

FY2009 BUDGET PROCESS REVIEW

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A REPORT FOR THE MULTNOMAH COUNTY BUDGET OFFICE

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FY2009 Budget Process Review

After three years of applying the Priority-Based Budgeting (PBB) model, Multnomah County returned to incremental/constraint budget practices in developing the FY2008-09 budget. Under the constraint budget model, departments were given a constraint budget target at 3 or 4% less than what current services would normally cost in FY2009. By submitting program offers within prescribed spending target, departments played a larger role in setting priorities and determining the most important services the County provides to its citizens. Unlike PBB model, which requires each submitted program offer being ranked first by outcome teams then by the board of commissioners, the Chair Office and Board members focused their attention on a handful of highly contested programs. Following a series of steps coordinated by the Budget Office, the County adopted the FY2009 budget in early June 2008.

As part of the comprehensive budgeting process, the Budget Office Evaluation conducted the FY2009 post-budget survey in July 2008. 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.

A web-based survey application Zoomerang was used to conduct this year's budget survey. The questionnaire was sent to a list of about 140 people who participated in development of the FY2009 budget. Seventy-two surveys were returned for a 51% 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 FY2009 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 in several open-ended questions. 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 FY2009 budget process.

Summary of Results

- ◆ The overall satisfaction rating of the FY2009 budget process decreased over last year. On a scale of 1 to 10, the average mean rating was 5.99 this year as compared to 6.44 reported last year. This question was asking the respondents to rate the FY2009 budget process from beginning to end independently without comparing previous years' experience.
- ◆ When asked to compare current year with previous year, it was showing a three-way-split views with 36.4% of survey respondents reported that the FY2009 budget process was better than the previous year, 30% felt no difference, and 33.3% reported the FY2009 was worse than FY2008. Improvement ratings in areas of '*Clear County policy direction*', '*Better communication of policy direction*' and '*Budget data management system*' also declined slightly this year as compared to previous year's rating.

- ◆ Overall satisfaction with the budget Training/preparation remained high, although for the first time importance ratings for *adequate program development training* and *adequate web tool training* dropped below 3 on a scale of 1 to 4. This drop probably indicates that, after three years of web tool and program-offer development trainings, many veteran budget participants had acquired knowledge that reduced the need for trainings once highly demanded. However, the survey could not tell if a respondent was new or experienced to the budget process.
- ◆ In the Budget Process section, the areas that still had relatively low satisfaction ratings and showed no improvement in FY2009 include '*budget reflects a long-term priority and multi-year funding strategy*' and '*budget process was transparent*'. The gap score for several areas such as *collaboration and shared decision-making* and *use the MINT/internet to locate most budget related document* increased over last year. Overall, the satisfaction with the budget process slightly decreased this year.
- ◆ 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 93% satisfied, compared to 95% calculated for FY2008.
- ◆ Survey respondents gave many positive comments on Budget Office's support and assistance in developing the FY2009 budget. The department budget analysts also received appreciation for their excellent support. Several areas mentioned for further improvement include offering more targeted trainings such as what to be expected from grant accountants; having a more user-friendly budget manual or budget documents; releasing the internal service rates sooner, and minimizing changes in rate, constrain target, and milestone date in the middle of the process.
- ◆ Conflicting opinions regarding priority-based budgeting vs. incremental/constrained budgeting were heard in the open-ended questions. Many respondents expressed their desire of going back to the priority-based budgeting while a few wrote their appreciation for knowing the expectations from the Chair's Office upfront and for focusing energy on highly contested program offers in FY 2008-09 budget process. The wide spectrum of voices suggests that a policy level discussion is needed in choosing the upcoming FY 2009-10 budget process that better servers the County and its citizen.

Survey Respondents

The FY2009 budget survey used the same methodology and design as was adopted in previous years. The survey was anonymous. A web link to the survey instrument hosted by Zoomerang was sent via email to Multnomah County employees who were identified by the central Budget Office as direct participants in the development of the FY2009 budget. The survey contained four general sections: budget training and preparation, the budget process, the adopted budget, and efforts of budget office staff.

Sixty-four surveys were returned from county employees, and eight from the Budget Office staff, for response rates of 48% and 100% respectively. Combined, the overall response rate was at 50%, higher than last year’s response rate of 44.1%.¹ The Table 1 displays the characteristics of the respondents.

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

Functional Area	N	%		Responsibility	N	%
General Government	28	38.9%		Department/ Division Dir.	17	23.6%
Human & Health Services	17	23.6%		Support or Line Staff	13	18.1%
Public Safety	20	27.8%		Budget/Finance Manager	12	16.7%
Other	7	9.7%		Budget/Finance Analyst	22	30.6%
				Other (include 3 Board members or their staff)	8	11.1%
Total	72	100%		Total	72	100%

More than 40% of respondents identified themselves either as department or division director (n=17) or budget/financial manager (n=12). In addition, about 31% of respondents identified themselves as Budget/Finance analyst (n=22). Only three survey respondents (4.2%) were elected officials or their staff. Eighteen percent of the complete surveys (n=13) were from the Department line staff or other supported staff. In terms of service functional area, a relatively large percent of survey participants were staff whose work was most typically associated with the General Government (38.9%). About 10% (n=7) didn’t report the functional area with which they were associated.

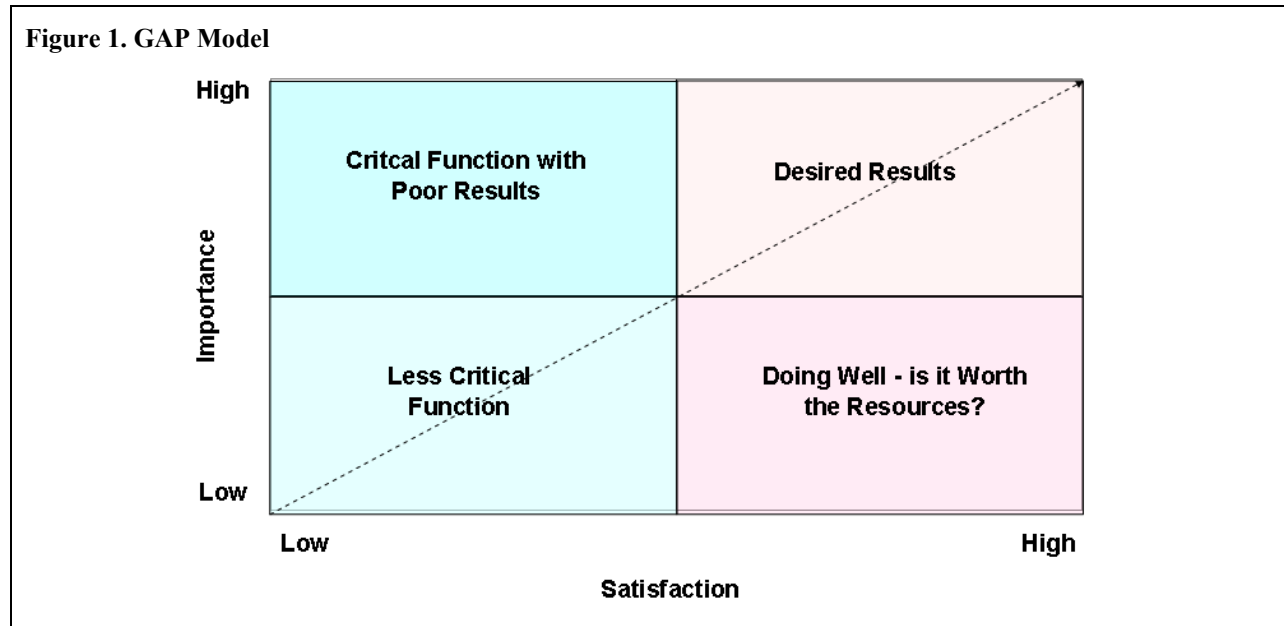
GAP Method: Model and Scores

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 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

¹ 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.”

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.



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.

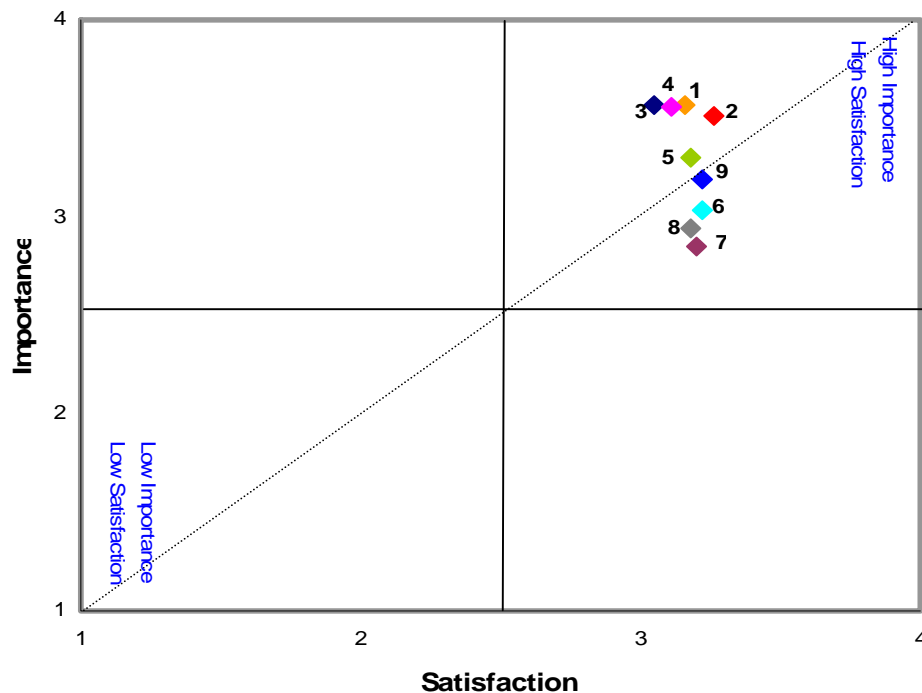
Budget Preparation, Budget Process, and Adopted FY2009 Budget

Based on their experience in developing the FY2009 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.² 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 4 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. FY2009 Budget Training and Preparation*



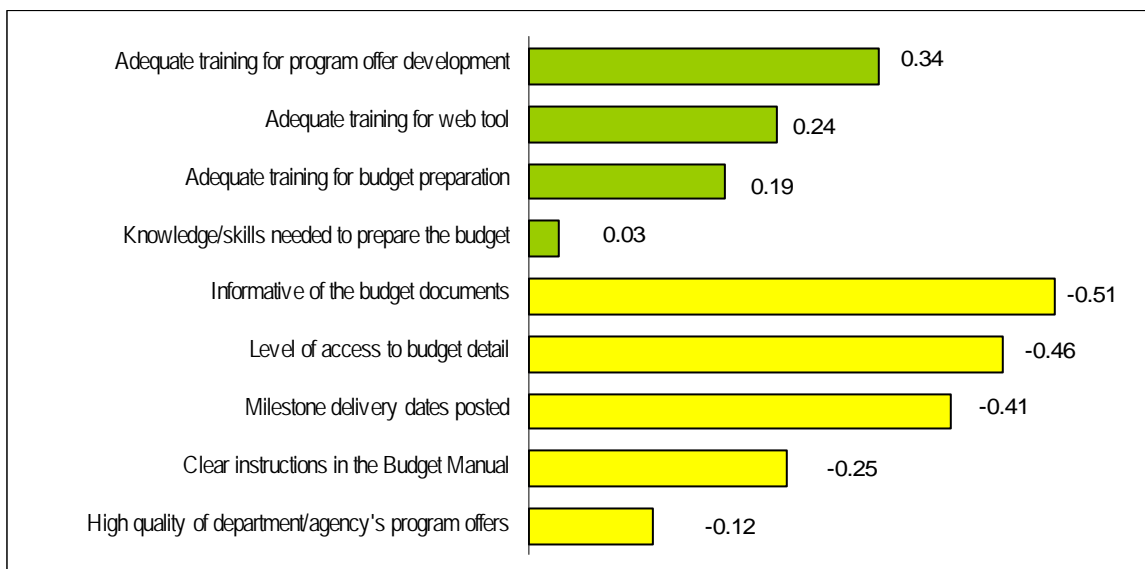
Survey questions: 1) Milestones delivery dates; 2) Instructions in Budget Manual; 3) Informative budget documents; 4) Level of access to budget detail; 5) High quality of program offers; 6) Adequate budget preparation & training; 7) Adequate program offer development training; 8) Adequate web tool training.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

² 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.

Respondents rated most questions above 3 on a scale of 1-4, with the highest satisfaction rating for *the instruction in the budget manual, adequate budget preparation training, and knowledge/skills/abilities to prepare the budget in the web tool. A clearly posted budget calendar, the budget document (Personnel Cost Planner, FTE/Cost splitter, Internal Service Rates, etc.) and access to the budget detail* scored high on importance rating. It was noticed that the importance rating on program-offer development training and web-tool training dropped below 3, possibly indicating that many budget participants had a good grasp of how to write program offers and use of the web tool after multiple years of experience. Satisfaction with *budget documents including cost splitter and internal service rates*, while still satisfied above 3, had the lowest of satisfaction rating (mean=3.05) 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.³ 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.

Figure 3. FY2009 Budget Training and Preparation GAP Score (rank ordered)



Overall, all surveyed areas regarding budget training and preparation were operating within desired parameters (in this case score. Items that have a relatively larger gap between Satisfaction and Importance include *budget documents* (Gap= -0.51), *access to budget detail* (Gap= -0.45) and *clearly posted milestone delivery dates/ budget calendar* (Gap= -0.41). The negative gap indicates that further effort should be made to improve the satisfaction in line with the item’s importance. Compared to last year’s survey results, the gap score between satisfaction and importance ratings slightly increased for *budget documents* and *access to budget detail* and decreased for *budget instructions* and *knowledge need to prepare the budget in the web tool*. It was noted that all of four training related survey items had positive

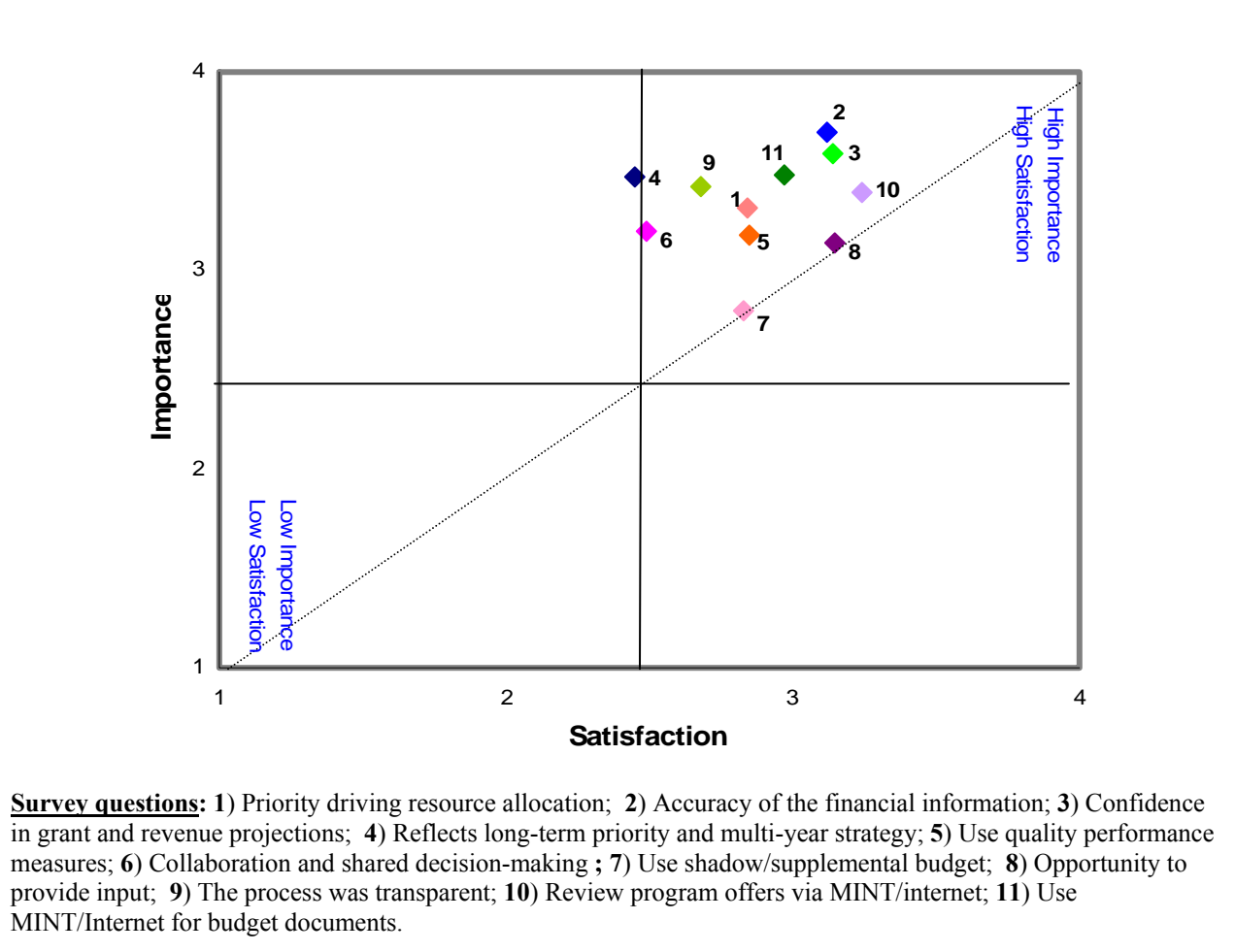
³ The range of scores was from 1 to 4, therefore a score could range from -3 (1 minus 4) to 3 (4 minus 1).

gap score between 0.03 and 0.34 (shown in green-color bar). The positive gap suggests the level of satisfaction already exceeded the item's perceived importance.

Budget Process

Figure 4 displays the GAP models for a series of statements related to FY2009 budget process. All statements except for *using a shadow/supplemental budget system to build budget* received an importance rating above 3. The areas that received the highest importance ratings were *accuracy of financial information contained in program offers* and *confidence in grant and revenue projections*. The top satisfaction ratings were *viewing program offers and program ranking via MINT/Internet*, *having opportunities to provide input during the program offer creation/revision* and *accuracy of the financial information*.

Figure 4. FY2009 Budget Processes*

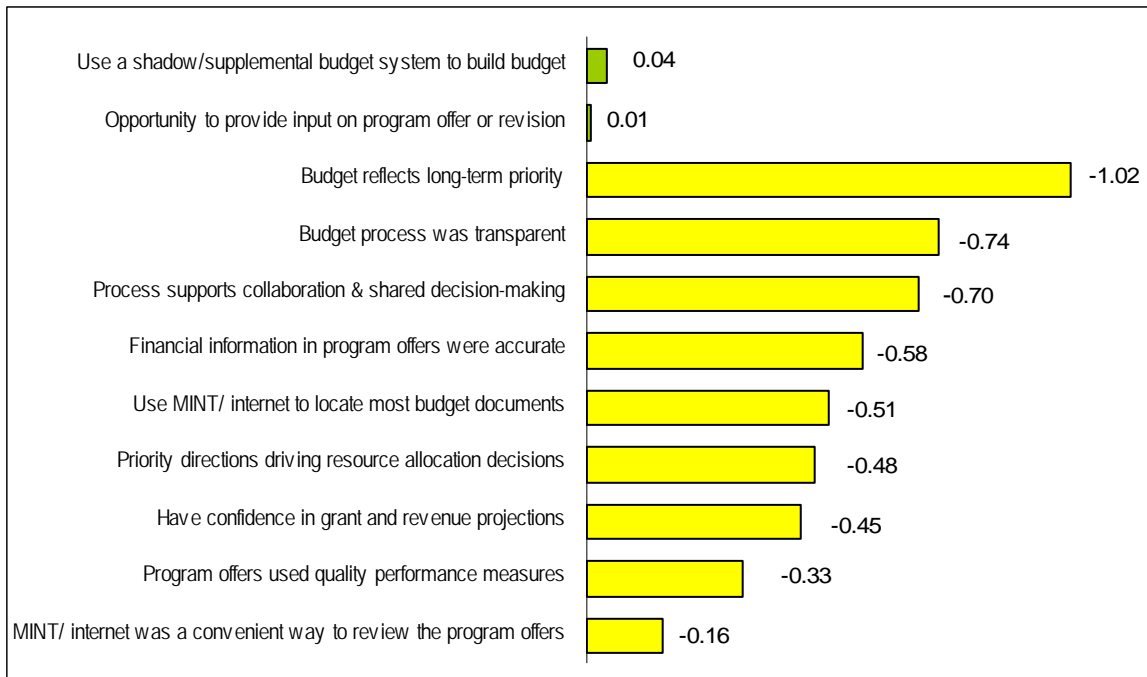


The average satisfaction rating on all items in the budget process section declined as compared to the FY2008 survey results. Of 11 items surveyed, seven had a satisfaction rating below 3. Except for two areas (using a shadow /supplemental budget system and opportunity to provide input on program offers), all others had an increased gap score in negative direction. The result of GAP model indicates that a relative larger gap between importance and satisfaction existed for areas

such as *budget reflects a long-term priority and multi-year funding strategy* (Gap=-1.02), *budget process was transparent* (Gap=-0.74), and *budget process supports collaboration and shared decision-making* (Gap=-0.70). These three aspects of budget process had an average satisfaction rating below 3 and importance ratings above 3.

Figure 5 displays GAP scores for all questions asked in the budget process section. Again, GAP scores in the budget process section could range from -3 to +3. The statements and actual GAP scores for each of 11 items are also displayed in the Appendix (Table 4). Although most results in budget process section were largely consistent with FY08 survey results, it was found that the gap scores for the three areas identified above were slightly increased 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 *budget reflects a long-term priority and multi-year funding strategy* (Gap= -0.85). This year, the gap score was -1.02, due to both slightly increased importance rating and decreased satisfaction rating. For *collaboration and shared decision-making*, the findings of FY2009 survey shows this gap was enlarged from -0.44 to -0.70. Another large increase in gap score was seen in area of using MINT/internet to locate most budget related documents, up from -0.05 in FY2008 to -0.51 in FY2009.

Figure 5. FY2009 Budget Process GAP Score (rank ordered)

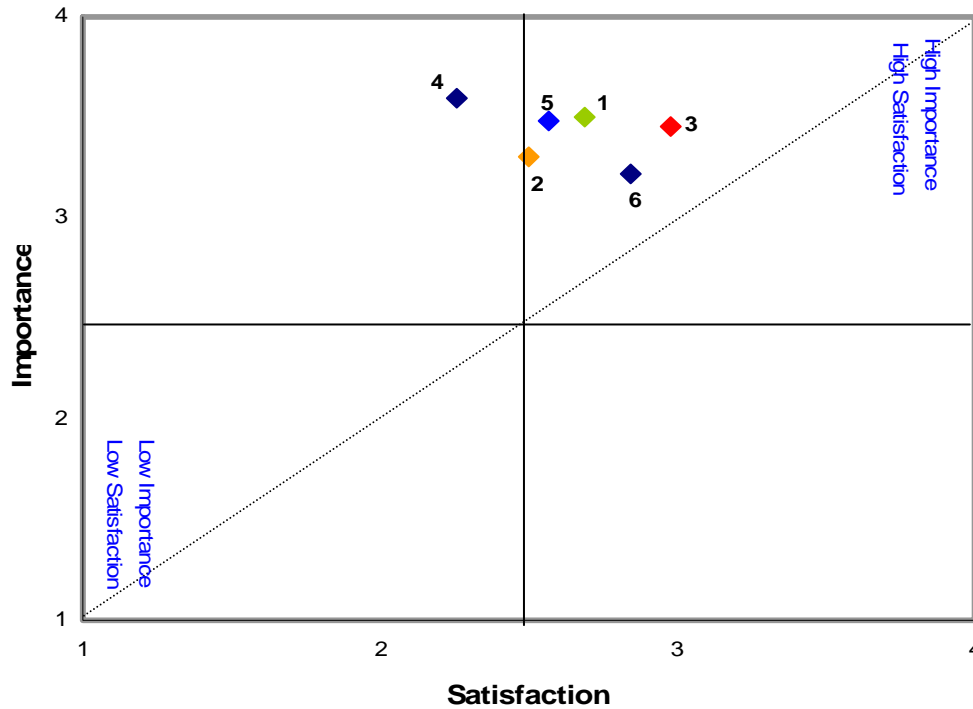


The Adopted FY2009 Budget

Due to changes of the budget process, the number of items surveyed in this section was not exactly same as last year. The question of *organizing the budget by priority area helped illustrate how program offers were linked to priority maps and policy objectives* was dropped from this year's survey. Two questions, *Budget leaves the county in a solid financial position*

and *Clear policy direction for one-time-only vs. ongoing revenue funded programs*, that were not included in FY2008 survey were brought back this year. Figure 6 and Figure 7 display the GAP model results for the series of statements assessing how well Multnomah County objectives were reflected in the adopted FY2009 budget.

Figure 6. FY2009 Adopted Budget Product*

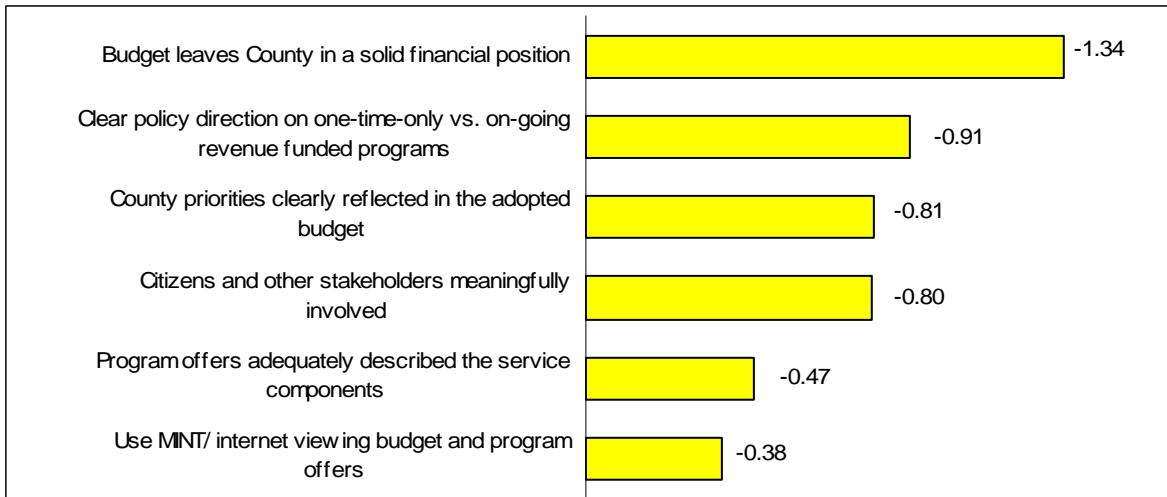


Survey questions: 1) Budget reflects county priorities; 2) Meaningful citizens and stakeholders involvement; 3) Program offers adequately describe service; 4) Budget leaves the County in a solid financial position for next year; 5) Clear policy direction for one-time-only funded versus on-going revenue funded programs; 6) Use MINT/Internet to view adopted budget/program offers.

In this section, the highest importance rating was the *budget leaves the county in a solid financial position for next year* and the highest satisfaction rating was *adequate description of the essential components in program offers*. The data in the Figure 6 indicate that in this year’s survey, two of five statements regarding the adopted budget show a large gap between the level of importance and the level of satisfaction (see dot #4 and dot #2 as marked in Figure 6). The importance rating was 3.50 and satisfaction rating was 2.69 for the *county priorities clearly reflected in the adopted budget* statement, compared to 3.46 on importance and 2.94 on satisfaction received last year. A decline in satisfaction rating and slightly increase in importance rating were observed for the *meaningful citizen and stakeholders’ involvement* – satisfaction score decreased went down from 2.84 in FY2008 to 2.50 this year and importance score moved up from 3.18 in FY2008 to 3.30 this year. This combination contributed to a raising gap score (-0.52 in FY2008 vs. -0.80 in FY2009) between satisfaction and importance for citizen/stakeholders’ involvement in FY2009 budget process.

Figure 7 shows the actual GAP scores for all statements regarding the FY2009 adopted budget. Again, GAP scores in the budget process section could range from -3 to +3, with zero (0) being optimal. As indicated by the data in the following chart, the statement ‘*budget leaves County in a solid financial position*’ had the largest gap score (-1.34), followed by the statement of ‘*clear policy direction on one-time-only vs. ongoing revenue funded programs*’ (-0.91). The significant gap between importance and satisfaction on above two areas suggest that respondents were seriously concerned about the financial impacts the FY2009 adopted budget might have on the County’s future financial obligation as the nation is facing an economic downturn.

Figure 7. FY2009 Adopted Budget GAP Score (rank ordered)



Budget Office and Departmental Staff Efforts

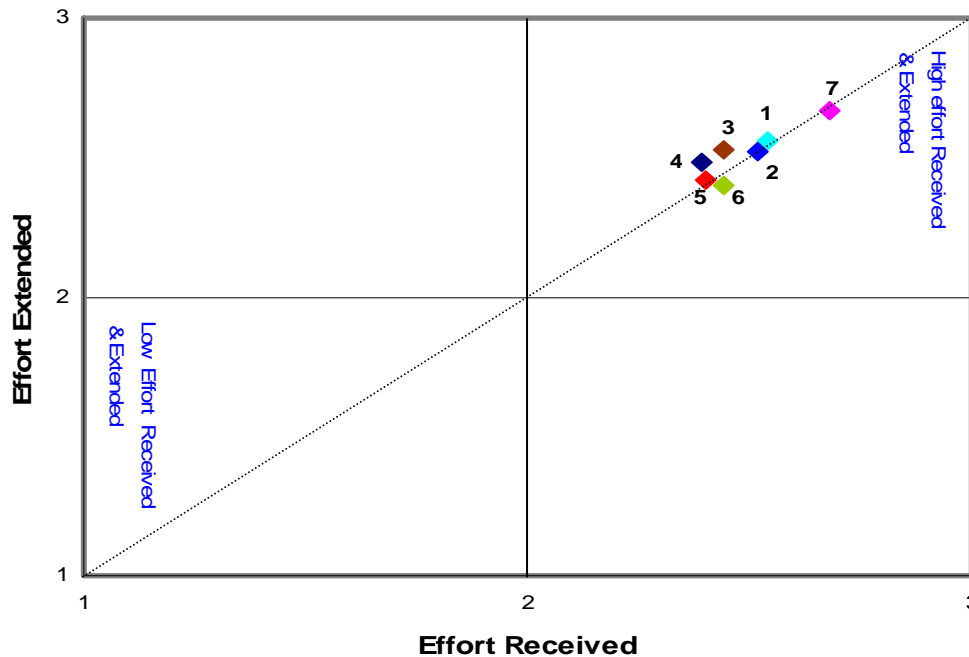
One section of the survey asks respondents to identify issues related to working relationships with Budget Office staff and other County staff. Using a 1-3 point scale (1 = needs improvement to 3 = excellent), Department staff were asked to respond to a series of statements that asked about the efforts they extended to and were received from the Budget Office staff.⁴ 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).

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 8 displays the results of the GAP model for staff effort ratings, which shows that the ratings for efforts received and extended on all effort statements were nearly matched. The average rating of seven statements for efforts received was 2.49, and average rating of seven

⁴ 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.

statements for efforts extended was 2.51. All average ratings on efforts received and extended fell in the mid-point between stratification and excellent.

Figure 8. Effort Received from/Extended to Budget Office/Departments*

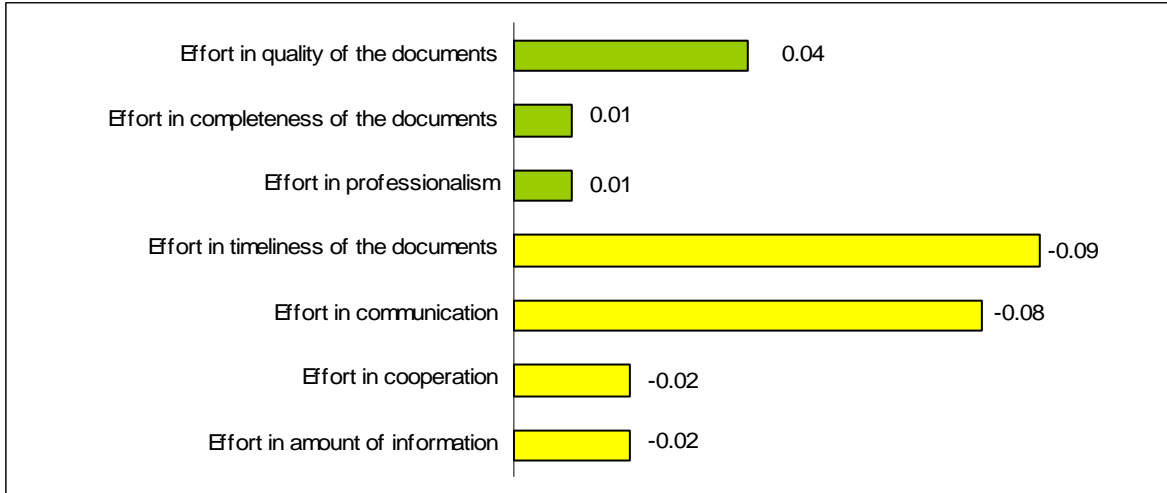


Survey questions: 1) Level of cooperation; 2) Completeness of the documents; 3) Level of communication; 4) Timeliness of the documents; 5) Amount of information; 6) Quality of the documents; 7) Level of professionalism.

The top three ratings for effort received from the other party were *professionalism*, *cooperation*, and the *amount of information received*. The top three ratings for efforts extended to the other party were *professionalism*, *cooperation*, and the *timeliness of the documents*. Figure 10 displays the actual gap scores between efforts received and extended. Compared to the results of last year, improvement was seen in area of quality of the document, with a gap score down from -0.11 in FY2008 to 0.04 in FY2009. The GAP score for the *level of cooperation* changed from a positive (0.10) last year to a negative score this year (-0.02), indicating that respondents viewed more cooperative effort received than extended last year than this year. With a lower mean score for effort received and similar score for effort extended, the gap between perceived cooperation received and extended shrank this year.

The effort ratings were also grouped by respondent group (Departments and Budget Office) to see if there was any difference between their perceptions of effort 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. There were quite a few areas showing the gap between Departments and the Budget office's ratings narrowed substantially as compared to last year, indicating a closing gap in Departments and the Budget Office's perception of efforts extended to and received from each other.

Figure 9. GAP Score Between Effort Received and Extended (rank ordered)



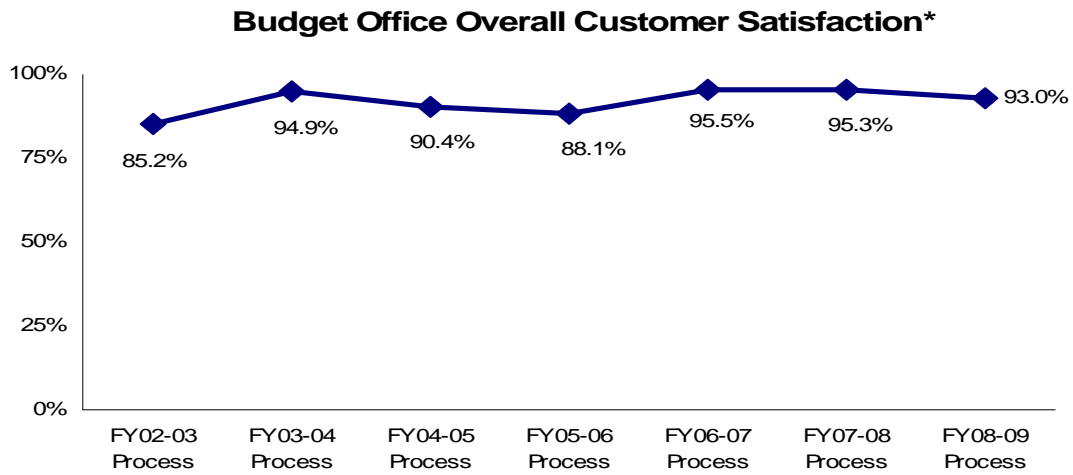
The effort in *amount of information received from the other party* was one of areas identified last year showing a relatively large gap on ratings between Departments and Budget Office (Gap=-0.43). The gap was narrowed this year (Gap=0.06), mainly contributed to a large drop in the average rating on this item by the Budget Office. Other areas that have small average GAP score include *timeliness of the documents* received and *quality of the documents* submitted. Both departments and Budget Office equally satisfied with the timeliness of receiving budgetary documents and the quality of the documents submitted each other.

The *quality of the documents* received had the largest gap score of all effort areas surveyed (Gap=0.21). In comparison, the Budget Office perceived a lower quality of the documents received from the departments (mean=2.25) than the departments perceived they had received from the Budget Office (mean=2.46). However, this gap score was very similar to the one received in last year's survey (Gap=0.23).

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 371 satisfaction points the Budget Office staff earned 345, for a 93.0% overall satisfaction. Figure 10 displays the historical Budget Office performance over the last several years.

Figure 10. Customer Satisfaction with Budget Office Performance

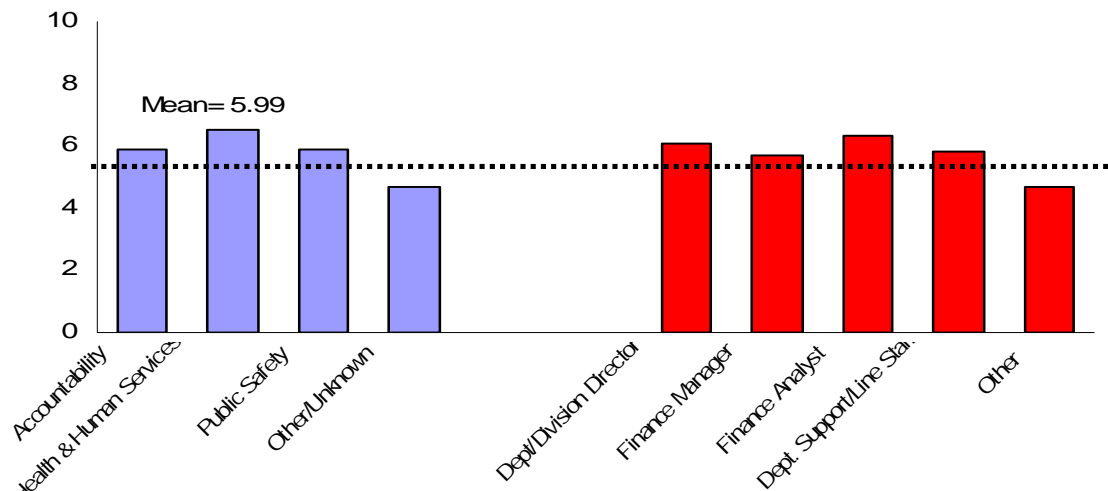


*Based on seven measures of budget staff effort: document quality, professionalism, cooperation, document timeliness, communication, information sharing, and completeness of documents.

Overall FY2009 Budget Satisfaction Ratings

Participants were asked to provide an overall rating of the FY2009 budget process from beginning to end using a satisfaction scale of 1 to 10 (1= not satisfied to 10 = exceptionally satisfied). The average rating for overall FY2009 budget process was 5.99 out of 10, which is lower than last year's mean score of 6.44. Figure 11 shows the mean results by functional area and by role in budget development.

Figure 11. Overall FY2009 Budget Process Satisfaction Score by Demographic



* Survey question: Overall from beginning to end, please rate how satisfied you are with the FY2009 budgeting process on a scale from 1 (Extremely Dissatisfied) to 10 (Extremely satisfied).

The data show that overall budget satisfaction rating varied by the respondents' relationship to service functional area as well as by their job responsibility. Respondents from Health & Human Service had an overall satisfaction rating of 6.5, higher than the grand mean of 5.99. Satisfaction rating by respondents' job responsibility indicates that financial analysts had relatively higher overall satisfaction with the budget process (Mean=6.4) while financial managers' rating was relatively lower (Mean=5.7). On the whole, respondents who are financial managers or who identify themselves as related to the general government functional area were less satisfied with the FY2009 budget process than respondents who are financial analysts, departmental directors or division heads, and line staff.

Comparing FY2009 with FY2008

Survey participants were specifically asked to rate their experience for the FY2009 budget process in comparison to the FY2008 budgeting process (worse, no different, or better), and to explain why. Table 2 displays the rating result.

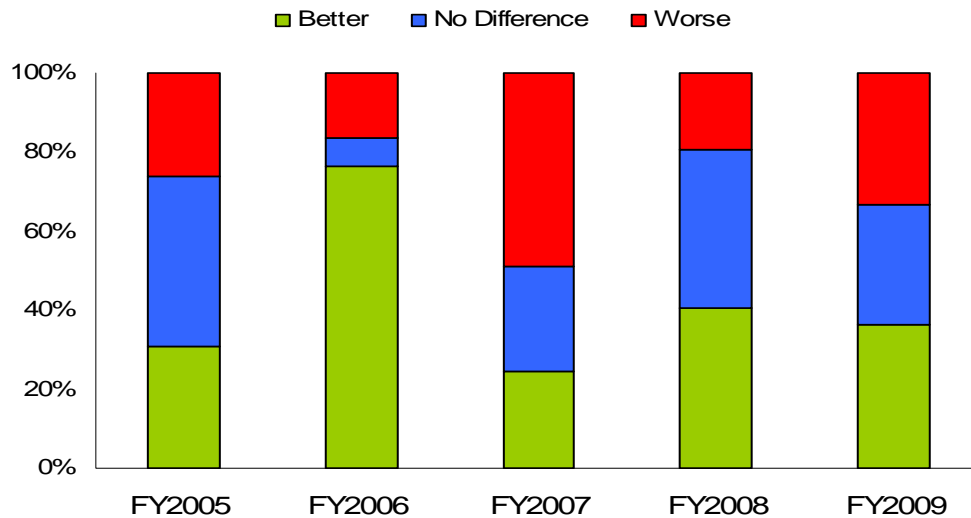
Table 2. FY2009 Budget Process as Compared to FY2008

	Number of Responses	Percentage
Worse	22	33.3%
No Different	20	30.3%
Better	24	36.4%
Total	66	100%
Missing	7	-

Of 66 respondents who answered this question, 36.4 % believed that FY2009 budget process was better than the process of FY2008 and 33.3% of respondents thought that the FY2009 budget process was worse than the previous year. Compared to last year's survey result on the same question, the percent of respondents viewing this year's process as 'no different' from the previous year decreased from 40% in FY2008 to 30% in FY2009. Although the percentage of 'Better' decreased slightly from 40.4% in FY2008 to 36.4% in FY2009, the percentage of 'Worse' increased substantially, from 19.1% last year to 33.3% this year. Historical results are graphed in Figure 12, and show that the result of FY2009 vs. FY2008 comparison worsened significantly than the result of FY2008 vs. FY2007 comparison.

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 FY2009 budget experience was worse than FY2006 because of a higher percentage of 'Worse' and a lower percentage of 'Better' in FY2009. 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'. The priority-based budgeting process ended in FY2009. Therefore, a drop in percent of respondents viewing this year's process 'No difference' was expected. However, the decrease in 'No difference' for the FY2009/FY2008 comparison was not as large as for the FY2006/FY2005 comparison. A substantial increase in percent of 'Worse' was alarming.

Figure 12. 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.*’ 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 between FY2006 and FY2008 but decreased again in FY2009 as expected when the process changed from priority-based budgeting to constraint budgeting.

The survey participants were again asked to rate improvement in three specific areas: The budget data 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 FY2009 budget participants were displayed in the Table 3.

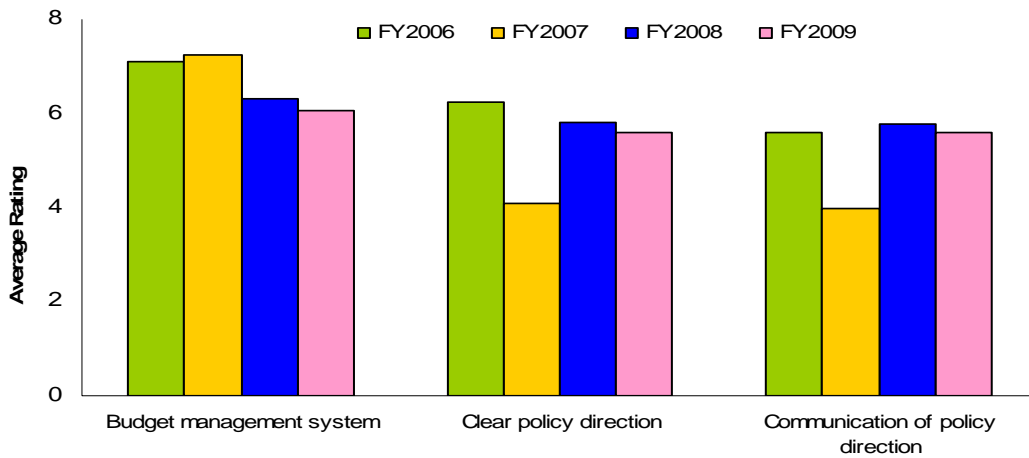
Table 3. How These Issues Have Changed This Year

	N	Mean	SD⁵
The Budget Data Management System	62	6.06	1.75
Better Communication of Policy Direction	67	5.61	2.33
Clear County Policy Direction	67	5.58	2.15

The average rating for all three areas declined slightly as compared to last year’s ratings. Mean score decreased from 6.31 to 6.06 this year for *Budget Data Management System*, from 5.78 to 5.61 for *Better Communication of Policy Direction*, and from 5.80 to 5.58 for *Clear County Policy Direction*. Figure 13 displays a year-to-year comparison of mean scores for the past four budget years.

⁵ SD refers to standard deviation, a measure of the range of values. A higher SD relates to more variance.

Figure 13. Comparison of Current Year and Previous Years' Rating on Three Specific Areas



Participant Comments about the Budget Development Process

The survey participants were also provided with opportunities to comment on the FY2009 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 63% of respondents (n=45) provided written comments and feedback to the open-ended questions.

What Respondents Most Appreciated about the FY2009 Budget process

In answering the question of ‘*identify the one thing you most appreciated about the new budget process*’, the following themes were summarized from the 31 respondents’ responses:

- The assistance and support received from the Budget Office, the budget staff/analysts from the central budget office as well as from department budget/financial units.
- Relatively easy to update last year’s program offers; the availability of electronic tools and information provided by the Budget Office.
- The Chair and County Commissioners were civil to each other and worked together. A clearer direction received from the Chair’s office.

Many commented on the great support received from the Budget Office and department budget analysts. Several emphasized their appreciation of the user-friendly program offer format and the opportunity of writing the program offers. One respondent mentioned his/her appreciation of moving away from the priority-based budgeting that includes outcome team, ranking and purchasing process.

One Change Respondents Wanted to Improve the Process

Respondents were asked to identify one important change they would like to improve the process. A total of 30 respondents provided input for this question:

- Have a quicker turn-around time; stick to pre-determined budget process and budget calendar; and minimize the lateness changes.
- Set and publish the internal services rates earlier. Have the internal services departments/programs to provide their budget and rates one time, with a high accuracy that eliminates the need to the multiple changes.
- Get back to the priority-based budgeting. Redesign the budget process to make it more transparent. Have a greater emphasis on program performance measures.
- Simplify instructions in the budget manual, improve the Web Tool to allow negative values, have ability to manage budget data in a single application,
- More transparency and predictability from the Chair's Office, more efforts in getting citizen involved in the budget process.

Suggestions such as internal services rates release time and web tool integration are more technical in nature and relatively easier to make improvement. Tremendous effort and a strong leadership are needed to improve areas such as citizen involvement in budget process and a functional performance measurement system associated with annual budgeting.

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 (30 responded).

The Better parts mentioned by respondents:

- To have Chair's expectations up front. Clearer direction from policy makers and more staff involvement.
- Less politic maneuvering and the flow of communication improved.
- Clear direction from the budget office and department budget analysts.
- The elimination of the outcome teams.

The Worse parts mentioned by respondents:

- Lack of openness from Chair's office. Less clear direction and transparency from executive office.
- To have a constraint budget and moved away from priority-based budgeting where the County had invested so much time and energy.
- Changing constraint and changing timelines.
- The FY2009 budget is stronger and more clearly explained but was at the cost of transparency and citizen involvement.

Above comments reveal contrast views on the same aspects of the FY2009 budget process. Many regarded moving away from the priority-based budgeting as the worse part of the FY2009 budget process but a few were happy to have the outcome teams eliminated. Some complains the lack of openness and policy direction from the Chair's Office but a few expressed their appreciation of having Chair's expectations up front and or viewed the communication with Chair's office improved. Overall, a stronger voice of retuning to the priority-based budgeting was heard from written comments.

Conclusions

The FY2009 budget survey presents a complex results, largely due to a switch from the Priority-Based Budgeting to a more conventional constraint budgeting. A wide spectrum of opinions was heard regarding the strength and limitation of each budgeting model. Nevertheless, the survey results suggest that several positive aspects of FY2009 budget process should be highlighted:

- We produce good budget preparation materials and provide good training
- Our process provides accurate financial information and good access to information via the Web
- Program offers contain adequately describe County services
- Both budget and department staff are professional and cooperative; and
- There are more staff involvement in creating the departmental budget.

Based on the feedback received from the survey, the Budget Office will work with the Board and departments to improve following areas:

- We can encourage more people to attend trainings. Satisfaction levels dropped in this area from last year, possibly indicating that many budget-writers had a good grasp of how to write program offers and use the web tool after several years of experience.
- We can improve our long-range financial planning and incorporate that information into our documents.
- We can do more to ensure that our annual budget leaves the County in a solid financial position for the next year—this item had the largest “gap” score of any survey question, meaning that there was the greatest distance between importance and satisfaction: respondents were seriously concerned about the 09 budget relative to the future.
- We can make additional effort to minimize the mid-stream change in areas such as calendar, internal service rates, and constraint target.

This is our 7th survey, sent out annually to 120-150 people involved in the preparation of the annual budget. A “gap model”, where both satisfaction and importance are measured and compared relative to each other, is applied to analyzing survey results. From a process improvement standpoint, this is the best way to see if we are not only doing things right, but also doing the right things. The annual budget surveys have been very helpful for the Budget Office to communicate with the Board and departments on process improvement and quality control in a more effective and objective way. We have used the survey results as part of resource to measure our past performance and to plan for future improvements in budget processes.

It should be noted that, to make year-to-year comparisons possible, a mostly same set of questions has been repeated in survey over the past years. With recent significant changes in County’s leadership, policy and financial environment, and budgetary process, there might be a need to review and update the survey method and instrument to reflect the changes. The Budget Office will consider a review of the annual budget surveys to make the survey more relevant to the purpose it sets to achieve.

Another limitation of this survey is its low response rate. Although multiple reminders were sent and extended deadline was made this year, the response rates were not as good as we hoped and missing data was an issue for many returned surveys. Survey fatigue and timing of the survey (July and August are peak season for vacation) might have contributed to lower response rates in recent years. Due to this limitation, a certain degree of caution should be exercised when interpreting the results. To improve response rates, it is important for the Board and department directors responding to the survey personally as well as encouraging staff's participation.

Appendix A

Table 4. Averages and GAP Scores for Budget Preparation, Processes, and Adopted Budget

Survey Questions	Satisfaction*		Importance**		Gap
	Mean	SD	Mean	SD	S-I
Budget Training and Preparation					
The milestones delivery dates to develop the budget were clearly posted (budget calendar).	3.16	0.63	3.57	0.53	-0.41
The instructions in the Budget Manual were clear.	3.26	0.54	3.51	0.66	-0.25
The budget documents (e.g., Personnel cost planner, FTE/-Cost splitter, Internal Service Rates, etc.) were informative	3.05	0.59	3.57	0.62	-0.51
I was satisfied with the level of budget detail to which I had access.	3.11	0.69	3.56	0.64	-0.46
My department/agency's program offers were of high quality.	3.18	0.57	3.30	0.70	-0.12
Adequate budget preparation training was made available to me (budget boot camps, rodeos, individual assistance, etc)	3.22	0.58	3.03	0.77	0.19
Adequate program offer development training was made available to me.	3.20	0.62	2.85	0.81	0.34
Adequate web tool training was made available to me.	3.18	0.61	2.94	0.81	0.24
I had the knowledge/ skills/ abilities I needed to prepare the budget in the web tool.	3.22	0.67	3.19	0.69	0.03
Budget Process					
On-going email, newsletters, Team meetings and web posting adequately communicated the new process to me.	2.84	0.72	3.32	0.70	-0.48
I trust the accuracy of the financial information contained in my department/ agency's program offers.	3.12	0.78	3.70	0.46	-0.58
I have confidence in my department/ agency's grant and revenue projections.	3.14	0.69	3.59	0.59	-0.45
I believe the budget reflects a long-term priority and multi-year funding strategy.	2.45	0.83	3.47	0.70	-1.02
My department/ agency's program offers used quality performance measures.	2.85	0.72	3.18	0.83	-0.33
The process supports collaboration and shared decision-making.	2.49	0.79	3.20	0.77	-0.70
Excluding the web tool and SAP, I used a shadow/supplemental budget system to build my budget.	2.83	1.00	2.80	1.00	0.04
I had an opportunity to provide input during the program offer creation or revision.	3.15	0.72	3.14	0.78	0.01
Overall, the budget process was transparent.	2.68	0.84	3.42	0.68	-0.74
The MINT/ internet was a convenient way to review the program offers.	3.24	0.67	3.39	0.63	-0.16
I typically used the MINT/ internet to locate most budget related documents.	2.97	0.83	3.48	0.56	-0.51
Adopted Budget					
The priorities of the County as an organization were clearly reflected in the adopted budget.	2.69	0.71	3.50	0.63	-0.81
Citizens and other stakeholders were meaningfully involved in the development of the budget.	2.50	0.78	3.30	0.69	-0.80
Program offers that adequately described the essential components of the service to be delivered.	2.98	0.49	3.45	0.59	-0.47
I believe that the budget leaves the county in a solid financial position for next year	2.26	0.76	3.60	0.55	-1.34
There was clear policy direction for programs that were one-time-only funded versus funded with on-going revenue	2.57	0.70	3.48	0.69	-0.91
Since the budget was adopted, I typically use the MINT/ internet versus the printed adopted budget document to view program offers	2.84	0.91	3.22	0.68	-0.38

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

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

Table 5. Effort Ratings and GAP Scores (All Respondents)

Survey Questions	Effort Received		Effort Extended to		GAP
	Mean	SD	Mean	SD	R-E
The level of cooperation	2.54	0.62	2.56	0.56	-0.02
The completeness of the documents	2.52	0.64	2.52	0.59	0.01
The level of communication	2.44	0.67	2.53	0.57	-0.08
The timeliness of the documents	2.39	0.67	2.48	0.57	-0.09
The amount of information	2.40	0.64	2.42	0.59	-0.02
The quality of the documents	2.44	0.64	2.40	0.61	0.04
The level of professionalism	2.68	0.50	2.67	0.47	0.01

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

Table 6. Effort Ratings and GAP Scores by Respondent Group (Departments and Budget Office)

Survey Questions	Department Response (D)		Budget Office Response (B)		GAP
	Mean	SD	Mean	SD	D-B
The level of cooperation you received from the other party	2.52	0.61	2.67	0.71	-0.15
The level of cooperation you extended to the other party	2.56	0.57	2.56	0.53	0.00
The completeness of the documents you received from the other party	2.51	0.63	2.63	0.74	-0.12
The completeness of the documents you submitted to the other party	2.50	0.60	2.63	0.52	-0.13
The level of communication you received from the other party	2.45	0.67	2.38	0.74	0.08
The level of communication you extended to the other party	2.51	0.58	2.63	0.52	-0.12
The timeliness of the documents you received from the other party	2.39	0.67	2.38	0.74	0.02
The timeliness of the documents you submitted to the other party	2.50	0.57	2.38	0.52	0.13
The amount of information you received from the other party	2.42	0.64	2.25	0.71	0.17
The amount of information you shared with the other party	2.43	0.61	2.38	0.52	0.06
The quality of the documents you received from the other party	2.46	0.64	2.25	0.71	0.21
The quality of the of documents you submitted to the other party	2.40	0.63	2.38	0.52	0.02
The level of professionalism you received from the other party	2.67	0.51	2.78	0.44	-0.11
The level of professionalism you extended to the other party	2.69	0.47	2.56	0.53	0.14

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

Table 7. Average Improvement Ratings for identified areas

Please rate how these areas have changed this year	N	Mean	SD
Clear County policy direction	67	5.58	2.15
Better communication of policy direction	67	5.61	2.33
The budget data management system	62	6.06	1.75

* Using a scale of 1-10, with 1= Substantially Worse and 10=Substantially Improved.