

MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Administrator/Attorney for Common Council

Date: May 10, 2024

Re: Resolution 2024-12 – Resolution on Budgeting Excellence and Strategic Transformation

Synopsis

This resolution is sponsored by Councilmember Asare. It encourages the Mayor and Controller to commit to improving the city's budgeting process by working towards incorporating a budgeting framework more reflective of a budgeting for outcomes model. This approach should include strategic practices focused on community engagement, clear prioritization of goals, and evidence-based allocation of resources based on those goals. Instead of starting from last year's spending and adjusting allocations, the new model should start with what results the city government would like to prioritize.

Relevant Materials

- Resolution 2024-12
- Baltimore Case Study on Outcome Budgeting

Summary

This resolution would do four things: (1) express that the Council would work with the Mayor to create a task force on the budgeting process tasked with recommending improvements to the City's municipal budget process; (2) ask key players in the municipal budget process to implement the recommendations of this task force and possibly implement an outcome-based budgeting model by fiscal year 2026; (3) encourage City Departments to initiate pilot projects for specific community outcomes in fiscal year 2025; and (4) encourage the Mayor and Controller to implement training on strategic budgeting practices and engage with other cities that have used an outcome-based budget model. The sponsor does not expect that this resolution alone would have a fiscal impact on the city.

An outcome-based budget model has been used in other municipalities, as noted in the resolution. Baltimore, MD defines outcome budgeting as "a budget process that aligns resources with results." The City of Fort Collins defines it as a process "designed to put community priorities first, rather than simply funding departments." To that end, outcome-based budgets are organized around priority outcomes and goals for the City's next fiscal year rather than using the previous years' spending as the starting point for departmental budget increases or decreases.

Cities that use this model develop a short list of key outcome areas that the community wants the city to achieve, like Safe Community, Environmental Sustainability, Transportation & Mobility, High Performing Government, Culture & Recreation, etc. Instead of simply paying for operating costs of city government, the outcome-based budgeting process prioritizes "buying" specific programs, services, or initiatives in line with those key outcome areas in order to achieve those results.

Contact

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