

Outcome Based Budgeting

Outcome based budgeting is an approach that will move Montgomery County Government away from a traditional, incremental way of allocating funds to departments to allocating funds for programs and services that will achieve the County Executive's Priority Outcomes.

This approach begins with using priority outcomes as a focal point for budgeting and connects resources necessary to achieve those outcomes by using performance data and evidence to make budget decisions. In addition, this approach will foster collaboration between departments and reward services that obtain results by shifting dollars away from programs that are ineffective and focusing on the return on investment.

When allocating resources under this approach, budgeting maximizes the value of the dollars that are spent.

- Funds are allocated by Priority Outcome vs. Department
- Outcomes are the starting point vs. last year's budget
- Program budget proposals vs. department budget submission
- Program services are evaluated based on performance and contribution to achieving the County Executive's Seven Priority Outcomes or other County Executive priorities
- Foster collaboration to get the most out of your services
- Budget Team Review (Office of Management and Budget)

What is a Priority Outcome?

A condition of wellbeing for a population or subpopulation in a geographic area. Within this discussion, a Priority Outcome refers to a condition of wellbeing for Montgomery County residents.

What is a program within Outcome Based Budgeting?

A program is "An activity or set of activities performed by [County] government that

- has **identifiable costs** for budgeting purposes;
- has a **clear public purpose** and **measurable results**;
- has **clear lines of accountability** for its performance and financial management;
- is **discrete**, that is, it is not overly dependent on other services to achieve its results and does not combine activities with substantially differing results, funding streams, lines of accountability, and so forth"; and
- the **story** of the program can be **told in five measures or less**

NOTE: In some instances, your department's current budget programs will not need to change.

County Executive's Priority Outcomes/ Indicators

1

Thriving Youth and Families.

- Percent of children ready for kindergarten
- Academic achievement gap
- Life expectancy gap

2

A Growing Economy

- Number of net new businesses
- Number of family sustaining jobs
- Employment gap

3

A Greener County

- Greenhouse gas emissions
- Recycling rate
- Resident satisfaction with code enforcement

4

Easier Commutes

- Average commuting time
- Percent using alternative transportation for work, school or shopping
- Percent of roads rated in "good" condition

5

A More Affordable and Welcoming County

- Percent of households that are housing burdened
- Access to affordable child care
- Food insecurity rate

6

Safe Neighborhoods

- Number of gang-related violent crimes
- Property crime rate
- Number of pedestrian-involved traffic accidents

7

Effective, Sustainable Government

- Percent of county contracts with minority, female, disabled-owned and local business
- Resident satisfaction with value for tax dollars
- Bond rating