



*Orientation to*  
**FISCAL HEALTH and WELLNESS through**  
**PRIORITY BASED BUDGETING**

*City of Kenmore, Washington*  
*Jon Johnson & Chris Fabian*  
*June 9, 2014*

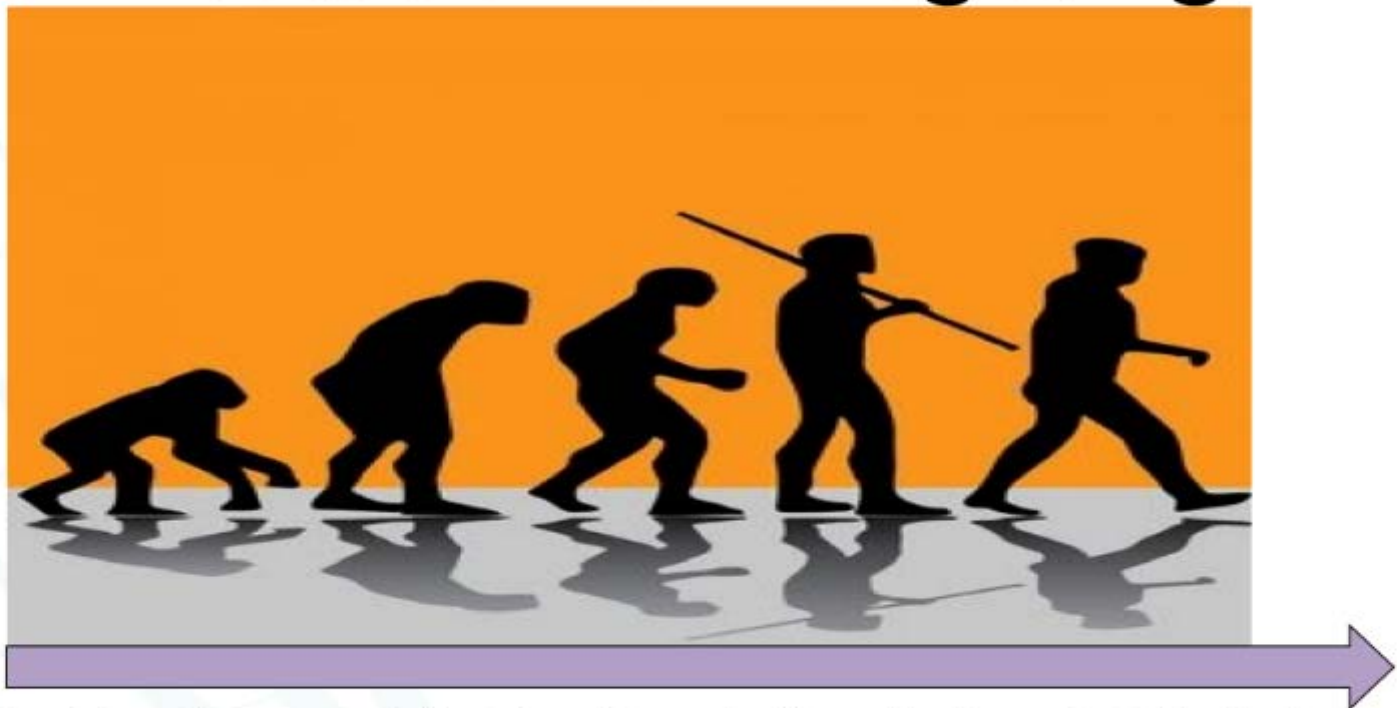


**CENTER FOR  
PRIORITY BASED BUDGETING**

*Using a Unique Lens to Focus Community Resources on Results*



# Evolution of Budgeting



**Line-by-Line  
Budgeting**

**Incremental  
Budgeting**

**Zero Based  
Budgeting**

**Results Based  
Budgeting**

**Priority Based  
Budgeting**





# Achieving Fiscal Health & Wellness

## 2 Strategic Initiatives

### Fiscal Health



Incorporate Economic Analysis and Long-term Planning into Decision Making

"Spend Within Our Means"

**Fiscal Health** ©

Establish and Maintain Revenues

Understand Variances (Budget vs. Actual)

Transparent About the "True Cost Doing Business"

### Long-term Fiscal Wellness



Support Resource Allocation Decision Making with Prioritization of Programs

Achieve Fiscal Health

**Fiscal Wellness** ©

Identify, Define and Value the Results of Government

Identify Programs and Services

Value Programs Based on Evidence of their Influence on Results



# BRINGING VISION INTO FOCUS WITH A NEW “LENS”





# Who is Looking through the “New Lens”

**ARIZONA** - **Chandler**; Queen Creek; Goodyear

**CALIFORNIA** - **Walnut Creek** ; **San Jose**;  
**Monterey**; **Sacramento**; **Seaside**;  
Fairfield; Mission Viejo; Salinas Temple  
City; Hermosa Beach

**CANADA** - Edmonton; Alberta Ministry of  
Health

**COLORADO** - **Boulder**; **Longmont**; **Fort Collins**;  
**Wheat Ridge**; Jefferson County;  
Thornton; Dillon Valley Water/Sewer  
District; Victor; **Mountain View Fire  
Protection District**; Loveland

**FLORIDA** - **Lakeland**; **Delray Beach**; Pasco County;  
Plantation; Jupiter

**GEORGIA** - Roswell; Cobb County

**IDAHO** – Post Falls

**ILLINOIS** – Boone County

**KANSAS** - Shawnee

**MICHIGAN** – Kalamazoo

**MINNESOTA** – Scott County

**MISSOURI** - Branson

**MONTANA** - **Billings**

**NEBRASKA** - **Grand Island**

**NEW MEXICO** - San Juan County; Los Lunas

**NEVADA** - **Douglas County**

**NORTH CAROLINA** - Cary; Garner

**OHIO** - Blue Ash; Cincinnati

**OREGON** - Tualatin; Springfield

**PENNSYLVANIA** - Lehigh County

**TEXAS** - **Plano**; **Southlake**

**VIRGINIA** - **Chesapeake**; **Christiansburg**

**WASHINGTON**- Bainbridge Island, Kenmore

**WYOMING** - Green River



**ICMA**

*Leaders at the Core of Better Communities*



alliance FOR  
**INNOVATION**  
Transforming Local Government

**Best Practice**

**Straight Ahead**





# Fiscal Health & Wellness through *Priority Based Budgeting*

"Today's challenges have required local governments to work differently, looking to new and innovative approaches to service delivery, while at the same time reducing costs and increasing efficiency of operation. While "best" practices are always important for managers to follow and implement, it is those "leading" practices—creative and innovative ways to approach service delivery—that hold the greatest promise for us to truly "reinvent" government and the ways we do business..."



*Robert O'Neill, Executive Director,  
International City/County Management  
Association (ICMA)*



**Center for Management Strategies**

## Center for Management Strategies

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## Leading Practices

Be a part of the community of leading ideas in local government management.

### HIGH PERFORMANCE ORGANIZATIONS

ICMA has identified the High Performance Organization Model as a leading practice for local governments, and is proud to partner with The Commonwealth Centers for High-Performance Organizations to deliver education and technical assistance to you on implementing these effective and proven methods in your organization. You can improve performance and make your organization the gold standard with The Commonwealth Centers for High-Performance Organizations (CCHPO).



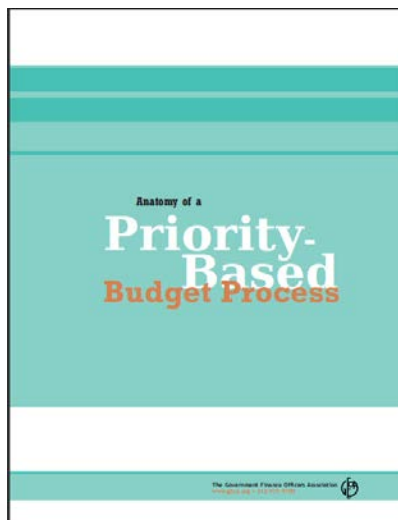
### PRIORITY BASED BUDGETING

ICMA has identified Priority Based Budgeting as a leading practice for local governments. It is proud to partner with The Center for Priority-Based Budgeting to bring education and technical assistance to you in implementing these effective and proven methods in your organization.

You can increase your budgeting effectiveness through The Center for Priority-Based Budgeting's creative solutions for local governments. Its mission is to share experience and technical knowledge of government financial operations and budget development with organizations that are seeking to achieve sustainable fiscal health and wellness.



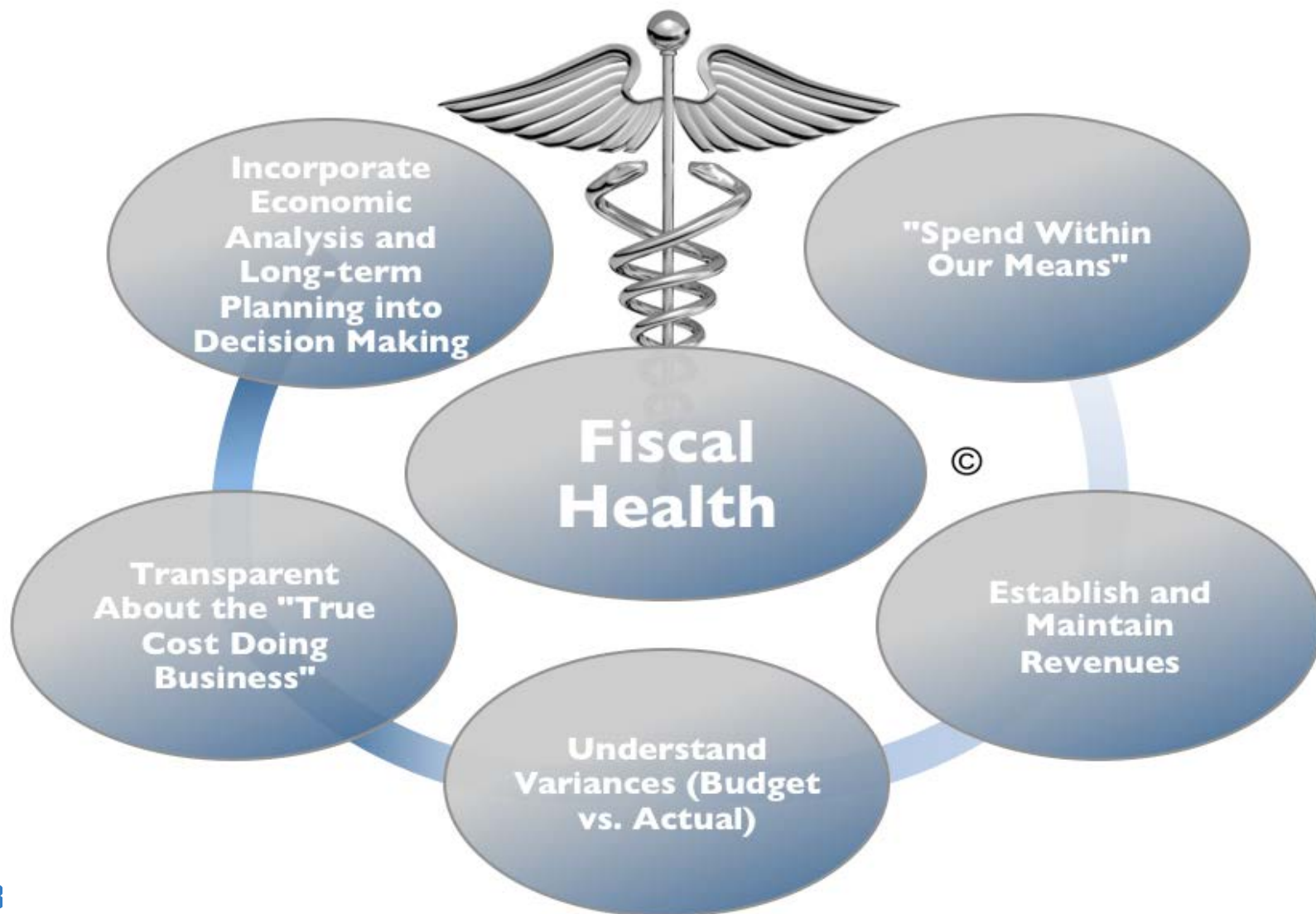
# CPBB Publications on Fiscal Health & Wellness







# ACHIEVING FISCAL HEALTH





# Strategic Questions

- *How much do we have available to spend? - (not “How much do you need”?)*

***“Spend Within Our Means”***



- *Why do we need to keep “money in the bank”?*



***Establish & Maintain Reserves***

- *What’s the “difference”?*

***Understand Variances (Budget to Actual)***





# Strategic Questions

- “It costs how much”?????????



**Transparent About  
“True Cost of Doing Business”**

- “What’s the plan and what could cause it change?”



**Economic Analysis & Long-Term Planning**

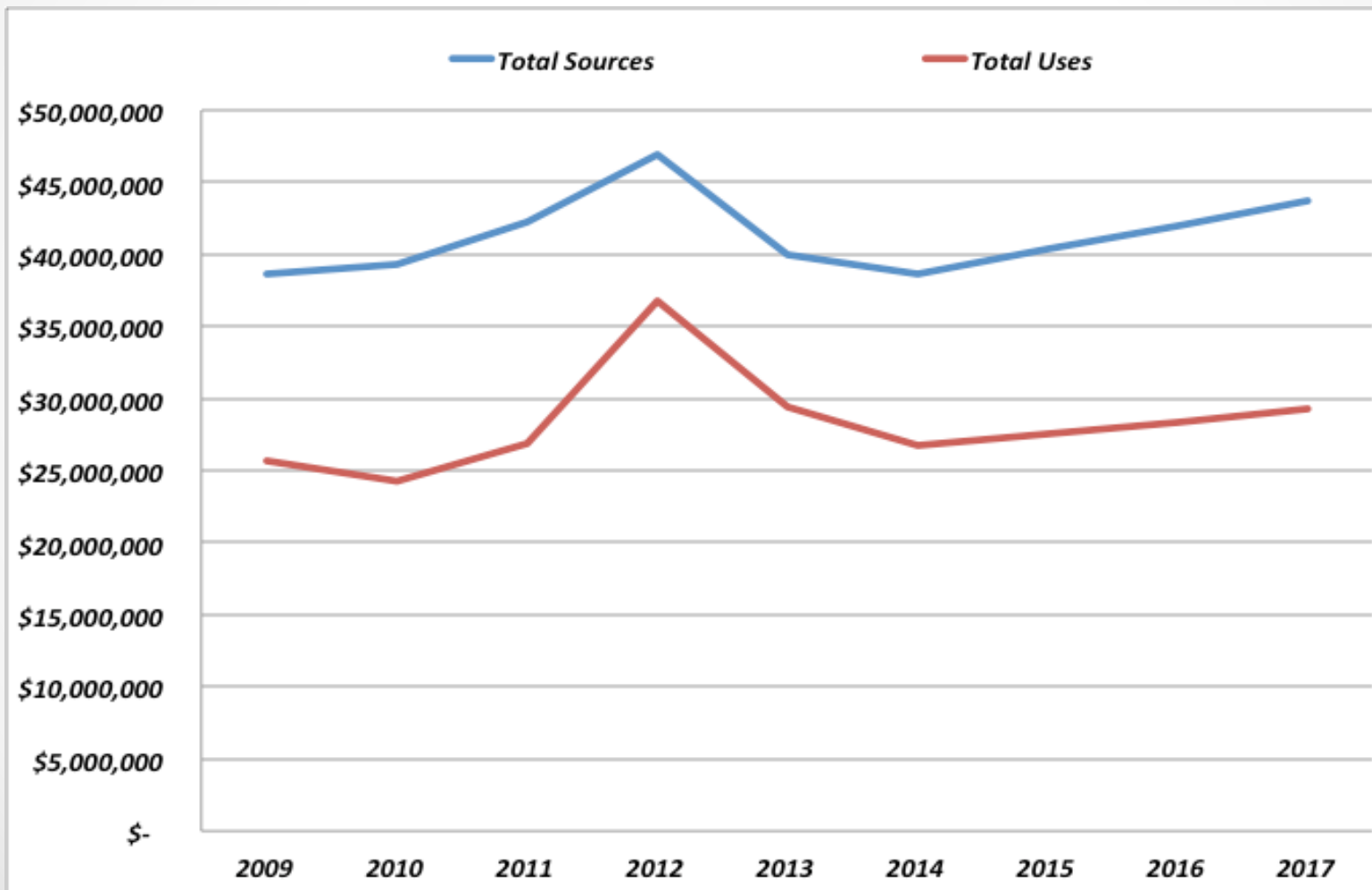
- What does the future look like?
- What if.....???



**“Fiscal Health Diagnostic Tool”**



# Looks like a Financially “Healthy” Organization – Right?





# Let's Look through a Different Lens!



## CITY OF WHEAT RIDGE, COLORADO COMBINED GENERAL and CAPITAL FUNDS

Wednesday, May 15, 13



Note: Items in "Blue" can be modified; items in "Black" can not

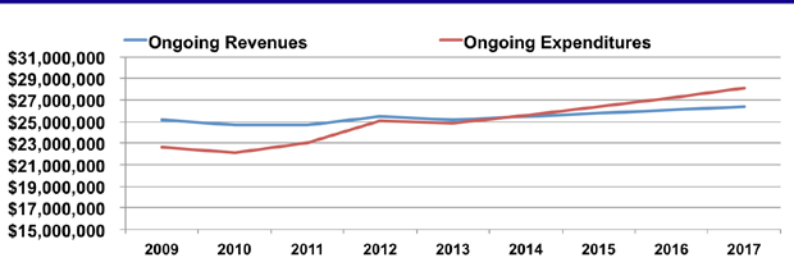
### Fiscal Health Diagnostic (Are objectives met?)

Objectives	Status	1st Year Missed	1st Year Impact
Set Aside Reserves	Meets	-	\$0
Achieve "Ongoing" Alignment	Does Not Meet	2014	(\$137,866)
Achieve "One-time" Alignment	Meets	-	\$0

### Additional Ideas for Revenue Enhancement

Description	R	Ongoing	Year 1	Year n	One-time	Year
Increase Sales Taxes	R	\$0	2014	2017	\$0	2013
Sell City Hall (sell assets)	R	\$0	2014	2017	\$0	2014
ULTIMATE ELECTRONICS CLOSES	R	\$0	2014	2017	\$0	2012
Anticipated Increase in Sales Tax Revs	R	\$0	2015	2017		
Fill Gap	N		2014	2015		
Adjust Reserve Policy	N	10%	2013			

### Ongoing Alignment



### Ongoing Initiatives

	Y/N	Approval Year	First Year \$
	N	2013	\$ -
	N	2013	\$ -
CIP - 32nd Ave. Reconstruction - Wadsworth to Kipling	N	2014	\$ -
CIP - Wadsworth Reconstruction - 36th to 46th	N	2014	\$ -
CIP - Pedestrian & Bike Master Plan	N	2015	\$ -
CIP - Dispatch Center	N	2016	\$ -

### One-time Alignment (as of year-end)



### One-time Projects

	Y/N	Approval Year	First Year \$
	N	2012	\$ -
	N	2012	\$ -
CIP - 32nd Ave. Reconstruction - Wadsworth to Kipling	N	2013	\$ -
CIP - Wadsworth Reconstruction - 36th to 46th	N	2013	\$ -
CIP - Pedestrian & Bike Master Plan	N	2014	\$ -
CIP - Dispatch Center	N	2015	\$ -

\$15,000,000

2009 2010 2011 2012 2013 2014 2015 2016 2017



# "FISCAL HEALTH DIAGNOSTIC TOOL" – Tell the Story with a "Picture"



## GENERAL FUND

Monday, June 08, 2009

### Fiscal Health Diagnostic (Do we meet the objectives?)

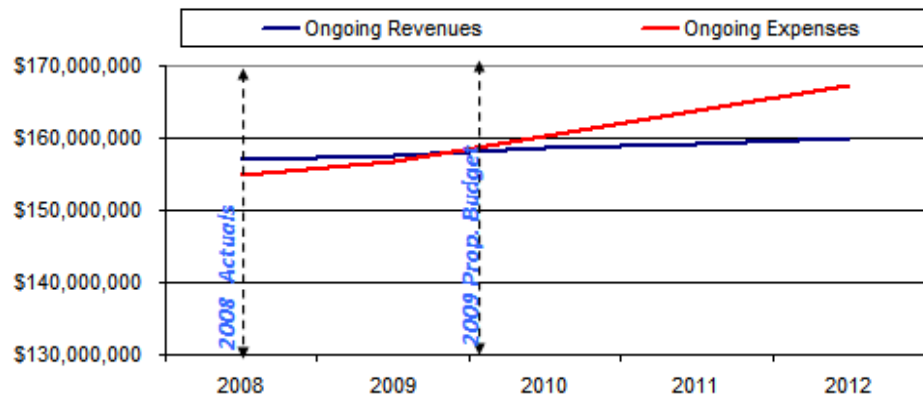
Objectives	Status	1st Year Missed	1st Year Impact
Set Aside Reserves	Meets	-	\$0
Fund "True Cost of Business"	Meets	-	\$0
Achieve "Ongoing" Alignment	Does Not Meet	2010	(\$1,492,879)
Achieve "One-time" Alignment	Meets	-	\$0

(Key: Items in "Blue" can be modified; items in "Black" can not)

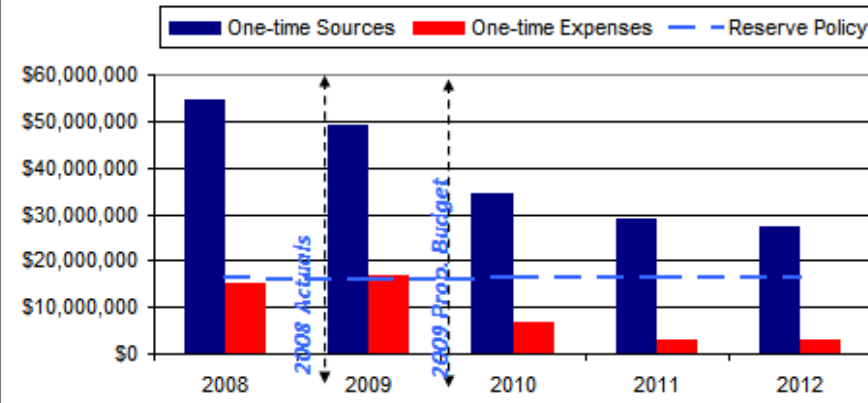
### Ideas for Cost Containment or Additional Revenue

Description	R / E	Ongoing	Year 1	Year n	One-time	Year
Raising Taxes	R	\$1,500,000				2009
			2007	2012	\$0	
			2007	2012	\$0	2007
Use FB for Ongoing	N		2010	2010		

Ongoing Alignment, 2008-2012



One-time Alignment, 2008-2012



### Ongoing Business Cases

Ongoing Projects	Y/N	Approval Year	First Year \$
Detention Center Expansion	Y	2009	\$ 760,000
Sheriff's PC Replacement	Y	2009	\$ 35,232
Assessor System	Y	2009	\$ 316,046
Treasurer's System	N	2009	\$ -

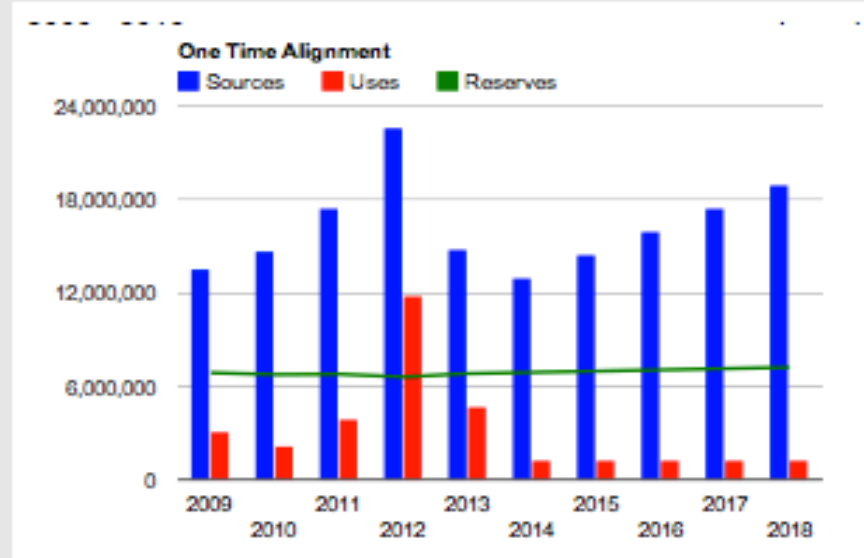
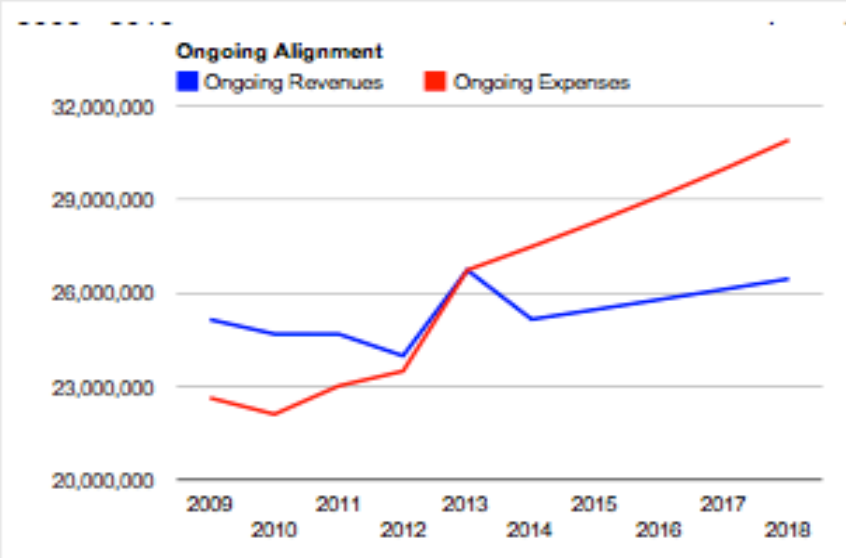
### One-time Business Cases and 5-Year Plan

One-time Projects	Y/N	Approval Year	First Year \$
Detention Center Expansion	Y	2009	\$ 9,500,000
Sheriff's PC Replacement	Y	2009	\$ 440,400
Assessor System	Y	2009	\$ 3,950,580
Treasurer's System	N	2009	\$ -



Fiscal Health  Reserves  Ongoing  One-time Fund: 3 - COMBINED GENERAL & CAPITAL FUNDS Scenario: Baseline

Create Scenario



**FILL GAP (+)**

Year Active Amount

2013	<input type="checkbox"/> Y	\$1,889,697 (remove)
2014	<input type="checkbox"/> N	\$0 (remove)
2015	<input type="checkbox"/> N	\$0 (remove)
2016	<input type="checkbox"/> N	\$0 (remove)
2017	<input type="checkbox"/> N	\$0 (remove)

**FUNDING SOURCES (+)**

Title Y/N Year 1 Year n Amount

**INITIATIVES (+)**

Project

32nd Ave Reconstruction

Active Yr.  N  201:

Ongoing \$ One Time \$  
\$0.00 \$0.00



# The Mercury News

From 2007

## Across the Board Cuts Address \$14.5 Billion Shortfall

- California Governor's Office: "Across-the-board approach spreads reductions as evenly as possible so no single program gets singled out."
- Reaction: "the governor's approach would be like a family deciding to cut its monthly mortgage payment, dining-out tab and Netflix subscription each by 10%, rather than eliminating the restaurant and DVD spending in order to keep up the house payments."





# According to Moody's:



- Across-the-Board versus Targeted Budget Cuts
  - *“Across-the-board cuts can be a way to avoid tough decisions”*
  - *“Targeted cuts require a serious discussion of community values, relative benefits of different services, and long-term implications”*
- Moody's wants to see how local governments plan for and respond to financial challenges over the long term
  - *“Making targeted cuts can demonstrate a more strategic approach to managing the fiscal crisis”*



# GOVERNING

CONNECTING AMERICA'S LEADERS

*“ Across the board cuts spreads the pain evenly and also evenly spreads the mediocrity”*

**- Budget Director for the State of Louisiana**



# Achieving Long-Term Fiscal Wellness





# STEPS to SUCCESS – Priority Based Budgeting

## 1. Determine Results

- Accurate prioritization of programs, reflecting the organization's stated objectives, depends on the comprehensive identification of the *Results* it is in business to achieve

## 2. Clarify Result Definitions

- Precision in prioritization depends on the articulation of the cause and effect relationship between a program and a *Result*
- Using clearly defined "**Result Maps**", detailing the factors that influence the way *Results* are achieved, the organization can minimize subjectivity in the process of linking programs with its *Results*

## 3. Identify Programs and Services

- Comparing individual programs and services as opposed to comparing departments that provide those services allows for better prioritization

## 4. Value Programs Based on Results

- With the right *Results* that are clearly defined, the organization can more accurately "value" a program relative to its influence on achieving *Results*

## 5. Allocate Resources Based on Priorities

- Using "**Resource Alignment Diagnostic Tool**"



# Strategic Questions

**1. What are we in “business” to do?**





# What are “Results”

- *High-level and over-arching reasons the organization exists in the eyes of the community*
- *Identifies the “Role of Local Government” in your community*
- *Remain consistent and unchanged over time*
- *Comprehensive*
- *Distinguished from (i.e. “Results” are not...)*
  - Vision or Mission Statements
  - Specific short-term, projects, goals or initiatives
  - Organizational Values
    - *How* we want to achieve our results
  - “*Marketing*” statements
    - Look and feel of the community



# Step 1: Determine Results

## City of Grand Island, Nebraska

*Stewardship of the Environment*

*Safe Community*

*Strategic, Sustainable and  
Maintained Development*

*Mobility Options*

- *Used to Differentiate Programs Offered to the Community*
- *Not All Programs Achieve these Results*
- *Programs that Achieve Many Results, with a High Degree of Influence, Achieve Highly in Prioritization (demonstrate high degree of relevance)*

### Community Results

*Efficient Services*

*Transparent Services*

- *Every Program Should Achieve these Results (though potentially, not every program does)*
- *Not Used to Differentiate the Relevance of Programs in Prioritization*

### Quality Service Results

*Financial Stewardship*

*High-quality Workforce*

*Regulatory Compliance*

- *Used to Differentiate Programs Designed to Support Governance*

### Governance Results



## SUMMARY of RESULTS by COMMUNITY

BILLINGS, MT	CARY, NC	BLUE ASH, OH	LEHIGH COUNTY, PA	CHESAPEAKE, VA
Safe Community	Safe Community	Safe Community	Safe Community	Safe Community
Preservation of Community Resources	Quality Cultural, Recreational & Leisure Opportunities	Attractive and Well-Maintained Community	Quality Recreation, Leisure and Lifestyle Opportunities	Ecological Stewardship
Leisure, Cultural and Learning Opportunities	Economic Vitality & Development	Quality and Diverse Leisure-time Activities	Healthy Nurturing & Social Responsible Environment	Healthy, Nurturing and Secure Community
Involved, Engaged and United Community	Attractive, Well-Planned & Livable Community	Quality and Desirable Neighborhoods	Economic Health & Vitality	Economic Vitality
Sustainable Economic Development	Effective Transportation & Mobility	Strong and Vibrant Economic Environment	Quality Infrastructure & Transportation Systems	Quality Infrastructure and Transportation Systems
Comprehensive, Orderly Growth and Development	Reliable, Sustainable Infrastructure	Connected, Accessible and Reliable Transportation Network	Managed, Well-Planned Growth	Good Governance
Effective and Connected Transportation Systems	Good Governance	Governance	Good Governance	
Honest, Responsive Government (Governance)				



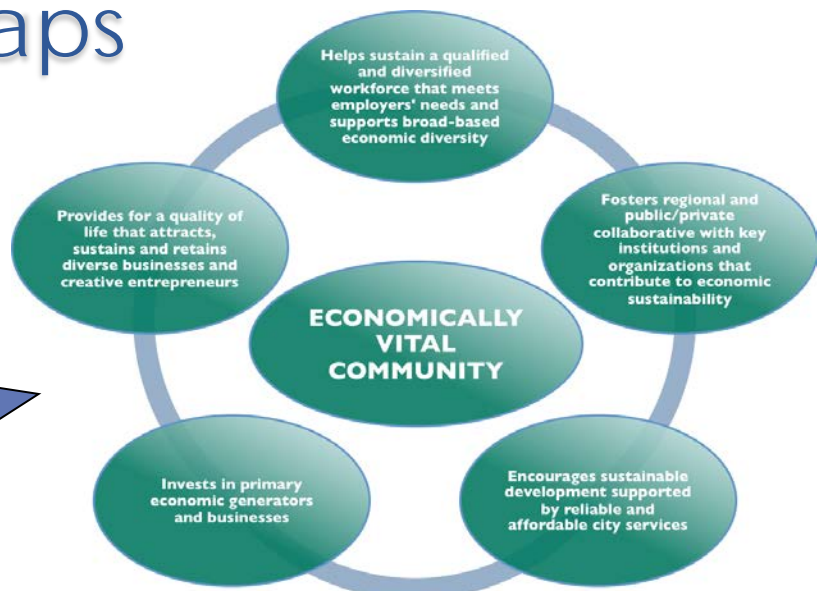
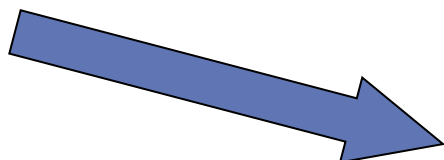
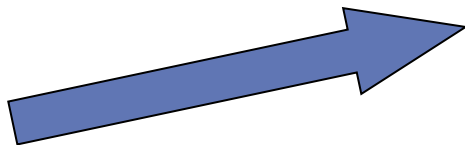


# Step 2: Clarify Result Definitions

## Result Maps

### City of Boulder, CO Results

- ❖ Accessible & Connected Community
- ❖ Economically Vital Community
- ❖ Healthy Environment & Community
- ❖ Inclusive & Socially Thriving Community
- ❖ Safe Community





# Defining Results Result Mapping Exercise





# Creating Result Maps

## CITY of SPRINGFIELD, OREGON

### Result: ENCOURAGE ECONOMIC DEVELOPMENT through COMMUNITY PARTNERSHIPS

If the CITY of SPRINGFIELD \_\_\_\_\_, then it will have successfully achieved the result of providing ENCOURAGE ECONOMIC DEVELOPMENT through COMMUNITY PARTNERSHIPS

Markets itself as a safe, attractive, thriving and desirable place to live and work; promoting its location, amenities and livability

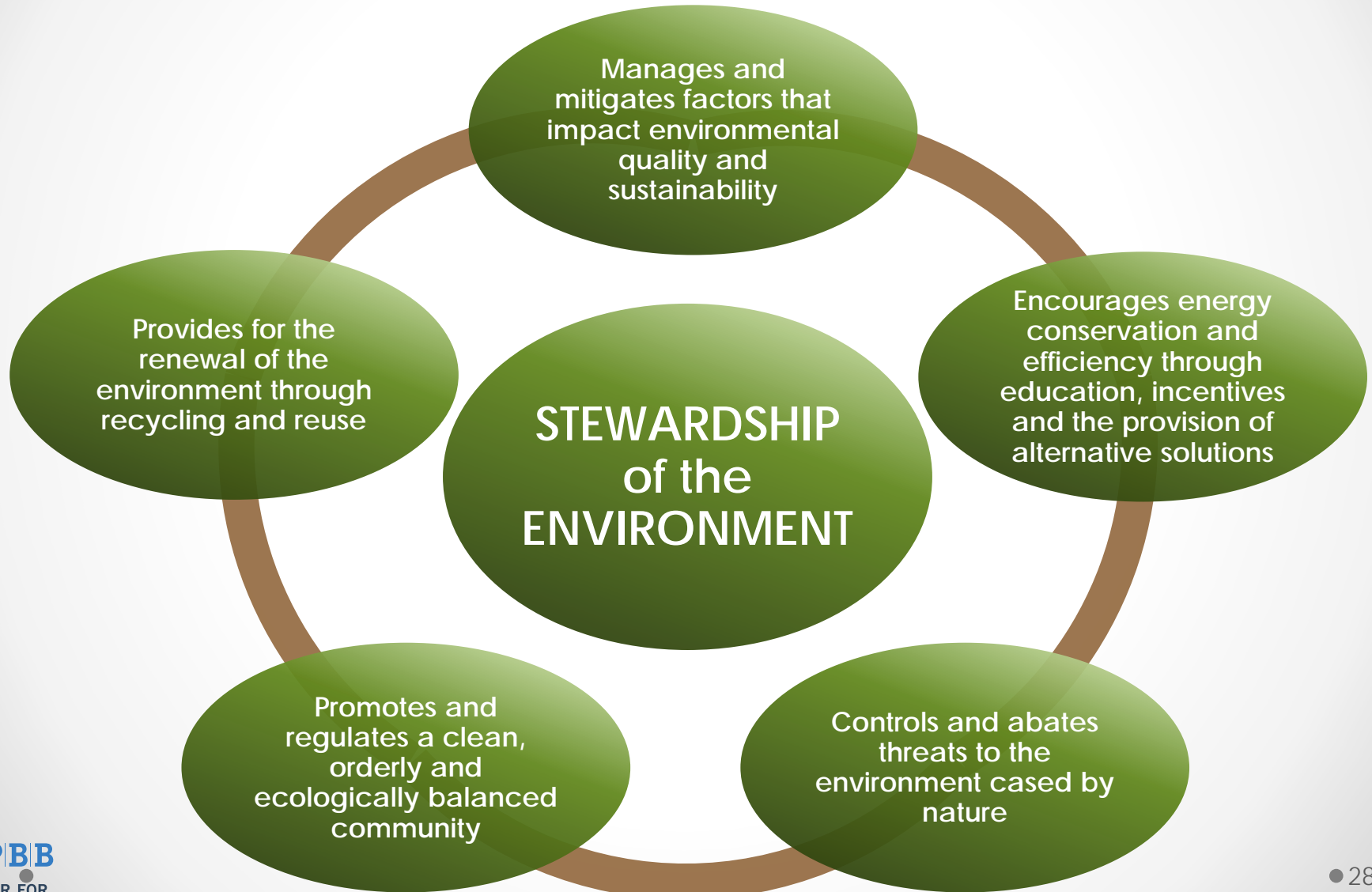
Enables and encourages opportunities for local businesses to be successful

Works collaboratively to attract, recruit and retain a well-balanced mix of viable businesses that enhance and diversify the City's economy and provide residents with services that meet their day-to-day needs

Visible presence in the region to push our value	City seen as an attractive place to work and:
New methods of marketing Springfield are being used to draw in people (best place to retire, etc.)	Healthy community
Explore new methods of marketing Springfield to draw more people to the area	High quality of life
Develop ED website	Neighborhoods that show pride of ownership
Increase economic development outreach and promotions	Pedestrian friendly (2)
Identify values that make area attractive to employees /employers and promote them with a visible regional presence (2)	Police bike patrol keeps police more in touch with citizens (2)
Develops a brand for attracting certain types of commercial activities (e.g. health industry supplies)	Police presence- safety/perception of safety
Springfield as a "destination" attractive, vibrant, active	Open banner program

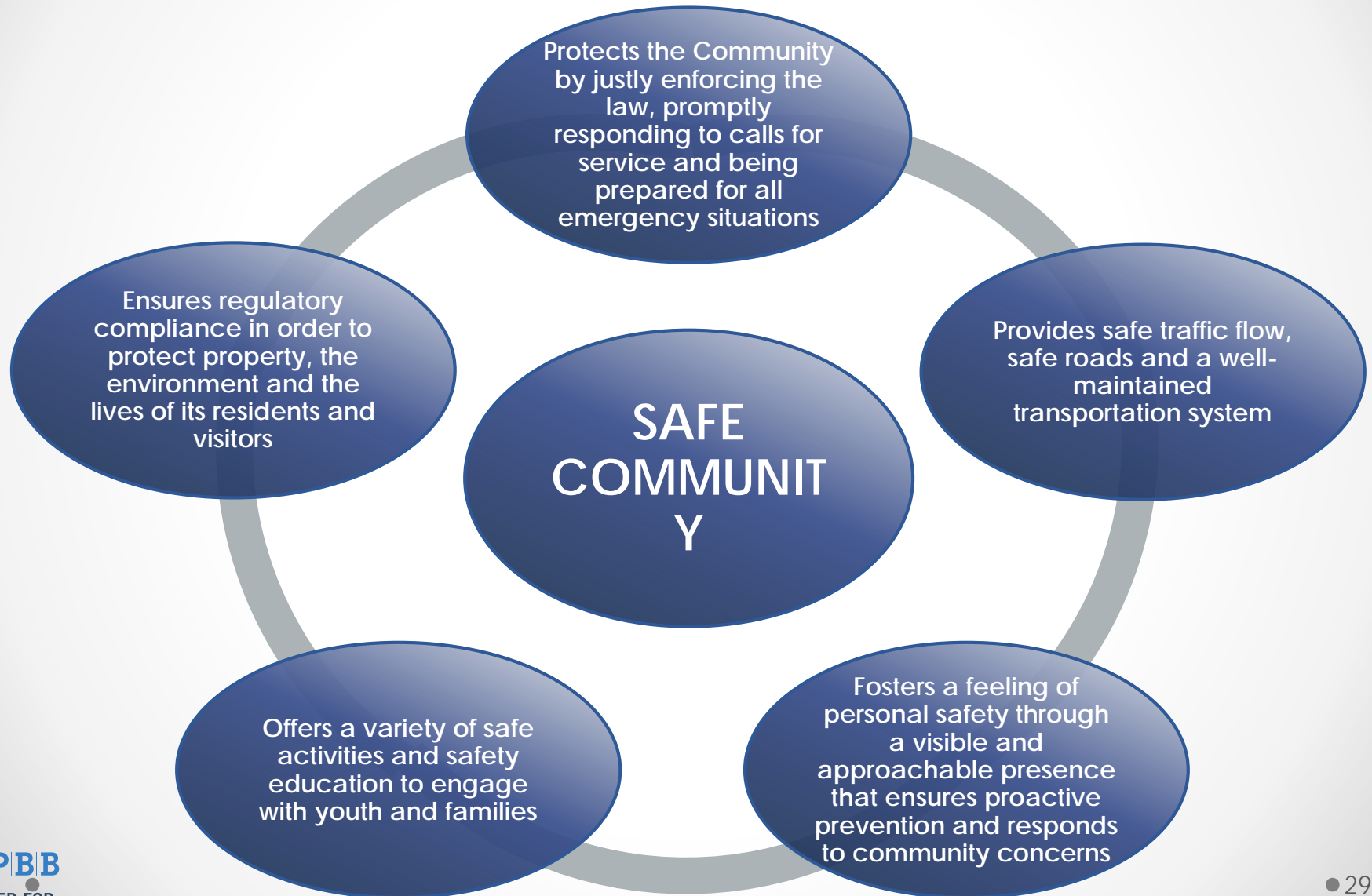


# Identify and Define Results





# City of Chandler, Arizona



# City of Wheat Ridge, Colorado

Offers and supports a variety of safe activities and facilities that provide for the physical health and social well-being of the community

Fosters a feeling of personal safety throughout the community by establishing a visible, accessible presence that proactively provides for prevention, intervention, safety education, and community involvement

Provides for the protection and sustainability of the environment through regulatory compliance, planning and effective stormwater management

## SAFE COMMUNITY

Provides for a safe transportation network that is well-maintained, accessible, enhances traffic flow and offers safe mobility to motorists, cyclists and pedestrians alike

Offers protection, enforces the law and is well-prepared to promptly and effectively respond to emergencies and calls for service

Creates a secure, well-regulated, well-maintained community that is healthy, clean, well-lit and visually attractive



# Town of Christiansburg, Virginia





# Role of the Council/Board

- Develop and/or endorse the **Results**
- Partner with Staff to develop and/or endorse the **Results Definitions**
- Decide on the level of public engagement that might follow

# Role of the Citizens

- Partner with Council/Board to develop and/or endorse the **Results**
- Partner with Council/Board to develop and/or endorse the **Results Definitions**





# Strategic Questions

1. *What are we in “business” to do?*
2. **What exactly do we do?**





# Identify “Programs” within Departments/ Divisions

- Departments develop their own “program” inventories
- Comprehensive list of “*what we do*”
- Comparing relative value of programs, not relative value of departments
- **Goldilocks & the Three Bears: Not too big, not too small, just right!**
  - TOO BIG = Departments/Divisions
  - TOO SMALL = Tasks
  - JUST RIGHT = Measure relative size based on costs/people associated with program to more discretely demonstrate how resources are used

## CITY OF BOULDER, COLORADO

### Department Program Inventory

Monday, July 26, 2010

**Directions:** For all of the programs and services in your department, identify the program name. When completed, please e-mail the Program Inventory back to Jim Reesor



Fund No.	Department Providing Program	Program Name
010	Community Planning & Sustainability	General Business Assistance
010	Community Planning & Sustainability	Business Retention and Expansion
010	Community Planning & Sustainability	Business Incentive Programs
010	Community Planning & Sustainability	Business Partnerships and Sponsorships
140	Community Planning & Sustainability	Energy Decarbonization
140	Community Planning & Sustainability	Green Job Creation
140	Community Planning & Sustainability	Climate Adaptation Planning
112	Community Planning & Sustainability	Comprehensive Planning
112	Community Planning & Sustainability	Intergovernmental Relations
112	Community Planning & Sustainability	Historic Preservation
112	Community Planning & Sustainability	Ecological Planning

City of Boulder, Colorado



# OBJECTIVES for *Developing Program Inventories*

- Create a comprehensive listing of all services offered by each operating division (to both *“external”* and *“internal”* users)
- Provide a better understanding of *“what we do”* to staff, administration, elected officials and citizens
- Provide a framework to better understand how resources are used to support *“what we do”*
- Provide a valuable tool for staff, management and elected officials to use when faced with budgetary *“choices”* about how funds are distributed.
- Allow for the preparation and discussion of a *“program budget”* rather than a *“line-item budget”*



# *Role of the Council/Board*

- Have transparent access to listing of all programs offered along with associated costs and FTE
- Educate themselves on the variety and diversity of programs offered

# *Role of the Citizens*

- Have transparent access to listing of all programs offered along with associated costs and FTE
- Be informed about the nature of the programs offered to residents businesses and visitors



# Strategic Questions

1. *What are we in “business” to do?*
2. *What exactly do we do?*
3. **How do we figure out what is “core” OR What is of the highest importance?**





# Step 4: Score Programs against Results & Attributes

## City of Boulder's Results

- Accessible & Connected Community
- Economically Vital Community
- Healthy Environment & Community
- Inclusive & Socially Thriving Community
- Safe Community

## Basic Program Attributes

- Mandated to Provide the Program
- Reliance on the City to Provide the Program
- Cost Recovery of the Program
- Change in Demand for the Program
- Portion of the Community Served
- *And/or any other criteria that is relevant to your community*



# Simple Scoring Scale – “Degree” of Relevance to a Result

**4** = Program has an essential or critical role in achieving Result

**3** = Program has a strong influence on achieving Result

**2** = Program has some degree of influence on achieving Result

**1** = Program has minimal (but some) influence on achieving Result

**0** = Program has no influence on achieving Result

“High Degree”  
of Relevance

“Lower Degree” of  
Relevance (still a  
clear connection)

No Clear  
Connection



# Basic Program Attributes: Mandated to Provide Program

- *Programs that are mandated by another level of government (i.e. federal, state or county) will receive a higher score for this attribute compared to programs that are mandated solely by the City or have no mandate whatsoever.*
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
  - **4** = Required by Federal, State or County legislation
  - **3** = Required by Charter or incorporation documents **OR** to comply with regulatory agency standards
  - **2** = Required by Code, ordinance, resolution or policy **OR** to fulfill executed franchise or contractual agreement
  - **1** = Recommended by national professional organization to meet published standards, other best practice
  - **0** = No requirement or mandate exists





## Basic Program Attributes:

# Reliance on City to Provide Program

- Programs for which residents, businesses and visitors can look only to the City to obtain the service will receive a higher score for this attribute compared to programs that may be similarly obtained from another intergovernmental agency or a private business.
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
  - **4** = City is the sole provider of the program and there are **no** other public or private entities that provide this type of service
  - **3** = City is currently the sole provider of the program but there are other public or private entities that could be contracted to provide a similar service
  - **2** = Program is only offered by another governmental, non-profit or civic agency
  - **1** = Program is offered by other private businesses but none are located within the City limits
  - **0** = Program is offered by other private businesses located within the City limits



# Basic Program Attributes: Change in Demand for Program

- Programs demonstrating an increase in demand or utilization will receive a higher score for this attribute compared to programs that show no growth in demand for the program. Programs demonstrating a decrease in demand or utilization will actually receive a negative score for this attribute.
- The grading criterion established to score programs, on a -4 to 4 scale is as follows:
  - **4** = Program experiencing a **SUBSTANTIAL** increase in demand of 25% or more
  - **3** = Program experiencing a **SIGNIFICANT** increase in demand of 15% to 24%
  - **2** = Program experiencing a **MODEST** increase in demand of 5% to 14%
  - **1** = Program experiencing a **MINIMAL** increase in demand of 1% to 4%
  - **0** = Program experiencing **NO** change in demand
  - **-1** = Program experiencing a **MINIMAL** decrease in demand of 1% to 4%
  - **-2** = Program experiencing a **MODEST** decrease in demand of 5% to 14%
  - **-3** = Program experiencing a **SIGNIFICANT** decrease in demand of 15% to 24%
  - **-4** = Program experiencing a **SUBSTANTIAL** decrease in demand of 25% or more



# Basic Program Attributes: Cost Recovery of Program

- Programs that demonstrate the ability to “pay for themselves” through user fees, intergovernmental grants or other user-based charges for services will receive a higher score for this attribute compared to programs that generate limited or no funding to cover their cost.
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
  - **4** = Fees generated cover 75% to 100% of the cost to provide the program
  - **3** = Fees generated cover 50% to 74% of the cost to provide the program
  - **2** = Fees generated cover 25% to 49% of the cost to provide the program
  - **1** = Fees generated cover 1% to 24% of the cost to provide the program
  - **0** = No fees are generated that cover the cost to provide the program



## Basic Program Attributes:

# Portion of Community Served by Program

- Programs that benefit or serve a larger segment of the City's residents, businesses and/or visitors will receive a higher score for this attribute compared to programs that benefit or serve only a small segment of these populations.
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
  - **4** = Program benefits/serves the **ENTIRE** community (100%)
  - **3** = Program benefits/serves a **SUBSTANTIAL** portion of the community (at least 75%)
  - **2** = Program benefits/serves a **SIGNIFICANT** portion of the community (at least 50%)
  - **1** = Program benefits/serves **SOME** portion of the community (at least 10%)
  - **0** = Program benefits/serves only a **SMALL** portion of the community (less than 10%)



# Identify “Value” of Program Based on their Influence on Results

## Individual Department Program Scorecard

Thursday, January 28, 2010

**Directions:** For all the programs in your department, please rate how these programs score in the four Basic Attributes and they influence the City's ability to achieve its Priority Results. When completed, please email the Program Scorecard back to [mariah.dabel@sanjoseca.gov](mailto:mariah.dabel@sanjoseca.gov)



### Evaluation Criteria

Basic Program Attributes				Priority Results				
Mandated to Provide Program	Cost Recovery of Program	Change in Demand for Service	Reliance on City to Provide Service	Safe City	Prosperous Economy	Green, Sustainable City	Attractive, Vibrant Community	Reliable, Well-Maintained Infrastructure
0-4 Scale (4=State/Federal Mandate; 2=Charter; 1=Ordinance/Resolution; 0=No Mandate)	0-4 Scale based on Percentage (4=75-100%; 3=50-74%; 2=25-49%; 1=1-24%)	-4 to 4 Scale (-4=demand significantly decreasing; 4=demand significantly increasing)	0 to 4 Scale (4=Only City can provide service; 2=Only public entities can provide service; 0=other entities can provide service)	On a scale of 0 to 4 points, 0 = program has no influence on achieving the Result; 1 = program has some influence, though minimal; 2 = program influences the Result; 3 = program has a strong influence on the Result; 4 = program is essential to achieving the Results				



Department	Program	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below	Enter Score Below
Office of Economic Development	Business Attraction/Expansion Assistance	4	2	4	4	2	4	3	2	0
Office of Economic Development	International Business Relations/Sister City	0	1	2	2	0	2	1	1	0
Office of Economic Development	Economic Strategy, Policy and Analysis	1	2	4	2	0	3	3	2	0
Office of Economic Development	Downtown Management	1	2	4	4	3	2	0	3	4
Office of Economic Development	Arts / Festival Grants and Assistance	1	1	3	0	1	3	1	4	1
Office of Economic Development	K-12 Arts Education	0	0	2	0	1	2	0	4	0
Office of Economic Development	Cultural Planning, Policy and Initiatives / Arts	1	0	2	4	1	3	1	4	1
Office of Economic Development	Public Art Project Management	1	1	2	0	1	2	2	4	3
Office of Economic Development	Public Art Master Plan Implementation and	1	1	3	0	1	2	1	4	2



# Not all Results are of Equal Relevance: Result “Weighting Factor”

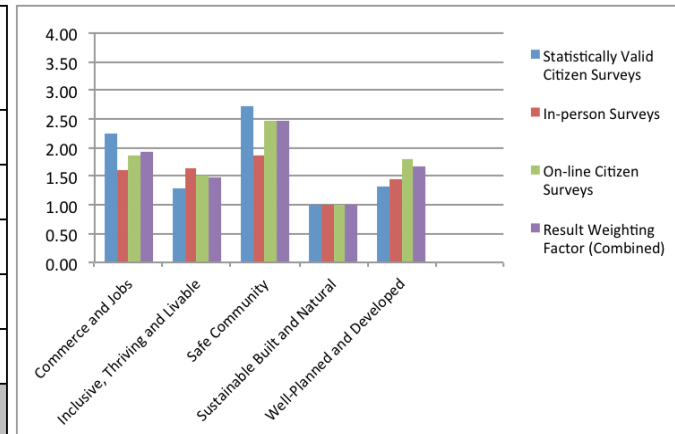
## City of Cincinnati, Ohio

Determination of Result Weighting Factors

Summary of the \$100 Exercise



City's Results	Sources of Survey Results					TOTAL SPENT	Result Weighting Factor (Combined)
	Statistically Valid Citizen Surveys	In-person Surveys	On-line Citizen Surveys	[other]	[other]		
Commerce and Jobs	\$ 6,743	\$ 1,363	\$ 18,605	\$ -	\$ -	\$ 26,711	1.92
Inclusive, Thriving and Livable Community	\$ 3,849	\$ 1,394	\$ 15,144	\$ -	\$ -	\$ 20,387	1.47
Safe Community	\$ 8,161	\$ 1,585	\$ 24,690	\$ -	\$ -	\$ 34,436	2.48
Sustainable Built and Natural Environment	\$ 2,990	\$ 849	\$ 10,046	\$ -	\$ -	\$ 13,884	1.00
Well-Planned and Developed Infrastructure	\$ 3,969	\$ 1,237	\$ 18,185	\$ -	\$ -	\$ 23,391	1.68
OTHER	\$ 886	\$ 174	\$ 8,430	\$ -	\$ -	\$ 9,490	
TOTAL	\$ 26,597	\$ 6,601	\$ 95,100	\$ -	\$ -	\$ 128,298	



\*Result “Weighting Factor” applied to program scores for each Result



# Strategic Questions

1. *What are we in “business” to do?*
2. *What exactly do we do?*
3. *How do we figure out what is “core” OR What is of the highest importance?*
4. **How do we know we are successful?**





# Peer Review (Quality Control) Process

## City of Boulder, CO

### Program Prioritization

### Peer Review of Departmental Program Scoring

### Community Result: ECONOMICALLY VITAL COMMUNITY



Each department has scored its programs using a two-step process: (1) determine the relevance of a program in respect to the Priority Result and (2) determine the influence of the program to each program were scored within a range of between "0" and "4". For details on the scoring, please refer to the departmental scoring instructions in your packet. As part of the validation process, each department was asked to provide information regarding their programs, which departments scored with a "3" or "4." The task of the Peer Review team is to review the information provided regarding these programs within the context of the Priority Result definition. Specifically:

1. review the program descriptions and determine whether you agree with the departmental score based on how well the program aligns with the Priority Result (does the program achieve the Priority Result?);
2. request additional information to understand the departmental score, if necessary; and
3. after receiving additional information and discussion, recommend a different score to the City Manager, if necessary.

The following Programs are Listed in Order of Score, From High to Low, Relative to this Result

DEPARTMENT OFFERING PROGRAM	Division	PROGRAM NAME	PROGRAM DESCRIPTION	Program Number	Program Notes	Dept. Score	Agree with Dept. Score? (Yes/No)	Need More Information? (Yes/No)	Notes for Review Team Member	Revised Score
Community Planning & Sustainability	Economic Vitality	<b>Economic Vitality Program &amp; Sponsorships</b>	Wide range of assistance to new & existing, small & large businesses; retention/expansion critical to the city's economic health and revenues (sales & use taxes/permit fees); sponsorships supports services to small and independent businesses.	29		4				4
Community Planning & Sustainability	LEAD	<b>City Organization Sustainability</b>	New City Sustainability Plan; Economically vital=could not ask the same of businesses in the community if we as a city organization are not doing our part; Safesranked for environmental health.	39		4				4
DUHMD/PS	04	<b>Downtown &amp; Community Improvements-streetscape</b>	Mall Infrastructure improvements and FFR replacement for items such as PopJet fountain, weeping rock, benches, etc	49		4				4
Fire	Fire Safety	<b>Inspections/Code Enforcement</b>	Provides inspection and enforcement services to ensure existing buildings and new construction meet fire and safety code requirements prescribed in the Boulder Revised Code.	76		4				4
Open Space & Mountain Parks	Land & Visitor Services	<b>Trail Program Maintenance and Construction</b>	<p>Desc: Annual maintenance of existing trail system. New trail construction and large scale maintenance projects to make existing trails more sustainable</p> <p>Mandated: Charter Section 176c &amp; 176h Provide for passive recreation such as hiking, equestrians and biking</p> <p>Change: As surrounding communities continue to grow, more people visit the OSMP trail system. Reliance: The City would not allow a private citizen to construct a new trail on public land nor would we expect the private citizen to pay for it.</p> <p>Access: OSMP constructs and maintains ADA accessible trails, this is a unique opportunity for mobility impaired people to recreate outside. OSMP also plans, constructs and maintains a trail infrastructure system that provides an opportunity to bring people closer.</p> <p>Econ: The opportunity to recreate on OSMP, via the trail system, is essential to the economic vitality</p>	168		4				4





# Role of the Council/Board

- Offer input and/or endorse the ***Basic Program Attributes***
- If desired, individually participate in *Peer Review* process as member of one Result Team
- Understand and evaluate the “*key indicators*” being used to validate achievement of desired Results

# Role of the Citizens

- Selectively participate in Peer Review process as member of one Result Team – City of San Jose, CA
- Understand and evaluate the “*key indicators*” being used to validate achievement of desired Results



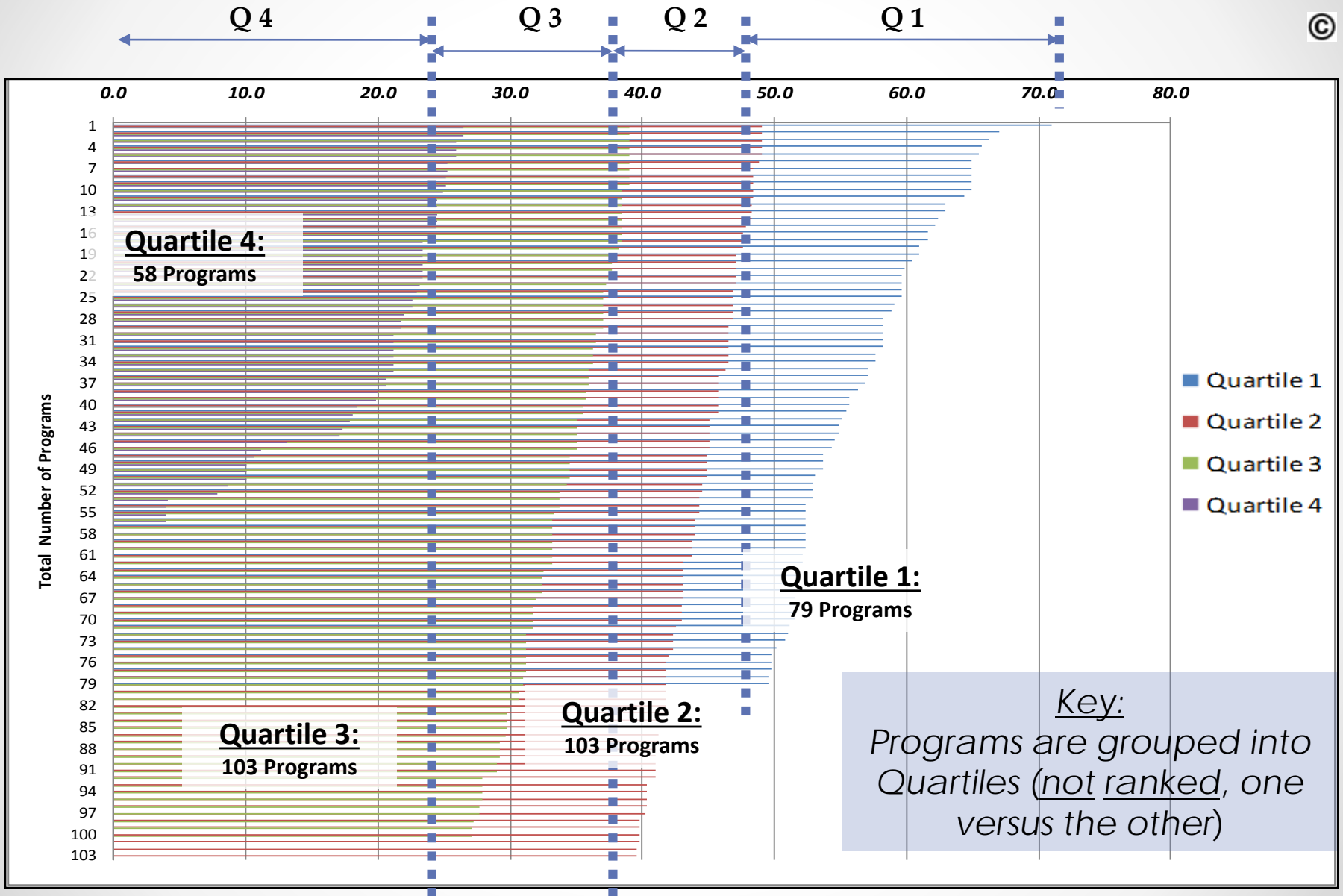
# Strategic Questions

1. *What are we in "business" to do?*
2. *What exactly do we do?*
3. *How do we figure out what is "core" OR What is of the highest importance?*
4. *How do we know we are successful?*
5. **How do we ask "better" questions that lead to "better" decisions about "what we do" and "why we do it"?**





# Defining Quartile Groupings

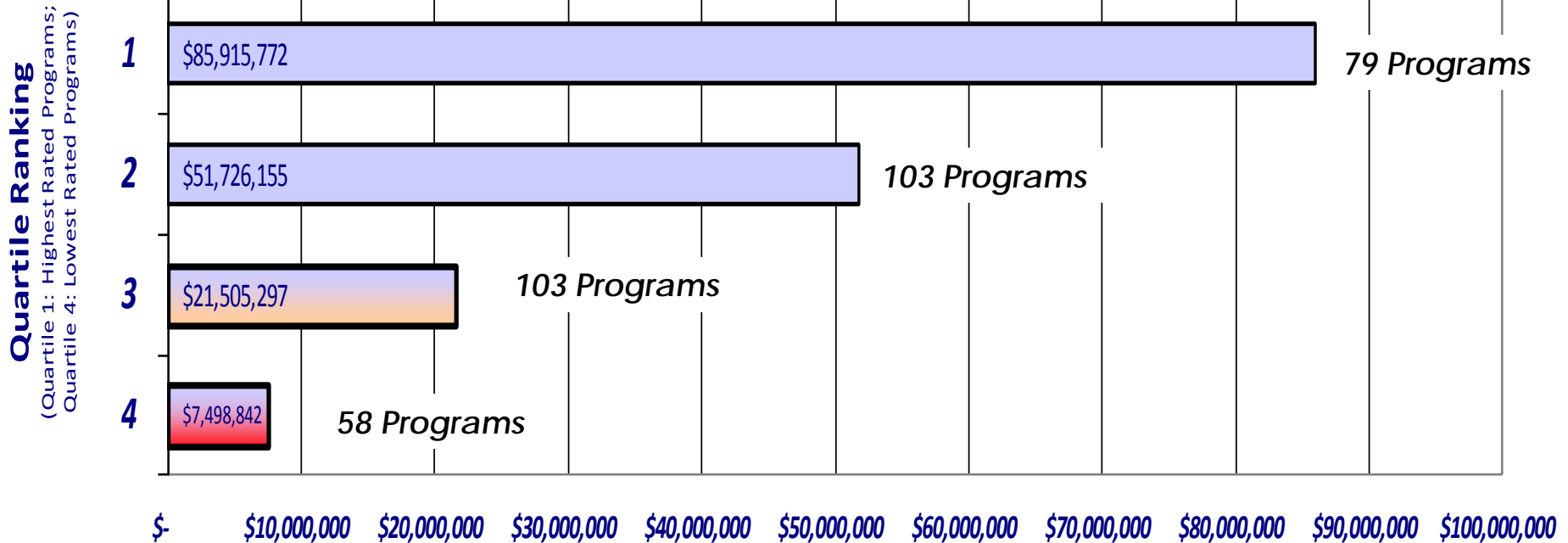




# Step 5: Allocate Resources Based on Prioritization

Prioritization Array: Combined City-wide Programs

©



City of Boulder, Colorado



# “Looking Through the “New Lens”



- Which programs are of the highest priority in terms of achieving what is expected by the community?
  - *And which are of lesser importance?*
- Which programs are truly mandated for us to provide
  - *And how much does it cost to provide them?*
- Which programs are offered because they are “self-imposed” ?
- Which programs are offered for which there are no other service providers?
- Are there programs might lend themselves to public/private partnerships?



# “Looking Through the “New Lens”

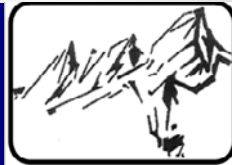


- Who in the private sector is offering programs that are similar in nature?
  - *And should we consider “getting out of that business”?*
- Which programs are experiencing an increasing level of demand from the community?
  - *And which are experiencing a decreasing need?*
- Are there programs offered that are not helping us achieve our intended “Results”?
- What are we spending to achieve our “Results”?



# "Resource Alignment Diagnostic Tool"

City of Boulder, CO



October 30, 2012

**Program Type:**  
*(All Programs, Governance, Community-oriented)*

**Prioritization Perspective:**  
*(City-wide, Fund, Funds)*

**Choose Department:**  
*(All Departments, Specific)*

**Funding Source:**  
*(Est. Budget, Gen Gov Revenue, Program Revenues)*

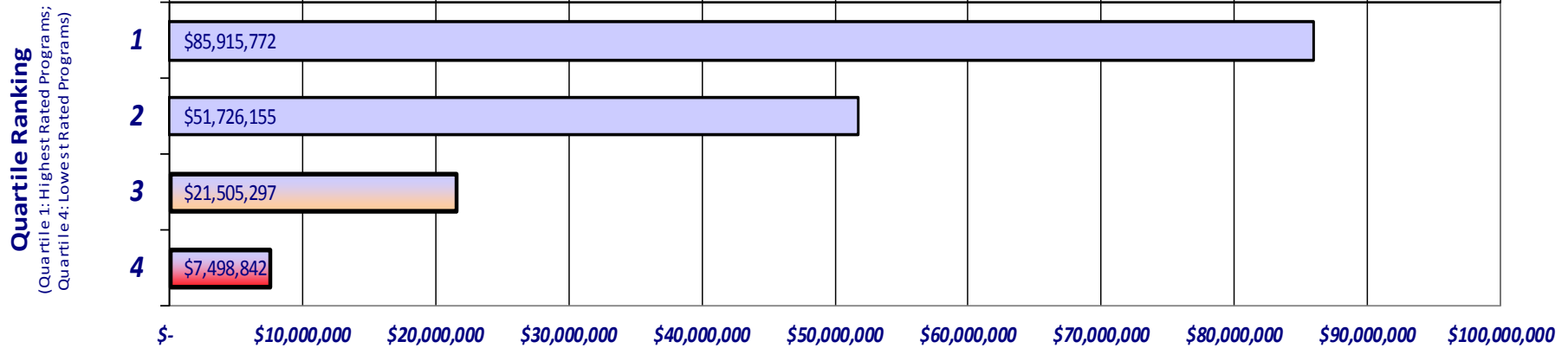
**Community-Oriented Programs**

**City-wide**

**All Departments**

**Total Estimated Budget**

## Priority Based Budgeting: Spending Array Perspectives



Quartile Ranking	2011 Budget	2012-13 Proposed Budget	Increase (Reduce) %	Impact	2012-13 Target Budget	Programs in Arr
Qrt 1	\$0	\$85,915,772	0.00%	\$0	\$85,915,772	88
Qrt 2	\$0	\$51,726,155	0.00%	\$0	\$51,726,155	116
Qrt 3	\$0	\$21,505,297	0.00%	\$0	\$21,505,297	110
Qrt 4	\$0	\$7,498,842	0.00%	\$0	\$7,498,842	54
<b>TOTALS</b>	<b>\$0</b>	<b>\$166,646,067</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$166,646,067</b>	<b>368</b>



*Live Demonstration of*

**“Resource Alignment  
Diagnostic Tool”**





# Role of the Council/Board

- Engage in the discussions by looking through this “**new lens**”
- Be guided to ask the “right” questions- focused on **POLICY** rather than **OPERATIONS**
- Allocate resources based on priorities of the community
- Make Better decisions that can be more easily communicated to citizens

# Role of the Citizens

- See through the “new lens” as to how decision-makers are more objectively allocating resources to achieve community priorities
- Better understand the budget “choices” that need to be made and the impacts of those choices on the community



# *Results Validation Exercise*



## **Proposed Results for CITY of KENMORE, WASHINGTON**

- *Access to Quality Cultural, Recreational, Educational and Leisure Opportunities*
- *Attractive, Well-Planned, Enduring and Desirable Place to Live and Work*
- *Connected, Involved and Family-Oriented Community that Values Diversity*
- *Effective Mobility and Connected, Reliable Transportation Systems*
  - *Prosperous, Vibrant and Sustainable Economy*
    - *Safe, Secure and Healthy Community*
- *Sustainable, Healthy Environment and the Preservation of Natural Resources*
- ***Effective Governance***



# Results Validation Worksheet

## City of Kenmore, Washington

### Identifying the Results of Kenmore City Government

June, 2014



**DIRECTIONS:** In this exercise, you are being asked to help identify the **RESULTS** that the **CITY of KENMORE** strives to achieve for its residents, businesses and visitors. These **Results** will then be used as the **City** implements its **PRIORITY BASED BUDGETING** process. The sample **Results** shown below build directly from the City's extensive efforts in the **City's Mission, Vision, and 2014-2015 Council Goals** - these are concepts that can be directly utilized in their **PBB** process. For this exercise, imagine that you have 100 points to allocate in identifying the **City's Results**. Where would you allocate your points? You can distribute these 100 points to any of the **Results** identified from other communities if you feel these reflect what is expected by your community. You may also list any additional **Results** that are not reflected in the offered examples if you feel they describe why the **City of Branson** "exists" in the eyes of the community. **Results** not assigned points represent a belief that this is **NOT** one of the reasons the **City of Kenmore** offers programs and services to the community. Allocate your 100 points using the box to the right of the **Results** column until you have allocated your full allotment of points.

## COMMUNITY ORIENTED RESULTS

*"When the CITY of KENMORE \_\_\_\_\_, then it fulfills the role of local government of the community.*

**Points Allocated to each Result**

**ACCESS to QUALITY CULTURAL, RECREATIONAL, EDUCATIONAL and LEISURE OPPORTUNITIES**

**(an) ATTRACTIVE, WELL-PLANNED, ENDURING and DESIRABLE PLACE TO LIVE and WORK**

**(a) CONNECTED, INVOLVED and FAMILY-FRIENDLY COMMUNITY that VALUES DIVERSITY**



# Validating Results

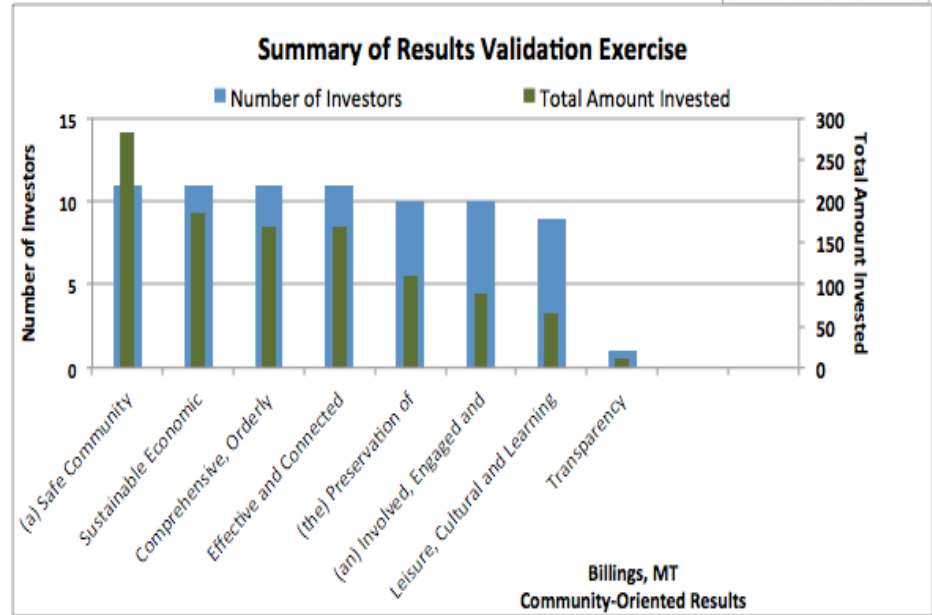
Friday, June 1,



## Community-Oriented Results - Results Validation Exercise

**City of Billings, Montana**  
Results Validation Exercise

City of Billings' Results	Number of Investors	Percentage of Investors	Total Amount Invested	Result Weighting Factor
Comprehensive, Orderly Growth and Development	11	100%	\$ 169	1.5
Effective and Connected Transportation Systems	11	100%	\$ 169	1.5
(the) Preservation of Community Resources	10	91%	\$ 110	1.0
Sustainable Economic Development	11	100%	\$ 187	1.7
(an) Involved, Engaged and United Community	10	91%	\$ 88	0.8
(a) Safe Community	11	100%	\$ 282	2.6
Leisure, Cultural and Learning Opportunities	9	82%	\$ 65	0.6
Transparency	1	9%	\$ 10	0.0
<b>TOTAL</b>			<b>\$ 1,080</b>	



\*Ensure that the concept of "Transparency" is included in the Result Definition for "Involved and Engaged Community"



# Thank You !



## CENTER FOR PRIORITY BASED BUDGETING

*Using a Unique Lens to Focus Community Resources on Results*

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