

# Budget for Outcomes to Manage for Results

10-County Budget Conference  
Breckenridge, Colorado  
September 17 – 19, 2008

MESA COUNTY

**Managing for Results**

- Accountable for Program Success
- Orchestrate strategies for improvement
- Measure improvements throughout year
- Check back with our customer

**Planning for Results**

- Community determines the Priorities they desire from government
- Align programs with priority areas
- Performance Measures are the focus of justifying programs

**Budgeting for Results**

- Set the price of government
- Program Budget offers are submitted/aligned to a priority
- Program offers are "ranked" according to the best performance measures – "promised results/outcomes."
- Programs are "purchased" using ranking tool until money is gone
- Budget to buy the best Results for the priorities

**Program Results Reported**

- Projected vs. actual
- Benchmarking
- Verification of measures
- Outcome/Guidance Teams/Community
- Did we get what we bought?

**Deliver Services**

**Measure Results**

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## The Current Game

### It's A Set Up

#### Cost- Based Budget

Starting Point	Last Year = BASE costs
Focus	Add/ Subtract costs re: BASE
Addition	Autopilot increases = new BASE Plus "needs"
Subtraction	"Cut" from <u>new</u> BASE

Public Strategies Group 3

## New Game

### Budgeting for Outcomes

Starting Point	The Price of Government
Focus	Buying results that matter to citizens and align budget with strategic plan
Addition	Not the focus
Subtraction	Not the focus

Public Strategies Group 4

## So, Let's Change the Game!

### 4 Questions That Matter

- How much revenue - what is the price of government we charge our citizens?
- What results matter most to our citizens - what are the priorities of government we will deliver to citizens?
- How much should we spend to achieve each result?
- How can we BEST deliver the results that citizens expect?

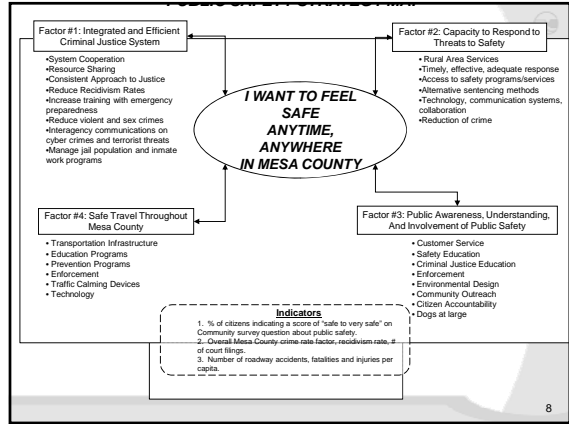
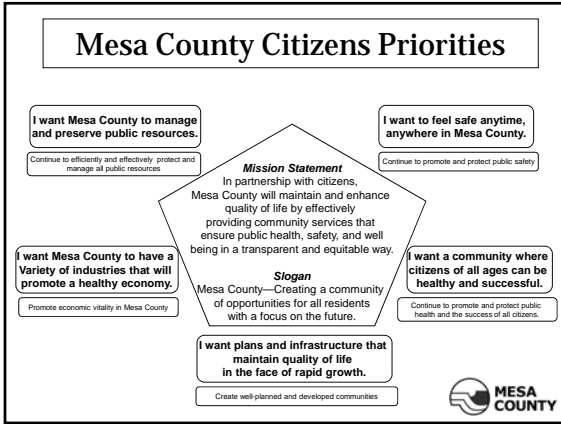
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## Budgeting for Outcomes Process

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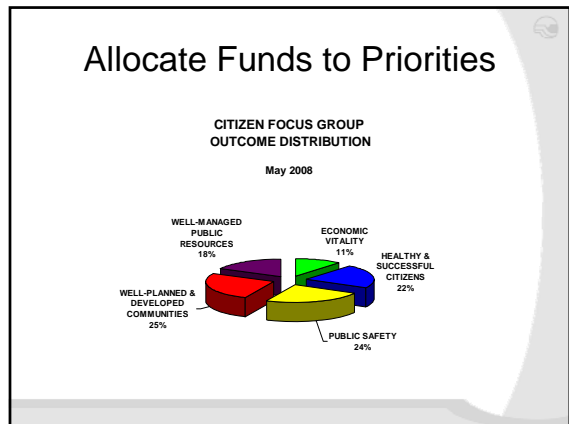
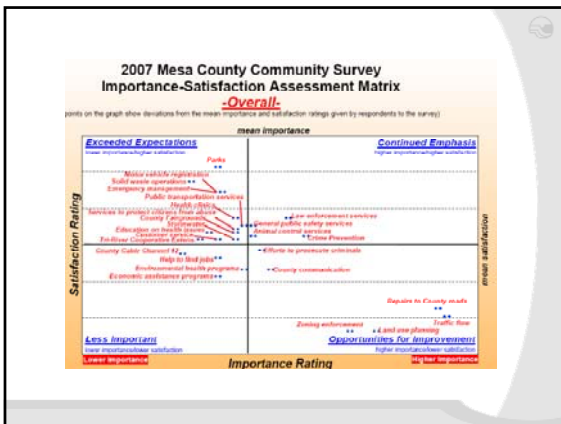
graph TD
    A[Choose the Priorities of Government] --> B[Create Requests for Results]
    B --> C[Invite Offers from Sellers]
    C --> D[Rank the Offers]
    D --> E[Decide What to Buy]
    E --> F[Present the Budget]
    G[Establish the Price of Government] --> H[Allocate Funds to Priorities?]
    H --> E
  
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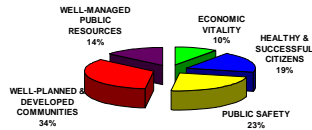
- ## Safety Purchasing Strategies
- We are seeking proposals that promote an integrated and efficient criminal justice system.
  - We are seeking proposals that provide the capacity to respond to threats to safety
  - We are seeking proposals that provide for an increase in public awareness, understanding and involvement of public safety.
  - We are seeking proposals that ensure citizens can safely travel throughout Mesa County.

- ## Approaches to Requests for Results
- What to spend money on**  
"favor funding prevention over remediation"
  - How to spend the money**  
"give to efforts that show collaboration"
  - Express priorities**  
"this is the order in which we will spend money"
  - Specific things want to buy**  
"we are seeking offers that prevent child abuse"

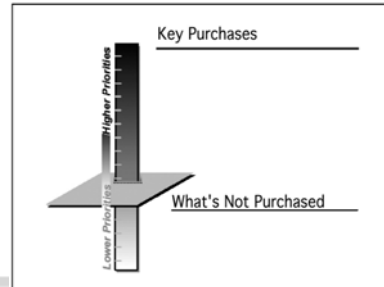


## Allocate Funds to Priorities

### 2009 BOARD OF COUNTY COMMISSIONER ALLOCATIONS



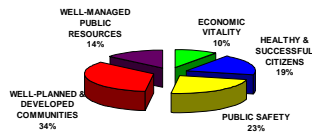
## Decide What to “Buy”



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## Present the Budget

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Deliver Services  
Measure Results

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## Challenges and Opportunities Process

- Not Department Focused
  - Results Based
- Helps to model Cross functional thinking and focuses on Results
- Helps move Management and the Board towards steering
  - Focus on “Results”
  - What direction are we going?
  - Are we moving forward?
- Are the programs we are funding making a positive difference?
- Programs now begin to “Manage for Results” as they are Budgeting – Focus on “Outcomes” not inputs and outputs

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## Benefits of Overall Process

- Involves citizens at multiple levels of the Budget/Management process
- Focus is on Results/Outcomes not \$’s
- Prioritizes what Government does for its citizens
  - Ensures we are funding the “Right” things
- Employee Empowerment

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## Budgeting Types

- Type
  - Political –
  - Across the Board –
  - Rule Based –
  - Outcomes –
- Driven by:
  - Personalities & Program popularity
  - Status Quo; Everything's a priority
  - Whatever the law says is a priority
  - What's most effective at meeting citizen expectations

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## Mesa County Challenges

- Buy-in from Department Heads & Elected Officials
- Budget Leadership Team was a "seller" group culture change
- Getting the offers back into funds/cost centers
- Capital Improvement Plan
- Internal Services
- Non-profit requests
- Results Team "burn-out"
- Composition of Result Teams

## How it worked for Mesa County and how we are different because of it.

- Budget = Authoritative Allocation of Values
- Culture change
- Governments must become more agile and flexible
- Building Partnership of experts

## Alignment

Strategic plan - Budget - Performance

- Outcomes with what matters most to citizens
- Allocation of resources with outcomes
- Citizen expectations with organization culture
- County purpose with community partnerships
- Budget process with innovation
- Measurements with performance