

From Idea to Action

Relieving the Pressure of Supporting Electeds,
Executives & Departments through Improved
Forecasting, Communications, and Reporting

May 20, 2024

Meet Our Speaker



Scott Coble

Solutions Engineer

OpenGov

Former Budget Manager, Montgomery County MD

Agenda



Key Takeaways

Insights You'll Leave With

Framing the Problem

Shifting the Conversation

Strategic Budgeting

Overview of the Approaches & How Performance Matters

Aligning the Budget with Performance

Measure What Matters

Strategic Capital Planning

It's a Big Deal!

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

COVID, CARES, ARPA and now...Inflation!

Impacts of Inflation on Local Governments

- **Reduced Purchasing Power**
- **Impact on Salaries and Benefits**
- **Impact on Debt**
- **Impact on Capital Projects**
- **Social Impacts**

A Defining Moment

88%

↑ Growing communities

75%

↑ Have seen an increase in resident engagement

Source: OpenGov State of Local Government (592 responses)



The Need for Change

70%

Of finance and budget teams

have not grown or have shrunk in the face of increasing demands

\$72B

Additional budget needed

just for governments to offer the same service level provided in 2020, due to inflation

56%

Of procurement teams

have experienced decreased employee retention over the past three years

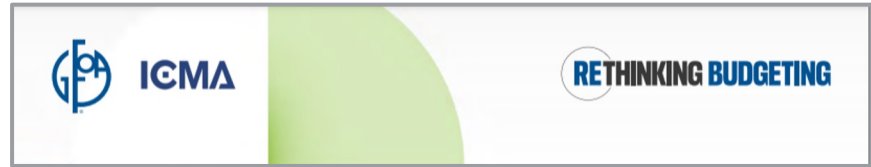
Strategic Budgeting

Overview of different approaches

What We're Talking About

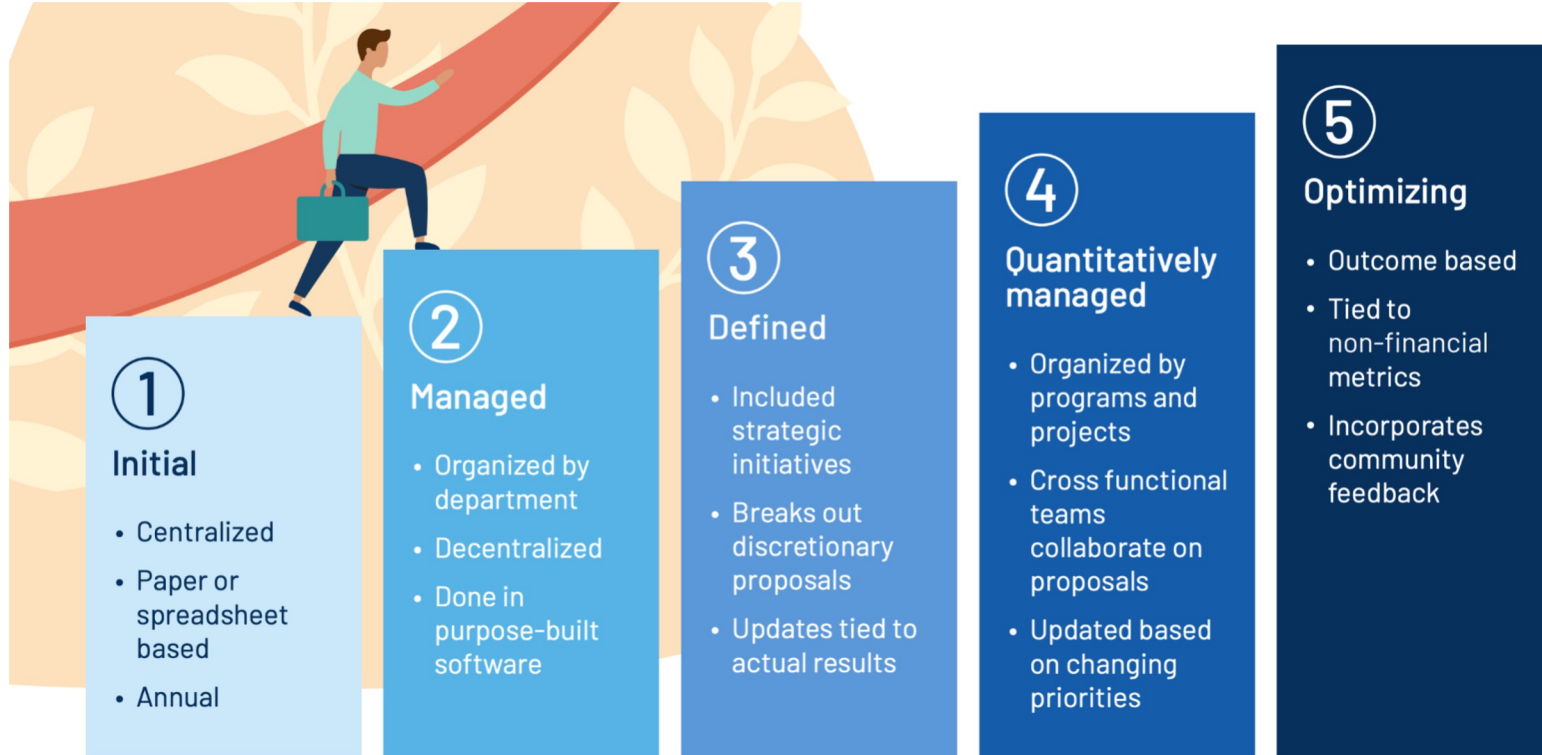
Shifting the conversation from budget **automation** towards budget **strategy**

- Improve decisions
- Drive outcomes
- Engage Community

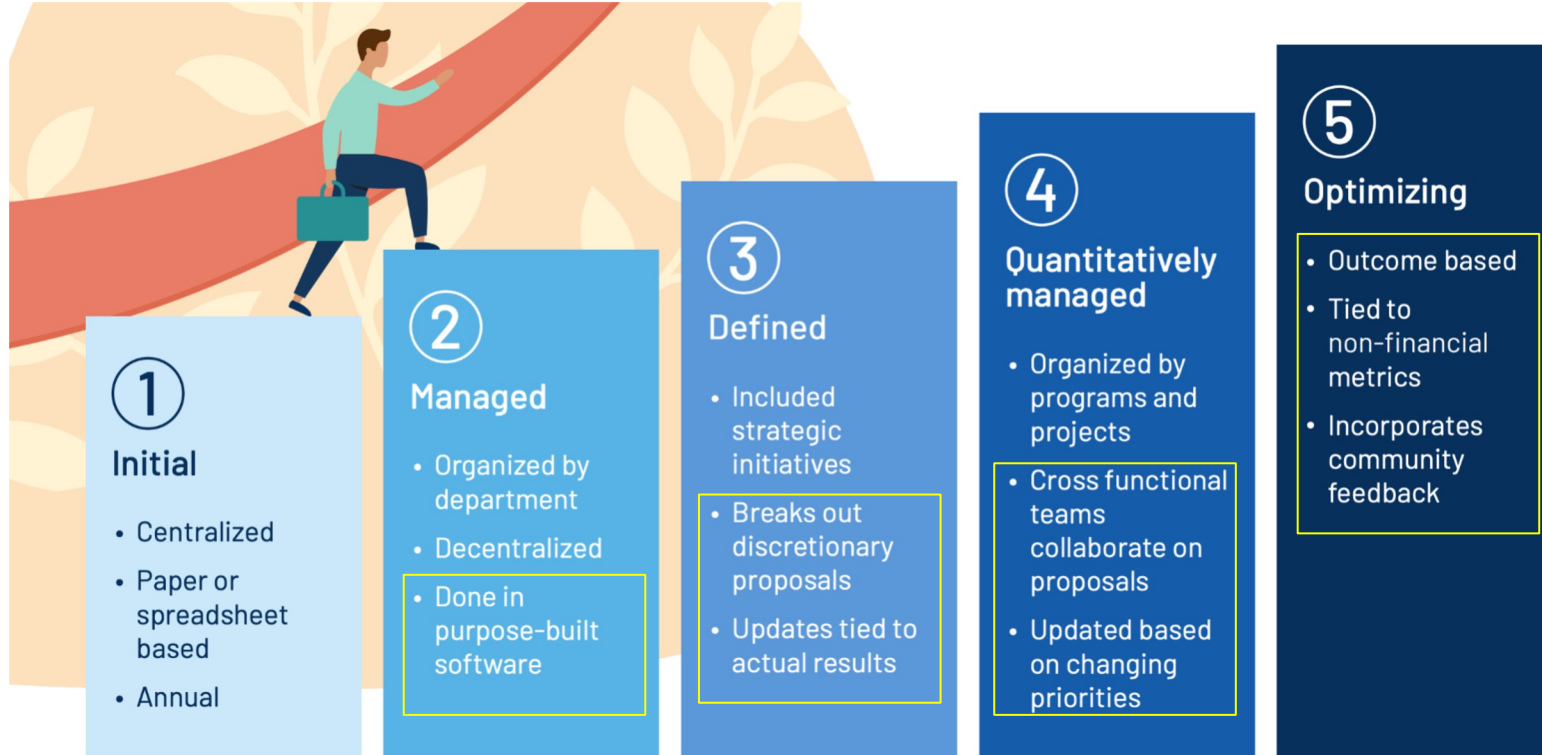


Move away from “incremental, line item budgeting” by taking advantage of new **ways of thinking**, new **technologies**, and to better meet the **changing needs of communities** with a limited budget.

Budget Maturity



Budget Maturity



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		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	

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

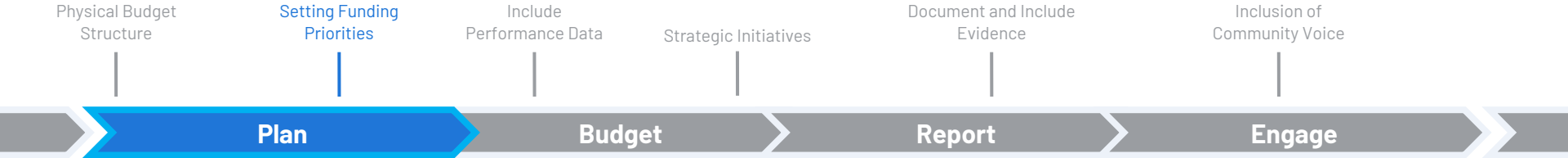
This program has experienced a change in demand for services *
4

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

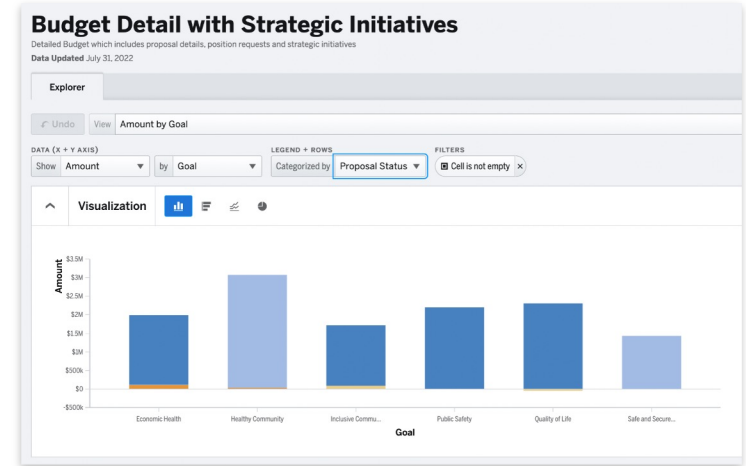
- Finance & Governance
- Housing and Healthy Communities
- Public Safety
- Infrastructure and Accessibility
- Equity and Customer Service (A Lens Across All Goals)



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

Physical Budget Structure

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OPENGOV

Confidential, Do not share

Strategic Budgeting in Atlanta Public Schools

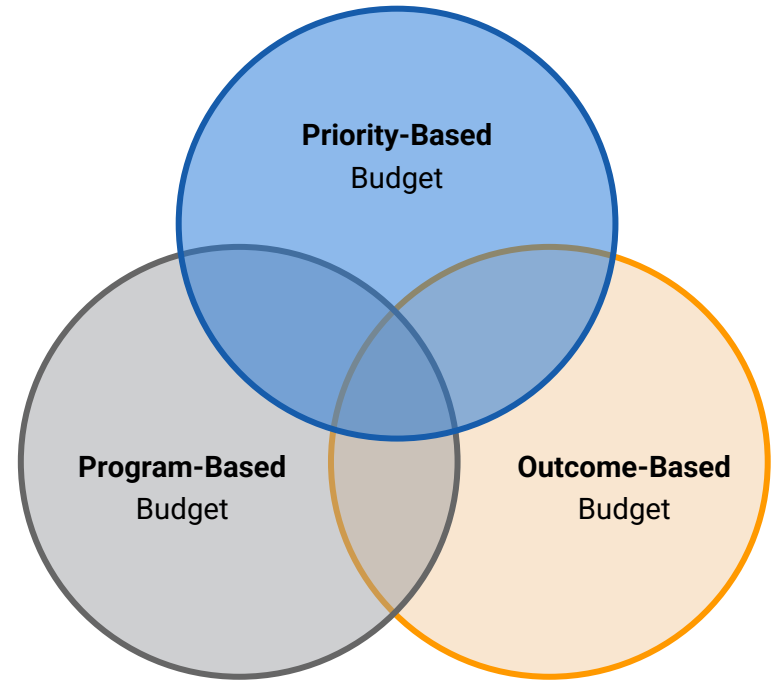
Guiding Principles of Budget Development

- 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



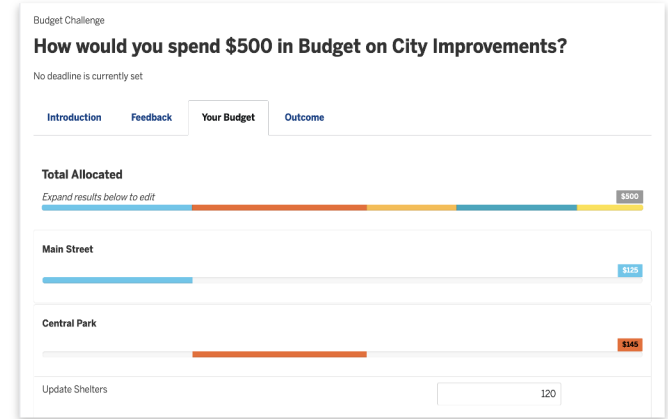
Not Mutually Exclusive

- 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

Physical Budget Structure

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Align Your Budget with your Performance

Measure What Matters

Challenges Governments Face

- Key Performance Indicators (KPIs) **are not linked to the results** that the organization wants to achieve
- KPIs **focus on inputs and activities**, not outputs and outcomes
- KPIs **are all lagging (after the fact) indicators** that don't give much guidance on where the organization is headed or should head
- **No ownership or accountability** is attached to performance measures
- KPIs are selected because **they are easy to count** – e.g., number of citizens served, number of potholes filled
- KPIs are picked because ***“everybody uses these”***

Effective Measurement Systems Impact



Program
Effectiveness/
Value



Improve
Accountability for
Results



Evidence-Based
Decision Making



Better Informed
Budget Process



Inform Continuous
Improvement



Reduce
Uncertainties

What Performance Measures Should We Use?

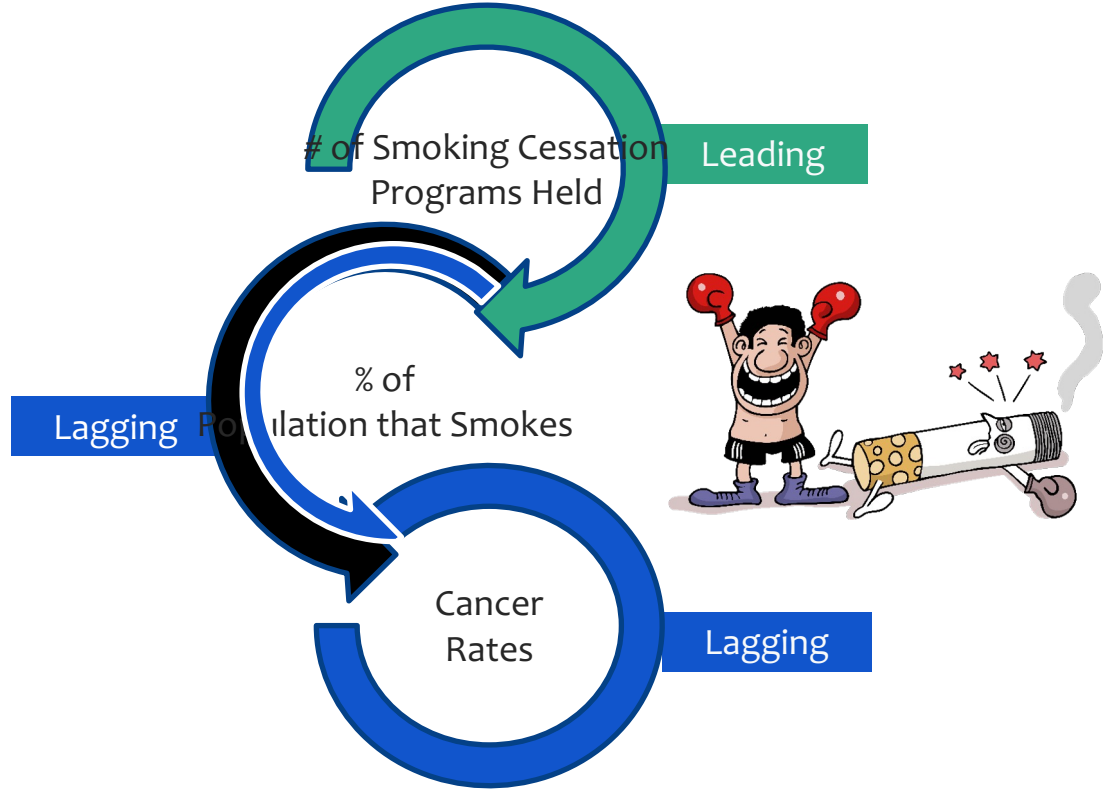
Leading Indicator:

An indicator of performance that is a precursor of future success.



Lagging Indicator:

An indicator of past performance that shows how successful we were in achieving results.



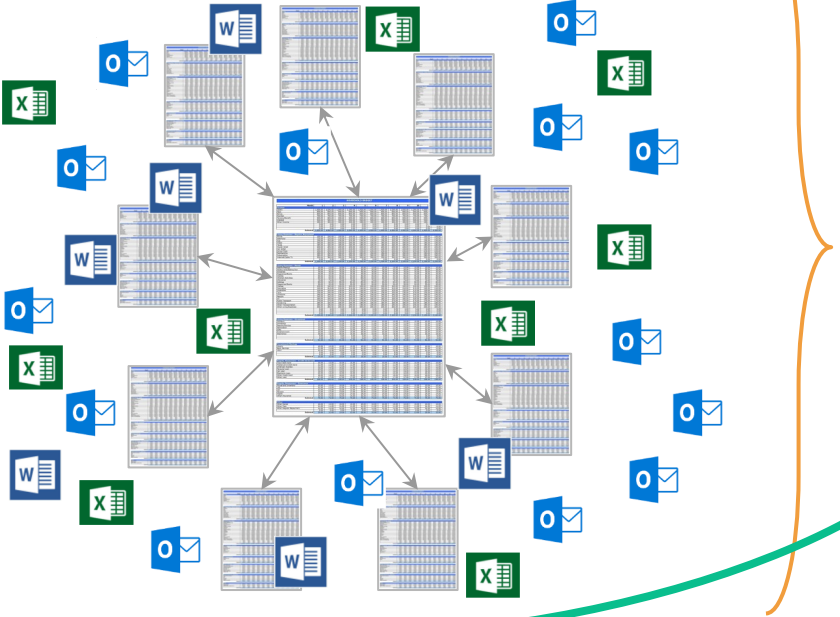
Getting Strategic on your Capital Improvement Plans

Capital Projects are IMPORTANT!



The Challenges with the CIP

Technologies and processes are cumbersome, outdated and time consuming.



	A	B	C	D	E	
1	name	id	code	description	reg	class
2	planned Partner	Fams	S_USJ02029	REACTANTS	@@DEBITMENTS	N
3	planned Partner	STATS	S_USJ02030	READ	@@DEBITMENTS	N
4	planned Partner	Taxt_Entry	S_USJ02031	REACTANTS	@@DEBITMENTS	N
5	planned Partner		S_USJ02032	ACTIV	@@DEBITMENTS	N
6	planned Partner	Fams	S_USJ02033	REACTANTS	@@DEBITMENTS	N
7	planned Partner	STATS	S_USJ02034	READ	@@DEBITMENTS	N
8	planned Partner	Taxt_Entry	S_USJ02035	REACTANTS	@@DEBITMENTS	N
9	planned Partner		S_USJ02036	ACTIV	@@DEBITMENTS	N
10	planned Partner	STATS	S_USJ02037	READ	@@DEBITMENTS	N
11	planned Partner	Taxt_Entry	S_USJ02038	REACTANTS	@@DEBITMENTS	N
12	planned Partner	STATS	S_USJ02039	READ	@@DEBITMENTS	N
13	planned Service Administration	Fams	S_USJ02040	REACTANTS	@@DEBITMENTS	N
14	planned Service Administration	STATS	S_USJ02041	READ	@@DEBITMENTS	N
15	planned Service Administration	Taxt_Entry	S_USJ02042	REACTANTS	@@DEBITMENTS	N
16	planned Service Administration		S_USJ02043	ACTIV	@@DEBITMENTS	N
17	planned Service Administration	STATS	S_USJ02044	READ	@@DEBITMENTS	N
18	planned Viewer	Taxt_Entry	S_USJ02045	REACTANTS	@@DEBITMENTS	N
19	planned Viewer	STATS	S_USJ02046	READ	@@DEBITMENTS	N
20	planned Viewer	Taxt_Entry	S_USJ02047	REACTANTS	@@DEBITMENTS	N
21	planned Viewer	STATS	S_USJ02048	READ	@@DEBITMENTS	N
22	planned Viewer	STATS	S_USJ02049	READ	@@DEBITMENTS	N

General Ledger

	A	B	C	D	E	
1	name	id	code	description	reg	class
2	planned Partner	Fams	S_USJ02029	REACTANTS	@@DEBITMENTS	N
3	planned Partner	STATS	S_USJ02030	READ	@@DEBITMENTS	N
4	planned Partner	Taxt_Entry	S_USJ02031	REACTANTS	@@DEBITMENTS	N
5	planned Partner		S_USJ02032	ACTIV	@@DEBITMENTS	N
6	planned Partner	Fams	S_USJ02033	REACTANTS	@@DEBITMENTS	N
7	planned Partner	STATS	S_USJ02034	READ	@@DEBITMENTS	N
8	planned Partner	Taxt_Entry	S_USJ02035	REACTANTS	@@DEBITMENTS	N
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11	planned Partner	Taxt_Entry	S_USJ02038	REACTANTS	@@DEBITMENTS	N
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13	planned Service Administration	Fams	S_USJ02040	REACTANTS	@@DEBITMENTS	N
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21	planned Viewer	STATS	S_USJ02048	READ	@@DEBITMENTS	N
22	planned Viewer	STATS	S_USJ02049	READ	@@DEBITMENTS	N

Collaboration and coordination across Capital Project stakeholders is NOT trivial.



Sharing the CIP with residents has been traditionally done through static PDFs.

Technology Modernization -- MCG (P150701)

Category: General Government	Date Last Modified: 8/25/14	Required Adequate Public Facility: No
Sub Category: County Offices and Other Improvements	County Executive (AAGE03):	Relocation Impact: None
Administering Agency: Countywide	Planning Area:	Status: Ongoing

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	134,853	87,585	16,863	30,405	19,683	5,586	5,136	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	56	56	0	0	0	0	0	0	0	0	0
Total	134,909	87,585	16,919	30,405	19,683	5,586	5,136	0	0	0	0

	6 YEARS	FY15	FY16	FY17	FY18	FY19	FY20
FUNDING SCHEDULE (\$000s)							
	1,340	0	0	1,340	1,340	0	0
	67,812	49,462	6,420	12,030	11,030	500	500
	741	0	741	0	0	0	0
	2,634	2,634	0	0	0	0	0
	645	0	0	645	645	0	0
	2,623	0	2,623	0	0	0	0
	59,014	35,489	7,135	890	6,600	0	0
Total	134,909	87,585	16,919	30,405	19,683	5,586	5,136

	6 YEARS	FY15	FY16	FY17	FY18	FY19	FY20
APPROPRIATION							
	19,683						
	0	5,586					134,909
	10,222						113,621
	0						
	124,187						
	87,585						
	36,602						

ment, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, and produce a high return in terms of customer service and accountability to our residents. Completed through this project include the Enterprise Resource Planning (ERP) Financial and HR phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting system, Process Review (BPR), Planning activities for the Department of Health and Human Services (HHS) and the County's Tax Assessment Billing System is underway. This system is used to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County's Tax Assessment Billing System. The Budgeting module of the ERP system (Hyperion) and the Workforce component of the Hyperion System has been completed. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the County to a more effective client-centered model of practice. As part of this initiative,

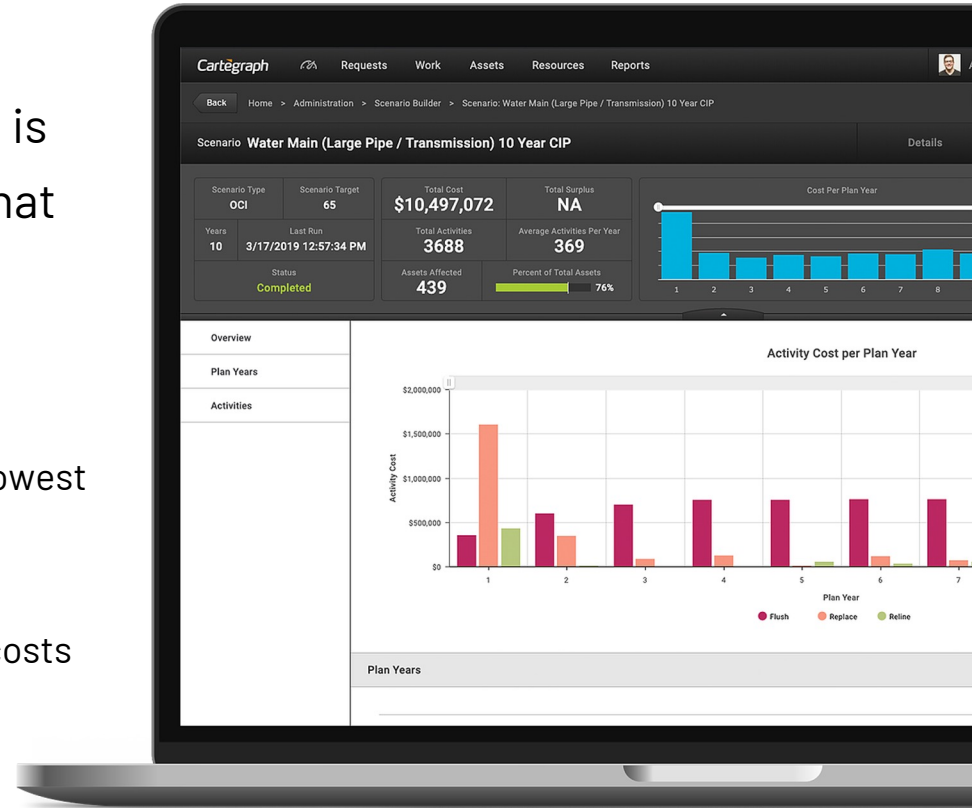
GENERAL OBLIGATION BOND ADJUSTMENT CHART							
FY15-20 Amended Capital Improvements Program							
CE RECOMMENDED							
March 16, 2015							
	6 YEARS	FY15	FY16	FY17	FY18	FY19	FY20
(\$ millions)	1,947,500	299,500	324,500	327,000	332,000	332,000	332,000
BONDS PLANNED FOR ISSUE	194,700	29,950	32,450	32,700	33,200	33,200	33,200
Plus PAYGO Funded	136,077	46,903	18,487	18,186	18,003	17,512	16,963
Adjust for Implementation **	(82,247)			(7,743)	(15,998)	(24,615)	(33,891)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	2,195,530	376,353	375,437	370,145	367,205	358,097	348,202
Less Set Aside: Future Projects	4,988						
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	2,086,272	375,424	361,789	351,821	348,106	338,807	310,325
MCPs	(772,762)	(119,158)	(138,761)	(136,484)	(153,119)	(124,107)	(101,133)
MONTGOMERY COLLEGE	(153,700)	(37,570)	(20,427)	(30,663)	(25,817)	(12,452)	(26,771)
M-NCPPC PARKS	(67,786)	(9,789)	(11,103)	(13,135)	(12,677)	(11,222)	(9,962)
TRANSPORTATION	(608,312)	(105,073)	(78,496)	(78,212)	(96,334)	(122,492)	(127,705)
MCG - OTHER	(559,151)	(161,048)	(123,849)	(98,256)	(62,476)	(68,668)	(44,854)
Programming Adjustment - Unspent Prior Years*	75,441	57,214	10,847	4,929	2,317	0.134	
SUBTOTAL PROGRAMMED EXPENDITURES AVAILABLE OR (GAP)	(2,086,272)	(375,424)	(361,789)	(351,821)	(348,106)	(338,807)	(310,325)
NOTES:							
* See additional information on the GO Bond Programming							
** Adjustments for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.03%	1.96%	2.20%	2.33%	2.53%	2.80%
Implementation Rate =		86.46%	94.61%	94.61%	94.61%	94.61%	94.61%

Power of Capital Planning

Some Tips for Making Better Decisions

Asset Management Planning

- Strategic asset management planning is an ongoing, comprehensive process that informs your CIP
- Keep these tips in mind:
 - Develop a strategy that enables assets to provide the desired level of service at the lowest life cycle cost.
 - Include visual dashboards in your plan that measure required vs. actual maintenance costs and forecast the impact of deferred maintenance.



Rank and Score your Projects Strategically

Capital Projects Pre-Screen · Add to a project

29929

Details
Submitted on Oct 21, 2020 at 10:30 am

Attachments
1 file

Activity Feed
Latest activity on Feb 8, 2023

Applicant
Scott Coble

Location
285 Uptown Blvd, Cedar Hill, TX 75104

Timeline Add New

- Initial Review**
Completed Oct 21, 2020 at 11:59 am
- DRCOG Review**
Completed Oct 21, 2020 at 11:59 am
- Approval Letter**
Issued Oct 21, 2020 at 11:59 am
- Final Review**
Completed Oct 21, 2020 at 12:00 pm
- Jenny's Review**
Completed Jun 9, 2022 at 3:44 pm
- Travi's Review**

Describe how this project will increase transportation reliability.

INTERNAL EVALUATION

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

This project will help focus and facilitate future growth *	6	
This project will establish connections between urban areas *	6	
This project will increase mobility *	7	This project will increase air quality *
		8
This project will increase access to amenities that support healthy, active choices. *	8	
Total Project Score (out of 50)		
35		













Track Operating Budget Impacts

These are typically ongoing costs that can impact how much funding you have to deliver services to your residents!



Forecast multiple years on your most expensive operating costs

Knowing where Personnel Costs are going to be over the next 5-10 years aligning with your CIP can help you really your long term planning including what you want to take on for Debt Service!

Service Area 	Appropriation 	% of Total 		FTE's 
 Public Safety	\$664.5M	10.5%		4,100.54
 Debt Service	\$463.9M	7.3%		0.00
 Other County Government Functions	\$459.5M	7.2%		503.69
 Health and Human Services	\$435.1M	6.9%		1,856.66

Thank You!

Questions?