

What is Priority Based Budgeting (PBB)?

Maintaining the City's fiscal health, with alignment between the available funding for City services and the cost of those services, is one of seven priorities expressed in the original 2017 strategic plan and was included in the 2021 update to the Strategic Plan. Ensuring sustainable services into the future, particularly for those services supported in the General Fund like police and fire response, parks maintenance, planning for Salem's growth and development, code enforcement, and the Salem Public Library, is crucial to deliver on the City's defined results.

One way in which we are fulfilling City Council's direction related to the goal of sustainable service delivery is through implementation of the ICMA (International City/County Management Association) and GFOA (Government Finance Officers Association) best practice of Priority Based Budgeting or PBB. PBB is a budgeting methodology used by the City and many other cities. Some goals of PBB are to be transparent with the community by describing City services and the cost of those services in an understandable way, and ensuring resources are allocated to the highest and best use.






One important part of the PBB process is creating a program inventory. Programs describe what the City does and how much it costs. The City used program budgets for decades before PBB was implemented, but the PBB process helped refine programs to be based on services, not departments (too big) or tasks (too small). While the line item budgets are still available in the budget book, during Budget Committee review the main focus is around the programs or lines of service that the City provides.

Another part of the PBB process is program scoring. In this process City programs and services are compared against the criteria of six broadly-framed outcomes or results. With information derived from the strategic planning process and informed by its vision, mission, and values, the City Council generated the six result areas of Good Governance; Natural Environment Stewardship; Safe and Healthy Community; Safe, Reliable, and Efficient Infrastructure; Strong and Diverse Economy; and Welcoming and Livable Community. These areas were most recently reviewed by the Finance Committee and approved by the City Council in the Fall of 2021. The result areas each have unique definitions and attributes that are used to assess a program. Department staff recommend scoring for programs. Then a cross departmental staff group evaluates the department scores and recommend final scores.

Currently in the result area section of the budget book, program alignment to results (icons below) based on overall program score is displayed (Least, Less, More, Most). In that same section, a checkmark indicates if a program has some level of influence (received a score) in that result area. Below is a view of the FY 2024 Community Services Department budget for Parks and Recreation on page 182 of the budget document.

*The Safe and Healthy Community at the time of the SSRTF was titled "Safe Community".

3. Community Services Department Summary of Services and Programs

	FY 2023		FY 2024		Alignment					
	Program Budget	Staff	Program Budget	Staff						
General Fund Programs and FTE										
Parks and Recreation										
Administration - Community Services	-	0.00	583,140	1.85	New Program, will be scored for FY 2025					
Budget Oversight and Analysis - Community Services	-	0.00	192,600	1.35	New Program, will be scored for FY 2025					
Center 50+ Facility Rentals and Maintenance	238,230	1.38	123,580	0.40	Least		✓	✓	✓	✓
Center 50+ Programs and Classes	762,210	4.20	716,860	3.81	Least		✓		✓	✓
Center 50+ Wellness	439,050	1.28	701,520	2.39	Less		✓		✓	✓
City Tree Maintenance	1,314,910	6.15	1,368,080	6.15	More	✓	✓	✓	✓	✓
Community Event Coordination and Support	902,080	4.85	993,190	6.05	Less		✓	✓	✓	✓
Community Sanitation Response Team	678,920	4.00	1,243,390	9.00	Most	✓	✓	✓	✓	✓

After all of this program information is gathered, it is used to make data-driven decisions to assign the majority of funding toward services that most strongly influence or impact overall City results. When budget proposals request either an increase or decrease in services, program score and influence on City results are factors that are considered.