

OUTCOME BASED BUDGETING CITY OF LINCOLN FISCAL YEAR 2008-2009

In early 2008, Mayor Beutler announced his intention to begin using Outcome Based Budgeting as the basis for the Lincoln City Budget. In the past, City budgets were based on the previous budget year's spending. Outcome Based Budgeting focuses budget decisions on achieving desired goals for the future.

Citywide outcomes were developed and presented to the community through Mayor Beutler's "Priority Lincoln" public budget process. A citizen survey, a deliberative discussion, town hall meetings, an on-line survey, and a focus group allowed Lincoln residents to comment on the proposed outcomes. City Departments created their own departmental outcomes designed to guide Department prioritization in achieving the citywide outcomes. These outcomes were included in the review and evaluation of funding requests by the Mayor. Indicators will be used as measurements of how effectively departments are achieving their outcomes and contributing to the citywide outcomes.

Since a new budgeting approach is a significant undertaking and time was limited, it was decided that the 2008 – 2009 budget would be a transitional year. Mayor Beutler determined that the 2008 - 2009 Budget would focus the Outcome Based Budgeting process on four Departments/Divisions: Police, Fire and Rescue, Health Departments, and the 911 Communications Center. The remaining Departments/Divisions will use the Outcome Based Budgeting format as part of the 2009-2010 Budget.

Citywide outcomes used for the 2008-2009 budget process are shown below.

1. Safety & Security
 - a. Maintain a low violent crime rate
 - b. Clear serious crimes at a rate near our peer cities
 - c. Maintain a timely ambulance response rate
 - d. Decrease property damage from fire
 - e. Enhance Public Health emergency response capacity
2. Economic Opportunity
 - a. Maintain level of jobs that pay at or above the City's median salary rate
 - b. Increase the rate of business start-ups per year
 - c. Increase percentage of college graduates who remain in Lincoln
 - d. Speed the City's development process
 - e. Increase the number of primary jobs
3. Livable Neighborhoods
 - a. Ensure an adequate number of affordable homes
 - b. Increase home ownership rates
 - c. Maintain rate of neighborhood parks per square mile of residential development
 - d. Maintain availability of outdoor public pools
 - e. Maintain current levels of access to public libraries
4. Healthy & Productive People
 - a. Decrease rate of low weight babies
 - b. Maintain years of healthy, independent living for older adults
 - c. Increase physical activity
 - d. Prevent and reduce chronic disease
 - e. Maintain the number of restaurant inspections per year
 - f. Ensure adequate human services exist to meet critical needs
5. Effective Transportation
 - a. Build new roads each year to promote growth

- b. Repair existing roads
 - c. Increase bus ridership
 - d. Maintain average work commute at or below current standard
 - e. Maintain existing trail lane miles
6. Environmental Quality
- a. Keep Lincoln air, water and soil clean
 - b. Reduce flood risk
 - c. Maintain green space per miles of urban area
 - d. Increase water & wastewater infrastructure to meet growth
 - e. Decrease landfill usage
7. Accountable Government
- a. Conduct audits supervised by the City Audit committee
 - b. Improve maintenance frequency of city assets
 - c. Maintain citizen satisfaction with access to city services
 - d. Ensure adequate financial controls are in place
 - e. Maintain legal protection against discrimination and harassment
8. Destination Lincoln
- a. Increase visitors
 - b. Maintain number of adult recreation participation
 - c. Ensure all citizens access to cultural activities such as music, art, and community festivals
 - d. Maintain Lincoln citizens' satisfaction with quality of life
 - e. Maintain level of education, appreciation, and recognition of Lincoln's growing diversity

Summary of Results from Priority Lincoln

- Safety and Security was the highest rated budget outcome from all types of public input received. 52% of respondents to the phone survey felt funding should be maintained and 47% felt funding should be increased.
- Respondents to the phone survey ranked 12 city services on a scale of 1 to 10 with 1 being of little importance and 10 represents extreme importance.

<u>City Service</u>	<u>Mean Score</u>	<u>Rank</u>	<u>n</u>
Fire and Ambulance Services	9.09	1	602
Police	8.96	2	605
Management of Sewage and Stormwater	7.94	3	600
Maintenance and Management of Traffic Flow	7.79	4	603
Health Department Services	7.79	5	599
Job Creation and Economic Growth	7.75	6	603
Libraries	7.66	7	602
Human Services	7.52	8	586
Parks, Trails and Recreation	7.14	9	604
Building Permits and Safety	7.14	10	592
Zoning and Growth Planning	7.05	11	597
Public Bus and Transportation Services	6.88	12	594

The “Final Report” states, “...while Lincolnites give high importance to all of the services that the City provides, there are subtle differences in the perceived importance of each service.” It also states “The relative small range between the highest and lowest scores shows that Lincolnites value all City services highly, as does the fact that no service received an average score below 6.

- In answer to the question “In order to fund your two service priorities, would you recommend the City:”

<u>Response</u>	<u>Percent</u>	<u>n</u>
Increase taxes	15.2%	87
Cut funds from bottom priorities to spend more on top priorities	33.6%	193
Some other approach	41.8%	240
Make no change in spending	9.4%	54

From the “Final Report”:

Whereas Lincolniters are generally reluctant to pay taxes to fund new projects, they are not necessarily opposed to using their taxes to preserve governmental services and maintain priority programs. “While no one wants their taxes to increase, it is clearly time,” wrote one resident on the non-random survey. Forty percent of the deliberative discussion participants concluded by the end of their discussion that they would choose to increase their taxes in order to fund what they perceived to be priority City services. Approximately one-third of the deliberative discussion participants also were willing to increase taxes to fund their top budget outcome priorities at the end of the deliberation event, an increase of nearly 20% over their pre-deliberation positions. Similar positions were taken at the town hall meetings.

- There were misconceptions about the portion of the property tax dollar that the City receives as compared to other taxing entities that Lincolniters pay property taxes to. Only about 21% of 605 respondents to the phone survey answered that the City receives less than 15% of each property tax dollar they pay.
- Only about 26% of phone survey respondents correctly identified the sales tax as the largest source of City funding. A large majority, 68%, incorrectly identified the property tax as the largest source.
- Residents care deeply about their City services but also expect them to be provided efficiently.
- Lincoln residents would like to see charitable organizations take an active role in fostering Economic Opportunity, Healthy People, and Quality of Life.