

Exhibit 2-13

[illegible]

Chief Executive: You are the one official, whether elected or appointed, who is individually responsible for managing the entire local government for the benefit of all the citizens. You want a budget which: balances revenues and expenditures, keeps taxes down, provides agencies with the dollars they need to be effective service providers, reflects your own policy priorities, and will be adopted with minimal fuss by the legislators.

Legislator: Your position is part-time, low-paid, and full of aggravation. Still, being a legislator carries a certain amount of power and prestige, offers a chance to make a difference in your community, and may be of help in promoting your small business. You've been reelected once pretty easily, but you are always afraid that some big flap will result in real opposition. You don't want to get beat, but while in office you are going to express your opinions!

- Using only the form provided *without attachments* (see Exhibit 2-12), please address the following:

1. Demonstrate the need for your proposal to be adopted.
2. Explain how the program would function when implemented.
3. Estimate the first-year cost of adopting the proposal. Note only three subtotals (personnel, operating, and capital outlay) and remember your first-year cost cannot exceed \$100,000.
4. Estimate the annual cost for years two through five should the proposal be accepted.
5. Identify the best quantitative measure of program success or failure.
6. List changes (if any) which would be required at your agency in order that the proposed program be implemented.

Exhibit 2-12 Agency Budget Proposal Form

Agency Budget Proposal Form	
Agency Name:	
Proposal Name:	Date:
Submitted by:	
Need:	
Description:	
First Year Cost:	Personal Services: Operating Expenses: Capital Outlay:
Future Year Cost:	FY 2: FY 3: FY 4: FY 5:
Measure of Success:	
Required Changes:	

particular agency, please choose from the options provided at the end of this chapter as Exhibits 2-15, 2-16, and 2-17.

- Now, keeping in mind the mission and your knowledge of the agency, identify one change (a new program or significant modification of an existing program) which you

Exhibit 2-11 The Incremental Budget Process

Despite the increasing sophistication of professional budgeting practices in local governments, many believe that the true budget process, hidden from view, goes something like this:

- o Last year's appropriation, plus
- o Automatic increases for existing personnel, plus
- o Cost of inflation to continue existing level of services, plus
- o Cost of additional service by unit (if any), plus
- o New program costs or "quality" improvements (if any)

approach also fails to produce a budget document responsive and accountable to the taxing, spending, and policy priorities of the citizens. Therefore, public administration professionals should work toward a budget process which permits informed choices concerning the inevitable trade-offs between operating agency needs and overall government fiscal and policy priorities.



EXERCISE: MASTERING THE BUDGET PROCESS

In order to get a better feel for the budget process, the following simple exercise is designed to help you experience the processes and perspectives involved in government budgeting. Before you begin, please keep in mind two facts about this exercise:

- First, in the following chapters there will be exercises that will help you acquire or refine your skills in doing rather detailed budget work. For now, however, the exercise is simply to prepare what might be viewed as a "rough draft outline" for a budget request.
- Second, the exercise continues with a structured "mini-role-play" in which participants will act in one or more of four roles. We are well aware of the over-simplifications built into these roles, and you should be as well.

Notwithstanding these two qualifications, this exercise will prove highly useful to those without much exposure to public budgeting and will offer some helpful reminders and insights to seasoned veterans of the budget process as well.

Step One: Homework

- Students who are employed in the public sector should obtain a copy of their agency's mission statement. This can usually be located in the Adopted Budget, an Annual Report, or perhaps in a Management Plan which guides operations. If you are not employed in government and/or do not have access and adequate background on any