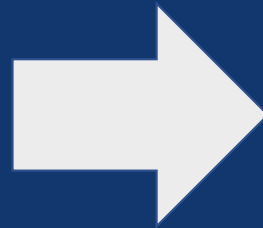


INCORPORATING PRIORITY BASED BUDGETING

RETHINKING BUDGETING

PARTICIPANT GUIDE

When you see this icon,
go to that page in your
Participant Guide.



01

21st CENTURY
BUDGETING



02

COMMUNICATE



03

OPTIMIZE
RESOURCES



04

ACHIEVE
RESULTS



05

COLLABORATE



06

INCORPORATE
PBB



LEARNING JOURNEY

01

Why Now?

02

Changing the
Conversation

03

Looking Ahead

04

Delivering
the Future



DISCUSSION



- Are your residents demanding to know more details about the budget?
 - How do you communicate with your current budget?
- Residents want access to information in a format relevant to their experiences.
 - Do you feel the average resident can follow along easily at a Council Meeting or in a Budget Discussion?
- Fairness and Equity are more central to the conversation.
 - How do you explain how your organization is prioritizing these initiatives in the budget process?

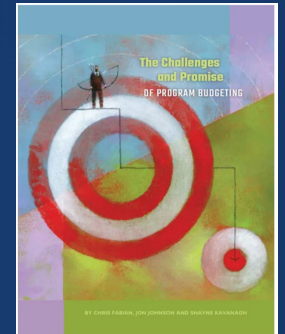
A close-up, blurred image of a clock face, likely an alarm clock, with the text "WHY NOW?" overlaid in white. The clock face is dark blue and shows numbers like 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and 12. The hands of the clock are also visible, though blurred. The overall image has a dark blue tint.

WHY NOW?

WE KNEW THE WHY THEN...

THE PROMISE OF PROGRAM BUDGETING

2015



TRADE-OFFS

Provides a language for meaningful discussions about making budgeting trade-offs among services

WORKFORCE PLANNING

Shows how the workforce is associated with programs, which allows governments to better integrate succession planning into the budget process



TRANSPARENCY

Creates true transparency by showing what the government does and how much it costs in a way that is meaningful to residents

SOURCING

Allows more meaningful comparisons to other service providers when considering options such as outsourcing or shared services

PERFORMANCE

Clarifies the context of programs better than broader categories like departments and divisions by using performance and measures

LINE-ITEM BUDGETING

- Good for informing broad decisions that impact cost types
- Useful for decisions of non-personnel nature (defer capital, suspend travel, etc.)
- **Lacks connection to impacts on services, service-levels, and outcomes**

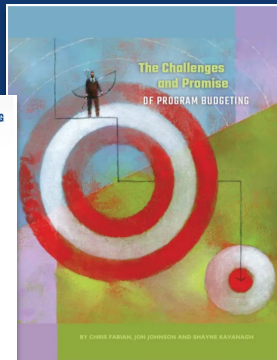
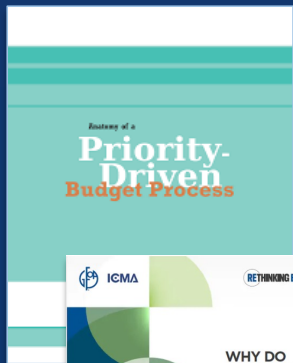
But the challenge remained for many...

HOW?

WE KNEW THE WHY THE PROMISE OF PROGRAM BUDGETING

PROGRAM/PRIORITY BASED BUDGETING

- Answers: What programs need more resources? What can you do less of? Where can you partner?
- Programs are a vehicle for analysis, communicating change, and a platform for insight and action
- **Doesn't seamlessly communicate with ERP systems**

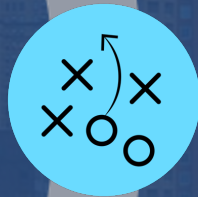


BUILDING A TRUE PROGRAM BUDGET FLAGSTAFF, AZ



GOAL

- Complete the entire 2022 budget process programmatically



PATH TO ACTION

- Utilized PBB Data to support budget requests and communication with elected officials

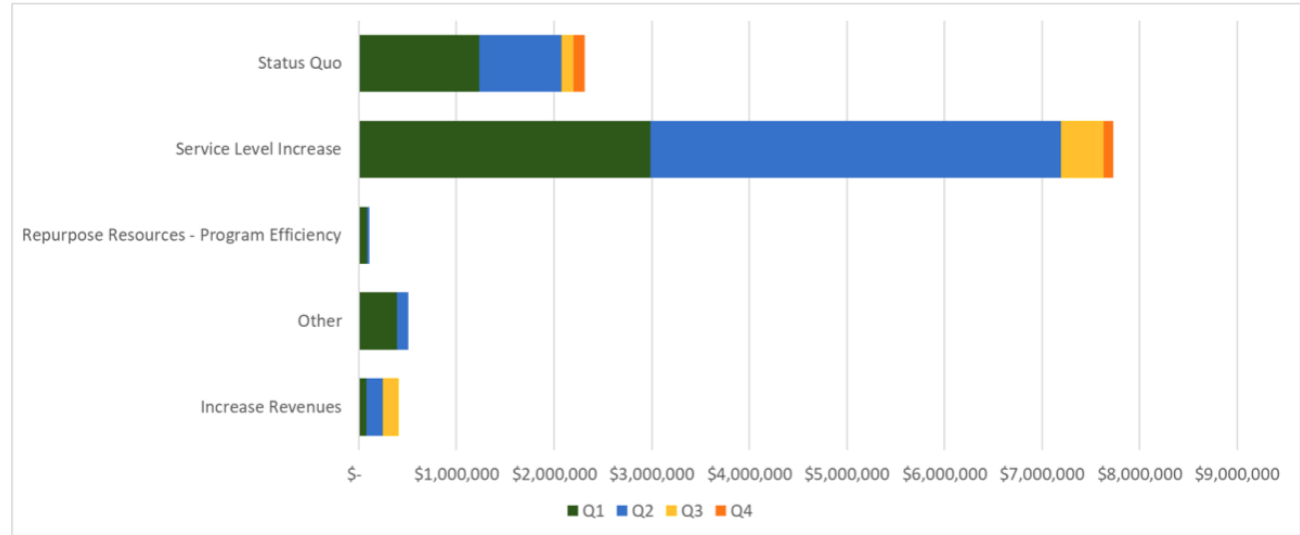


SKILLS AND CAPACITY

- Fully developed and prioritized program data set
- Customized program budget request format to include Carbon Neutrality Plan
- Utilized the OnlinePBB Budgeter platform to request and approve all proposals

BUILDING A TRUE PROGRAM BUDGET FLAGSTAFF, AZ

Insights





CHANGING THE CONVERSATION



BECAUSE THE WHY
SHOULD BE THE REASON

22

1

2

3

4



COMMUNICATING THE BUDGET AT A POLICY LEVEL

THE CITY OF FLAGSTAFF

BEFORE

Leaders want budget to drive discussion

Supporting documents aren't conducive

Line-items inherently drive the conversation to accounting, not policy

AFTER

Long-term goal to deliver budget through Carbon Neutrality Plan (CNP) lens

Tied all other priorities to this pursuit

Measurable budget requests through PBB show alignment to CNP

Examples of Requests that Advance the CNP: **Equity**



- Housing Plan review of city codes, processes, and fees for cost-saving strategies
- Developer Incentives for Affordable Housing Creation
- Increased joint meetings with Indigenous partners
- Wood stove rebate pilot that incentivizes upgrades to stoves that use 30% less wood & burn cleaner

Examples of Requests that Advance the CNP: **Resilience**



- Jointly-funded C-aquifer monitoring
- Annual flood mitigation
- Ongoing flood mitigation alert network maintenance
- Software to support scenario planning and hybrid public engagement (Regional Plan Update)

Examples of Requests that Advance the CNP: **Mitigation**



- Land Availability and Suitability Assessment
- Replenish funds for the Sustainable Automotive Sales tax rebate program
- Expanded Use of Right of Way Funding
- Employee EcoPass Program
- Aquaplex EV Charging Stations – subscription service
- Funds to include a Carbon Removal prize category for the Innovate Waste Challenge in perpetuity.
- Two DC fast electric EV charging stations. Enables rapid EV charging and supports visitation.

CNP New Investments



CNP Target Area	27 Requests
Emissions Reductions	1
Community Resilience	6
Equitable Systems	6
Decreased Dependence on Cars	7
Electric Mobility	3
Clean Electricity	0
Fuel Switching	0
Reducing Building Energy Use	1
Sustainable Consumption & Waste	2
Carbon Dioxide Removal	1
Total CNP New Investments	\$ 2,063,297

A close-up photograph of a person wearing a dark suit jacket and a light-colored shirt, looking through a pair of black binoculars. The person's hands are visible, holding the binoculars up to their eyes. The background is a blurred, light-colored surface, possibly a wall or a large window. The entire image is overlaid with a semi-transparent blue filter. The text "LOOKING AHEAD" is centered in the middle of the image in a bold, white, sans-serif font.

LOOKING AHEAD

Departments hang on tight and protect their budgets – what’s in it for them?

We never seem to be able to stop doing anything...

Council never wants to cut, only preserve

Council wants an equity lens in the budget... Or council wants a climate lens... Or council wants to see...

The Board says that they want policy trade-off discussions, but they seem drawn to line-items

Our people are here anyway, aren’t personnel costs a given?

TENSION

PROGRAMMATIC
DECISION MAKING

RETHINKING BUDGETING



TRADITIONAL BUDGET

- Past decisions are frozen in place – it is backward looking, not forward looking
- They are not strategic
- It is a zero-sum game



LINE-ITEM REQUESTS

It's all or nothing
Decision-makers get an all-in number—nothing about the programs impacted by the increase/decrease requested



PROGRAM REQUESTS

Offer transparency & understanding
Recommendations include resources needed, programs impacted, and results achieved for a full picture



PROGRAM BUDGET

- Helps ascertain if/how policy objectives are being met
- Directly ties resources to results and impact
- Guides resources from lower to higher impact programs

YOU START WITH ALL THE DATA



PROGRAM REQUESTS BEGIN WITH:

- Level of Mandate
- Demand
- Population Served
- Cost Recovery
- Level of Reliance
- Alignment to Your Priorities
- Contribution to Important Outcomes
- Total Cost
- Line-Item Detail
- Staffing Information
- Customized Data

Program: Climate Action

Program Description: Develop and implement climate action initiatives, planning, policy, and operational programming to achieve the goals outlined in the Climate Action and Adaptation Plan in 7 key focus areas with an emphasis on Greenhouse Gas emission mitigation, adaptation, and equity.

Total Cost: \$467,626

Program Revenue: 0

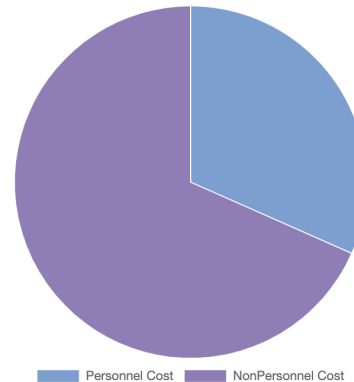
Budget Description: Flagstaff equity atlas. Maps disparities, vulnerabilities, climate risk. Informs decisions city-wide

Program Cost

Personnel Cost - \$147,886

NonPersonnel Cost - \$319,740

Total Cost - \$467,626



Quartile: 2

Program Attributes

MANDATED to PROVIDE PROGRAM: No mandate (Including general Council direction or interest)

RELIANCE on CITY to PROVIDE PROGRAM: City is sole provider of service (including contracting out services)

COST RECOVERY of PROGRAM: More than 50% cost recovery

CHANGE in DEMAND for the PROGRAM: Increasing Demand

CAPACITY to SERVE: The program has the capacity to serve more than 50% of the intended population

Results Alignment

Environmental Stewardship: N/A

Safe & Healthy Community: N/A

Robust Resilient Economy: N/A

Inclusive & Engaged Community: Extreme

Livable Community: Extreme

Sustainable, Innovative Infra.: Some

Tools, Training, & Support: Some

Innovation & Best Practices: Extreme

Trust & Transparency: Extreme

Customer Service: Extreme

Efficiency & Effectiveness: Some

A hand is shown holding a small globe of the Earth. The background is a dark blue space filled with stars. The text "DELIVERING THE FUTURE" is overlaid in white, bold, sans-serif font.

**DELIVERING
THE FUTURE**



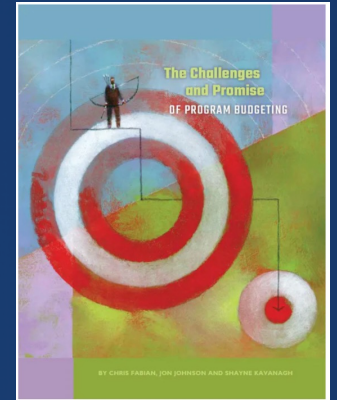
**THE 2021 RESOURCEX SUMMIT
WE'RE DOING BUDGETING**

DIFFERENTLY
SEPTEMBER 22, 2021

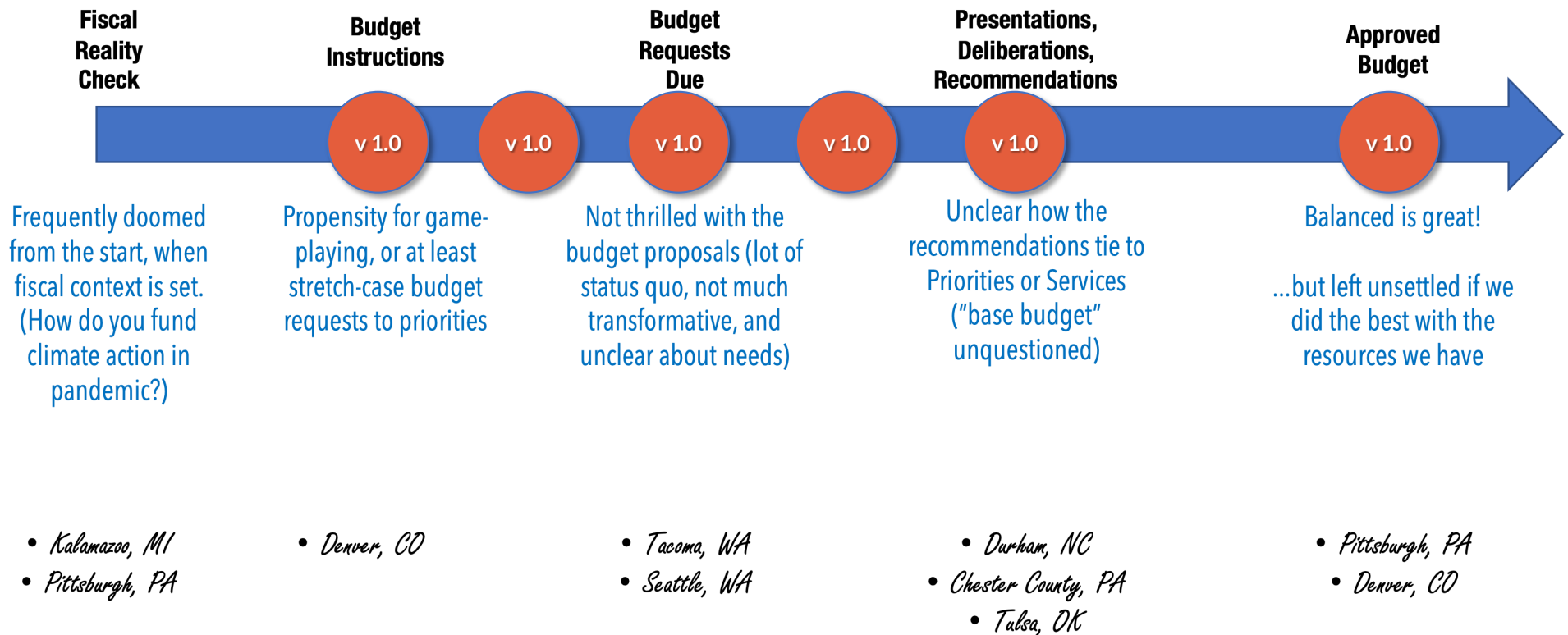
2015

WE KNEW THE WHY THEN...

THE PROMISE OF PROGRAM BUDGETING



Budget Development Process



Create Budget Requests

Filter by: Fund Cost Center My Request Insight Category Attribute Quartile

Search for a program/line item...
e.g. 'park', 'police', 'youth'

PROGRAM REQUEST LINE ITEM REQUEST

Select program and create a request for it

Quartile	Service Type	Program	Program Description	Total Cost	Line Items
1	Community	Animal Control Call Response	Respond to aggressive loose abandoned and trapped animals	\$454,601	
<div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid #ccc; padding: 5px; width: 15%;">We will be in need for new helpers in half a time job</div> <div style="border: 1px solid #ccc; padding: 5px; width: 15%;">New Animal Controller</div> <div style="border: 1px solid #ccc; padding: 5px; width: 15%;">New shelter for animals</div> <div style="border: 1px solid #ccc; padding: 5px; width: 15%;">Decreasing the cost of fuel due to Covid</div> <div style="border: 1px solid #ccc; padding: 5px; width: 15%;">For this program we will need some new buses to ...</div> </div>					
Create New Request					
1	Governance	Records Management	Manage records in accordance with established retention schedules and modern records management see more	\$36,124	
1	Community	Athletic Field Maintenance	Pre practice and pre game mowing, striping, and placement of portable mounds and goals. Regular see more	\$28,874	
1	Community	Citation Issuance and Prosecution Support	Issue citations and assist with prosecutions	\$31,364	
1	Governance	Notary Public Services	Witness and authenticate signatures for customers	\$11,328	
1	Community	Animal Control Call Response	Respond to aggressive loose abandoned and trapped animals	\$50,256	

1

2

3

4

Program: Animal Control Call Response

Program Description: Respond to aggressive loose abandoned and trapped animals

Total cost: \$454,601

Program Revenue: 0

Request: New Dispatcher

Type: Personnel

[See Allocation Table](#)

Acct Number	Position	Position Number	Total Cost	Allocation	Program Cost	Request	New Total Program Cost
11101-280000-82527	Animal Controller	82527	\$67,872	100	\$67,872	\$0	\$67,872
11101-280000-82529	Animal Controller	82529	\$56,157	100	\$56,157	\$0	\$56,157
11101-280000-82523	Animal Controller	82523	\$67,872	100	\$67,872	\$0	\$67,872
11101-280000-82516	Animal Care & Control Supervisor	82516	\$83,918	90	\$75,526	\$0	\$75,526
11101-210000-87433	Coordinator, Administrative-2	87433	\$51,635	88	\$45,181	\$0	\$45,181
11101-280000-82519	Animal Controller	82519	\$56,157	20	\$11,200	\$0	\$11,200

[Go back](#)

Requests Purpose

Box Choices

Questions

General Questions:

- What are the intended internal governance outcomes of the request?
- What are the intended external community results of the request?
- What performance level data do you have to support the proposal?
- How will you document and evaluate the impact of the request?
- What will the effect be if the requested costs are not approved?
- How does this request impact the strategic goals of the organization and the department?
- Is outside funding available for the request? If yes, provide the details of that funding, such as the amount, source, length of funding, etc.

+ Add Question

Personnel Questions:

- What is the proposed job description and activities associated with the requested position?
- What is the salary plan and grade for this requested position? Has this been approved by the appropriate parties?
- Describe if and how this requested position will improve customer service?
- Could other positions be removed, reorganized, or repurposed to fill this request?

+ Add Question

NonPersonnel Questions:

- Is there an opportunity to reallocate and reduce other line items to offset this request? If yes, please describe.
- Have the appropriate parties been contacted & consulted with if this request impacts them (such as technology requests, fleet requests, etc)?

+ Add Question

Budget Requests

- Summary of Requests
- Create Budget Requests
- Created Requests
- Review Requests
- Request Purpose

Requests

Cost Center Insight Category Attribute Quartile

Search for a request...
e.g. 'park', 'police', 'youth'

DISAPPROVED

✓ Approve ✗ Disapprove

- Present PBB
- Resource Alignment
- Reports
- Fiscal Health

Line Item Request

Policy Analyst

Reallocation A Police Analyst

Climate: **No impact**
Equality: **Some impact**
Change: **Increase Service...**

Select

Program Request

Animal Control Call Response

Reallocating a vacancy

Climate: **No impact**
Equality: **High impact**
Change: **Efficiency**

Select

Program Request

Housing Planning and Policy

Need +1 FTE to study affordable housing options

Climate: **Some impact**

Program Request

Permit Reviews

Going paperless

Climate: **No impact**

Program Request

Analytics

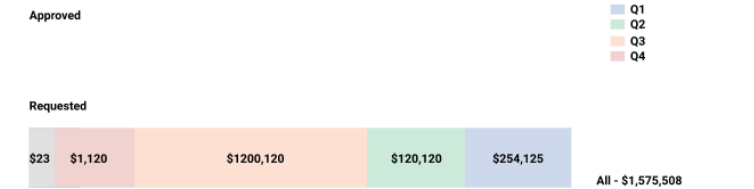
Data analytics is important to help the city get better in a ...

Climate: **No impact**

Budget Summary

	Current Budget	Requested	Approved
Personnel	\$2,008,635	\$309,845	\$0
NonPersonnel	\$1,890,420	\$69,725	\$0
Revenue	\$78,415	\$2,870	\$0
Total	\$3,977,470	\$382,440	\$0

Quartile Comparison



Basic Program Attributes



THE 21ST CENTURY BUDGET PROCESS
CONNECTING BUDGETING
REQUESTS TO
COMMUNITY GOALS

ONLINEPBB BUDGETER

BECAUSE THE *Why*
SHOULD BE THE *Reason*

resourceX

Budgeting for Equity

ARPA

Approved to fund
your outcome
based budgeting
solutions

resourceX

How will you
incorporate *programs*
into your budget
development
process?

FUND YOUR
PURPOSE

PRIORITY BASED BUDGETING

resourceX
reprogram your organization
www.resourcex.net

SERVING LOCAL GOVERNMENTS
IN PURSUIT OF A BETTER FUTURE

Climate Budgeting:
CONNECTING
RESOURCES
WITH CLIMATE
INITIATIVES

BUDGETING
IS A POWERFUL
LEVER FOR
CHANGE

LINKING
INCOME AND
EFFICIENCY

THANK YOU

PRIORITY BASED BUDGETING

*Connecting your
priorities to the
budget process*



CONTACT



www.icma.org
www.resourceX.net



Chris Fabian | CEO
cfabian@resourceX.net

Erik Fabian | Head of Business Development
efabian@resourceX.net

Liz Johnston | Head of Marketing
ljohnston@resourceX.net