2017 Regular Session

SENATE BILL NO. 187

BY SENATOR HEWITT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FISCAL CONTROLS. Provides for implementation of an evidenced-based budget process for certain programs. (7/1/17)

1	AN ACT
2	To enact R.S. 39:2(13.1), (33.1), (36.1), (36.2), (37.1), (37.2), (37.3), (40.1), and 87.7 and
3	to repeal R.S. 39:2(38) and (39), relative to the budget process; to provide for the
4	development of evidenced-based budgeting practices that will enable data-driven
5	budget decisions in selected policy areas; to require the Legislative Fiscal Office to
6	inventory programs, costs, and outcomes and determine benefit-cost ratios; to
7	provide the Joint Legislative Committee on the Budget with data to enable the
8	prioritization of funding; to require the Joint Legislative Committee on the Budget
9	to make certain recommendations; to provide for certain terms and definitions; and
10	to provide for related matters.
11	Be it enacted by the Legislature of Louisiana:
12	Section 1. R.S. 39:2(13.1), (33.1), (36.1), (36.2), (37.1), (37.2), (37.3), (40.1), and
13	87.7 are hereby enacted to read as follows:
14	§2. Definitions
15	As used in this Chapter, except where the context clearly requires otherwise,
16	the words and expressions defined in this Section shall be held to have the meanings
17	here given to them.

1   *   *   *

2   **(13.1) "Evidence-based program" means a program or practice that has**

3   **had multiple site random controlled trials across heterogeneous populations**

4   **demonstrating that the program or practice is effective for the population.**

5   *   *   *

6   **(33.1) "Other programs and activities" means all programs and activities**

7   **that do not fit the definition of evidence-based, research-based, or promising**

8   **practices programs.**

9   *   *   *

10   (38)**(36.1)** "Performance-based budget" means a budget which relates funding

11   to expected results.

12   (39)**(36.2)** "Performance standard" means the expected level of performance

13   associated with a particular performance indicator for a particular period.

14   *   *   *

15   **(37.1) "Program catalogue" means a compendium of programs compiled**

16   **by a reputable source that publishes information for use by the government.**

17   **(37.2) "Program inventory" means the complete list of all agency**

18   **programs and activities that meet any definition set out in this Section.**

19   **(37.3) "Promising practices" means a practice that presents, based upon**

20   **preliminary information, potential for becoming a research-based or**

21   **evidence-based program or practice.**

22   *   *   *

23   (38) "Performance-based budget" means a budget which relates funding to

24   expected results.

25   (39) "Performance standard" means the expected level of performance

26   associated with a particular performance indicator for a particular period.

27   *   *   *

28   **(40.1) "Research-based program" means a program or practice that has**

29   **some research demonstrating effectiveness, but that does not yet meet the**

1   **standard of evidence-based practices.**

2   *   *   *

3   **§87.7. Evidence-based budget process**

4   **A. Beginning with the Fiscal Year 2019 budget cycle, the Legislative**

5   **Fiscal Office shall require all agencies with responsibilities to deliver services**

6   **in the areas of child welfare, mental health, and substance abuse, to comply with**

7   **the requirements of this Section with respect to the inventorying of agency**

8   **programs and the computation of benefit-cost ratios for use in the budgeting**

9   **process. The aforementioned agencies shall submit all program information to**

10   **the Legislative Fiscal Office in accordance with any policies established by that**

11   **office setting out requirements for any filings required under this Section. In**

12   **addition, the Legislative Fiscal Office shall work with local entities that receive**

13   **state funding in support of programs in the selected policy areas to inventory**

14   **those programs.**

15   **B. The Legislative Fiscal Office, office of planning and budget in the**

16   **division of administration, and personnel of appropriate agencies set out in this**

17   **Section, including the local entities, shall review the programs of each agency**

18   **and shall:**

19   **(1) Establish an inventory of programs.**

20   **(2) Categorize all agency programs and activities as evidence-based,**

21   **research-based, promising practices, or other programs and activities with no**

22   **evidence of effectiveness, and compile them into an agency program inventory.**

23   **In categorizing programs, the staffs may consult the Washington State Institute**

24   **for Public Policy's Evidence-Based Practices Institute's program catalogue, the**

25   **Results First Clearinghouse Database, or any other comparable catalogue of**

26   **evidence-based programs.**

27   **(3) Determine benefit-cost ratios for all evidence-based programs in the**

28   **selected policy areas.**

29   **C. The Legislative Fiscal Office shall report to the Joint Legislative**

1   **Committee on the Budget the results of all activities required by this Section**

2   **with recommendations for further evaluation of research-based or promising**

3   **practices programs, the elimination or replacement of ineffective programs, and**

4   **the funding of effective programs, based on benefit-cost ratios and the learnings**

5   **gained. The Joint Legislative Committee on the Budget may incorporate such**

6   **recommendations into the Fiscal Year 2019 budget and appropriations bills, or**

7   **delay such incorporation until the committee is satisfied that the information**

8   **collected and inventoried under the requirements of this Section will enhance**

9   **accountability and performance measurement for the programs and activities**

10   **of state agencies.**

11   **D. The Joint Legislative Committee on the Budget shall, no later than the**

12   **2020 Regular Session of the Legislature, make a recommendation to the**

13   **legislature regarding the application of the processes and requirements of this**

14   **Section to other policy areas with evidenced-based programs.**

15   Section 2. R.S. 39:2(38) and (39) are hereby repealed.

16   Section 3. This Act shall become effective on July 1, 2017.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Ben Huxen.

DIGEST

SB 187 Original   2017 Regular Session   Hewitt

Proposed law provides that, beginning with the Fiscal Year 2019 budget cycle, the Legislative Fiscal Office shall require all agencies with responsibilities to deliver services in the areas of child welfare, mental health, and substance abuse (including local entities that receive state funding for these areas), to comply with certain requirements with respect to the inventorying of agency programs and the computation of benefit-cost ratios for use in the budgeting process.

Proposed law provides that the Legislative Fiscal Office, office of planning and budget in the division of administration, and personnel of appropriate agencies, including the local entities, shall review the programs of each agency and shall:

(1)   Establish an inventory of programs.

(2)   Categorize all agency programs and activities as evidence-based, research-based, promising practices, or other programs and activities with no evidence of effectiveness, and compile them into an agency program inventory. In categorizing programs, the staffs may consult the Washington State Institute for Public Policy's Evidence-Based Practices Institute's program catalogue, the Results First Clearinghouse Database, or any other comparable catalogue of evidence-based

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words in **boldface type and underscored** are additions.

programs.

(3)   Determine benefit-cost ratios for all evidence-based programs in the selected policy areas.

Proposed law also requires the Legislative Fiscal Office to report to the Joint Legislative Committee on the Budget the results of all activities, with recommendations for further evaluation of research-based or promising practices programs, the elimination or replacement of ineffective programs, and the funding of effective programs, based on benefit-cost ratios and the learnings gained. Proposed law further specifies that the Joint Legislative Committee on the Budget may incorporate such recommendations into the Fiscal Year 2019 budget and appropriations bills, or delay such incorporation until the committee is satisfied that the information collected and inventoried will enhance accountability and performance measurement for the programs and activities of state agencies.

Proposed law also requires the Joint Legislative Committee on the Budget to, no later than the 2020 Regular Session of the Legislature, make a recommendation to the legislature regarding the application of the processes and requirements of this Section to other policy areas with evidenced-based programs.

Effective July 1, 2017.

(Adds R.S. 39:2(13.1), (33.1), (36.1), (36.2), (37.1), (37.2), (37.3), (40.1), and 87.7; repeals R.S. 39:2(38) and (39))

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