



Budgeting for Climate Action

Final Session

July 19, 2023



Agenda



2 - 2:05 p.m. ET - Session Introduction

2:05 - 2:15 p.m. ET - Recap and reflection on cohort sessions 1 - 6 (link to [cohort resource page](#))

2:15 - 3:40 p.m. ET - Priority Project "report-outs"

3:40 - 4 p.m. ET - Survey + cohort conclusion



Priority Project Reporting Guidance



Report-outs should be no longer than 10 minutes in length

Designed to communicate a priority project full implementation plan, new policy or procedure inspired by the cohort, new collaboration designed by cohort, and/or any other systemic change inspired by cohort participation

Brief 1 - 3 slide presentation is encouraged but not required

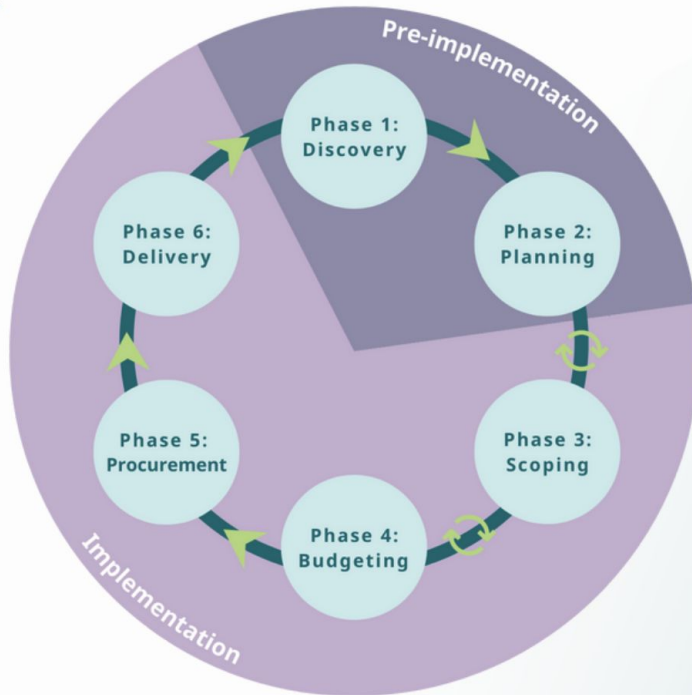


Cohort Blueprint

Ambition Gap

Recommendation for local governments:

Move beyond climate planning and invest most time and resources into the implementation of climate action.



Kickoff Session

Activating What Your City Has to Support Your Priorities



Uncover additional city stakeholders who can unlock support and resources critical for the implementation

Develop an appreciation for current resources and tools in your city today

Inspire new ways of looking at existing city processes to unlock opportunities to achieve your goals

Start thinking about creative ways to fully achieve the goals in your CAP.



Session 1

CRO/CFO/Procurement Collaboration Workshop

BUDGET OFFICER AS DECISION ARCHITECT



OUR CHALLENGE

PUBLIC OFFICIALS make decisions for a living. With good decision-making, they can greatly improve the lives of their constituents. But decision-making is messy. It is often done by groups, so there are conflicting points of view. It is usually time constrained, so there isn't time to consider everything. There is always uncertainty, usually more than we realize. And it is done by humans, so it comes with the myriad cognitive biases and inconsistencies in human thought.

SOLUTION: THE BUDGET OFFICER

BUDGET OFFICERS are uniquely positioned to help public officials make better decisions. Budget officers can design decision processes in ways that produce better decisions. This is known as "decision architecture". To be a good decision architect, the budget officer needs to fulfill four broad responsibilities.

1 HELP DECISION-MAKERS SEE A WIDER OPTION SET

THE BUDGET OFFICER'S role in budget preparation gives them a bird's-eye view on the wide set of activities the government must pursue. They can thus help decision-makers see the big picture and find a wider set of possible solutions.

ESTABLISH THE DECISION NEED

Create "trip wires" that prompt decision-makers to act. For example, a policy that establishes a minimum acceptable fund balance could prompt action if a fund balance gets too low.

REDUCE THE POWER OF DEFAULTS

Humans tend to stick with the status quo, or the "default," when making decisions. This is often OK but sometimes can backfire. Watch out for when defaults are impeding needed progress, like when someone justifies an outmoded approach with "We've always done it that way!"

2 HELP DECISION-MAKERS TEST ASSUMPTIONS

THE BUDGET OFFICER'S close examination of projections gives them a unique perspective on the assumptions and uncertainties of project proposals. They can help decision-makers identify uncertainties and test assumptions before overinvesting.

3 HELP DECISION-MAKERS CHOOSE HIGHEST-VALUE OPTIONS

BUDGET OFFICERS see which trade-offs are being made and which ones may still need to be considered. They can help decision-makers choose highest-value options.

4 CREATE TRUST IN THE PROCESS

BUDGET OFFICER'S ethos of objectivity (if not neutrality) puts them in a unique position to foster trust in good decision processes. They can help by showing that the way in which decisions are made is fair, the distribution of resources is fair, and that the budget officer is trustworthy.

REFLECT ON ASSUMPTIONS

Create opportunities for decision-makers to consider if assumptions are reasonable. For example, making forecast assumptions transparent and pointing out that economy could render some assumptions obsolete could inspire decision-makers to develop contingency plans.

"PRECOMMIT" TO GOOD DECISIONS

Making good decisions in the heat of the moment is hard. Governments can make a commitment to good choices when the pressure is less. A good example is a policy that commits a government to building and maintaining a rainy-day fund. Precommitments like this can be made for many areas of public finance.

DESIGN DECISION-MAKING PROCESSES TO BE PERCEIVED AS FAIR

If people think a decision-making process was fair, they are more likely to accept outcomes that aren't their preferred outcome. People are more likely to perceive fairness if 1) the decision-makers are objective and the process is transparent; and 2) the participants are treated with dignity and have a voice.



Session 2

An Introduction to Highly Effective Climate Action Plans



Core topics led by ICLEI USA & ResourceX:

ICLEI USA - Moving beyond climate planning to invest more time and resources into the implementation of climate action.

ResourceX - Intro to Priority Based Climate Budgeting (Learn the concepts and application of a decision-making framework to better align resources towards climate goals.)



Session 3

Climate Program Goals and Budget Process



Cities outline their High-Priority Projects and create descriptions of current budget cycle approaches.

Create a **common understanding** of city climate priorities and how the current budget is/is not addressing the needs.

Discuss **equity** considerations in the development and implementation of climate and budget initiatives.

Introduce PBB Module 2: Communication, Accountability, & Accessibility.



Session 4

Resource Reallocation & Maximization + Budget Governance



A lot of topics covered in this session including:

- Resource Reallocation & Maximization
- Concepts towards aligning municipal resources to climate priorities through the PBB Blueprint + Insights framework
- Budget Governance & Climate Action
- The cost of inaction
- Financial impacts from climate-related risks and opportunities
- ESG disclosure and impacts on credit ratings
- Collaboration structures between financial and sustainability staff that align with climate action plans and annual fiscal decision-making

Session 5

Optimizing and Operationalizing Public Procurement



The Power of the Purse: How to Make Government Procurement a Tool for Innovation and Growth

- Mark Funkhouser & Associates provides observations, guidance, recommendations and discussion on procurement innovation opportunities

Case Stories from the ICLEI Network

City of Pittsburgh's Procurement Story



Session 6

Going Beyond Budget: Partnerships, Capacity-Building + Gaining Executive Support

Grant Ervin - Ambition Gap

Jacob Sherman - City of PDX Mobility Manager: Zero Emission
Delivery Zone Pilot Project+



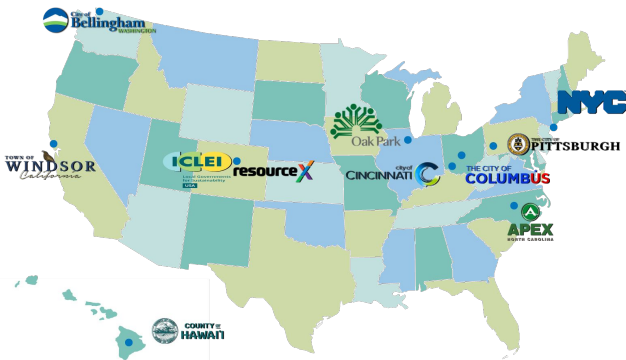
Cohort Resource Page

<https://www.resourceX.net/climate-cohort-2023>



Your resource for:

- Cohort purpose
- Recordings from every session
- Collateral materials (slide decks, etc.) from every session
- Suggested reading and links from every session
- *Session 7 resources will be available soon



Session 7

Priority Project Reporting



Report-out Order (from first to last)

- **Hawaii County - Closed due to tropical storm Calvin**
- **Cincinnati**
- **Oak Park**
- **Pittsburgh**
- **Apex**
- **NYC**
- **Bellingham**
- **Columbus**
- **Windsor**



Cohort Survey

