MULTNOMAH COUNTY

FY2008 BUDGET PROCESS REVIEW

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FY2008 Budget Process Review

Multnomah County has utilized the Priority-Based Budgeting (PBB) model for budget development for the past three years. PBB is a departure from the traditional "across the board cuts" approach and places the focus on determining the most important services Multnomah County provides to its citizens by ranking all program offers requested for funding in priority order and making service purchase decisions based on the County's long-term strategic direction. Following a series steps prescribed by the PBB model, the County adopted the FY2008 budget in early June 2007.

As part of the comprehensive budgeting process, the Budget Office Evaluation conducted the FY2008 post-budget survey in July 2007. The purpose of the survey is to rigorously assess all of the important aspects of the County's budgetary process and to identify areas for future improvements. In order to make multiyear comparisons, the same survey questionnaire was used this year, with minimal modification.

The survey instrument was sent to a total of 118 people who participated in development of the FY2008 budget. Fifty-five surveys were returned for a 44% response rate. Participants were asked to provide feedback and rate their experience and satisfaction in various areas such as training and preparation, budget process, procedures, and the final FY2008 adopted budget. Participants were also asked to identify changes that would improve the budget process and to specify what they most appreciated about their experience. Finally, participants were asked to rate themselves and the Budget Office staff on a variety of key work relationship criteria. This report provides major findings of FY2008 budget process.

Summary of Results

❖ The overall satisfaction rating of the FY2008 budget process improved slightly over last year. On a scale of 1 to 10, the average mean rating was 6.44 this year as compared to 6.25 reported last year. This question was asking the respondents to rate the FY2008 budget process from beginning to end independently without comparing previous years' experience.

❖ When asked to compare current year with previous year, 40% of survey respondents reported that the FY2008 budget process was better than the previous year, and 19% reported FY2008 was worse than FY2007. Ratings on 'Clear County policy direction' and 'Better communication of policy direction' also increased this year as compared to previous year's rating. Based on the comments received, the improved satisfaction was related to increased collaboration and decreased public contention among elected officials.

❖ Overall satisfaction with the Budget Training/ Preparation and the Budget Process sections and its relationship to its importance remained high. All survey items fell within the desired *'High importance and High Satisfaction'* zone and average satisfaction rating for all items exceeded 3 on a scale of 1 to 4. The overall gap score between satisfaction and importance ratings increased slightly for Budget Training/ Preparation section. The Gap score methodology is outlined in Section 3.

❖ In the Budget Process section, the areas that still had relatively low satisfaction ratings and showed no improvement in FY2008 include '*budget reflects a long-term priority and multi-year funding strategy*'. However, the overall satisfaction with the adopted budget improved marginally over last year, with reduced overall gap score between satisfaction and importance, and slightly increased mean satisfaction rating on items such as citizen and stakeholders' involvement.

❖ Both the County Departments and the Budget Office rated each other's efforts in developing the budget as high, especially on the level of professionalism and level of cooperation. The Budget Office's customer satisfaction (met or exceeded, rated on seven items) was 95% satisfied, very similar to FY2007.

❖ Survey respondents gave higher ratings or positive comments on areas such as use of new technology for budgeting, use of performance measurement in program offers, improved communications, and easy access to budgetary data/information. Many respondents appreciated that the Board and the Chair set a more professional tone during the FY2008 budget process. After three years' practice, many admitted they now have an excellent knowledge of Priority budgeting.

❖ A divergent opinion on the priority based budgeting emerged from the FY2008 budget survey. Almost everyone agreed that some principles and procedures of Priority-Based Budgeting process were not well followed this year. When suggesting for next year's improvement, a wide spectrum of voices were heard. At one end, some strongly advocated the County should go back to a 'purer' form of PBB (i.e., no constraints at the end of the process) and at another end, some respondents supported abandoning PBB entirely.

❖ The areas that generated concern related to the amount of time (total and staff time) the process takes overall, and how that time is allocated to specific steps in the process. Specifically, a shorter overall process was desired, but one where Outcome Teams with a refined membership have increased amounts of time to review program offers. The feedback collected from the FY2008 budget survey indicate that a good discussion of how to implement the FY2009 budget process at policy level is definitely needed.

Survey Respondents

This FY2008 budget survey used the same methodology and design as was adopted in previous years. The instrument was sent anonymously via email survey to Multnomah County employees who were identified as direct participants in the development of the FY2008 budget. The survey contained four general sections: budget training and preparation, the budget process, the adopted budget, and efforts of budget office staff.

Two groups of subjects were included in the electronic survey list: 109 county employees and citizens directly involved in the budget process (design team, outcome teams, PBB Citizen

Budget Advisory Committees (CBAC) members, Board members, department and division directors, finance/ budget managers and staff), and central Budget Office employees.[1]

A total of 43 surveys were returned from county employees and citizens, and 12 from the Budget Office staff, for response rates of 39.4% and 100%, respectively. Combined, the overall response rate was at 44.1%, almost same as last year's response rate of 44.7%.[2] The Table 1 displays the characteristics of the respondents.

Table 1. Service Area and Responsibility of Survey Respondents (rank ordered)

Priority Area	N	%		Responsibility	N	%
Accountability	15	28.9%		Department/ Division Dir.	16	30.8%
Other/Nonspecific	12	23.1%		Department Line Staff/Other	14	21.1%
Basis Needs	9	17.3%		Budget/Finance Manager	13	25.0%
Safety	9	17.3%		Budget/Finance Analyst	7	13.3%
Education	5	9.6%		Board Member/ Board Staff	2	3.8%
Vibrant Community	2	3.8%				
Total	**52**	**100%**		**Total**	**52**	**100%**

More than 55% of respondents identified themselves as management staff (n=29). Also, about 38% of respondents identified themselves as Budget/Finance staff (managers or analysts). Two survey respondents (3.8%) were elected officials or their staff. Twenty-one percent of the complete surveys (n=14) were from the Department line staff or other unidentified respondents. In terms of priority area, a relatively large percent of survey participants were staff whose work was most typically associated with the Accountability priority area. About 23% (n=12) didn't report the priority area with which they were associated.

GAP Method: Model and Scores

The survey data were analyzed using a "*GAP method*." The GAP method is a tool used to help identify priority concerns that need the most attention under continual improvement framework, and can be used to make decisions about shifting valuable resources. For the best results, the tool should be used in two ways: 1) plotting values in a GAP model, and 2) reviewing GAP scores.
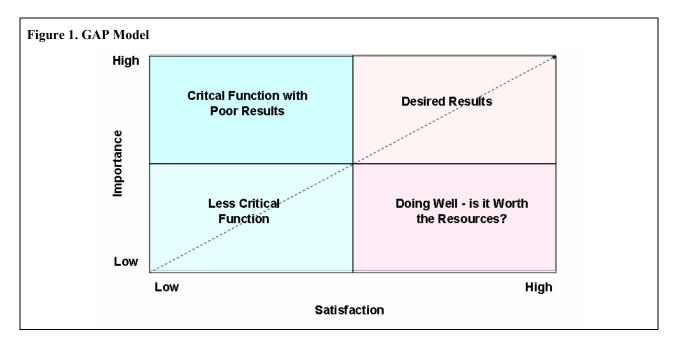
The GAP model is produced by mapping a series of metrics for each question onto a graph to prioritize a plan of action (see Figure 1). The metrics are based on two related questions and their relation with each other (i.e., satisfaction versus importance, seriousness of a problem versus

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[1] Budget Office staff were asked to respond for each of the departments they supported. There were a total of 12 possible responses.
[2] Several factors might have contributed to the lower response rate. One was the timing—the budget process survey was sent out during a time many County staff were on the summer vacations. Although a reminder was e-mailed and the deadline was extended for a couple of days, staff who were leaving for or coming back from vacation might not put the survey in their priority list. Additionally, they may have decided not to bother answering another budget related survey due to "survey exhaustion."

ease of solution). The model in Figure 1 identifies areas of low satisfaction to the left; the top left quadrant is a higher priority than the bottom left. The right side of the model indicates high satisfaction; the top right is the desired result of both high importance and high satisfaction, while the bottom right models performance levels that exceed need or expectation. In some cases, resources that are being spent on items that fall into the bottom right quadrant might be shifted to other areas needing improvement.

Figure 1. GAP Model

Areas of potential improvement would fall into the quadrant labeled "*Critical Function with Poor Results*" because there is low satisfaction for functions that are rated high in importance. Of less concern are functions that fall into the lower left quadrant labeled "*Less Critical Function*" because although there is low satisfaction, these functions are also rated as less important. Finally, items that fall into the area labeled "*Doing Well – is it Worth the Resources?*" are those that need the least attention and resources to improve.

The second way to use the method involves the GAP score—the difference between the respondent's *Satisfaction* scores and the *Importance* scores when using equivalent scoring rubrics. The closer the difference is to zero the better the balance between an item's importance and satisfaction to the respondent. Scores of zero would fall on the diagonal line illustrated in the GAP model—the diagonal displays perfect alignment between the two related variables. The closer the variables fall to the diagonal the closer to optimal performance. That is to say that the respondent's expectations of the particular measures are satisfactorily met.

When using the GAP method, both the model and the scores should be evaluated. The model may show items plotted away from the diagonal, but which still may be located in the desired result quadrant. Additionally, GAP scores of zero—perfect alignment—may be less useful if they fall in the less critical function quadrant. Both the placement of the GAP (illustrated in the model) and the size of the GAP (indicated by the score) are important indicators of performance.

Budget Preparation, Budget Process, and Multnomah County Objectives

Based on their experience in developing the FY2008 budget, participants were asked to rate their satisfaction by responding to a series of questions that assessed the budget preparation, budget processes, and Multnomah County objectives reflected in final adopted budget. Participants also rated each question for its importance.[3] To determine the agreement between what participants valued and what they experienced, the average satisfaction ratings were plotted against the average importance ratings. A list of all questions as they appeared on the survey, the means for satisfaction and importance, and their overall GAP scores can be found in Table 5 of the Appendix.

Budget Training and Preparation

Nine questions were designed to assess the aspects of **budget training and preparation,** including budget manual, milestone delivery dates, access to budget information and documents, and web tool training. Figure 2 displays the GAP model results for the series of statements related to budget training and preparation, which shows that average satisfaction ratings on all questions in the budget training preparation section exceeded three on a 4-point scale.

Figure 2. FY2008 Budget Training and Preparation*

Survey questions: 1) Instructions in Budget Manual; **2**) High quality of program offers; **3**) Informative budget documents; **4**) Level of access to budget detail; **5**) Milestones delivery dates; **6**) Adequate program offer development training; **7**) Knowledge and skills need to prepare the budget; **8**) Adequate budget preparation & training; **9**) Adequate web tool training.

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[3] The satisfaction and importance of budget preparation, process, and Multnomah County objectives were rated on four-point scales with lower scores indicating less satisfaction or importance.

Overall, respondents rated most questions as important, with the highest importance rating for a clearly posted budget calendar. Most respondents were also satisfied with the result; on a scale of 1-4, respondents gave the highest satisfaction ratings for trainings (*budget preparation training* [mean=3.43] and *web tool training* [mean=3.38]) and the knowledge/skills/abilities to prepare the budget in the web tool (mean=3.42). Satisfaction with *budget documents including cost splitter and internal service rates*, while still satisfied overall, was rated somewhat lower (mean=3.11) as compared to other ratings in budget training and preparation section.

Figure 3 displays the actual GAP scores—the difference between '*Satisfaction*' and '*Importance*'—in descending order. GAP scores in this section could range from -3 to +3, with 0 being optimal.[4] Large negative scores are of most concern, meaning their importance outweighed the level of satisfaction. Scores of -1, -2, or -3 suggest areas where expectations were not met. Overall, all surveyed areas regarding budget training and preparation were operating within desired parameters (in this case scores between 1 and -1, with 0 being optimal). Items that have a relatively larger gap between Satisfaction and Importance include *Budget Manual Instruction* (Gap= -0.45) and *clearly posted milestone delivery dates or budget calendar* (Gap= -0.44). The negative gap indicates that further effort should be made to improve the satisfaction in line with the item's importance. All training related survey items had positive gap between 0.10 and 0.32. The positive gap suggests the level of satisfaction already exceeded the item's perceived importance.

Figure 3. FY2008 Budget Training and Preparation GAP Score (rank ordered)

Item	GAP Score
Adequate training for web tool	0.32
Knowledge/skills needed to prepare the budget	0.24
Adequate training for budget preparation	0.21
Adequate training for program offer development	0.10
Clear instructions in the Budget Manual	-0.45
Milestone delivery dates posted	-0.44
Informative of the budget documents	-0.39
Level of access to budget detail	-0.36
High quality of department/agency's program offers	-0.20

Budget Process
Figure 4 displays the GAP models for the series of statements related to the budget process for FY2008. Overall, respondents rated most questions important and were also satisfied with the results. *A transparent budget process, accuracy of the financial information contained in the program offers, using MINT/Internet to locate budget documents* and *viewing program offers*

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[4] The range of scores was from 1 to 4, therefore a score could range from -3 (1 minus 4) to 3 (4 minus 1).

and program ranking via MINT/Internet were rated as most important areas. The top satisfaction ratings were *using MINT/Internet to locate budget documents, viewing program offers and program ranking via MINT/Internet, having opportunities to provide input during the program offer creation or revision* and *accuracy of the financial information.* The result of GAP model indicates that all surveyed items regarding budget processes were operating within desired parameters.
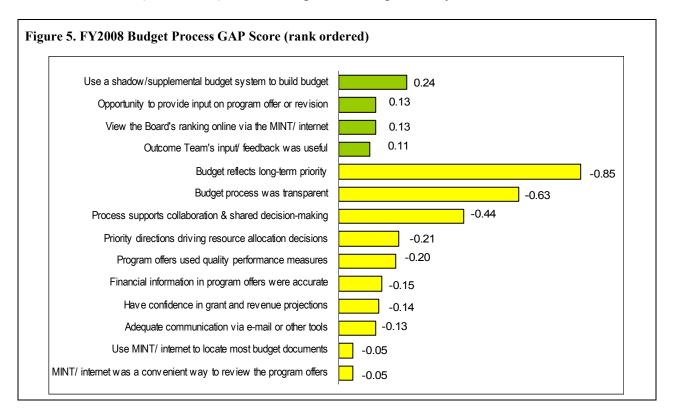

Figure 4. FY2008 Budget Processes*

Survey questions: 1) Reflects long-term priority and multi-year strategy; **2**) Collaboration and shared decision-making; **3**) The process was transparent; **4**) Use shadow/supplemental budget; **5**) Useful input/feedback from Outcome Team; **6**) On-going communication; **7**) Priority driving resource allocation; **8**) Use quality performance measures; **9**) Accuracy of the financial information; **10**) Use MINT/Internet for budget documents; **11**) View Board ranking via MINT/internet; **12**) Confidence in grant and revenue projections; **13**) Review program offers via MINT/internet; **14**) Opportunity to provide input.

Although agreement between importance and satisfaction were found for all statements related to the budget process (all in '*High importance and High satisfaction*' region), relatively larger gaps existed in areas such as *long-term priority and multi-year funding strategy* (Gap= -0.85)*, a transparent process* (Gap= -0.63), and *a process that supports collaboration and shared decision-making* (Gap= -0.44). These three aspects of budget process had an average satisfaction rating below 3 and importance ratings above 3. Although these results were basically consistent with last years results, the gap scores for all three areas were slightly reduced or narrowed from that of last year's survey.

For example, a relatively larger gap between importance and satisfaction was identified last year in the area of *collaboration and shared decision-making.* The findings of FY2008 survey shows
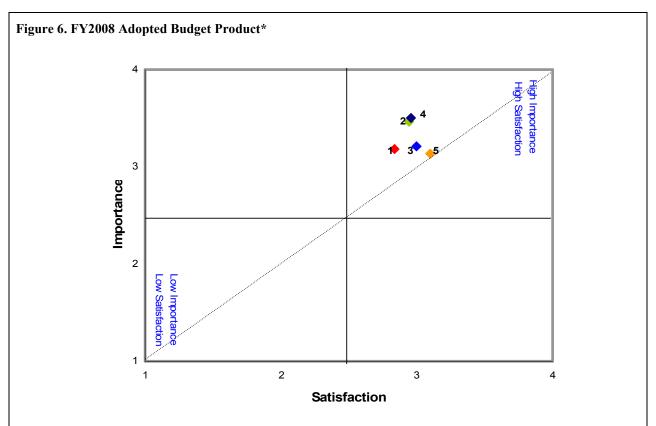
this gap was narrowed from -0.66 to -0.44. The gap score for *using quality performance measures in program offers* was further reduced this year: down from -0.55 in FY06 to -0.28 in FY 2007, and to -0.20 in FY2008.

Figure 5 displays GAP scores for all questions related to the budget process. Again, GAP scores in the budget process section could range from -3 to +3. The statements and actual GAP scores for each of 14 items are displayed in the Appendix (Table 5). In addition to individual items, the overall GAP score for the whole section was calculated. It was found that the overall gap score for the budget process section was down from -3.63 to -2.24, however, the overall mean satisfaction score (Mean=3.08) was unchanged over the previous year.

Figure 5. FY2008 Budget Process GAP Score (rank ordered)

Statement	GAP Score
Use a shadow/supplemental budget system to build budget	0.24
Opportunity to provide input on program offer or revision	0.13
View the Board's ranking online via the MINT/ internet	0.13
Outcome Team's input/ feedback was useful	0.11
Budget reflects long-term priority	-0.85
Budget process was transparent	-0.63
Process supports collaboration & shared decision-making	-0.44
Priority directions driving resource allocation decisions	-0.21
Program offers used quality performance measures	-0.20
Financial information in program offers were accurate	-0.15
Have confidence in grant and revenue projections	-0.14
Adequate communication via e-mail or other tools	-0.13
Use MINT/ internet to locate most budget documents	-0.05
MINT/ internet was a convenient way to review the program offers	-0.05

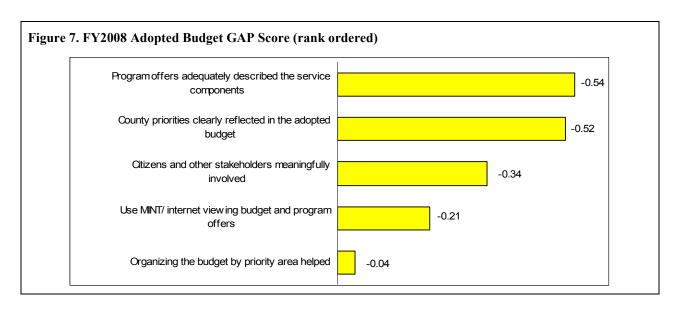### The Adopted FY2008 Budget

Figure 6 displays the GAP model for the series of statements assessing how well Multnomah County objectives were reflected in the adopted budget product for FY2008. The highest ratings for importance were the *adequate description of the essential components in program offers* and *county priorities clearly reflected in the adopted budget*, same as reported in FY2007 budget survey. Respondents gave higher satisfaction ratings to *organizing the budget by priority area* and *using mint/internet to view program offers after the budget was adopted.* Last year, the *service components reflected in program offers* was ranked second highest. It dropped to the third place in FY2008 survey. However, the change is marginal, with only 0.02 point reduction in mean satisfaction score (2.98 in FY2007 vs. 2.96 in FY2008).

Figure 6. FY2008 Adopted Budget Product*

Survey questions: 1) Meaningful citizens and stakeholders involvement; **2**) Budget reflects county priorities; **3**) Use MINT/Internet to view adopted budget/program offers; **4**) Program offers adequately describe service; **5**) Organizing Budget by priority area/policy objectives helps.
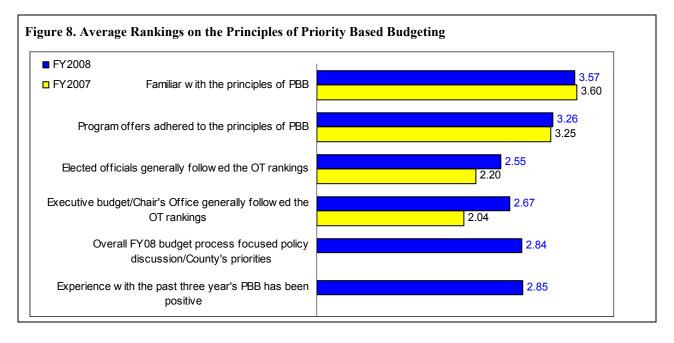
The data in the Figure 6 indicate that this year all statements regarding the adopted budget show congruency between the level of importance and the level of satisfaction (High importance and High satisfaction). The rating was further improved in area of *meaningful citizen and stakeholders' involvement* – satisfaction score increased from 2.38 in FY2006 and 2.64 in FY2005 to 2.84 this year. The gap score also decreased correspondently, from -0.70 in FY2006 and -0.65 in FY2007, to -0.34 in FY2008. The rating also improved slightly for the *county priorities clearly reflected in the adopted budget* statement: the satisfaction score was up from 2.74 to 2.94 and GAP score was down from -0.82 to -0.52.

Figure 7 shows the actual GAP scores for all statements regarding the FY2007 adopted budget. Again, GAP scores in the budget process section could range from -3 to +3, with zero (0) being optimal. There was almost no gap between importance and satisfaction on the statement '*organizing the budget by priority area helped illustrate how program offers were linked to priority maps and policy objectives*', indicating that respondents were quite happy with the way the adopted budget was organized. GAP was also narrowed for the statement of *typically use the MINT/Internet to view program offer:* it went down from last year's -0.27 to this year's -0.21. All surveyed areas regarding the adopted budget were operating within desired parameters.

Figure 7. FY2008 Adopted Budget GAP Score (rank ordered)

Program offers adequately described the service components	-0.54
County priorities clearly reflected in the adopted budget	-0.52
Citizens and other stakeholders meaningfully involved	-0.34
Use MINT/ internet viewing budget and program offers	-0.21
Organizing the budget by priority area helped	-0.04

Principles of Priority-Based Budgeting

A set of new questions related to the principles of priority-based budgeting have been added since last year's survey. This year, two additional survey questions were asked in order to further assess budget participants' overall experience with the priority-based budgeting process.
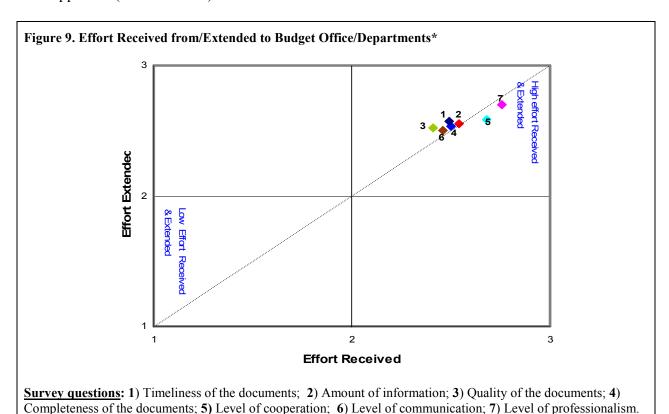
Figure 8. Average Rankings on the Principles of Priority Based Budgeting

■ FY2008
□ FY2007

	FY2008	FY2007
Familiar with the principles of PBB	3.57	3.60
Program offers adhered to the principles of PBB	3.26	3.25
Elected officials generally followed the OT rankings	2.55	2.20
Executive budget/Chair's Office generally followed the OT rankings	2.67	2.04
Overall FY08 budget process focused policy discussion/County's priorities	2.84	
Experience with the past three year's PBB has been positive	2.85	

The data in the Figure 8 indicate that both FY2007 and FY2008 had high average scores for '*Familiar with the principles of priority based budgeting (PBB)*' and '*Program offers adhered to the principles of PBB*'. On a scale of one to four, the average rankings for the statement of familiar with PBB principles exceeded 3.50 and for the statement of program offers adhering to the PPB principles exceeded 3.25 for both fiscal years. The average score for *'the Chair's Office generally followed Outcome Team rankings in developing the executive budget'* increased from 2.04 in FY2007 to 2.67 in FY2008. The average score for *'elected offices generally followed Outcome Team rankings in developing the adopted budget'* also increased from 2.20 last year to

2.55 this year. However, satisfaction with these two areas was still low as compared to other aspects of the budget process.

Close to 69% of survey respondents agreed or strongly agreed that their experience with the past three years' priority based budgeting has been positive. The average satisfaction score was 2.84. Further investigation suggests that most of respondents who did not agree that their overall experience was positive were the department/agency/division directors or department line staff. On the other side, financial managers and budget analysts were more likely to give a lower score on the statement that the budget process focused policy discussion and financial decisions made on the County's priorities.

Budget Office and Departmental Staff Efforts

One section of the survey asks questions to identify issues related to working relationships with Budget Office staff and other County staff. Using a 1-3 point scale (1 = needs improvement to 3 = excellent) Department staff were asked to respond to a series of statements that asked about the efforts they extended to and were received by the Budget Office staff.[5] The Budget Office staff were asked the same of Department staff, all The mean ratings for these statements are listed in the Appendix (Table 5 and 6).
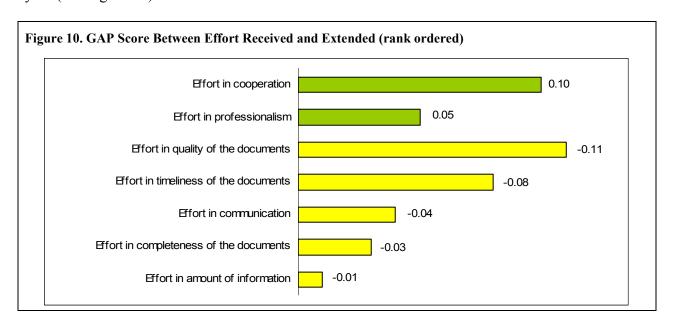
Figure 9. Effort Received from/Extended to Budget Office/Departments*

Survey questions: 1) Timeliness of the documents; **2**) Amount of information; **3**) Quality of the documents; **4**) Completeness of the documents; **5**) Level of cooperation; **6**) Level of communication; **7**) Level of professionalism.

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[5] Surveys sent to participants who work for the Budget Office were reworded to reflect efforts extended to and received from the departments they worked with. The results were combined and are presented together. The 3-point effort scale appearing on the survey was reverse coded to simplify interpretation of results.

The GAP model is used to evaluate the congruence or gaps between effort received and effort extended. Therefore, mean scores in the top right quadrant indicate that survey respondents rated high to the efforts they received from other party as well as the efforts they extended to the other party. Figure 9 displays the results of the GAP model for staff effort ratings, which shows that the ratings for efforts received and extended on all effort statement were nearly matched. The average rating for efforts received was 2.55, and average rating for efforts extended was 2.57. Not surprisingly respondents in general rated their efforts extended to other party a little bit higher than their ratings on efforts received from the other party.

The top three ratings for effort received are *professionalism*, *cooperation*, and the *amount of information*. The top three ratings for efforts extended are *professionalism*, *cooperation*, and the *timeliness of the documents*. Compared to last year, the GAP score for *quality of the document* widened: respondents perceived a better quality of documents received from than extended to their partners. The GAP score for *timeliness of the document* also slightly increased over the last year (see Figure 10).

Figure 10. GAP Score Between Effort Received and Extended (rank ordered)

Effort category	GAP Score
Effort in cooperation	0.10
Effort in professionalism	0.05
Effort in quality of the documents	-0.11
Effort in timeliness of the documents	-0.08
Effort in communication	-0.04
Effort in completeness of the documents	-0.03
Effort in amount of information	-0.01

The effort ratings were also grouped by respondent group (Departments and Budget Office) to see if there was any difference between their perception of efforts received and extended to each other. The mean ratings and GAP scores are given in the Appendix (Tables 5 and 6). Overall, the ratings from the Departments (efforts received from or extended to Budget Office) and Budget Office (efforts extended to or received from Departments) were very close.
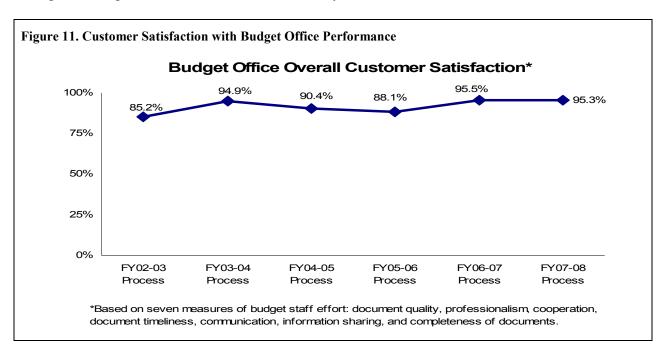
The effort in the *level of communication extended* was one of areas identified last year showing a relatively large gap on ratings between Departments and Budget Office. The gap was narrowed this year, contributed to by a higher communication effort perceived by the Budget Office extended to departments. Other areas that have small average GAP score include *completeness of the documents* received and *quality of the documents* submitted. Both departments and Budget Office perceived a satisfied effort in receiving complete documents and submitting quality documents. The GAP scores on the level of professionalism received were very small (-0.03),

indicating the Departments staff and Budget Office staff had similar views on level of efforts received from each other in area of professionalism.

The *amount of information* received had the largest gap sore of all effort areas surveyed. In comparison, the Budget Office perceived a higher volume of information received from the departments (mean=2.89) than the departments perceived they had received from the Budget Office (mean=2.46).
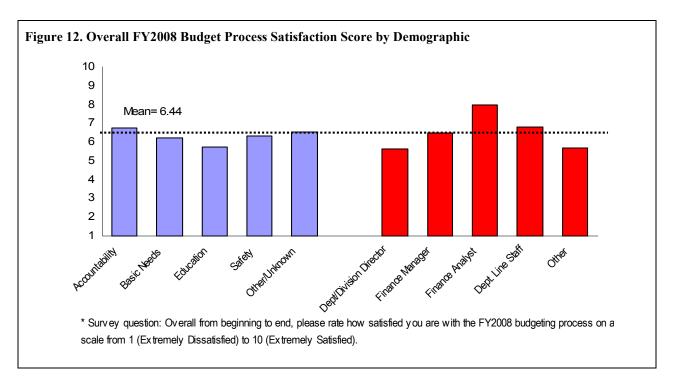
Customer Satisfaction with the Budget Office's Performance

Results from this section are used to determine overall customer satisfaction with the Budget Office staff and their performance. This data is reported as part of the Budget Office's performance measures in their annual program offer. Satisfaction is based on seven measures of effort extended to customers by Budget Office staff. Of the possible 279 satisfaction points the Budget Office staff earned 266, for a 95.3% overall satisfaction. Figure 11 displays the historical Budget Office performance over the last several years.

Figure 11. Customer Satisfaction with Budget Office Performance

Budget Office Overall Customer Satisfaction*

*Based on seven measures of budget staff effort: document quality, professionalism, cooperation, document timeliness, communication, information sharing, and completeness of documents.

Overall Satisfaction Ratings

Participants were asked to provide an overall rating of the FY2008 budget process from beginning to end using a satisfaction scale (1= not satisfied to 10 = exceptionally satisfied). The average rating for overall FY2008 budget process was 6.44 out of 10, which is slightly higher than last year's mean score of 6.25. Figure 12 shows the mean results by priority area and by role in budget development.

Figure 12. Overall FY2008 Budget Process Satisfaction Score by Demographic

Mean= 6.44

* Survey question: Overall from beginning to end, please rate how satisfied you are with the FY2008 budgeting process on a scale from 1 (Extremely Dissatisfied) to 10 (Extremely Satisfied).

The overall budget satisfaction rating varied by the respondents' relationship to priority area only slightly and more so by their role in the budget process. The average satisfaction rating from Education was below 6.44 average at 5.8. Satisfaction rating by respondent's job responsibility indicates that finance managers and budget analysts had the highest overall satisfaction with the budget process while department and division directors had below-average ratings. This suggests that decreased satisfaction with the priority budget process lies more at a policy level than a staff level.

Comparing FY2007 with FY2008
Survey participants were asked to rate their experience for the FY2008 budget process in comparison to the FY2007 budgeting process (worse, no different, or better), and to explain why. Table 2 displays the frequencies of the ratings.
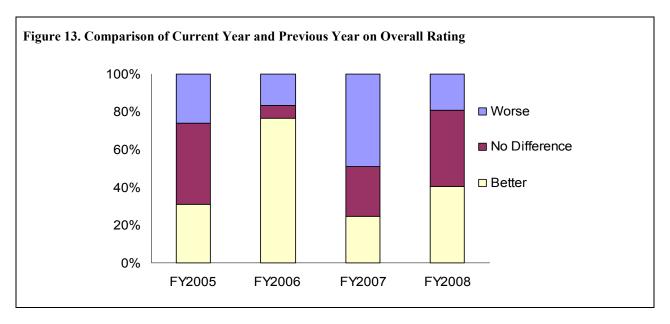
Table 2. FY2008 Budget Process as Compared to FY2007

	Number of Responses	**Percentage**
Worse	**9**	**19.1%**
No Different	**19**	**40.4%**
Better	**19**	**40.4%**
Total	**47**	**100%**
Missing	**5**	**-**

Forty percent of respondents believed that FY2008 budget process was better than the process of FY2007 and only 19% of respondents thought that the FY2008 budget process was worse than the previous year. The percent of respondents viewing this year's process as 'no different' also increased from 26.4% in FY2007 to 40.4% in FY2008. The result of FY2008 vs. FY2007 comparison improved significantly from the result of FY2007 vs. FY2006 comparison.

Historical results are graphed in Figure 13, and show that the FY2008 results were substantially different from FY2007 budget surveys, with a higher percentage of 'Better' and lower percentage of 'Worse'.

It should be noted that the respondents were only asked to compare the experience of the current year with the previous year. Therefore, it is not appropriate to say FY2008 budget experience was worse than FY2006 because of a higher percentage of 'Worse' and a lower percentage of 'Better' in FY2008. Additionally, FY2006 was the first year the County adopted the new priority-based budgeting process. The marked difference between FY2005 and FY2006 budget process partially explains why the FY2006/FY2005 comparison had the lowest percentage of 'No Difference'.

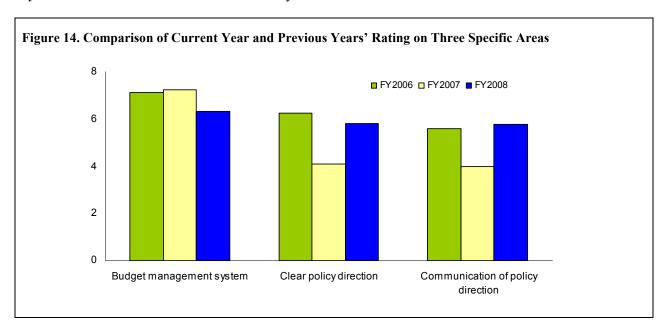**Figure 13. Comparison of Current Year and Previous Year on Overall Rating**

FY2006, the first year of Priority-Based Budgeting, had the highest level of satisfaction with the process. Although some regression towards the mean was expected, the FY2007 and FY2006 comparison suggests that the second year of the priority-based budgeting process did not go as well—a substantially higher percent of respondents answered '*worse than previous year.*' However, the situation seems improved in the third year of the priority-based budgeting process: a much higher percentage of 'Better' was reported when asking to compare the overall FY2008 experience with that of FY2007. The percentage of 'No Difference' increased gradually since FY2006 as expected.

The survey participants were again asked to rate improvement in three specific areas: The budget management system, County policy direction, and communication of policy direction. Using a scale from 1 (Substantially Worse) to 10 (Substantially Improved), the average ratings obtained from the FY2008 budget participants were displayed in the Table 3.

Table 3. How These Issues Have Changed This Year

	N	Mean	SD[6]
The Budget Management System	**39**	**6.31**	**1.82**
Clear County Policy Direction	**44**	**5.80**	**2.22**
Better Communication of Policy Direction	**45**	**5.78**	**2.28**

Compared to last year's ratings, improvement was found in '*Clear county policy direction'* as well as in *'Better communication of policy direction'*, with average rating increased from 4.08 to 5.80 and from 3.98 to 5.78 respectively (See Figure 14). Mean score for '*Budget Management System'* decreased from 7.25 to 6.31 this year.

Figure 14. Comparison of Current Year and Previous Years' Rating on Three Specific Areas

Comparing Overall GAP Scores

The overall score was obtained by summing up all individual GAP scores for each section surveyed and compared to the overall sections last year. Table 4 displays the aggregate GAP scores for four areas covered in both FY2006 and FY2007 budget surveys.
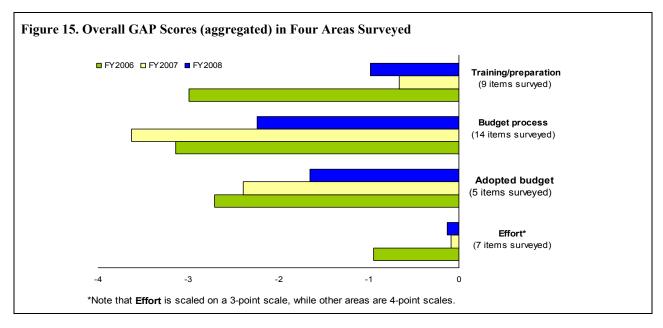
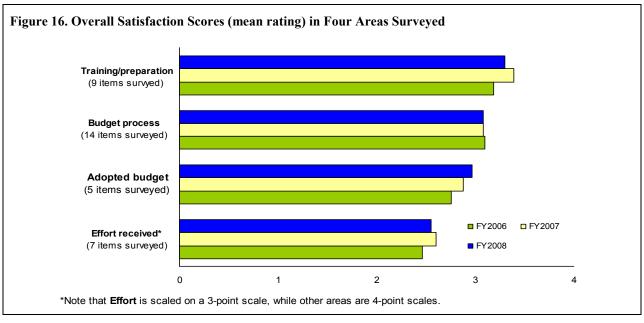**Table 4. Overall GAP Score Comparison (mean satisfaction ratings in parentheses)**

Budget Year	Training/ preparation (9 questions)	Budget process (14 questions)	Adopted budget (5 questions)	Effort received* (7 questions)
FY2006	-2.99 (3.19)	-3.14 (3.10)	-2.71 (2.76)	-0.95 (2.46)
FY2007	-0.66 (3.39)	-3.63 (3.08)	-2.39 (2.88)	-0.09 (2.60)
FY2008	-0.98 (3.30)	-2.24 (3.08)	-1.65 (2.97)	-0.13 (2.55)

*Note that Effort is scaled on a 3-point scale, while other areas use a 4-point scale.

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[6] SD refers to standard deviation, a measure of the range of values. A higher SD relates to more variance.

The above data indicate an improvement in overall satisfaction with the *'FY2008 Adopted budget'*, with a lower gap score and higher mean satisfaction over the previous years. The overall GAP score significantly decreased in area of '*Budget process'*. However, the overall mean satisfaction rating was unchanged. There were relatively smaller variations from year to year in '*Effort received'*. Both the overall gap score and mean rating for the '*Effort received'* show no improvement over last year, but the change was within the acceptable range (i.e., high importance and high satisfaction). A slightly increased overall gap score and decreased average satisfaction rating was also observed in '*Training/budget preparation'* section. Figures 15 and 16 provide the calculated overall gap scores and average satisfaction rating on four survey sections for the past three years.

Figure 15. Overall GAP Scores (aggregated) in Four Areas Surveyed

*Note that **Effort** is scaled on a 3-point scale, while other areas are 4-point scales.

Figure 16. Overall Satisfaction Scores (mean rating) in Four Areas Surveyed

*Note that **Effort** is scaled on a 3-point scale, while other areas are 4-point scales.

Examining the overall GAP scores shows improvement in the budget process and the final adopted budget compared to last year. The overall satisfaction was relatively stable, with a steady improvement on the adopted budget over the last three years.

Participant Comments about the Budget Development Process

The survey participants were also provided with opportunities to comment on the FY2008 budget process and to identify what they most appreciated about the budget process and the important changes they want to make to improve future budget processes. This year, about 80% of respondent provided written comments and feedback to the open-ended questions.

What Respondents Most Appreciated about the FY2008 Budget process
In answering the question of '*identify the one thing you most appreciated about the new budget process'*, the following themes were mentioned by the respondents (30 commented, themes rank ordered):

- Better interaction of Chair, Board and Department leadership. The politics were managed offline, not in public. More professional tone in resolving differences occurred at all levels during the budget process (6 respondents);
- Using new technology and having a user-friendly Web Tool. Being able to view the program offers and rankings online and access to budget related documents via the MINT (6 respondents);
- Budget transparency and consistency of information with less chance of department padding their budgets (3 respondents);
- Improved CBAC/Citizen involvement and the opportunities to get input from different channels (2 respondents).

One Change Respondents Wanted to Improve the Process
Respondents were asked to identify one important change to improve the process (33 commented, themes rank ordered):

- Improve and direct communications with Chair Wheeler, provide information/ direction earlier in process, clarify what has to be done (e.g., why ask departments to re-write program offers each year if not changing) (5 respondents);
- Process needs more time, specifically for the Outcome Teams to review and comment on offers (5 respondents);
- Improve technology, increase web-tool functionality (e.g., don't use PCP cost splitter, no space limitations on offers, search function in the tool, improved reconciliation features) (5 respondents);
- Articulate changes in process approach, follow the process as outlined, set parameters and priorities and stick with them (4 respondents);
- Refine Outcome Teams, add department decision makers back on Outcome Teams, increased interaction of Outcome Teams with Board, participation should be 2-year commitment, and cycle in only one new team member at a time (4 respondents);
- More review, discussion, and validation of the performance measures (3 respondents).

Comments Related to the PBB Principles Overall
Respondents who strongly agreed or disagreed with the principles of PBB were asked to comment (18 respondents, themes rank ordered):
- The PBB process is resource-intensive (e.g., staff/ overall time) and takes too long, there's a lot of effort on some parts (e.g., maps and selection criteria) that don't appear to be used much (5 respondents);
- PBB is a good logical process, makes more sense than the old fashioned constraint budgeting, and it's more transparent (4 respondents);
- The process has improved over the last two years, CBAC Outcome Team training was better, and after three years my knowledge of PBB is excellent (4 respondents).

For Better or Worse, Things That Were Different From the Past
Respondents who believed this year's budgeting process was either better or worse than last year's were invited to write why they felt so. Major points are listed below (26 responded).

The bright side:
- Chair was better able to communicate vision and there was less drama. Better Board discussions and deliberation since the Board worked as a team (11 respondents);
- Getting used to the priority-based budgeting process after three years' budget cycle. Many thought the FY2008 experience was better because the accumulated knowledge base help reduce the stress (3 respondents).

The major downsides:
- The FY2008 budget process didn't follow the PBB process any better than last year, this year's process was a mix of priority based and constraint budgeting which seemed to focus once again on dollars spent not outcomes achieved (7 respondents).

Suggestions for Process Improvements in FY2009
Participants were asked to identify important changes that they felt would improve the budget process for FY2009 (25 respondents, themes rank ordered):
- Refine the process, time to develop the program offers is too short, overall process takes too long, increase time for Outcome Teams to review offers (6 respondents);
- Identify the process we are going to use (e.g., PBB or just financial exercise; financial parameters) and stick with it (6 respondents);
- Improve communication with Department's priorities and the community, the Board, and the Outcome Teams (3 respondents).

Conclusions

The FY2008 budget survey presents a mixed result. On the one hand, the majority of survey respondents agreed the third year priority-based budget process was much improved, and satisfaction ratings on many specific survey items either improved or maintained at similar level to last year. On the other hand, the experience with priority based budgeting diverges. A wide spectrum of opinions on PBB, ranging from hearty support to strong disapproval, was heard from the survey. The diverse experience presents a challenge to the County in how to move the priority based budgeting process ahead in the coming years.

Many respondents commented that the FY2008 budget process was much easier to maneuver having had two years' worth of experience. Priority-based budgeting is viewed as a good process because of its transparency, focusing on performance outcomes, and prioritizing the purchase of services to best accomplish strategic visions. Although there were concerns about strictly adhering to the principles and procedures of PBB and many admitted that the model was not well followed, more than two-thirds of survey respondents agreed or strongly agreed that their experience with the past three years' priority based budgeting has been positive.

Survey participants especially appreciated the enhanced budget web tools that standardized performance measurement data input and provided some useful pre-made reports. The satisfaction ratings for MINT/Internet access of budget information remained to be among the highest ratings of the budget process. Nevertheless, the budget participants continued to raise bars for the budget web tool: they would like to see better data reconciliation and more search capabilities from the web tool.

The areas that caused major concern were the amount of time/resource consumed in the process and lack of faithful adherence to the principles of Priority-Based Budgeting. Some respondents were worried there was too much time spent on the process without much meaningful payback. For example, there were concerns that the overall time and staff resource for the process was too much, while on the other hand the amount of time specifically devoted to program offer development the Outcome Teams reviews was too short.

Others didn't like the fact that PBB process was diluted. Their advice was 'either fully embrace the priority based budgeting model or exchange it for a new model.' Apparently, there is a need to revisit the County's budget framework/practice over the past three years and reassess the pros and cons of applying the Priority-Based Budgeting process in an ever-changing cultural and politic environment. The big question is: how can the PBB process be refined in such a way as to address concerns of time expenditure, while still remaining true to the principles of Priority-Based Budgeting?

Evaluation
This research demonstrates accountability and good government. Appropriate evaluation of program implementation, measurement of results, determination of cost-benefits, and continuous quality improvement are critical to maximizing public resources and making data-driven policy decisions. To assure quality, this project was performed in accordance with Budget Office Evaluation policies and procedures, and the *American Evaluation Association's Guiding Principles for Evaluators*.

It took the Budget Office Evaluation staff approximately 47 hours to complete this research. Based on the Budget Office's FY07-08 program offer (#72023), the fully loaded cost-per-hour averaged $89.30.[7] The evaluation component of this project cost Multnomah County approximately $4,197.

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[7] Note that cost-per-employee increased over FY2007 due primarily to the shift in accounting practice by adding a substantial proportion of costs associated with DSS-J into the Budget Office's budget.

Appendix A

Table 5. Averages and GAP Scores for Budget Preparation, Processes, and Adopted Budget

Survey Questions	Satisfaction*		Importance**		Gap
Budget Training and Preparation	Mean	SD	Mean	SD	S-I
The milestones delivery dates to develop the budget were clearly posted (budget calendar).	3.32	0.65	3.76	0.47	-0.44
The instructions in the Budget Manual were clear.	3.16	0.60	3.61	0.57	-0.45
The budget documents (e.g., Personnel cost planner, FTE/-Cost splitter, Internal Service Rates, etc.) were informative	3.11	0.70	3.50	0.59	-0.39
I was satisfied with the level of budget detail to which I had access.	3.24	0.66	3.60	0.54	-0.36
My department/agency's program offers were of high quality.	3.31	0.66	3.51	0.67	-0.20
Adequate budget preparation training was made available to me (budget boot camps, rodeos, individual assistance, etc)	3.43	0.54	3.22	0.67	0.21
Adequate program offer development training was made available to me.	3.37	0.57	3.27	0.70	0.10
Adequate web tool training was made available to me.	3.38	0.58	3.06	0.66	0.32
I had the knowledge/ skills/ abilities I needed to prepare the budget in the web tool.	3.42	0.54	3.18	0.75	0.24
Budget Process					
On-going email, newsletters, Team meetings and web posting adequately communicated the new process to me.	3.00	0.67	3.13	0.79	-0.13
In general, I understand the priority directions driving resource allocation decisions.	3.02	0.73	3.23	0.76	-0.21
I trust the accuracy of the financial information contained in my department/ agency's program offers.	3.32	0.68	3.47	0.61	-0.15
I have confidence in my department/ agency's grant and revenue projections.	3.21	0.62	3.35	0.66	-0.14
I believe the budget reflects a long-term priority and multi-year funding strategy.	2.52	0.84	3.37	0.69	-0.85
My department/ agency's program offers used quality performance measures.	3.08	0.64	3.28	0.76	-0.20
The new process supports collaboration and shared decision-making.	2.88	0.79	3.33	0.72	-0.44
Excluding the web tool and SAP, I used a shadow/supplemental budget system to build my budget.	3.06	0.92	2.82	0.92	0.24
The Outcome Team's program offer input/ feedback was useful.	2.88	0.63	2.77	0.87	0.11
I had an opportunity to provide input during the program offer creation or revision.	3.32	0.56	3.18	0.70	0.13
Overall, the budget process was transparent.	2.88	0.82	3.51	0.58	-0.63
The MINT/ internet was a convenient way to review the program offers.	3.34	0.63	3.39	0.64	-0.05
I viewed the Board's ranking of program offers online via the MINT/ internet.	3.23	0.70	3.10	0.77	0.13
I typically used the MINT/ internet to locate most budget related documents.	3.37	0.64	3.42	0.74	-0.05
Budget Process					
The priorities of the County as an organization were clearly reflected in the adopted budget.	2.94	0.54	3.46	0.61	-0.52
Organizing the budget by priority area helped illustrate how program offers were linked to priority maps and policy objectives	3.10	0.58	3.14	0.63	-0.04
Citizens and other stakeholders were meaningfully involved in the development of the budget.	2.84	0.59	3.18	0.69	-0.34
Program offers that adequately described the essential components of the service to be delivered.	2.96	0.66	3.50	0.58	-0.54
Since the budget was adopted, I typically use the MINT/ internet versus the printed adopted budget document to view program offers	3.00	0.89	3.21	0.74	-0.21

* 1= Strongly Disagree, 2=Disagree, 3=Agree, 4=Strongly Agree.

** 1=Not Important, 2=Less Important, 3=Important, 4=Very Important.

Table 6. Effort Ratings and GAP Scores (All Respondents)

Survey Questions	Effort Received		Effort Extended to		GAP
Effort Rating*	Mean	SD	Mean	SD	R-E
The level of cooperation	2.68	0.52	2.58	0.54	0.10
The completeness of the documents	2.50	0.58	2.53	0.58	-0.03
The level of communication	2.46	0.65	2.50	0.61	-0.04
The timeliness of the documents	2.49	0.58	2.57	0.54	-0.08
The amount of information	2.54	0.58	2.55	0.58	-0.01
The quality of the documents	2.41	0.61	2.52	0.55	-0.11
The level of professionalism	2.76	0.43	2.70	0.46	0.05

* 1=Needs Improvement, 2=Satisfaction, 3=Excellent.

Table 7. Effort Ratings and GAP Scores by Respondent Group (Departments and Budget Office)

Survey Questions	Department Response (D)		Budget Office Response (B)		GAP
Effort Rating*	Mean	SD	Mean	SD	D-B
The level of cooperation you received from the other party	2.66	0.53	2.78	0.44	-0.12
The level of cooperation you extended to the other party	2.54	0.55	2.78	0.44	-0.24
The completeness of the documents you received from the other party	2.51	0.60	2.44	0.53	0.07
The completeness of the documents you submitted to the other party	2.55	0.60	2.44	0.53	0.11
The level of communication you received from the other party	2.44	0.67	2.56	0.53	-0.12
The level of communication you extended to the other party	2.46	0.64	2.67	0.50	-0.20
The timeliness of the documents you received from the other party	2.45	0.55	2.67	0.71	-0.22
The timeliness of the documents you submitted to the other party	2.53	0.56	2.78	0.44	-0.25
The amount of information you received from the other party	2.46	0.60	2.89	0.33	-0.43
The amount of information you shared with the other party	2.50	0.60	2.78	0.44	-0.28
The quality of the documents you received from the other party	2.45	0.64	2.22	0.44	0.23
The quality of the of documents you submitted to the other party	2.54	0.55	2.44	0.53	0.09
The level of professionalism you received from the other party	2.75	0.44	2.78	0.44	-0.03
The level of professionalism you extended to the other party	2.74	0.45	2.56	0.53	0.18

*1=Needs Improvement, 2=Satisfaction, 3=Excellent.   ** The difference is statistically significant at 0.05 level.

Table 8. Average Satisfaction Ratings for Principles of Priority-Based Budgeting

Survey Questions	N	Mean	SD
I am familiar with the principles of priority based budgeting	51	3.57	0.50
My department's/ agency's program offers adhered to the principles of priority based budgeting and addressed strategies identified by the outcome team	46	3.26	0.57
In developing the executive budget, the Chair's Office generally followed the outcome team rankings	45	2.67	0.74
In developing the adopted budget, elected officials generally followed the outcome team rankings	44	2.55	0.73
The overall FY 2008 budget process focused policy discussion and financial decisions on the County's priorities	50	2.84	0.79
My experience with the past three years' priority based budgeting has been positive	47	2.85	0.81

* 1= Strongly Disagree, 2=Disagree, 3=Agree, 4=Strongly Agree.