



*Presentation to the
Performance-Based Budget Board*

PBB Overview and Agency Highlights

**PEMA
Dept of State
Dept of Environmental Protection**

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Performance Based Budgeting (PBB)

Alternative budget framework driven by performance metrics

- Output | efficiency | outcomes | benchmarks
- Link funding levels to outcome metrics
- What are the trends in output and efficiency?
- Are we making progress towards desired outcomes?
- How does PA compare to other states and U.S.?

There are many things that PBB cannot do

- Cost-benefit analysis (no longer supported by Pew Research)
- Provide a direct method to compare similar programs
- Identify and quantify waste | best used to track general trends

PBB vs Traditional Budgets

PBB (prospective) vs Traditional (incremental)

- Metrics are an integral part of the appropriation process
- Traditional: metrics might be reported, but play no material role

Significant time spent to determine actual input values

- Actual spending, actual FTEs, allocation of overhead costs
- As opposed to appropriated (spending) and authorized (FTEs)
- As close to a cash flow concept as possible
- Spending and FTEs itemized based on activity | not line item
- Activities: What services does the agency provide?

Year 2 Reviews - What's New?

More efficiency, outcome and benchmark metrics

- Able to meet with agencies earlier than last year (start in April)
- Agencies have more data | switch to electronic platforms
- Request efficiency metrics previously not compiled by agencies
- Many more state and county benchmarks

Year 3: further streamline reports, more outcome metrics

- Limit number of activities (set dollar or percentage threshold)
- Use other methods: statistical analysis and research/best practices

Some Issues Raised by Agencies

Outcomes: we have very limited control over them

- DEP: air pollution | DOH: diabetes rate | DCED: unemployment rate
- Mainly scale issues | resources too small to move needle

Federal published data often differ from state compilations

- DOH: Opioid death rate (state much higher due to better data)
- DEP: % drinking water that has acute health based violation

Many note that PBB was time consuming but worthwhile

- View budget in different light | allocation of costs
- Helps agencies focus on more meaningful data to refine processes

Some Miscellaneous Caveats

Some state benchmark metrics may not be directly comparable

- No guarantee states collect and report data same way
- Still useful to look at trends over time across states

FY 2019-20 data are different than other years

- Does not include “potential” supplementals (\$779 million)
- Reflects all requested federal funds authority (only some used)

Process much smoother than last year

- Longer lead time | agencies see last year’s reports
- Office of Performance Through Excellence coordinates all meetings

Pennsylvania Emergency Management Agency (PEMA)

PEMA Actual Spend and FTEs (2018-19)

Activities	FTEs		Expenditures	
	Number	Share	Amount	Share
Response Operations	49	30.6%	\$5.0	1.2%
Administration	36	22.5	13.3	3.1
Planning, Training and Outreach	24	15.1	35.4	8.4
Recovery and Mitigation	13	8.3	23.9	5.6
OSFC Training and Certification	12	7.4	2.4	0.6
Hazardous Materials	10	6.4	3.8	0.9
Volunteer Fire Grants and Loan Program	8	5.3	48.6	11.5
911 Emergency Telecommunication	7	4.4	290.9	68.7
Total	160	100.0	423.2	100.0

Note: Includes all expenditures in \$ millions.

PEMA GF Appropriations (2019-20)

Activities	GGO	State Fire Commissioner	Red Cross Extended Care Program	Search and Rescue	Totals
Administration	\$8.54	\$1.05	\$0.00	\$0.00	\$9.59
Response Operations	2.78	0.00	0.00	0.00	2.78
OSFC Training & Certification	0.00	2.31	0.00	0.00	2.31
Planning, Training & Prepared.	1.53	0.00	0.25	0.25	2.03
Recovery and Mitigation	0.65	0.00	0.00	0.00	0.65
Hazardous Materials	0.02	0.00	0.00	0.00	0.02
Vol. Fire Grants & Loan Prog.	<u>0.00</u>	<u>-0.50</u>	<u>0.00</u>	<u>0.00</u>	<u>-0.50</u>
Total	13.52	2.85	0.25	0.25	16.88

Note: Amounts in \$ millions. Total line includes a small amount appropriated to the Administration Activity (\$10,000 from the Firefighters' Memorial appropriation) and 911 Emergency Telecommunication Activity (\$1,000 from the GGO appropriation).

PEMA Metric Highlights

\$1.65/month/line 911 fee ranks 7th in U.S. (\$19.80 annual fee)

- \$316m collected CY 2018 | per capita amount is \$24.69
- Considerably higher than most border states (PA relies more on fee)
- Population per PSAP highest of all comparison states
- Recommended metrics: avg. call answer time | calls re-routed incorrectly

75% of PA municipalities have a Hazard Mitigation Plan

- Must have plan in order to receive federal hazard mitigation funding

OSFC lacks authority to require reporting of # firefighters

- PA reliance on volunteer departments ranks 3rd in U.S. (U.S. Fire Admin.)
- What are turnover rates? Where are resources needed?

PEMA Metric Highlights (cont)

PA has assisted other states on many missions (EMAC)

- 37 missions from 2014-18 | \$4.9 million in resources
- PA received assistance for 5 missions (all in 2014)

PEMA should devote resources to develop long-term metrics

- Very difficult to develop quantifiable outcome metrics for agency
- Random and infrequent events
- Actions taken difficult to quantify: training, mitigation, preparation
- PEMA in process of complete revamp of goals and objectives

Department of State (DOS)

DOS Actual Spend and FTEs (2018-19)

Activities	FTEs		Expenditures	
	Number	Share	Amount	Share
Professional and Occupational Affairs	219	47.0%	\$43.3	50.3%
Enforcement and Investigations	133	28.5	13.5	15.7
Corporations and Charitable Organizations	42	9.0	6.8	7.8
Administration	35	7.5	6.7	7.7
Elections and Notaries	12	2.5	5.6	6.5
Professional Health Monitoring Program	11	2.3	2.5	3.0
Campaign Finance and Civic Engagement	6	1.3	1.0	1.1
State Athletic Commission (SAC)	5	1.1	0.6	0.7
Election Security and Technology	<u>4</u>	<u>0.8</u>	<u>6.2</u>	<u>7.1</u>
Total	466	100.0	86.1	100.0

Note: Includes all expenditures in \$ millions.

DOS GF Appropriations (2019-20)

Activities	SURE	GGO	Publishing Constitutional Amendments	Voter Reg. and Education	County Election Expenses	Lobbying Disclosure	Total
Election Sec. & Technology	\$7.31	\$0.88	\$0.00	\$0.00	\$0.00	\$0.00	\$8.19
Elections & Notaries	0.00	1.37	1.38	0.49	0.40	0.00	3.68
Campaign Fin. & Civic Engage.	0.00	0.55	0.00	0.00	0.00	0.29	0.85
Enforcement & Investigations	0.00	0.84	0.00	0.00	0.00	0.00	0.84
Administration	<u>0.00</u>	<u>0.68</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.68</u>
Total	7.31	4.32	1.38	0.49	0.40	0.29	14.21

Note: Amounts in \$ millions. The following activities did not receive any General Fund appropriations in FY 19-20: Professional and Occupational Affairs, Professional Health Monitoring, Corporations and Charitable Organizations, and State Athletic Commission. Total line includes a small amount appropriated to the Elections & Notaries Activity (\$20,000 from the Voting of Citizens in Military Service appropriation).

DOS Metric Highlights

Nov 2018: 88% of those eligible registered | 52% actually voted

- PA rank is 32 and 28 | U.S. average is 92% and 52%
- Recent reforms should provide a boost

Nov 2018: only 7% of voting machines have VVPAT

- Average is 60% for U.S. | goal for all counties for Nov 2020
- VVPAT allows for paper recounts (enhances trust in election system)

Most initial licensing fees lower than U.S. and border states

- However, professional renewals are higher
- Fee structure attempts to alleviate barriers to entry

DOS Metric Highlights (cont)

Notable increase in certain electronic filings from 14-15 to 18-19

- Voter registration 0% to 24% | Corporate registration 10% to 53%
- Convenience | enhances participation | reduces data errors | cost savings

Online absentee ballot applications begin in 19-20

- As of Sept. 2019, voters were able to apply for absentee ballots online

Productivity gains in Enforcement and Investigations Activity

- Average cost/inspection and cost/investigation flat since FY 14-15
- Complaint-driven inspections declined | about ~2% of all inspections

Department of Environmental Protection (DEP)

DEP Actual Spend and FTEs (2018-19)

Activities	FTE		Expenditures	
	Number	Share	Amount	Share
Clean Water	262	11.3%	\$42.1	8.1%
Air Quality	241	10.4	40.7	7.9
Mining Programs and District Operations	220	9.5	36.9	7.1
Safe Drinking Water	216	9.3	34.4	6.7
Environmental Cleanup and Brownfields	198	8.5	50.7	9.8
Oil and Gas Management	177	7.6	24.2	4.7
Abandoned Mine Reclamation	174	7.5	60.4	11.7
Waste Management	169	7.3	61.4	11.9
Waterways and Wetlands	161	6.9	23.5	4.6
Administration	116	5.0	32.1	6.2
Radiation Protection	104	4.5	15.2	3.0
Mine Safety	68	2.9	11.8	2.3
Other	<u>214</u>	<u>9.2</u>	<u>83.1</u>	<u>16.1</u>
Total	2,321	100.0	516.4	100.0

Note: Includes all expenditures in \$ millions. Other includes Laboratory Services, Water Resource Planning, Chesapeake Bay, Vector Management and Energy Programs.

DEP GF Appropriations (2019-20)

Activities	Environmental Protection Operations	Environmental Program Management	GGO	Black Fly-West Nile Control and Research	Total
Administration	\$5.9	\$1.9	\$13.3	\$0.0	\$21.1
Waterways and Wetlands	8.2	6.8	0.0	0.0	15.0
Clean Water	7.9	5.6	0.0	0.0	13.5
Mining Prog. & Dist. Op.	11.6	1.5	0.0	0.0	13.1
Waste Management	11.1	1.8	0.0	0.0	12.9
Vector Management	2.6	0.2	0.0	8.8	11.6
Safe Drinking Water	7.8	3.4	0.1	0.0	11.2
Air Quality	7.0	2.8	0.0	0.0	9.8
Mine Safety	7.1	0.3	0.0	0.0	7.4
Abandoned Mine Reclam.	2.9	1.1	0.0	0.0	4.0
Water Resource Planning	1.6	1.6	0.0	0.0	3.2
Envtl. Cleanup & Brownfields	2.4	0.2	0.0	0.0	2.6
Other	<u>8.3</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>9.6</u>
Total	84.5	28.4	13.5	8.8	135.1

Note: Amounts in \$ millions. Other includes Chesapeake Bay, Oil-Gas Management, Radiation Protection, Energy Programs, Lab Services.

DEP Metric Highlights

By 19-20, 65% of inspectors migrated to e-inspection solutions

- Oil and Gas permitting productivity up 20% since 16-17
- Clean Water and Safe Drinking Water record modest gains in productivity

Oil and Gas Management realizes productivity gains due to e-file

- Inspections per inspector climbs 40% 14-15 to 18-19
- Nearly all well-drilling permits now processed on time

DEP continues to address legacy coal mining and oil/gas drilling

- More than 1 million structures are located above abandoned mines
- 12,000 abandoned wells identified | ~200,000 more not identified

DEP Metric Highlights (cont)

Significant improvement in PA air quality since 2004

- All metro areas record significant gains | nearly all counties

In CY 2018, many residents received water from a CWS with AHBV

- CWS: community water system | AHBV: acute health-based violation
- Highest in nation (13.4%) | four times national rate (3.3%)
- DEP increases fees and implements new fees to add resources

Vector Management: Black Fly, West Nile and Lyme Disease

- West Nile incidence rate: 0.10 (14-15) to 1.02 (18-19) per 100,000
- PA rank falls from 20 to 36 (50 is worst)
- Lyme disease incidence rate: 58.6 to 79.7 per 100,000
- PA rank falls from 48 to 49 (50 is worst)