



# **PRIORITY BASED BUDGETING**

## **Orientation to**

## ***“Resource Alignment Diagnostic Tool”***

**City of Goodyear Arizona**  
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**February 3, 2014**



**CENTER FOR**  
**PRIORITY BASED BUDGETING**

Using a Unique Lens to Focus Community Resources on Results

# **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**



**Fiscal Resource Management (Governance)**



# Community-Oriented Results

# The City of Goodyear, Arizona



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

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

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.

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

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

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

# The City of Goodyear, Arizona



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

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

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

## Effective Mobility and Reliable, Well-Maintained Infrastructure

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

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).



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

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.

Quality, connected neighborhoods.

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

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

## Quality of Life

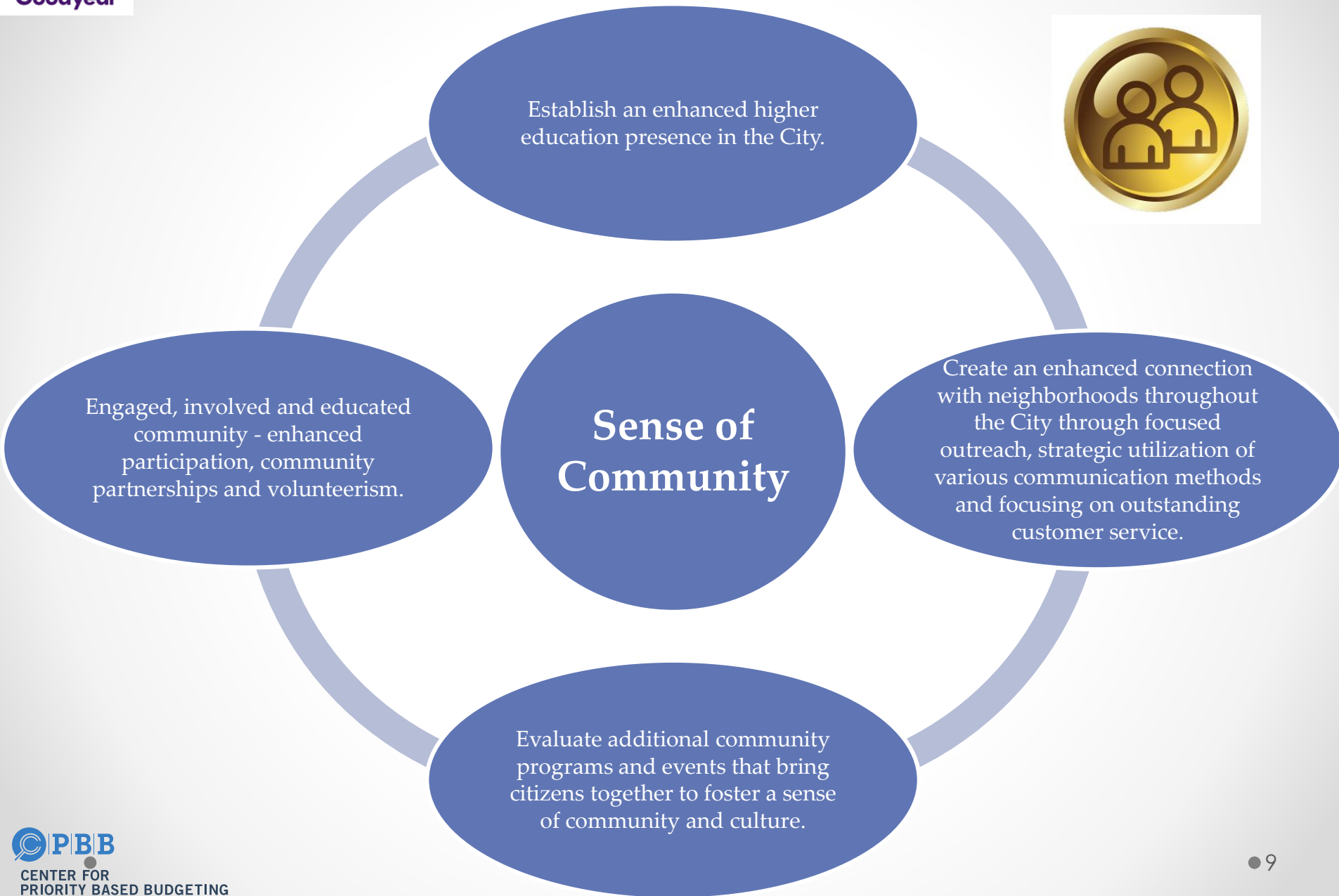


# The City of Goodyear, Arizona





# The City of Goodyear, Arizona





# Governance Results





# Developing Program Inventories

THE CITY of GOODYEAR, ARIZONA

Department Program Inventory Worksheet

October, 2013



Directions: For all of the programs and services in your department, identify the program name and a brief program description.

| Fund | Department | Division | Program Name | Program Description |
|------|------------|----------|--------------|---------------------|
|      |            |          |              |                     |
|      |            |          |              |                     |
|      |            |          |              |                     |
|      |            |          |              |                     |
|      |            |          |              |                     |
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|      |            |          |              |                     |
|      |            |          |              |                     |
|      |            |          |              |                     |





# 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

**“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
  - 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 **0 to 4** 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%)



# 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 **0 to 4** 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





# 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 community. 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.

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 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*

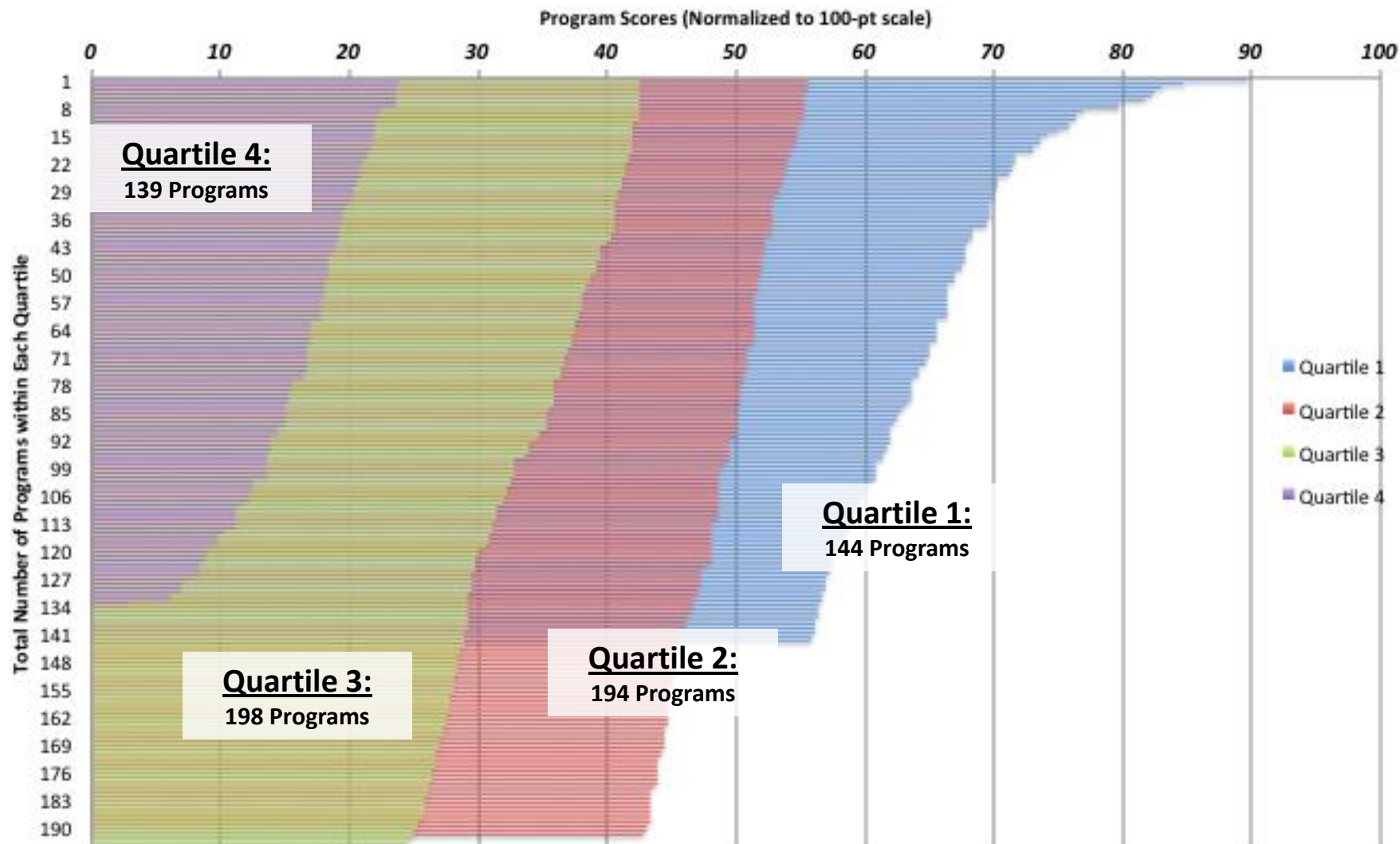
| DEPARTMENT OFFERING PROGRAM         | Division                | PROGRAM NAME   | PROGRAM DESCRIPTION  | Program Number | Program Notes | Dept. Score | Agree with Dept. Score? (Yes/No) | Need More Information? (Yes/No) | Notes for Review Team Member | Revised Score |
|-------------------------------------|-------------------------|--|--|----------------|---------------|-------------|----------------------------------|---------------------------------|------------------------------|---------------|
| Community Planning & Sustainability | Economic Vitality       | <b>Economic Vitality Program &amp; Sponsorships</b>      | 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                    | <b>City Organization Sustainability</b>                  | 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                      | <b>Downtown &amp; Community Improvements-streetscape</b> | Mall Infrastructure improvements and FFR replacement for items such as Poplet fountain, weeping rock, benches, etc   | 49             |               | 4           |                                  |                                 |                              | 4             |
| Fire                                | Fire Safety             | <b>Inspections/Code Enforcement</b>                      | 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             |
| Open Space & Mountain Parks         | Land & Visitor Services | <b>Trail Program Maintenance and Construction</b>        | <p>Desc: Annual maintenance of existing trail system. New trail construction and large scale maintenance projects to make existing trails more sustainable</p> <p>Mandated: Charter Section 176c &amp; 176h Provide for passive recreation such as hiking, equestrians and biking</p> <p>Change: As surrounding communities 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.</p> <p>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.</p> <p>Econ: The opportunity to recreate on OSMP, via the trail system, is essential to the economic vitality</p> | 168            |               | 4           |                                  |                                 |                              | 4             |

Accessible & Connected Economically Vital Healthy Environment Inclusive & Socially Thriving Safe Community



# Defining Quartile Groupings

## City of Goodyear, Arizona: Program Scoring Array



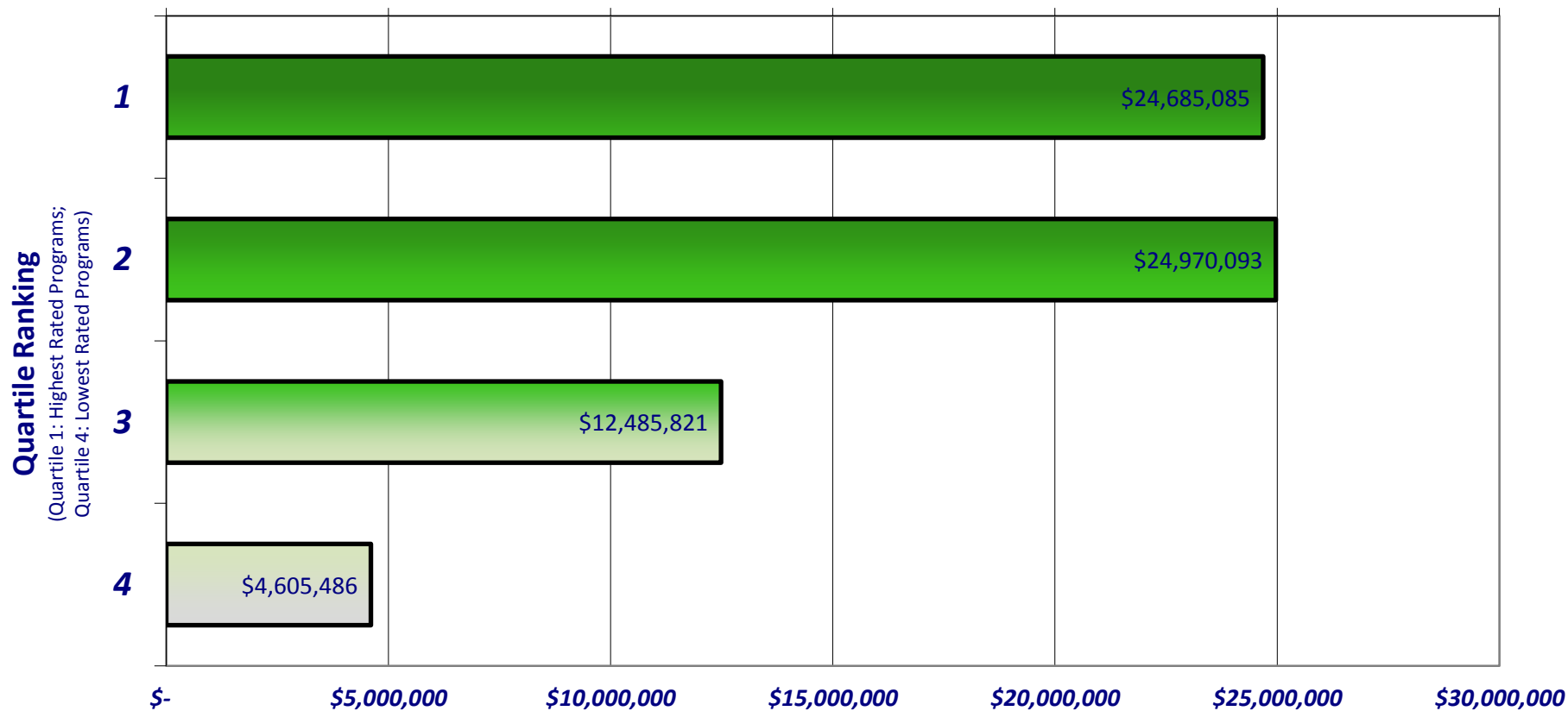
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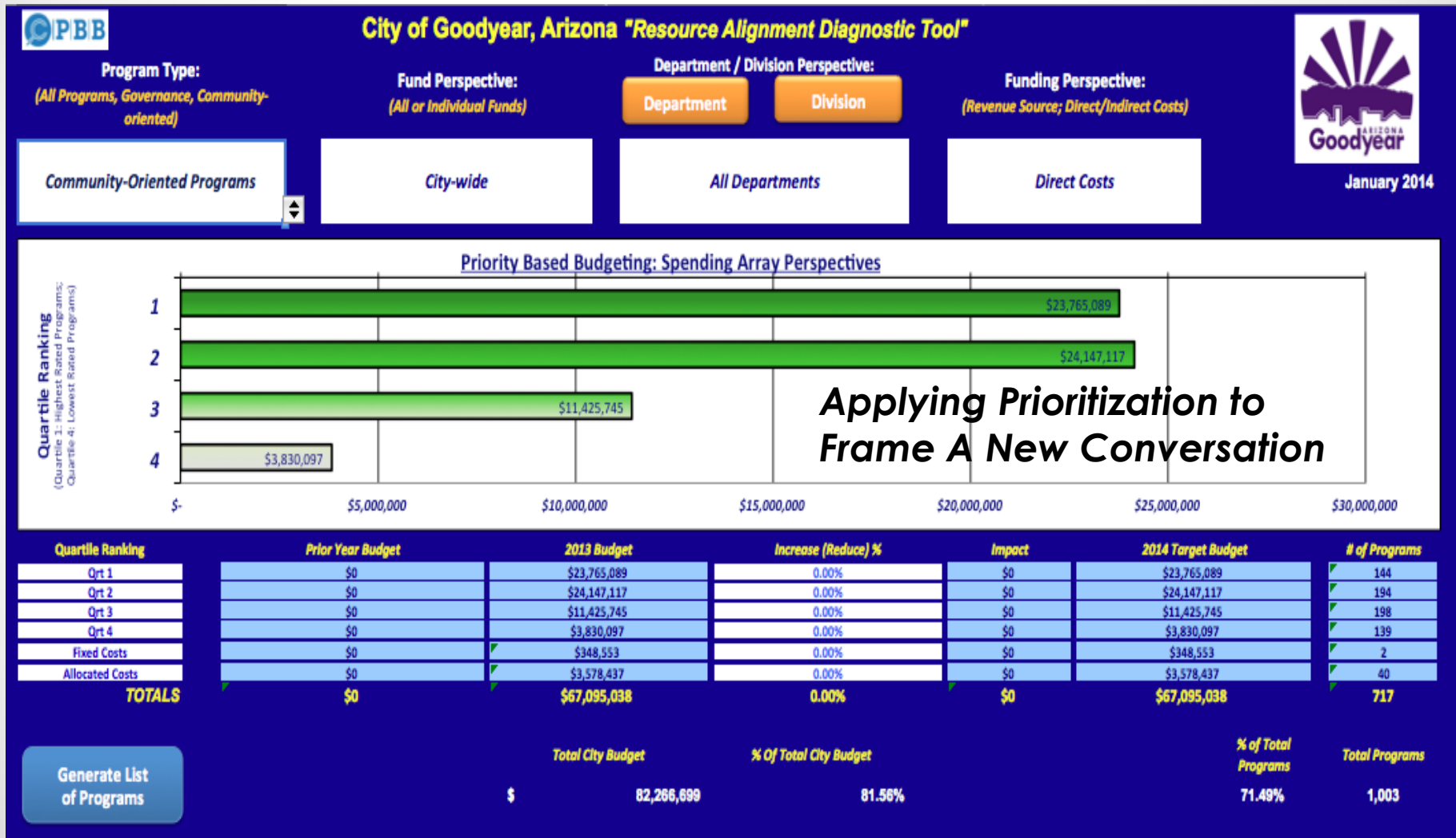
# Allocate Resources Based on Prioritization ©

## Priority Based Budgeting: Spending Array Perspectives



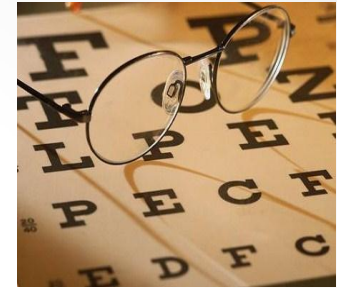


# "Resource Alignment Diagnostic Tool"





# **“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
  - *And how much does it cost to provide them?*
- Which programs are offered because they are “self-imposed” ?
- 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?
  - *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”** ©



# Thank You !



**CENTER FOR  
PRIORITY BASED BUDGETING**

*Using a Unique Lens to Focus Community Resources on Results*

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