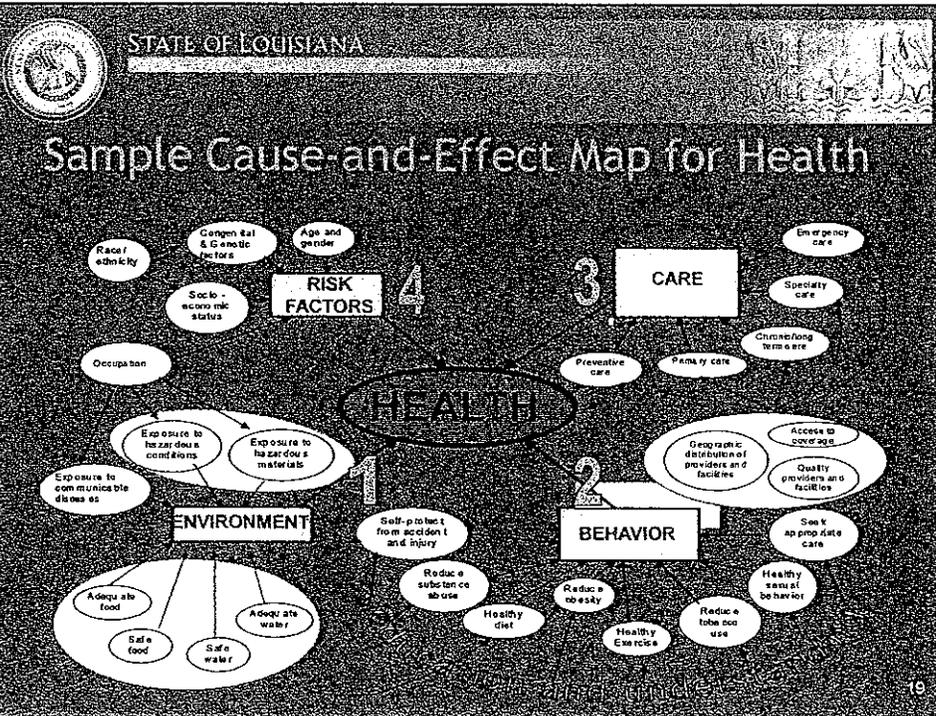
Outcome-Based Budgeting Process

- Budgets are submitted with a specific level of performance at a specific price.
- They include proposed measures of performance.
- They assume no guarantee of funding based on historic levels.
- Offers are opportunities for departments to propose new, innovative practices.
- Offers are evaluated and ranked based on ability to achieve outcome.



Innovative Offers: Examples

- Iowa: Reinvented the Corrections Department, to drive down recidivism
- Washington State: Moved \$45 million from ER care to drug and alcohol treatment under Medicaid
- Los Angeles: New method to repave streets, using cold slurry seal
- Fort Collins, Colorado: Dial-a-ride



The Public Strategies Group

WA. Budget: A Sample Page

Health Care Spending Plan

\$3.7 billion GF-S and Health Services Account

Savings: \$328 million

Higher Priorities

Lower Priorities

Key Purchases

- Medicaid health care for 908,600 vulnerable children and adults.
- All current children's health programs
- Statewide public health programs to protect all citizens
- Public health programs to ensure the health of babies and the safety of food
- Basic Health Plan insurance for 81,000 low-income people
- Expanded financial help to community health clinics

Examples of what's not purchased

- Basic Health Plan coverage for 59,800 adults
- Health coverage for the medically indigent
- Optional Medicaid coverage for workers with disabilities
- Optional adult dental, vision, and hearing services



The Bottom Line

- Balanced budget; close the gap
- Focus on the 'keeps,' not the cuts; invest in the people's priorities
- Buy results, not costs
- Divest low-value spending
- Important investments go to the front of the queue
- General interest trumps special interests
- Continuous reform and improvement
- "Common Sense" communications



Questions and Discussion