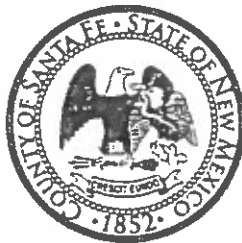


Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

MEMORANDUM

DATE: August 31, 2015

TO: Board of County Commissioners

FROM: Carole Jaramillo, Finance Division Director *CJ*

VIA: Katherine Miller, County Manager *KM 8-1-15*

SUBJECT: Resolution No. 2015-____, A Resolution Requiring the County's Operating Budget for Fiscal Year 2017 and Future Fiscal Years To Be Developed Utilizing Results Based Accountability or Another Form of Priority-Driven Budget Process (Finance Department/Adam Johnson and Carole Jaramillo)

ISSUE

The County Manager's Office through the Finance Division is seeking approval of a resolution to require that the budget for FY 2017 and future budgets be developed utilizing results based accountability or another form of priority-driven budget process for all departments and elected offices.

BACKGROUND

In 2011, the Board of County Commissioners (BCC) adopted resolution 2011-24 which directed the County Manager and County Departments to develop the FY 2013 budget utilizing results accountability or another form of objected based budgeting. Since FY13, County departments have been transitioning to the full use of performance-based budgeting by developing goals and objectives based upon citizen and commission priorities and tying those goals to requests for funding.

The resolution directs the creation of budget policy for all County departments and elected offices that will require development of the FY 2017 and future budgets utilizing results based accountability or other form of priority-driven budget. The County Manager's Office will train staff and implement a system of developing, tracking, and reporting performance indicators and measurements connected to the population goals of Santa Fe County residents. Progress towards performance goals will be reported to the BCC on a quarterly basis.

RECOMMENDATION

The Finance Division recommends adoption of the attached resolution requiring the budget for Fiscal Year 2017 and future fiscal years to be developed utilizing results based accountability or another form of priority-driven budget process.

THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

RESOLUTION NO. 2015 - _____

A RESOLUTION REQUIRING THE COUNTY'S OPERATING BUDGET FOR FISCAL YEAR 2017 AND FUTURE FISCAL YEARS TO BE DEVELOPED UTILIZING RESULTS BASED ACCOUNTABILITY OR ANOTHER FORM OF PRIORITY- DRIVEN BUDGET PROCESS

WHEREAS, in 2011, the Board of County Commissioners (Board) of Santa Fe County (County) adopted Resolution No. 2011-24, "A Resolution Directing the County Manager and County Departments to Develop the Fiscal Year 2013 Budget Utilizing Results Accountability or Another Form of Objective Based Budgeting"; and

WHEREAS, since 2011, the County Manager and departments have been developing the population goals and objectives based on a process of community involvement and public engagement; and

WHEREAS, the County's population goals are: to provide a safe community, support a healthy community, promote a sustainable community and be a proficient, transparent and accessible county government; and

WHEREAS, the Board recognizes that the population goals are shared by the County Manager, all Departments, and all Elected Offices because they are the priorities of the residents of the County; and

WHEREAS, the County is now in the next phase of priority-driven budget development, which is the development and tracking of performance indicators and measurements; and

WHEREAS, the Board recognizes that a priority-driven budget process can only be well-executed with performance information that is relevant, understandable, comparable, timely, consistent, and reliable; and

WHEREAS, the Board has the authority to direct the budget policy for the County.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby adopts a budget policy requiring development of a results-accountable budget for all County Departments and Elected Offices. Elected Offices shall be responsible for developing the performance indicators and measurements included in their budget requests.
2. The budget for Fiscal Year 2017 and future fiscal years shall be developed utilizing a priority-driven process to develop a results-accountable budget.
3. The County Manager is directed to develop appropriate training on and implement a system of developing, tracking, and reporting performance indicators and measurements connected to the County's population goals.
4. The data tracked by the County Manager, County Departments, and Elected Offices shall have the following qualitative characteristics: Relevance, Understandability, Comparability, Timeliness, Consistency, and Reliability.
5. The Budget Office of the County Finance Division shall report progress on the development of implementing measures and tracking methods to the Board through the Quarterly Budget Update.

PASSED, APPROVED, AND ADOPTED this 8th day of September, 2015.

**BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF SANTA FE**

Robert A. Anaya, Chairperson

ATTEST:

Geraldine Salazar, County Clerk

APPROVED AS TO FORM:



Gregory S. Shaffer, County Attorney

“Accountability Breeds Response-Ability” ~ Steven Covey

PRIORITY - DRIVEN BUDGET PROCESS



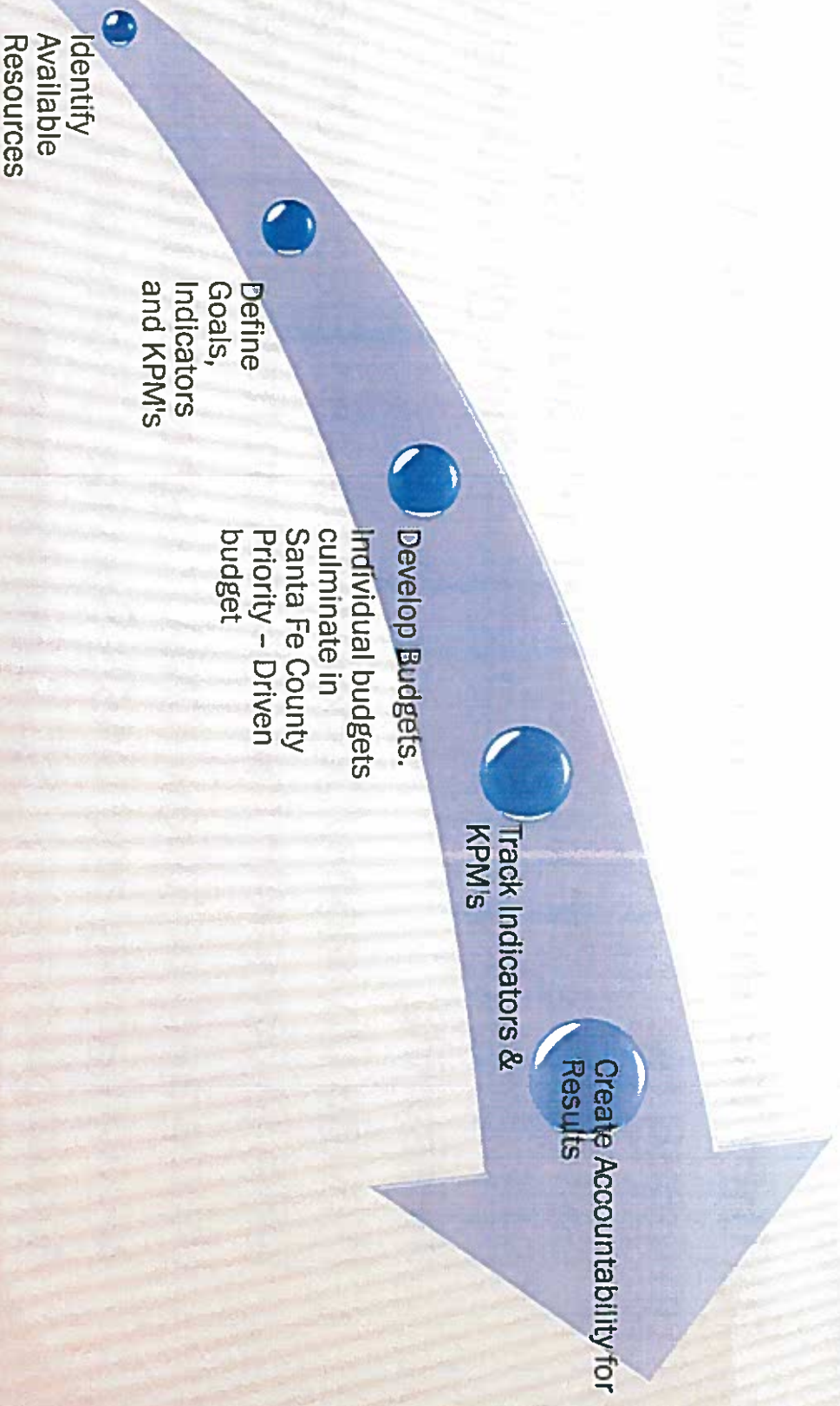
WHAT IS A PRIORITY DRIVEN BUDGET PROCESS?

- “Priority – driven budgeting is a common sense strategic alternative to incremental budgeting. [...] The philosophy of priority – driven budgeting is that resources should be allocated according how effectively a program or service achieves the goals and objectives that are of greatest value to the community.” GFOA – Anatomy of a Priority-Driven Budget Process

2017 HIGH LEVEL BUDGET OBJECTIVES

- Further the evolution of the Priority Driven Budget process by;
 - Completing the process from population and performance goal development through tracking and measuring
 - Provide Divisions/Departments and Elected Offices the tools to complete the connection from start to finish
 - Utilize and/or follow ICMA Insights, Results Based Accountability and GASB Service Efforts and Accomplishments (SEA) Performance

PROCESS GUIDE TO CREATE PRIORITY - DRIVEN BUDGET



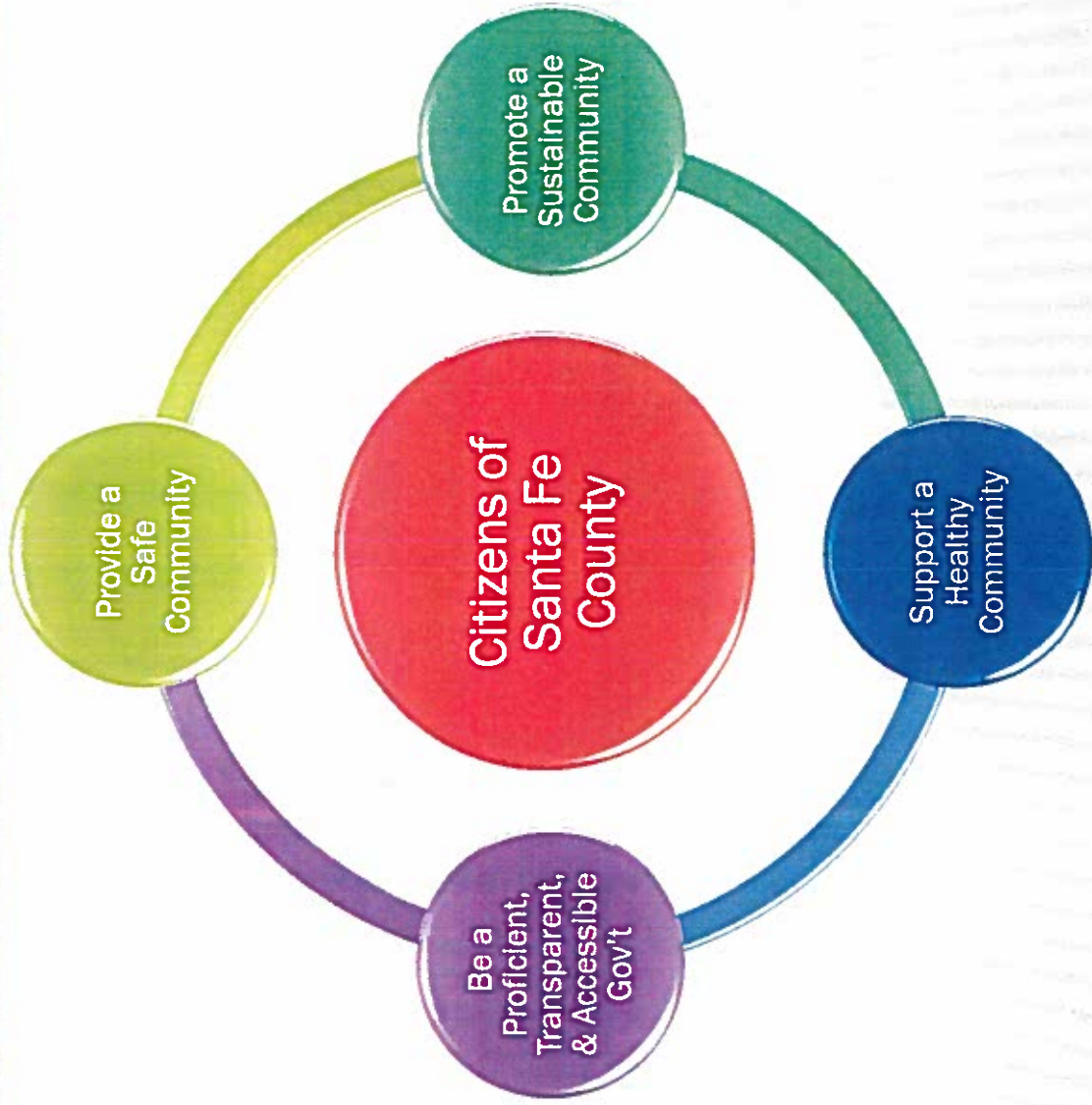
IDENTIFY AVAILABLE RESOURCES

- Estimate tax revenues
- Estimate enterprise revenues
- Estimate funds available from the issuance of debt
- Estimate savings from efficiencies and innovation

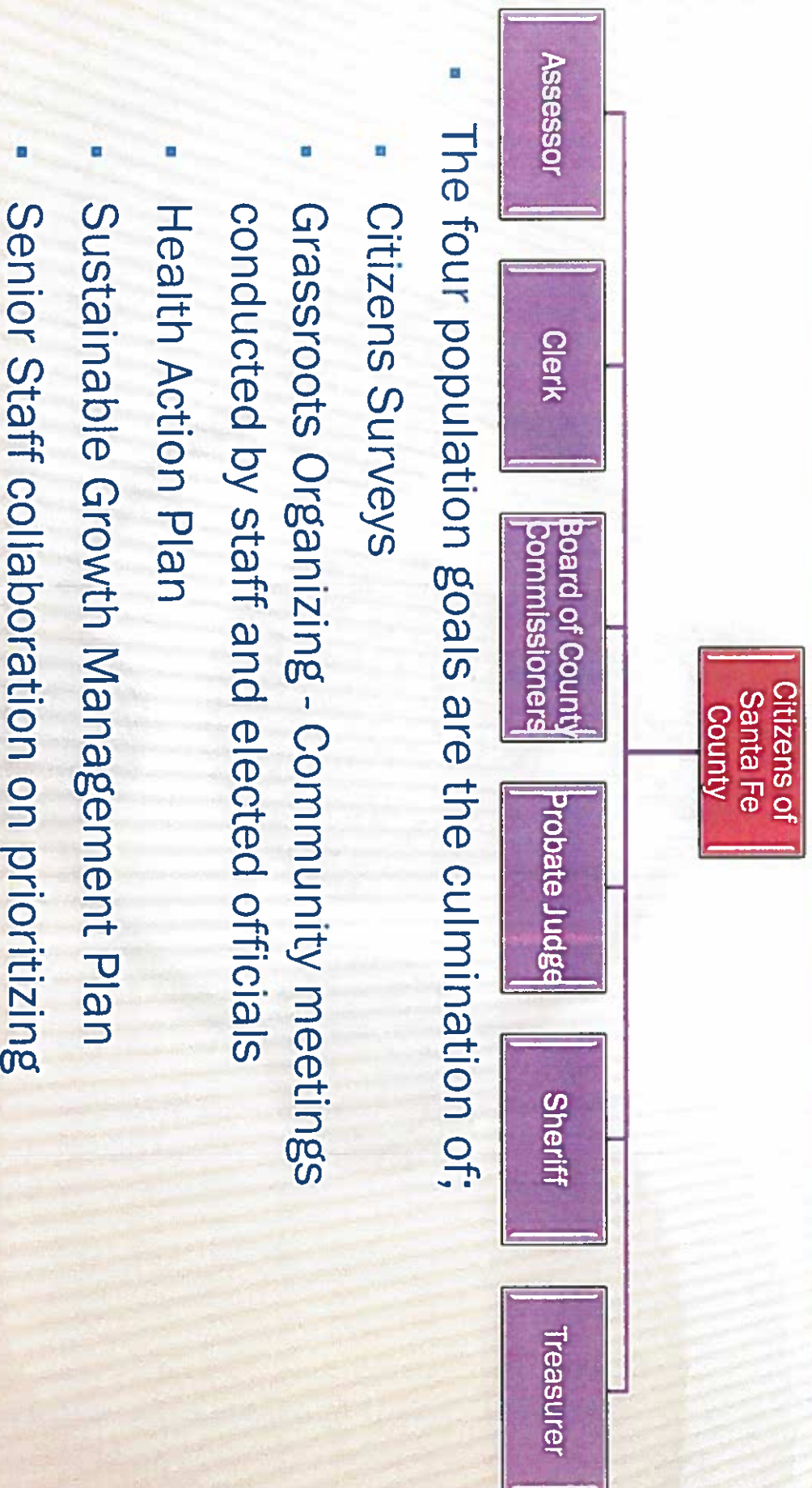
DEFINING POPULATION GOALS

- In 2014 Santa Fe County developed cross departmental goals and strategies for the FY 2016 budget process. The *population goals* or outcomes include: Provide a Safe Community, Support A Healthy Community, Promote A Sustainable Community, & Be a Proficient, Transparent, & Accessible County Government
- These goals are shared by Santa Fe County's Elected Offices, Divisions, Departments and beyond.

DEFINING POPULATION GOALS

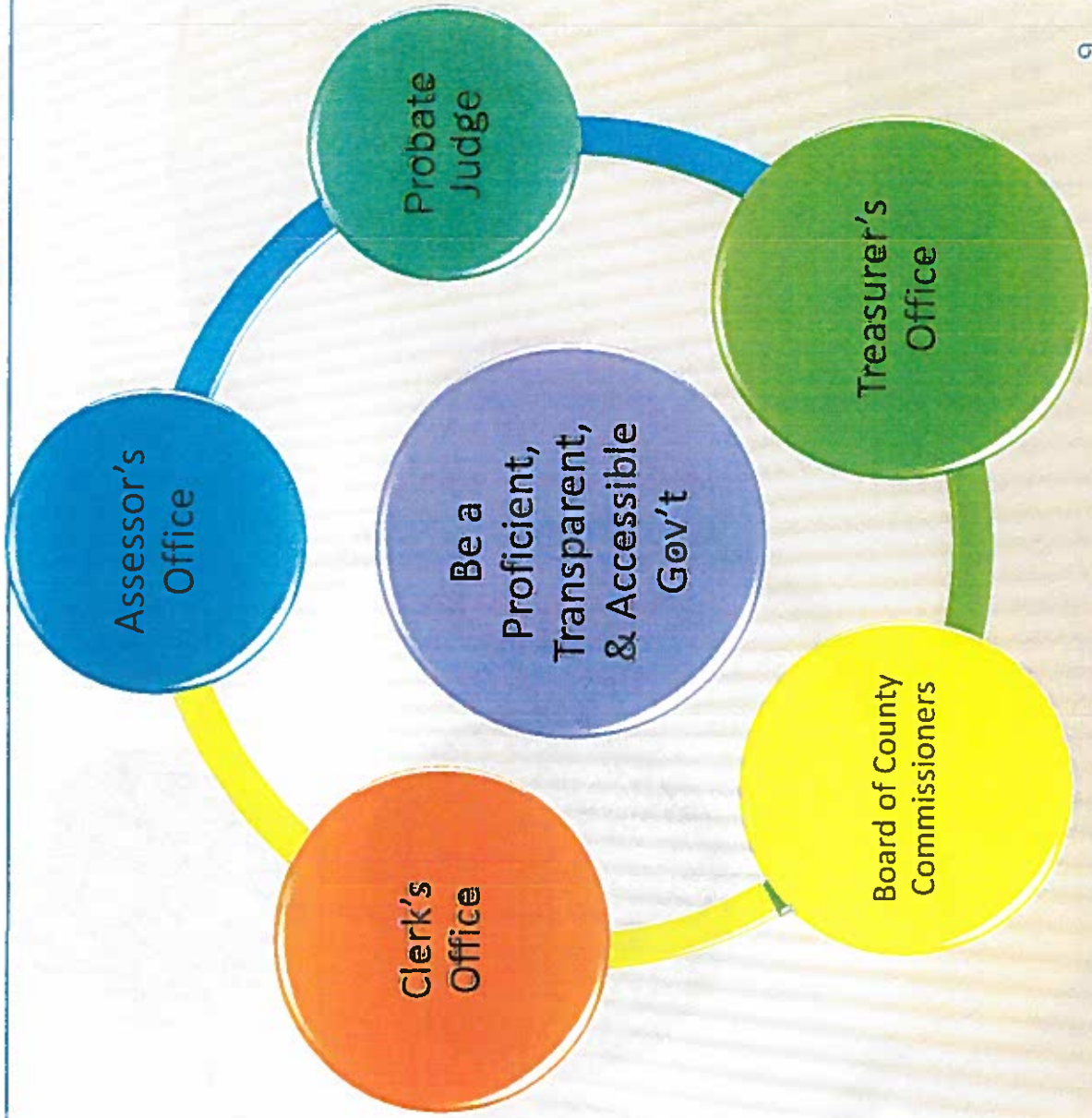


WHAT ARE THE GOALS AND OBJECTIVES THAT ARE OF GREATEST VALUE TO THE COMMUNITY?

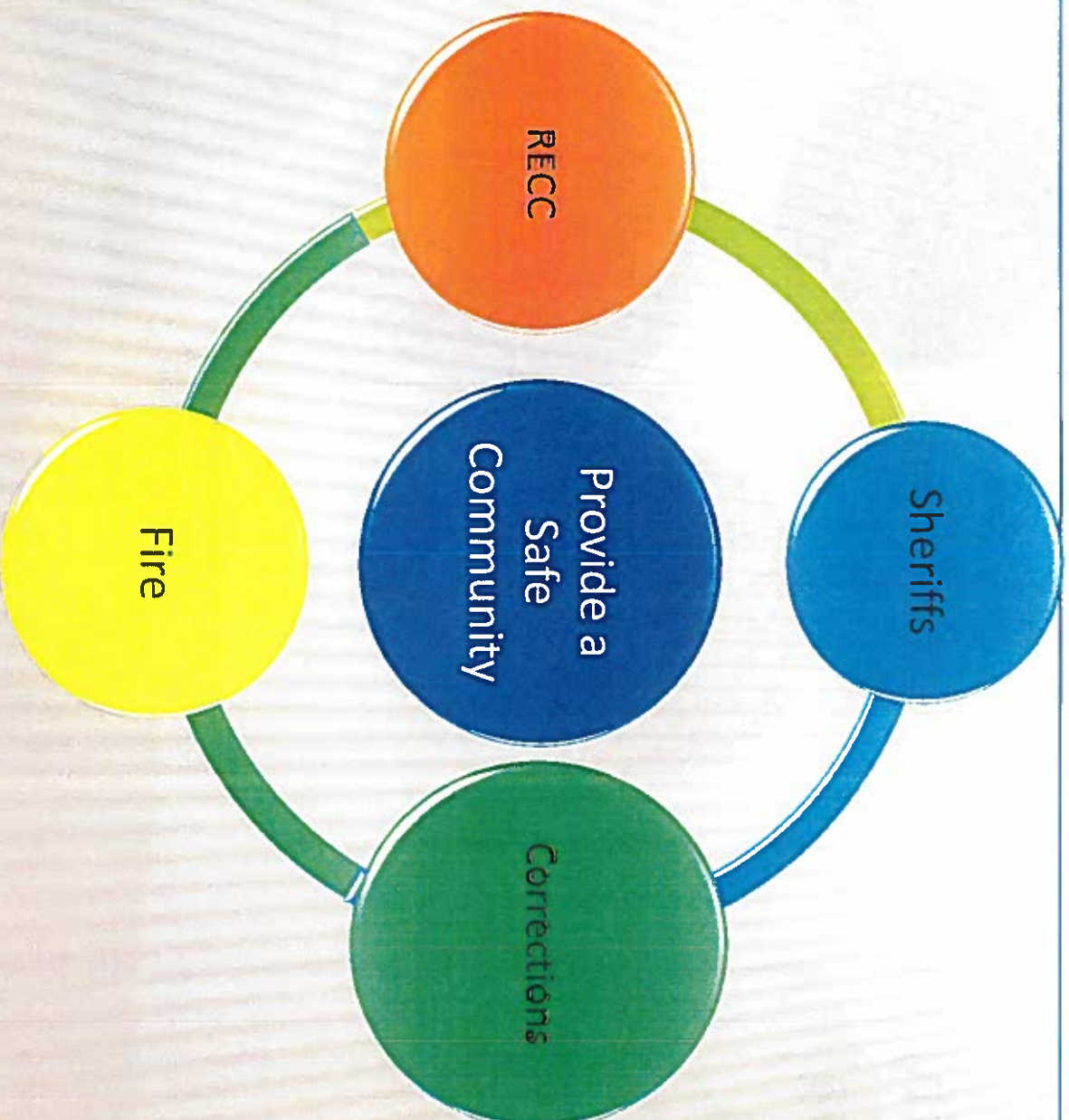


ELECTED OFFICES AND POPULATION GOALS

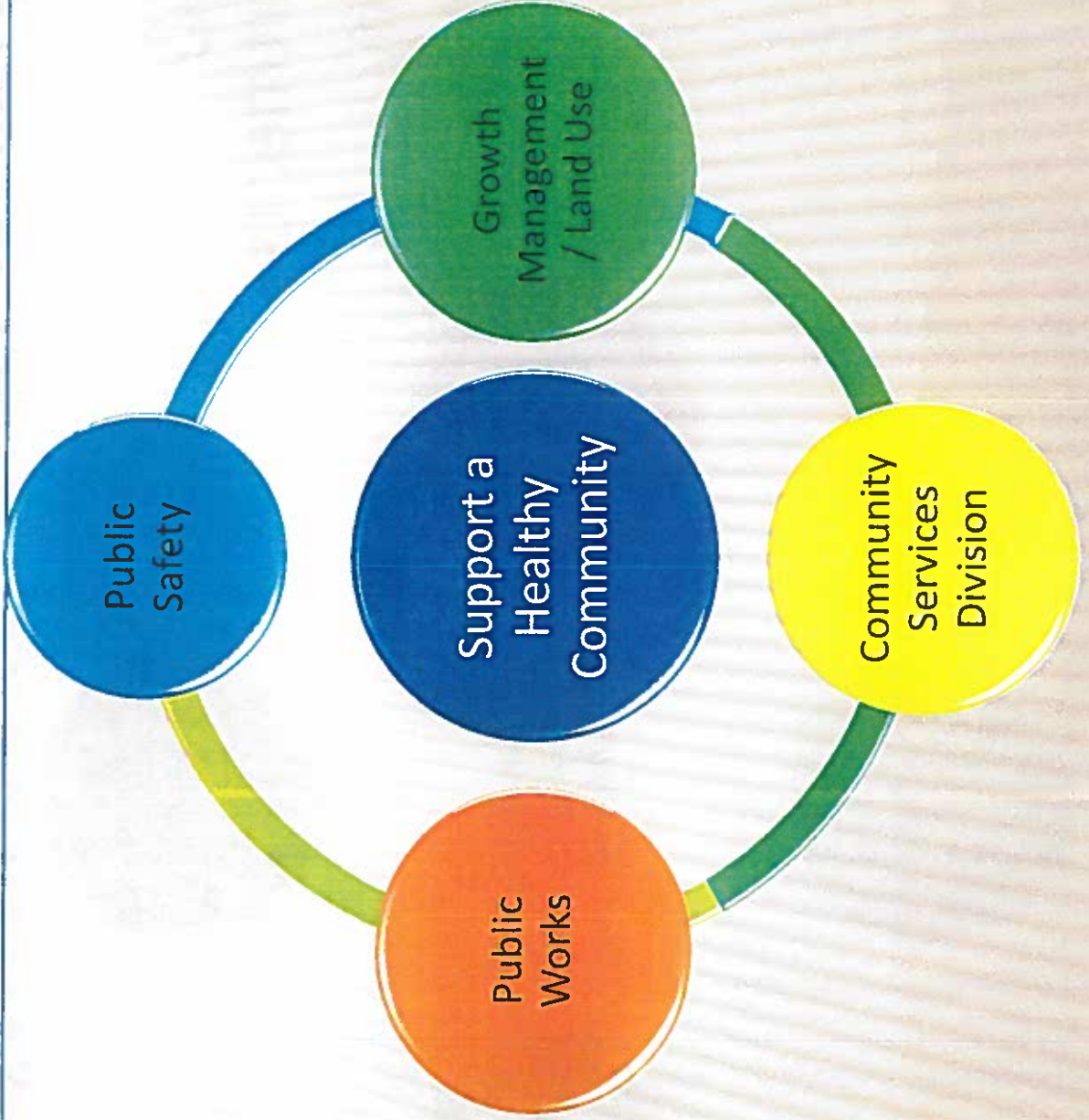
- Identify offices which support a population goal



DIVISIONS/ELECTED OFFICES AND POPULATION GOALS

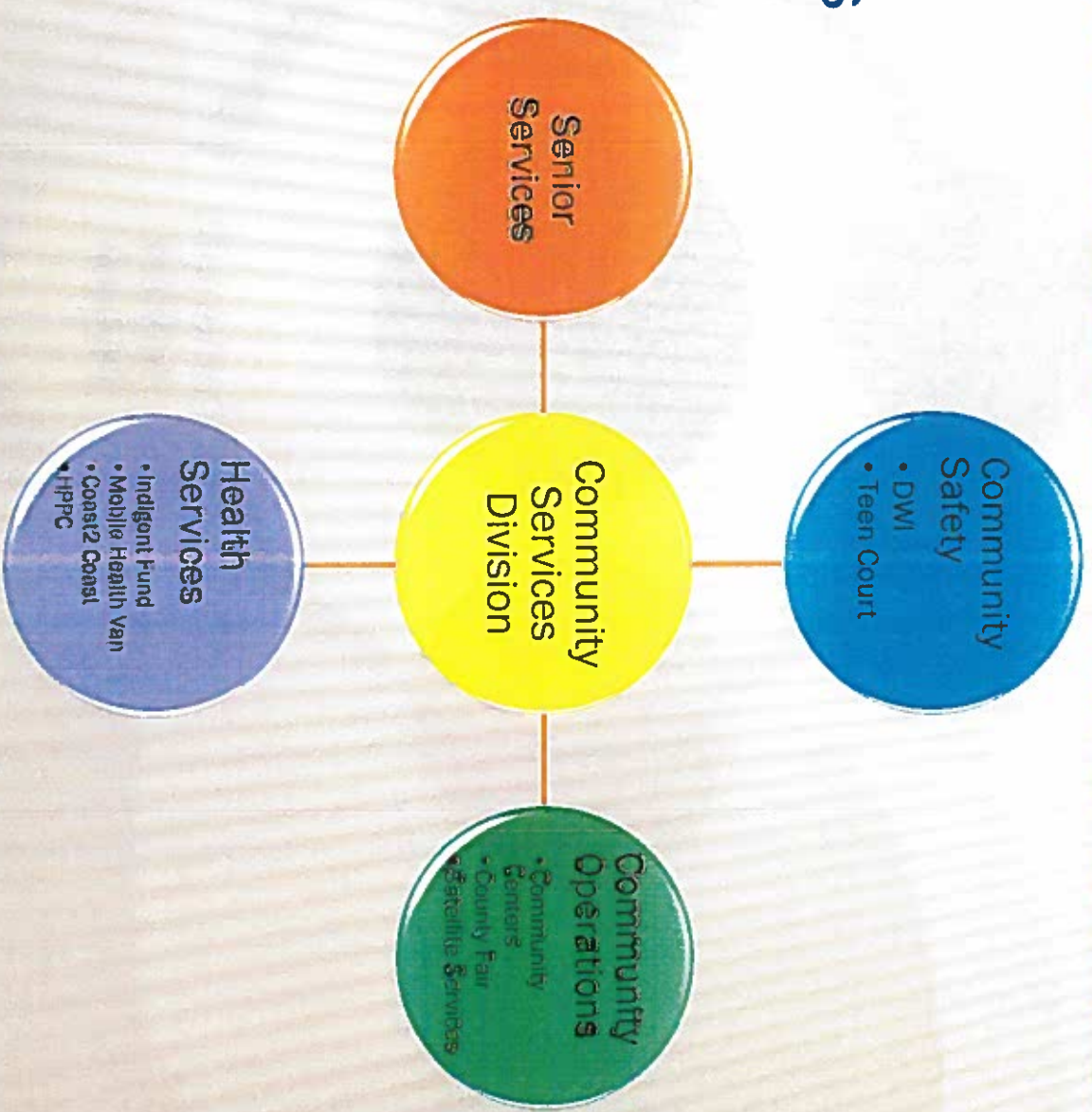


DIVISIONS AND POPULATION GOALS



DEPARTMENTS AND POPULATION GOALS

- Identify Departments
- Identify Programs



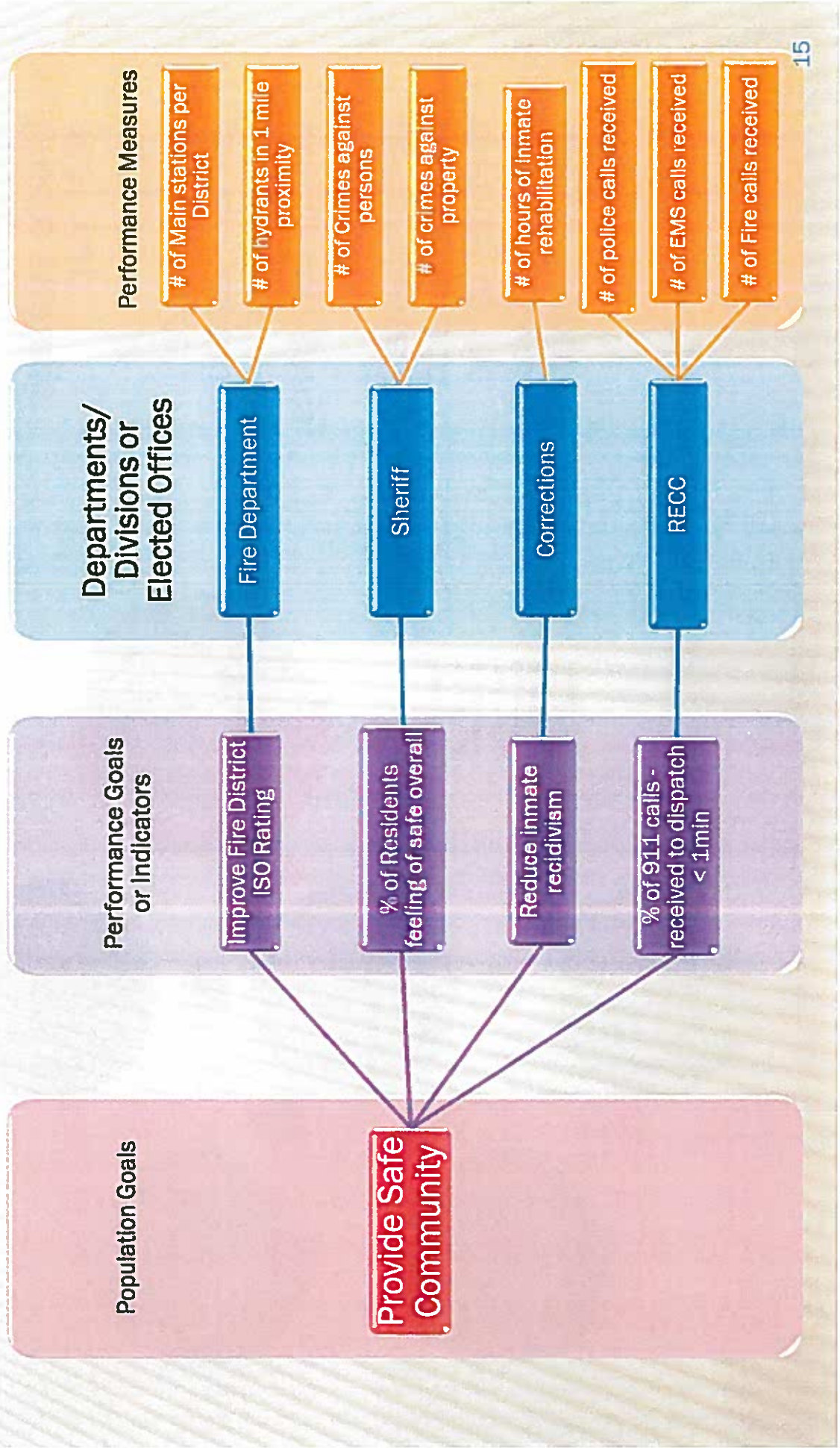
DEFINING PERFORMANCE METRICS

- Indicator – A measure that helps quantify the achievement of a population goal. **AKA *performance goal***
- Performance Measures – How much did we do? These are actions which support the chosen indicator to track.

PERFORMANCE METRIC GUIDANCE

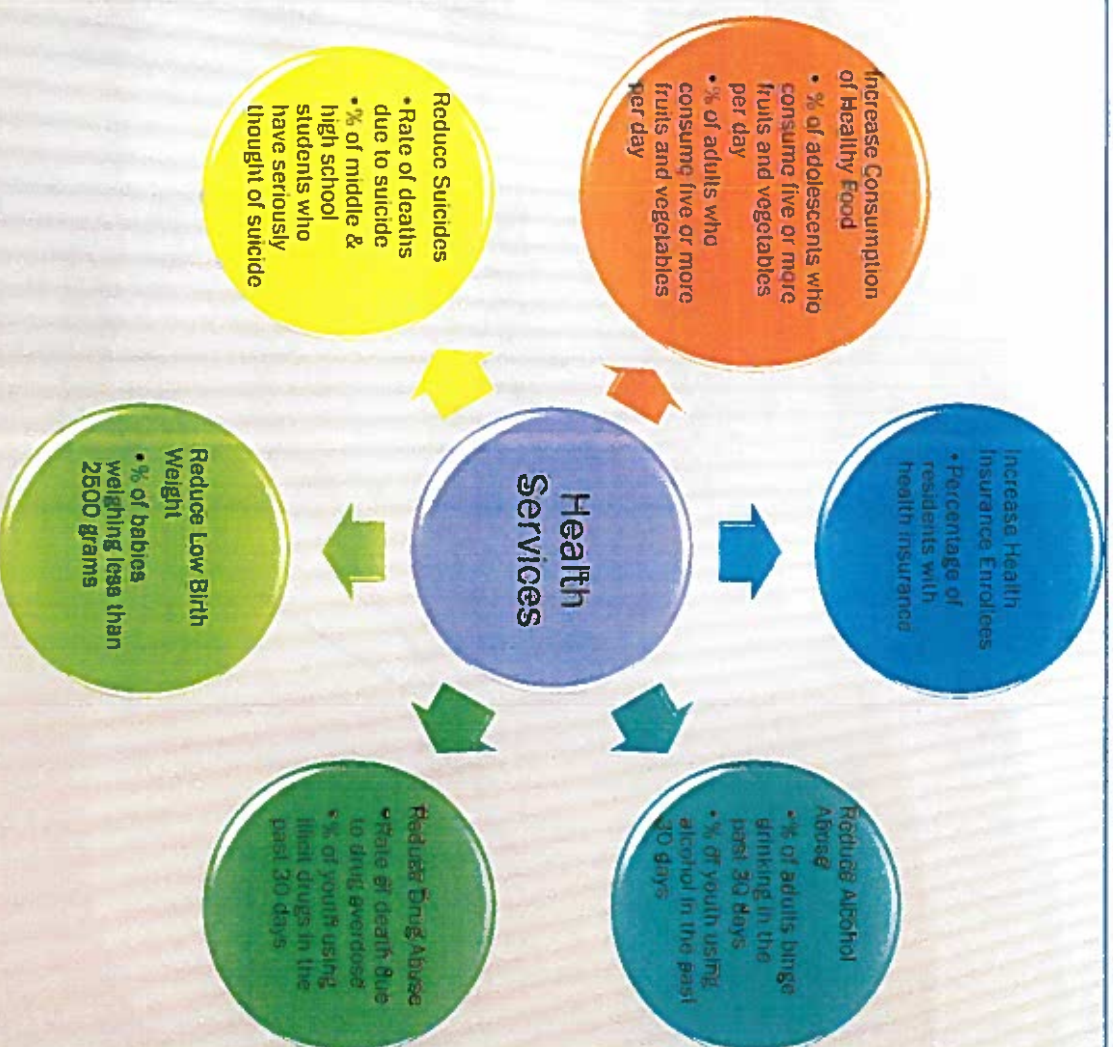
- Santa Fe County has invested in a variety of department specific and cross-department strategic plans. Examples include Sustainable Growth Mgmt. Plan, Santa Fe County Health Action Plan, 5 year Fire plan, Citizen Survey etc.
- The documents can act as a guide for the internal development of FY 17 performance goals, strategies, and key performance measurements
- ICMA Insights is the source of indicators or performance measures which are comparable to other Counties nationwide

CONNECTING POPULATION GOALS TO PERFORMANCE



CONNECTING PERFORMANCE TO BUDGET - THE STRATEGIC GOAL MAP

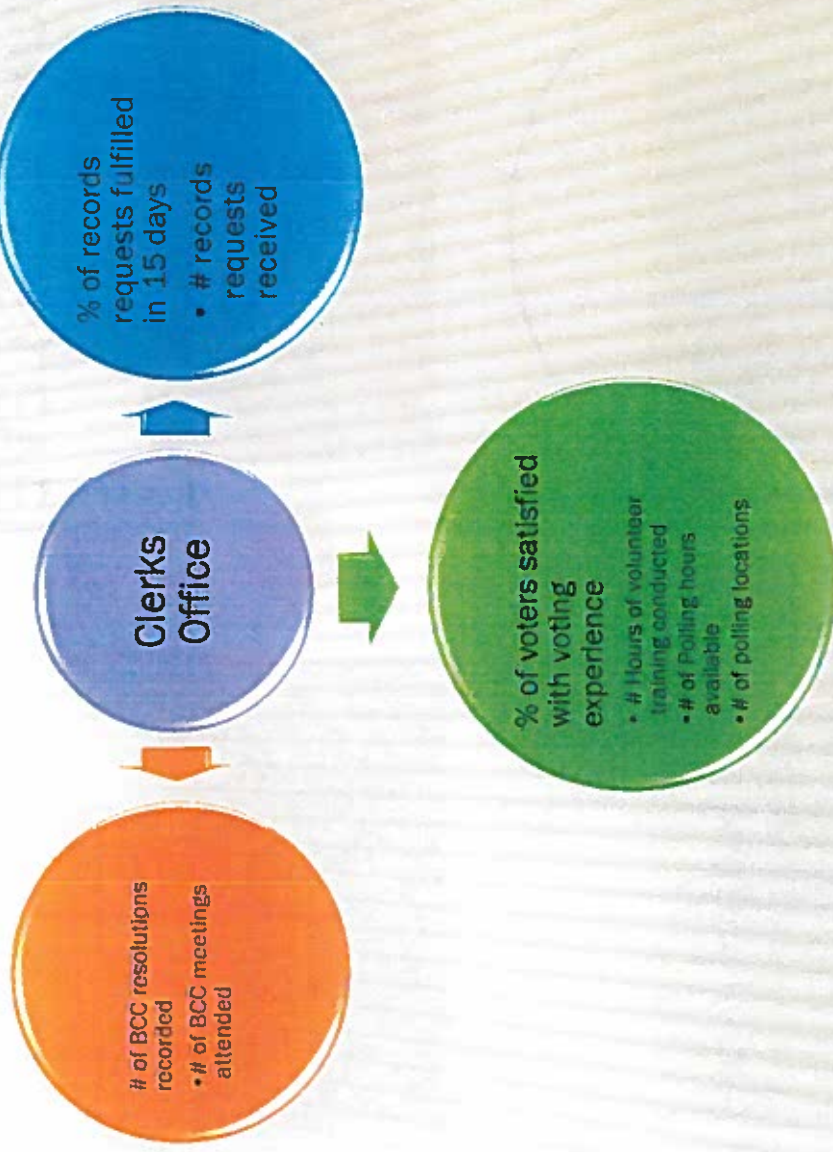
- Create strategic goal map
- Includes performance goals/indicators supporting population goals.
- Includes performance measures and that tell us the progress toward the performance goal.



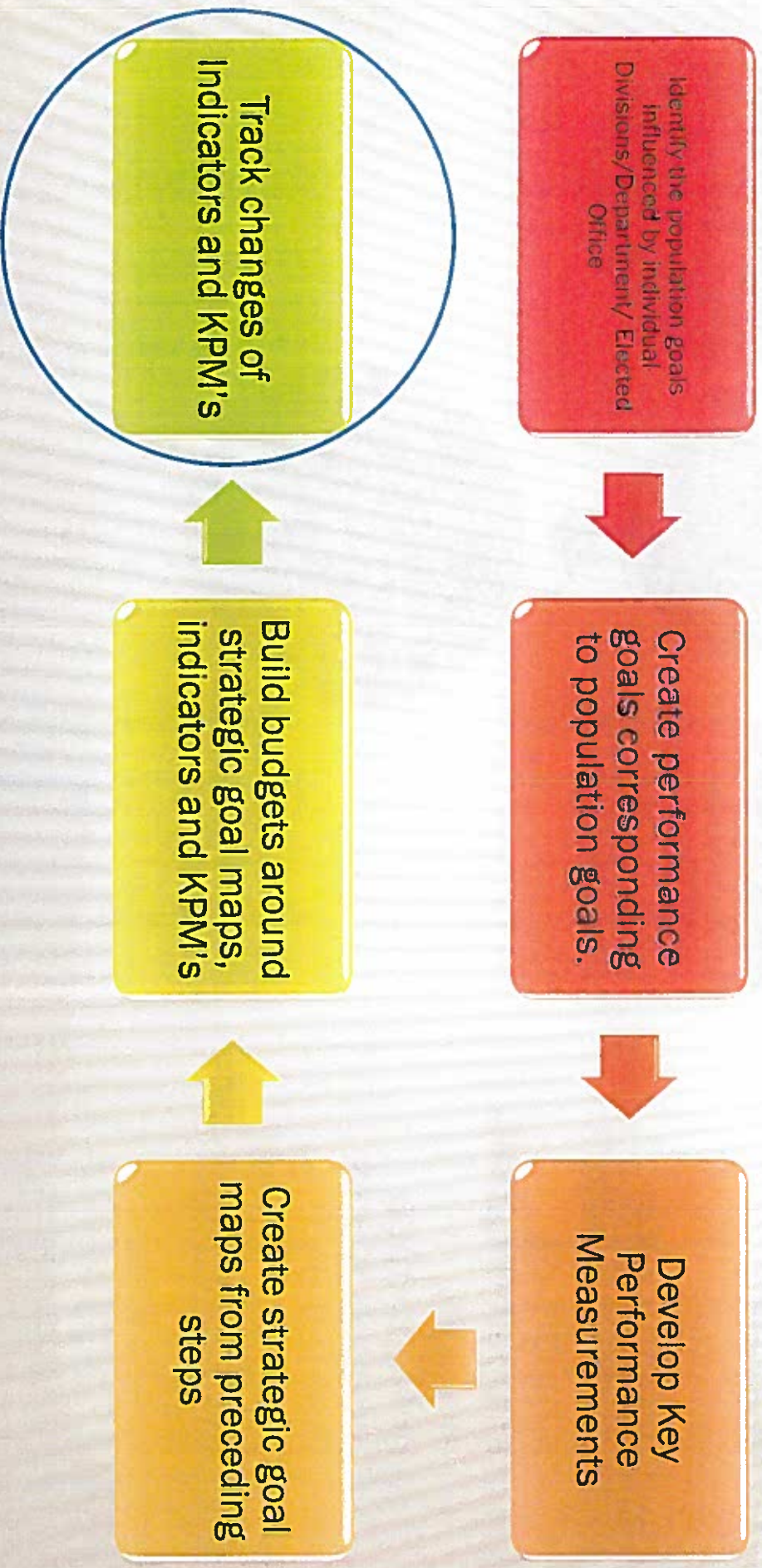
Source: [Santa Fe County Health Action Plan](#)

ELECTED OFFICE STRATEGIC GOAL MAP

- Create strategic goal map
- Includes performance goals/indicators supporting population goals.
- Includes performance measures and that tell us the progress toward the performance goal.



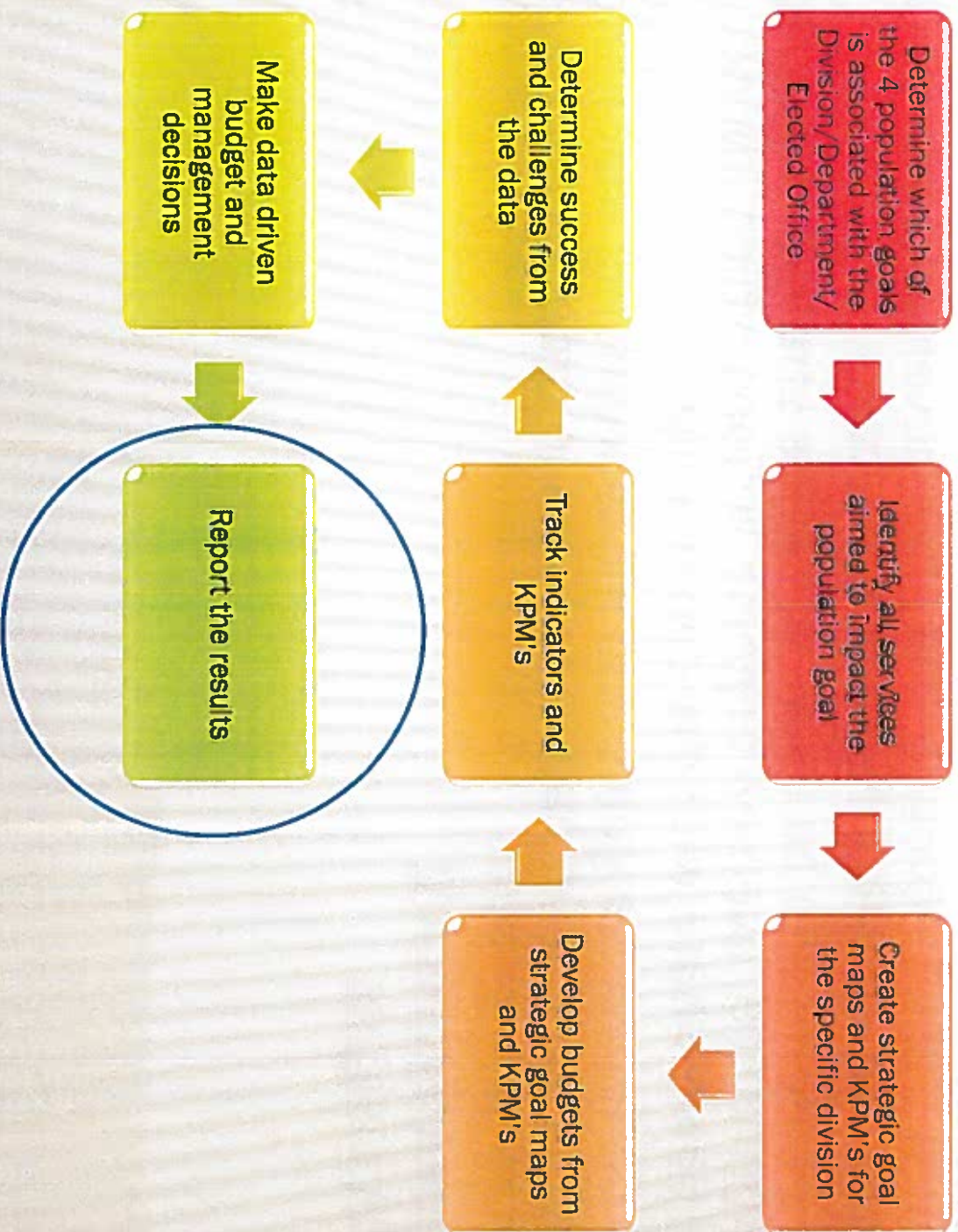
RECAP OF THE PRIORITY DRIVEN BUDGET PROCESS - DIVISION/DEPARTMENT & ELECTED OFFICES LEVEL



TOOLS FOR TRACKING INDICATORS AND KPMS

- Results Based Accountability has developed a software as a service (SAS) called Results Scorecard
- The platform can be used to; create strategy maps, track performance, oversee ongoing actions which impact results and easily share with the community
- The performance goals and measurements that match ICMA Insights can be uploaded to ICMA in order to compare results with similar entities
- Results Scorecard
- ICMA Insights

RECAP OF THE PRIORITY DRIVEN BUDGET PROCESS - COUNTY LEVEL



GASB CONCEPT STATEMENT #2 – SERVICE EFFORTS AND ACCOMPLISHMENTS (SEA) PERFORMANCE

The premise of this concept is that governmental financial statements are not particularly helpful in measuring the effectiveness of a governmental entity in delivering its services or accomplishing its goals.

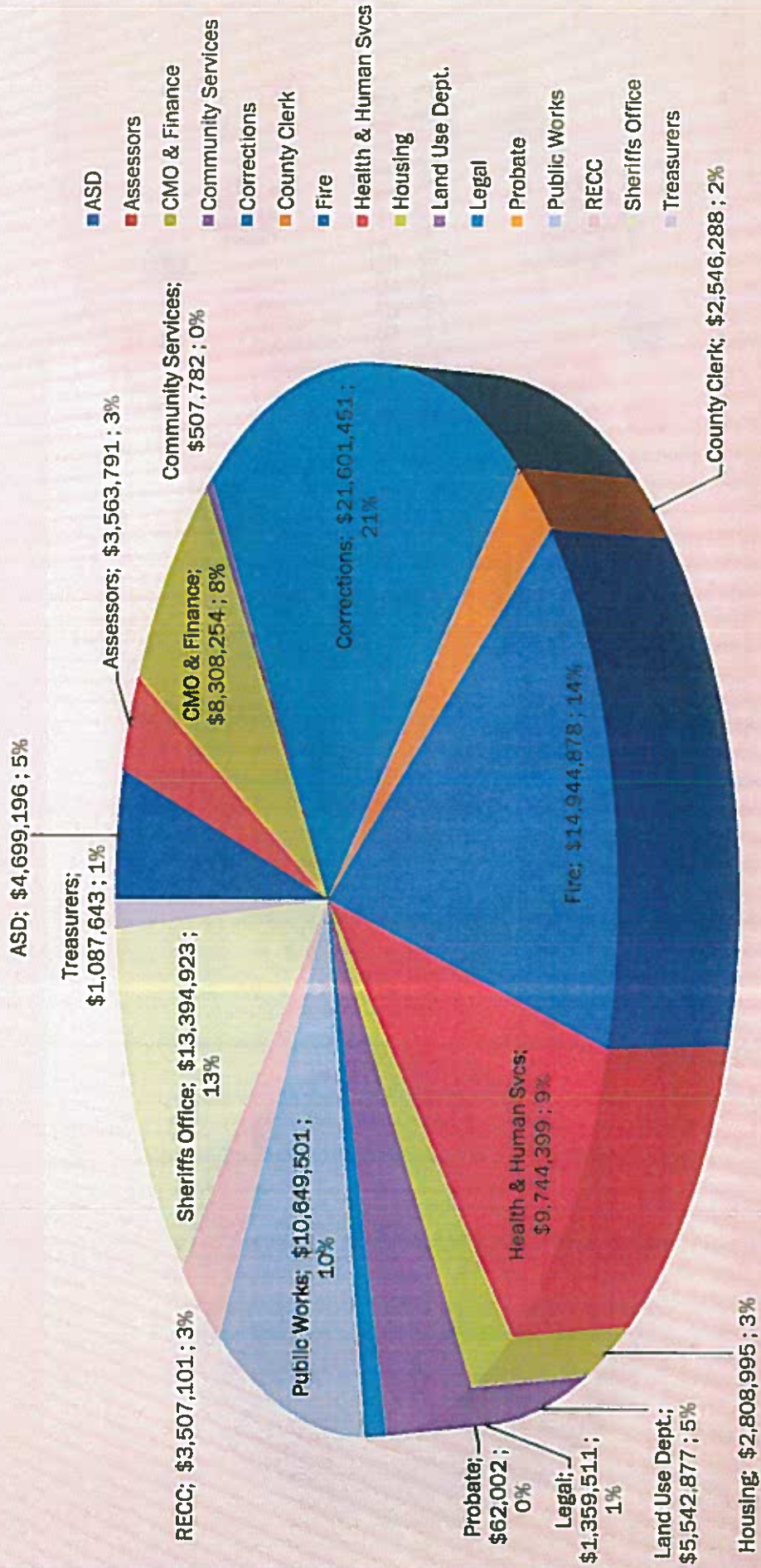
The addition of an SEA report provides information about the services provided, and the effect of those services, to assist users in assessing to what extent the government is achieving its goals and objectives.

GASB CONCEPT STATEMENT #2 - SERVICE EFFORTS AND ACCOMPLISHMENTS (SEA) PERFORMANCE

- The qualitative characteristics of the data in an SEA report are:
 - Relevance
 - Understandability
 - Comparability
 - Timeliness
 - Consistency
 - Reliability
- The information reported into Results Scorecard and ICMA will either have, or will enhance these characteristics

SHARED POPULATION GOALS AND SHARED RESOURCES

Department and Elected Office Budgets excluding Capital Projects



FINAL RESULTS



TOOLS, RESOURCES & PLATFORMS

- Results Based Accountability & Results Scorecard
- ICMA Insights
- GASB Suggested Guidelines for SEA Performance Information
- Santa Fe County Website

FY 17 TIMEFRAME AND MILESTONES

- September 2015 – present to BCC & department directors
- Sept 2015 – Estimate revenues
- October 2015 – RBA training; departments develop strategic maps, indicators, and measurements
- Nov 2015 – aggregate goal maps, refine budgeting tools, give feedback on goals, indicators and measurements, and present to BCC
- Nov – Dec 2015 – Departments and Elected Offices conduct financial planning sessions
- January 2016 – No FY17 budget work
- February 2016 – Budget Kick-off
- March 1st 2016 – FY17 budgets due
- March & April – BCC budget study sessions & hearings
- May 2016 – Interim budget adoption
- July 2016 – Publish Scorecards on County website
- July 2016 – June 2017- Track information
- October 2017 – Publish first SEA Performance report

