

**County of Milwaukee  
Interoffice Communication**

Date: July 1, 2013

To: Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Personnel & Audit Committee  
Supervisor David Cullen, Co-Chairman, Finance, Personnel & Audit Committee

From: Josh Fudge, Interim Fiscal and Budget Administrator

Subject: New Narrative Format for 2014 Recommended Budget

**Issue**

The Department of Administrative Services-Fiscal Division (DAS-Fiscal) has, at the direction of the County Executive, designed a new structure and format for the budget document (hereafter: budget narrative). This report will provide an overview of the new format so that members of the County Board (especially the Committee on Finance, Personnel and Audit), department heads, other elected officials, County staff and the public can become familiar with the changes.

**Background**

DAS-Fiscal has reviewed the existing narrative format and compared it with best practices used by other units of local government. The foremost best practice for local budgeting has been created by the Government Finance Officers Association (GFOA), which is a professional association made up of public sector budget and finance officials, mostly at the city and county levels. GFOA issues a "Distinguished Budget Presentation Award" annually, which is based on several best practices for illustrating budget and financial information.

Milwaukee County's budget narrative has not won this award in recent years. DAS-Fiscal will include the winning of this award as a performance measure in its 2014 budget, and therefore has undertaken a review of how the narrative could be changed to win this award and to make it more informative and useful for policymakers, stakeholders, and the public.

The following is an overview of the major changes, which are illustrated in the attached power point presentation.

**Items Related to the Distinguished Budget Award**

As noted previously, Milwaukee County's budget narrative has not won the Distinguished Budget award in recent years. The following significant items will be added, or restructured from their current form, in order to comply with the GFOA criteria<sup>1</sup>:

---

<sup>1</sup> Available online at <http://www.gfoa.org/downloads/BudgetCriteriaExplanationsFY2011.pdf>

1. A “*budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes.*” This message will likely take the form of messages on the budget from the County Executive and the Director of Administrative Services.
2. A description of the short-term factors (economic factors, State and Federal funding and policy, etc.) that influenced the development of the budget.
3. Analysis and explanation of major expenditure and revenue types and changes.
4. Analysis of long-range fiscal projections and issues.
5. Expenditure and revenue budgets by fund.
6. Information related to fund balances and fund balance policies
7. An analysis of major expenditure and revenue types.
8. Capital project and debt service information.
9. Community and Organizational Data

### **Service-Based Model**

The existing budget narrative is focused primarily on the department as a whole, and on explaining significant budget changes. In general, it does not provide sufficient detailed information on the services provided by each department, such as the level of service provided or the resources dedicated to each service.

In early 2013, DAS-Fiscal surveyed departments in order to develop an inventory of the distinct services provided by each department. This information will be used in the 2014 budget narrative to provide the level of service and resources dedicated to each service when available (note that some departments cannot easily delineate resources provided by service, such as the County Clerk’s provision of services to the Board of Supervisors and to the public). The 2014 budget narrative will, in most cases, provide a service-centric approach with information broken out by each service, instead of the former department-centric approach.

### **Performance Measures**

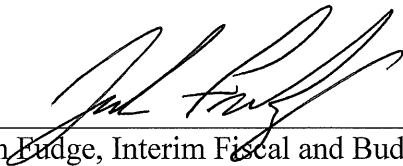
In addition to identifying individual distinct services, DAS-Fiscal has worked with departments and constitutional offices to develop performance measures for the identified services. Many departments and offices have participated, and the 2014 budget narrative will include these performance measures. Performance measures are distinct from activity data, in that they are not focused on “how much” of something is

performed, but rather “how well” it is performed, such as the resources needed to provide each unit, satisfying outside audit requirements, or how long it takes to perform a service.

The 2014 budget narrative includes several performance measures, and it is hoped that additional measures will be identified and included in future budgets, and that additional departments and offices participate in their development.

**Recommendation**

This report is for informational purposes only. No action is required.



---

Josh Fudge, Interim Fiscal and Budget Administrator

cc: Chris Abele, County Executive  
Supervisor Marina Dimitrijevic, Chair, County Board of Supervisors  
Scott Manske, Comptroller  
Amber Moreen, Chief of Staff, County Executive’s Office  
Don Tyler, Director, Department of Administrative Services  
Stephen Cady, Fiscal and Budget Analyst, County Board  
Janelle Jensesn, Clerk, Finance, Personnel and Audit Committee