

## **Priorities-based budgeting Q&A**

Q. *What is priorities-based budgeting?*

A. In essence, priorities-based budgeting casts Snohomish County as a prudent buyer living within its means. The County purchases and produces services for its citizens to achieve the best outcomes within available revenues. The process begins when the Executive's Office - based upon input from a citizen's panel, a management team and budget staff - identifies the important outcomes that must be funded in the County budget. Budget writers must decide which programs achieve the best value for tax dollars in delivering outcomes that support these priorities. Departments will submit budget requests that respond to these priorities and must commit to measurable outcomes in their budget requests.

Q. *What are the goals for priorities-based budgeting?*

A. The charge is to look beyond the borders of individual departments for the means to maintain *and* improve the highest-priority services. Trend lines indicate that revenue for Snohomish County in 2005 and beyond is static – if not falling. That means tough budget decisions are ahead. The County can no longer be viewed as a collection of different departments with different agendas, but as one government with a single enterprise. It must achieve results, at less cost, through creative budget solutions. The County must reprioritize spending, eliminate programs or consolidate redundant activities being carried out in different departments.

Q. *What are the questions that drive priorities-based budgeting?*

A. There are really four basic questions that must be asked at the outset of a priorities-based budgeting process like the one Snohomish County is about to embark on. They are:

- How much revenue will Snohomish County have for 2005 from whatever source?
- What results form the core of what Snohomish County must do - *and do well* – to serve its citizens?
- How much will Snohomish County spend to achieve each result?
- What's the best way for Snohomish County to spend its money to achieve its core results?

Q. How is priorities-based budgeting different from the method Snohomish County has used in the past?

A. Priorities-based budgeting is dramatically different from the traditional cost-based approach. This is how a *Seattle Times* editorial described the difference between innovative priorities-based budgeting and cost-based budgeting in times of economic trouble: *The usual political way to handle a projected deficit is to take last year's*

*budget and cut. It is like taking last year's family car and reducing its weight with a blowtorch and shears. But cutting . . . from this vehicle does not make it a compact. It makes it a wreck. What is wanted is a budget designed from the ground up . . .*

Designing from the ground up is what happens with priorities-based budgeting. It flips the cost-based approach on its head. It starts from a zero base, which is what Snohomish County will do. The focus changes: It is no longer on budget cuts – what government cannot afford to do. It is on the things government can - *and should* - do with the money that's available. Instead of taking the previous year's budget for granted as the starting point, the priorities-based process makes Snohomish County start from scratch. The debate is no longer about money and cuts. It's about the priorities of Snohomish County and its citizens.

This approach also gives County managers and employees the opportunity to take a creative and positive approach to a challenging set of economic and financial circumstances.

*Q. Where else has priorities-based budgeting been initiated?*

A. The State of Washington undertook a priorities-based budgeting effort in 2003, with some success. The state program was initiated toward the end of the budget development process. The initiative to be undertaken in Snohomish County will be broad and begin at the outset of the 2005 budget process. It will continue and evolve in future years. The process will cut across all aspects of County government. Three non-government organizations in Washington State are calling on all municipal and county governments to adopt priorities-based budgeting: The Washington Roundtable, which includes Chief Executive Officers of Washington's largest corporations; the Association of Washington Business and the Washington Research Council. Snohomish County will be the first local government in Washington State – and among just a handful of counties nationally – to fully adopt priorities-based budgeting.

*Q. How will Snohomish County citizens be affected by priorities-based budgeting?*

A. Too much of past government budgeting has been focused on costs. The aim of priorities-based budgeting is to buy results that the citizens of Snohomish County value. They will see a leaner, more efficient form of County government, one that emphasizes the delivery of services and the consolidation of duties. Performances will be benchmarked so citizens can see how County government is measuring up.