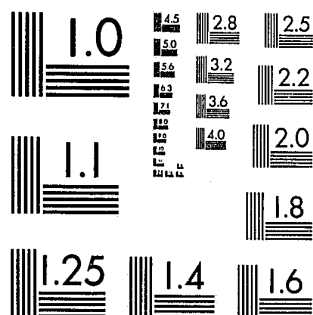


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ZERO-BASE BUDGETING MANUAL

ACQUISITIONS

This manual was developed to help supervisors who are responsible for preparing zero-base budget (ZBB) requests. Included in the manual are an explanation of what is ZBB, why the Department is using ZBB, and how to prepare a ZBB request.

I. WHAT IS ZBB?

ZBB is a technique for preparing an organization's budget. Like performance, program, or line-item budgeting, it is a way, a manner, a method of preparing a budget. It differs from other budgeting techniques because ZBB assumes that we start with Zero resources--nothing. Every dollar, every car, every position is analyzed to determine what it will do to help reach the goals that we set.

ZBB has four (4) basic steps:

- (1) Start by assuming that you have no resources.
- (2) Identify what actions must be done by your unit to reach the Department's goals.
- (3) Group these actions into "decision packages".
- (4) Rank the decision packages from the most important to the least important.

What is meant by "actions"? Actions mean work. Actions or work can mean simple tasks (typing memos) or more complex tasks, responding to a burglary complaint. The definition of actions or work, depends on what tasks we are looking at. Ideally, we will list all of the work that we do. Realistically, there are some tasks that are too small by themselves to be worth analyzing. We can group these activities under a more general category. In addition, there are some actions which must be listed together as one activity. Responding to the burglary complaint includes driving to the scene, contacting the complainant, canvassing the neighborhood, writing the report, etc. These individual actions may not be significant in and of themselves. Taken together, though, they would represent a meaningful action.

What is a "decision package"? A decision package is a group of actions that naturally go together, either because they form the work of a position or person, because they form a program, or because they form an organizational unit, or sub-unit (a bureau, a squad).

The purposes of decision packages are:

- (1) To group individual actions.
- (2) To allow for ranking these "grouped actions" in their order of importance.

II. WHY ZBB?

Any organization that has limited resources must allocate resources in a way to best achieve its goals--to achieve the most benefit. ZBB forces everyone in the Department to show how performing certain work will help the Department reach its goals, which actions or work are most important, and what actions bring the most benefit. In brief, ZBB forces us to review what we are doing to see if this work is needed, worthwhile, and justified in comparison with other activities.

III. HOW TO PREPARE A ZBB BUDGET

The easiest way of preparing a ZBB budget is to think of your budget as a statement of what you and your staff want to accomplish in the coming year. There are some questions that every supervisor must answer to determine what he or she wants to do in the coming year (and to prepare a ZBB budget). It cannot be emphasized enough that your officers and non-commissioned personnel must participate in the answering of the questions.

Listed below are these questions:

Question #1: What do you think your unit(s) should be doing in the coming year? What needs to be done by your unit? What are your goals?

In starting to answer these questions, you will probably start by analyzing what you are doing now. The answers to this first question, though, are the keys to preparing a good ZBB budget. The answers to these questions must be framed in terms of activities or programs to deal with crime problems. For example, if you were the Director of Communications, the answers might be to: a) answer all incoming telephone calls for service within 30 seconds; b) gather all significant information, write it on the service cards and transmit these cards to the dispatchers within 60 seconds; c) dispatch a police car to the scene within 30 seconds for priority calls and within 5 minutes for non-priority calls.

The activities described above can be restated as a goal - faster service in transmitting calls for a police officer.

If you were a Precinct Commander, the answers to Question #1 might be to: a) get a police unit to the call for service within 5 minutes after the dispatcher's notification for priority calls and 30 minutes for non-priority calls; b) to decrease the rate and number of stolen cars by 10% in your precinct (if this is your biggest problem), increase the apprehension rate of car thieves by 15% and increase the recovery rate by 30%.

Activities are a key to ZBB because you will be asked to state how long it takes to complete one such "activity", and how many you have in a year. From these answers, you will have justified a number of manhours (not people, not positions--but manhours).

Examples of Activities:

- Respond to a priority call for service.
- Investigate a burglary
- Clear a burglary
- Write a General Order
- Process a purchase order
- Take a citizen's telephone call for police service
- Conduct a general staff inspection

Question #2: How many manhours do you need to complete each one of the activities listed under Question #1? How many of each of the activities do you do in one year? What equipment and supplies do you need to complete the activities for one year?

Question #3: What activities are you going to put into a decision package? What activities naturally go together as a group?

These questions are aimed at combining very specific activities into organizational units or "packages".

For example, the Director of Communications might look at his activities and divide them into two organizational units or packages--a) telephone service; b) dispatching. The Precinct Commander might group his activities as: a) response time; b) crime specific programs for combatting auto theft.

As you put the activities into a package, you are also putting the resources required to complete these activities into the package.

Question #4: Why do these things need to be done, and what is the order of importance of these activities?

The answers to these questions do not have to be lengthy. For example, response time to calls for service is important because: a) the goal of the entire Department is to provide service to the citizens; b) the faster you get to a priority criminal call, the greater the chances of apprehending an offender.

- Auto thefts may be the biggest crime problem in one precinct, and residential and apartment burglaries may be the biggest problem in another.

External and internal influences, such as Laws, General Orders, citizen requests and complaints, are reasons for performing work. The laws or General Orders do not have to be stated in their entirety, but should be referred to in your justifications.

The answer to these questions provide the basis for the final assignment of resources and evaluating performance.

Question #5: How do you intend to perform the packages you listed?

This question applies only to packages taken as a whole. It applies to new programs or new approaches to solve problems. Any assistance needed from another precinct or bureau should be stated--and known by the precinct or bureau for their ZBB planning.

Question #6: Are there alternative levels of performance?

In brief, if you are trying to achieve a 75% success rate on any problem, are there higher and lower rates of successful achievement with corresponding increases or decreases in needed resources? If, for example, a unit wanted to clear 75% of all auto thefts and needed 184,000 manhours (100 men), are there alternative levels of clearances--70% or 90%? And, what levels of resources would be needed to attain 70% or 90%? The unit supervisor must state the alternative levels of performance, what level of performance he or she recommends, as well as the minimum worthwhile level of performance.

Question #7: Are there different ways of having the packages performed?

Stated another way, are there any alternate ways of getting the work done? For example, computer-aided dispatching is one way to speed up the flow of information between the telephone clerk and the dispatcher.

A Precinct Commander might believe that another unit in the Department should be doing an activity, rather than the precinct officers.

Question #8: How are you going to measure your performance of the activities and packages?

This question deals with how you will know and how you will evaluate what your performance on various tasks is.

These measures of performance should be "in" your answers to Question #1. For instance, the Director of Communications stated that:

<u>Work That Needs to be Done</u>	<u>Performance Measures</u>
a. All telephone calls would be answered in 30 seconds	100%
AND	
b. that the clerks would gather all significant information and transmit it to the dispatchers within 60 seconds	100%
	60-second transmittal time

In stating the jobs you think need to be done, you are also stating the performance measures.

It is necessary that there be a system--ongoing or proposed--to gather the information to measure performance.

Question #9: What happens if we don't do these jobs?

The answers to this question should be brief and to the point. No lengthy explanations are required.

Question #10: What areas of improvement are included in your budget requests?

A brief statement of improved performance, if applicable, should be included. For example, if a Precinct Commander set a goal of increasing recovered stolen autos by 10 percent, this improvement should be included.

The final step in preparing your ZBB budget is to put the information you have gathered into a format.

JJH:kvs

Attachment

END