



### **The Program Elimination Commission Recently Stated:**

“The Commission strongly recommends the Legislative and Executive branches agree on a strict timetable for the development of a performance-based budget, which would present department budgets around specific results intended to be achieved. ... This approach will provide legislators with budget information that more readily enables spending decisions based on priorities and policy. ... The implementation of the new financial and budgeting system provides an ideal time for performance budgeting to be implemented.”

### **What is Budget Redesign?**

- A budget process driven by goals and performance, not incremental change from last year's dollars.
- The first phase of I/3, supporting all phases of the operating and capital budget development life cycle. It will also provide tools for performance measurement, salary and benefit forecasting, “what-if” analysis, and real-time reporting.

Budget Redesign is Key to Implementing the Accountable Government Act.

### **The Accountable Government Act**

- Results based budgeting, a component of the AGA, can be achieved with the flexibility and tools of I/3 Budget.
- Results based budgeting is a budget and accounting system that compares costs to program outputs and results.
- The State's lines of business, the activities of government, and costs associated with them, are identified.

### **Full use of I/3 Budget capabilities will result in best-practices related to:**

- Automating the entry and approval of budget requests;
- Providing real time information and reporting at each budget cycle;
- Enhancing the reporting and analysis capabilities;
- Integrating across all of the I/3 components for tracking of actual expenditures and revenues to budget for financial and HR/Payroll data;
- Streamlining of budget processes and restructuring of budget practices;
- Providing performance measurement tracking and reporting alongside the budget to allow for input-outcome, input-output and other analysis; and
- Supporting the Accountable Government Act

### **Progress To Date**

- Implementation Date: October 2003--In use for FY05 budget preparation
- Direct involvement from over 25 state agencies
- Prototype of new budget system developed
- Business process improvements/efficiencies were recommended, and are planned for implementation

### **Budget Redesign Enhancements**

- ✓Real time information
- ✓Tracking and accountability
- ✓AGA compliant
- ✓Analysis tools