

- What is New York City's fastest-growing category of expenditures during the planning period?
- What percentage of New York City revenues comes from the general property tax? How much is this tax growing in each year of the financial plan?

### Additional Readings

Ives, Martin, Joseph R. Razek, and Gordon A. Hosch. *Introduction to Governmental and Not-for-Profit Accounting*. 5th ed. Upper Saddle River, N.J.: Pearson/Prentice Hall, 2004.

Kavanagh, Shayne C. *Financing the Future: Long-Term Financial Planning for Local Government*. Chicago: Government Finance Officers Association, 2007.

### Note

1. Financial plans and other budget documents can be found at the Web site of the New York City Office of Management and Budget at [www.nyc.gov/html/omb/html/budgetpubs.html#finplans](http://www.nyc.gov/html/omb/html/budgetpubs.html#finplans).

## Chapter 7

# Presenting the Budget

### Learning objectives:

- Understand basic concepts and framework of performance budgeting
- Know which performance measures make sense in budgeting
- Integrate performance measurement with budgeting
- Communicate budgets to the public
- Explain objectives of budget proposals

Preparing the budget is just a first step. The budgets that governors and mayors develop are proposals, requiring amendment and adoption by legislative bodies, typically after considerable public commentary. And recently, questions and comments often focus on performance as well as funding. So budget examiners work to incorporate performance data into their decision making and their presentations and to display their financial data in clear and useful formats. We outline this work here in our discussion of presenting the budget. We want to emphasize the importance of these tasks and warn against the belief that presentation is an afterthought. Citizens are skeptical about government's use of their tax dollars, and legislators have priorities of their own. In that environment, presenting the executive budget as effectively as possible is vital.

## Integrating Budgeting with Performance

The purpose of **performance measurement** in budgeting is to exchange **post hoc accountability** for increased **discretion** during budget execution. In the budget proposal, it is usually the operating agency in cooperation with the budget office that proposes target levels of performance achievement that are to be met with the funding provided. As the budget process proceeds, these proposals may be renegotiated. For example, the Department of Transportation and the budget office may suggest target levels, but the mayor's staff or city manager's office may review these suggestions and make changes. In most states, the legislature also engages in adjusting target levels. During the fiscal year, the operating agency uses these performance targets

to provide the service it has promised to public off-