



# PRIORITY BASED BUDGETING Orientation to "Resource Alignment Diagnostic Tool"



City of Goodyear Arizona Kathie Novak, Jon Johnson & Chris Fabian February 3, 2014

#### 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"





#### City of Goodyear's Results

- **®** Economic Vitality
- Effective Mobility and Reliable, Well-Maintained Infrastructure
  - Quality of Life
  - Safe Community
  - Sense of Community







# Community-Oriented Results





Develop a comprehensive approach to encouraging tourism in Goodyear and in the West Valley.



Supported by City policies and priorities, with a strong emphasis on interactive communications and long-term success, foster and support the retention and expansion of existing businesses while working to attract new entrants.

**Economic Vitality** 

Streamline the City's development services to efficiently support local economic development.

Focus on strategic economic development pursuits and initiatives that will increase local jobs and create demand for supporting businesses.

Prioritize and invest in strategic infrastructure construction that supports the City's economic development vision and goals.

Provide a safe, attractive and well-planned community offering quality of housing options and access to activities and amenities that offer a desirable quality of life.





Offer and support convenient, safe and economical public transit options that are accessible to everyone; enabling local and regional mobility.



Design, construct and proactively maintain a reliable utility infrastructure that delivers safe, clean water, controls storm water drainage and effectively manages sewage treatment.

Effective
Mobility and
Reliable, WellMaintained
Infrastructure

Provide and maintain safe, accessible and well-planned mobility alternatives for diverse populations to include transportation options for the disabled, cyclists and pedestrians.

Plan, build, repair, enhance and continuously invest in a well-maintained public infrastructure system (including streets, roads, bridges, sidewalks, traffic control systems and communication systems).

Design, operate and manage a safe, accessible and well-designed transportation network that eases congestion, improves traffic flow, controls traffic movement and enhances mobility.





Ensure a sustainably-built and natural environment including parks and greenspace.



Enhance environmentally conscious initiatives and City codes that support a clean, well-maintained, sustainable community.

# Quality of Life

Support initiatives that promote healthy quality lifestyles for our diverse citizenry.

Facilitate partnerships with local schools, district leadership, and youth development programs to ensure quality education opportunities for local youth.

Support and encourage culture, the arts and other leisure-time opportunities.

Quality, connected neighborhoods.





Protect the community by justly enforcing the law, promptly responding to calls for service, and being prepared for all emergency situations.



Foster a feeling of personal safety and security throughout the community by establishing a visible, responsive public safety presence that proactively provides for prevention, intervention and safety education.

Safe Community Create a secure, well-regulated, well-maintained community that is healthy, attractive and an appealing place to live and work.

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

Identify public safety business process improvements and innovative programs that ensure a safe community.





Establish an enhanced higher education presence in the City.



Engaged, involved and educated community - enhanced participation, community partnerships and volunteerism.

### Sense of Community

Create an enhanced connection with neighborhoods throughout the City through focused outreach, strategic utilization of various communication methods and focusing on outstanding customer service.

Evaluate additional community programs and events that bring citizens together to foster a sense of community and culture.





### Governance Results



Demonstrate fiscal responsibility through establishing financial policies and budgeting practices that accomplish the highest priorities and demonstrate results.



Provide assurance of regulatory and policy compliance to ensure trust, accountability and foster transparency.

Deliver courteous, responsive service to its external and internal customers, while ensuring timely, accurate and effective two-way communication.

Fiscal Resource Management (Governance)

Implement reputable and innovative technology initiatives to support City business processes and encourage private development investment.

Reduce the cost of government by implementing business processes and other operational efficiencies.

Protect, manage, optimize and invest in its financial, human, and physical resources.





#### **Developing Program Inventories**

#### THE CITY of GOODYEAR, ARIZONA

Department Program Inventory Worksheet
October, 2013





Fund	Department	Division	Program Name	Program Description
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#### **Program Scoring:**

"**Value**" of Programs based on their influence on Results and Basic Program Attributes

	CITY of GOODYEAR, ARIZONA				DEPARTMENT:											
Individual Department Program Scorecard			Evaluation Criteria: Community Results and Basic Program Attributes													
	DATE				Basic Program Attributes						Community Results					
	Goodyear				HAMBATED TO PROVIDE PROCESH	RELIANCE CITT I PROTIDE PROCRAH	CHANCE : DEMAND for il- PROCEMH	PORTION OF IL- COMMUNITY SERVED	COST RECOVERY of its process	EFFICIENCY RESULTING F PROGRAM	SERSE of CONHERITY	ECOBOHIC TITALITY	<b>aba</b> lity of Lipe	SAPE COHHERITY	EFFECTIVE HODILITY	
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## <u>Simple Scoring Scale –</u> "Degree" of Relevance to a Result

- **4** = Program has an <u>essential</u> or <u>critical</u> role in achieving Result
- 3 = Program has a <u>strong</u> influence on achieving Result
- 2 = Program has <u>some</u> degree of influence on achieving Result
- 1 = Program has <u>minimal</u> (but some) influence on achieving Result
- **0** = Program has <u>no</u> 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

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0 = Program is offered by other private businesses located within the
 City limits

#### 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 <u>0 to 4</u> 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%)





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#### 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:

#### Cost Avoidance and/or Efficiency Resulting from Program

- Programs that help save money or "avoid" incurring additional costs in the
  future will receive a higher score for this attribute compared to programs that
  do not provide for cost savings or "cost avoidance" opportunities. Similarly,
  programs that help achieve cost or operational efficiencies will also be scored
  higher than programs that don't' contribute to cost efficiencies or cost
  avoidance.
- The grading criterion established to score programs, on a <u>0 to 4</u> scale is as follows:
  - 4 = Program SUBSTANTIALLY generates cost savings AND avoids incurring a significant amount of additional costs
  - 3 = Program SIGNIFICANTLY generates cost savings AND/OR avoids incurring a significant amount of additional costs
  - 2 = Program generates SOME cost savings AND/OR avoids incurring some amount of additional costs
  - 1 = Program generates MINIMAL cost savings AND/OR avoids incurring a minimal amount of additional costs
  - 0 = Program generates NO cost savings OR any amount of cost avoidance

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#### Peer Review Process (Quality Control)

#### 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 a 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, 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.

- 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
- 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

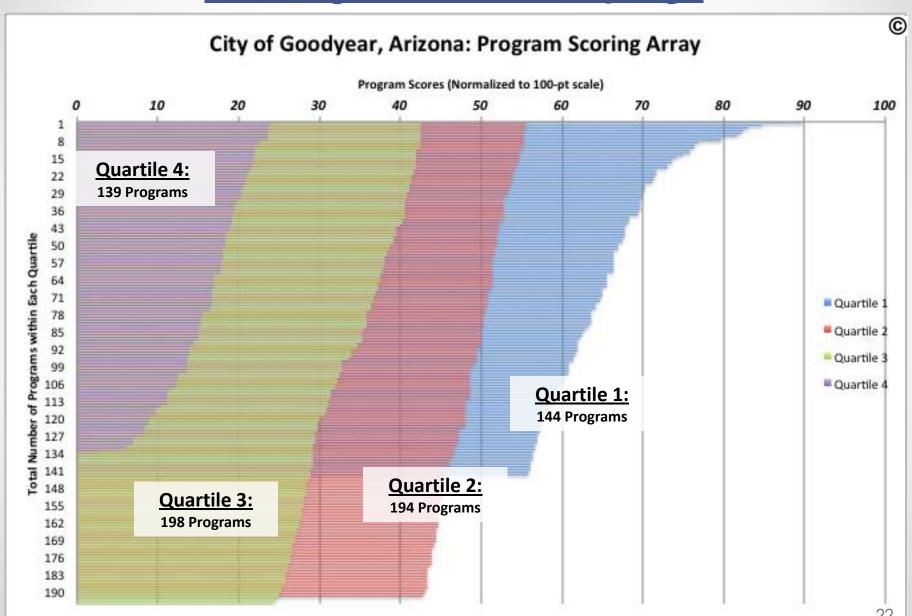
DEPARTMENT OFFERING PROGRAM	Division	PROGRAM NAME	PROGRAM DESCRIPTION		Program Notes	Dept. Score	Agree with Dept. Score? (Yes/No)	Need More Information? (Yes/No)	Notes for Review Team Member	Revised Score
Community Planning & Sustainability	Economic Vitality	Economic Vitality Program & Sponsorships	Wide 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 service to small and independent businesses.	29		4				4
Community Planning & Sustainability	LEAD	City Organization Sustainability	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; Safe=ranked for environmental health.	39		4				4
DUHMD/PS	04	Downtown & Community Improvements-streetscape	Mall Infrastrure improvements and FFR replacement for items such as PopJet fountain, weeping rock, benches, etc	49		4				4
Fire	Fire Safety	Inspections/Code Enforcement	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
Mountain Parks	Land & Visitor Services	Trail Program Maintenance and Construction	Desc: Annual maintenance of existing trail system. New trail construction and large scale maintenance projects to make existing trails more sustainable  Mandated: Charter Section 176c & 176h Provide for passive recreation such as hiking, equestirans and biking  Change: As surrounding communittees 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.  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.  Econ: The opportunity to recreate on OSMP, via the trail system, is essential to the economic visitity	168		4				4

▶ M | Accessible & Connected | Fronomically Vital | Healthy Environment | Inclusive & Socially Thriving | Safe Comm





#### **Defining Quartile Groupings**

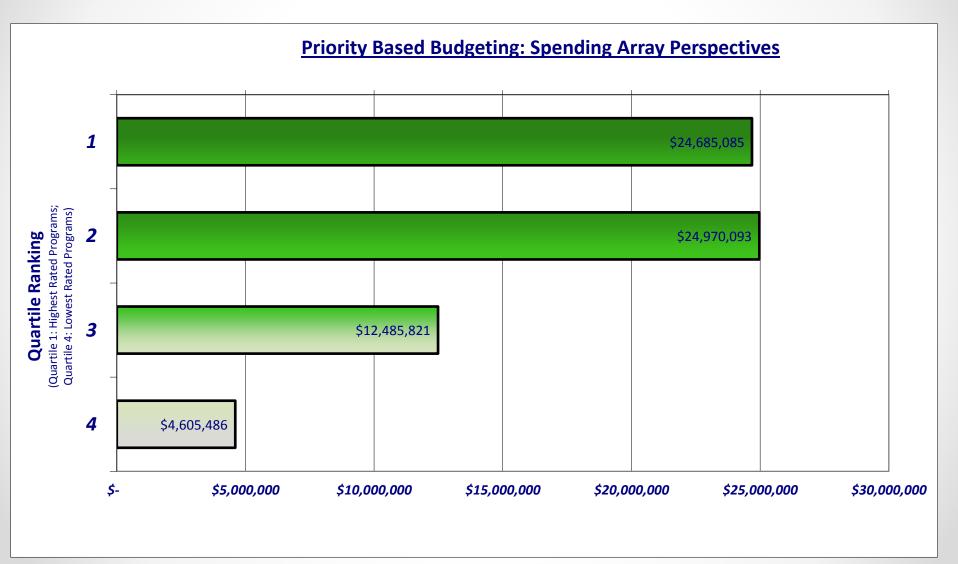






#### Allocate Resources Based on Prioritization ©



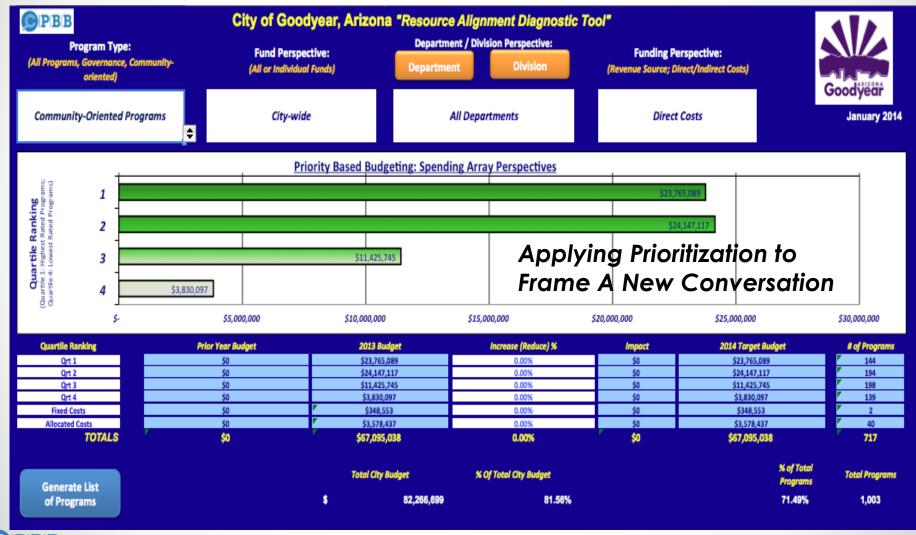






#### "Resource Alignment Diagnostic Tool"









## "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
  - o And how much does it cost to provide them?
- Which programs are offered because they are "selfimposed"?
- 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?
  - o 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"?



### Live Demonstration of

# "Resource Alignment Diagnostic Tool"



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#### Thank You!



#### CENTER FOR PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results

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