Report from the Field: Using the Budget Process to Get Results

Presentation to the Public Performance Measurement and Reporting Conference

September 21, 2012
General Fund Trend - Current Revenues vs Fixed Costs
FY 2004 - FY 2012 Budget
(figures in millions)

Note: Current revenues exclude fund balance and prior year reserve
THE PRICE OF GOVERNMENT

Getting the Results We Need In An Age of Permanent Fiscal Crisis

DAVID OSBORNE & PETER HUTCHINSON

A Common Sense Approach To:
• Squeezing more value out of every tax dollar
• Building budgets from the ground up, based on results
• Making public organizations accountable for results
• Using competition to boost innovation and save money
• Putting government’s customers in the driver’s seat
<table>
<thead>
<tr>
<th>OLD WAY</th>
<th>NEW WAY</th>
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<tbody>
<tr>
<td><strong>Starting Point:</strong></td>
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<tr>
<td>Last year’s spending</td>
<td>Next year’s goals</td>
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<td><strong>Funding Targets:</strong></td>
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<td>By agency</td>
<td>By Priority Outcome</td>
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<td><strong>Agency Submission:</strong></td>
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<td>How allocation will be spent</td>
<td>Proposal to achieve results</td>
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<td><strong>Debate:</strong></td>
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<td>What to cut</td>
<td>What to keep</td>
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If you tell people where to go, but not how to get there, you’ll be amazed at the results.

George S. Patton
Baltimore’s Priority Outcomes

- Better Schools
- Safer Streets
- Stronger Neighborhoods
- A Growing Economy
- Innovative Government
- A Cleaner and Healthier City
A Cleaner and Healthier City

✓ Decrease the number of alcohol and drug-related emergency visits
✓ Decrease preventable emergency visits for heart disease-related conditions
✓ Increase citizen satisfaction with the City’s cleanliness
✓ Increase the amount of waste material re-used or recycled
✓ Improve air quality
Mayor, Council and Citizens establish priorities

Determine available resources

Results Teams issue guidance documents

Agencies submit proposals to provide services that achieve results

Results Teams rank the proposals

Mayor uses rankings to make decisions

Budget is finalized
Key Purchases

What's Not Purchased
WOULD YOU DESCRIBE YOURSELF AS WASTE, FRAUD OR ABUSE?

And So It Begins.
The Results from Outcome Budgeting

- Services that demonstrate effectiveness have been protected from reductions or increased.

- Services that do not demonstrate value have been reduced or eliminated.

- New efficiencies have been identified.

- Services have become more targeted, entrepreneurial and self-sufficient.
Innovation Fund

- Web-based Environmental Health Quality Management System
- ePlans Review System
- Baltimore City Fiber Optic Ring
Good Government Book Club

- *Extreme Government Makeover* by Ken Miller
- *If We Can Put A Man On the Moon… Getting Big Things Done In Government* by William Eggers and John O’Leary
- *Triumph of the City* by Edward Glaeser
- *Many Unhappy Returns: One Man’s Quest To Turn Around The Most Unpopular Organization in America* by Charles O. Rossotti
- *Trying Hard Is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities* by Mark Friedman
What’s Next

- Pay for Success

- Government Incubator

- Completing the Performance Management Cycle
Baltimore: A Performance-Based City

- Strategic Plan
- Outcome Budgeting
- CitiStat
- Performance Agreements
BFO DIY

Be a thought leader
Have a plan
Get help
Get radical