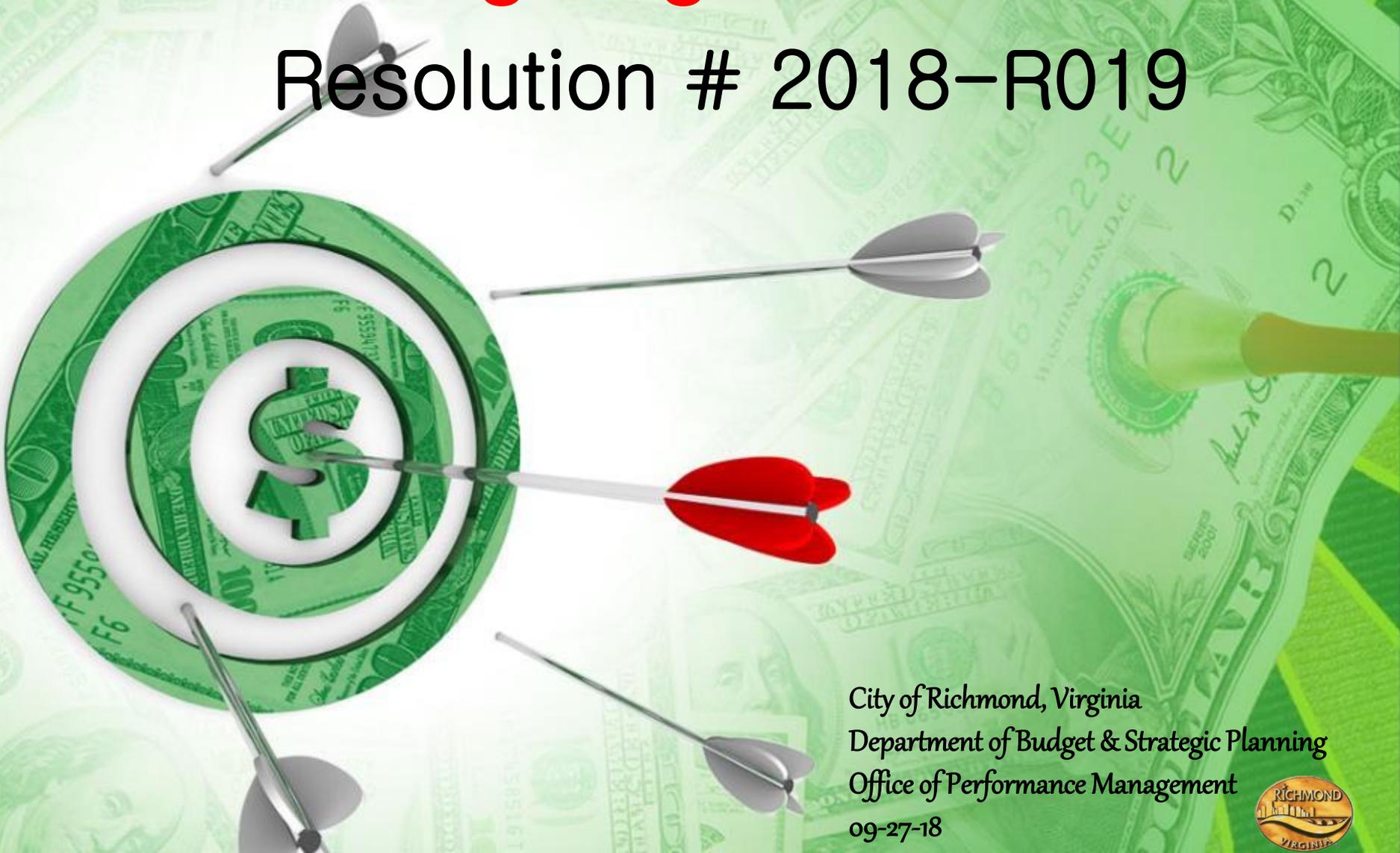


PERFORMANCE BASED BUDGETING

Budgeting for Results

Resolution # 2018-R019



City of Richmond, Virginia
Department of Budget & Strategic Planning
Office of Performance Management
09-27-18



WHAT IS A GOVERNMENT'S RESPONSIBILITY?

TRY TO MAKE THE BEST USE OF LIMITED RESOURCES

HOW CAN WE DO THAT IN RVA?



PERFORMANCE BASED BUDGETING (What is It?)

Budgeting that links the funds allocated to measureable results

- Moves the focus away from “How much money will I get?” to “What can I achieve with this level of funding?”

Source: OECD Observer, March 2008

PERFORMANCE BUDGETING BASICS

- Starts with organizational mission / vision and sets priorities and objectives that will drive performance (Citywide Strategic Plan)
- Engages the public and identifies community needs
- Assesses programs and services according to how well they align with priorities
- Driven by a budget process that allocates resources according to priorities and service level mandates
- Requires a measurement process that:
 - supports the entire performance management system
 - ensures accountability for providing quality services and reporting results
 - includes a mechanism for collecting, validating, analyzing & storing data
 - uses performance information to drive improvement

PERFORMANCE BASED BUDGETING

(We've Already Been Doing It)

Presentational PBB—performance information is presented in budget (or other) documents. The information can refer to results and is included as background information for accountability and dialogue with leadership and citizens on public policy issues.

Source: OECD Observer, March 2008

PERFORMANCE BASED BUDGETING (We've Already Been Doing It)

Presentational PBB –

1. Engaged in Strategic Planning & Performance Based Budgeting for Years
 - Conducted community survey and held community budget meetings
 - Documented performance measures for decades
 - Linked the City's strategy to KPIs and strategic initiatives
 - Tracked and monitored dollars allocated & spent for each initiative
 - Reported that data in our budget documents
2. Our Plan Has Always Been to Evolve to the Next Level of PBB—Now is the Time

PERFORMANCE BASED BUDGETING

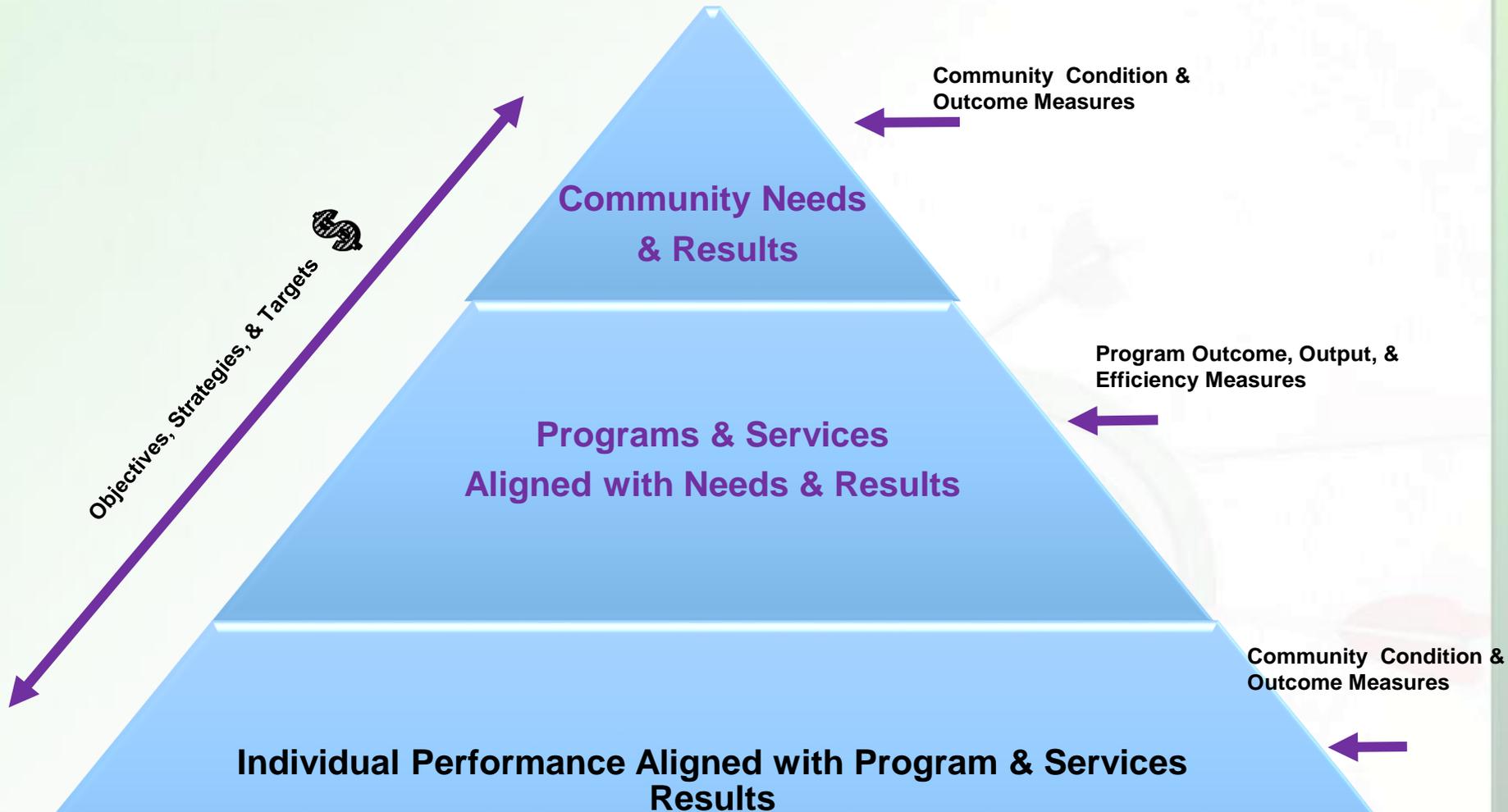
(Where Are We Going?)

Performance-Informed PBB –

- Performance information plays a role in the budget decision-making process.
- Resources are related to proposed future performance or past performance.
- Performance information is used along with other information to make funding decisions.

WHAT DOES THAT LOOK LIKE?

Aligned objectives, strategies, and measurement at all levels



NEXT STEPS FOR PBB IMPLEMENTATION

ACTION ITEM	STATUS/TIMEFRAME
Develop Citywide Strategic Plan (including Priority Areas, Objectives, KPIs, and Strategic Initiatives)	In progress
Develop PBB Implementation Plan	Final draft under review
Identify PBB Pilot Agencies and Establish Regular Meetings with Pilot Agencies and Implementation Team	Agencies currently being contacted
Develop and Conduct Training on Strategic Plan (Citywide) and Performance Based Budgeting (Pilot Departments)	October / November
Review Results of Community Survey (to be incorporated into Strategic Plan)	October / November
Work with Pilot Agencies to Identify Appropriate Performance Measures	October – December
Pilot Agencies Develop Budget Requests Based on Proposed Performance Levels	December

WHAT DOES THIS MEAN?

- Moving forward, no longer a concentration on line items
- Focus on performance levels and impact of funding on service delivery
- Pilot Agencies to be picked from each major City governmental category in the budget
- Pilot Agency budget presentations to Council will look different

QUESTIONS

