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## **Councilmember Englander's Performance Based Budgeting Motion Approved by City Council**

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**Los Angeles** – The City Council approved Councilmember Mitchell Englander's motion to begin Performance-Based Budgeting to improve the City's ability to manage its budget, on Tuesday, March 20, 2012.

Councilmember Englander, who serves as Vice Chair of the Budget and Finance Committee, introduced the motion on Dec. 2, 2011. Performance-Based Budgeting is already practiced in cities including Dallas, Austin and San Jose. It is a way of incorporating strategic planning into the creation of performance metrics that can determine the effectiveness of government services.

"It's time to change the way the City budgets nearly \$7 billion and provide strategic, goal-oriented priorities that are transparent and measurable," Councilmember Englander said.

The City's current practice is to base each department's budget for the new year on their budget from the previous year, not on what the department needs and how well it performs its functions. Performance-Based Budgeting can create efficiencies, reduce duplicative functions and hold General Managers accountable for measurable outcomes. It will constantly measure and evaluate the performance of our City departments and assess the effectiveness and efficiency of our services and our General Managers.

Facing sharply reduced revenues caused by the economic recession, the City has had to significantly reduce its workforce and reduce services for several years. The City will face this challenge for some years to come, and may never return to pre-recession staff and service levels. Performance-Based Budgeting will enable the City to create more fiscally sustainable models of service delivery so that the taxpayers' dollars can be spent as effectively and efficiently as possible

Councilmember Englander's motion calls for phasing in Performance-Based Budgeting with the Planning Department and the Bureau of Street Lighting in the 2012-13 Budget. The City Administrative Office will report back on performance-based budgeting during the budget process this spring.

To see the motion and reports from the Budget and Finance Committee, visit <http://tiny.cc/doehbw>.

**MEDIA CONTACT:** Matt Myerhoff, Communications Director for Councilmember Mitchell Englander, Twelfth District. Cell (818) 293-8962 // [Matt.Myerhoff@lacity.org](mailto:Matt.Myerhoff@lacity.org).

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