

City of Stoughton Budgeting for Outcomes

Preparing the Request for Results: Process and Tools for Results Teams



March 9, 2011

The Government Finance Offices Association





Today's Purpose

- Training
 - Review yesterday's activities
 - Leave the meeting knowing what to do next to complete your Request for Results
- Team Meetings
 - Review cause and effect map
 - Identify purchasing strategies



Training Agenda

- Review yesterday's activities and discuss issues that surfaced
- Creating Purchasing Strategies
- Preparing the Request for Results
- A brief introduction to ranking the proposals
- Troubleshooting



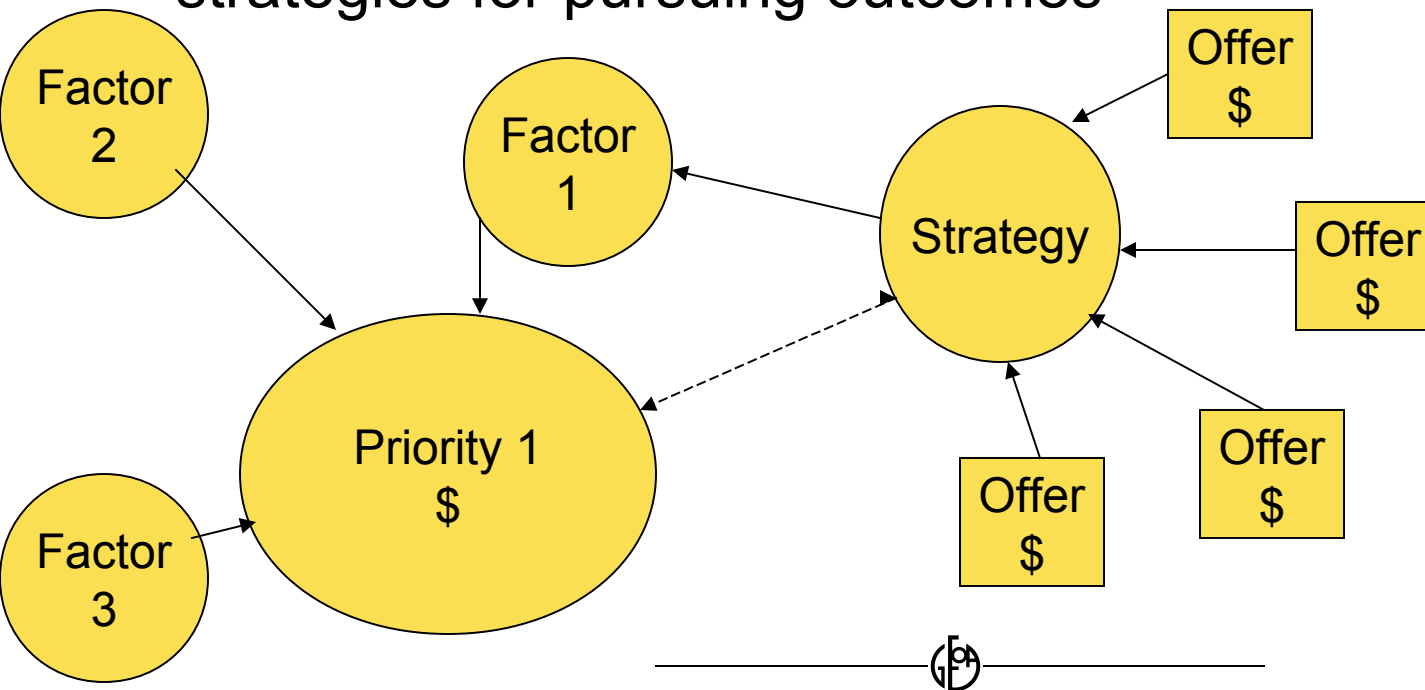
Review the cause and effect mapping process

- What worked well?
- Where were the hang-ups?
- Any “aha moments”?



Identifying Purchasing Strategies

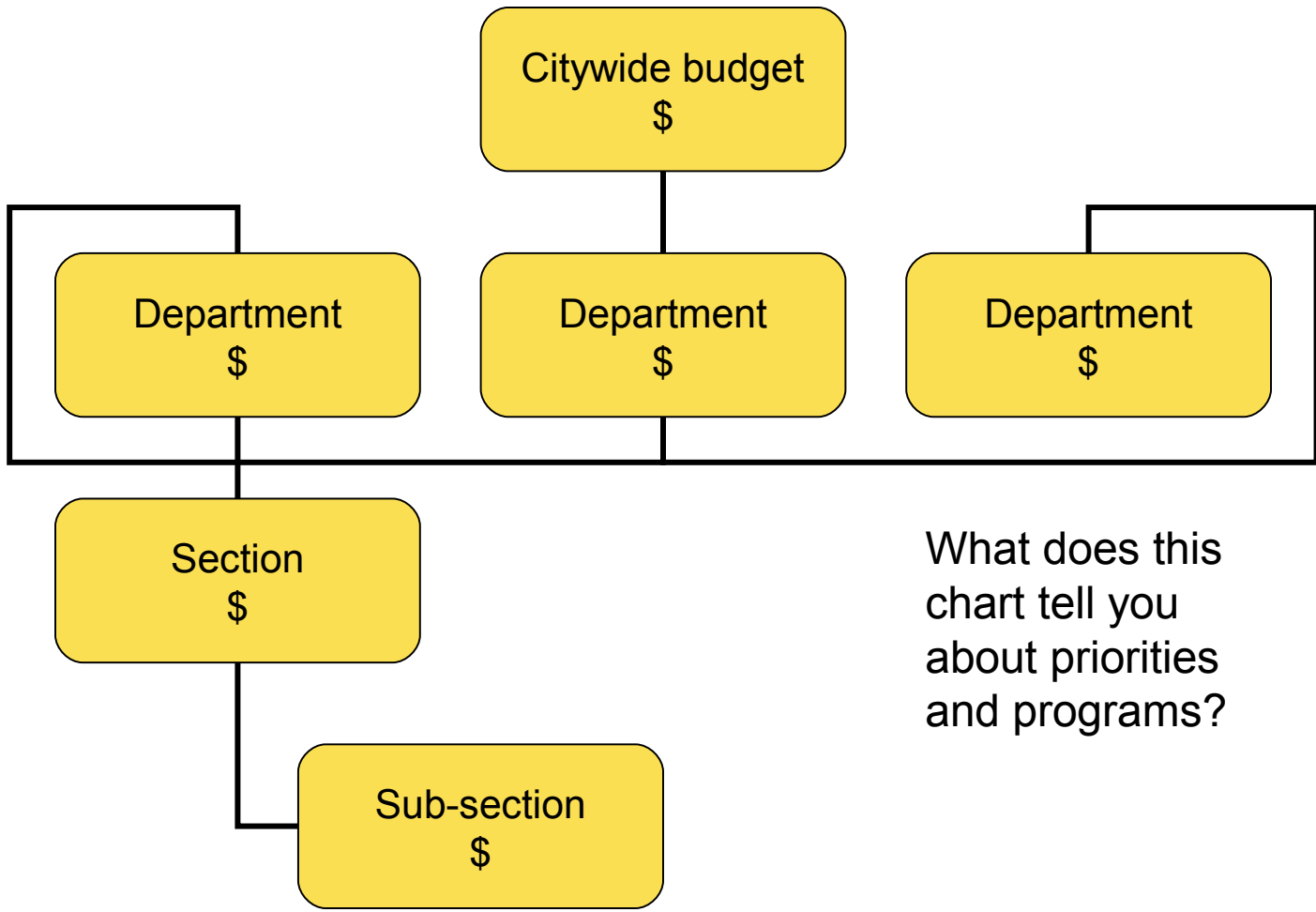
- Strategies are broad approaches used to pursue outcomes
 - “Offers” from departments are groups of activities, or programs, that are consistent with one or more strategies for pursuing outcomes



What does this chart tell you about priorities and programs?



Compare to Traditional Budget based on organization chart



What does this chart tell you about priorities and programs?



Identifying Purchasing Strategies

- *Strategies* typically flow from *factors* on strategy map
 - The difference between strategies and factors is that the purchasing strategies reflect what we want to emphasize and ask departments to pursue in the RFR – where we think the City will have the most leverage to achieve the Priority
 - Purchasing strategies will say where we want to focus money
 - More of/ less of current approaches
 - New approaches
 - How the City can influence strategies that others choose?
- What approaches are likely to produce the most impact for the price?
- What approaches will take advantage of the factors that contribute **most** to achieving the Priority?



Purchasing Strategies Address...

- What to spend money on
 - “Do more funding prevention, less remediation”
 - “Do more for children, less for adults”
- How to spend the money
 - “Give to efforts that will produce more attractive neighborhoods”
 - “Give to efforts that show collaboration between the City government and community organizations”
- Relative priorities
 - “Most money will be spent on maintaining recreational facilities, but some also on providing new recreational opportunities”
 - “This is the order in which we will spend money”
- Specific things we want to buy
 - “We will like an offer to better attract new businesses.”



The concept of buyers and sellers

Buyers:

- Taxpayers and citizens
- Elected representatives
- Results Teams that “wear the citizen hat”

Sellers:

- Departments
- Partnerships (of departments, of departments and others)



Your role: Purchasing agent for the public

- Get the best deal in terms of effectiveness and price
- Make sure you have a good overall package of proposals to recommend
- Be able to explain the package to others



Steps in creating purchasing strategies

1. Understand influence vs. control
2. Review your map and Priority outcome statements
3. Say what your purchasing strategies will be, based on priority factors and leverage
4. Consider the evidence
5. Put together the RFR



Step 1: Understand influence vs. control

- Review the strategy map
 - What can the city control?
 - What can it influence?

(neither is more important than the other, just depends on the issue)

- What factors are very important to the City (based on evidence, elected officials' priorities, external influences)



Step 2: Review your map and the priority outcome statement

- Consider strategy possibilities
- What should the City government do versus what others should do?
- What strategies will work best to achieve priority outcomes for the City government? Think of “headlines” you’d like to see . . .
- Articulate your purchasing strategies: “We are looking for proposals that....”
- Write them that way in the RFR



Step 3: Name your purchasing strategies

- Agree on 6 to 9 purchasing strategies
- Turn them into statements
- Also, allow for departments to submit offers that pursue different strategies
 - These must include a narrative justification for the strategy as well as the offer, with supporting evidence for each



Step 4: Consider the evidence

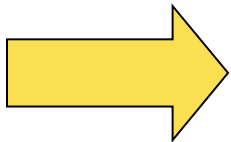
- We discussed the role of evidence yesterday.
- Now's the time to decide what you know and what you need to know and how/where to get it.
 - Make assignments
- Remember – you know more than you think you know.
- Test the evidence with others – this is a transparent process, you're aiming for the best answer overall, not just getting your way...



Sample Purchasing Strategies for Vibrant Neighborhoods

We are looking for offers that...

- Focus on maintaining the attractive physical appearance of neighborhoods
- Focus city efforts on having residents maintain their properties
- Reduce the level of effort going to enforcement of City property code enforcement on residential properties
- Increasing coordinated volunteer neighborhood actions



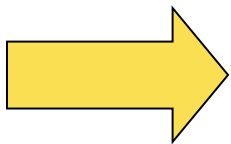
What might be some programs or activities that could be proposed?



Sample purchasing strategies for effective and efficient government

The effective and efficient government result team wants proposals that “promote a culture of cooperation and collaboration” and that:

- Emphasize partnerships that reduce duplicate services
- Eliminate, automate, or simplify processes
- Erase jurisdictional lines in public perception
- Enhance accountability
- Effectively inform and communicate with the public.



What might be some programs or activities that could be proposed?



Step 5: Put together the RFR

1. Statement of desired Priority outcome
2. Three indicators and supporting data
3. Cause and effect map
4. Narrative description of evidence
5. Purchasing strategies
6. Evaluation criteria (Priority purchasing strategies plus Citywide purchasing strategies)



Example of an RFR (Yours will be different)

See handouts



Guidelines for Effective RFRs

- Does it guide the “sellers” in making offers?
- Will it make sense to departments?
- Will it provide your team with a guide for ranking proposals?
- Will it guide decision makers in making and funding strategic choices?
- Is the cause and effect map clear? Are the causal links apparent?
- Is the evidence powerful?
- Are the purchasing strategies compelling? Understandable?



Troubleshooting

- Working with departments versus working for departments
- Making effective use of evidence in preparing RFRs
- Gleaning information and strategies from other planning initiatives
- Issues about alignment with other initiatives
- Other concerns?



What comes next?

- Review/revise factors and purchasing strategies
- Write the RFRs
- RFRs consolidated into budget preparation instructions along with some common information
- Departments write/submit proposals
- Teams rank



Departments prepare offers

- Offers are programmatic, each is aimed at one Priority outcome
- Departments may develop alternatives to current programs or services or service levels
- Departments must support offers with evidence of the offer's likelihood of affecting the Priority outcome
- Nothing in the budget is funded unless it's in an offer, including "mandates"



Ranking the Offers – process outline

1. First round

1. Review and understand proposals developed by sellers
2. Rank proposals into 'order of purchase' based on EVIDENCE of contribution to the Priority outcomes, regardless of mandate or funding source
3. Buy down the list until funding is exhausted
4. Obtain feedback from Leadership Team, others
5. Prepare a summary memo explaining rankings
6. Give individual feedback to sellers (departments)

2. Second round

1. Review revised proposals, complete second rankings, and recommend 'order of purchase,' considering mandates and legal liabilities
2. Finalize recommendations as a package
3. Prepare a summary memo explaining rankings



Purpose of Ranking

- Different conversation: “How do we spend money in the best way?” not “What to cut?”
- Identify duplication and possible inefficiencies
- Identify proposals that are most effective, based on measurable contribution/ evidence
- Prioritize proposals for purchase

Budgeting for Outcomes Ranking by Results Team

Points are awarded as follows: High 3 points, Medium 2 points, and Low 1 point

Safety

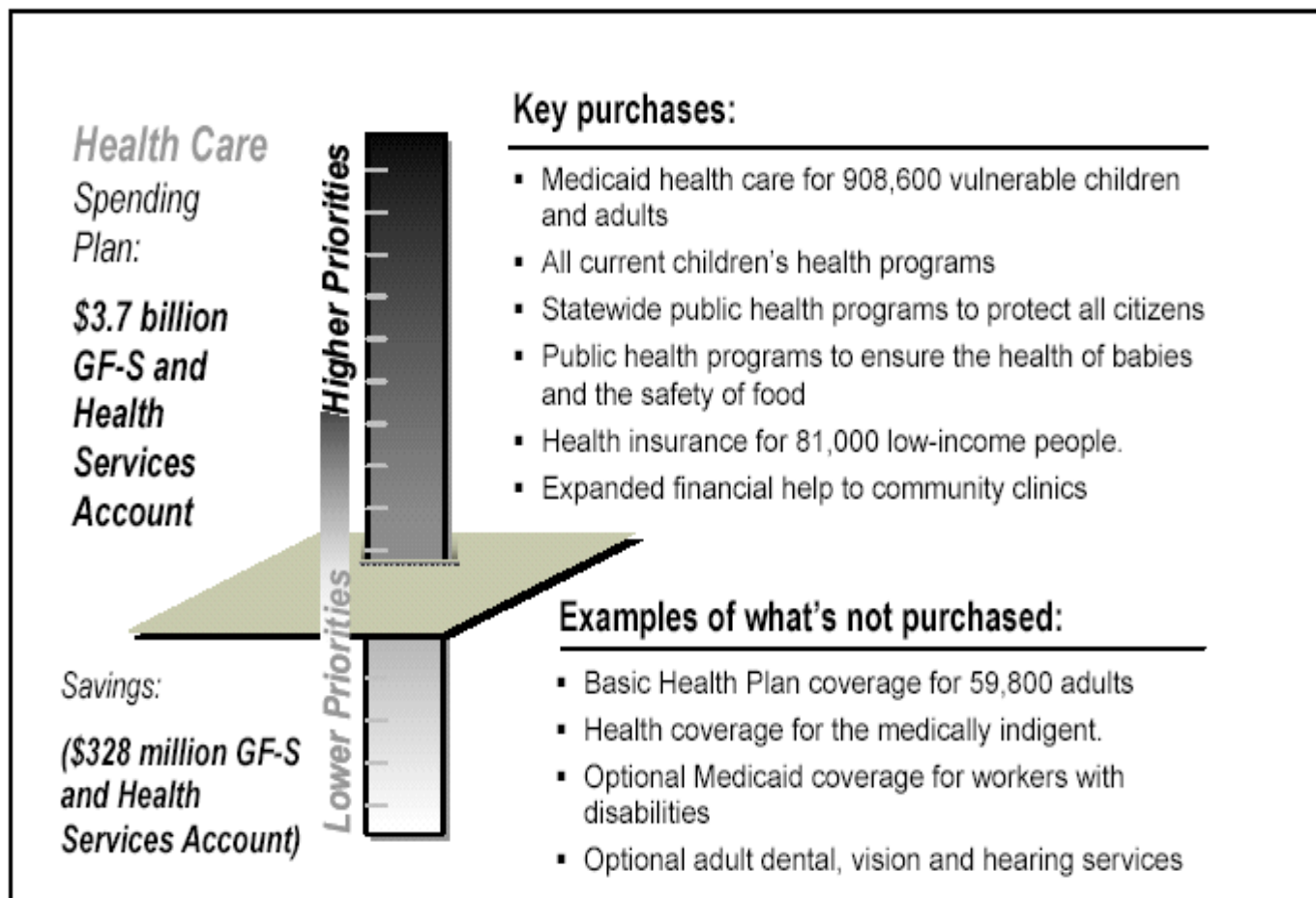
	Score	(3) High	(2) Medium	(1) Low
County Probation	24	8		
Advanced Life Support	24	8		
Emergency Mgmt & Operations	24	8		
Radio Sys Maint. & Operations	23	7	1	
Communication Center	23	7	1	
Medical Control/Training	22	6	2	
Electronic Monitoring	19	3	5	
Radio Systems Management	16		8	
Records/Billing	16		8	
Medical Examiner	15	1	5	2
Animal Control	12		4	4
County Delinquency Prevention	10		2	6
Alternative Community Service	10		2	6
Predisposition of Juveniles	10		2	6
Facilities Security	8			8
Driver Education Trust Fund	8			8

Purchased →

Not Purchased →



Purchasing down the list - Keeps and Cuts





Keys to Success

- Wear your citizen hat
- Act as the purchasing agent for results
- Challenge assumptions
- Be open to new ideas
- Don't be constrained by status quo
- There is no absolutely "right" answer (but there are good and not so good answers)
- Share relevant information
- Maintain a broad perspective – does the story make sense?



Team Meeting Tasks

- Review maps
- Write your purchasing strategies (draft)
- Decide what you need to complete your RFR
- Make assignments, set deadlines
- Schedule next meeting



Questions?





THE END

Thank you!

