

# LA's Budget:

*Focusing on What Matters Most*



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**Eric  
Garcetti**  
#lamayor



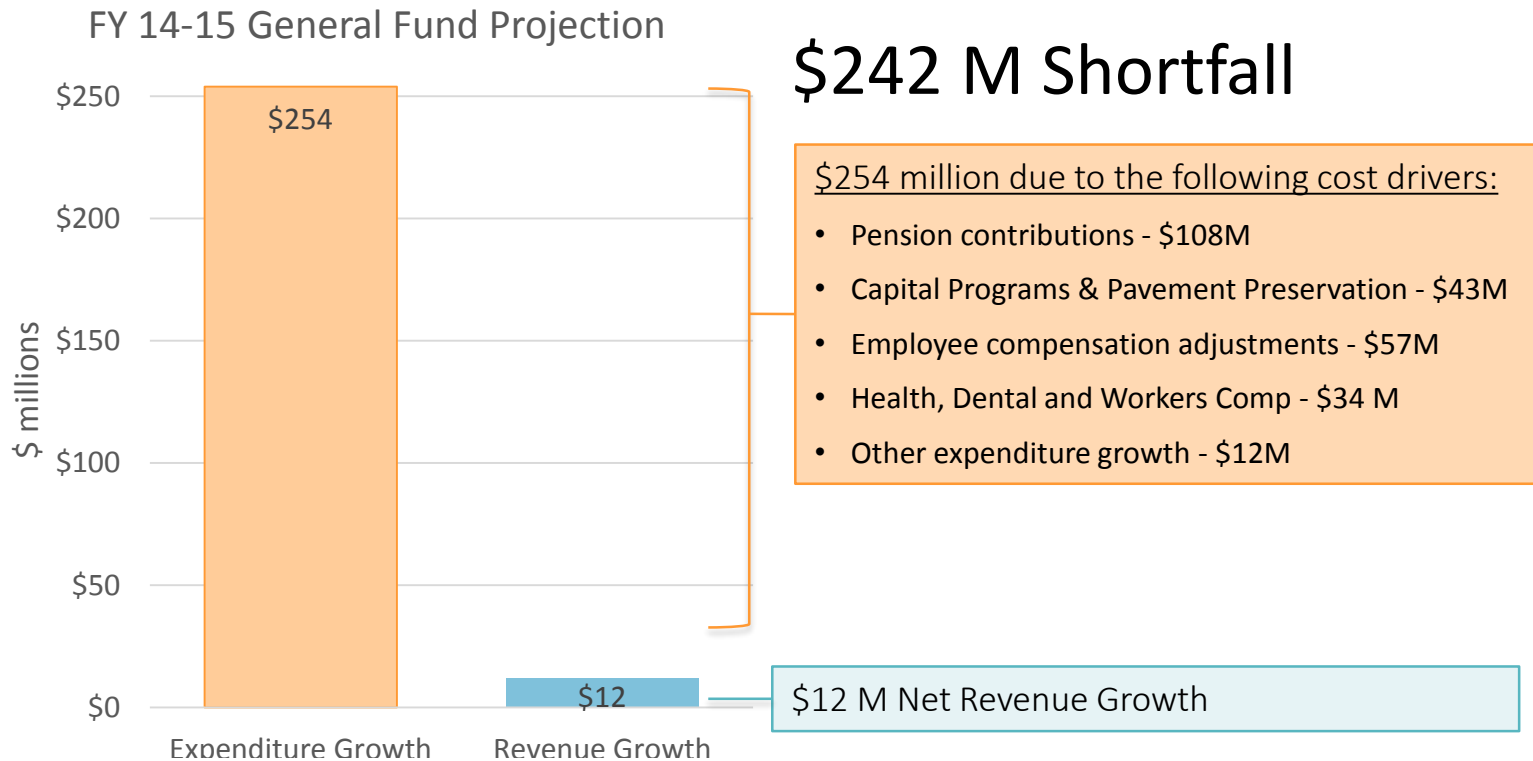
## We're in recovery mode . . .

As the economy improves, it's **back to basics** to rebuild our capacity to provide quality services to the residents and businesses of LA

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# Still facing a shortfall. . .

Although revenues are rising, they do not exceed our costs



## Performance Budgeting: *A Better Way to Build a Budget*

*The usual way to handle a shortfall is to take last year's budget and cut. That's like taking a Lexus and reducing its weight with a blowtorch and shears. But cutting from this Lexus does not make a Camry; it makes a wreck.*



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## Building on Experience

- Successful performance budgets in states like **Iowa and Washington**; counties like **Los Angeles County** and **Multnomah, OR**; cities like **Baltimore** and **Ventura**
- The **Los Angeles Police Department** has been using metrics to drive operational methods and performance
- **Boston, Minneapolis** and others have developed public dashboards with metrics showing progress (or not) on the “key issues”: public safety, neighborhood conditions, housing/econ development, resident health, environment



# Performance Budgeting:

## *Start with the end in mind*

Our focus is not on a numeric goal – our focus is on long-term fiscal sustainability and a budget that directs our available resources toward our highest priorities: **the results that matter most to Angelenos.**



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# Steps Toward Sustainability



1. Budget to deliver the outcomes we want (Performance Budgeting)
2. Measure performance
3. Make results public

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# Los Angeles Priority Outcomes:

## *What Matters Most*

This list is intended to help us stay focused on Mayor Garcetti's Back to Basics agenda, which is first and foremost geared toward strengthening our economy and making City Hall more efficient and effective.

- 1. Promote good jobs for Angelenos all across Los Angeles**
- 2. Restore the City services that make our neighborhoods livable and attractive**
- 3. Make our communities the safest in the nation.**
- 4. Create a more sustainable and livable city**
5. Live within our financial means
6. Provide outstanding customer service to our residents and businesses
7. Deploy innovation and technology to modernize city government
8. Restore pride and excellence in public service
9. Partner with citizens and civic groups to build a greater city

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## Aligning Our Budget With Desired Outcomes

- Focuses on buying results for Angelenos, instead of just cutting or adding to last year's program or staffing
- Puts resources to work on **What Matters Most**
- Measures performance for results and impact



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## How will we measure success?

- High-priority activities receive relatively more funding to **produce tangible** results
- Performance budgeting **spurs innovation** to make government more effective and efficient
- Lower-priority activities are reduced or eliminated



# It's a Marathon, Not a Sprint



The first year is a transition toward the new approach, focusing on **what matters most to Angelenos**

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## Breakout Session Questions

1. What does a great city look like to you?  
*(In other words...what kind of city do you want to live in? For the City as a whole, what matters most to you?)*
2. What about your own community, what matters most to you? Focus on solutions. Be specific.
3. Considering Mayor Garcetti's Back to Basics Agenda, how do we prioritize these outcomes?
4. How do we measure success?

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