

### What Exactly is Priority Based Budgeting?

- New approach to developing County Executive's budget proposal
- Modeled after Governor Locke's Priorities of Government Budgeting Process started two years ago

### Why do Priority Based Budgeting?

- Forecast budget shortfall
- Business as usual means 'thinning the soup'
- Need to restore public confidence
- Need to focus - delivery quality services and long term fiscal solvency

### Traditional Budget Approach

- Used previous year's cost as base
- Added in inflation for those costs, plus enhancements ("decision packages")
- Argued about cuts (anything less than newly adjusted costs)
- Justified agency needs & costs in budget submissions - not about producing results

### How Does Priority Based Budgeting Work?

1. Set the 'price of government' which includes total taxes, fees and charges
2. Determine the key results that citizens expect from county government - their priorities
3. Choose indicators to monitor progress towards those results
4. Identify proven/promising strategies the county should pursue to achieve the results
5. Ask for "offers" to advance each result
6. Allocate expected county resources across the results - the "price" for each priority
7. Prioritize the purchase of activities to best accomplish the results

### The Price of Snohomish County Government



### 7 Draft Priority Results

- **Transportation:** I want reasonable & predictable travel times
- **Safety:** I want to feel safe where I live, work, and play

- **Education:** I want kids in my community to pass the State school achievement tests
- **Health & Vulnerability:** I want to improve the health of people in the community and reduce the vulnerability of those at risk
- **Community:** I want to live in a thriving community, one with infrastructure sufficient to support planned growth
- **Security:** I want my community to be prepared to respond to emergencies
- **Effective, Efficient, Trustworthy Government:** I want to get the level of service I need at an affordable price and see that my dollars are spent wisely
  - Will be split into 2 teams - County Leadership & Support Services

### Indicators of Success

- Three high-level metrics that indicate whether success is being achieved
- Example: In the state's Health result, there were three indicators:
  - Epidemiological index of health
  - Citizen self-assessment of health
  - Percentage with health insurance

### Map What Works

- Identify the key factors (based on best available data and research) that contribute to the intended result
- Build a "strategy map" showing the pathway to the result
- Example: To improve health of Washingtonians, one key strategy was to "Increase Healthy Behaviors" by doing things such as reduce tobacco use, promote healthy eating & exercise, and promote safe sexual behavior. [See strategy map.](#)

### Strategies to Produce Results

- Create a purchasing strategy to produce your result (i.e., an RFP) within your allocation
- Choose the mix of strategies that you want to invest in to achieve your assigned result
- Example - to improve student achievement, the WA team chose three purchasing strategies:
  - School-ready kids & families
  - Student-ready teachers
  - Learning-ready schools
  - High school connections to college and jobs

### Department Offers

- Chose which Results Teams' RFPs - which results to achieve
- ID specific activities
- Tied to specific results
- At a specific price
- May propose as many as want

### Financial Allocation to Each Result

- Helps the County think about all the financial resources (not just General Fund) that can be invested in producing these results
- Challenges the historical notion of a pre-defined department "base"
- Based on judgment of the value citizens would place on achievement of each result

### Prioritize Activities to Produce the Results

- Starts the conversation differently - "how can we spend these limited resources incredibly well?" versus "where do we cut?"
- Helps identify alternative approaches to service delivery, potential opportunities for more efficiency, as well as possible duplication of services

### **Key Roles in PBB Process**

- County Executive
- County Council
- Guidance Team
- Results Teams
- Staff Steering Team
- Public Strategies Group

### **The Guidance Team**

- Individuals chosen by County Executive drawn from local government, business, and non-profit communities
- Not intended to be representative of interest groups or subject-matter experts
- Expected to bring an outside, "executive" perspective; wear the "citizen's hat"
- Role is to review, strengthen, affirm the work of Results Teams
- They also recommend the initial allocations to each team

### **Results Teams**

- Each consists of 6 to 8 subject-matter experts and "good heads" drawn from County and municipal government
- Expected to bring experience and appreciation for implementation issues, but also wear the "citizen's hat" (versus representing their agencies)

### **What Do Results Teams Do?**

- Develop 3 indicators of success for their result
- Develop strategy map that shows the causal factors that make the most difference in achieving the result
- Create a purchasing strategy/RFP for achieving the result
- Invite proposals from agencies on how to achieve the result
- Prioritize the proposals
- Submit purchasing plan to Guidance Team

### **Timeline**

- **April 22:** Results Team kick-off
- **May 27:** Tollgate #1 (Guidance Team reviews strategy maps, purchasing RFPs, and determines allocation of funds)
- **Week of July 5:** Departments submit responses to RFPs
- **Week of July 26:** Tollgate #2 (Guidance Team reviews preliminary rankings and buying decisions)
- **Week of August 23:** Tollgate #3 (Revised proposals, including cross-team efforts)
- **Fall:** Evaluation of process by Guidance Team