

EBOOK

Strategic Budgeting: Connecting Goals, to Action, to Community Impact with Tech.





INTRODUCTION

There's a crisis of faith in the public sector. Public trust is eroding at a rapid pace, with only [16% of Americans](#) saying they trust the government to do what's right. Additionally, a large part of that mistrust is misalignment with community needs on top of the public's lack of visibility into how their government operates and where their taxes are spent.

According to [data from Polco](#), in 2022 less than 50% of residents surveyed had confidence in their local government. The same data revealed that total confidence in local government fell from 56% in 2020 to 48% in 2022.

Many agencies create a strategic plan with the hope of addressing those community needs, but it often ends up as a stagnant document without a real path to make those plans a reality. To keep up with changing needs and build community resilience in the face of new challenges, an agency's strategic plan needs to be an actionable blueprint that paves the way for sustainable growth and improvement. The missing piece: the budget.

Unfortunately, translating long-term goals into daily operations is challenging for most agencies. The true test of a plan lies in integrating these strategies into the budget — empowering action and gaining the ability to measure impact.

In this white paper, we discuss why the current, disconnected approach to strategic planning and budgeting fails, how public agencies can implement their plans through their budget, and how purpose-built administrative technology helps connect goals, to action, to impact.



WHERE CURRENT STRATEGIC PLANNING EXERCISES OFTEN FALL FLAT

Strategic plans take a collaborative effort between multiple stakeholders, such as city managers, department leaders, and elected officials, that are often developed with assistance from consultants. Even with such a thorough process, the plan often misses the practicalities and financial realities of the organization. The missing piece: translating the plan into budget line items and funding strategic priorities.

Keeping strategic plans and the budget separate creates inefficiencies. Citizen priorities, high-level goals, and the budget are often set separately, leading to a disconnect between resources and objectives. Integration is key for alignment and impactful results.

So often fiscal policy is left out of the strategic (or comprehensive) planning process. This is a mistake. Our ambitious and worthy goals mean little to the residents we serve if we don't also map out how to make them a reality."

MARK FUNKHOUSER,

PhD, Government Performance and Fiscal Policy, and President at Funkhouser & Associates. [Source](#)

Public organizations have traditionally relied on last year's budget to make the next budget. While the simplicity of this approach has its advantages, it focuses on the past rather than the future and rewards a "spend it to get it" mentality. It doesn't consider the dynamic nature of economies and community needs, making organizations slow to adapt to change and hindering community resilience.

CURRENT BUDGETING PROCESSES WORK AGAINST STRATEGIC PLANNING

Relying on Last Year's Budget

- Does not account for changing needs of citizens, economy, and the agency itself.
- Does not reflect actual spending patterns and changes.
- Does not reward efficiency or cost-reduction.



“Spend It to Get It” Mentality

- Sets the same budget expectations as last year.
- Department leaders feel the need to spend their entire budget or risk a lower budget next year.
- Rewards wasteful spending.



Lacks Agility and Connection to Changing Community Needs

- Budget allocation can't change or change fast enough to support shifting needs and priorities.
- Community input is often not considered in budget decisions, causing misalignment in priorities.

With the strategic plan looking forward and the budget looking backward, goals are inherently misaligned with funding needs. This makes it difficult for organizations to take action and make meaningful impact.

So, why do agencies need to rethink their approach to budgeting in the first place?

The topic of re-thinking budgeting for government has been gaining momentum for more than a few years. Euna Solutions® has worked closely with the [Government Finance Officers Association \(GFOA\)](#) and other industry leaders to explore new approaches for their campaign, “Rethinking Budgeting”. Numerous opportunities were identified throughout the campaign to modernize budgeting — notably the disconnect between strategic plans and the budget process.

As stewards of public resources and trust, embracing a more strategic approach to budgeting is necessary for organizations to make sure they are better equipped to meet the demands of today while planning for the uncertainties of tomorrow.





CONNECT STRATEGIC PLANS TO THE BUDGET PROCESS TO PROMOTE PUBLIC TRUST & COMMUNITY RESILIENCE

Aligning your government's budget to strategy is not just a fiscal necessity; it's a crucial move towards achieving long-term community trust and resilience.

Here's how connecting budget with strategy increases community outcomes:

1. Directing Resources Effectively

Tying budgeting to strategy ensures financial resources are allocated effectively, prioritizing projects and services that align with strategic objectives. This targeted allocation maximizes impact on community development and satisfaction.

2. Enhancing Transparency and Accountability

Strategic budgeting aligns the financial plan to the budget and fosters a culture of transparency, providing citizens with a compelling and comprehensive story of how funds are being used to better meet community goals. This openness builds trust and encourages civic engagement.

3. Facilitates Measurable Outcomes

Connecting budgeting to strategy allows for defined, measurable objectives. This enables your agency to track progress, evaluate the effectiveness of expenditures, and adjust plans as needed to achieve desired outcomes.

Blending budgeting with strategic planning is key to building public trust and ensuring communities can achieve sustainable growth and success. By carefully allocating funds, being fully transparent, and setting clear, achievable goals, your agency doesn't just improve how it operates — it also proves its dedication to the community's interests.

Leveraging the right technology that is purpose-built for the public sector can support these outcomes. Working with the right service providers who bring the needed expertise and tools to the table is more than a good move; it's necessary. Together, you're

creating a financial plan that's ready to tackle current challenges and lay down the groundwork for a future where public trust and community strength are not just goals, but real achievements.

6 STEPS TO CONNECT STRATEGY TO BUDGET

Revamping budgeting strategies is crucial for agencies looking to create proactive, future-looking budgets, making sure every penny goes toward achieving the best results and community benefits.

Here are 6 steps to start redefining how your agency connects strategic plans to your budget:

1

REVIEW EXISTING BUDGETING PRACTICES

Evaluate existing budgeting processes to identify how it connects with strategic planning now and areas to build that connection.

2

ENGAGE WITH STAKEHOLDERS

Speak with policymakers, department heads, and community members to gather input and ensure organizational and community alignment with budget priorities.

3

BUILD A COMMUNITY FOCUSED STRATEGIC PLAN

Consolidate input from all parties and use it to define overarching goals, objectives, and initiatives that see those goals realized.

4

ALIGN BUDGET WITH COMMUNITY OUTCOMES

Use outcome-based budgeting methods to align your budget with strategic goals and connect them with quantifiable KPIs.

5

USE DATA ANALYSIS AND FORECASTING

Leverage data analysis and forecasting techniques to predict future financial needs and trends for proactive decision making.

6

PARTNER WITH THE RIGHT TECHNOLOGY PROVIDER

Work together with an experienced budgeting software provider to get the right tools to streamline processes, enhance transparency and visibility, and connect budget to your strategy – like **Strategic Budgeting by Euna Budget**.





ACTIONING STRATEGIC BUDGETING WITH TECHNOLOGY.

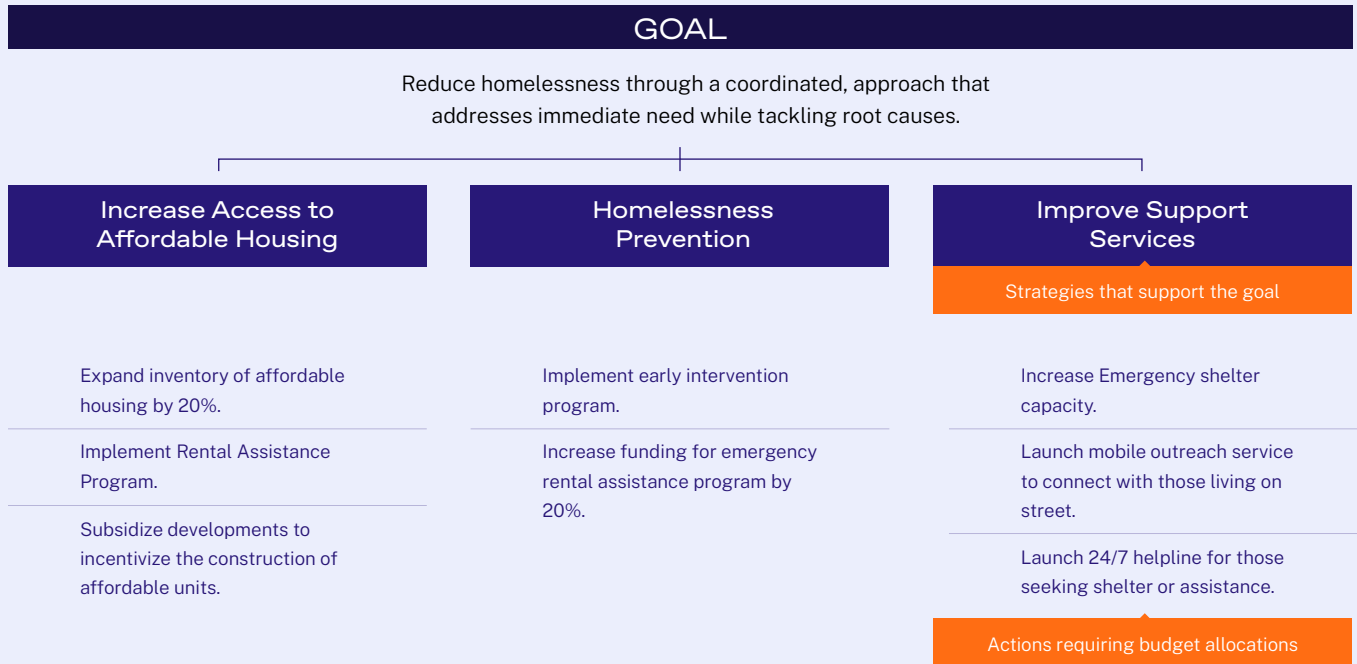
My hope is that after essentially decades of doing budgeting the same way, that technology can be a real driver of improved processes and new approaches.

CHRIS MORRILL,
GFOA Executive Director.



CURRENT BUDGETING PROCESSES WORK AGAINST STRATEGIC PLANNING

Purpose-built technology can empower organizations to align strategic plans with frameworks needed to implement plans. Leveraging these frameworks allow agencies to define goals through line items in your budget.



A strategic budget should map strategic priorities (e.g., reducing homelessness) to budget cost centers or line items (e.g., social services personnel).

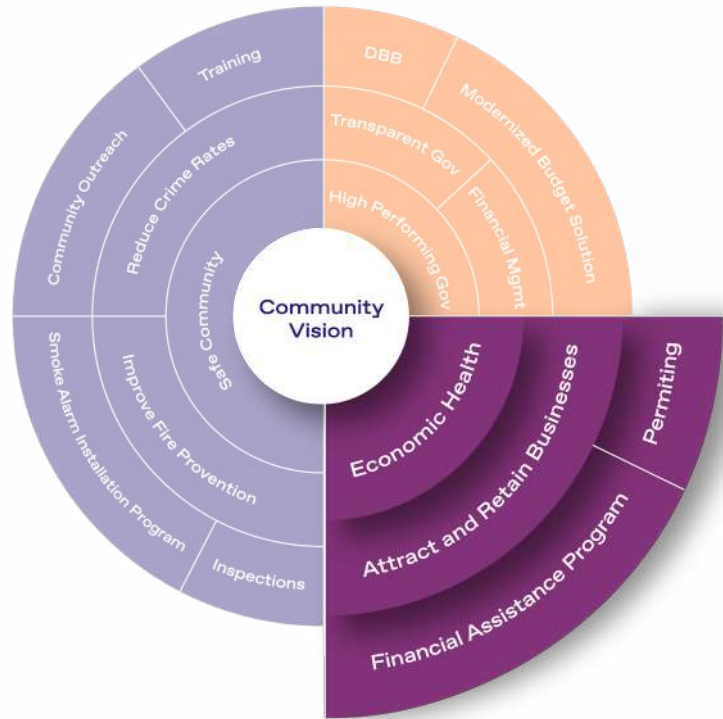
That said, aligning departmental budgets and initiatives with overarching goals is complex and requires dedication to do so accurately. Euna provides strategic budgeting customers with a framework to map the strategic plan to budget line items. This enables precise tracking of how resource allocations contribute to organizational objectives, overarching goals, and community-wide strategic priorities. Additionally, it facilitates real-time monitoring and adjustments, ensuring strategic planning remains agile and aligned with changing priorities.



IMPROVED TRACKING AND ACCOUNTABILITY

Clearly demonstrate how spending achieves the desired outcomes and contributes to your strategic plan through advanced reporting capabilities. Make it easy to generate reports to share with stakeholders for cross-departmental and leadership visibility and accountability.

Many report types can be easily generated to share budget information. This chart illustrates a cost center and the various levels of fund allocations, from overarching strategic goals down to supporting initiatives.



INCREASED BUDGET TRANSPARENCY

Euna's Transparency module works together with Euna Budget and Strategic Budgeting to simplify the creation, publication, and updating of digital strategic plans that can be easily shared, which helps your organization to stay up to date and better communicate with internal stakeholders and the public. Euna's Transparency module includes pre-built templates that adhere to industry standards, facilitating a smoother process.

This integration ensures that strategic plans are not only easier to manage but also more transparent and accessible within the community.



The City of Largo, FL. uses Euna Budget's Digital Budget Book to ensure their strategic plans are visible and accessible to the community. Using the tool, City of Largo publishes their budget book in both [digital and print formats.](#)

Easily align strategy and the budget to build a future where budgetary transparency and accountability go hand-in-hand with strategic achievements and community impact.

CONNECTING GRANT FUNDING TO BUDGET PRIORITIES

Aligning grant funding with budget priorities is more than just a financial strategy; it's a cornerstone of good governance and effective community service delivery.

Benefits of aligning grant funding to budget priorities:

1. **Maximized resource allocation** by ensuring external funding complements financial resources, reducing redundancies and making every dollar count.
2. **Reduced dependency on local revenue** and other limited sources to provide a more diversified and stable financial base.
3. **Increased goal-oriented spending** ensures grant funds go directly towards achieving strategic objectives that are high priority for the community and external stakeholders.
4. **Elevated positive Impact** by directing funding towards budget priorities contributing significantly to long-term goals and enhancing quality of life of citizens.

CONCLUSION

Strategic budgeting is not just about accounting — it's a powerful tool that allows for more impactful spending and budgetary accountability. By aligning budget and strategy, agencies can ensure that every dollar is purposefully invested in initiatives that resonate with both grantors' objectives and community needs.

Moreover, strategic budgeting facilitates a transparent and accountable financial framework, showcasing to stakeholders the direct link between financial planning and tangible community benefits.

Euna Solutions understands the urgency for the public sector to adopt a modernized and strategic financial planning approach, as traditional financial frameworks and methodologies continue to be increasingly inadequate in addressing the complexities of today's fiscal environment.

With Euna Budget: Strategic Budgeting, we're proud to pioneer a new capability for government and other public sector organizations that ensures public dollars are used strategically for the greatest impact in their community.



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