



Transforming Your Budget Process

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Hi, I'm Micah



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Currently

OpenGov, Inc.

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Public Engagement
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**Budgeting &
Planning**



Procurement



Financials



**Citizen
Services**



**Asset
Management**



Cartegraph
AN OPENGOV COMPANY

**Reporting &
Transparency Platform**



Dashboards and Analysis
Performance Measures

Agenda

- **Session Goals**
- **Framing the Problem**
- **Strategic Budgeting Definitions**
- **Ways to Incorporate Public Feedback**

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Goals



"Give me a lever and a place to stand and I will move the earth. Give me a fulcrum, and I shall move the world." - Archimedes

1 Conceptualize Budget as Strategic Lever

Accept that we're talking about more than a simple math exercise

2 Discuss Various Paths

Understand how different approaches will yield different results

3 Identify Potential Tools

Work smarter with partners

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What We're Talking About

Shifting the conversation from budget **automation** towards budget **strategy**

- Improve decisions
- Drive outcomes
- Engage Community



Move away from “incremental, line item budgeting” by taking advantage of new **ways of thinking**, new **technologies**, and to better meet the **changing needs of communities** with a limited budget.

Budget Maturity



①

Initial

- Centralized
- Paper or spreadsheet based
- Annual

②

Managed

- Organized by department
- Decentralized
- Done in purpose-built software

③

Defined

- Included strategic initiatives
- Breaks out discretionary proposals
- Updates tied to actual results

④

Quantitatively managed

- Organized by programs and projects
- Cross functional teams collaborate on proposals
- Updated based on changing priorities

⑤

Optimizing

- Outcome based
- Tied to non-financial metrics
- Incorporates community feedback

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Strategic Budgeting Types - Cheat Sheet

	Program-Based Budgeting	Priority-Based Budgeting	Performance- Based Budgeting	Outcome-Based Budgeting
Description	The physical structuring of the budget to make each proposal a program instead of a department	Predetermined budget priorities that result in a pre-screening of proposals before they are added to the budget process	Inclusion of historic performance metrics and ROI in the proposal details to help evaluate what proposals to fund	Regardless of structure, link proposals to Strategic Goals to ensure money is going to fuel the desired outcomes
	Minneapolis, MN	Adams County, CO	Rochester, NY	Kansas City, MO
Solution	Flexible COA + Budget Proposals	Forms & Workflows + Reporting & Transparency	Budget Proposals + Dashboards	Strategic Initiatives Linking & Reporting

Participatory Budgeting: Bring the voice of the community into every key decision with Community Feedback

Budget Structure | **Program-Based Budgeting**

- Organize budget structure by **Program** instead of by **Department**
- **Cross-collaboration** needed between departments to coordinate services and budget proposals

Proposals Line Items				
VISUALIZATION				
DETAILS				
Proposals	Status	Created by	Priority	Frequency
2023-2028 CIP	IN PROGRESS	Robert Harri... 24 days ago		
2024 Forecast Attorney Pr	NOT APPROVED	Robert Harri... 24 days ago	4	
311 CSL	IN REVIEW	Robert Harri... 24 days ago		
911 CSL	IN REVIEW	Robert Harri... 24 days ago		
Abortion Access	IN REVIEW	Robert Harri... 24 days ago		One Time

Budget Proposals

Physical Budget Structure

Setting Funding Priorities

Include Performance Data

Strategic Initiatives

Document and Include Evidence

Inclusion of Community Voice

Plan

Budget

Report

Engage

Setting Funding Priorities | **Priority-Based Budgeting**

- You have a process to prioritize the proposals before they are accepted in the budget.
- Ask the same set of questions against all proposals to rank them. Involves evaluation team.

INTERNAL EVALUATION

PROGRAM SCORING
On a scale of 1-10 (10 = highest) rate score each of the objectives below

This program supports our City goals *
5

This program minimizes the burden to City taxpayers *
8

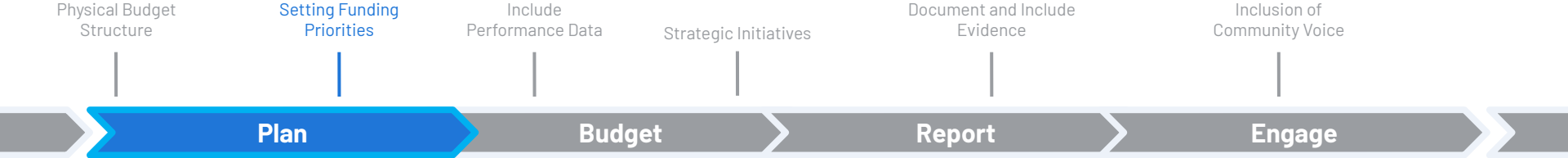
This program has experienced a change in demand for services *
4

This Program must be performed by the City *
8

This program serves a critical need for the population receiving services in our City *

Total Project Score (out of 50)
25

Custom Forms & Workflows for Screening and Scoring



Performance Data | Performance-Based Budgeting

- **Include data** in the conversation - historical and projected metrics
- Demonstrate **ROI** - what do we get for what we are budgeting?
- Make proposal evaluations based on the performance metrics you want to target

Fire Department

Priority: 1 | Frequency: None | Type: None

Background

Analysis

Custom Proposal Template

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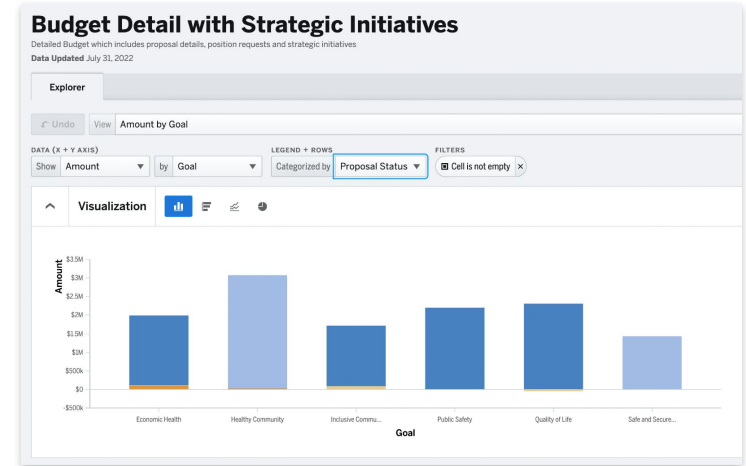
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Strategic Initiatives | Outcome-Based Budgeting

- Measure budget against Strategic Initiatives (or outcomes)
- Assign proposals and worksheets to specific goals, strategies, or initiatives
- Evaluate and prioritize proposals based on how they impact the broader strategic plan



Strategic Initiatives Reporting

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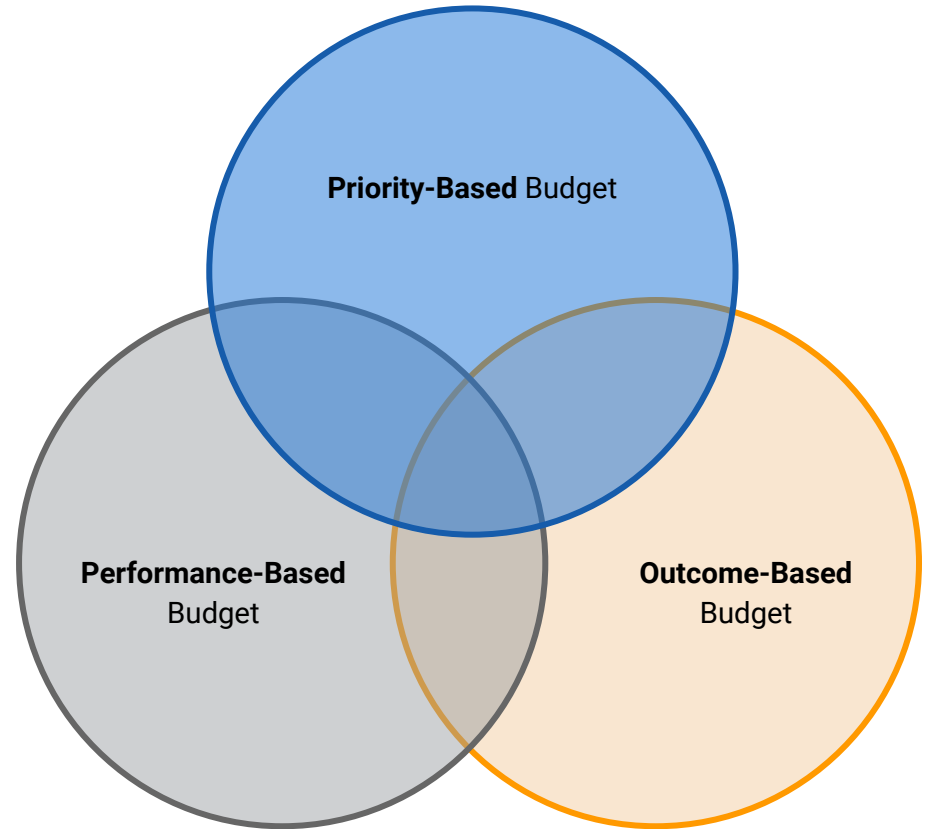
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Not Mutually Exclusive

- Approaches can be combined for greater impact
- Key is to start with the end in mind

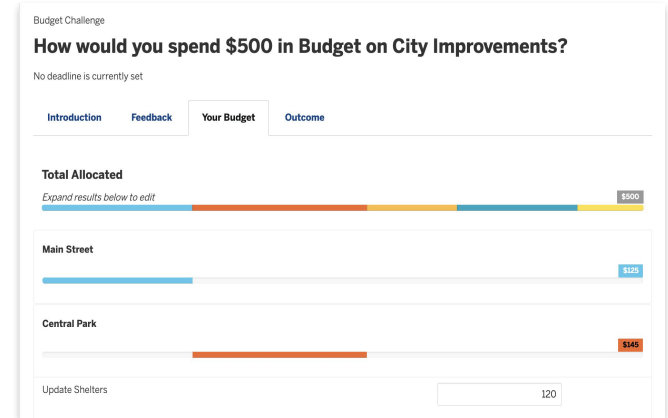


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Community Voice | Participatory Budgeting

- Extremely powerful tool in strategic planning
- However, it is really easy to mis-step and quickly damage community trust
- Key is to balance education, engagement, empowerment
- Often reserved for Strategic Initiatives, Capital Projects, and general community feedback



Community Feedback

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Questions?