

PRIORITY BASED BUDGETING



Battle Creek's New Approach to Allocating Resources

By Jessica VanderKolk and Rebecca Fleury

The City of Battle Creek is just the second Michigan community to take on an entirely new way of budgeting, priority based budgeting, an effort to address and improve our fiscal health and wellness.

Through priority based budgeting, commonly called PBB, our staff has reviewed the entire city organization, identifying all programs, their costs, and their relevance through prioritizing each one.



This will lead us to creating a budget that helps us assign funds to our programs and services based on those priorities.

We need to answer questions like, "What exactly do we do and what does it cost?" "What is of the highest importance?" and "What can we 'see' differently?"

This process has been implemented by almost 100 local governments across the United States and Canada and is recognized as a best practice by organizations like the International City/County Management Association, the Government Finance Officers Association, the Alliance for Innovation, and the National League of Cities.

Organizations that use PBB believe it increases the level of accountability and transparency and better communicates how resources are allocated through the budget process to achieve the priorities of our community.

Gathering Broad-based Input

This is a new process for the City of Battle Creek, and not a small one to begin, but moving in this direction was one of Rebecca Fleury's goals when she joined the city team in 2014.

Understanding what our community thinks are our most important services is key to good governance. It is vital to the City Commission and our administration. PBB helps us focus on these and align our resources to be the most efficient and effective in providing services. PBB is a transparent way to ensure, as public servants, we are being good stewards of the tax dollars with which we are entrusted.

The goal of PBB is to ensure we spend those tax dollars on the highest priority programs that meet our eight "results"—the term used to identify the role of city government. These are the high-level reasons our organization exists and will remain consistent and unchanged over time. Through community conversations, focus groups, and surveys, as well as workshops with community members, staff, and city commissioners, we developed a list of key results:

BATTLE CREEK'S KEY RESULTS:

1. Access to recreational, cultural, and leisure opportunities
2. Connected, accessible, and reliable transportation network
3. Economic vitality
4. Environmental stewardship
5. Reliable and up-to-date infrastructure
6. Residents and visitors feel safe
7. Vibrant, healthy neighborhoods
8. Well-planned growth and development

The Denver-based Center for Priority Based Budgeting has assisted the city along the way, as we work to fully implement this budgeting process in our current fiscal year. The CPBB helped develop our “result maps,” which detail the factors that influence the way we achieve our desired results. Staff then worked through a

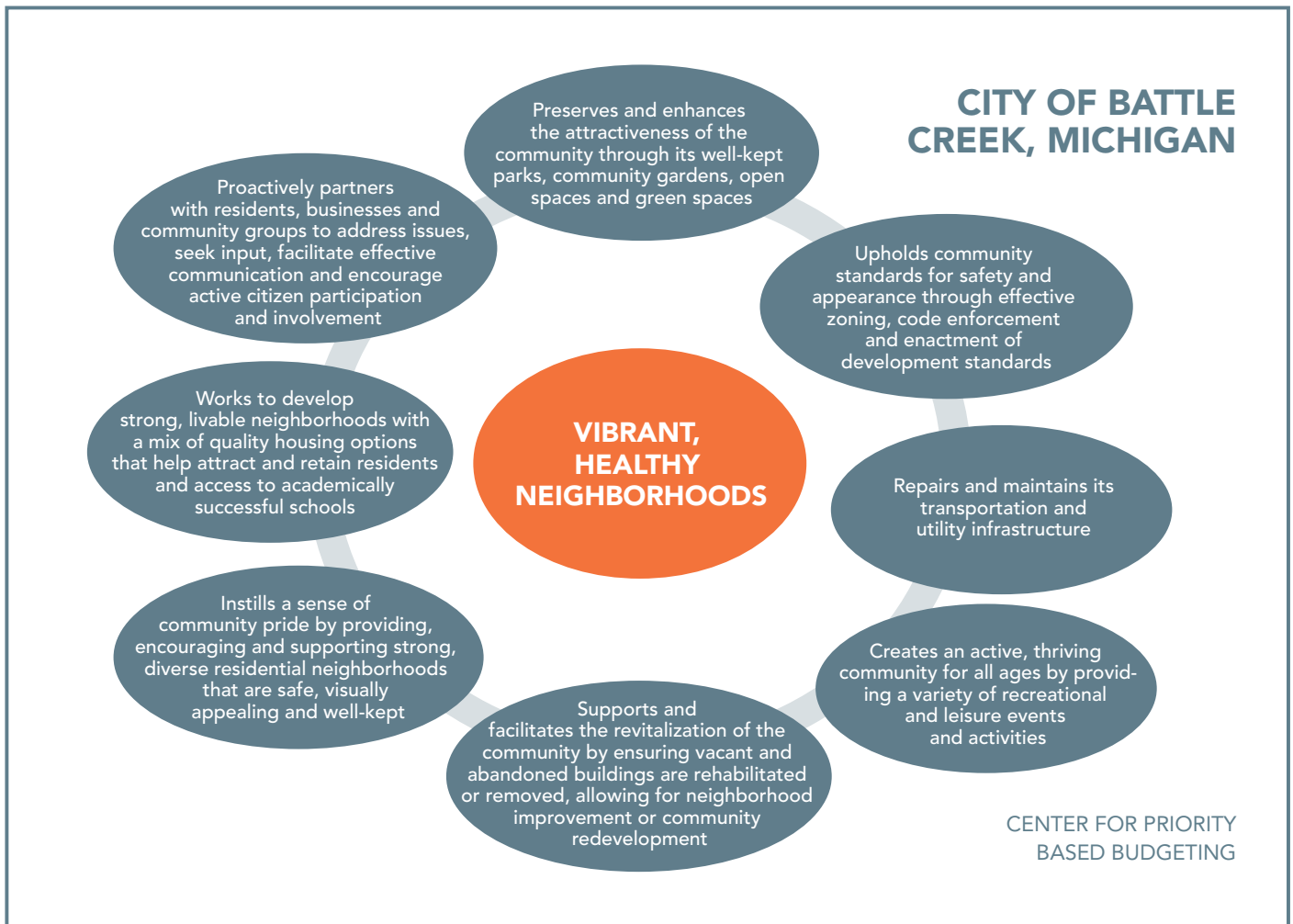
process of creating a program inventory in each department and assigning a value to each one.

City staff and community members were asked to fill out a survey in the spring of 2015 to help inform those result maps. For example, on the result map for “residents and visitors feel safe,” one factor is that we provide a clean and well-maintained transportation network that ensures safe travel for motorists, pedestrians, and cyclists.

Synthesizing Priorities

Our staff’s final step was to score each program against the community results and basic program attributes to help determine the program quartile, 1 through 4, with 1 being those programs most important to achieving the community results and 4 being the least important. A healthy quartile map shows the majority of resources being allocated to quartile 1 and 2 programs. Battle Creek displays a very healthy pattern in resource allocation, but further analysis is required as we fully understand the information provided by our customized diagnostic tool.

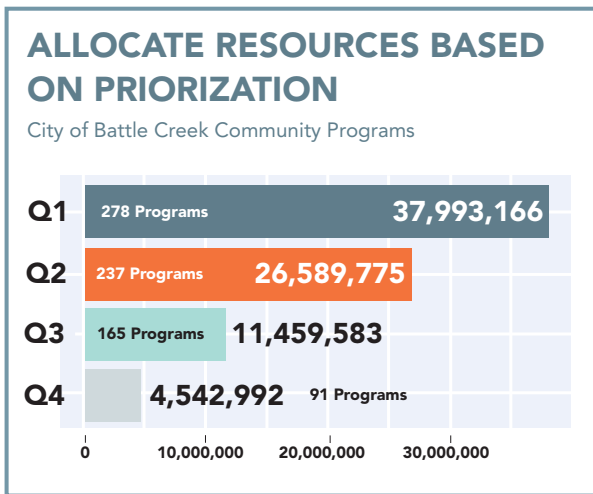
Our identified programs—what we do—totaled 1,061, with 839 community programs and 222 governance programs. The City Commission and staff have reviewed these



programs and the costs to provide them as we moved through our 2017 budget process and gear up for 2018, during which time we hope to fully implement the PBB process and tools.


Applying The Funding Framework

We now have a customized diagnostic tool that can assess spending in terms of our identified priorities, develop “target budgets” for departments, and analyze programs. Prioritizing in this way will help us visualize and analyze how we spend money and how we might adjust spending according to our stated results and priorities.



It also will help our residents and other members of the public understand these issues related to our budget, visualize what happens when we spend money on certain programs and services versus others, and offer input into those priority decisions.

While this seems like a lot of energy and work, it is important that we understand which programs and services are most important to our residents and align those with the tax dollars with which we have been entrusted. Being good stewards of those tax dollars is our top priority and we feel that PBB is the tool that will allow us to achieve both.

We have a page on our website devoted to PBB and have posted information about this process, our result maps, and much more as we journey toward full implementation of this budgeting system. Visit us at www.battlecreekmi.gov. Under the I Want To... tab, click Priority Based Budgeting under Learn About. 

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During this time founder Howard L. Shifman, has represented many cities, counties and townships. He has been involved in legislative initiatives including the drafting of Act 312 and other legislative reforms, as well as being recognized by the Michigan Municipal League with a Special Award of Merit for his dedication to the cause of local government.

Mr. Shifman is aided by Brandon Fournier who has extensive experience in municipal operations, including both public safety and general municipal operations. Prior to joining the firm, Brandon served as the City Administrator for the City of Southgate.

Also with the firm is Attorney Robert J. Nyovich with over 30 years of experience in public sector labor and employment law. Prior to joining the firm, Mr. Nyovich also served previously as a public safety officer and as the Oakland County Undersheriff.

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