Priority Based Budgeting

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A Brief Introduction

JON JOHNSON

KATHIE NOVAK

CHRISS FABIAN
Engage with Us!

Keep up with all the CPBB updates and innovations through social media!
Evolution of Budgeting

- Line-by-Line Budgeting
- Incremental Budgeting
- Zero Based Budgeting
- Results Based Budgeting
- Priority Based Budgeting

#NLCDC
Achieving Fiscal Health & Wellness

2 Strategic Initiatives

Fiscal Health:
- Incorporate Economic Analysis and Long-Term Planning into Decision Making
- Transparent About the "True Cost of Doing Business"
- "Spend Within Our Means"
- Understand Variances (Budget vs. Actual)
- Establish and Maintain Reserves

Long-term Fiscal Wellness:
- Support Resource Allocation Decision Making with Prioritization of Programs
- Identify Programs and Services
- Define the Results of Government Uniquely to the Community
- Identify the Role of Government (Results)
- Value Programs Based on Evidence of their Influence on Results
WHY ADOPT
PRIORITY BASED BUDGETING?
Why Priority Based Budgeting?

- Better depicts and communicates organization’s financial/budget information to inform decision-making
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**CAPITAL**

- **Office Admin**
- **Signs & Grips**
- **Trial Venues**
- **Employment**

**Ongoing**

- **Office**
- **Signs & Grips**
- **Trial Venues**
- **Employment**

**Total**

- **Office**
- **Signs & Grips**
- **Trial Venues**
- **Employment**
"I’ll pause for a moment so you can let this information sink in."
Insanity

Doing the same thing over and over again and expecting different results
“Failure to understand financial outcomes is more dangerous to states and localities than ever, and there’s a big gap between what public leaders know about finance and what they need to know.”

Why Priority Based Budgeting?

• Better depicts and communicates organization’s financial/budget information to inform decision-making

• Avoids traditional “across the board” approach
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 cuts 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”
"Across the board cuts spreads the pain evenly and also evenly spreads the mediocrity"

- Budget Director for the State of Louisiana
Why Priority Based Budgeting?

- Better depicts and communicates organization’s financial/budget information to inform decision-making
- Avoids traditional “across the board” approach
- Ensures organization is “fiscally prepared” for whatever is ahead
CITY OF JOPLIN, MISSOURI

“Monster Twister Destroys City”
(But the rest of the City still needed full City services)
The Illusion of Cities' Recovery From the Recession

In many ways, Colorado Springs and other cities have rebounded. But things aren’t as good as they seem.

BY ZACH PATTON | SEPTEMBER 2015
“For generations, we held the view that the feds and states are the adults in the system, setting direction; the cities and the metropolitan areas are the children, waiting for their allowance. The metropolitan revolution is exploding this tired construct. Cities and metropolitan areas are becoming the leaders in the nation: experimenting, taking risks, making hard choices. We are seeing “the inversion of the hierarchy of power in the United States.”

- The Metropolitan Revolution, by Bruce Katz and Jennifer Bradley
Why Priority Based Budgeting?

- Better depicts and communicates organization’s financial/ budget information to inform decision-making
- Avoids traditional “across the board” approach
- Ensures organization is “fiscally prepared” for whatever is ahead
- Ensures resource allocation (Budget) is aligned with community expectations (Results)
City of Kalamazoo, Michigan

Community Results

- Building a Strong, Well-Planned Community
  - Economic Vitality
- Effective Mobility and a Connected, Reliable Transportation System
  - Environmental Stewardship
- Quality Recreational, Educational and Cultural Opportunities
  - Safe Community
City of Kalamazoo, MI
Budget Allocation - Community Results

SPENDING TOWARDS COMMUNITY RESULTS

- BUILDING a STRONG, WELL-PLANNED COMMUNITY: $61,337,323
- SAFE COMMUNITY: $56,519,287
- ECONOMIC VITALITY: $39,197,600
- ENVIRONMENTAL STEWARDSHIP: $34,640,929
- (an) EFFECTIVE MOBILITY and CONNECTED, RELIABLE TRANSPORTATION SYSTEM: $11,666,340
- ACCESS to QUALITY RECREATIONAL, EDUCATIONAL and CULTURAL OPPORTUNITIES: $7,185,002
Why Priority Based Budgeting?

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- Avoids traditional “across the board” approach
- Ensures organization is “fiscally prepared” for whatever is ahead
- Ensures resource allocation (Budget) is aligned with community expectations (Results)
- Allows organization to “see” things in a different way and apply a more diagnostic approach
BRINGING VISION INTO FOCUS WITH A NEW “LENS”
Who is Looking through the “New Lens”
We Must “See” the Difference

The Difference Between a Sustainable Budget and a Balanced Budget

A balanced budget isn’t always a healthy one.

BY LIZ FARMER | MAY 12, 2014

#NLCDC
Why Priority Based Budgeting?

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- Ensures resource allocation (Budget) is aligned with community expectations (Results)
- Allows organization to “see” things in a different way and apply a more diagnostic approach
- Aligns with current best practices in local government
CPBB Publications on Fiscal Health & Wellness
Aligning Resources with Priorities through PRIORITY BASED BUDGETING
Start with “Why”

The Golden Circle

What
Every organization on the planet knows WHAT they do. These are Products they sell or the services they offer.

How
Some Organizations know HOW they do it. These are things that make them special or set them apart from their competition.

Why
Very few Organizations know WHY they do what they do. WHY is not about making money. That’s a result. It’s a purpose, cause or belief. It’s the very reason your organization exists.
Start with “Why”

Fiscal Health and Program Budgeting

Assess Financial Reality
- “WHAT is our “picture of Fiscal Health”?"

Identify Programs and Services
- “WHAT exactly do we do?”

Estimate Costs of Programs and Services
- “HOW much does it cost to do what we do”? 

Results and Result Definitions

Identify and Establish Results
- “WHY do we exist and what are we in business to do?”

Clarify Results Definitions
- “HOW will we achieve our Results?”

Putting it All Together – Resource Allocation

Evaluate Programs Based on Results
- “WHAT is of the highest importance?”

Allocate Resources Based on Community Priorities
- “WHAT, HOW and WHY can we “see” differently?”
Priority Based Budgeting Steps

ASSESS FINANCIAL REALITY –

“What is our “picture of Fiscal Health”?"

• Being able to “see” and communicate more clearly the organization’s fiscal reality over the next few years allows policy makers to better understand how to plan for the financial sustainability of the organization in the long term.
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 to 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!
“FISCAL HEALTH DIAGNOSTIC TOOL” – Tell the Story with a “Picture”
“Looking Through the “New Lens”

• Is the organization able to clearly communicate its fiscal position to its various stakeholders?
• Does the organization “SPEND WITHIN ITS MEANS”?
• What are the organization’s “ongoing” sources of revenue as compared with its “one-time” sources of funding?
• Are these “ongoing” sources sufficient to fund “ongoing” operational expenses?
  – Are “one-time” funds being used to cover “ongoing” expenses?
• Are their sufficient “one-time” funding sources to pay for future “one-time” project and capital needs?
“Looking Through the “New Lens”

• Does the organization monitor its level of “Restricted” Fund Balance?
  – Does the organization maintain sufficient “Emergency/Working Capital Reserves” by adopted policy?
• Do actual revenues and expenditures align with adopted budget amounts?
• Are the impact of “ongoing” expenses discussed when approving “one-time” capital projects?
• Are future financial impacts of current decisions clearly understood at the time those decisions are made?
Live Demonstration of

“Fiscal Health Diagnostic Tool”
Priority Based Budgeting Steps

IDENTIFY PROGRAMS and SERVICES –

“What exactly do we do?”

• Comparing individual programs and services as opposed to comparing departments that provide those services allows for better prioritization
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 Reasor Monday, July 26, 2010.

<table>
<thead>
<tr>
<th>Fund No.</th>
<th>Department Providing Program</th>
<th>Program Name</th>
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<tbody>
<tr>
<td>010</td>
<td>Community Planning &amp; Sustainability</td>
<td>General Business Assistance</td>
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<td>010</td>
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<td>Climate Adaptation Planning</td>
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<td>Historic Preservation</td>
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<td>112</td>
<td>Community Planning &amp; Sustainability</td>
<td>Ecological Planning</td>
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</tbody>
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City of Boulder, Colorado
Alice’s Restaurant Menu Selections

- Entree
- Side Dish
- Beverage
Alice’s Restaurant
Menu Selections

• **Entree**
  - Chicken
  - Beef
  - Fish

• **Side Dish**
  - Starch
  - Vegetable

• **Beverage**
  - Something in a Cup
  - Something in a Glass
Alice’s Restaurant
Menu Selections

• **Chicken**
  – Chicken Marsala
  – Fried Chicken
  – Chicken Teriyaki

• **Beef**
  – Filet Mignon
  – Pot Roast
  – Ground Sirloin

• **Seafood/Fish**
  – Lobster
  – Trout
  – Catfish

• **Side Dish**
  – Baked Potato
  – Sweet Potato
  – Rice Pilaf
  – Caesar Salad
  – Green Beans
  – Squash

• **Beverage**
  – Coffee
  – Tea
  – Wine
  – Beer
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”
Defining Programs

- To determine “just right”, look for “differences” that might help determine if an activity can be defined as a “stand-alone” program

  - **“Who”** are you doing the activity for?
    - Does it benefit a specific demographic group or population?

  - **“What”** are you doing the service to?
    - Does it affect a specific property or asset (infrastructure, facility, etc.)

  - **“How”** is it funded? – Is there someone paying for it?
    - Are there revenue sources associated directly with the program (“Program Revenues”)

- What **“type”** of service are you providing?
  - Preventative, Replacement; Repair/Maintenance; Instruction; Protection; Informative; etc.
Defining Programs

• Has someone told us we “have to do it?”
  • Are there statutes, ordinances, resolutions, or other legislative documents that require us to provide the service?

• Is there an “End Product” as a result of doing it?
  • Does the external or internal user get something tangible when the service is delivered?

• “Is there someone outside the organization that “does the same thing”?
  • Does a private business offer a similar service (“Yellow Pages test”)

• Do we “advertise” that we do it?
  • Is there a separate phone directory or website reference to the service?
Common Program Attributes or Characteristics

- Mandated to Provide Program
- Reliance on City/County to Provide Program
- Change in Demand for Program
- Cost Recovery of Program
- Portion of Community Served by Program
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: Mandated to Provide Program

- City Code, Policies: 42%
- Best Practice/Standard: 23%
- Regulatory Compliance/Charter: 11%
- Federal/State: 15%
- No Requirement: 9%
- Fixed Cost: 0%
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 also 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 also offered by other private businesses located within the City limits
Basic Program Attributes: Reliance on City to Provide Program
Basic Program Attributes: Cost Recovery of Program

- **No Recovery**: 87%
- **Fixed Cost**: 0%
- **1% to 25%**: 3%
- **25% to 50%**: 3%
- **50% to 75%**: 1%
- **Over 75%**: 6%
Basic Program Attributes: Portion of Community Served by Program

- Entire Community: 60%
- At least 75%: 19%
- At least 50%: 9%
- At least 10%: 9%
- Less than 10%: 3%
- Fixed Cost: 0%
Basic Program Attributes:
Change in Demand for Program

- No Change: 60%
- Between 1% and 5%: 21%
- Between 5% and 15%: 11%
- Between 15% and 25%: 7%
- More than 25%: 0%
- Fixed Cost: 0%
- Less Demand: 1%
Priority Based Budgeting Steps

ESTIMATE COSTS of PROGRAMS and SERVICES –

“How much does it cost to do what we do?”

- Developing reasonable estimates of what it costs to provide individual programs and services as opposed to only looking at total department budgets or individual line items provides a more transparent perspective of “where the money goes”
Alice’s Restaurant
Menu Selections

- **Chicken**
  - Chicken Marsala
  - Fried Chicken
  - Chicken Teriyaki

- **Beef**
  - Filet Mignon
  - Pot Roast
  - Ground Sirloin

- **Seafood/Fish**
  - Lobster
  - Trout
  - Catfish

- **Side Dish** –
  - Baked Potato – Plain
  - Baked Potato – Loaded
  - Rice Pilaf
  - Caesar Salad
  - Green Beans
  - Squash

- **Beverage**
  - Water
  - Coffee or Tea
  - Wine
  - Beer

- But how much do these items cost? Do they all cost the same amount? **Will my budget let me have Filet or Hamburger?, a Plain or Loaded Potato?**
How to Identify Program Costs

• 1) Associate **Salary & Benefit Costs** with your **Personnel**

• 2) Assign **Personnel** to the **Programs** they Provide

• 3) Associate **Non-Personnel Costs** with **Programs**

• 4) **Line item** Budget is now expressed as a **Program** Budget!
Priority Based Budgeting Steps

IDENTIFY and ESTABLISH RESULTS –

“Why do we exist and what are we in business to do?”

- Accurate prioritization of programs, reflecting the organization’s stated objectives, depends on the comprehensive identification of the Results it is in business to achieve.
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
Determine Results
City of Grand Island, Nebraska

**Community Results**
- 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)

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

**Governance Results**
- Used to Differentiate Programs Designed to Support Governance
Examples of “Results”

• “Good” Examples
  – Safe and Secure Community
  – Effective Mobility and Reliable Infrastructure
  – Well-Managed Growth and Development
  – Environmental Sustainability
  – Thriving Local Economy
  – Access to Culture, Recreation and Life-Long Learning

• “Not-so-Good” Examples
  – Quality of Life (too broad - the “kitchen sink” of Results)
  – Public Safety (a “department”, not a Result)
  – Deliver Core Services (what is “core”?)
  – Good Customer Service (should apply to everything we do)
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<td>Preservation of Community Resources</td>
<td>Quality Cultural, Recreational &amp; Leisure Opportunities</td>
<td>Attractive and Well-Maintained Community</td>
<td>Quality Recreation, Leisure and Lifestyle Opportunities</td>
<td>Ecological Stewardship</td>
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<td>Economic Vitality &amp; Development</td>
<td>Quality and Diverse Leisure-time Activities</td>
<td>Healthy Nurturing &amp; Social Responsible Environment</td>
<td>Healthy, Nurturing and Secure Community</td>
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<td>Involved, Engaged and United Community</td>
<td>Attractive, Well-Planned &amp; Livable Community</td>
<td>Quality and Desirable Neighborhoods</td>
<td>Economic Health &amp; Vitality</td>
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<td>Sustainable Economic Development</td>
<td>Effective Transportation &amp; Mobility</td>
<td>Strong and Vibrant Economic Environment</td>
<td>Quality Infrastructure &amp; Transportation Systems</td>
<td>Quality Infrastructure and Transportation Systems</td>
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<td>Connected, Accessible and Reliable Transportation Network</td>
<td>Managed, Well-Planned Growth</td>
<td>Good Governance</td>
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<td>Honest, Responsive Government (Governance)</td>
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Priority Based Budgeting Steps

CLARIFY RESULTS DEFINITIONS –

“How will we achieve our Results”?

• 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
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
CITY of SPRINGFIELD, OREGON
Result: ENCOURAGE ECONOMIC DEVELOPMENT through COMMUNITY PARTNERSHIPS

If the CITY of SPRINGFIELD ... provides ENCOURAGE ECONOMIC DEVELOPMENT through COMMUNITY PARTNERSHIPS, 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

New methods of marketing Springfield are being used to draw in people (best place to retire, etc.)

Explore new methods of marketing Springfield to draw more people to the area

Develop ED website

Increase economic development outreach and promotions

Identify values that make area attractive to employees/employers and promote them with a visible regional presence

Develops a brand for attracting certain types of commercial activities (e.g. health industry supplies)

Springfield as a "destination" attractive, vibrant, active

City seen as an attractive place to work

Healthy community

High quality of life

Neighborhoods that show pride of ownership

Pedestrian friendly (2)

Police bike patrol keeps police more in touch with citizens (2)

Police presence- safety/perception of safe

Open banner program

Promotes the availability of quality and diverse employment opportunities, job creation and housing options; working collaboratively to provide a skilled and educated workforce that meets the needs of community employers

Supports and encourages the development of vibrant, safe, accessible and re-invigorated business centers focused on making thriving, attractive destination points

Stimulates economic growth by encouraging investment in well-planned development, redevelopment, revitalization, preservation and beautification of commercial properties, supported by efficient City services and infrastructure

Facilitates business development and growth through effective incentives, assistance with resources, community partnerships and efficient "business-friendly" processes

Enables and encourages opportunities for local businesses to be successful

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

#NLCDC
City of Chandler, Arizona

SAFE COMMUNITY

- Protects the Community by justly enforcing the law, promptly responding to calls for service and being prepared for all emergency situations
- Ensures regulatory compliance in order to protect property, the environment and the lives of its residents and visitors
- Provides safe traffic flow, safe roads and a well-maintained transportation system
- Offers a variety of safe activities and safety education to engage with youth and families
- Fosters a feeling of personal safety through a visible and approachable presence that ensures proactive prevention and responds to community concerns
City of Wheat Ridge, Colorado

SAFE COMMUNITY

- Offers and supports a variety of safe activities and facilities that provide for the physical health and social well-being of the community
- Provides for the protection and sustainability of the environment through regulatory compliance, planning and effective stormwater management
- Provides for a safe transportation network that is well-maintained, accessible, enhances traffic flow and offers safe mobility to motorists, cyclists and pedestrians alike
- Creates a secure, well-regulated, well-maintained community that is healthy, clean, well-lit and visually attractive
- 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
- Offers protection, enforces the law and is well-prepared to promptly and effectively respond to emergencies and calls for service
SAFE COMMUNITY

- Protects the community from harm, justly and fairly enforces the law, reduces the occurrence of crime, promptly responds to calls for service and is well-prepared for all emergency situations
- Fosters a feeling of personal safety and security throughout the community by establishing a visible, accessible presence that proactively provides for prevention, intervention and the development of a relationship of trust
- Instills a sense of shared responsibility for personal safety and focuses on educating, involving and engaging the community in identifying and addressing safety concerns
- Provides a safe transportation network that is well-maintained, accessible, enhances traffic flow and offers safe mobility to motorists, cyclists and pedestrians alike
- Ensures access to a reliable utility infrastructure that delivers safe, clean water, manages wastewater treatment and provides effective storm water management
- Portrays a thriving, well-kept community that promotes community identity and offers safe, diverse and livable neighborhoods with a variety of housing options
- Establishes and sufficiently enforces codes and regulations to ensure the community is clean, healthy, visually appealing and free from blight
Town of Christiansburg, Virginia

**GOOD GOVERNANCE**
(Sound Financial Entity)

- Provides assurance of regulatory and policy compliance to minimize and mitigate risk
- Protects and prudently manages its financial, human, physical and technology resources
- Supports decision-making with timely and accurate short-term and long-range analysis
- Enables and enhances transparency, accountability, integrity, efficiency and innovation in all operations
- Responsive, accessible and courteous to its customers
- Attracts, motivates and develops a high-quality workforce, dedicated to public service
Priority Based Budgeting Steps

EVALUTATE PROGRAMS BASED ON RESULTS –

“What is of the highest importance?”

• With the right Results that are clearly defined, the organization can more accurately “value” a program relative to its influence on achieving Results
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 by the Program
- 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
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

<table>
<thead>
<tr>
<th>Basic Program Attributes</th>
<th>Evaluation Criteria</th>
<th>Priority Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandated to Provide Program</td>
<td>Cost Recovery of Program</td>
<td>Change in Demand for Service</td>
</tr>
<tr>
<td>0-4 Scale (4=State/Federal Mandate; 2=Charter; 1=Ordinance/Resolution; 0=No Mandate)</td>
<td>0-4 Scale based on Percentage (4=75-100%; 3=50-74%; 2=25-49%; 1=1-24%)</td>
<td>-4 to 4 Scale (4=only City can provide service; 2=only public entities can provide service; 0=other entities can provide service)</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Business Attraction/Expansion Assistance</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>International Business Relations/Sister City</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Economic Strategy, Policy and Analysis</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Downtown Management</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Arts / Festival Grants and Assistance</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>K-12 Arts Education</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Cultural Planning, Policy and Initiatives / Arts</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Public Art Project Management</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Office of Economic Development</strong></td>
<td><strong>Public Art Master Plan Implementation and</strong></td>
<td><strong>Enter Score Below</strong></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**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**
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 achieve the Priority Result. Programs 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 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

<table>
<thead>
<tr>
<th>DEPARTMENT OFFERING PROGRAM</th>
<th>Division</th>
<th>PROGRAM NAME</th>
<th>PROGRAM DESCRIPTION</th>
<th>Program Number</th>
<th>Program Notes</th>
<th>Dept. Score</th>
<th>Agree with Dept. Score? (Yes/No)</th>
<th>Need More Information? (Yes/No)</th>
<th>Notes for Review Team Member</th>
<th>Revised Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Planning &amp; Sustainability</td>
<td>Economic Vitality</td>
<td>Economic Vitality Program &amp; Sponsorships</td>
<td>Wide range of assistance to new &amp; existing, small &amp; large businesses, revitalization efforts called to the city’s economic health and revenue (cabel &amp; utility payments); sponsorships support service to small &amp; independent businesses</td>
<td>29</td>
<td>4</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Community Planning &amp; Sustainability</td>
<td>LEAD</td>
<td>City Organization Sustainability</td>
<td>New City Sustainability Plan. Economically viable with a range of businesses in the community, if we can support businesses to succeed &amp; maintain sustainable for economic health.</td>
<td>39</td>
<td>4</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>DLHMDIPS</td>
<td>Police</td>
<td>Downtown &amp; Community Improvements-streetscape</td>
<td>Multi-infrastructure improvements and FPP replacement for items such as: scooter fountains, washing track, banners, etc</td>
<td>49</td>
<td>4</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td>Fire Safety</td>
<td>Inspections/Code Enforcement</td>
<td>Provides inspection and enforcement services to assure existing buildings and new construction meet fire and safety code requirements prescribed in the Boulder Code</td>
<td>76</td>
<td>4</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Open Space &amp; Mountains Parks</td>
<td>Land &amp; Visitor Services</td>
<td>Trail Program Maintenance and Construction</td>
<td>Does: Annual maintenance of existing trail system, New trail construction and large scale maintenance projects to make existing trail more accessible; Mandated: District Section 106.1 &amp; 106: Provide for passive recreation such as hiking, bicycling and skiing. Change: As surrounding communities continue to grow, more people visit the OSMP trail system. Boulder City would not allow a private group to construct a new trail on public land, and should expect the private citizen to pay for it. Access: OSMP constrains and maintains ACA accessible trails. This is an unique opportunity for mobility impaired people to access outside. OSMP also plans, constructs and maintains a trail infrastructure system that provides an opportunity to bring people closer.</td>
<td>183</td>
<td>4</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

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Priority Based Budgeting Steps

ALLOCATE RESOURCES BASED ON COMMUNITY PRIORITIES –

“What, How & Why can we see “differently?”

• Through the “new lens” of the “Resource Alignment Diagnostic Tool”, the organization can ask “different” questions that lead to more informed, data-driven decisions about “what we do” and “why we do it”.

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# Defining Quartile Groupings

## Key:

- Programs are grouped into Quartiles (not ranked, one versus the other). Quartiles are defined using standard deviation.

### City of Boulder, Colorado
Allocate Resources Based on Prioritization

City of Boulder, Colorado
“Resource Alignment Diagnostic Tool”
City of Boulder, CO
Thank You!

CENTER FOR PRIORITY BASED BUDGETING
Using a Unique Lens to Focus Community Resources on Results

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