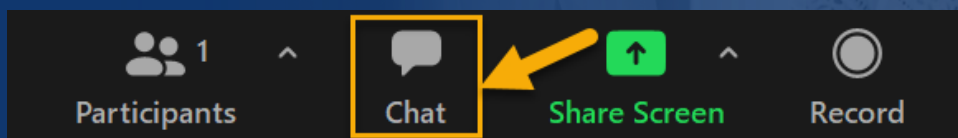


# PRIORITY BASED BUDGETING

## 21<sup>ST</sup> CENTURY BUDGETING

# WELCOME

- What is your biggest budgeting challenge?
- Share your answer in chat



# LET'S WORK TOGETHER



**Focus**



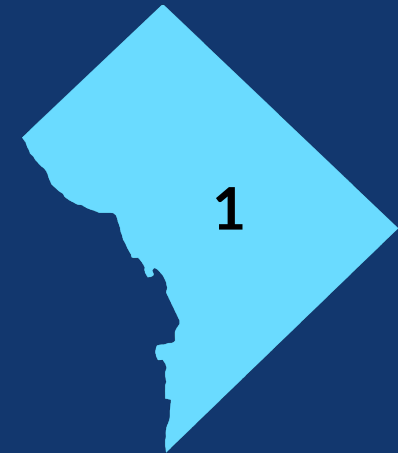
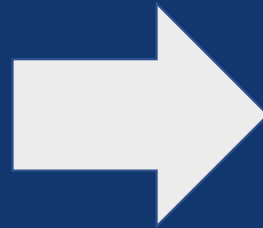
**Engage**



**Listen & Share**

# GUIDE NUMBERS

This figure indicates the corresponding page in your Participant Guide.



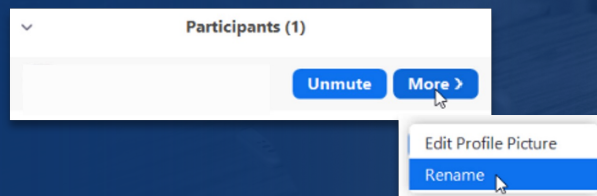


# INTRODUCTIONS



- Your preferred name
- Your role in local government

Rename yourself:



01

21<sup>st</sup> CENTURY  
BUDGETING



02

COMMUNICATE



03

OPTIMIZE  
RESOURCES



04

ACHIEVE  
RESULTS



05

COLLABORATE



06

INCORPORATE  
PBB



# PROGRAM JOURNEY



# LEARNING JOURNEY

01

Start with Why

02

In Real Life:  
Case Studies

03

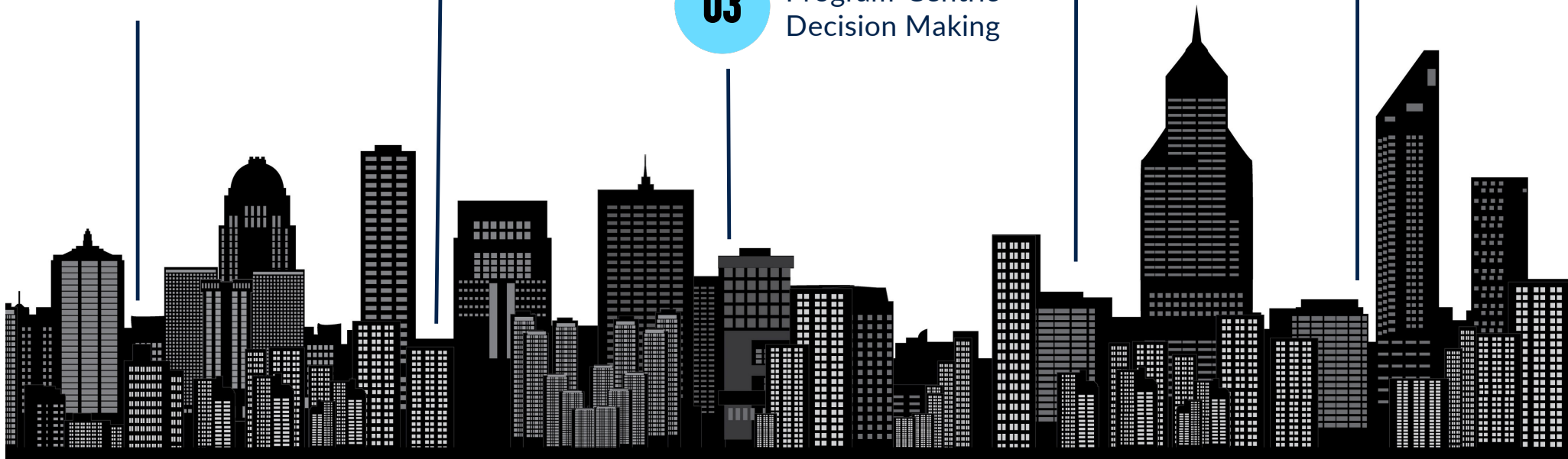
Program-Centric  
Decision Making

04

Levels of  
PBB Mastery

05

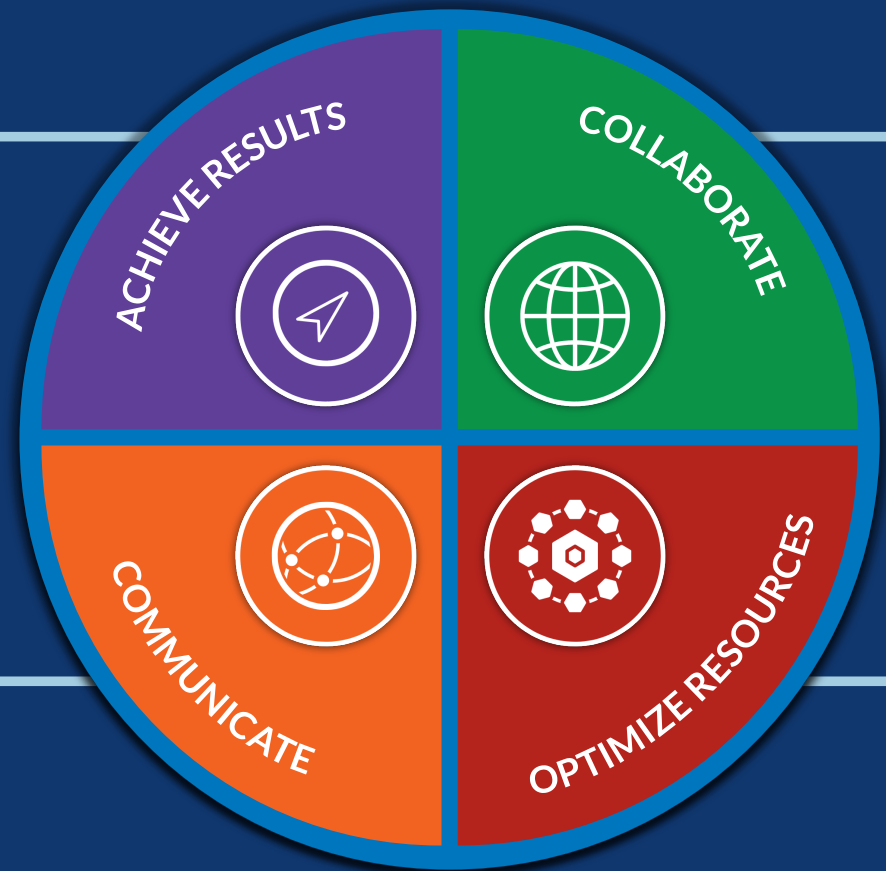
Origins  
of PBB



# MASTERING PBB

## OUR VISION

*To empower change agents to be ambitious to tackle society's biggest challenges unencumbered by resource scarcity*





# WHY IS BUDGETING IMPORTANT?





# PROGRAMS ARE THE VEHICLE FOR CHANGE

## **SOCIETAL PROBLEMS**

Need to be addressed –  
homelessness, equity, climate  
action, safer communities, etc.

## **WHY GOVERNMENT?**

Without attempting solutions,  
these problems may not be  
addressed

## **WHAT IS NEEDED?**

Resources to fund solutions

## **WHAT'S THE CHALLENGE?**

How to channel resources toward  
future-focused ambitions

# PRIORITY BASED BUDGETING MILESTONES

2008

PBB  
METHODOLOGY  
APPLIED

2009

PBB  
METHODOLOGY  
RECOGNIZED

2015

PBB PROCESS  
MOVES ONLINE

2019

5 ORGANIZATIONS  
RECEIVE  
RECOGNITION

2020

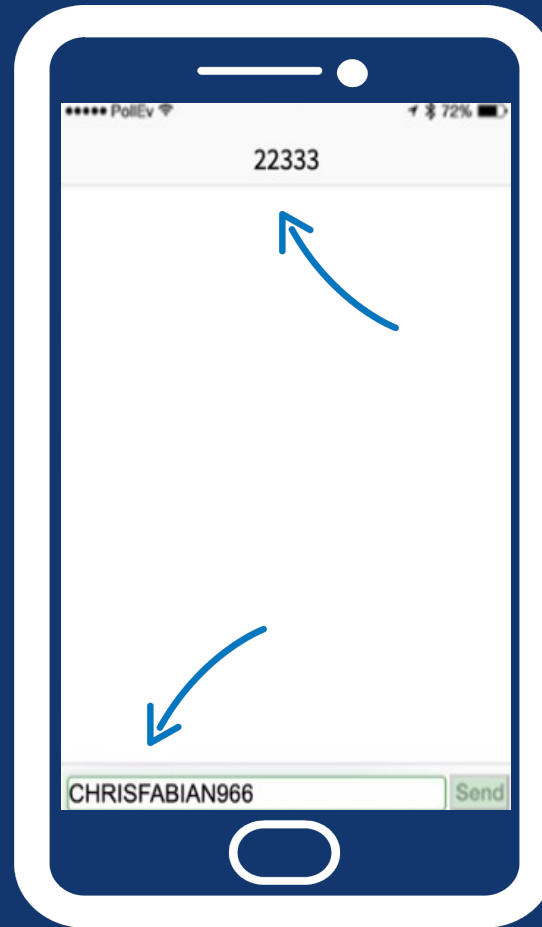
PBB WORKSHOP  
DEVELOPED

2021

2<sup>ND</sup> GENERATION  
OF ONLINE TOOLS  
RELEASED

In simple words,  
how would you  
describe what a  
**21<sup>st</sup> Century Budget**  
needs to do?

*(that your budget doesn't do now...)*

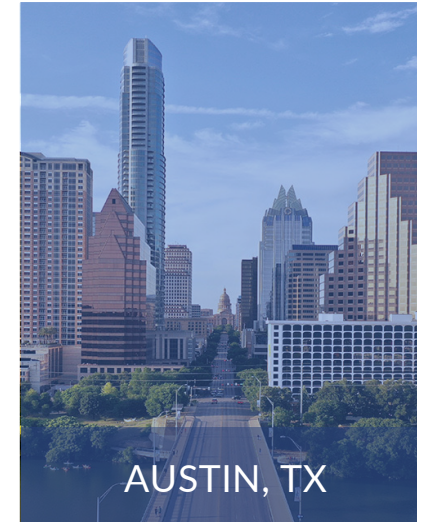
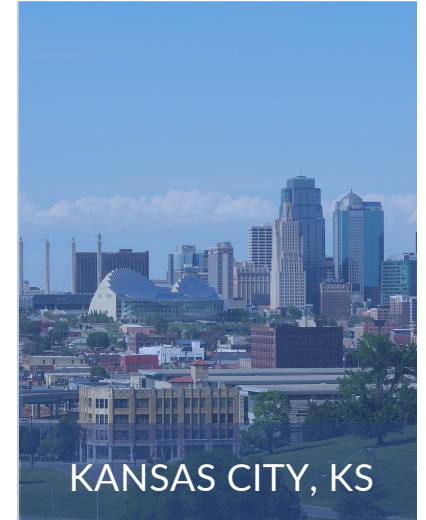
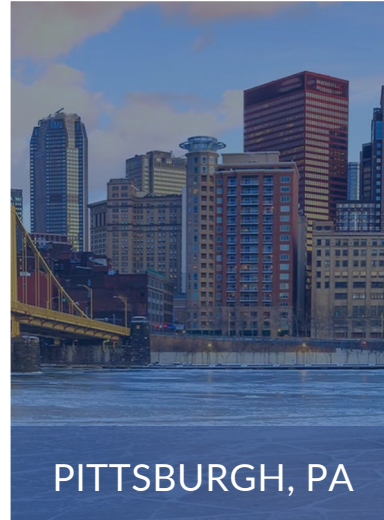


Text CHRISFABIAN966  
to 22333 to join session.

Then text your response.



GOAL,  
PATH TO ACTION,  
SKILLS AND CAPACITY



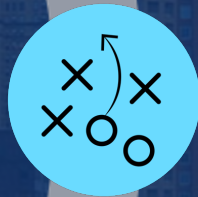


# CLIMATE ACTION PITTSBURGH, PA



## GOAL

- Find resources to fund climate and equity initiatives



## PATH TO ACTION

- Define programs and costs
- Program insights for reallocation



## SKILLS AND CAPACITY

- Master resource repurposing towards an outcome



# CLIMATE ACTION PITTSBURGH, PA

You Retweeted



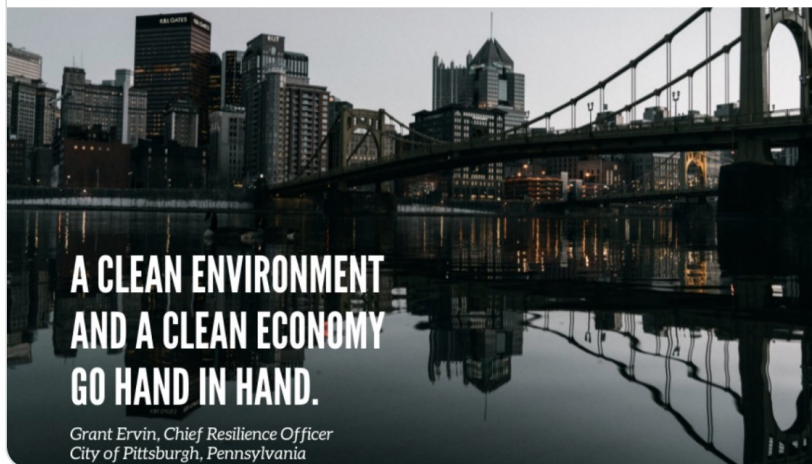
**bill peduto** ✓  
@billpeduto

Beginning with our commitment to build a more resilient city & through strategic partnerships over the years, Pittsburgh was able to identify \$41M in spending that has been repurposed to meet our sustainability goals. A new model of Priority Based Budgeting for cities.

**Resource Exploration** @\_ResourceX · Jun 17

"The budget is not just a collection of numbers but an expression of a community's values + priorities"

Budgeting for climate: How the City of Pittsburgh strategically allocates resources for a sustainable future. Via @TheAtlas4Cities the-atlas.com/projects/budge... #climate #resilience



# Pittsburgh, PA

Insight Workshop: **Potential of Insights Created**

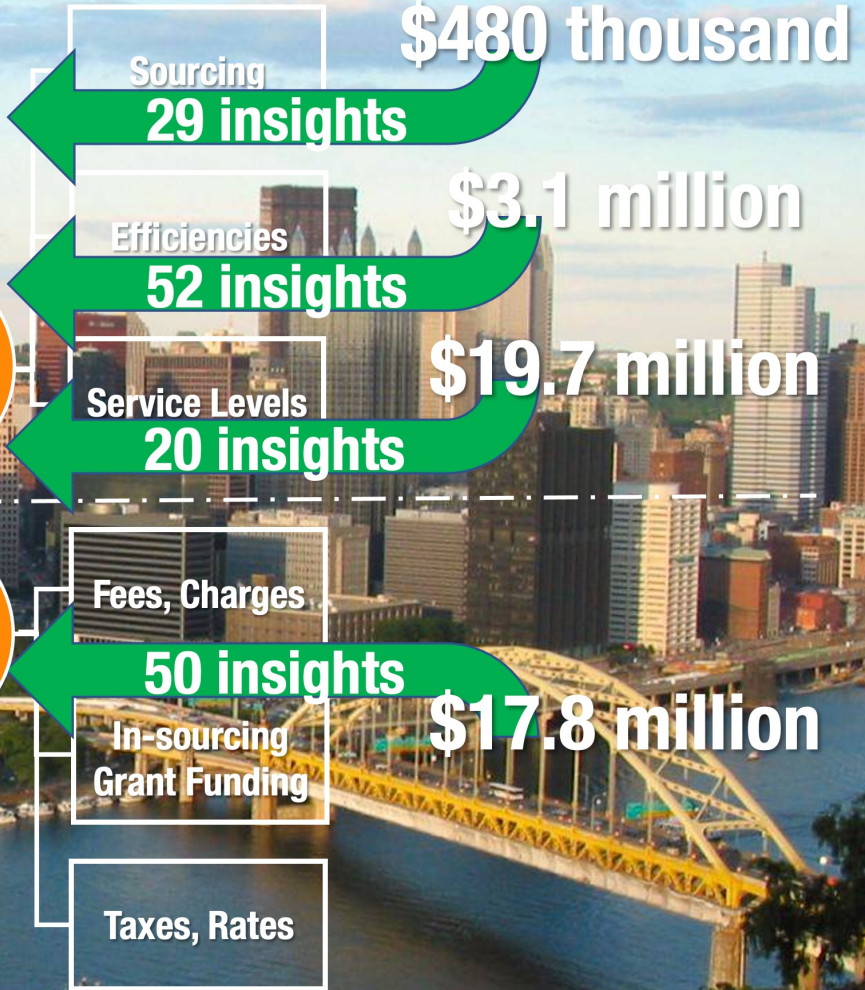


**\$41 million**

Resources available for service level increases and new programs

**\$23m**  
From Resource Re-allocation

**\$18m**  
From New Revenue





# COVID RESPONSE KANSAS CITY, KS

## Program Insights Workshop



**KANSAS CITY**

Conducted by:  
Staff of the Unified Government

Workshop held:  
January - February, 2021



**COVID  
Recovery and  
Resilience**  
\$9 million and  
counting...

### Approved Insights:

Insight	Number	On Going Exp	One Time Exp	On Going Rev	One Time Rev
Service Level Increase	4	65,000	115,000	7,400,000	0
Cost Recovery	2	-5,011,200	0	0	0
Status Quo	2	-150,000	100,000	0	0
Service Level Decrease	1	-100,000	150,000	100,000	0
<b>Total</b>	<b>9</b>	<b>-5,196,200</b>	<b>365,000</b>	<b>7,500,000</b>	<b>0</b>

# COVID RESPONSE KANSAS CITY, KS

*“The idea behind Insights is we jump in; we figure out where we can prioritize what we want to put our emphasis on. It’s all about your ideas. This is our opportunity for the future – for working for the future. I encourage participation. Let’s make a difference.”*



DOUG BACH, COUNTY ADMINISTRATOR  
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS

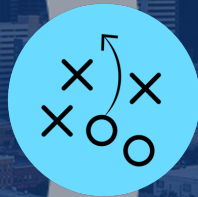
# BUDGETING FOR EQUITY

DENVER, CO



## GOAL

- Better budget recommendations, truly aligned with equity objective



## PATH TO ACTION

- Define programs and costs
- Program insights for equity



## SKILLS AND CAPACITY


- Create better budget proposals and fund them



**Clear** Definition of Equity Objective

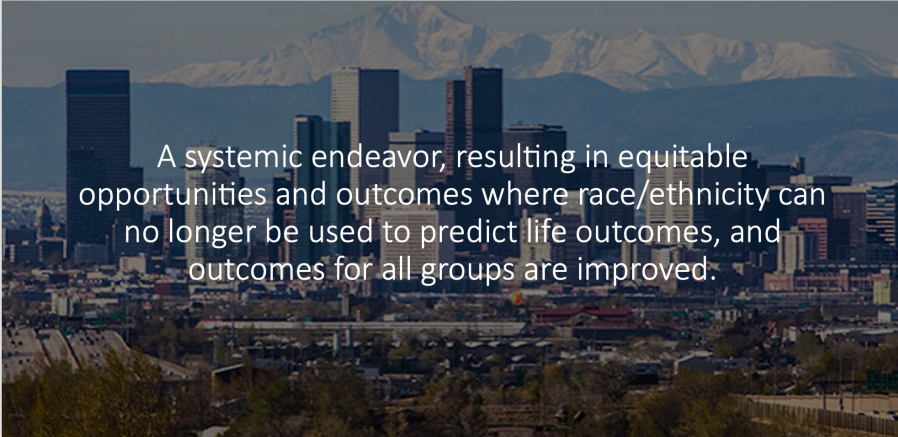
# PERCEIVED DISCONNECT

**Unclear** How Budget Supported Equity Objective




**DENVER**  
THE MILE HIGH CITY


**EQUITY**



A systemic endeavor, resulting in equitable opportunities and outcomes where race/ethnicity can no longer be used to predict life outcomes, and outcomes for all groups are improved.



**DENVER**  
THE MILE HIGH CITY



**CITY AND COUNTY OF DENVER**  
**2019 MAYOR'S PROPOSED BUDGET**  
SEPTEMBER DRAFT

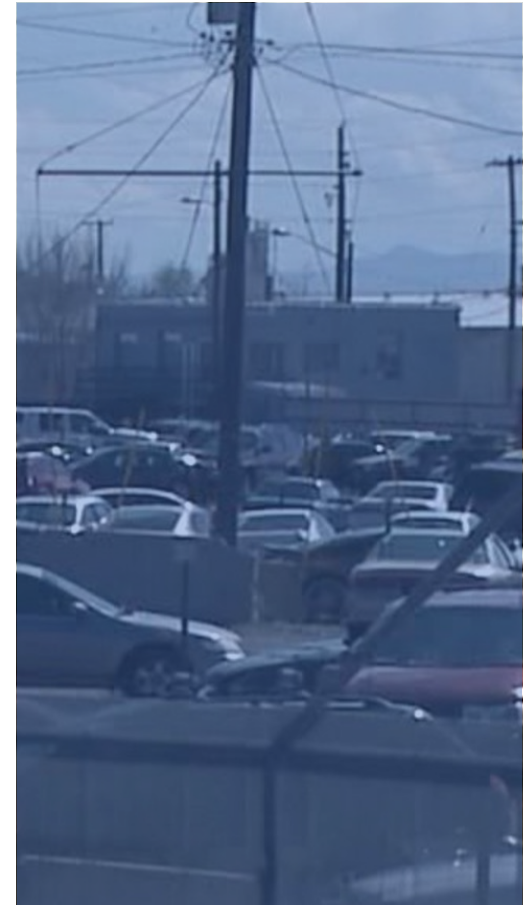
# OPPORTUNITIES TO INCREASE EQUITY

## PROGRAMS:

- Snow Removal
- Impound Lot

## KEY TO SOLUTION:

- Re-center budget and equity recommendations at the program level

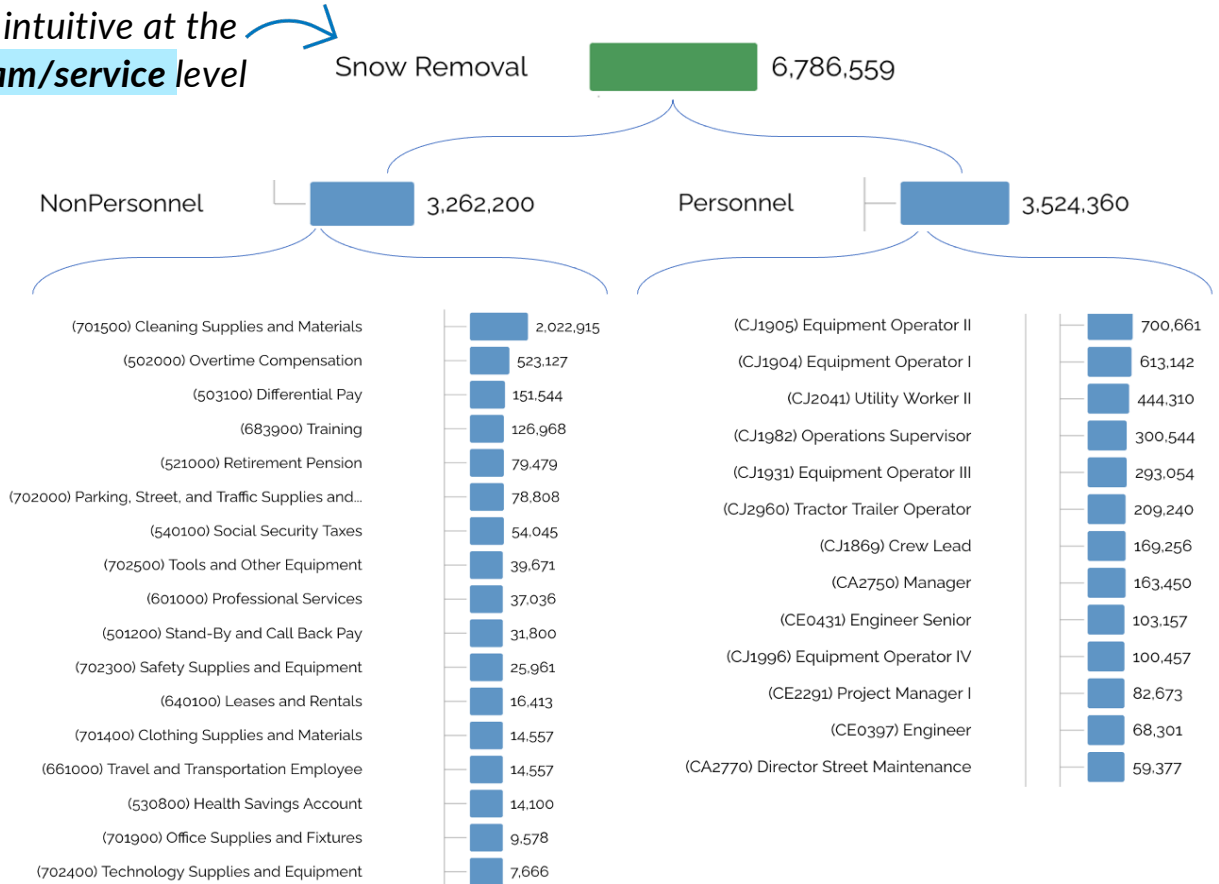


# BUDGETING FOR EQUITY DENVER, CO

## Program Data

## Line-Item Data

More intuitive at the **program/service level**



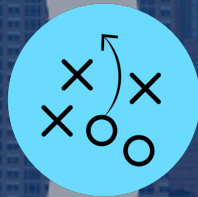


# BUDGETING FOR EQUITY AUSTIN, TX



## GOALS

- Fund Arts and Culture programs (in spite of 91% budget reduction)
- Prioritize Arts and Culture funding, through equity scoring of programs offered to residents



## PATH TO ACTION

- Leverage, update, refine program inventory/costing data
- Conduct Program Insight Workshops
- Augment recommendations workshops with consideration of use of one-time ARPA resources
- Implement recommendations



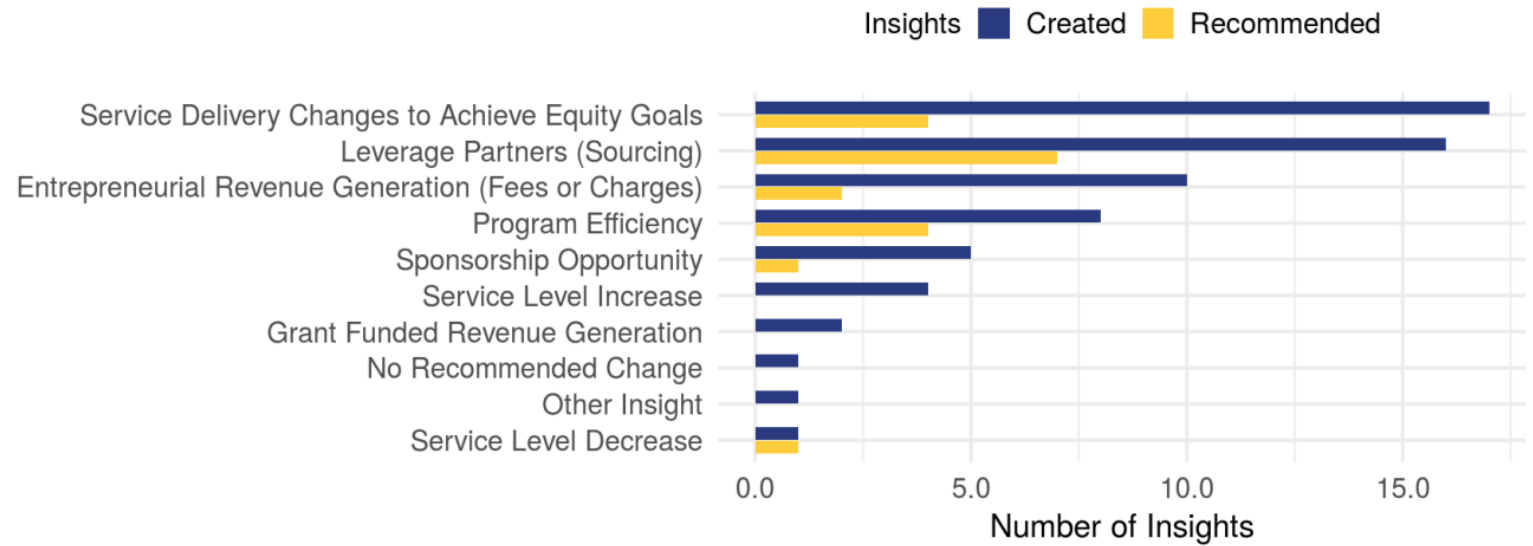
## SKILLS AND CAPACITY

- Mastery of resource maximization strategy at the program level
- Replicable and scalable methodology

# BUDGETING FOR EQUITY AUSTIN, TX

## Insight Recommendations Overview

### Program Changes





# BUDGETING FOR EQUITY



## CHALLENGES

- Budget process does not prioritize for equity
- Equity as an outcome is not well defined

## CAPACITY, SKILL DEVELOPMENT

- Mastery of program-based and PBB
- Mastery of program-data-driven process to define a goal, create solutions, and fund them

## OUTCOMES

- Redesign budget process to prioritize based on outcomes (including equity)
- Identify high-priority equity initiatives and fund them

## TAKE AWAYS

- PBB (and therefore “equity-driven”) process in place that the City can preserve
- Repeatable methodology to continue creating and funding solutions to challenges (and priorities) like equity, climate, etc.



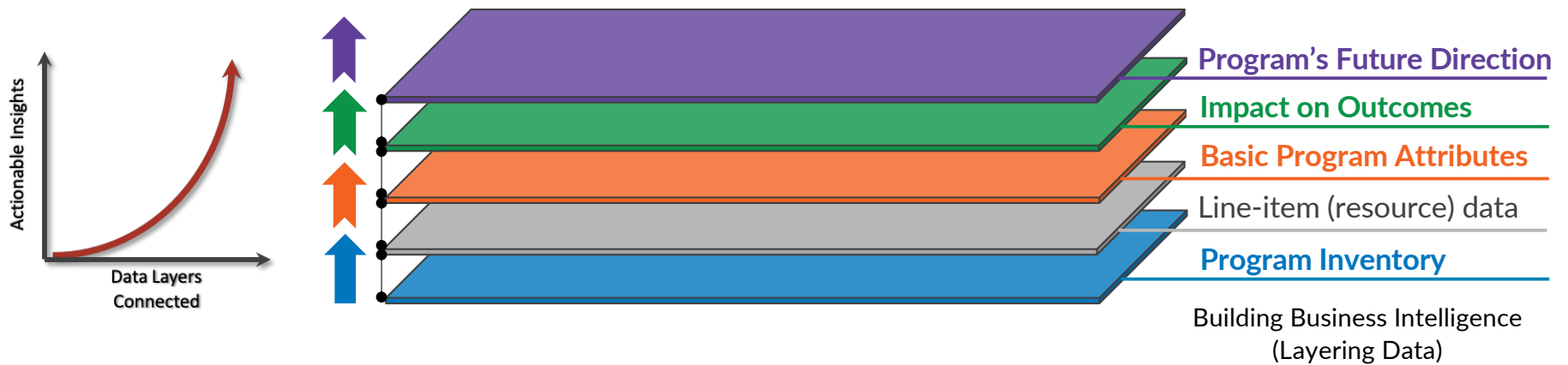
**HOW IS IT DONE?**

# PROGRAM-CENTRIC DECISION-MAKING



CREATE  
DATA

- Program Inventory
- Program Costs
- Program Scores
- Program Performance Metrics





# PROGRAM-CENTRIC DECISION-MAKING



## CREATE DATA

- Inventory
- Costs
- Scores
- Performance Metrics



## GAIN INSIGHT

- Program Future / Fate
- Increase Service Levels
- Repurpose Resources
  - Efficiency, Sourcing, Service Levels
- Generate Revenue



## TAKE ACTION

- Budget/approve new program launches
- Reallocation of resources
- Revenue generation
- Execution

**FUEL RESOURCES TO  
THE RESULTS OF  
TOMORROW**

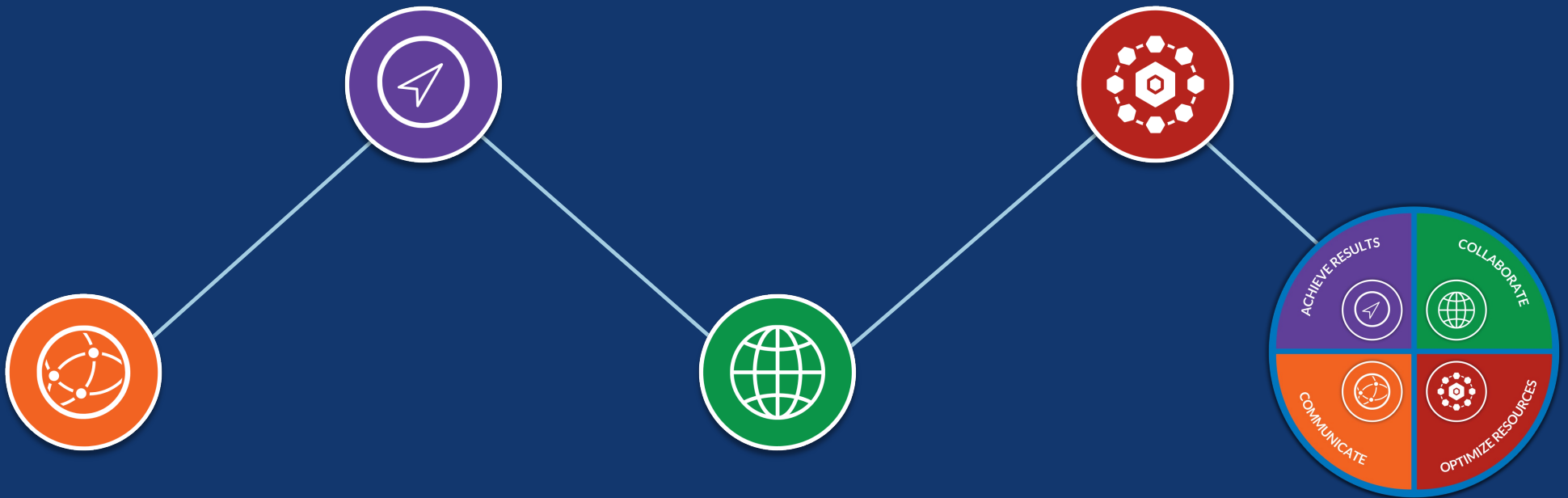
**LEVERAGE ALL YOUR  
COMMUNITY'S  
RESOURCES**



**COMMUNICATION,  
ACCESSIBILITY, &  
ACCOUNTABILITY**

**RESOURCE  
REALLOCATION &  
MAXIMIZATION**

# ZERO TO ONE: THE POWER OF PROGRAMS



Let's get started!