



**Implementing Priority Based Budgeting**  
***Presentation to State Controller's Annual***  
***Conference with County Auditors***

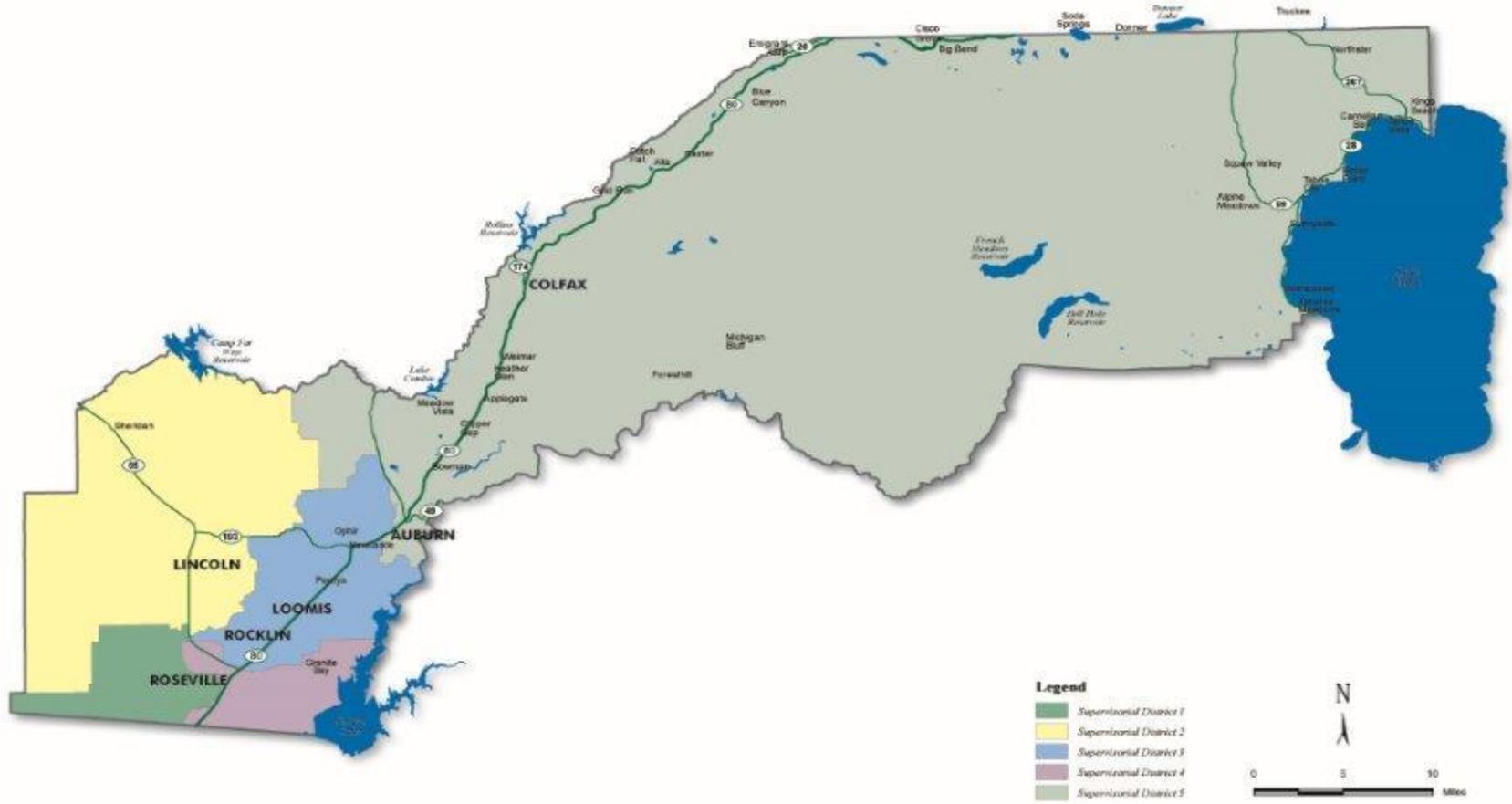
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# Priority Based Budgeting

Placer County is currently on a multi-year journey to implement “*Priority Based Budgeting*” as an approach to strategically and transparently align the distribution of County resources to prioritized programs and services by:

- Methodically introducing and implementing each stage;
- Building upon experiences and successes of others; and
- Taking the time to develop a value-added program to better inform the Countywide budget development process – “*Get it Right*”.



# Presentation Outline

- **Priority Based Budgeting – What is it and why do it?**
- **Placer County’s implementation of Priority Based Budgeting – where have we come so far?**
- **What remains to be completed? What are next steps?**



# Priority Based Budgeting

## What is Priority Based Budgeting?

*Priority Based Budgeting is a way for local governments to spend within their means while continuously focusing on results most relevant to their communities and the programs that influence those results to the highest degree possible.*



# Priority Based Budgeting

## **Why consider Priority Based Budgeting?**

- Alternative method of allocating scarce resources
- Common sense strategic alternative to incremental budgeting
- Resource allocations based on services and programs versus departments
- Involves community in budget process and takes into consideration what is important to them
- Transparently communicates to public what services and programs cost
- Alignment of funding and resources requirements to deliver programs and services with strategic priorities and value to the community – “Compelling Public Value”

# Priority Based Budgeting

## **Placer County's Approach – What have we done so far?**

Transparent communication of fiscal information to users and decision-makers

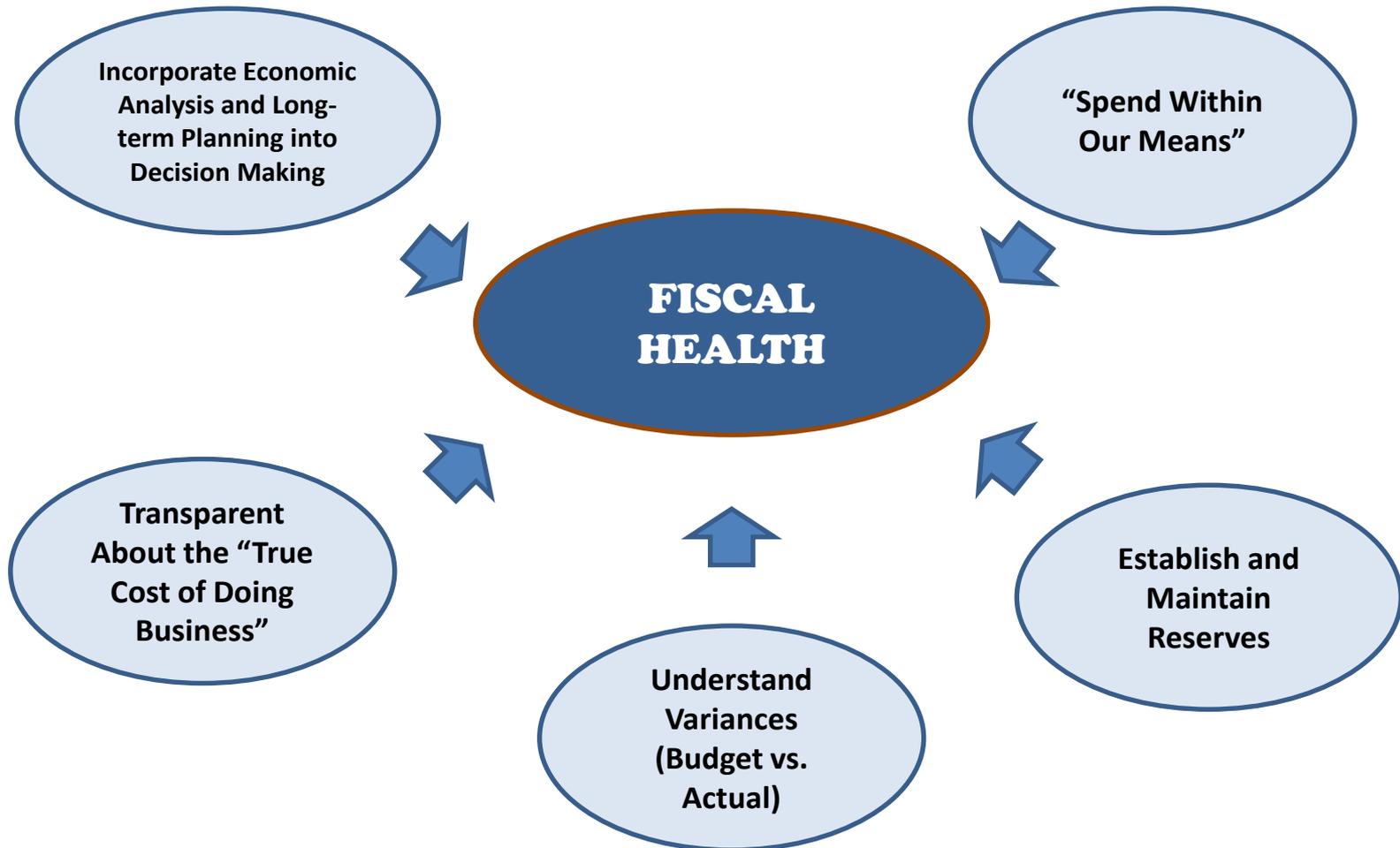
- Communication via budget document(s)
- Communication via Multi-Year Capital Plan
- Periodic update of organizational fiscal health



# Priority Based Budgeting

## Transparent Communication of Fiscal Health

RESOURCE MANAGEMENT AND OPTIMIZATION



# Priority Based Budgeting

## **Placer County's Approach – What have we done so far?**

### Establishment of a “Coordinating Council” to guide implementation effort

- Representation on Council each from each “system” / area of government
- Chartered to work with County Executive Office to provide leadership and visioning to implement Priority Based Budgeting



# Priority Based Budgeting

## **Placer County's Approach – What have we done so far?**

### Development of a Programs and Services Inventory

- Each department develops inventory of ongoing programs and services provided – *“what do we do?”*
- Transparent communication of programs to public through budget document
- Facilitates transition to looking at budget based on what we do versus budget that is department-focused



# Priority Based Budgeting

## **Placer County's Approach – What have we done so far?**

### Alignment of Costs into Programs

- Review any existing cost accounting framework currently used
- Requires high level of collaboration between departments, County Executive Office and County Auditor-Controller's Office
- Align / assign staff and related costs into programs
- Begin to discuss program attributes – pilot process for certain departments

### Evolving Technology to Better Inform Process

- Implementation of new budgeting application
- RFP process for new Enterprise Resource Planning system



# Priority Based Budgeting

## **Probation**

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**Placer Re-Entry Program (PREP)** - Probation and its partners provide evidence based services through the newly developed Placer Re-Entry Program (PREP) to offenders both in and out of custody in an effort to increase community safety. The Probation Department expects to provide programming and services annually to 200 offenders in custody and 400 re-integrating back into the community. The Probation Department provides clients instruction in cognitive behavioral change, parenting and substance abuse education. Additionally, partnerships were established with other governmental and community based organizations to provide GED preparation classes, vocational training, child support payment information, batterer's treatment programming and literacy education.

**Program Attributes:** To date probation has served in excess of 220 clients. Additionally, 40 clients participated in the Northern California Construction Training (NCCT), an intensive job training program that places participants in union wage jobs with 25 percent securing employment as of March 1, 2015. Overall, PREP services provide criminal offenders opportunity to change their negative behaviors through accountability, increased support, education and treatment with the goal of reducing an offenders likelihood of re-offending. As the PREP continues to develop, and data is collected, performance outcomes will be reported.

**Program Cost: \$1,283,490**



# Priority Based Budgeting

## **Placer County's Approach – Next Steps...**

- Refinement of “Goals” statements and underlying priorities and expectations (desired results) – Systems Approach
- Fully implement new budgeting software and eventual implementation of ERP (Financial / HR Payroll) solution
- Develop and integrate expanded Community Outreach Plan
  - What results does community expect County to achieve?
  - Communicate alignment of programs and services to defined goals and desired results



# Priority Based Budgeting

## Placer County's Approach – Next Steps...

- Further refine (beyond pilot effort) criteria to gauge programs effectiveness in meeting desired results
  - Demonstrate “*Compelling Public Value*”
  - Identify value of program based upon its influence on desired results
  
- Present all information – programs, costs, effectiveness in meeting desired results - to Board of Supervisors for consideration as part of annual budget process
  - Alternative way to consider distribution of scarce resources



# Priority Based Budgeting

## **What Does County Expect to Achieve by Implementing Priority Based Budgeting? / Key Takeaways:**

- Better communicate what County does consistent with desired results and expectations
- Increase level of transparency regarding how discretionary tax dollars are being utilized to provide prioritized programs and services
- Provide alternative approach to budget development by considering allocation of resources based on Board / Public priorities and desired results

