

# CLARK COUNTY STAFF REPORT

**DEPARTMENT:** Budget Office

**DATE:** August 29, 2016

**REQUESTED ACTION:**

To approve the contract with the Center for Priority Based Budgeting, in order to provide advisory, analytical and facilitation assistance in the development and implementation of a Priority Based Budgeting (PBB) process.

Consent    Hearing    County Manager

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**BACKGROUND**

In the 2017-2018 budget, the Council directed the Budget Office to identify programs, including mandates, services, expenses and revenues. The identification of programs is an integral step of the process of moving from baseline budgeting to priority based budgeting.

Priority based budgeting will turn Clark County into a results-focused organization. This process:

- Ensures resource allocation (budget) is aligned with community expectations / priorities (results).
- Clearly articulates how much it costs to provide services and what will be lost of funding for services is reduced.
- Better communicates financial information to decision makers and the public.
- Avoids “across the board cuts” blind approach to managing financial crises and enables governments to be fiscally prepared for disasters, economic downturns and other unexpected events.
- Supports a sustainable budget rather than a balanced budget (long-term, not short-term).
- It is a leading practice in local government (GFOA, IGMA best practice).

The Budget Office will be using priority based budgeting business processes in the implementation and setup of the budget software system. In order to successfully implement the new business process and inform the proper setup of future budget software, the Budget Office is requesting to enter into a contract with the Center for Priority Based Budgeting (CPBB), which will provide advisory, analytical and facilitation assistance. CPBB worked with dozens of governments to implement priority based processes, developed templates and tools, and are affordable to use. County staff time and expertise are insufficient as budget staff are currently focused on a manual process, operating without software, and on interventions to balance the budget for the next cycle. Budget staff would be “re-inventing the wheel” by engineering the process without expert input and experience. Staff would risk costly and time-taking mistakes, and possibly failing, if trying to implement the new business process and to inform the setup of new software without adequate resources and support.

**COUNCIL POLICY IMPLICATIONS**

N/A

**ADMINISTRATIVE POLICY IMPLICATIONS**

N/A

**COMMUNITY OUTREACH**

N/A

**BUDGET IMPLICATIONS**

The one time cost of phase I of the project (identifying and costing out programs) is \$19,500, to be expanded from existing funds appropriated for the Enterprise Resource Planning replacement investigation project. Phase II of the project consists of identifying and defining community results or objectives based on the strategic plan, scoring programs through a peer review process, and setting up the budgetary allocation process to reflect priorities by program; the cost of phase II is \$27,000; this amount will be requested in the final 2016 supplemental, as part of the cost to purchase and implement budget software, based on a priority approach to budgeting business process.

YES	NO	
X		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

**BUDGET DETAILS**

Local Fund Dollar Amount	\$19,500 (one time)
Grant Fund Dollar Amount	
Account	Fund 3194 (IT projects)
Company Name	

**DISTRIBUTION:**

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>

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**Adriana Prata, Budget Director**

**APPROVED:** \_\_\_\_\_  
**Mark McCauley, County Manager**

**DATE:** \_\_\_\_\_

## BUDGET IMPACT ATTACHMENT

### Part I: Narrative Explanation

The one time cost of phase I of the project (identifying and costing out programs) is \$19,500, to be expanded from existing funds appropriated for the Enterprise Resource Planning replacement investigation project. Phase II of the project consists of identifying and defining community results or objectives based on the strategic plan, scoring programs through a peer review process, and setting up the budgetary allocation process to reflect priorities by program; the cost of phase II is \$27,000; this amount will be requested in the final 2016 supplemental, as part of the cost to purchase and implement budget software, based on a priority approach to budgeting business process.

### Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
3194		\$19,500				
<b>Total</b>		\$19,500				

II. A – Revenues consist of Fund 3194 (IT projects fund) existing resources set aside for phase I of the ERP project.

### Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
3194			\$19,500				
<b>Total</b>			\$19,500				

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual		\$19,500				
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
<b>Total</b>		\$19,500				