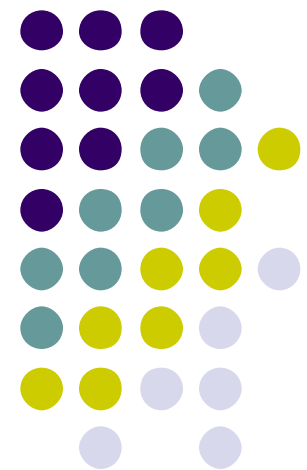


# A Legislative Perspective on Program Budgeting for Public Health in Georgia

A guide to legislative concerns about  
budgetary accountability and control.

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# The Past: Object Class Budgeting



- Prior to SFY 2006, the Georgia General Assembly held state agencies accountable for expenditures at the object class level (salaries, rent, travel, computer charges, etc.).
- Concentrating on inputs helped to control corruption and the misuse of government resources.
- **Agencies could only increase a particular object class budget by 2% and the extra funds had to come from decreasing another object class.**
- Agencies could not be creative with their funding (i.e. automating a system with technology rather than using labor)
- Legislators were micromanaging inputs (“how many conferences are your staff going to?”).
- As a part time legislature, whose members do not necessarily have expertise in areas they oversee, **a legislative focus on inputs rather than outcomes leads to low levels of agency accountability.**

# The Switch to Program Budgeting



- Agency officials are better geared to the day to day operations of implementing policy.
- Legislators are more knowledgeable than agency officials about the priorities, expectations, and goals of the public.
- In the SFY 2006 budget, the Georgia General Assembly switched legal accountability for agencies from object classes to programs.



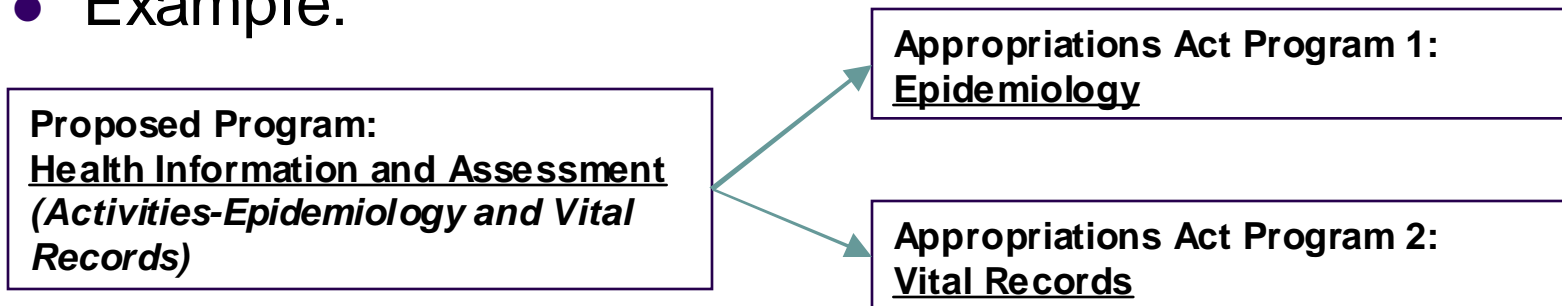
# What is a program?

- Textbook Definition: A cluster of activities oriented towards achieving a single objective or end product.
- Fundamental dilemma of program budgeting is that the definition can encompass different types of programmatic arrangements.
- Structure is important because agencies are only legally permitted to transfer 2% between programs without legislative approval.
- Results of this restriction: Agencies prefer broad programs with long term outcomes and the legislature prefers discrete programs with distinct outcomes.

# Consideration #1: Linking resources to outcomes



- Does a program encompass a single product, service (or core business) associated with a distinct set of outcomes?
- Can the outcomes can be assessed over a budgetary cycle (12-18 months in Georgia)?
- Example:



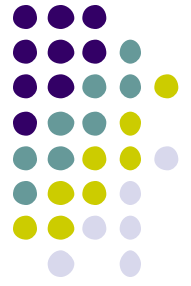
# Consideration #2: Aggregate or Disaggregate?



- Might be useful to have discrete programs for evaluation purposes
- Might be useful to have “big” programs for cost accounting or managerial concerns
- Example:

**Appropriations Act Program:**  
**Injury Prevention**  
*(Activities-Suicide Prevention,  
Automobile Safety)*

# Consideration #3: Political Will (throwing all the rules out!)



- Agency Trust- Is there a history of agency mismanagement or going against legislative will?
- Visibility- Does the legislature want activities hidden or exposed for political reasons?
- Short Term Items-Does the legislature want to make sure that special funding doesn't get buried (i.e. Y2K upgrade funding)?
- Political Capital-Are legislators willing to expend political capital to get their program structure?

## Department Proposed Structure

## Final Structure Passed (HB1027)

