What Is Program-Based Budgeting?

Program-Based Budgeting is a budgeting tool where all budgetary information is organized around the City's programs and services. The budget will show the costs of the program, the revenues that the program generates, as well as showing a way to evaluate the program's effectiveness and outputs through performance metrics. Organizing the information in this way, rather than at the department and division level, provides a clearer picture of how much money is being spent on each program, the services that program delivers to Philadelphians, as well as how well the program is performing.

What Is the Value of a Program-Based Budget?

Transparency- The program-based budget will provide a fuller picture of performance, revenues and costs (including indirect and capital costs) associated with each program.

Accountability- The budget will include measurable objectives and performance measures for each program. Progress towards these goals will be a factor considered in determining future funding levels. Funding may be increased where additional resources are needed or decreased if there is insufficient justification for continued funding.

Data-Driven Decision Making- Understanding the full costs associated with each program, along with the value of that program and whether the program generates revenue, will enable better decision-making throughout the budget process.

How Is Program-Based Budgeting Being Implemented?

In order to fully support departments through this process and ensure a high-quality product, the Administration will implement Program-Based Budgeting over a four-year timeline. Beginning with the upcoming budget, 10-20 departments will transition over to a program-based budget each year.

Which Departments Plan to Present a Program-Based Budget in FY18?

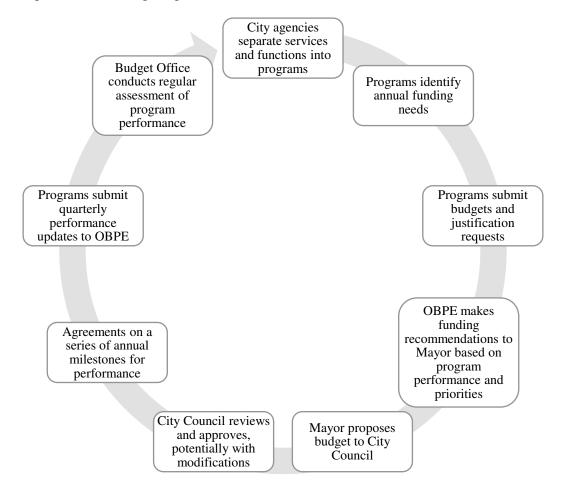
20 departments will participate in the first year of the roll-out. These departments were chosen to represent a range of services, sizes and fiscal complexity. 10-12 additional departments will be selected to participate each year, based upon departmental readiness and available resources.

- Streets
- Managing Director
- Revenue
- Finance
- Pensions and Retirement
- City Treasurer
- Records
- Fleet Management
- Commerce
- Chief Administrative Officer

- Parks and Recreation
- Mural Arts
- Licenses and Inspections
- Public Health
- Procurement
- Community Schools and Pre-K
- Mayor
- City Representative
- Sustainability
- Labor

Will the Budget Process Change?

The budget process will largely remain the same. Below is a diagram of the annual budget cycle under Program-Based Budgeting:



Budget Detail: As each department transitions to program-based budgeting, its budget will be displayed by program, rather than by division. Some additional information (such as indirect costs, associated capital projects, associated revenues, and performance measures) will be included in the program summary.

Five Year Plan: As each department transitions to program-based budgeting, it will present its plans, accomplishments and performance by program in the Five Year Plan. A summary of the recommended budget will also include program information and will address the relationship between operating funding and department service levels, revenues, and associated capital projects.

Will Program-Based Budgeting Lead to Cost Savings in the FY18 Budget?

The Administration's focus in the first years of the roll-out will be primarily on establishing the structure for Program-Based Budgeting. While some cost savings and investments may be identified in the first year, it is more likely that the short-term benefits will be in better understanding the true costs of the services we provide and in setting and evaluating measurable performance goals for each program.

Eventually, Program-Based Budgeting will allow department heads and City leadership to better understand the implications of funding individual programs. This will allow the City to make investments in programs and services that yield "higher returns" for the residents of Philadelphia. Efficiencies may be identified and cost savings may be achieved, however it is too early to know what the net effect will be on the City's budget.

Appendix: Program Summary for the FY18 Budget Detail

CITY OF PHILADELPHIA		PROGRAM SUMMARY - ALL FUNDS				
FIS	SCAL 2018 OPERATING B	UDGET				
Department		No.	Program			No.
Берантен		140.	1 Togram			140.
		Prograi	n Description			
			_			
		Progra	m Objectives			
		Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2017	Fiscal 2018
Measure	Description	Year-End	Target	Year-to-Date	Year-End	Target
No.			10.1901	12/31/16	Estimate	900
(1)	(2)	(3)	(4)	(5)	(6)	(7)
0 .						
Comments:		1			ī 1	
Comments:			<u> </u>			
<u>Sommonto.</u>						
Comments:		1	•			
Comments:		1		Г		
Comments:						
Comments.	1	Summ	ary by Fund			
		Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2018	Increase
Fund	Fund	Actual	Original	Estimated	Proposed	or
No.		Obligations	Appropriations	Obligations	Budget	(Decrease)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<u> </u> Total					
		mmarv of Full	⊥ Time Positions L	by Fund		
Fund		Actual Positions	1	Increment Run	Fiscal 2018	Inc. / (Dec.)
No.	Fund	6/30/16	Budgeted Positions		Budgeted Positions	(Col. 6 less 4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	T		-			
74 505 /5	Total Full Time	1	 			
/1-53E (Pro	ogram Based Budgeting Version)					

CITY OF PHILADELPHIA			PROGRAM SUMMARY - ALL FUNDS						
FISCAL 2018 OPERATING BUDGET			(CONTINUED)						
Department No.		No.	Program	No.					
	Sele	ected Associated	1						
		Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2018	Increase			
Fund	Fund	Actual	Original	Estimate	Proposed	or			
No.		Revenues	Budget		Budget	(Decrease)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)			
	Selected Associated Capital Projects								
Dept.		Carry	Fiscal 2017	Fiscal 2017	Fiscal 2018	Fiscal 2018			
Where	Description	Forw ard	Original Approp.	Original Approp.	Proposed Budget	Proposed Budget			
Appropriated			(GO Only)	(All Other Sources)	(GO Only)	(All Other Sources)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)			
5 .	I		ciated Operating		Fi 10045				
Dept.	Dee - ilintin ii	Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2018	Increase			
Where	Description	Calculated	Calculated	Calculated	Calculated	or (Decrees)			
Appropriated	(0)	Obligations	Appropriations	Obligations	Budget	(Decrease)			
(1) Finance	(2) Employee Benefits - Civilian	(3)	(4)	(5)	(6)	(7)			
Finance	· ·	+	+						
Finance	Employee Benefits - Uniform								
/1-53E (Pro	gram Based Budgeting Version)								