Agenda

1. Key Takeaways
   Insights You’ll Leave With

2. Framing the Problem
   Shifting the Conversation

3. Strategic Budgeting
   Overview of the Types

4. Ideas in Action
   Results from our Panelists
**Key Takeaways**

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. **Ideas to Action**
   Tips and tools to get started

“Give me a lever long enough and a fulcrum on which to place it, and I shall move the world.” - Archimedes
Framing the Problem

Shifting the Conversation
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
Strategic Budgeting

Overview of different approaches
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

**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**
Program-Based Budgeting in Boulder

- Over the past 10 years:
  - Operating budget has increased 43%
  - Capital budget has increased 184%
- New process better aligns City’s investments with community goals
  - Sustainability, Equity, and Resilience Framework
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.

Custom Forms & Workflows for Screening and Scoring
Priority-Based Budgeting in Kansas City

- The budget process creates actions around the Citywide Business plan, providing resources to accomplish the City Goals adopted by City Council in the plan
  - Finance & Governance
  - Housing and Healthy Communities
  - Public Safety
  - Infrastructure and Accessibility
  - Equity and Customer Service (A Lens Across All Goals)
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

<table>
<thead>
<tr>
<th>Physical Budget Structure</th>
<th>Setting Funding Priorities</th>
<th>Include Performance Data</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document and Include Evidence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Inclusion of Community Voice</td>
</tr>
</tbody>
</table>

Plan  | Budget  | Report  | Engage
Strategic Budgeting in Atlanta Public Schools

- Guiding Principles of Budget Development
  - Depth vs. Breadth - Making deeper investments in specific parameters instead of distributing funds over too many disparate priorities
  - Budget parameters should be in alignment with the Mission, Vision, Strategic Plan and with the Charter System Operating Model
Not Mutually Exclusive

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