



From Idea to Action

Budgeting for Strategic Impact

September 21, 2023

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



"Give me a lever long enough and a fulcrum on which to place it, 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 Ideas to Action

Tips and tools to get started



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 SUMMARY				
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

▶ 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.

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

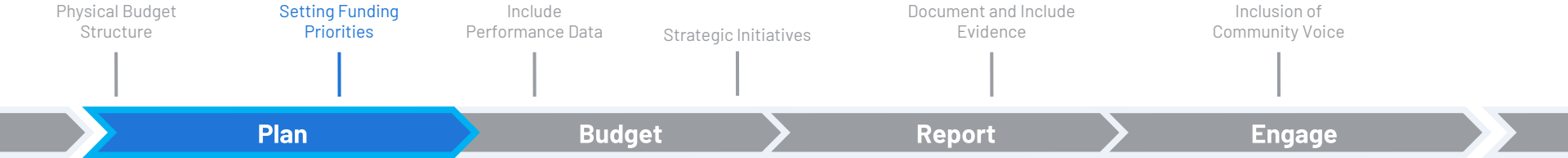
This program has experienced a change in demand for services *
4

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



▶ Priority-Based Budgeting in Kansas City

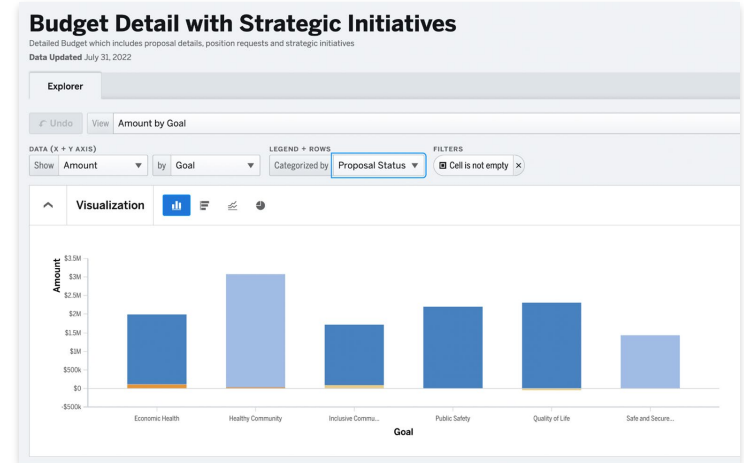
- The budget process creates actions around the Citywide Business plan, providing resources to accomplish the City Goals adopted by City Council in the plan
 - Finance & Governance
 - Housing and Healthy Communities
 - Public Safety
 - Infrastructure and Accessibility
 - Equity and Customer Service (A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



KANSAS CITY
MISSOURI

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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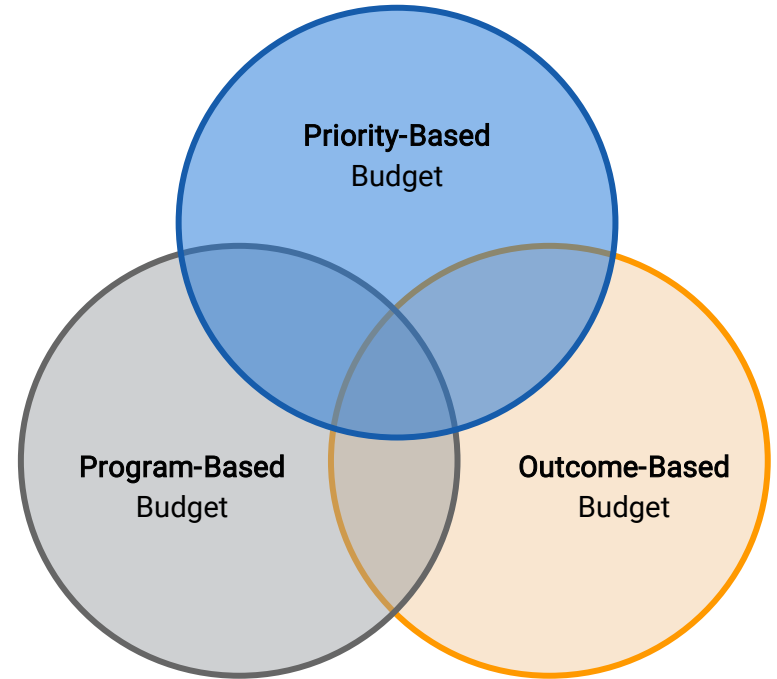
➤ Strategic Budgeting in Atlanta Public Schools

- 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



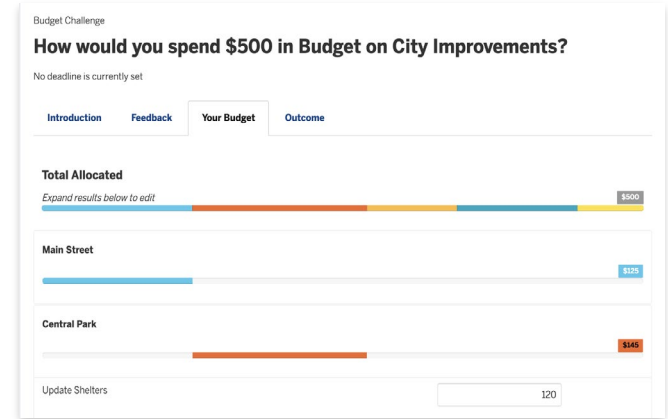
▶ Not Mutually Exclusive

- 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



Community Feedback

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Questions?