

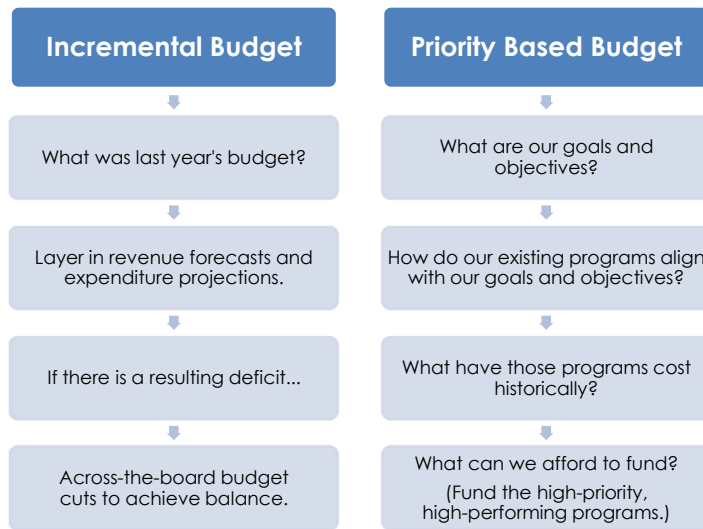
# INTRODUCTION TO PRIORITY BASED BUDGETING

Finance Department

Finance Committee  
March 13, 2019

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## INCREMENTAL VS. PRIORITY BASED BUDGETING (PBB)



## PHILOSOPHY OF PRIORITY BASED BUDGETING

- ✓ Prioritize Services
- ✓ Do the important things well
- ✓ Questions past patterns of spending
- ✓ Spend within the organization's means
- ✓ Know the true cost of doing business
- ✓ Provide transparency of community priorities
- ✓ Provide transparency of service impact
- ✓ Demand accountability for results

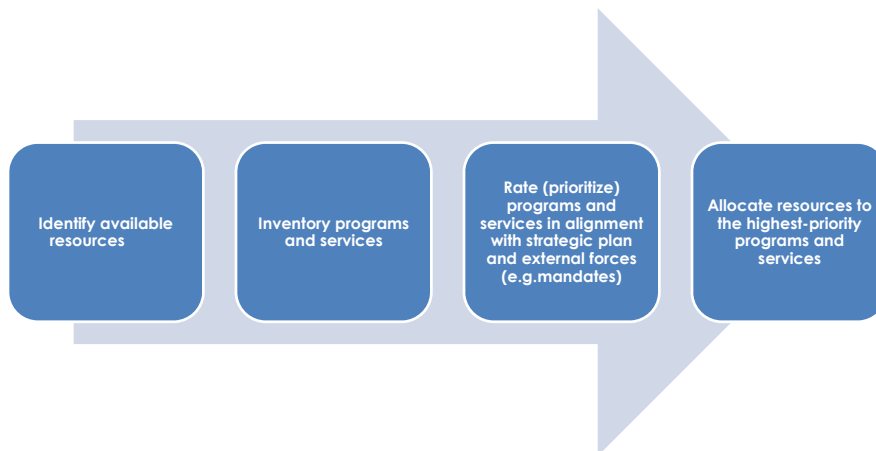


Source: *Anatomy of a Priority-Driven Budget Process*, GFOA, 2011

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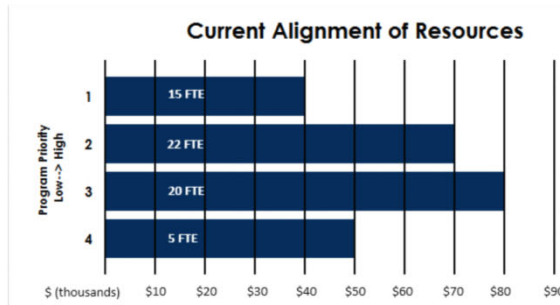
## HIGH-LEVEL PROCESS OVERVIEW



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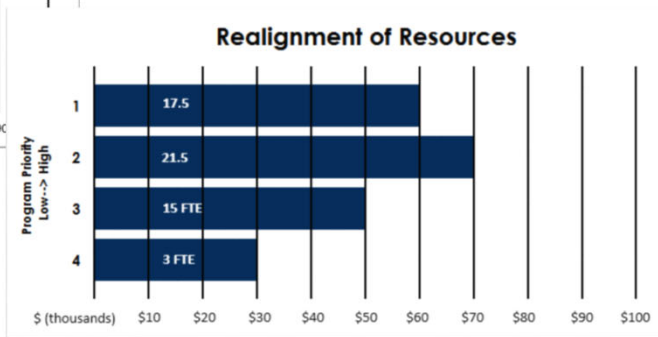
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## REALIGNMENT OF AVAILABLE RESOURCES



**Current Alignment:**  
 Budget: \$240,000  
 FTE: 62

**After Realignment:**  
 Budget: \$210,000  
 FTE: 57



Reallocate spending and personnel to high priority programs

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## CHALLENGES

1. Requires a major shift from traditional budgeting
2. Need a clear understanding of the priority-driven budgeting philosophy
3. Need support from Department Heads, Electeds and CMO's Office
  - a. Not a process that fixes a structural deficit
  - b. It becomes the WAY an organization approaches the resource allocation process
4. Brings with it an important cultural shift
  - a. Move focus on spending to focus on ACHIEVING RESULTS through the budget process

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## RECOMMENDATION

That the Finance Committee receive and provide input on a presentation on Priority Based Budgeting.

