

City of Dallas Budgeting for Outcomes

**City Council Session
November 16, 2005**

Purpose of This Session

- Explain the steps in this year's budget development process
- Present the proposed City-wide results and indicators for your review & adoption
- Present some historical information on the price of Dallas city government

Goals of BFO Process

- A balanced budget
- Dallas residents understand and value the results they are getting for their tax dollars
- City Manager and City Council are presented with compelling choices of programs and services to deliver those results
- City staff have the opportunity to present budget proposals that reflect their best thinking on how to produce the desired results

Some Key Principles

- No department or program starts with an assumed level of funding
- Budget is built around results citizens expect, not the City bureaucracy
- Departments are strongly encouraged to challenge the status quo in their proposals
- Last year's service components are a foundation not a limitation
- Transparency builds trust

Steps in the Process

1. Establish Citywide Results & Indicators
2. Create “Requests for Results”
3. Set the “Price” of Dallas Government
4. Invite Departments to Respond to RFRs
5. Evaluate & Prioritize Offers in Each Result
6. Allocate “Price” to Each Result
7. Build Final Budget to Present to Council

Establishing Citywide Results & Indicators

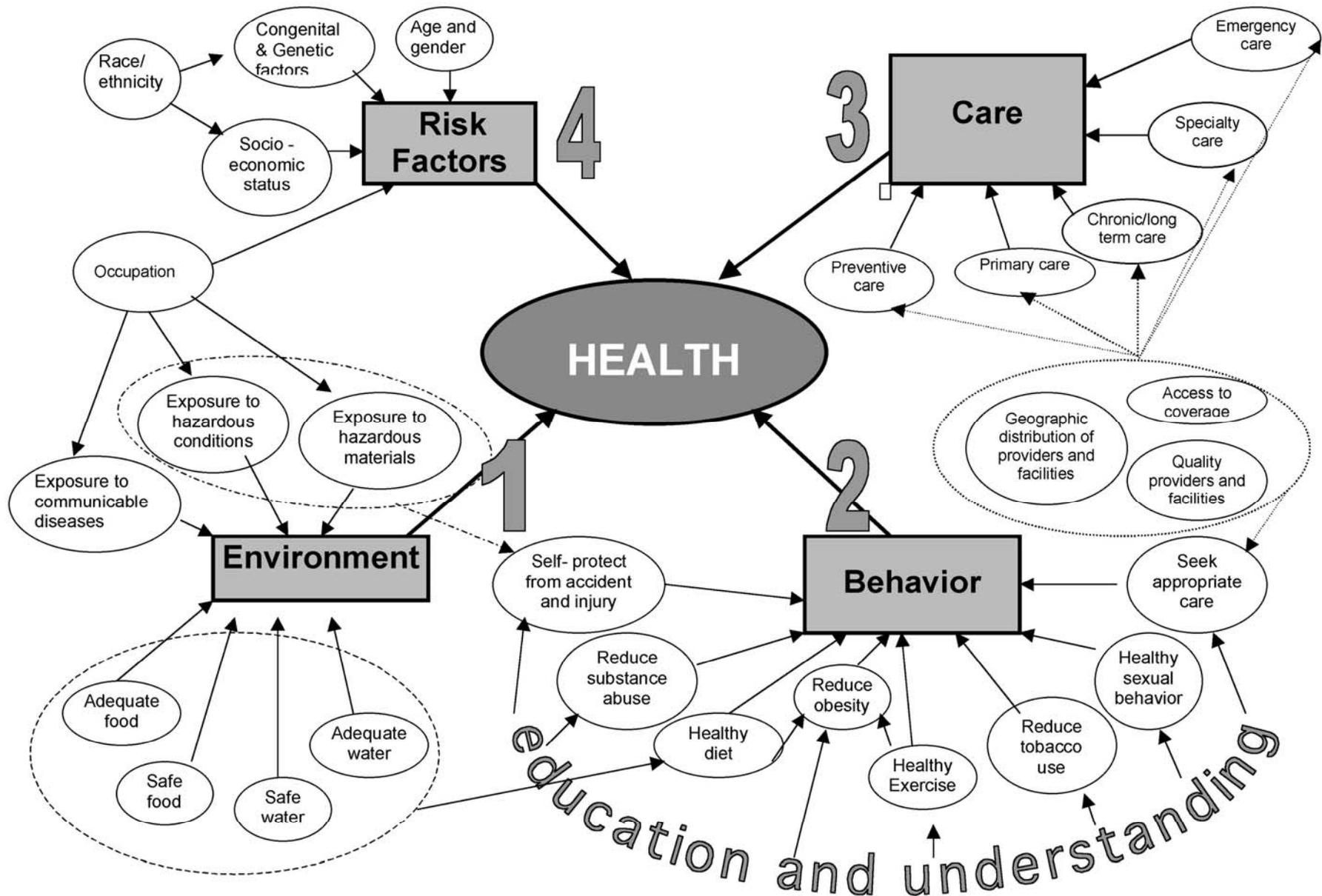
- Outcomes that citizens expect from city government (no more than 10)
- Expressed as “ends” not “means” – no mention of programs or departments
- Each result has 3 measurable indicators to gauge & communicate progress

The proposed results & indicators are in Attachment A; we will be discussing them shortly.

Creating “Requests for Results”

- Results Teams of City staff are created for each result (about 6 or 7 per team)
- Request for Result = cause-and-effect map plus recommended purchasing strategy
- RFRs presented to City Council on January 19 as City’s strategic plan
- RFRs turned into budget instructions and presented at “bidders conference” for departments

Sample "Results Map"



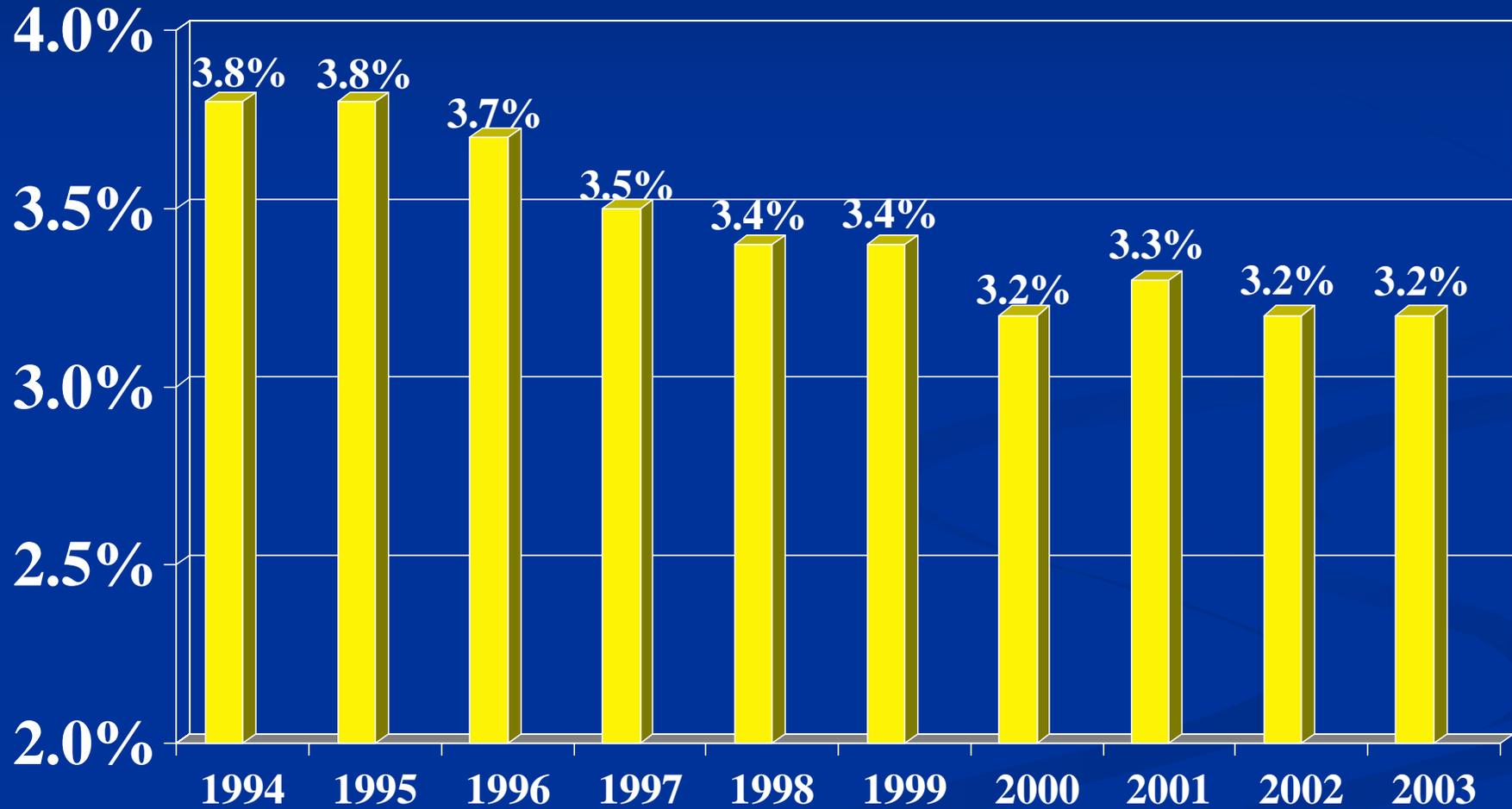
Sample Purchasing Strategies

- Focus on the front end - pre-natal care, immunizations
- Focus public health system on addressing personal choices (obesity, drugs, smoking)
- Stop high cost, repetitive cycles of “crisis care” in emergency rooms
- Increase percentage of people with insurance

Setting the “Price” of Dallas Government

- Price = Amount of locally-generated city revenue as a % of gross personal income
- Includes all taxes, fees, and charges;
Excludes inter-governmental transfers
- We will be asking you to make some revenue assumptions early next year:
 - The overall price
 - The percentage allocation to each result

Historical Price of Dallas Government



Generating Budget “Offers”

- Departments (and possibly others) make proposals on how they will contribute to results
- Can make as many offers to as many results as they want; each offer can be assigned to only one result
- Consistent template (approx. 2 pages)
- Include: scalability options, mandates covered, performance measures, cost

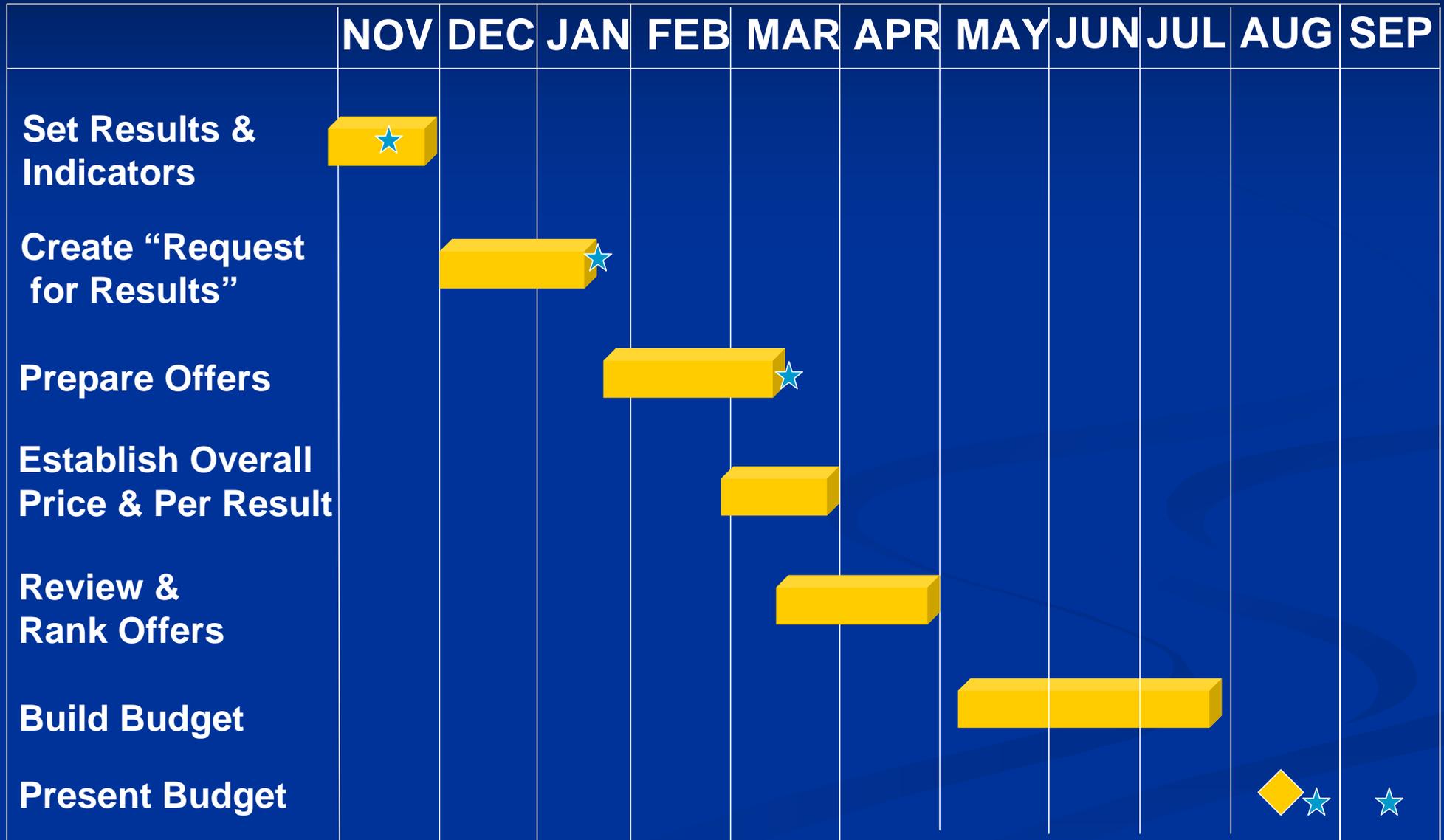
Ranking The Offers

- Budget Office reviews the offers for completeness and accuracy
- Offers given to respective Results Teams as well as a total dollar allocation for the result
- Results Teams evaluate & rank based on value-for-dollar
- Results Teams share their ranked lists; departments can refine and resubmit offers
- Final ranking - including where the dollars run out - presented to City Manager

Building the Budget

- City Manager reviews/affirms/amends Result Teams' recommendations
- Proposed budget is presented by result and includes what the City Manager is proposing to buy (and not buy); could include the rankings
- City Council reviews budget - could decide to change the overall price, the allocations to the results, and the mix of services/programs purchased
- City Council amends and adopts budget

BFO Timeline



★ Council input and/or action required

City-wide Results & KFAs

- **Key Focus Area – Economic Development**
 - Result 1: The economy is thriving, with diverse businesses growing and people working
 - Result 2: People and goods move reliably, efficiently, and safely through the city.
 - Result 3: The city's natural resources are conserved and protected for current and future generations.
- **Key Focus Area – Neighborhood Quality of Life**
 - Result 4: The city is composed of vibrant and viable neighborhoods.
 - Result 5: Residents and visitors enjoy high-quality and diverse recreational, cultural, and educational opportunities.
 - Result 6: People have the opportunity to lead a healthy, dignified life.

City-wide Results & KFAs

- Key Focus Area – Public Safety

Result 7: People feel safe where they live, work, and play.

- Key Focus Area – Staff Accountability

Result 8: City government is customer-focused, accountable, and effective – providing a good value.

- Key Focus Area – Trinity River

Result 9: The Trinity River Corridor enhances the vibrancy and vitality of the city.

A Word On Indicators

- Quantifiable measures that will indicate whether the city (not just City government) is making progress towards the result
- Mixture of objective and subjective (i.e., through citizen survey)
- Data often collected by a third party

See Attachment A on page 20 for recommended Indicators.

Discussion

- Are these the outcomes that you believe people in Dallas expect?
- Are there any glaring omissions?
- Do you think these indicators represent a good “dashboard” by which to gauge progress?

**City of Dallas Budgeting for Outcomes
Proposed Results & Indicators to Achieve Council Priorities**

KEY FOCUS AREA- ECONOMIC DEVELOPMENT

Result 1: The economy is thriving, with diverse businesses growing and people working.

Key Indicator: Net employment growth

Key Indicator: Index of taxable economic activity (sales tax revenue, assessed value of residential and commercial property, hotel occupancy tax revenue)

Key Indicator: Commercial building occupancy rate

Result 2: People and goods move reliably, efficiently, and safely through the city.

Key Indicator: Reported traffic accidents, injuries, and fatalities per capita

Key Indicator: Percentage of arterials congested

Key Indicator: Percentage of residents who report using alternative modes of transportation regularly

Result 3: The city's natural resources are conserved and protected for current and future generations.

Key Indicator: Number of days with good air quality (as defined by EPA Ozone standard)

Key Indicator: Index of key conservation indicators (recycling and water usage)

Key Indicator: Index of key land indicators (amount of park land per capita, percentage of population within 5 minutes of nature, percentage of vacant land that is uncontaminated)

Proposed Results & Indicators to Achieve Council Priorities - continued

KEY FOCUS AREA- NEIGHBORHOOD QUALITY OF LIFE

Result 4: The city is composed of vibrant and viable neighborhoods.

Key Indicator: Percentage of residents who report their neighborhood is a good place to live/raise children/retire

Key Indicator: Housing affordability index (calculated quarterly by Texas A&M's Real Estate Center)

Key Indicator: Percentage of residents who live within two miles of key services (grocery store, restaurant, etc.)

Result 5: Residents and visitors enjoy high-quality and diverse recreational, cultural, and educational opportunities.

Key Indicator: Number of users of/visitors to recreational & cultural activities (libraries, museums, theaters, recreation centers, etc.)

Key Indicator: Percentage of residents who report that they think Dallas has great recreational/cultural/educational opportunities (access, appearance, quality of program, quality of facility)

Key Indicator: Educational attainment of Dallas residents (high school completion rate, % of residents with college degrees)

Result 6: People have the opportunity to lead a healthy, dignified life.

Key Indicator: Index of key health indicators (infant mortality rate, obesity rate, rate of asthma among children, etc.)

Key Indicator: Percentage of people living below the poverty line

Key Indicator: Number/percentage of people who are homeless

Proposed Results & Indicators to Achieve Council Priorities - continued

KEY FOCUS AREA- PUBLIC SAFETY

Result 7: People feel safe where they live, work, and play.

Key Indicator: Percentage of people who report they feel safe in their neighborhood/park/downtown/during day/night

Key Indicator: Reported crime rate

Key Indicator: Percentage of responses to 911 calls for service (police/fire/ambulance) that meet established time standards

KEY FOCUS AREA- STAFF ACCOUNTABILITY

Result 8: City government is customer-focused, accountable, and effective – providing a good value.

Key Indicator: Customer satisfaction with city services (multiple questions on citizen survey plus a rating by customers of internal city services)

Key Indicator: City bond rating

Key Indicator: Price of City government (expressed either as City revenue as % of gross income or as per capita – as ICMA does it)

KEY FOCUS AREA- TRINITY RIVER

Result 9: The Trinity River Corridor enhances the vibrancy and vitality of the city.

Key Indicator: Assessed value of property in the corridor

Key Indicator: Number of people using corridor's recreational activities

Key Indicator: Population in the corridor (or within x miles of corridor)

City of Dallas Budgeting for Outcomes – Glossary of Terms

Terminology	Definition	Personal Example	Government Example
Result	A statement of a desired outcome that Dallas residents expect. <i>[Proposed by City Manager & Budget Team; approved by City Council]</i>	I am healthy	People are safe where they live, work, and play
Result Indicator	A quantifiable measure that can be used to gauge whether progress is being made towards the result. <i>[Proposed by City Manager & Budget Team; approved by City Council]</i>	<ul style="list-style-type: none"> ▪ Number of days/times that I miss work or family commitments due to illness ▪ My blood pressure and cholesterol levels (i.e., percentage of days that my BP or LDL fall outside acceptable range) ▪ A self-rating of how healthy I feel (i.e., on a scale of 1 to 10) 	<ul style="list-style-type: none"> ▪ Rate (per capita) of reported Part 1 crimes ▪ Residents' rating of how safe they feel ▪ Number of lives lost /dollars of property damage due to fire
Causal Factor	Something that contributes to the result happening (or prevents it from happening). It should be based on evidence (research or experience). It does <u>not</u> need to be something that government does or has control over. The causal factors are presented visually as a “map” showing their connection to the result. <i>[Identified by Results Teams]</i>	<ul style="list-style-type: none"> ▪ The environmental conditions in which I live and work ▪ My personal behavior (exercise, diet, etc.) ▪ My access to quality medical care ▪ My genetic risk factors 	<ul style="list-style-type: none"> ▪ Community conditions (sense of order, economic stability, etc.) ▪ Effective response to incidents of crime, fire, and natural disaster ▪ Fair, effective, timely justice process

City of Dallas Budgeting for Outcomes – Glossary of Terms

Terminology	Definition	Personal Example	Government Example
Strategy	An approach that the city government chooses to take in order to leverage one or more of the factors (or to mitigate a negative factor). Strategies are often directed at closing a gap between actual and expected performance in a results indicator. Strategies do <u>not</u> identify a specific program or service. <i>[Created by Results Teams; reviewed/affirmed by City Manager; approved by City Council as city's strategic plan.]</i>	<ul style="list-style-type: none"> ▪ Exercise regularly ▪ Take medication to control my cholesterol ▪ Shift to a low-fat diet 	<ul style="list-style-type: none"> ▪ Implement community-oriented policing techniques ▪ Prepare incarcerated offenders for successful re-entry to society ▪ Engage in regional emergency preparedness planning
Program Offer	A specific activity at a particular price that the city government proposes to deliver (or contract/partner with someone to perform on its behalf) to advance one or more of the strategies <i>[Created by departments]</i>	<ul style="list-style-type: none"> ▪ My health club membership ▪ My Lipitor prescription ▪ My company's health insurance plan 	<ul style="list-style-type: none"> ▪ 911 response system ▪ Job-training program for prisoners ▪ Community block-watch program
Program Indicator	A quantifiable measure that indicates a program's contribution to achieving the result <i>[Proposed by city departments; reviewed/affirmed by Budget Team]</i>	<ul style="list-style-type: none"> ▪ Percentage of weeks in which I exercise at least 5 days for at least 20 minutes/day ▪ Percentage of days that I take the correct dose of my medication 	<ul style="list-style-type: none"> ▪ Percentage of 911 calls responded to within X minutes ▪ Total number and percentage of prisoners enrolled in GED program who receive their degree ▪ Percentage of city residents who participate in a block-watch program

**City of Dallas Budgeting for Outcomes
Council Priorities
Process Timeline**

November 2005

Establish City-wide Results & Indicators

- City Manager/Budget Team propose results and indicators to Council (11/16)
- Council reviews/amends/approves list of results and indicators (11/16)

Form Results Teams for Each Result

- Department directors nominate staff to participate (by 11/15)
- Budget Team selects & assigns team leaders & members (by 11/18)
- Kick-off & orientation session for Results Team members (week of 11/28)

December 2005

Prepare “Request for Results” (cause-and-effect map, plus city’s purchasing strategy)

- Results Teams meet during half-day sessions
- Teams have mid-course “tollgate” meetings with Budget Team & City Manager to report on their progress (by mid-December)

January 2006

Finalize Request for Results

- Results Teams have final tollgate meeting with Budget Team & City Manager to deliver their products (by 1/5)

Adopt Strategic Plan

- City Manager/Budget Team compile the city-wide results and indicators as well as the strategies developed by Results Teams into a written strategic plan (by 1/12)
- City Manager presents proposed strategic plan to Council (1/19-20)
- Council reviews/amends/approves strategic plan (1/19-20)

Release Request for Results to Departments

- Budget Team translates Requests for Results into budget instructions (by 1/31)
- Budget Team hosts a “bidders conference” to explain the Requests for Results (by 1/31)

Process Timeline - continued

February-April 2006

Establish Overall “Price” of Dallas Government and Relative Allocations to the City-wide Results

- Budget Team prepares historical information and revenue forecast for review by City Council (by 2/28)
- City Council establishes initial revenue assumption and percentage allocations to each result (by 3/15)

Prepare Program “Offers” in Response to Requests for Results

- Departments (and any others invited to respond) develop their 2006-07 program offers – the service they will deliver to produce certain results at a given price (by 3/15)

Evaluate, Rank, and Recommend Purchasing of Program Offers

- Results Teams review all program offers made to their result (by 3/31)
- Budget Team provides each Results Team with an allocation of funds with which to purchase program offers (by 3/31)
- Results Teams rank their respective program offers and share rankings with departments, indicating which they believe should be funded, at what level, and, if appropriate, which should not be funded (by 4/15)
- Departments have the opportunity to adjust and re-submit their offers (by 4/22)
- Results Teams prepare final rankings (by 4/30)

May-August 2006

Prepare Recommended Budget

- City Manager reviews purchasing recommendations made by Results Teams and adopts or refines them (by 7/1)
- Budget Team prepares final budget document based on City Manager’s purchasing decision (by 7/31)

Present Budget to Council

- City Manager submits budget (shown both by result and by department) to City Council (by 8/15)
- City Council reviews proposed budget (by 8/30)

September 2006

Budget Adopted

- City Council amends and adopts proposed budget (by 9/30)