



PRIORITY BASED BUDGETING

City Manager's Office

Budget Engagement Commission
September 9, 2021

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1

PBB OVERVIEW

Priority Based Budgeting model builds data layers around programs.



2

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2

SHORT TERM PBB GOALS (1 – 2 years)

1. Establish communication and educate project stakeholders
2. Develop citywide support and understanding of the PBB process
3. Achieve 100% participation and utilization from all departments
4. Identify all programs and services the City provides
5. Understand where the City is allocating its resources and how resources align with the City's strategic plan
6. Develop program insights and take initial steps to realign resources to support City Council's priorities



3

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3

LONG TERM PBB GOALS (3-5 years)

1. Change the way people think about budgeting; shift mindset to make decisions based on priorities of the entire City, not just one department
2. Achieve a clear understanding and documentation of the City's programs and related resources
3. Fully align funding priorities with programs and services that further the City Council's strategic priorities
4. Create partnerships to provide programs more effectively and efficiently
5. Be adept at realigning resources in times of fiscal challenge
6. Assess the program effectiveness through performance measures
7. Develop department/division level KPIs to track program success
8. Consider inclusion of CIP budget in PBB



4

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4

YEAR 1 MODEL

1. Program inventory = 606 programs in 17 departments
2. Each program costed, scored and peer reviewed alongside strategic priorities, cross-cutting threads and basic program attributes
3. Programs divided into quartiles to determine alignment with strategic plan:

Number of Programs	Quartile Definition
93 programs	MOST aligned with strategic plan
234 programs	MORE aligned with strategic plan
172 programs	LESS aligned with strategic plan
107 programs	LEAST aligned with strategic plan



5

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5

YEAR 2 TIMELINE

Est. Completion	User	Task
August 4th	Super Users/Dept Users	Kick-Off and Program Inventory Training
August 13th	Dept Users	Program Inventory Due
Week of August 16th	Super Users/Dept Users	Review Program Inventory
August 24th	Super Users/Dept Users	Program Costing Training
September 3rd	Dept Users	Program Costing Due
Week of September 6th	Super Users/Dept Users	Review Program Costing
September 7th	Super Users/Dept Users	Program Scoring Training
September 24th	Dept Users	Program Scoring Due
September 20th	Super Users/Peer Review Team	Peer Review Training
September 27th - October 7th	Super Users/Peer Review Team	Peer Review Process
October 7th	Super Users/Peer Review Team	Peer Review Scores Due
Week of October 11th	Super Users/Dept Users	Review Peer Scores with Departments
October 18th - 29th	Dept Users/Executive Sponsor Team	Scoring Appeals Process
Week of November 1st	Super Users/Dept Users	Final Scores Released
November 10th	All	Insights Workshop



6

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6

YEAR 2 GOALS

1. Greater involvement and engagement with Executive Sponsor team
2. Improve communication and tie in PBB with strategic plan and budget process
3. Refine scoring criteria for greater consistency
4. Help enterprise funds discover the value of PBB
5. Reduce/eliminate department silos
6. Utilize PBB for FY 2022-2024 budget development process



7

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7

STRATEGIC PLAN ALIGNMENT

Priority Based Budgeting aligns with Strategic Priority 5: High Performing Government and Goal 5.4: Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

This project aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City's PBB data will be accessible through the City's website and identifies the cost of each program and how closely the programs align with the strategic plan. This information will be available and transparent to the public and will provide a greater understanding about the programs and services the City provides.



8

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8

STRATEGIC PLAN ALIGNMENT

2. **Equity** – Equity is a major component of the strategic plan and is a primary consideration in determining how programs score during the PBB process. Programs that are equitably available throughout the community will be more closely aligned with the strategic plan.
3. **Fiscal Responsibility** – Data produced through PBB will allow the City to understand the true cost of our programs and be more strategic in determining how to allocate fiscal resources to provide the greatest impact to the community.
4. **Innovation** – PBB is an innovative approach to decision-making and combines technology with a collaborative working approach to create data about programs that can be applied during the budgeting process.



9

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9

STRATEGIC PLAN ALIGNMENT

5. **Sustainability & Resiliency** – Sustainability and Resiliency are major components of the strategic plan and are a primary consideration in determining how programs score during the PBB process. Programs that are sustainable and resilient will be more closely aligned with the strategic plan.



10

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10

RECOMMENDATION

That the Budget Engagement Commission receive an update on the completion of the Year 1 Priority Based Budgeting Year process and the timeline and goals for Year 2.



11

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