**How to Develop Let’s Balance! for Your Jurisdiction**

**Game Objective: To balance a budget that funds services and specific priorities using a combination of strategies (increasing revenues/expenditures, decreasing revenues/expenditures, and using Reserves) amid specific challenges.**

* Hypothetical “Budget Picture”
  + Consider the challenges that may impact a government’s ability to balance a budget. Decline in revenues (ad valorem tax, sales tax, user fees)? Increased demand for services? Unfunded mandates?
  + Using these challenges, create a hypothetical “Budget Picture” to set the stage for the game. *The game takes place during the budget development process for the upcoming fiscal year.*
    - What is the current year base budget?
      * Example: Current Year Budget = $100

(Revenues = $100, Expenditures = $100 – hence a balanced budget)

* + - Consider the estimated revenues and expenditures for the upcoming fiscal year? Expecting revenues to decline? What are the anticipated increases in expenditures?
      * Revenue Example: Projected revenues for the upcoming fiscal year are projected to decline by $2 from the current year due to *a decline in property values*. Therefore, projected revenues are $98.
      * Expenditure Example: Projected expenditures for the upcoming fiscal year are projected to increase by $4 from the current year due to *increases in* *contractual obligations*. Therefore, projected expenditures are $104.
      * What is the budget shortfall?

*Projected Revenues = $98*

*Projected Expenditures = $104*

*Projected Shortfall = ($6)*

***How will the Commission reduce the Budget Shortfall?***

* Strategies to Balance the Budget: Revenues, Expenditures, Reserves. For simplicity, strategies should be presented in $1 or $2 increments. When presenting strategies, provide a brief summary of the impact of the decision. For example, a reduction in funding for law enforcement may affect public safety). **EACH STRATEGY WILL EITHER REDUCE THE SHORTFALL OR INCREASE THE SHORTFALL.**
  + Revenues: Consider a combination of options specific to your jurisdiction that will increase or decrease revenues. While the easiest choice for the Commission to reduce its shortfall is to increase revenues, government officials routinely make decisions to reduce its revenues in order to provide financial relief to its constituents. Present both options to give players a real-life experience.
    - Revenue “Increase” Example: Increase Permitting & Inspection Fees, which will increase revenues by $1.
    - Revenue “Decrease” Example: Reduce Property Taxes, which will decrease revenues by $1.
  + Expenditures: Consider a combination of options specific to your jurisdiction that will increase or decrease revenues. As with revenues, the easiest choice to reduce the shortfall is to reduce expenditures, however, due to the demand of constituents, the Commission may vote to increase services (i.e. build additional parks), resulting in increases in operating and capital costs.
    - Expenditure “Decrease” Example: Reduce Road Repair & Maintenance Services, which will decrease expenditures by $2.
    - Expenditure “Increase” Example: Increase hours at Branch Libraries, which will increase expenditures by $1.
  + Reserves: Give participants an option to utilize reserves to balance the budget. Stress the fact that while reserves are available, they should be maintained to cover unanticipated expenses. Does your jurisdiction have a policy that states your reserves should remain at a specific minimum? Enforce penalties on the Commission if they fall below the recommended policy minimum.
    - Reserves Scenario: Each Commission begins the game with a policy maximum of $20. The recommended policy minimum is $15. Early in the game, present a challenge that will immediately require the utilization of $4 in reserves. For example, **“a tropical storm hits your jurisdiction with flooding and high winds. Damage is extensive with washed out roads and numerous downed trees. Because this is *unexpected,* $4 in reserves in required to complete the recovery.”**
    - Forcing the Commission to use $4 in reserves early in the game leaves them with only $1 available for use in order to to remain within the recommended policy minimum. This will force the Commission to consider the revenue/expenditure strategies.
  + Challenges: All governments face challenges during the budget development stage that are beyond its control, which can further increase its budget shortfall. Are healthcare costs increasing for employees? Mandatory contractual increases? Unfunded mandates? Periodically during the game, present the Commission with challenges that they must fund. This will increase the budget shortfall, which will force the Commission to consider additional revenue/expenditure strategies.
    - Example: At the completion of the Legislative Session, state lawmakers notified County officials that mandated state payments for Medicaid must increase by 10%, or $1. *This challenge will increase the budget shortfall from $6 (as indicated in the “Budget Picture”), to $7.*
  + Priority: Consider a combination of Legislative priorities that a commission may consider for a particular year. Include a project/expenditure the Commission may fund in order to support the priority. Make it contingent upon receiving points that the Commission funds their priority.
    - Example: **CULTURAL PRIORITY: To invest in arts and cultural organizations as they enhance the quality of life for the citizens of Leon County.**

*Support a $1 funding request from a non-profit organization that proposes to build a new museum that will showcase the major historical events that have taken place in Leon County.*

* Design of the Board game (link)
  + Use the parameters of the game board as designed but substitute the center image to represent your jurisdiction, such as a map of the City. *(Leon County utilized the services of Geographical Information Systems staff)*
  + Include an odd-number of player slots
  + For simplicity, play the game in $1 increments instead of millions
  + Include slots for all approved decisions (Revenues & Expenditures)

**CLICK LINK FOR LET’S BALANCE! GAME MATERIALS AND SPECIFIC INSTRUCTIONS THAT ARE AVAILABLE AS A GUIDE**