



Linking Performance Management to Budget

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Performance Advisor I



Learning Objectives

- Performance Budgeting
- Performance Operational Plans
- Connecting Performance to Budget

Performance
Budgeting

Performance
Operational
Plan

Connect
Performance
to Budget



What is Performance Budgeting?

What / Why?

Performance Budgeting

How?

The practice of developing budgets based on the relationship between program funding levels and expected results.

What is Performance Budgeting?

Performance Budgeting focuses more on **outputs and outcomes** of services than on decisions made based on **inputs**

Allocation of funds and resources are based on their **expected results**

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In other words, you are saying...

“I’m allocating these resources
to achieve results.”



We use resources



To Conduct Activities



To Deliver Services



To Benefit Customers



To Achieve Results



Elements of a Budget Process

Performance
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Establish
Broad Goals
that Guide
Decision
Making

Develop
Approaches
to Achieve
Goals

Develop a
Budget
consistent
with
Approaches
to Achieve
Goals

Evaluate
Performance
and Make
Adjustments

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What are the benefits?

- Identifies high and low performing programs
- Compares different proposed options on their expected outcomes and costs
- Identifies possible areas for coordination based on desired outcomes
- Explains budget choices more effectively to elected officials and the public
- Provides the basis for greater accountability

Group Exercise

As a table, review the information provided and decided which of the two request would you fund for FY 2007. Thinking about the following questions:

- How did you decide which request to fund?
- What information was helpful in making this decision?
- Would you have liked additional information?

Using Performance Measures

Results Initiative Request 1 -- \$175,000		
To provide two additional staff to conduct autopsies for the Medical Examiner Department.		
	FY 2006	FY 2007
Demand (Number of Autopsies Required)	15,000	18,000
Output (Number of Autopsies Performed)	15,000	18,000
Efficiency (Cost per Autopsy)	\$12,000.00	\$11,500.00
Results	100% of demand met	100% of demand met
	40% of autopsies completed within Federal Government standard of 3 days after admission	85% of autopsies completed within Federal Government standard of 3 days after admission

Results Initiative Request 2 -- \$175,000		
To purchase an upgrade to the call system for the Planning Department.		
	FY 2006	FY 2007
Demand (Number of calls received)	750,000	800,000
Output (Number of calls answered)	725,000	760,000
Efficiency (Cost per call)	\$1.25	\$1.10
Results	97% of demand met	95% of demand met
	80% of calls answered within 2 minutes	70% of calls answered within 2 minutes
	95% of calls answered within 5 minutes	95% of calls answered within 5 minutes

Which would you fund?

What is an Operational Plan?

An **operational plan** is the comprehensive way in which each department or division will use its resources to achieve the Council's strategic initiatives.



Performance
Budgeting

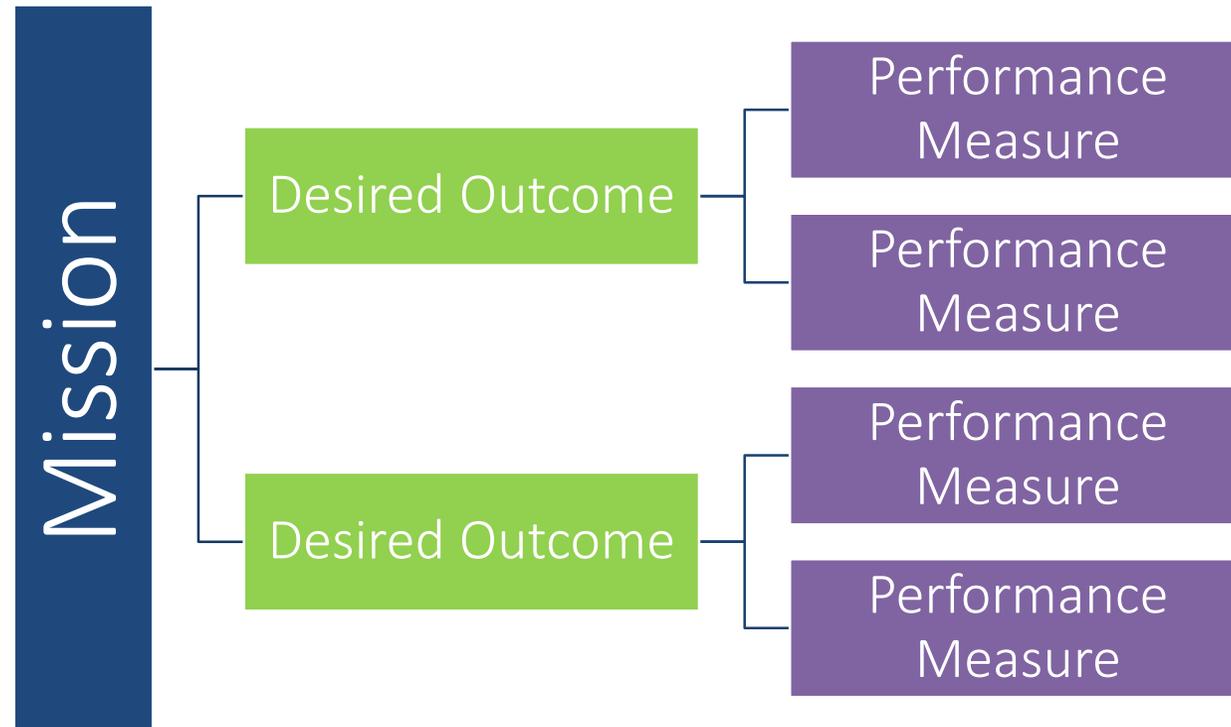
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Business Objective

Represents a major line of business that aligns with one or more of the Council's strategic initiatives; denotes a primary public purpose; and defines where the City allocates its resources.



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Mission Statement

A simple statement of **what** you do, for **whom** you do it and **why** you do it.



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Desired Outcomes

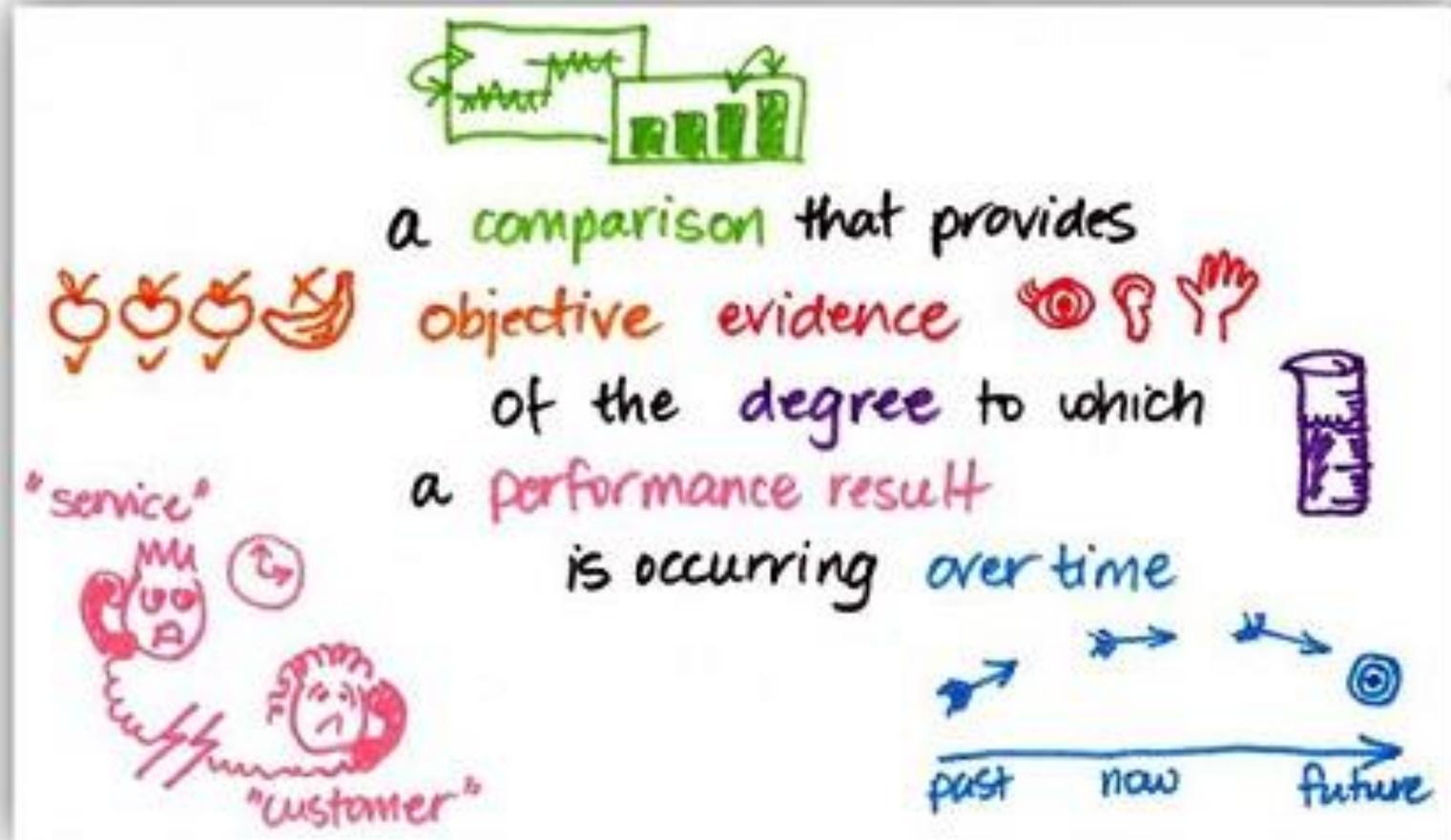
- Relates to the “WHY” in the Mission Statement
- Reflects an end state
- **Change that happens** as a direct or indirect consequence of our outputs or what we do

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Performance Measures



Performance Measures

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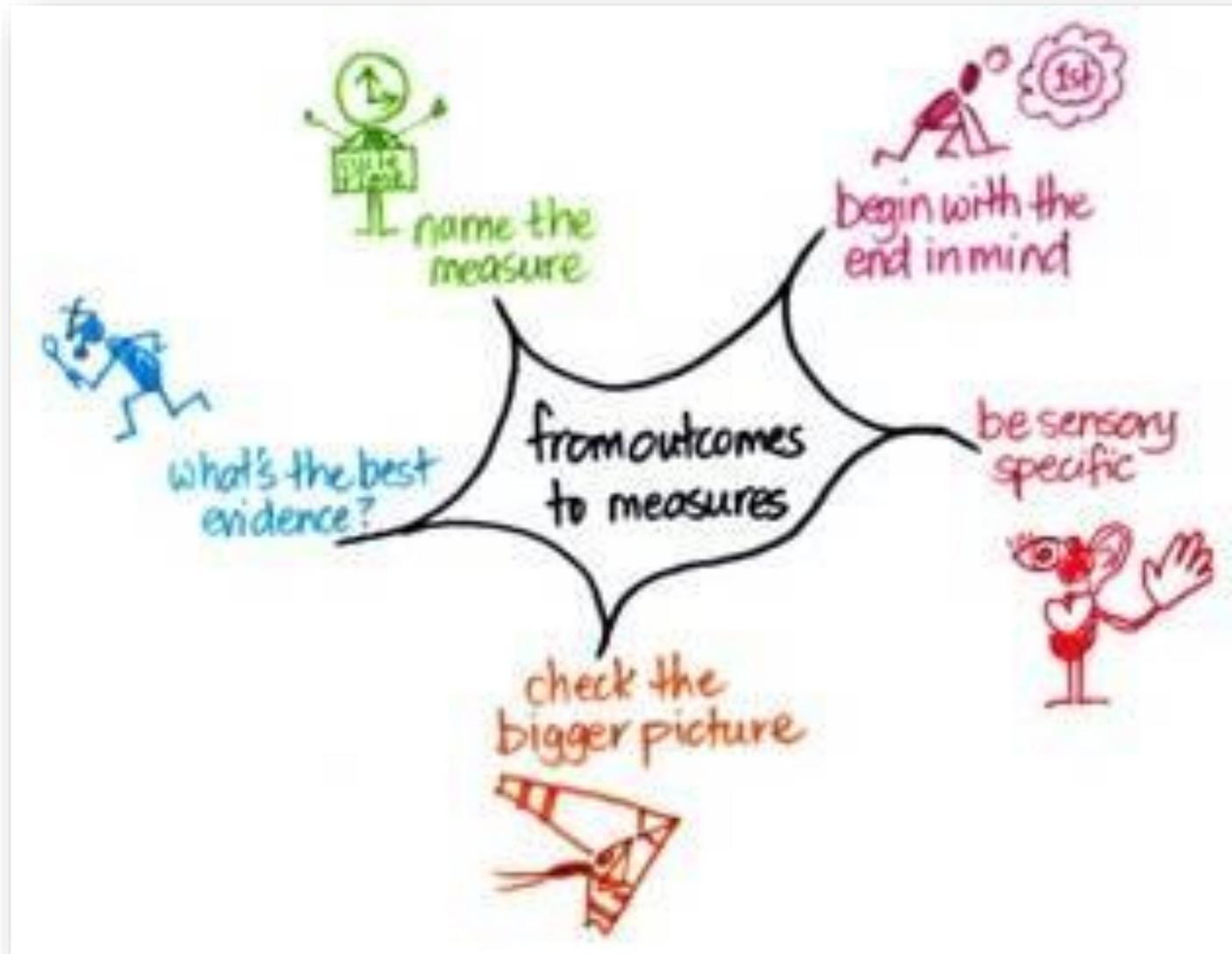
“The Key is to always measure the right things.”
– Patrick Lencioni

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Finding the Best Measure



Outcome Measures

Output

Permits
provided

Miles of road
paved

Students
receiving
training

Is not the same as

Is not the same as

Is not the same as

Outcome

Business
operating within
code

Safe driving
conditions

Students use
knowledge/skills
learned

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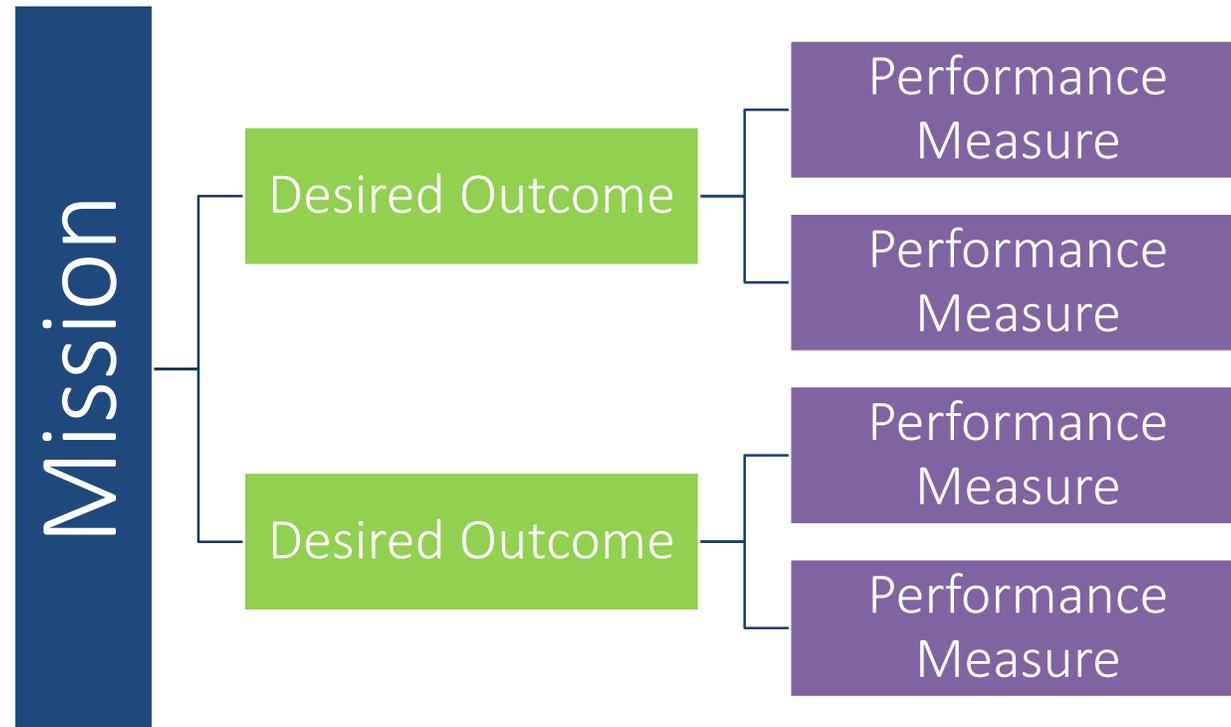
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Business Objective

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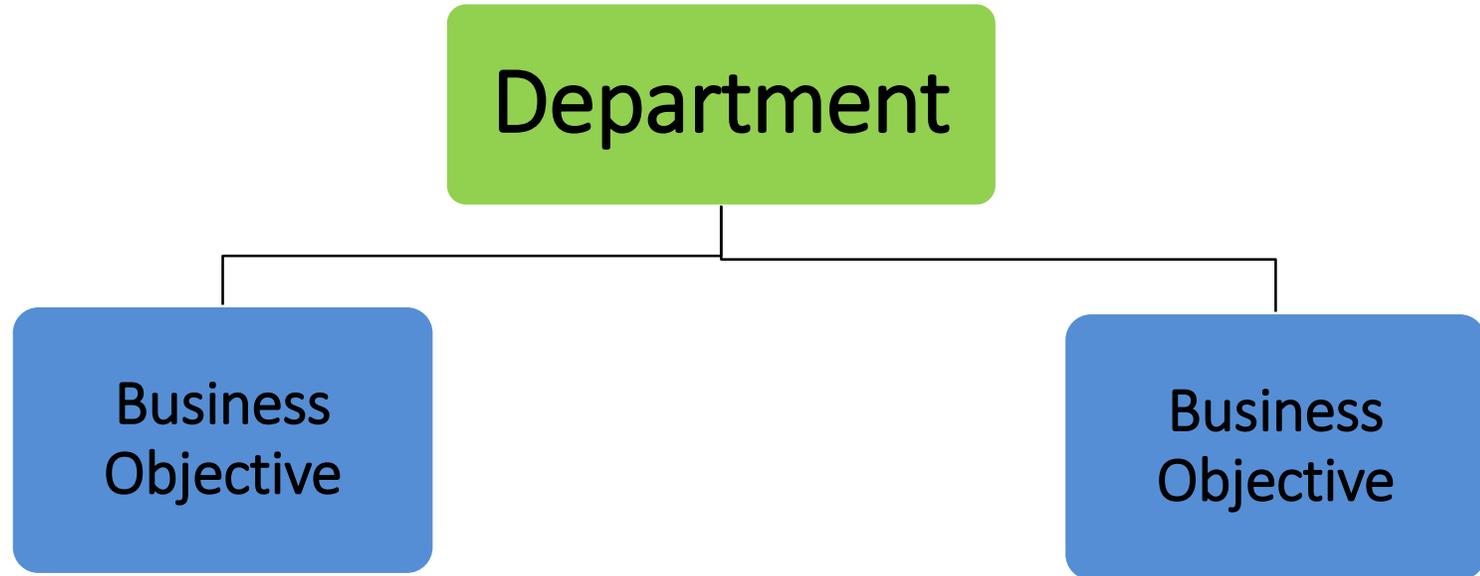


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Performance Operational Plan



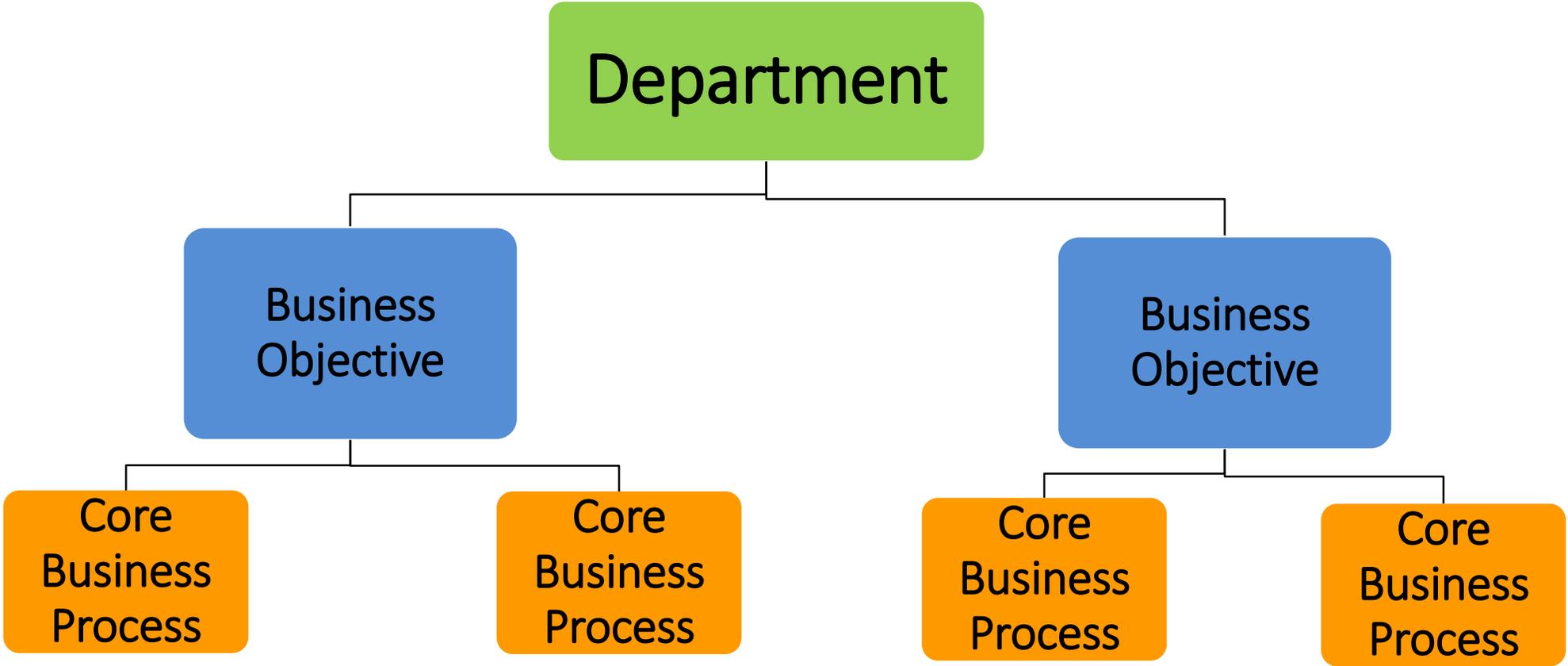
- Aligns with one or more Strategic Initiatives adopted by the City Council.
- Defines where the organization allocates its resources.
- Creates a union of missions, outcomes, and expected performance for Core Business Processes

Performance Operational Plan

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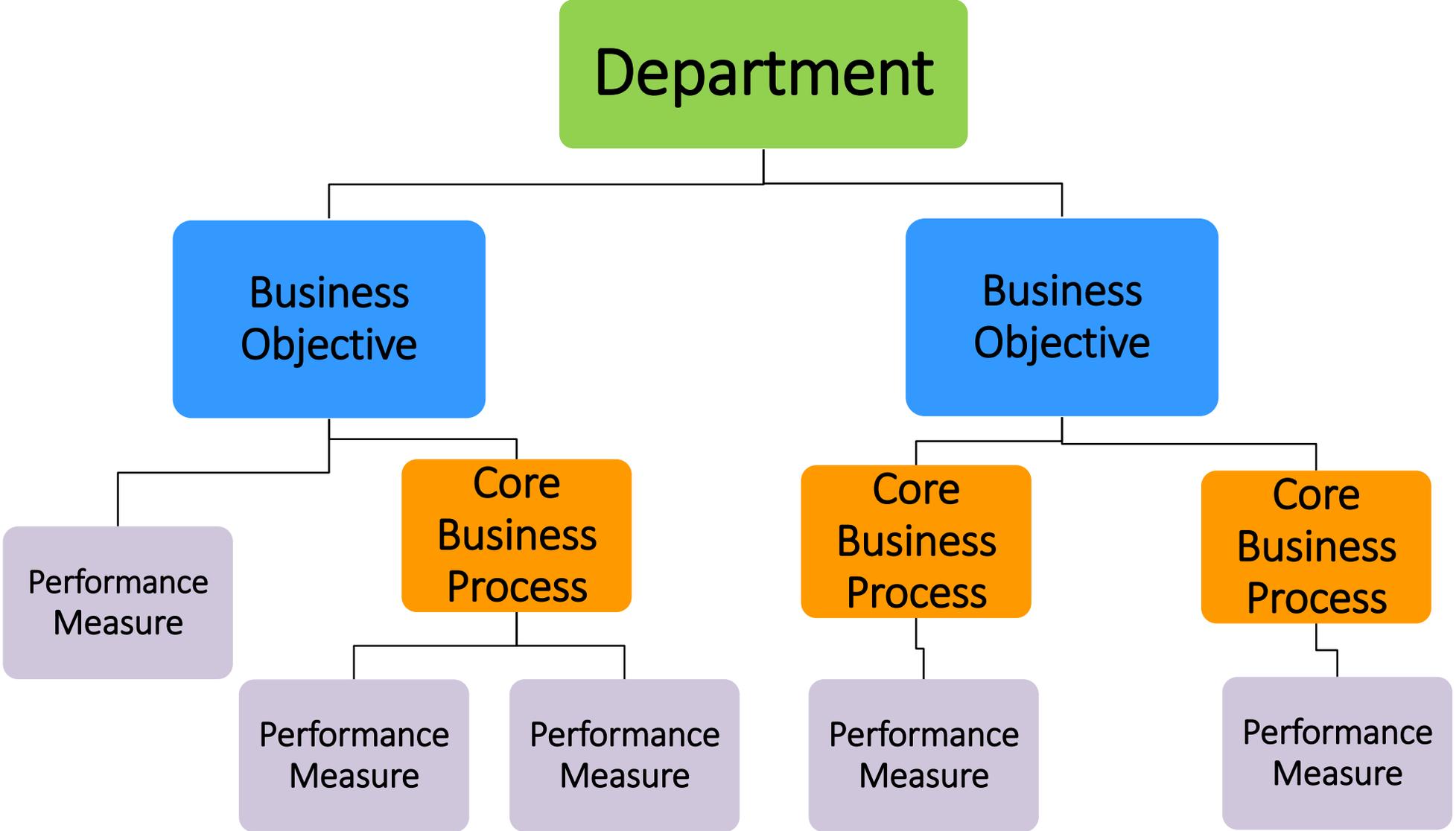
A collection of related inputs and outputs with a common mission and outcomes for producing a specific service or product

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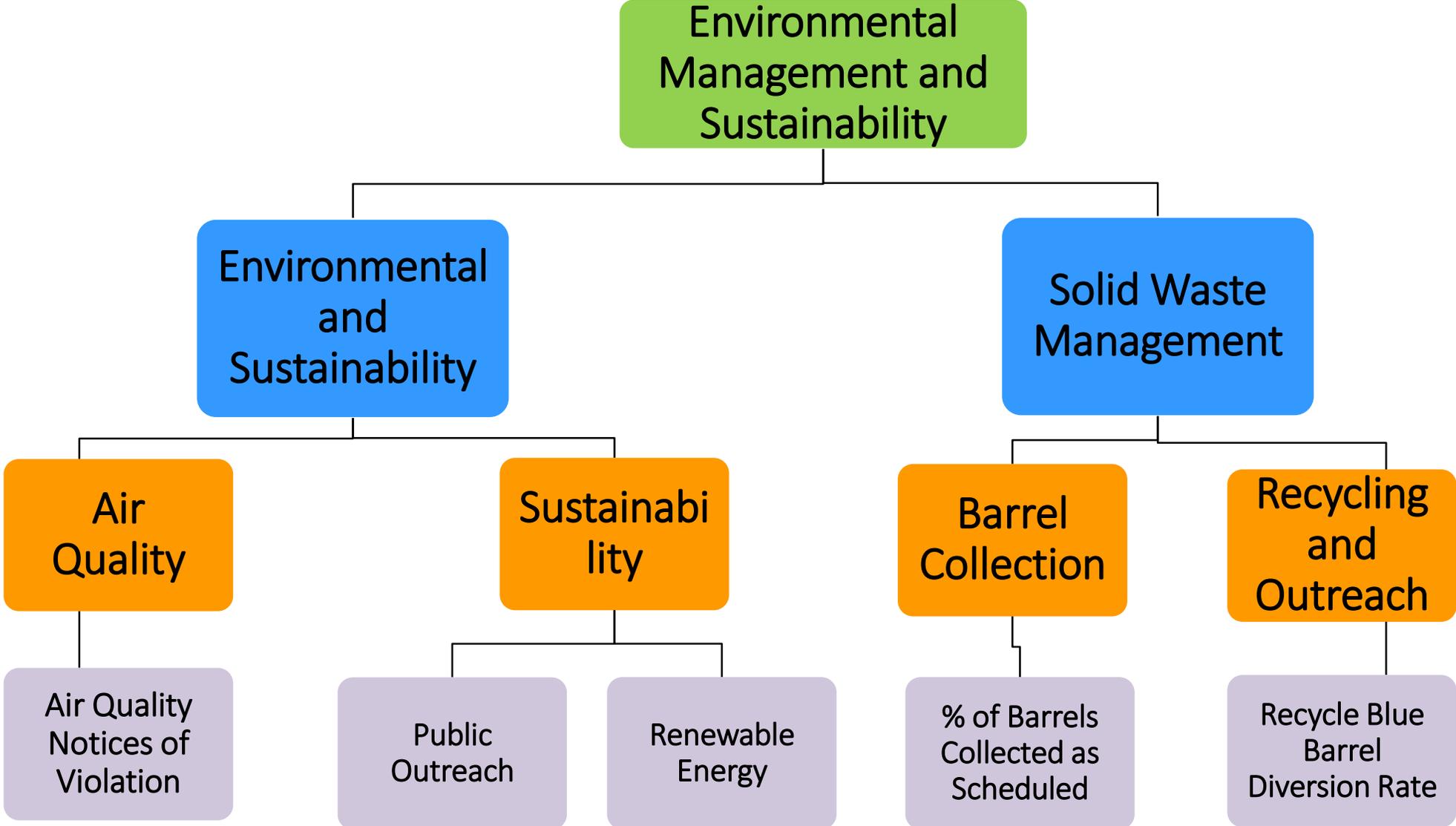


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Putting it all together

F340 Transit Services

Performance Operational Plan

Business Objective

A036 Transit Services

Mission

Collaborate with regional partners to provide innovative, safe, and efficient transit options that support mobility, accessibility, and economic vitality for the City of Mesa.

Desired Outcomes

Mesa residents and visitors have mobility options within the City and the region to access significant employment/activity centers and residential areas

Performance Measures

M1206 - Light-Rail Passengers

Total number of passengers boarding light rail at Mesa stops. Source: Valley Metro monthly performance report

M1208 - Fixed Route Total Ridership

Total number of passengers boarding Fixed Route service within the City of Mesa as reported by Valley Metro

M1220 - Utilization of Park and Rides

Number of vehicles divided by number of parking spaces available. Data obtained through weakly counts on a specific day and time

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Activity Based Budgeting

The City of Mesa practices “activity based budgeting” which allocates resources to the core business processes, activities and action plans identified during the planning process.

Core business processes support the mission, vision, values and desired outcomes as defined by the City Council

Activities are those people, processes and resources allocated to accomplishing those core business processes

Action plans include the resource commitments and time horizons for carrying out the core business processes

Each department has ongoing performance and financial discussions

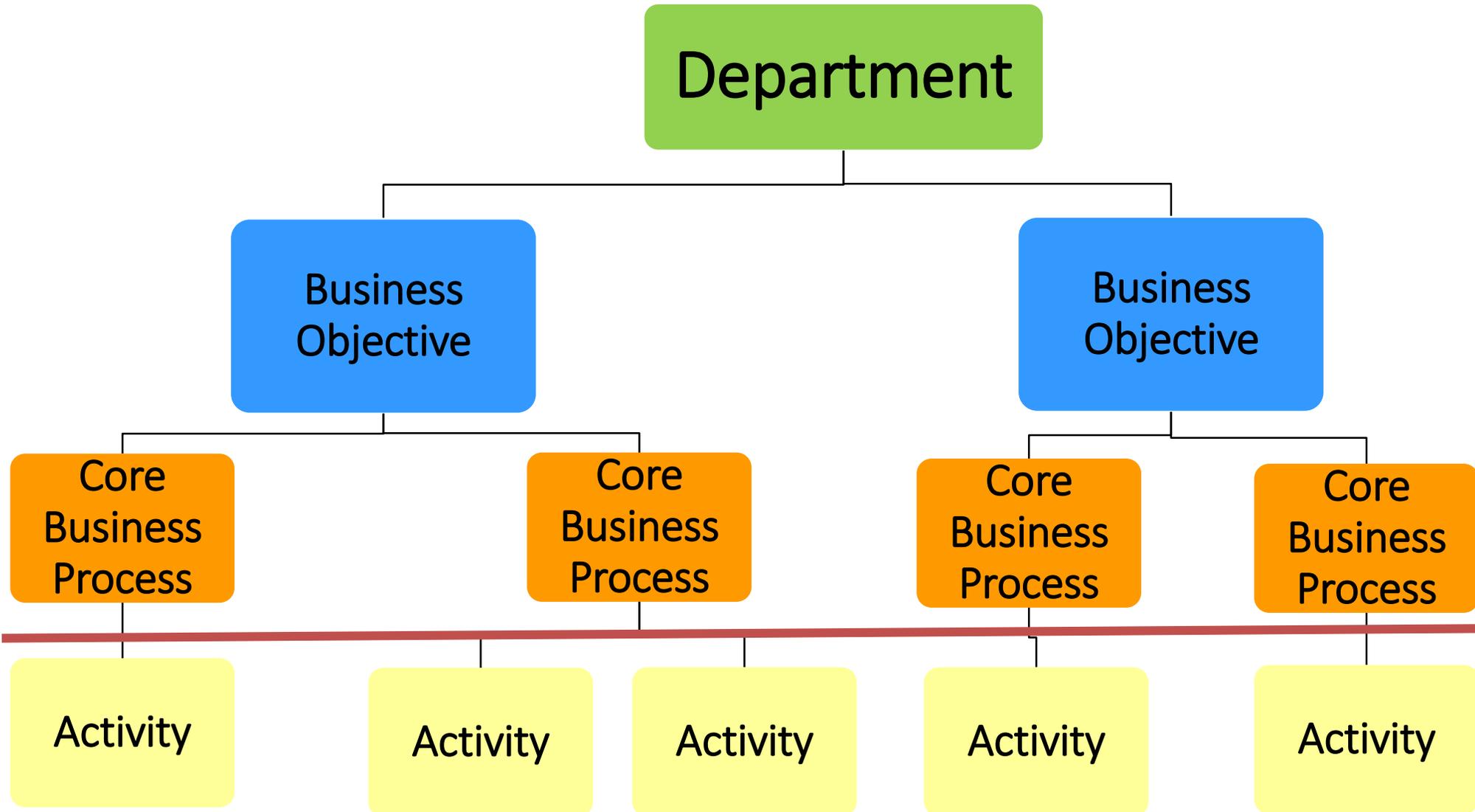


How do we connect performance to budget?

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Performance Budgeting

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Using Performance and Budget Data Together

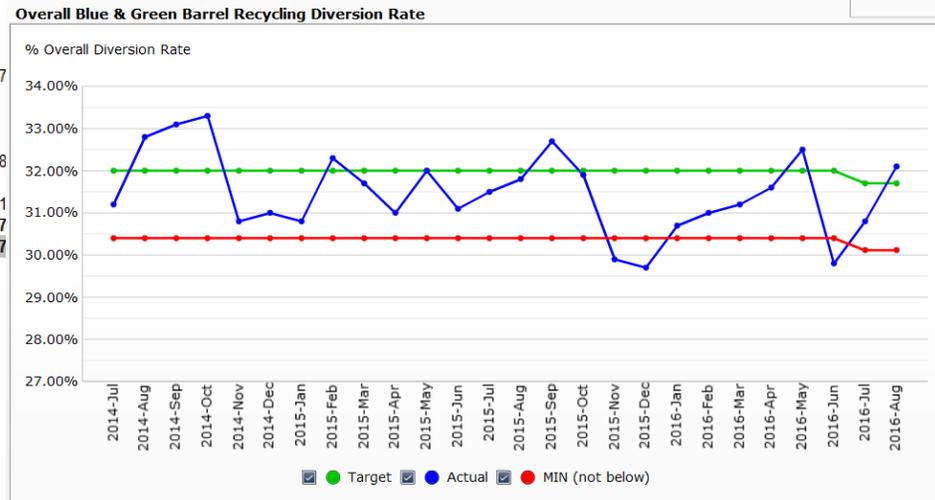
City of Mesa - MesaStat
 Department Expenses By Performance Plan Element
 Environmental Management and Sustainability Period 2 FY 2016

Core Business Processes	FY 15/16 Adopted Budget	FY 15/16 Year End Estimate	FY 15/16 Year End Actuals	FY 15/16 Carryover	FY 16/17 Adopted Budget	FY 16/17 Revised Budget	FY 16/17 Year To Date Actuals
Expense							
• Environmental Management and Sustainability							
• Environmental and Sustainability							
Air Quality	\$323,172	\$291,129	\$118,755	-	\$202,123	\$202,123	\$14,978
Asbestos and Lead	\$175,723	\$170,288	\$119,748	-	\$184,965	\$184,965	\$15,222
Energy Efficiency Program	-	-	-	-	-	-	-
Hazardous Materials/Waste	\$598,462	\$600,455	\$496,741	-	\$644,382	\$644,382	\$13,598
Storage Tanks	\$458,242	\$293,977	\$275,275	-	\$506,069	\$485,518	\$11,491
Sustainability	\$1,903,527	\$976,000	\$854,276	\$418,927	\$1,491,945	\$1,486,945	\$101,387
Water Quality	\$268,477	\$247,001	\$194,268	-	\$287,139	\$287,139	\$31,303
• Solid Waste Management							
Barrel Collection	\$15,029,742	-	\$14,015,596	-	\$17,179,065	\$14,214,065	\$14,811,415
Recycling and Outreach	\$40						
Safety	\$14						
Solid Waste Administration	\$13,16						
Environmental Management and Sustainability Total	\$32,47						
Expense Total	\$32,47						
Revenue							
• Environmental Management and Sustainability							
• Environmental and Sustainability							
Air Quality							
Asbestos and Lead							
Energy Efficiency Program							
Hazardous Materials/Waste							
Storage Tanks							
Sustainability							
Water Quality							
• Solid Waste Management							
Barrel Collection							
Recycling and Outreach							
Safety							
Solid Waste Administration							
Environmental Management and Sustainability Total	\$1,57						
Revenue Total	\$1,57						

Department: F320 - Environmental Management and Sust
 Business Objective: Solid Waste Management
 Core Business Process: Recycling and Outreach

Code	Performance Measure Name	Type	Freq	FY
M0524	Overall Blue & Green Barrel Recycling Diversion Rate	OUTCOME	M	2017
M0526	Recycle Blue Barrel Diversion Rate	OUTCOME	M	2017

- Desired Outcomes**
1. Increase recycling availability to the community
 2. Awareness of existing recycling programs by our internal and external customers is increased
 3. Compliance with county variance requirements is ensured



Details **Target** **Notes**

% Overall Diversion Rate

Total tonnages for recycle & green waste barrels divided by total trash, recycle and green waste barrel tonnage. This includes recycling of organic food waste, yard waste, paper and paperboard, packaging/containers including aluminum, glass and plastic.



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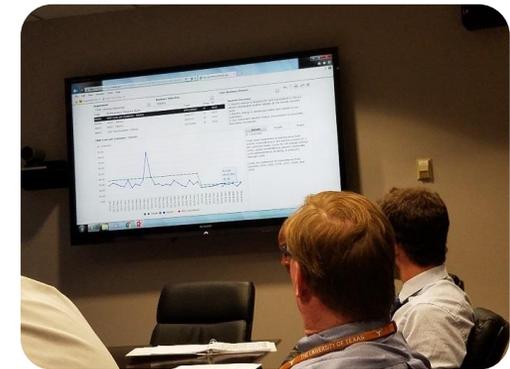
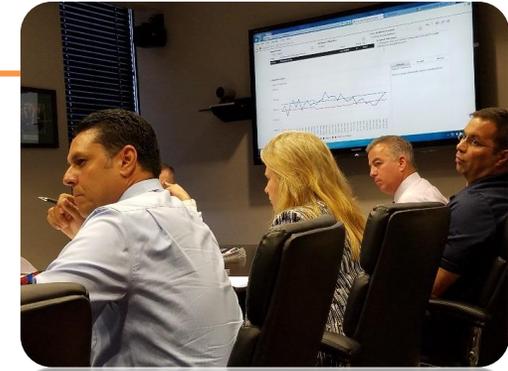
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MesaStat

A conversation with the City Manager about public purpose, outcomes to be achieved, and using performance data to show what needs to be improved and why that's important right now.



THE DAILY NEWS

www.dailynews.com

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08.15.2005

Are our children safe at our parks?

Since last weeks news of a child who suffered a head-injury after falling from a Sunnyside Park swing set, startling information has come to light. Local hospital emergency room statistics show that Sunnyside Parks consistently have more child injuries than the State and US Average.

	2001	2002	2003	2004
Sunnyside	95	97	98	105
State Average	85	83	81	84
US Average	83	82	79	76

With the amount of injuries, Sunnyside residents are demanding the Mayor to find a solution, asking: **“exactly what are you planning on doing to address the playground injury problem and to protect the safety of children in this City?”**

When contacted about these statistics, the National Program for Playground Safety (NPPS), provided the following facts based on a study conducted by the Consumer Product Safety Commission:

- 79% of all playground injuries are from falls due to playground surfaces
- Most injuries on public playground equipment were associated with climbing equipment (53%), swings(19%), and slides (17%).

The NPPS director explained that “Given that falls are the leading cause of playground injuries, one of the most important ways to promote playground safety is to insure that playgrounds have safe surfaces- generally wood mulch or rubberized surfaces-around playground equipment.”

Why is it important to track performance?

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Staying within budget does not mean you are achieving your desired outcomes

It shows us what we are doing well and allows us to focus on what we need to improve

It allows us to track the results of interventions

It helps us understand that the answer may not always be needing more resources



Questions?

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