

## **Budget Task Force Meeting March 14, 2025 10-11 am**

### **Outcome Based Budgeting Steps – Draft for discussion**

1. Define Outcome Based Budgeting. One possibility is “A budget process that aligns resources with results”. Or “A budgeting system to focus resources on the most effective and promising services and programs to meet the City’s priority needs, based on performance data and evidence of impact.”
2. Mayor and her/his cabinet establish city priorities based on input from regular public outreach, research on challenges facing residents, and citizen surveys based on a representative sample of residents. Identify trends in behaviors and attitudes regarding quality of life indicators and city services. Examples:
  - a. Sound Financial Management
  - b. Public Safety
  - c. Complete Communities
  - d. Service & Infrastructure
  - e. Resilient Bloomington
3. Mayor and cabinet determine total spending amounts for each of the outcome categories. Understand how goals will affect desired “In a perfect world” spending vs actual spending. Make tough decision based on actual goals and priorities.
4. Once the outcome priority has been assigned a total spending amount, Departments create Program Budget Justification. This is a detailed submission department provide to justify their budget requests, focusing on how their programs align with the strategic goals and outcomes. The PBJs are a critical component of evaluating the effectiveness and alignment of department programs.
5. A budget team reviews the Program Budget Justifications, request additional information, and rank all requests for a given priority outcome. The budget team recommends to the mayor services and funding for each priority outcome.
6. A budget team compiles all recommendation and presents a balanced budget to the mayor and leadership team who then make a final decision about the mayor’s proposed budget to City Council.
7. City Council holds hearings on the proposed budget.
8. There is an inherent level of burnout with a collaborative heavy, multi step, annual outcome budget process.
9. Department leadership may hesitate to tie funding to performance for fear of losing funding. Reduce hesitation by communicating how departments can keep or increase funding if they show that their services are a high-priority and have an improvement plan backed by evidence.
10. Leaders need to own the process and make all major budget decision through this framework in order for it to become the new normal.

### BALTIMORE'S OUTCOME BUDGET PROCESS<sup>3</sup>

OLD WAY	NEW WAY
<b>Starting Point:</b> Last Year's Spending	<b>Starting Point:</b> Next Year's Goals
<b>Funding Targets:</b> By Agency	<b>Funding Targets:</b> By Priority Outcome
<b>Agency Submission:</b> How Allocation will be Spent	<b>Agency Submission:</b> Proposal to Achieve Results
<b>Debate:</b> What to Cut	<b>Debate:</b> What to Keep

SOURCE: BALTIMORE BUREAU OF THE BUDGET AND MANAGEMENT RESEARCH

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