Outcome Budgeting in Baltimore

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THE PRICE OF GOVERNMENT

Getting the Results We Need In An Age of Permanent Fiscal Crisis

DAVID OSBORNE & PETER HUTCHINSON

A Common Sense Approach To:

- Squeezing more value out of every tax dollar
- Building budgets from the ground up, based on results
- Making public organizations accountable for results
- Using competition to boost innovation and save money
- Putting government's customers in the driver's seat

Outcome Budgeting

	OLD WAY		NEW WAY
Starting Point:	Last year's spending	→	Starting Point: Next year's goals
Funding Targets:	By agency	→	Funding Targets: By Priority Outcome
Agency Submission:	How allocation will be spent	→	Agency Submission: Proposal to achieve results
Debate:	What to cut	→	Debate: What to keep

Mayor, Council and Citizens establish priorities

Determine available resources

Results Teams issue guidance documents

Agencies submit proposals to provide services that achieve results

Results Teams rank the proposals

Mayor uses rankings to make decisions

Budget is finalized

Mayor Rawlings-Blake's Vision

Grow Baltimore by 10,000 families over the next 10 years

BALTIMORE A GREAT PLACE TO GROW

BETTER SCHOOLS

" To get Baltimore growing again, we need to step-up our game and work together to improve our schools. "

- Build and renovate schools
- Increase student attendance
- Decrease the dropout rate
- Increase kindergarten readiness
- Boost 3rd grade reading proficiency
- Increase college & career readiness

SAFER STREETS

" It's time to believe in a safer city and to work even harder because we know the progress is real. "

- Reduce violent crime
- Reduce property crime
- Improve fire response time
- Improve EMS response time
- Increase perception of safety

STRONGER NEIGHBORHOODS

" Block by block, we're bringing neighborhoods back to get Baltimore growing again. "

- Reduce the property tax
- Reduce blight & vacant properties
- Increase neighborhood property investment
- Improve street quality
- Expand neighborhood amenity use
- Increase citizen engagement

GROWING ECONOMY

" Baltimore is blessed to be home to many assets that serve as engines of economic activity. We will work in close partnership, supporting these engines of growth. "

- Increase total residents with jobs
- Increase the number of businesses
- Increase tourism
- Increase retail activity
- Improve cultural offering satisfaction

INNOVATIVE GOVERNMENT

" We will work to make government more efficient and take Baltimore to the next level. "

- Improve City employee workforce skills
- Improve customer satisfaction
- Reduce energy costs
- Reduce space utilization costs
- Increase City service accessibility
- Promote transparency

CLEANER & HEALTHIER CITY

" Baltimore's families have a right to clean streets, parks, air and water. We must work together to improve our City's public health outcomes. "

- Improve City Cleanliness
- Decrease drug & alcohol abuse
- Reduce infant mortality
- Reduce heart disease
- Increase recycling
- Improve water and air quality

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A CLEANER AND HEALTHIER CITY

- ✓ Decrease the number of alcohol and drug-related emergency visits
- ✓ Decrease preventable emergency visits for heart disease-related conditions
- ✓ Increase citizen satisfaction with the City's cleanliness
- ✓ Increase the amount of waste material re-used or recycled
- ✓ Improve air quality

SERVICE PERFORMANCE MEASURES

Service 798 – YouthWorks Summer Jobs Program

Type	Measure	FY11 Target	FY11 Actual	FY12 Target	FY13 Target
Output	# of youths participating in Youth Works program	5,000	5,000	4,500	5,000
Efficiency	Average cost per participant	$1,400	$1,200	$1,200	$1,200
Effectiveness	% of responses rated as "very good" or "outstanding" on employer surveys submitted by worksite supervisors	85%	86%	85%	85%
Outcome	% of youth who increase their work readiness skills measured by Skills for Success Assessment tool	85%	73%	85%	80%

Service 683 – Street Management

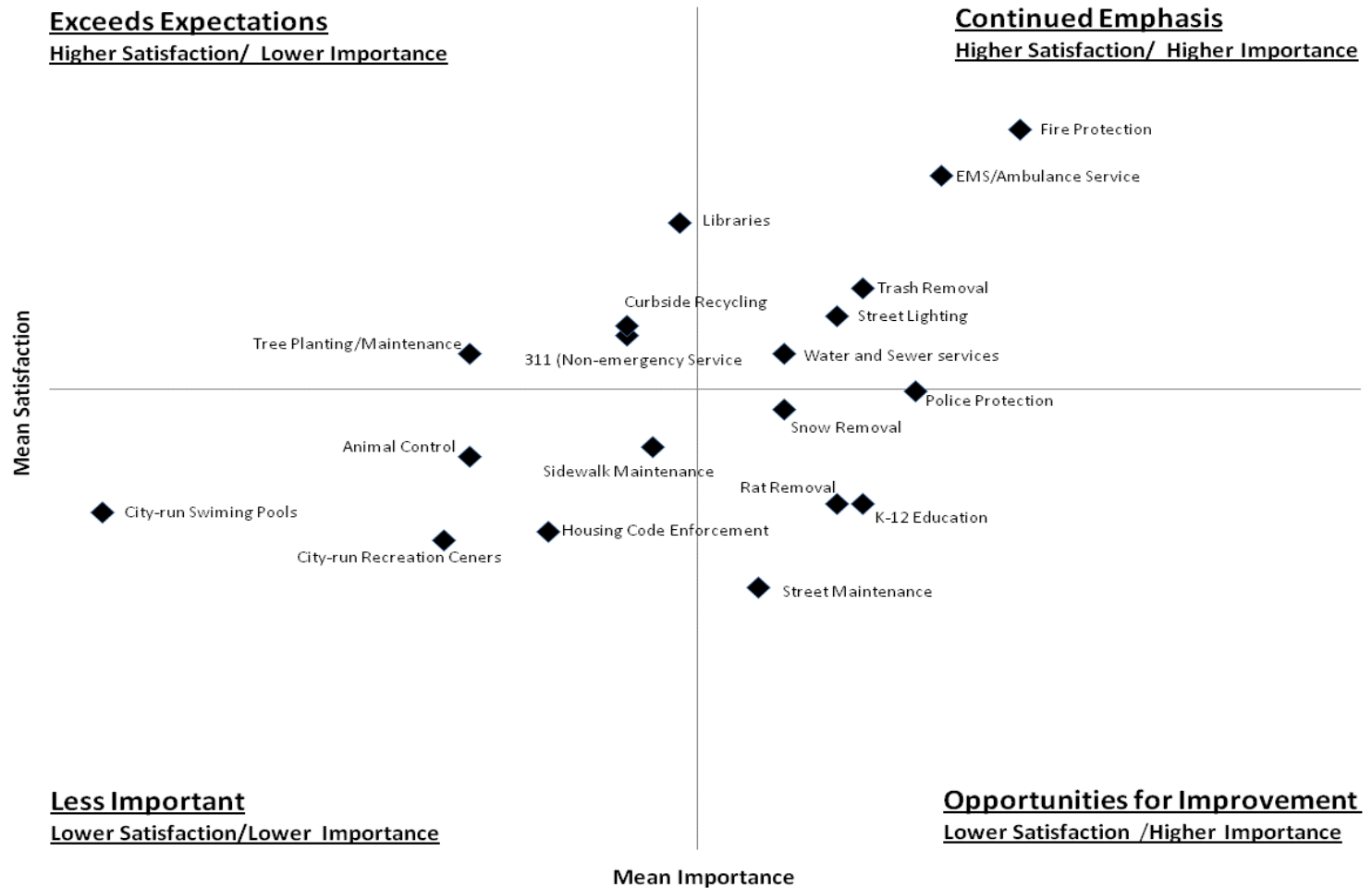| Type	Measure	FY11 Target	FY11 Actual	FY12 Target	FY13 Target
Output	Lane Miles Resurfaced or Reconstructed (internal + contractor forces)	200	175	235	200
Efficiency	% of potholes repaired within 48 hours of reporting	100%	90%	100%	90%
Efficiency	Resurfacing cost per lane mile	$115,000	$115,000	$115,800	$120,000
Effectiveness	% of streets meeting acceptable pavement condition standard	59%	58%	58%	59%
Outcome	% of citizens rating street and sidewalk maintenance as good or excellen	29%	29%	29%	29%

Service 749 – Blight Elimination

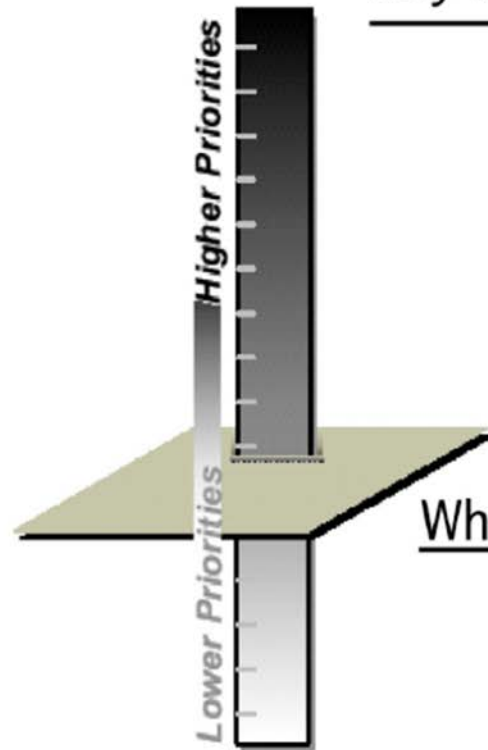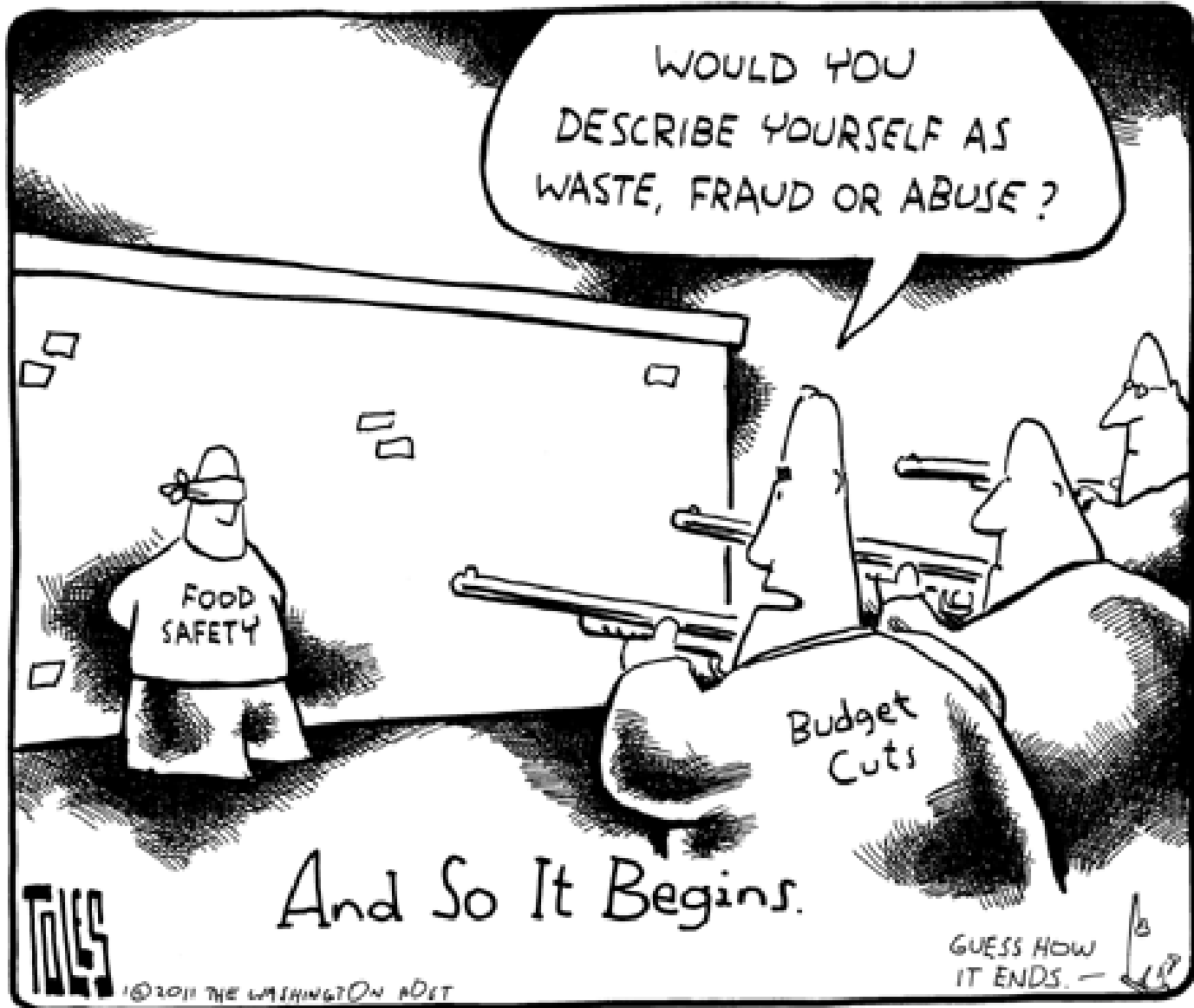| Type	Measure	FY11 Target	FY11 Actual	FY12 Target	FY13 Target
Output	Number of properties advertised for sale	1,500	655	2,000	3,000
Efficiency	Number of dispositions per Real Estate Agent	25	19	31	33
Effectiveness	% of disposition completed within 120 days	80%	10%	90%	90%
Outcome	Number of properties sold	200	135	250	250
Outcome	# of HCD controlled city owned vacant buildings in transitional neighborhoods	295	168	250	150

IMPORTANCE-SATISFACTION MATRIX

**2012 Baltimore City Services
Importance-Satisfaction Matrix**

Exceeds Expectations
Higher Satisfaction/ Lower Importance

Continued Emphasis
Higher Satisfaction/ Higher Importance

Fire Protection

EMS/Ambulance Service

Libraries

Trash Removal

Curbside Recycling

Street Lighting

Tree Planting/Maintenance

311 (Non-emergency Service

Water and Sewer services

Police Protection

Snow Removal

Animal Control

Sidewalk Maintenance

Rat Removal

City-run Swiming Pools

K-12 Education

City-run Recreation Ceners

Housing Code Enforcement

Street Maintenance

Mean Satisfaction

Less Important
Lower Satisfaction/Lower Importance

Opportunities for Improvement
Lower Satisfaction /Higher Importance

Mean Importance

RESULTS FROM OUTCOME BUDGETING

- Services that demonstrate effectiveness have been protected from reductions or increased.

- Services that do not demonstrate value have been reduced or eliminated.

- New efficiencies have been identified.

- Services have become more targeted, entrepreneurial and self-sufficient.

ISSUES

- Budget constraints
- Transparency
- Another paperwork exercise?
- Competition
- Innovation
- Strategic management

INNOVATION FUND

- Web-based Environmental Health Quality Management System

- ePlans Review System

- Baltimore City Fiber Optic Ring

LEAN GOVERNMENT

- "Straightening the pipes"

- Innovation Lab

- One-Stop Career Center

GOOD GOVERNMENT BOOK CLUB

- *Extreme Government Makeover* by Ken Miller
- *If We Can Put A Man On the Moon... Getting Big Things Done In Government* by William Eggers and John O'Leary
- *Triumph of the City* by Edward Glaeser
- *Many Unhappy Returns: One Man's Quest To Turn Around The Most Unpopular Organization in America* by Charles O. Rossotti
- *Trying Hard Is Not Good Enough: How to produce Measurable Improvements for Customers and Communities* by Mark Friedman

TURNING CURVES

Population Turn the Curve Exercise

5 min: Starting Points
- Timekeeper and reporter
- Geographic area
- Two hats (yours plus partner's)

10 min: Baseline
- Choose an indicator.
- Create a baseline with history and forecast.
- Forecast - OK or not OK?

15 min: Story behind the baseline
- Causes and forces at work → *Causes & partners point to action.*
- Information & research agenda - causes

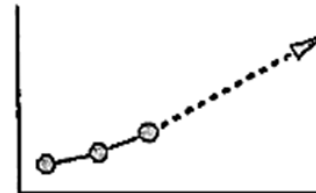**20 min: What works? (What would it take?)**
- What could work to do better?
- Each partner's contribution →
- No-cost / low-cost ideas
- Information & research agenda - solutions

10 min: Report Convert notes to one-page report.

Population Turn the Curve Report

Result: _____

Indicator baseline

Story behind the baseline
- ⊙ _____
- ⊘ _____
- ⊙ _____ (List as many as needed)

Partners
- ⊙ _____
- ⊙ _____
- ⊙ _____ (List as many as needed)

Three best ideas - what works
- ⊙ _____
- ⊙ _____
- ⊙ _____ No-cost / low-cost
- ⊙ _____ Off the wall

Sharp edges

THE BOTTOM LINE IS VALUE

- Improve value by getting more results for the same dollars
- Improve value by getting the same results for fewer dollars

OR, BEST . . .

- Improve value by getting more results for fewer dollars

THANKS

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