

Budgeting Glossary

City of Redmond

Benchmark (see also Measure): A measure of results against which an organization compares itself. Typically, the benchmark is the level of results achieved in an organization using an accepted best practice, and other organizations seeking to emulate their results use them as a benchmark.

Benchmarking: The comparison of actual performance achieved against those achieved by an organization using an accepted best practice.

Budget: A composite of strategic decisions made by elected leaders for how to best use resources to achieve the priorities of its citizens.

Budget Instructions: A document provided to Departments as a guide for preparing Offers. The Instructions include how to handle administrative costs, or dedicated funds, how to use the offer template; or other specific instructions to assist the budget office in doing their job of compiling a budget.

Budgeting by Priorities: A process, for creating budgets that focus on achieving specific results with strategies that provide the highest value for the dollar.

Causal Factor: Something that contributes to a priority happening (or prevents it from happening). It should be based on evidence (research, experience, or sound logic). It does not need to be something that government in general - or the jurisdiction - is responsible for, or has control over. The causal factors are presented visually as a "cause and effect map" showing their connection to the priority.

Cause and Effect Map: A visual representation of the pathway to the priority. Using words or images, it helps viewers understand the cause-effect connection between activities, strategies, factors and the Priority. Backed by evidence, it quickly communicates what is known to work in accomplishing the priority. Cause and effect maps are included in Requests for Offers (RFOs).

Citizen Results Team: A group made up of community members to rank offers based on evidence of effectiveness and to recommend the market basket of offers the jurisdiction should buy.

Dashboard: A set of performance indicators describing how success will be measured for each priority.

Demand: The estimated level of need for a service, product, or activity.

Indicator (see also "Measure"): A measure, or a combination of measures, that allows the observer to know whether the priority is being achieved. Dashboard indicators are included in

the Request for Offers for each priority.

Examples:

Crime rate as an indicator of public safety

Average Trip Time as an indicator of mobility

Logic Model: A logic model is a graphical illustration of the theoretical connection between what you actually do (and what you can control) to the desired outcomes you propose to influence. A logic model helps identify relevant performance measures to track progress.

Mandate: A legal requirement that a jurisdiction provide a specific service, sometimes at a specific level.

Market Basket: A group of programs/offers that best meet the outcomes of the priority.

Measure: A numerical expression documenting the quality or quantity of a resource, process or product.

Input Measure: A measure of resources invested, used or spent to deliver the services, products or activities.

Examples:

of dollars expended

of TREs allocated

Performance Measure: A numerical expression documenting some aspect of the output or outcomes of an activity, service, process or program. All of the following are specific kinds of performance measures.

Outcome Measure (aka effectiveness measure): A measure of the results of an activity in terms of its intended objective.

Examples:

of permits issued

of applications processed

Output Measure: A number of services or products delivered.

Examples:

of permits issued

of applications processed

Quality Measure: A measure of how well the service, product or activity was delivered, based on characteristics important to the customers.

Examples:

% of permits processed within 10 days

% of invoices issued without errors

Efficiency Measure: The ratio of output measure to input measure,

generally used to assess the productivity associated with a given service or activity.

Examples:

- # of permits issued per FTE
- # of dollars spent to produce a contract
- # of days to produce each permit

Cost-Effectiveness Measure: The ratio of outcome measure to input measure.

Example:

- % of reduction in teen smoking per \$ spent in education

Program Performance Measure (aka Program Indicator): A performance measure for a specific program.

Examples:

- % of 911 calls responded to within X minutes
- % of inmates in GED program who complete their degree
- % of residents who participate in a clock-watch program

Offer: A proposal by a Department in response to a Request for Offers indicating what they will do to produce the priority, how much it will cost, and how success will be measured.

Priority: A statement indicating what citizens want from their government. It is written in terms what citizens want or desire.

Purchasing Strategies: A set of actions chosen to achieve a priority. A strategy is based on an understanding of (or assumptions about) the cause- effect connection between specific actions and specific priorities. Strategic means choosing actions from among the options available that will have the greatest or most direct effect on a priority or multiple priorities. Strategies could include actions that the jurisdiction might take directly, as well as actions that the jurisdiction might take to influence the actions taken by others. Purchasing strategies are included in Requests for Offers.

Example:

- Promote Redmond as a positive place to do business
- Provide education and promotion of a green lifestyle

Results Team: A group designated by a jurisdiction to create Requests for Offers, to rank offers based on evidence of effectiveness and to recommend the market basket of offers the jurisdiction should buy.

Request for Offers: Produced by Results Teams for each priority; shows a Results Team's understanding of what is most likely to achieve a priority and how that would be measured; used as basis for departments to make offers. Requests for Offers include a description of the priority sought, the cause and effect map, dashboard indicators, and purchasing strategies.

Offer Ranking: Results Teams' ranking of offers according to best value for the dollar to achieve priorities without regard to mandates or dedicated funds.

Scalability: The process by which departments indicate how much of a result they can produce at various price levels. Sometimes contrasted with "thinning the soup" where reductions in funds are made but no change in service levels.

Strategic Plan: A long range (at least 3-5 years) statement of direction for an organization, which identifies vision, mission, goals and strategies, as well as measures which will show progress made in achieving goals.

Target (see also "Measure"): The desired level for a specific performance measure.

Vision Statement: An inspiring, challenging and meaningful statement that describes the future of the organization as seen through the eyes of the customers, stakeholders, employees, and citizens.