BUDGETING FOR COMMUNITY RESILIENCE

A NEW APPROACH IN BOULDER

JULY 2019

HR&A
Analyze. Advise. Act.
CSRS

CITY OF BOULDER

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ACKNOWLEDGMENTS

CORE PROJECT TEAM	**PILOT PROJECT TEAM**			**CONSULTANT TEAM**	
Graham Clark	Fire	Police	Human Resources	HR&A Advisors	CSRS
Gina Coluzzi	Devin Billingsley	Curtis Johnson	Mike Giansanti	Phillip Kash	Mark Goodman
Kady Doelling	Chief Michael Calderazzo	Bridget Pankow	Abbie Poniatowski	Kate Owens	David Lessinger
Nicolia Edlred-Skemp	Holger Durre	Chief Greg Testa		Mary Jiang	James Andermann
Jean Gatza	Wendy Korotkin				
Mike Giansanti					
Kara Skinner	Executive Budget Team				
Kendra Tupper	Tanya Ange				
Joel Wagner	Cheryl Pattelli				
	Greg Testa				
	Julia Richman				

EXECUTIVE SUMMARY

$353 M

TOTAL 2019 APPROVED BUDGET

23

CITYWIDE OBJECTIVES IN THE SUSTAINABILITY + RESILIENCE FRAMEWORK

Boulder is integrating the city's Sustainability + Resilience Framework into the annual budgeting process by intentionally developing departmental outcomes that advance the objectives of the Framework and by mapping and designing a set of Key Performance Indicators to monitor program impact.

Boulder's commitment to sustainability is unquestionable. The city has updated and committed to using the Sustainability + Resilience Framework (S+R Framework) to guide citywide strategies, outlined in 7 goals and 23 citywide objectives. With a newly updated framework, there is now an opportunity to institutionalize connections between these objectives and department activities.

Boulder is now exploring how to harness the budget process to direct its investment in sustainability and resilience outcomes. Having made commitments to sustainability, the city is now establishing a decision-making process that clearly delineates how it will prioritize its investments to achieve the greatest outcomes and impact.

A new approach begins with departments using outcomes to guide budgets. Departments should select several key outcomes that are critical to meeting the challenges of their mission and advancing the Sustainability +

Resilience Framework. They should then develop key performance indicators (KPIs) to measure progress towards those outcomes, which are connected to specific department programs and initiatives. This process illuminates departmental impact, informs city budget decisions and prioritizes investments.

Ensuring long term change requires high-level support. The new approach in Boulder will be successful only with clear directives from the City Manager's Office and with a team responsible for supporting departments and monitoring progress. This team should be embedded within the Finance Department to ensure that the process remains closely linked to budget decisions and documentation. The Innovation and Technology (IT) Department's support will also be critical to connect KPI development and monitoring with other open data efforts and innovation initiatives.

Other municipalities and state agencies can adopt a similar approach to budgeting for sustainability and resilience. The key is not to exactly replicate the Boulder experience but to understand existing conditions, focus on pertinent issues and apply relevant lessons learned. Developing an open dialogue about monitoring outcomes and tracking KPIs thus becomes a collaborative process that can lead to shared goals and leveraged resources.

BOULDER RECOMMENDATIONS

DEPARTMENT OUTCOMES

Each department develops a set of three to five outcomes that address the most pressing mid-term issues facing their department and support progress on the S+R Framework.

BUDGET PROCESS

Adjust information inputs at key points in the budget process and create several opportunities for information sharing and collaboration.

BUDGET REQUEST EVALUATIONS

Provide an evaluation rubric that will be used by the Executive Budget Team (EBT) during budget meetings to assess requests and used by departments when building budgets.

COUNCIL PRIORITIES

Create clear connection between annual Council Priorities and the S+R Framework, using high-level citywide outcome indicators.

BACKGROUND

PROJECT PURPOSE

Cities across the globe have made strong commitments to improving sustainability and forging a resilient future, but acting on these commitments can prove difficult. To prepare for a resilient future, many cities have undergone elaborate planning processes that engage the community and invoke innovative data use. However, many cities must also balance increasing fiscal demands, shrinking federal support, and significant capital project commitments. Strategic planning and vision-setting efforts are at risk of becoming irrelevant if cities do not discern tangible and practical techniques to act upon and fund their priorities.

A critical means of advancing sustainability and resilience goals is to integrate these goals into the budgeting process. Municipal budgeting sits between public policy and program implementation, engages and influences every city department, and serves as a representation of a community's priorities and values. Given limited resources, officials must choose among competing priorities at scales that range from daily project execution and service provision to multi-decadal investments in infrastructure and social programs. With the emergence of resilience as a public policy priority, there is a new opportunity for communities to channel investments in ways that achieve multiple benefits, reduce risk to lives and property, encourage a thriving and just economy, and build resilience value.

At the same time, changing a city's budget process can pose many functional challenges. These include overcoming inertia within existing programs, reconciling decentralized funding sources, accounting for an enormous variance in service types, and accommodating a wide array of stakeholders. Moreover, operating costs in many cities have risen to be a dominant share of city budgets, further constraining the funding available to pursue special initiatives. And in Boulder, softening retail sales taxes are currently placing stress on the city's funds and the city's ability to continue to provide services and programs at the same level of service or quality. Under these conditions, KPIs are a valuable tool to discern the areas where spending has the greatest impact on the city's sustainability and resilience goals.

To move beyond strategic planning towards institutionalization, Boulder decided to experiment with integrating its resilience goals within the city's annual budgeting process. These goals were most recently articulated in the Sustainability + Resilience Framework updated in 2018, which outlined seven high-level goals and 23 sub-objectives. Boulder's willingness to explore innovative solutions to activate these goals signals their continued leadership in and commitment to forging a more sustainable future.

The city's initial effort focuses on the General Fund, with the intention to expand to other funds over the next few budget cycles. The General Fund is Boulder's largest fund, with the remainder of funds dedicated to specific uses and departments. Many of the city's core departments—including Police, Fire, Finance, Human Resources, and Innovation and Technology—are dependent on General Fund allocations. The General Fund also provides a majority of the city's discretionary funding and has a more centralized decision-making process than the city's other funds. The General Fund therefore presents a good opportunity to pilot a process that can be expanded citywide, such that eventually, all departments can coordinate to achieve citywide goals. Ultimately, this exercise can be extended to and replicated in other cities seeking to actualize their visions for strong and resilient communities.

ESTABLISHING A COMMON LANGUAGE

As an initial step, the table below lists several key terms and phrases that are used throughout the report and warrant clarification and consistent usage.

TERM	DEFINITION
CITYWIDE CONCEPTS	
Sustainability + Resilience (S+R) Framework	2018 framework that states the city's high-level priorities.
Citywide Goal	Seven broad categories of the Framework (Safe, Healthy & Socially Thriving, etc.)
Citywide Outcome	Short statements that summarize and define each of the seven goals
Citywide Objective	Active statements that convey what the city and community must commit to doing to achieve the goal
Citywide Outcome Indicators	Cross-cutting metrics that measure progress towards citywide outcomes
DEPARTMENT-LEVEL CONCEPTS	
Strategic Plan/Master Plan	Department plans that are updated roughly every 3 – 5 years on a staggered basis
Departmental Goal	These are the same as the citywide goals. At the highest level, most of the strategic/master plans now incorporate the seven S+R Framework goals.
Department Outcome	A measurable and actionable target for the next 3 – 5 years, related to a department goal. Currently, most departments do not include clearly stated outcomes in their master plans.
Programs, Activities, Services	What departments do day to day, whether to serve the public, other departments, or internal services
Department KPIs	Metrics used by departments to measure performance and monitor program impact

WHAT IS "SUSTAINABILITY AND RESILIENCE"?

Sustainability is about actively and thoughtfully managing resources to achieve environmental, social and economic goals that preserve or enhance Boulder's quality of life. *Resilience* is about anticipating the inevitable events that cause disruption, and then developing the strategies to reduce their impacts to the greatest extent possible. Boulder defines resilience as the ability of a community to prepare for and respond effectively to *shocks* and *stressors*. The shocks will come on suddenly, like the 2013 flood, wildfires, violence or illnesses. The stressors take their toll over time, such as economic hardship, social inequality, or the declining health of a community and its members.

VISION
A future with equitable access to health, prosperity and fulfillment; where our community adapts and thrives in response to emerging, and sometimes urgent, social, economic and environmental challenges.

SUSTAINABILITY
Doing things in the present with an eye toward the future

RESILIENCE
The acknowledgement that the future is not static

ESTABLISHING A COMMON LANGUAGE

CITYWIDE EXAMPLE

- GOAL: HEALTHY & SOCIALLY THRIVING

- Outcome: *All Boulder residents enjoy high levels of physical and mental well-being, abundant recreational, cultural and educational opportunities in an environment where human rights are respected.*

- Objectives
  - Cultivates a wide-range of recreational, cultural, educational, and social opportunities for all socio-economic and age groups
  - Supports the physical and mental well-being of its community members
  - Fosters inclusion, diversity and equity

- Citywide Outcome Indicators
  - Utilization rates (and diversity of use) for parks, open space and recreational facilities
  - Exits from homelessness (on Boulder Measures)

DEPARTMENT EXAMPLE – FIRE DEPARTMENT

- GOAL: SAFE

- Outcome: *Reduce number of low acuity patients that end up in EMS system (i.e. ambulance, hospital).*

- Programs, Activities, Services
  - Implement enhanced emergency medical dispatch protocols
  - Work through station captain model to promote targeted outreach to frequent flyers in districts
  - Try to partner with American Medical Response to launch preventative care
  - Launch full-blown community paramedicine

- Department KPIs
  - % of Fire-Rescue calls cancelled en route
  - % of medical calls where no care is given
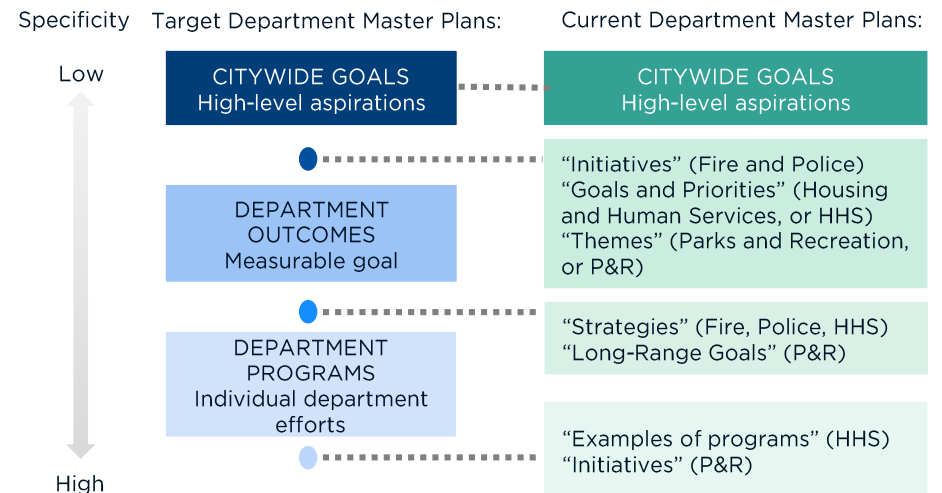 - Fire-Rescue vehicle miles traveled and idling time

The diagram below reconciles and compares the relative specificity of the terminology used throughout this report (blue) and terminology used in the current department master plans (green).

As indicated at the top of the diagram, the department master plans currently succeed at clearly referencing the citywide goals stated in the S+R Framework. However, most of the master plans are structurally organized around "initiatives," "goals and priorities," and "themes" that reflect priorities set by the department and are distinct from the citywide goals. These "initiatives," "goals," and "themes" are not specific enough to be true "department outcomes," which should be measurable and achievable. Many of the master plans also do not yet specify the programs, activities and services that directly contribute to their goals.

The citywide goals are clearly defined and have measurable objectives and indicators, as outlined in the Citywide example to the left. The diversity of terminology between the current master plans may hinder clarity and potential collaboration. Over time, the goal is to move towards a clearer set of outcomes, programs, and indicators, such as those outlined in the Fire Department example to the bottom left.

Specificity | Target Department Master Plans: | Current Department Master Plans:

Low

CITYWIDE GOALS
High-level aspirations
····· CITYWIDE GOALS
High-level aspirations

DEPARTMENT OUTCOMES
Measurable goal
····· "Initiatives" (Fire and Police)
"Goals and Priorities" (Housing and Human Services, or HHS)
"Themes" (Parks and Recreation, or P&R)

DEPARTMENT PROGRAMS
Individual department efforts
····· "Strategies" (Fire, Police, HHS)
"Long-Range Goals" (P&R)

····· "Examples of programs" (HHS)
"Initiatives" (P&R)

High

OVERVIEW OF SUSTAINABILITY + RESILIENCE FRAMEWORK

GOAL	OUTCOME	OBJECTIVE
Safe	A welcoming and inclusive community that fosters personal and community safety and ensures that all residents are secure and cared for during emergencies and natural disasters.	• Enforces the law while considering the needs of individuals and community values. • Plans for and provides equitable, timely and effective services and responses to emergencies and natural disasters. • Fosters a climate of safety for individuals in homes, businesses, neighborhoods, streets, sidewalks, bike lanes and public places. • Encourages shared responsibility, provides education on personal and community safety and fosters an environment that is welcoming and inclusive.
Healthy & Socially Thriving	All Boulder residents enjoy high levels of physical and mental well-being and abundant recreational, cultural and educational opportunities in an environment where human rights are respected.	• Cultivates a wide-range of recreational, cultural, educational, civic and social opportunities for all socioeconomic and age groups. • Supports the physical and mental well-being of its community members. • Fosters inclusion, diversity and equity.
Livable	High-performing, safe, well-maintained and attractive buildings and infrastructure that accommodate a diverse set of community needs for working, playing and living.	• Promotes and sustains a secure, clean and attractive place to live, work and play. • Provides a variety of housing types with a full range of affordability. • Provides appropriate regulation of development and high-performing, well-maintained public infrastructure. • Encourages sustainable development of infrastructure and buildings supported by reliable, affordable city services. • Supports and enhances neighborhood livability and walkability for all members of the community.
Accessible & Connected	A safe, accessible and sustainable multi-modal transportation system that connects people with each other and where they want to go. Innovation, inclusivity and open access to information fosters connectivity and promotes community engagement.	• Offers and encourages a variety of safe, comfortable, affordable, reliable, convenient and clean mobility options. • Supports a balanced transportation system that reflects effective land use, manages congestion and facilitates strong regional multimodal connections. • Provides effective infrastructure and services that will encourage diverse populations to connect to nature and the larger community. • Provides open access to information, encourages innovation, enhances communication and promotes community engagement.
Environmentally Sustainable	A sustainable, thriving and equitable community that benefits from and supports clean energy; preserves and responsibly uses the earth's resources; and cares for ecosystems.	• Rapidly transitions from fossil fuels to clean, renewable energy. • Ensures the efficient use of natural resources in a manner that does not deplete them over time. • Protects and enhances the biodiversity and productivity of ecological systems. • Enhances the ability of urban, wildland and agricultural ecosystems to capture and stabilize atmospheric carbon and provide critical buffering against climate extremes
Responsibly Governed	A local government that provides an excellent customer experience, responsibly manages the city's assets and makes data-driven decisions informed by community engagement.	• Models stewardship and sustainability of the city's financial, human, information and physical assets. • Supports strategic decision-making with opportunities for engagement and timely, reliable and accurate data and analysis. • Enhances and facilitates transparency, accuracy, efficiency, effectiveness and quality customer service in all city business. • Supports, develops and enhances relationships between the city and community/ regional partners. • Provides assurance of regulatory and policy compliance.
Economically Vital	All residents and businesses can access and benefit from a healthy and sustainable economy that is innovative, diverse and collaborative.	• Supports an environment for creativity, innovation and entrepreneurship. • Promotes a well-educated, skilled and diverse work force that meets employers' needs. • Fosters a collaborative and resource rich regional business climate. • Attracts, sustains and retains a diverse mix of businesses, entrepreneurs and jobs that support the needs of all community members. • Supports financial security, economic opportunity and social mobility for all.

RESILIENCE IN BOULDER

Along with the community, the City of Boulder has taken steps to shift from a traditional emergency management preparation and recovery posture to one of prevention, resilience and sustainability. This effort builds upon lessons learned during and after the 2013 floods and seeks systemic change to foundational processes of government. This project complements other city initiatives—including open data and performance measurement—that are focused on high-performance government, data-informed decision-making, and operational effectiveness and efficiency.

As part of the 100 Resilient Cities network, Boulder released a comprehensive citywide resilience strategy in April 2016. Since then Boulder has been developing processes and tools to institutionalize resilience, including identifying budgeting for resilience as one of its core "frontier" areas of action. In 2017 alone, Boulder hosted two workshops— *Realizing the Resilience Dividend: Budgeting for Resilience* and *Innovative Finance for Resilience*—and participated in the inaugural global cohort of cities deploying the City Resilience Index.
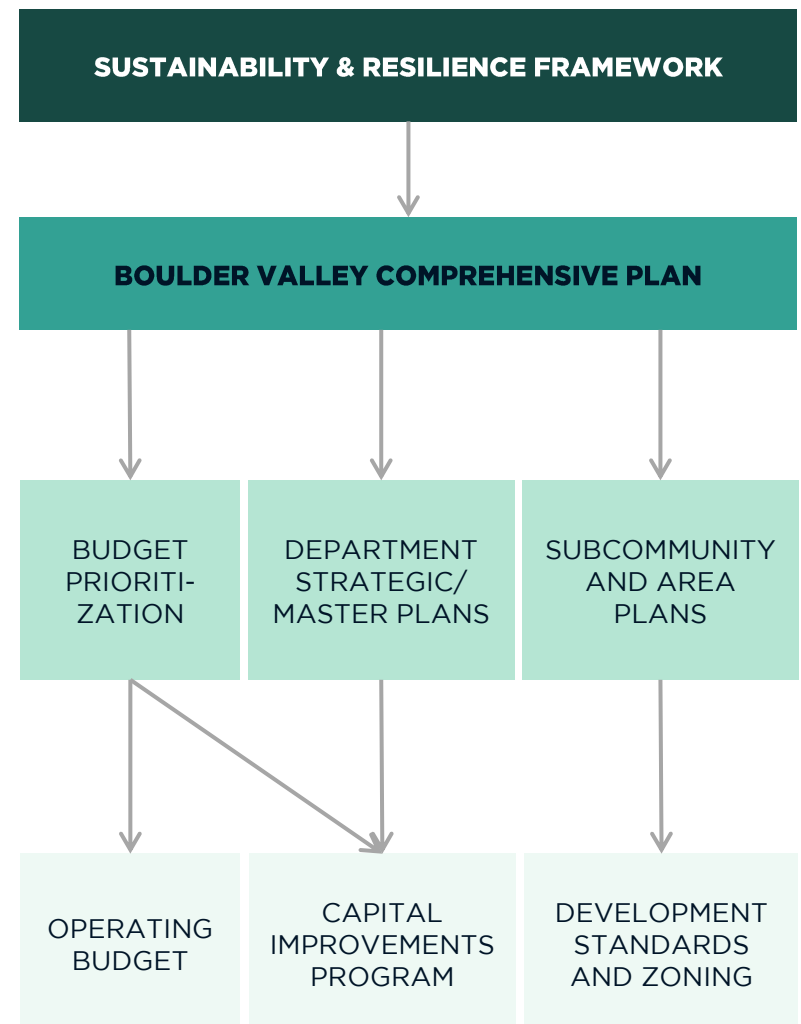
In 2018, the City of Boulder updated its Sustainability Framework to include Resilience to position its communities to rebound from, positively adapt to, and thrive amidst changing conditions. The framework outlines seven overarching goals and 28 specific objectives that advance these goals. The framework is intended to guide budgeting and planning processes by outlining a set of actions necessary to achieve Boulder's vision. As a result, the framework itself does not set specific targets or prescribe key investments. Rather, the S+R Framework is intended to be integrated into departmental master plans and Boulder's broader comprehensive plan.

To date, the city has promoted and incorporated the S+R Framework through many means. These include broadly increasing awareness and usage by disseminating copies and conducting trainings; using the Framework to guide important documents such as master plans; and deepening usage through the present effort to use the S+R Framework to guide the budget process.

The city is looking to better align budget decision-making with the S+R Framework. In 2008, Boulder deployed a Priority Based Budgeting (PBB) methodology for decision-making. Boulder's approach to PBB provided a comprehensive inventory of services and programs, but the resulting information did not link decision-making to citywide goals. The current project effectively updates and supplants the PBB process, by better aligning decision making with the city's S+R Framework.

Boulder is promoting the continuous measurement and evaluation of services and programs, by adopting KPIs to inform budget allocations. The following approach shifts from a budget process that has focused on expenses and outputs to one that focuses on results and outcomes. In the process, Boulder hopes to further improve transparency and efficiency.

CURRENT RELATIONSHIPS BETWEEN GUIDING DOCUMENTS

SUSTAINABILITY & RESILIENCE FRAMEWORK

BOULDER VALLEY COMPREHENSIVE PLAN

BUDGET PRIORITI-ZATION	DEPARTMENT STRATEGIC/ MASTER PLANS	SUBCOMMUNITY AND AREA PLANS

OPERATING BUDGET	CAPITAL IMPROVEMENTS PROGRAM	DEVELOPMENT STANDARDS AND ZONING

KPI PRIMER

Key Performance Indicators (KPIs) are metrics with a purpose: to measure and communicate progress towards goals, and to illuminate where changes can be made to optimize impact.

While it is clear that departments make important contributions to the city each day, the impact and effectiveness of these efforts is less clear. Boulder department heads must manage their individual budgets and progress within their strategic/master plans. All departments, and the city as a whole, have set ambitious goals and objectives under the Sustainability + Resilience Framework, and each department contributes to these goals through their services and programs. KPIs can illuminate what is working well, what is not, and what processes, programs and services can be re-designed for greater impact.

At its most basic, the question behind developing a KPI is: How do you know you have been successful in achieving your goal? Then, in more detail: How do you know that the service or program you are delivering is effective? And in terms of budgeting: How do you know that these services or programs are the most cost-effective? Developing and monitoring KPIs is a more rigorous way to track progress towards a goal and measure the effectiveness of city departments and their programs and services.

WHAT MAKES A GOOD KPI?

While all of the data that city departments collect have various functions, only a small subset of this data will be useful for measuring the performance or effectiveness of a specific effort. By working backwards from the intended outcome of a program or service, departments can identify the critical steps and actions necessary to address the key challenges that face them and then identify the metrics that measure its actions.

A good KPI should be:

1 **Meaningful**: focused on established goals, efficiency, and service delivery

2 **Understandable**: easily interpreted by city leaders and staff, City Council, and the public

3 **Actionable**: useful for management decision-making

4 **Measurable**: composed of reliable data which exists and is accessible

KPIs must often measure outputs rather than outcomes. This is because it can be difficult or even impossible to evaluate and directly attribute progress made toward a real-world outcome, even though that is the ultimate goal of any performance measurement effort.

OUTPUTS	*Actions under the direct influence or control of city departments*
OUTCOMES	*The results related to the overall issue*

For instance, if the goal of a health program is to reduce childhood obesity, it may use annual health data to track this overall outcome, but its KPI would likely be something more directly under its control, like the number of fresh food options provided in lower-income areas.

When developing and reporting KPI data, it is best to use data that is already being generated and collected in the course of doing business. This reduces extra effort required to report the KPI data. It also increases the reliability of the data supply chain and the accuracy of the data points since they are needed for official department operations and not just performance reporting.

KPI PRIMER

Many departments must provide and balance public-facing and internal services—both of which should be measured. Public services are those that respond to the needs of citizens, and the level of public service can typically be clearly delineated using KPIs. Internal services, which are provided to department staff and to other departments, are also critical for the proper functioning of an organization and need to be measured. For instance, if invoices to vendors are not being processed in a timely manner, it could cause a delay in the delivery of a public service. For departments like Innovation and Technology (IT), Finance, and Human Resources (HR), many KPIs will be for internal services. For these departments KPIs may look more like service-level agreements such as measuring the amount of time taken to process a certain type of request.

KPI REPORTING AND REVIEW

Once a KPI is identified, the next step is setting a performance target. Annual targets should be set for most performance indicators in order to evaluate progress. Progress can be tracked on a monthly or quarterly basis. The targets can be revisited each year to ensure they are still ambitious but attainable and the indicator itself can be re-evaluated each year for its relevance and usefulness. Targets do not need to be set when establishing a baseline for a new measure, when it is unclear what is ambitious and achievable. Targets are also unnecessary when the measure is mostly influenced by factors outside of the organization's direct control. In some cases, an indicator and a target will already exist if the KPI is included as a national standard or industry benchmark used by similar agencies around the country.

KPIs are useless unless the data is reviewed against the target on a regular basis and used as a tool to explore challenges, evaluate effectiveness, and revisit strategies. The team responsible for producing the output, the team managing the data collection and reporting, and the managers overseeing the work should review the indicator data as a group. KPIs are not to be used as a punitive element for non-performance by individuals or departments, nor as an incentive. They are to be used as a tool to gain insight into what's going well, what's not, and as a way to use data to inform decision-making. Oftentimes, the KPIs themselves must be adapted as our understanding of the problem evolves so that they continue to measure factors relevant to addressing the challenge.
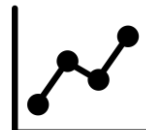
KPIs can be particularly powerful when the data are reviewed together by a group of staff and departments tasked with delivering outcomes related to a common challenge. For example, the city has developed a comprehensive strategy to address homelessness with multiple departments contributing in various ways. In order to assess the effectiveness of this strategy and uncover further opportunities for collaboration, it would likely be useful for staff from each department to set KPIs related to their individual efforts and review and discuss them as a group. While it is unrealistic to expect that homelessness will be ended, it could be an excellent approach to identifying opportunities, gaps, and refining the strategy.
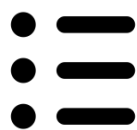
| Determine list of KPIs | Set targets | Monitor performance | Iterate as needed |

CITYWIDE OUTCOME INDICATORS

Most cities track high-level Citywide Outcome Indicators, which are a subset of KPIs that best show the city's progress towards achieving broadly agreed-upon goals. For Boulder, these are the goals stated in the Sustainability + Resilience Framework.

These outcome indicators are sometimes "owned" primarily by one department and at other times may be shared by many departments. For instance, the citywide outcome goal of making 10% of all housing affordable housing is primarily managed by Housing and Human Services (HHS), though it can be supported secondarily through land use changes and zoning codes. Conversely, the goal of an 80% reduction in greenhouse gas emissions from city operations by 2030 must be directly supported by many departments even if the data is collected by just one. Citywide outcome indicators primarily use city-level data. However, in cases where this is not available or is not appropriate, county or metropolitan statistical area (MSA) can be used.

Not every KPI will contribute directly to a Citywide Outcome Indicator, but for the KPIs that do, it can be effective to review KPIs by result area. For instance, each KPI that measures an action with a direct result of a reduction of CO2 could be reported on in a quarterly review session amongst those program directors or department heads that manage those initiatives This type of shared accountability allows departments to discover avenues for coordination and opportunities to leverage one another's efforts

CONSULTING TEAM ENGAGEMENT PROCESS

To support this new endeavor, the City of Boulder formed a project team led by the Finance Department's budget team, comprised of representatives from various city departments, and facilitated by HR&A Advisors and CSRS.

1 REVIEWED BACKGROUND MATERIALS TO DETERMINE PROGRESS TO DATE AND PLACES TO IMPROVE

2 INTERVIEWED STAKEHOLDERS AND LED OUTCOME-SETTING WORKSHOP

3 RESEARCHED COMPARABLE CITIES TO FIND BEST PRACTICES IN OUTCOME-BASED BUDGETING

4 ENGAGED THREE DEPARTMENTS IN SERIES OF EXERCISES TO DEVELOP KPIS

5 DEVELOPED EVALUATION RUBRIC AND CRITERIA TO SUPPORT BUDGET PRIORITIZATION

6 PRESENTED AND DISCUSSED RECOMMENDED APPRAOCH WITH EBT

7 PROVIDED NEXT STEPS TO OPERATIONALIZE AND REFINE BUDGET PROCESS ADJUSTMENTS

! CREATED A REPLICABLE APPROACH TO ADVANCE COMMUNITY RESILIENCE THROUGH BUDGETING

ASSESSMENT

ASSESSMENT PROCESS

To understand how strategic planning, budgeting and metrics align in Boulder, HR&A and CSRS first assessed the current strengths of, weaknesses of, opportunities for, and threats to the current budgeting process, using several inputs. The team then examined case study cities and worked closely with departments to implement best practices.

EVALUATION OF CURRENT CONDITIONS

1. Review of department master plans

Many City of Boulder departments undergo an in-depth planning process every three to seven years, to identify the issues, goals, and constraints that will guide their actions. The consulting team reviewed master plans for Fire, Police, Housing and Human Services, Open Space and Mountain Parks, Parks and Recreation, and Transportation.

2. Inventory of programs and services

The consulting team reviewed an exhaustive list of department programs, which was created as part of the priority-based budgeting (PBB) process. This list of programs roughly matches to the line items listed within city budget document.

3. Department stakeholder interviews

The team interviewed key stakeholders from ten city departments to understand their experiences with strategic planning and budgeting.

4. Citywide workshop

The team met with participants from departments across the city to explore how existing department targets support the S+R Framework's goals, and how current programs support these targets.

BEST PRACTICES

Case study analysis

The team benchmarked Boulder's budgeting process against 25 cities, to identify subtle and specific ways in which municipal budgeting can support broad citywide goals.

FINDINGS OF EVALUATION OF CURRENT CONDITIONS

Boulder's strategic planning processes are strengthened by the clarity of the city's shared values. The impact of these strategic plans could be broadened through increased coordination and the use of metrics to monitor progress.

⊕ Strengths

- **Department master plans:** There is a strong culture of setting goals and reviewing progress.

- **S+R Framework:** The Framework effectively relates to every department, while reflecting the community's priorities.

- **Robust budgeting process:** All city departments understand and use the existing budgeting process.

- **Preliminary collaboration:** Cross-cutting outcomes already exist, such as the cross-department homelessness coalition.

- **Metrics working group:** An inter-department metrics working group is beginning to increase metrics usage through training and coordination.

- **Strong analytical capacity:** Departments have strong data collection capacity, and some have in-house data and budget analysts.

⊖ Weaknesses

- **Need for activation:** To encourage shared ownership of goals and to spur progress, the S+R Framework objectives need to be integrated into the department planning process.

- **Goal fatigue:** With so many goals, resources become thinly or arbitrarily allocated across "priorities."

- **Stagnant data:** Though plenty of data is collected, there is a need for common analytical methodologies and clearer end uses.

- **Decentralized budget analysis:** Budget analysts are mostly housed within separate departments; this staffing model diminishes their focus on citywide outcomes.

⚠ Threats

- **Flattening sales tax revenue:** Growth in sales tax revenues is expected to be slow, placing a strain on city resources as costs continue to rise at a higher rate.

- **Rising operating costs:** Personnel costs and other operating costs are a rising share of budgets, further limiting the funding available for special initiatives.

- **Dedicated funds:** Many departments are funded by dedicated funds. Culturally, this segmentation has created a fragmented planning process and limited budgeting flexibility.

- **Fragmented information platforms:** Existing data and information platforms do not always track relevant information. Some departments reported using separate spreadsheets to track budget items.

Opportunities

- **Collaboration and review:** The department-director network can be used to review outcomes and spending throughout the year.

- **Identify citywide initiatives:** The city should distill no more than 15 citywide initiatives that build collaboration around clear outcomes and metrics.

- **Create links to S+R Framework:** The work that departments already do should be clearly linked to the Framework, to identify gaps and overlaps in service delivery.

- **Incorporate metrics:** Funding should be tied to excellence in reporting progress towards clearly stated targets.

- **Public engagement:** Boulder Measures, which visualizes citywide outcomes organized around the S+R Framework, provides an excellent platform.

CASE STUDY CITIES

The team first identified 60 small- to medium-sized cities across the country that have made commitments to integrating metrics or improving sustainability and resilience. The team then examined the budgeting processes for 25 of these cities to understand how they had financed the goals stated in their strategic plans, taking note of how data was used to track progress towards goals. The team finally took a deep dive into three comparable cities that represent a spectrum of budgeting styles.

	Boulder, CO	Tacoma, WA	Kansas City, MO	Fort Collins, CO
Population	107,000 (2017)	213,000 (2017)	489,000 (2017)	171,000 (2018)
2018 Budget	$389,411,000	$1,955,000,000*	$1,665,700,000	$635,200,000
Approx. Per Capita Budget**	$3,700	$4,600	$3,400	$3,700
Budget Frequency	Annual	Biannual	Annual	Biannual

*Two-year general government budget
**Differences in per capita budget due to variation in the services provided by each city.

CASE STUDIES FINDINGS

While many cities have adopted similar high-level strategic goals, a key difference between cities is how they deeply they incorporate these goals into their budgeting process. These cities often have very similar broad frameworks that encompass six or seven ideals, such as those outlined in Boulder's S+R Framework. However, these cities are subtly different in the *extent* to which they incorporate their goals and related metrics into the budgeting process.

Boulder, CO	Tacoma, WA	Kansas City, MO	Fort Collins, CO

SIMILAR HIGH-LEVEL GOALS...

Boulder Valley Comprehensive Plan S + R Framework	Tacoma 2025	Annual Citywide Business Plan	Fort Collins 5-Year Strategic Plan
1. Livable 2. Safe 3. Accessible and Connected 4. Economically Vital 5. Environmentally Sustainable 6. Healthy and Socially Thriving 7. Responsibly Governed	1. Equity 2. Livability 3. Economy & Workforce 4. Education 5. Civic Engagement 6. Government Performance	1. Healthy Communities 2. Housing 3. Public Safety 4. Transport and Infrastructure 5. Planning, Zoning, and Economic Development 6. Customer Service and Communication 7. Finance and Governance	1. Neighborhood Livability and Social Health 2. Culture and Recreation 3. Safe Community 4. Environmental Health 5. Economic Health 6. Transportation 7. High Performing Government

...DIFFERENT ORGANIZING PRINCIPLES

ORGANIZED BY DEPARTMENT   **ORGANIZED BY FRAMEWORK**

Outcomes are pursued at a department level,	Outcomes are pursued at a department level,	Outcomes are pursued at a department and citywide level,	Outcomes are pursued citywide,
as part of the **individual department master plans**, which are **staggered and occur every 5-ish years**	as part of the **biannual citywide budget** process—departments set long-term goals, relate them to the priority areas, and clearly state performance targets	As part of the **annual citywide budget and business plan** process—allocations, goals, and metrics are assigned to each goal	as part of the **biannual citywide budget** process—all programs and funding offers are related to and organized around the goals

Overall, this review of comparable cities affirmed that Boulder has created a solid and workable citywide framework, and now needs to explore ways to truly orient its decisions towards these goals. While Boulder's strategies and budget decisions are still ultimately allocated by department, some cities have entirely restructured the way they think about budgeting—to be focused on department-agnostic goals and outcomes.

RECOMMENDATIONS

1. Develop Department Outcomes and KPIs
2. Embed Outcomes and KPIs into Budget Process
3. Create Annual Budget Priority Document and Evaluation Approach
4. Link Council Priorities to Citywide Outcome Indicators

SUMMARY OF RECOMMENDATIONS

1. DEVELOP DEPARTMENT OUTCOMES AND KPIS

City departments should set clear outcomes that address the most pressing issues, develop key performance indicators and targets, and commit to making progress towards these goals by assigning ownership and responsibilities. This will ensure that metrics are not only highly relevant to the city's operations but also regularly updated and tracked. The process will also directly link department outcomes to the S+R Framework.

2. EMBED OUTCOMES AND KPIS INTO THE BUDGET PROCESS

Department and overall KPI performance should be incorporated at several points in the existing budget process: for example, when developing budget guidelines, when presenting preliminary budget recommendations to the Executive Budget Team (EBT), and when presenting to the City Council at a study session. This both expands participation across the city government and activates the performance monitoring in the budget process.

3. CREATE ANNUAL BUDGET PRIORITY DOCUMENT AND EVALUATION APPROACH

The EBT should adopt an evaluation rubric to compare departmental budget proposals. The rubric would assess department budget proposals along four separate dimensions to establish relative investment priorities within and between proposals. This increases transparency and dialogue between departments, EBT, and council, while further linking the S+R Framework to the budget.

4. LINK COUNCIL PRIORITIES TO CITYWIDE KEY PERFORMANCE INDICATORS

The City Council sets broad priorities each year that should be linked to both the S+R Framework and to a set of high-level KPIs that communicate citywide progress. The data should be shared through the Boulder Measures open data dashboard. This expands engagement to the public, council, EBT, and departments. It also creates the opportunity for more rigorous evaluation of priorities.

1. DEVELOP DEPARTMENT OUTCOMES AND KPIS

City departments should set clear outcomes that address the most pressing issues, develop key performance indicators and targets, and commit to making progress towards these goals by assigning ownership and responsibilities. In many departments, these activities already occur to some extent and in some format, but these practices are not yet consistent across departments. To ensure that all departments refresh their existing practices and examine why they do what they do, the city should establish a clear and guided methodology for arriving at and articulating outcomes, choosing and monitoring metrics, and determining responsibilities.

This process currently takes place in a rigorous format when departments update their master plans about every five years. However, a streamlined set of exercises that walk through these questions would allow departments to more nimbly adapt their strategies and performance measurement activities to align with the annual budgeting process. HR&A drafted several such exercises and piloted them with three departments.

IDENTIFY DEPARTMENT OUTCOMES	SELECT KEY PERFORMANCE INDICATORS AND SET PERFORMANCE TARGETS	DETERMINE DEPARTMENTAL STAKEHOLDERS

Exercise 1: "Issues to Outcomes"

Resulting Product:
2 to 4 clearly defined outcomes that link to strategic citywide goals and issues

Exercise 2: "Outcomes to KPIs"

Resulting Product:
For each outcome, 1 to 3 KPIs with clear targets, noting whether the underlying data is currently being collected

Exercise 3: "Outcomes to Programs"

Resulting Product:
List of key programs and individuals that will drive progress, and an initial estimate of the magnitude of budget impacts

1. DEVELOP DEPARTMENT OUTCOMES AND KPIs

Once selected, KPIs should be rigorously monitored, and shifts in indicators should be attributed to the potential success or limitations of department activities. The table below, prepared by the Human Resources department for a mock presentation to EBT, communicates how potential budget allocations could help the department achieve several of its outcome targets.

Outcome: *Implement citywide performance development philosophy and technologies that support individual and organizational growth goals, drive real-time and constructive feedback, and lead to inclusion and transparency*

KPI	Current Status	Current Programs (Annual Spend)	Ongoing / *Proposed* Work (Annual Spend)
% of employees who report having clear goals that align with organizational objectives	71%* → 95%	As-is core perf mgmt.($20k);	Philosophy work w/ LICMA ($20k); *Tech. application ($30k)*
% of employees who report that they know how to advance their career	54%* → 80%	LEAD($90k); BLA($15k); HPO($25k);Tuition($100k)	
% of employees who report receiving real-time feedback that supports their development	36%* → 90%	As-is core perf mgmt.($20k)	Philosophy work w/ LICMA ($20k); *Tech. application ($30k)*
% related KPIs that can be measured via automated technology	0% → 100%		*Tech. application ($30k)*
% of employees who believe the process and tools provide fair and transparent performance development	25% → 75%	As-is core perf mgmt.($20k)	Philosophy work w/ LICMA ($20k); *Tech. application ($30k)*
Average number of documented development conversations per employee per year	1.5 → 4	As-is core perf mgmt.($20k)	Philosophy work w/ LICMA ($20k); *Tech. application ($30k)*

*actual data collected in April 2019 Citywide Pulse Survey

Current State | Impact of Proposed Work | Target

2. EMBED OUTCOMES AND KPIs INTO THE BUDGET PROCESS

As departments uniformly adopt clear outcomes and KPIs, the budget process should be adjusted to fully incorporate this new information. We suggest three points in the budget process where outcome and performance monitoring could be better integrated via additional or extended inputs (see below). The suggested points occur when developing budget guidelines, presenting preliminary budget recommendations to the EBT, and presenting to the City Council study session. Each of these steps would require initial information sharing and meeting to develop department level outcomes and metrics.

BUDGET PROCESS FLOWCHART

CURRENT INPUTS
- Community Survey
- Council Retreat
- Comp Plans
- Master Plans
- Sustainability Framework

Leadership defines direction

EBT meets to lay out the plan for the year

Budget Division and Departments develop Budget Guidelines

Departments review fund balances and develop budget requests

Budget Division follows up with Departments to review

Budget Division makes preliminary budget recommendations to the EBT

EBT meetings review budget and policy issues for Departments, if requested

EBT makes budget decision

EBT/Budget communicates decisions to departments

Departments provide updates for City Manager's Recommended Budget

City Council Study Session

Budget Division makes changes and creates ordinances

City Council ordinance readings

Budget Division creates Approved Budget Document, Munis generates budget completion journal

NEW INPUTS
- Department Outcomes
- Progress Report & Dashboard
- Program Catalog

NEW INPUTS
- Summary of Outcomes
- Summary of Progress
- List of Key Initiatives

NEW INPUTS
- Summary of Dept Outcomes
- Overall Progress Dashboard

2. EMBED OUTCOMES AND KPIs INTO THE BUDGET PROCESS

More specifically, the inputs could consist of the following.

NEW INPUTS INTO BUDGET GUIDELINES	NEW INPUTS INTO EBT BUDGET RECOMMENDATIONS	NEW INPUTS INTO CITY COUNCIL SESSIONS

Department Outcomes with Targets
Individual departments would develop outcomes based on what is most important to their operations and what best supports the S+R Framework.

Progress Report and Dashboard
For each outcome, departments would provide metrics that enable the city to measure progress on each of the goals within the S+R Framework. While also creating internal dashboard where departments could easily track progress by other departments.

Program Catalog
Departments would submit a catalog of the programs that help them meet the outcomes and make progress on their performance indicators. A program is "a set of related activities or tasks intended to produce a desired result for constituents."* As constituents vary so widely across departments, departments are likely to present a large range of program types. The program catalog should be linked to the progress report and department outcomes, and should summarize each program and provide basic budget summary statistics.

Summary of Outcomes
This summary would establish a department's agreed-upon outcomes and correspond each of them to at least one Sustainability + Resilience goal. This document would provide the EBT and the City Manager with a roadmap of how department outcomes fit within the city's broader goals.

Summary of Progress
The summary would bring together the statistics for each outcome, so that the EBT can understand annual progress as they evaluate and prioritize budget decisions.

List of Key Programs
This document would provide a summary of the program catalog, reflecting department and Budget Division input on which programs are key to achieving certain outcomes. This would allow departments to weigh in on prioritization.

Summary of Outcomes
The information would be similar to what is presented to the EBT, but would potentially include more context setting and narrative connection to higher-level goals.

Overall Progress Dashboard
This would be an expanded version of the current Boulder Measures dashboard that would include departmental performance metrics in addition to citywide ones.

Government Finance Officers Association

2. EMBED OUTCOMES AND KPIs INTO THE BUDGET PROCESS

When adjusting the budget process, the city should also create formal and regular opportunities for collaboration. For example, a schedule of collaborative gatherings could resemble the following:

	ATTENDEES	*PURPOSE*
Annual EBT Priority-Setting Retreat	Executive Budget Team and Directors	**Determine annual priorities to guide department budget requests**, taking into consideration previous year's progress and council recommendations
Annual Outcomes Workshops	Department directors, project managers, and analysts	**Provide progress updates and generate new ideas** around addressing common issues. Attendees and sessions should be **organized around the seven S+R goals.**
Biannual Manager's Meeting	City Manager and department directors	**Review department progress** toward KPI targets and outcomes.

3. CREATE ANNUAL BUDGET PRIORITY DOCUMENT AND EVALUATION APPROACH

Budget allocations can be difficult to determine and defend, especially in climates of tightening fiscal resources. And because cities are composed of such a wide range of departments and programs, it can be very difficult to determine the relative "importance" of city programs, and the commensurate resources that should be allocated to each. Budget leaders therefore require a common language and framework through which they can evaluate the relative importance of disparate programs.

The team has proposed an evaluation rubric for the EBT to compare departmental budget proposals. The purpose of the rubric is to assess department budget proposals along four separate dimensions to establish relative investment priorities within and between departments. The four categories are:

Essential Services: This category gives priority to activities that provide basic operational services that might not be part of more ambitious department outcomes or the Sustainability + Resilience Framework.

Citywide Goals - Sustainability + Resilience Framework: This category allows for an evaluation of the activity's connection to the overall framework guiding city actions.

Department Outcomes and KPI Progress: This category gives priority to activities that support department-defined outcomes, particularly those that can show progress or major changes over time.

Collaboration: This category incentivizes cross-department planning by prioritizing activities that leverage multiple departments, as an effort to reduce fragmented or duplicative budgeting allocations.

In addition to providing a cross-cutting approach for evaluating proposals, the rubric is designed to incentivize better information sharing, cooperation, and data-informed decision-making.

Having a clear rubric will help not only EBT, but also individual departments. Clear and consistent evaluation criteria will provide departments with direction on how and where to direct their efforts as they prepare budget requests. Departments will be able to receive a clearer rationale for why budget requests were funded or not. And finally, departments will be able to receive clear feedback on their proposals, which allows them to effectively supplement with more information when necessary and inform future requests.

3. CREATE ANNUAL BUDGET PRIORITY DOCUMENT AND EVALUATION APPROACH

HOW TO USE THE EVALUATION DOCUMENT

This document should be provided to city departments and agencies that receive city funding on an annual basis so that it can inform the staff's efforts as they develop the department's annual budget proposal. The EBT may need to add an annual meeting to revisit the rubric and set priorities to ensure the categories and criteria account for current conditions. Then, as the EBT reviews budget proposals for specific activities and programs from each department, it should use this document to evaluate and rank each activity and program. This will result in a ranking of the relative priority of programs and activities both within a department's budget offerings and across departments.

Proposals are awarded points based on their relative strength in each category at the levels of 10 points, 5 points, 2 points, and 0 points, so that each proposed program or activity is given a total score between 0 and 40. It should be noted that the dimensions are mutually exclusive, so that it might be possible for a program to score very high in one category and low in another but still be ranked as a high priority by the EBT. In other words, departments need not aim to score well in all categories. This should be reinforced with departments as they think about this rubric.

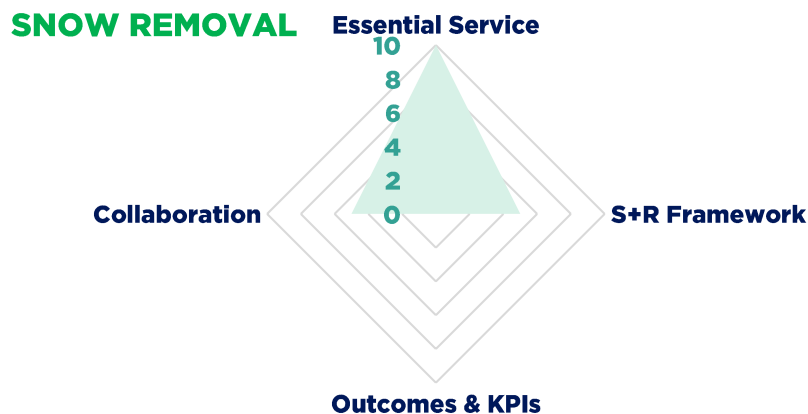|	Essential Services	Citywide Goals – S+R Framework	Department Outcomes & KPIs	Collaboration
10 points	• Delivers/ supports **essential** services	• **Strong and direct connection** to the framework, to **3 or more goals** • **Does not have negative impact** on any other goals	• **Strong progress** towards one or more outcome and KPI targets • **Met or exceeded KPI targets**; OR can identify progress despite issues that hindered execution	• **Highly collaborative** and demonstrates strong benefits to other departments
5 points	• Delivers/ supports **important** services	• **Has connection** to framework, to **at least one goal** • **Has plans to mitigate any negative impact** on other goals	• **Moderate progress** towards one or more outcome and KPI targets • **Improved but fell short of KPI targets**	• **Somewhat collaborative** and demonstrates some benefit to other departments
2 points	• Delivers/ supports **helpful** services	• **Weak connection** to framework • **Unlikely to advance goal**, OR likely to further a goal but **will also have significant negative impact** on another	• **Minimal progress** towards outcomes and KPI targets • **Well below KPI targets**	• **Not collaborative** and demonstrates no benefits to other departments
0 points	• Delivers/ supports **amenity** services	• **No connection** to framework • **No clear impact on any** goals, or will only have a negative impact	• **Does not link** to any outcomes or KPIs	• **Impedes collaboration** or demonstrates negative impact to other departments

3. CREATE ANNUAL BUDGET PRIORITY DOCUMENT AND EVALUATION APPROACH

The following **hypothetical** example compares a snow removal program with an energy efficiency program that converts local government buildings. A detailed breakdown of the rubric scores reveals that each program makes important contributions. Overall, the snow removal program scores 20 points compared to 30 points for the energy efficiency program, though this should not have a direct bearing on how EBT funds each program. It is important for decisionmakers to examine the difference in the composition of these rankings, as demonstrated by the following charts. Regardless, the scores ultimately allow for a more informed conversation on the relative benefits and priorities of a highly variable set of department programs.

SNOW REMOVAL

ENERGY EFFICIENCY

Overall, snow removal is an essential service with limited connections to department outcomes or overall citywide goals. The program receives 10 points in the basic services category because it is provides a service that could not be cut without a significant impact to the health, safety, and well-being of residents and visitors. It receives 5 points in the S+R Framework category because it has a connection to the Livability Goal and is somewhat likely to have a significant impact on two objectives therein: 1. "promoting a secure, clean place to live work and play" as well as 2. "enhancing neighborhood livability and walkability". Snow removal doesn't link to other dimensions. In fact, many existing snow removal techniques damage natural resources and therefore may negatively impact the Environmentally Sustainable Goal of the S+R Framework. The program isn't associated with any current department outcomes or KPIs, leading to no points in that category. The snow removal program is "somewhat" collaborative since it demonstrates coordination between the Parks and Recreation and Public Works departments, which has helped to reduce program costs by 10% over the last two years, while it doesn't include other departments that also have snow removal programs.
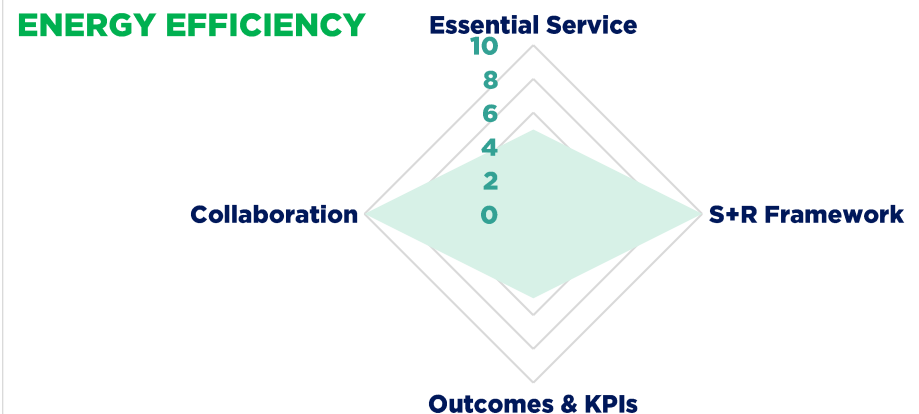
Programs to encourage and incentivize energy efficiency (EE) are incredibly important to meeting environmental sustainability goals, but they are not "essential" to the *immediate* well-being and operations of a city. EE is an "important" service because it supports the healthy functioning of the city and is critical to its long term operational capacity, but could be cut without an immediate impact this year. This is not to deny the importance of climate change but rather to demonstrate the relative nature of programs. An energy efficiency program is not equivalent to critical basic service programs such as snow removal, sewerage or water delivery.

However, EE's support for the S+R Framework goals is strong and direct, as it contributes to the Environmentally Sustainable Goal by clearly supporting three objectives: 1. "Rapidly transitions from fossil fuels to clean renewable energy," 2. "Ensures the efficient use of natural resources in a manner that does not deplete over time," and 3. "Enhances the ability of urban, wildland and agricultural ecosystems to capture and stabilize atmospheric carbon." It also has a strong connection to the Economically Vital Goals as energy efficiency reduces on-going expenses for energy costs.

3. CREATE ANNUAL BUDGET PRIORITY DOCUMENT AND EVALUATION APPROACH

Boulder's efforts to support innovation call for **improving** the city's service delivery through the incremental and iterative process of performance management, and for **amplifying** the city's impact by sourcing new ideas that optimize performance and deliver a return on investment.

IMPROVE
Doing what the city does, better

The goal of using KPIs and performance management is the continual improvement of both the city services and the internal processes that use them. As Boulder implements the evaluation rubric for budget decision-making, it can not only adjust the criteria to improve the rubric itself, it can also adjust it to reward departments that are reaching their goals and moving on to other challenges. The goal of monitoring KPIs is not to simply meet a target and then stop but to then pivot to the next challenge. The rubric can be used to encourage the continual improvement and optimization of service delivery.

AMPLIFY
Creating mechanisms to magnify our good work

The city could source bold new ideas from departments within the budgeting process through a challenge or innovation fund. Beyond using the budget evaluation rubric to compare budget requests, the city may also want to create supplemental processes to assess the return on investment a new or innovative approach could offer. Since many services and programs do not change year to year, this is only appropriate for new initiatives that propose to transform the way a service is delivered and results in costs savings or increased revenue. Boulder could follow the model used in Baltimore, Maryland, where investments are made to implement new approaches that optimize service delivery and pay for themselves over time. This would allow a department to take a risk on proposing a new approach without risking the budget proposal for their core programs and services.

4. LINK COUNCIL PRIORITIES TO CITYWIDE OUTCOME INDICATORS

To further the cohesiveness the city leadership's priorities, City Council priorities should also be connected to the S+R Framework. The Boulder City Council sets broad priorities each year, and these priorities are not currently linked to the performance monitoring or budget system described in this report. These priorities should be linked to both the S+R Framework and to a set of high-level KPIs that communicate citywide progress. These indicators, sometimes called Citywide Outcome Indicators, are meant to be public-facing and could be published through the existing Boulder Measures online dashboard.

COUNCIL IDENTIFIES ANNUAL PRIORITIES → **PRIORITIES LINKED TO S+R FRAMEWORK** → **PRIORITIES LINKED TO CITYWIDE INDICATORS** → **INDICATORS PUBLISHED AND MONITORED ON BOULDER MEASURES** → **COUNCIL REVIEWS PROGRESS TOWARDS CITYWIDE OUTCOMES**

On the following page, we mapped the 2019 City Council priorities to the S+R Framework and suggested several best practice KPIs for public monitoring. While almost all the priorities mapped neatly to the S+R Framework, several programs did not clearly link to an objective. Council should not feel pressure to link every priority to a KPI or S+R Framework objective. What is more important is for council to regularly undergo the exercise of monitoring how their year-to-year shifts in focus match with the city's overall strategic goals. Over time, these two pieces should gradually adjust: the S+R Framework may be updated to reflect the evolution of council priorities, and council may continue to align their priorities with the S+R Framework.

4. LINK COUNCIL PRIORITIES TO CITYWIDE OUTCOME INDICATORS

Council Priority	S+R Goal (and Objectives)	Potential KPIs
Boulder Electric Utility	**Environmentally Sustainable** (Rapidly transitions from fossil fuels to clean, renewable energy)	Total energy consumption
		% of city electricity supplied by renewable sources
Broadband	**Livable** (Regulation and development of high-performing & well-maintained public infrastructure)	Percentage of city residents who report that their household has access to the internet
Climate Commitment	**Environmentally Sustainable** (Rapidly transitions from fossil fuels to clean, renewable energy; Enhances the ability of urban, wildland and agricultural ecosystems to capture and stabilize atmospheric carbon and provide critical buffering against climate extremes; Ensures efficient use of natural resources in a manner that does not deplete them over time)	Greenhouse gas emissions reductions relative to 2005
		Carbon footprint of city buildings, utilities and fleet, in metric tons of carbon dioxide equivalents
		Acres of water-adjacent ecosystems restored
		Reduced risk of stormwater flooding in most-affected communities, as measured by backlog of catch basin repairs
		% of tree canopy
		# of city facilities that have implemented a zero-waste program
Housing Advisory Board	**Livable** (Provides variety of housing types with a full range of affordability)	Number of new and preserved affordable housing units financed by the city or region
		Number of new affordable and market-rate residential units (cumulative 10-year total, by permit)
		% of households that spend more than 30% (cost-burdened) and 50% (severely cost-burdened) of their income on housing
		# of net new housing units by type and price point (i.e. single-family, multifamily, 60% AMI, 80% AMI, etc.)
Transportation Master Plan	**Accessible & Connected** (Offers and encourages variety of safe, comfortable, affordable, reliable, convenient and clean mobility options)	Average travel cost per capita
		Miles of bicycle facilities
		# of 18+-year-olds using carshare, bikeshare, e-scooter and Universal Dispatch Application
		# and % usage of city-owned electric vehicle charging stations
		% occupied on- and off-street parking in Downtown and neighborhood business districts
		% of roads in state of good repair (70% or better with 5+ PASER rating)
		$ invested annually in signals, sidewalks, roads/streets and bridges
Vision Zero	**Safe** (Fosters climate of safety for individuals in homes, businesses, neighborhoods, streets, sidewalks, bike lanes and public places)	Number of traffic fatalities
		Number of serious injuries due to traffic collisions

Note that the appendix includes a KPI library of other potential indicators based on experience from around the country.

SCALING UP FOR BOULDER

1. Generate Institutional Support and Project Management
2. Assess, Train and Support Departments Citywide

1. INSTITUTIONAL SUPPORT AND PROJECT MANAGEMENT

The burden of activating this system cannot sit with individuals at the department level. Rather, the city must make a strategic decision to provide a new or existing team with clear responsibilities, top-down support, and the authority to monitor performance.

INSTITUTIONAL MODELS

There is no simple one-size-fits-all institutional arrangement to ensure that performance, budgeting and strategic planning goals are linked. Rather, each arrangement has advantages and disadvantages that should be weighed when designing an institutional model. The following describes the most commonly observed models:

City Manager or Mayor's Office: Placing performance management functions within the executive office gives the process a high level of visibility and support. However, the continuation of this effort will depend on the sustained interest of current and future executive teams—and discontinued interest may have a chilling effect on participation.
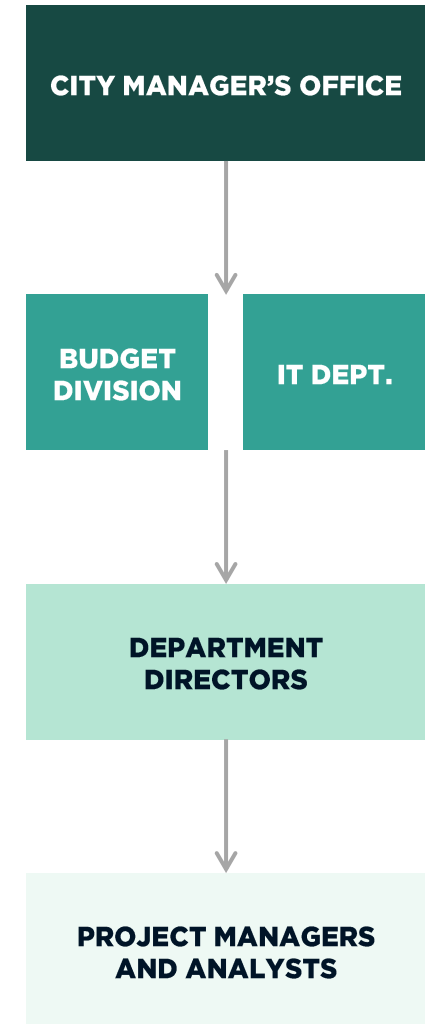
Budget or Finance Department: Adding performance monitoring responsibilities to the existing budget department takes advantage of established financial systems and processes. The risk of this model is that the budget team alone may not have the authority to ensure departments are following the established measuring and reporting processes.

Information Technology: Some cities consider performance management to be a technology change that is closely related to open data policies, and therefore place the function within the IT department. Doing so facilitates the integration of data management into cross-department platforms, but this arrangement faces the same issue of placing responsibilities on a single department that lacks the power to enforce or incentivize participation. IT is also currently not closely linked to Boulder's budgeting and finance processes, which could pose coordination issues.

Performance Management: Some cities have an independent department that monitors performance, creating long term institutional security and clear responsibility. However, these departments are not necessarily well-integrated into budgeting or other administrative processes. This then creates additional work—or the perception of too much work—for the department to be integrated into city processes. There are also risks of duplication and lack of political influence.

Hybrid: Some cities have chosen a hybrid of these models: an influential entity within the executive office monitors performance, while some other department oversees day-to-day operations. This arrangement provides political and administrative power while also allowing for seamless integration into existing processes, though coordination and duplication of roles will need to be managed.

POTENTIAL STRUCTURE

CITY MANAGER'S OFFICE

BUDGET DIVISION | IT DEPT.

DEPARTMENT DIRECTORS

PROJECT MANAGERS AND ANALYSTS

1. INSTITUTIONAL SUPPORT AND PROJECT MANAGEMENT

THREE KEYS REQUIREMENTS

Top-down support, to spur cultural change and incentivize data-informed decision-making

Involvement of the budget and finance team, to create clear connections between performance and budget shifts

Having dedicated staff with a mandate to support the process, so that this process does not fall below other responsibilities

RECOMMENDED NEXT STEPS

1. **Empower Budget Office staff within CMO with responsibility for supporting and directing departments.** The IT department may also play a role in supporting the visualization of data.

2. **Ensure that staff have time to monitor outcomes, monitor KPIs, and develop a useful program inventory**. Analysts within the Budget Division should provide support to departments that need it.

3. **Focus on centralizing any necessary additions to staffing and capacity**, such as the hiring of data analysts, to avoid duplicating this capacity within individual departments as has been the practice.

2. ASSESS, TRAIN, AND SUPPORT DEPARTMENTS CITYWIDE

Scaling beyond the pilot departments to the other Boulder departments will require a three-step process, outlined below. This process should be **executed by a team led by the City Manager's Office and the Budget division**.

THREE-STEP ROLL-OUT PROCESS

1. ASSESSMENT
Using the introductory exercises created for this project, each department would look at their:
- Connection between challenges and goals outcomes
- Current integration of outcomes or output goals in their planning process
- Use of existing metrics

2. TRAINING
Drawing upon the materials created through the assessment and Boulder Measures resources, the departments would then participate in appropriate trainings that focus on:
- Developing actionable outcomes
- Creating useful KPIs
- Connecting program funding to outcomes and KPIs

3. TECHNICAL ASSISTANCE
Some departments may need additional technical support that is tailored to their specific situation. The support may range from light to fully hands on but should focus mostly on two to three departments.

RECOMMENDED NEXT STEPS

1. **Share the results of the pilots** with other departments and begin conversations about building a citywide information sharing dashboard.

2. **Create a calendar for a citywide roll-out of assessment and training,** timed over the course of two budget cycles.

3. **Engage all departments in fostering a mindset of placing results and outcomes above funding sources,** to ease distinctions between departments relying on the General Fund vs. dedicated funds.

4. **Task the performance monitoring team with** (1) **reducing duplications** and inefficiencies between department that may have emerged from fund silos and (2) **increasing the reach of discretionary funding**.

SCALING STATEWIDE

PRIORITIZING THE COLORADO RESILIENCY FRAMEWORK

In the two years following the 2013 floods, the Colorado Resiliency Office led a statewide engagement and assessment process that resulted in the Colorado Resilience Framework. The framework is built around six sectors where 91 strategies have been identified to meet five broad resiliency goals. The strategies suggest specific actions that would make the sectors more resilient.

Similar to Boulder's aim, one of the five goals of the framework is to "ingrain resiliency into the investments in Colorado". There are 16 strategies related to the investment goal, and of these, seven suggest some type of incentive or re-prioritization of funding sources to account for impact on resiliency. The framework then suggests nine criteria for prioritizing strategies and projects.

The Colorado Resiliency Framework does not yet lay out a process for how state agencies would use the prioritization criteria or monitor progress towards the five goals, and it does not yet detail an implementation plan for the suggested strategies.

Framework Resiliency Goals

Risk. Reduce risk to Colorado communities.

Planning. Enhance resiliency planning capacity in Colorado communities.

Policy. Develop, align, and streamline policies to empower resiliency.

Culture. Create a culture that fosters resiliency, instilling an inherent sense of responsibility among all.

Investment. Ingrain resiliency into investments in Colorado.

CONNECTING FUNDING AND COLORADO RESILIENCY FRAMEWORK

When thinking about how the experience in Boulder might scale beyond the city limits there are several key considerations of how state funding decisions could connect to the Colorado Resiliency Framework:

Identify where KPIs will be helpful. It is critical to understand where in the budget or funding allocation process KPIs would help decision-makers and then consider specifically what information would help them make more informed decisions. For example, at the state level, this would mean laying out the state funding process for a few key grants, such as the Energy/Mineral Impact Assistance Fund Grant, which has a wide reach. The state should then identify where updates on progress towards the resiliency goals would most inform decision-makers at the state and sometimes federal levels.

KPIs should be incorporated into existing processes. Creating a separate performance monitoring system or initiative outside of the existing budget process will only add to the institutional complexity of local and state governments. For state agencies, field and program managers are key stakeholders that should identify how performance metrics could be rolled out for funding allocations to local governments.

Increase opportunities for transparent dialogue. KPIs and outcomes should become part of a more transparent dialogue that supports better performance monitoring both for programs that are highly successful and those that need more support or adjustments. For state agencies, KPIs would help field managers better communicate the results of funding decisions and reduce local government workload over the long term.
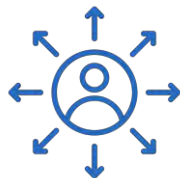
Leadership buy-in is critical. A new performance monitoring system will only be successful if it has high-level support from city or state leadership. Boulder should share lessons and experience through statewide networks and professional organizations to support roll out of any similar statewide program.

POTENTIAL NEXT STEPS

A scaling initiative could be effectively led by the Colorado Department of Local Affairs (DOLA), which has an established and respected presence in communities across Colorado. DOLA could embark on the following next steps.


RECOMMENDED NEXT STEPS

1. **Start with an existing grant program.** The Energy/Mineral Impact Assistance Fund Grant program might be an excellent starting point to integrate statewide resilience goals.

2. **Determine key linkages** between program funding and resilience goals that can be clearly monitored with KPIs.

3. **Assess or test decision-making support process** within DOLA to distill the categories of information that are most useful to decision-makers. These categories should inform the criteria used within associated evaluation rubrics.

4. **Pilot with local governments** that represent different levels of budgeting and monitoring capacity. This will reveal how clear and useful the approach is.

5. **Train field managers** so they can support local governments to report and demonstrate linkages when requesting funding.

6. **Field managers, local government and state funders meet** to refine the process to make sure that it continues to support clearer dialogue on goals and progress towards a more sustainable Colorado.

7. **Expand to other grant programs** based on feedback and process developed with pilot program.

APPENDIX
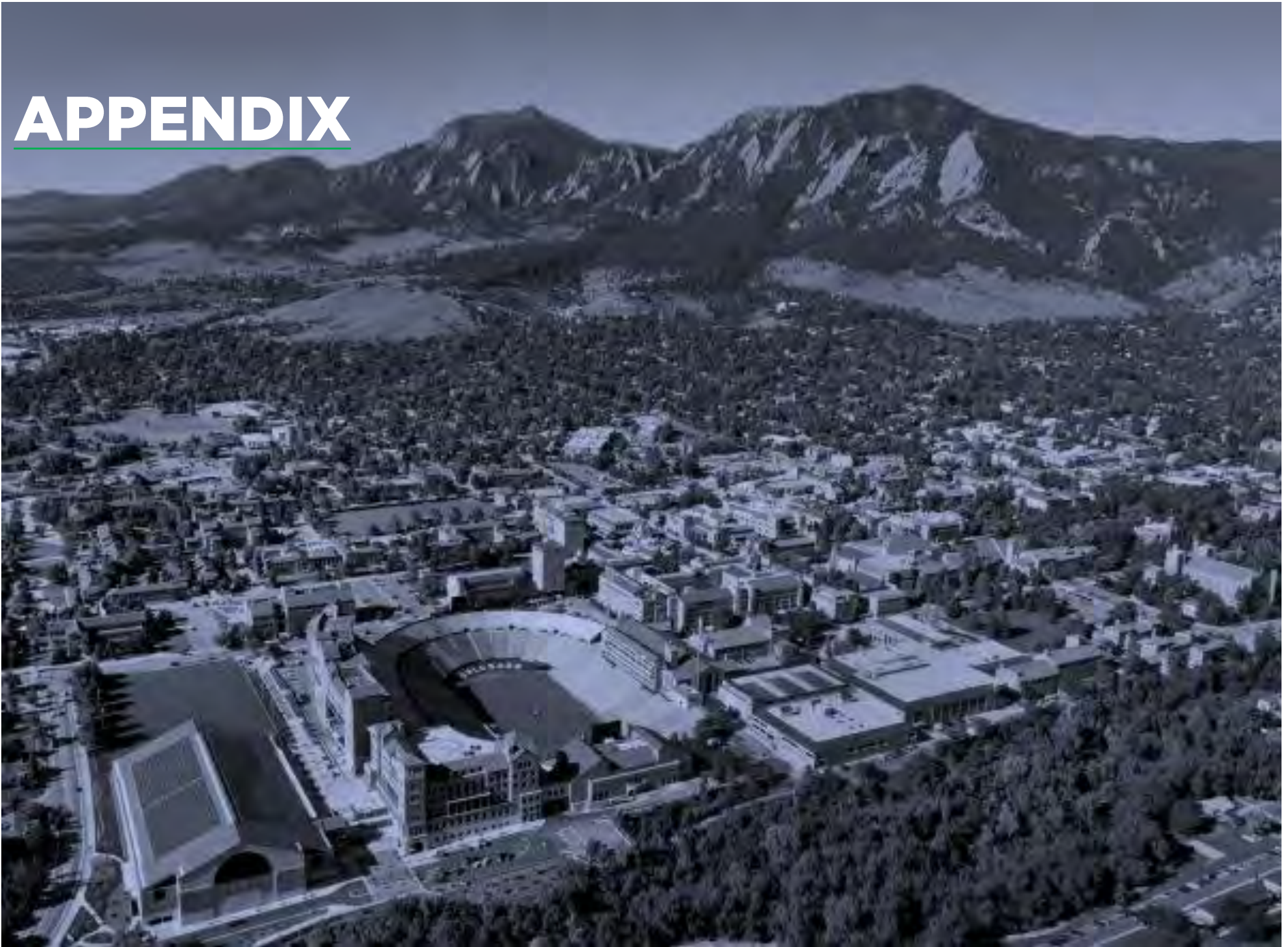
A REPLICABLE PROCESS

As more cities seek to directly confront challenges to their sustainability and resilience, the steps below—modeled by the City of Boulder—provide a roadmap to budgeting for outcomes.

1 VISION-SETTING AND PROJECT INITIATION

Establish and adopt up-to-date framework of citywide goals and objectives.

Assess progress and gaps in activation of framework within decision-making processes.

Gather top-down and bottom-up buy-in to address gaps.

Initiate project, and secure funding and personnel support (internal and external) as needed.

Launch kickoff with participating entities, such as city departments, to clarify project goals, define common language, and begin surfacing pain points and potential solutions.

2 FORMULATING RECOMMENDATIONS

Facilitate participating entities through meetings, workshops, and worksheets to push towards a consistent way of thinking: (1) what do you want to achieve, (2) how will you measure achievement, and (3) what actions will you take to make progress. Test process with a set of "pilot" participants, such as a set of several city departments representing a range of services.

See accompanying set of worksheets.

Map out budgeting process and determine key points at which to improve data usage and increase focus on prioritization.

Establish evaluative criteria and evaluation process for assessing the impact and value of services and programs.

Conduct workshop to experiment with the findings of the steps above, such as through a mock series of budget requests.

3 INSTITUTIONALIZING SUPPORT

Gather and confirm institutional top-down support for recommendations.

Assign roles and responsibilities for execution and monitoring of recommendations.

Roll out process to remaining entities, applying lessons learned through each iteration.

FLOW OF WORKSHEET QUESTIONS

The development of outcomes and KPIs is best facilitated through a series of questions that logically link each component.

	KEY QUESTIONS	*EXAMPLE – BOULDER FIRE DEPARTMENT*
ISSUES	*What issues facing the city or other departments are your top priorities to address?*	Out of 11,144 calls to BFD per year, 79% are medical. The current **Emergency Medical System (EMS) is overused, stressed, inefficient, and not positioned for future demand.**
OUTCOMES	*What are the top two to four outcomes you want to work towards in the next budget year (and beyond)? Make sure these outcomes are clear, actionable, attainable, and quantifiable,*	• **Reduce number of 911 calls for unnecessary emergent response** and preventable "emergencies". • **Reduce number of low acuity patients that end up in the EMS system** (i.e. ambulance, hospital).
RELEVANCE	*How do these outcomes relate to your city's overarching framework of goals and objectives?*	These outcomes contribute to these City of Boulder S+R Framework Goals: • **Healthy and Socially Thriving:** Supports the physical and mental well-being of its community members. • **Responsibly Governed:** Enhances and facilitates transparency, accuracy, efficiency, effectiveness and quality customer service in all city business.
KPIs	*What are the one to three KPIs that best reflect progress towards each outcome? Make sure these KPIs are meaningful, understandable, actionable, and measurable.*	• % of **calls cancelled en route** • % of **medical calls where no care is given** • Vehicle **miles traveled** • Vehicle **idling time** • % of **calls that are fully emergency medical dispatched,** i.e. dispatcher determines if full response is necessary
TARGETS	*What is an ambitious but appropriate target for the KPI? Is there an industry standard?* *Do you already collect this data? If not, you may need to gather the benchmark before setting a target.*	• **Decrease** calls canceled en route by **5% YOY** • **Decrease** % medical calls where no care is given by **5% YOY** • **Decrease** vehicle miles traveled by **5% YOY** • **Decrease** vehicle idling time by **10% YOY** • **Increase** % calls that are fully EMD-ed by **15% YOY until 100%**
PROGRAMS	*Which programs or services, existing and potential, advance your outcomes? Do they directly or indirectly contribute?* *Who will be tasked with measuring and monitoring performance? Who will be tasked with using KPIs to make management decisions?*	• Implement **enhanced emergency medical dispatch protocols** • Partner with AMR to **launch preventative care** • Launch full-blown **community paramedicine**
PARTNERS	*Are there opportunities to achieve your outcomes more efficiently or effectively through collaboration with other departments or parties?*	• **Dispatch** – Work together for efficient use of public safety resources • **Human Services** – Work together to help the same at-risk populations • **Fleet** – Work together to lower VMT and achieve GHG goals • **AMR** – Team up to address preventative care