MULTNOMAH COUNTY, OREGON

Annual Budget Process Survey | 2010

Department of County Management
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TO: Multnomah County Employees

FROM: Karyne Kieta, Budget Director

DATE: August 31, 2009

RE: FY 2010 Budget Process Survey Report

Introduction

Every year, the Budget Office surveys participants in the budget process to see how satisfied they were with the previous year and to elicit recommendations for how to improve the process. This year's budget process was completed on June 4, 2009 when the County Board of Commissioners adopted the FY 2010 Budget. The annual budget survey was launched on June 19, 2009.

This letter details some of the findings in the survey and relates them to the improvements we are proposing for next year.

The FY 2010 Budget Process

The Fiscal Year 2010 budget cycle was marked by some particularly challenging events. Multnomah County, along with the rest of the nation and the world, was in the midst of an economic recession. Economists continue to debate whether we have seen the bottom of this recession and when we will begin to see recovery, but the budget we just adopted is a symbol of the significant economic distress taking place in our community. Departments were asked to meet a 4% expenditure savings cap by the end of FY 2009, and were asked to reduce or "constrain" their FY 2010 general fund programs by 12%. Some departments and programs were hit especially hard by the County reductions because they were also facing significant State reductions in 2009-2011 biennium.

In addition to economic challenges, three of the five Multnomah County Commissioners took office in January 2009, right in the middle of the FY 2010 budget process. Learning our budget process and synthesizing information from each of the nine County departments represents a steep learning curve for any new official.

Additionally, in January 2009, the Chief Operating Officer (COO) announced his upcoming retirement and a new COO was appointed to the position. The overlap in this succession plan helped provide a smooth transition during a challenging year.

While these transitions made for some challenges in FY 2010, they also became an opportunity for the policy makers to agree to develop some shared values to help shape the upcoming budget. We have taken suggestions from this survey very seriously and are in the process of evaluating and prioritizing the problems and working through the solutions. As part of this process, we will develop a plan to identify what can be implemented using a multi year approach. We will solicit input from our customers prior to implementation to ensure we minimize any unintended consequences.

Survey Highlights

- In general, satisfaction improved in most areas compared to last year, although specific areas are addressed in the report sections. Overall, half of respondents found this year's process to be no different from last year's. Of the remaining, half found the process to be better and half found the process to be worse. This emblematic bell curve tells us that any budget process we adopt will have pieces that some find better and some find worse—because County departments are different, so too are their preferences for budget processes.

- Internal Service Rates (ISRs) showed a great deal of dissatisfaction despite their rating as very important to the process. Comparison to prior years was not possible since this is the first year the survey asked specifically about ISRs. To respond, the Budget Office will be taking a larger role in shaping the ISR budget development process.

- Satisfaction in responses to questions about the Budget Data Management System have been declining, and several respondents mentioned in comments that there needs to be significant work done in this area to increase the functionality of the existing tools or to purchase a new Countywide budgeting tool. There is a proliferation of shadow systems due to a lack of a countywide budget system. The Budget Office relies on multiple databases, spreadsheets, legacy systems, and temporary applications to manage the budget process. No investment has been made to improve these tools in the recent past, and current applications need to be replaced or consolidated. As participants' expectations for budgetary data management and reporting increase (or remain high), it is increasingly difficult to meet expectations without a significant IT investment. The Budget Office will continue to work with departments and IT to develop a solution which balances technical budgeting needs with efficient cost-containment.

- Performance measurement quality has been declining for three years. I have been discussing with departments the possibility of restructuring the performance measurement format within the budget to reduce the administrative burden while at the same time providing more relevant outcome measurements.

- Policy-level issues under the influence of the policy makers—such as understanding fiscal priorities, having meaningful citizen involvement, and leaving a solid financial position—showed a large gap between importance and satisfaction, as well as having overall low satisfaction. This area provides the greatest opportunity to align satisfaction and improvement. Transparency, clear direction, and collaboration were all down compared to last year, and several comments mentioned these issues in particular. In order to address these high-

level issues, the Budget Office will be working closely with the Chair's Office to propose and implement improvements to the process, including the Board of County Commissioners working through a process to adopt some common values and priorities. This step alone will provide the overall context for the work that is accomplished during the annual budget creation.

Next Steps

All of the comments we received on this year's Annual Budget Survey were helpful and will be taken into consideration as the Budget Office prepares the FY 2011 budget process. I believe that there are some process improvements that we can implement for FY 2011, some medium-range improvements that will take more time and resources, and some long-range solutions that will help us as we develop long term financial plans. We intend to propose a multiyear plan to stabilize our budgeting practices with an eye towards streamlining the administrative efforts for everyone involved while still producing an excellent product.

In addition to the regular feedback cycle we perform through the survey as noted in this report, the Board of County Commissioners adopted a Budget Note related to processes improvements the Board would like to see for next year. To address that concern, I have spent August meeting with each department director, department business manager, and Board member to debrief the FY 2010 budget process and listen carefully to individual concerns that could improve the process for FY 2011.

We will be reporting back to this fall with our findings and recommendations.

Annual Budget Process Survey
Fiscal Year 2009-2010

Methodology

The survey about the FY 2010 budget process was launched on June 19, 2009 and was open for over 3 weeks, closing on July 16, 2009. There were 74 responses, representing a response rate of 41.3% for the 179 people surveyed. This year, significantly more people were added to the survey list compared to prior years so that more people who played a role in the budget process could have a chance to provide feedback.

The first set of questions asked respondents to rate their level of agreement (from 1 to 4) with several **Training & Preparation** issues, including manuals received, timelines distributed, and training provided. A question from prior years was changed this year based on feedback from last year's survey: "Budget documents were informative" was changed to "Details about Internal Service Rates were informative." There was also a question relating specifically to the Budget Manual. Respondents were also asked to provide comments about any Training & Preparation issues.

The second set of questions asked respondents to rate their level of agreement (from 1 to 4) with several **Process** issues, including whether the respondent trusts the accuracy of their department's submissions, whether an external technology system was used, and whether the overall process was transparent. Respondents were also asked what the most important change would improve the budget process and what thing they most appreciated about the budget process.

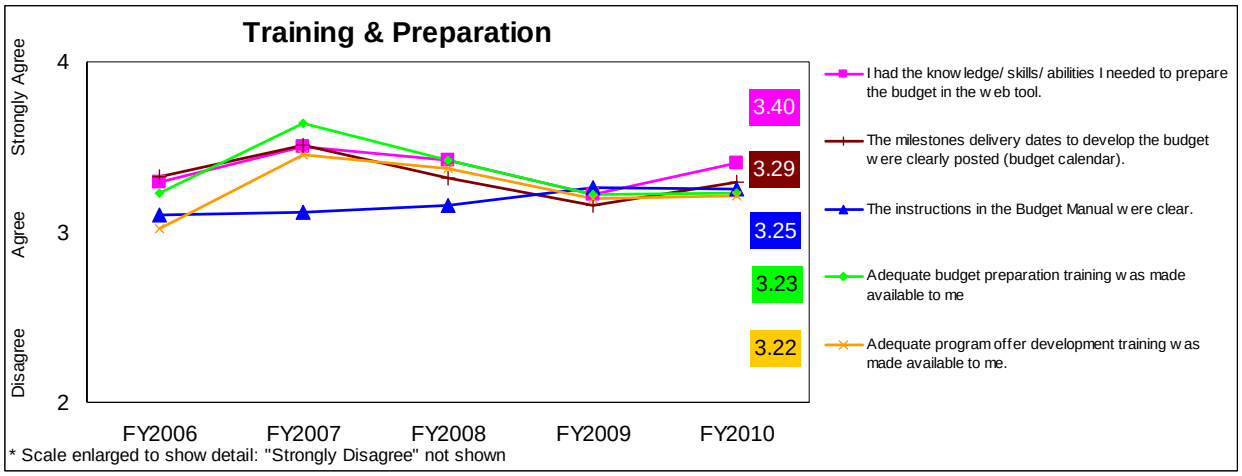
The third set of questions asked respondents to rate their level of agreement (from 1 to 4) with factors about the **Adopted Budget**, including whether citizens were meaningfully involved, whether the County's priorities were reflected, and whether the respondent used the internet to view the adopted budget.

The fourth set of questions asked respondents to rate their level of **Importance** (from 1 to 4) of each of the issues identified in the prior sections. The fifth set of questions asked respondents to rate their level of satisfaction (from 1 to 3) on the amount of **Effort** extended to and the amount of effort received from the Central Budget Office in various areas, including cooperation, timeliness, and communication.

The last set of questions asked respondents to rate their **Overall Satisfaction** with the budget process, to **Compare** this year's process with prior years overall and on three specific topics, and to explain why this year's process was better or worse. Respondents were also asked what functional area of government they represented (Health & Human Services, Public Safety, General Government, or other) and what role they played in the process (for instance, Board Member or Finance Manager).

This report analyzes the data from this survey, including a summary of the comments received, and the **Appendix** lists each question along with the number of respondents, average response, and standard deviation which measures how similar responses were to each other.

Training & Preparation



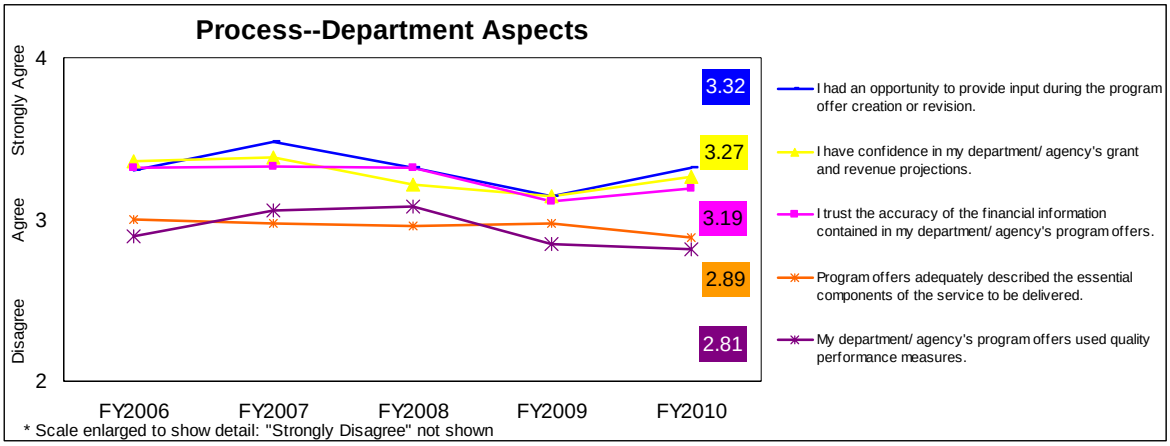
In general, satisfaction on Training & Preparation questions has improved compared to last year, but last year's satisfaction was significantly lower than that of prior years. Two areas to note are that the instructions in the Budget Manual have been improving steadily since 2006, and trainings peaked in 2007 and have been declining since then, although some improvements have been seen between last year and this year.

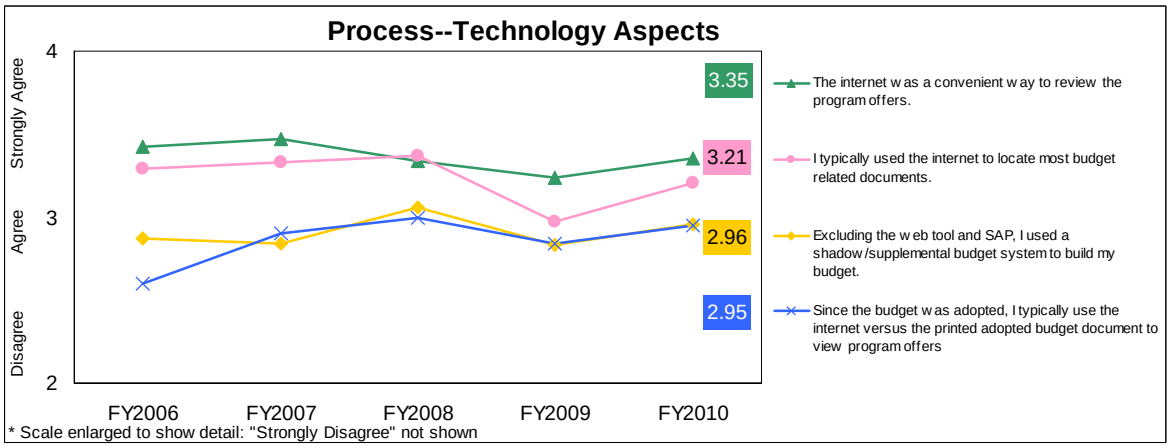
On four prior years of surveys, a question was asked about whether Budget documents were informative. This year, the question has been made more specific and changed to whether Internal Service Rates were informative. This question scored the lowest rating of all survey questions on the FY2010 process survey, noting a need for changes to the ISR process. More than half of the 25 comments on Question 2 **(If you ranked any of the training and preparation components as "Disagree" or "Strongly Disagree", please explain why)** related to Internal Service Reimbursements. Responders commented on ISRs being late, confusing, non-transparent, not enough detail, no explanation, and confusing methodology once discovered. All rates were mentioned, although IT was called out in particular by several responders.

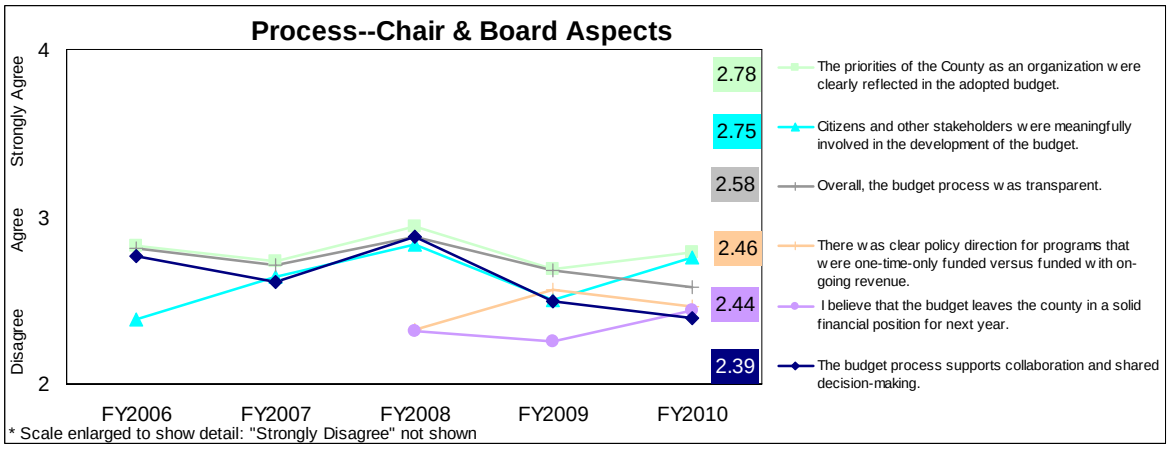
In addition to dissatisfaction about ISRs, several responders also mentioned the Budget trainings; that they were limited, weren't scheduled at the Lincoln Building, were mandatory but cancelled and not rescheduled, and weren't based on what people need. One unique comment was a request for process maps because the information the person needed about the process was often verbal and too detailed to keep straight. Another unique comment was that the Budget Web Tool is not adequate for reporting, perhaps worth noting in a future needs assessment.

Process

Process questions have been divided into three areas: Technology Aspects, Department Aspects, and Chair & Board Aspects.





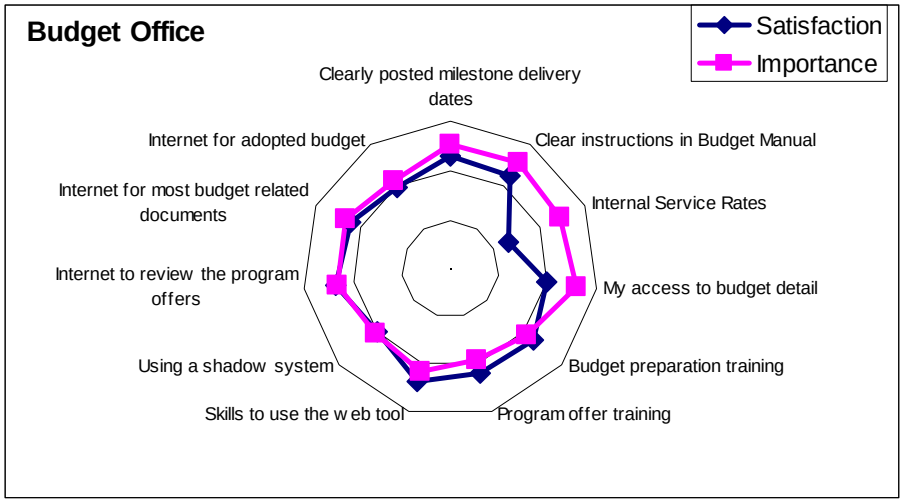


Some interesting findings in the Process section:

- Use of quality performance measures has been declining since FY2008
- Essential description of services in program offers has remained relatively unchanged
- The accuracy of department information increased this year after decreasing for two prior years
- Meaningful citizen involvement was much higher than last year
- Reflecting priorities and contributing to a more solid financial picture were also up
- Transparency, clear direction, and collaboration were all down compared to last year

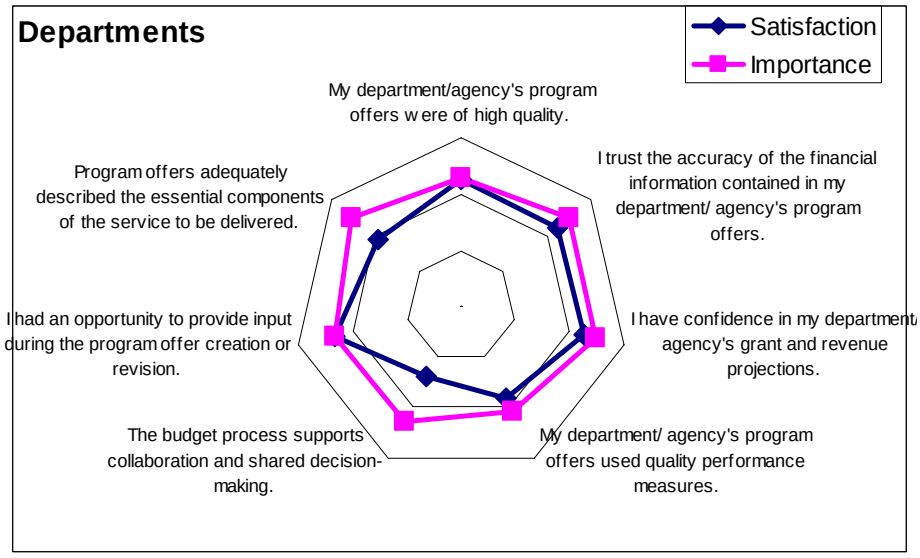
Importance & Satisfaction

Survey participants were asked not only about their satisfaction with multiple aspects of the budget process, but also about the importance of each of those aspects. These spider charts show at a quick glance the difference between the level of satisfaction and the level of importance given to each aspect.

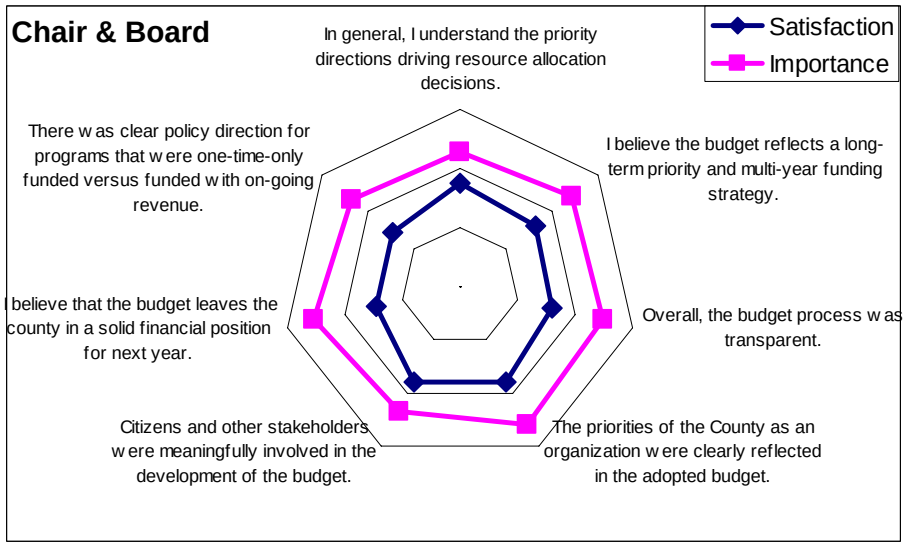


Levels close to the inner ring show a low degree of satisfaction or importance, and levels close to the outer ring show a high degree of satisfaction or importance.

Note in particular where there are gaps between the blue and pink lines—the gaps show where improvements need to be made.



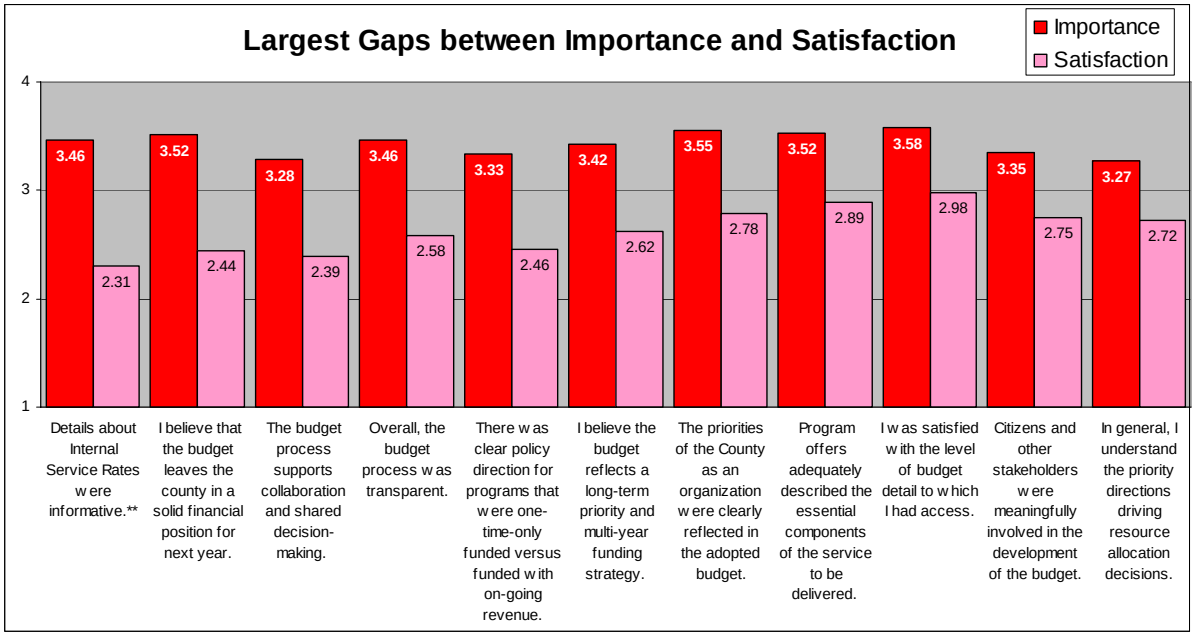
Some of the areas measured in these graphs don't have accountability to a single entity. For example, Internal Service Rates—one of the lowest scoring questions overall—is completed mostly by DCM divisions and is not controlled by the Budget Office. However, the Budget Office helps to coordinate the ISR process, so it has been listed there.

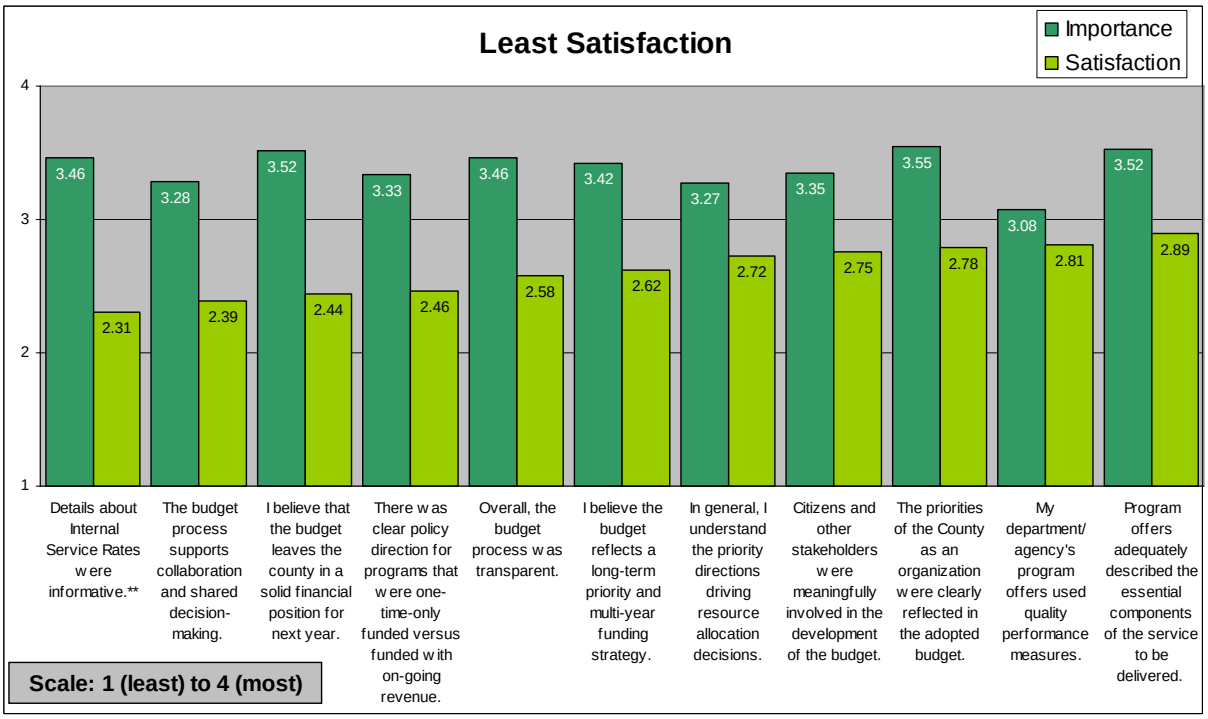


In the same way, whether the budget process supports collaboration and shared decision-making could refer to the department's internal processes or could refer to collaboration at the Chair and Board level. It has been included in the department chart because it is assumed most respondents were more often commenting on their department's process.

Importance & Satisfaction—(cont.)

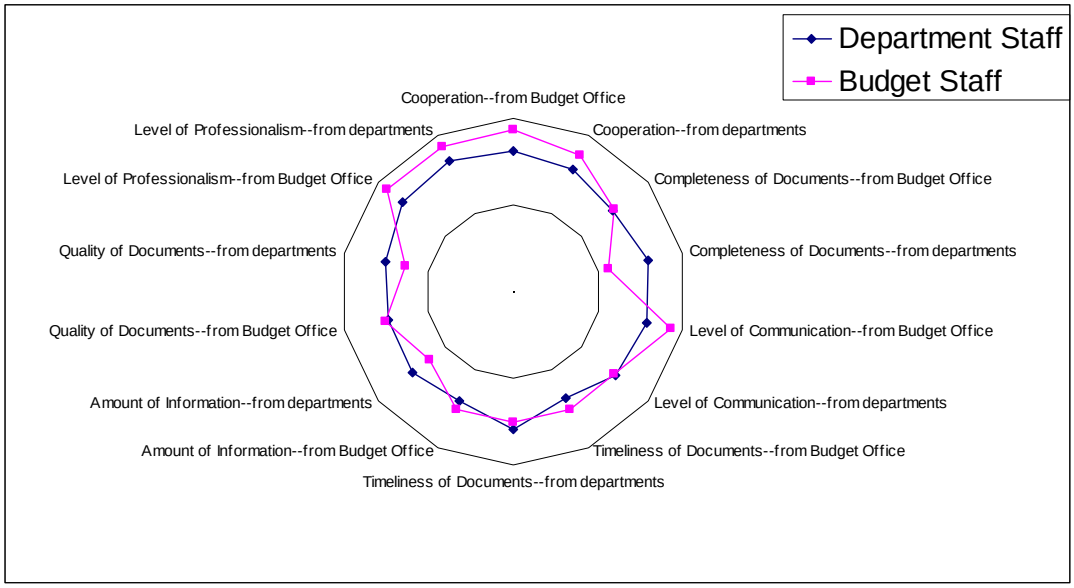
The two following charts show Importance and Satisfaction in a different way. The questions with the largest gap between Importance and Satisfaction are shown first, followed by a chart of the lowest Satisfaction scores. Only two questions were not on both charts: there was a gap between importance and satisfaction for "I was satisfied with the level of budget detail to which I had access" although it wasn't among the lowest satisfaction, and "My department/agency's program offers used quality performance measures" scored among the lowest but didn't show a gap between importance and satisfaction. All other questions being included on both charts signifies a clear need for improvement in the areas where there is a gap between Importance and Satisfaction.

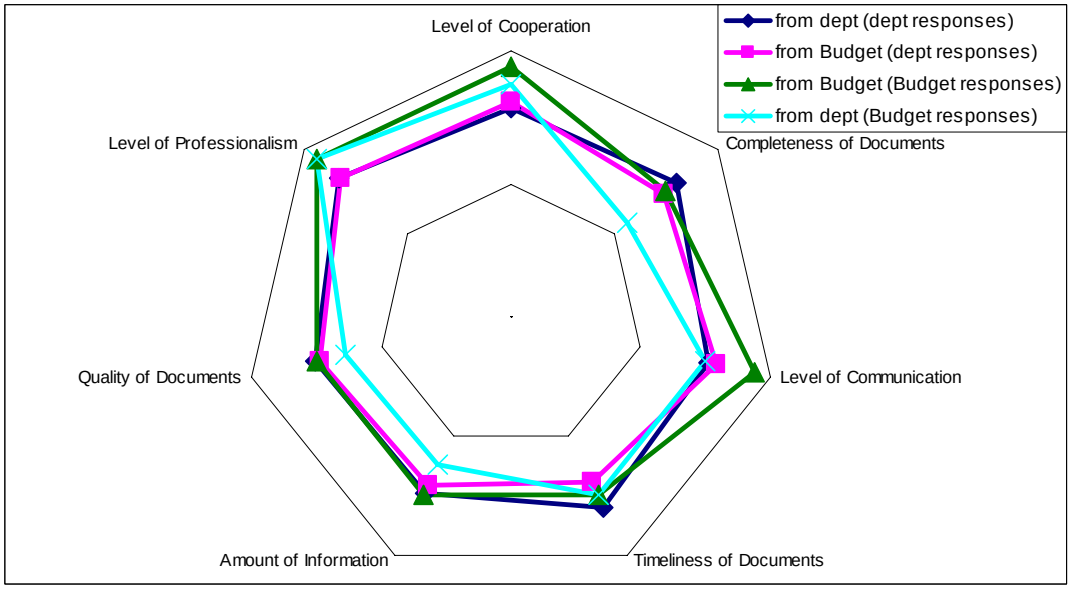




Efforts

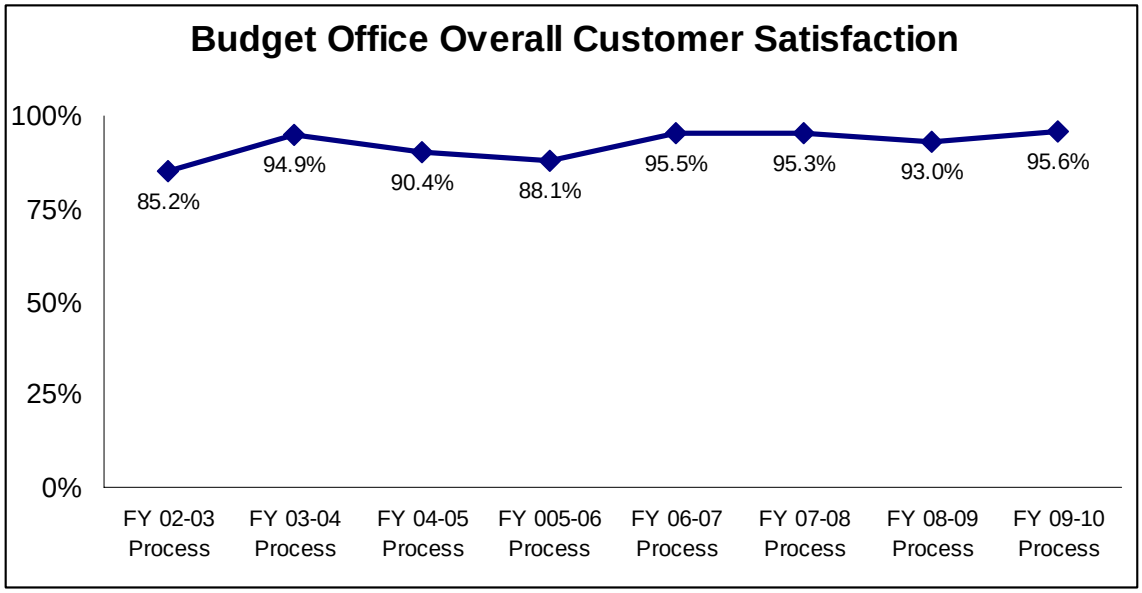
One set of questions asked respondents to rate their level of satisfaction on the amount of effort extended to and the amount of effort received from the Central Budget Office in various areas, including cooperation, timeliness, and communication. The following two charts show that information in two ways. The first chart shows all ratings individually—the blue line represents how the majority of responders answered the questions while the pink line shows how the 9 members of the Central Budget Office answered the questions. Central Budget Analysts answered once per department they supported during the process. The second chart below overlays the information onto a single set of indicators.





Note in particular that the Central Budget Office found the level of professionalism and cooperation—both their own and that of department staff—to be higher than others felt it was. The Budget Office, however, felt that the completeness of documents from departments was lower than their own and lower than departments felt of documents. On the other indicators, the data showed neutral or expected patterns.

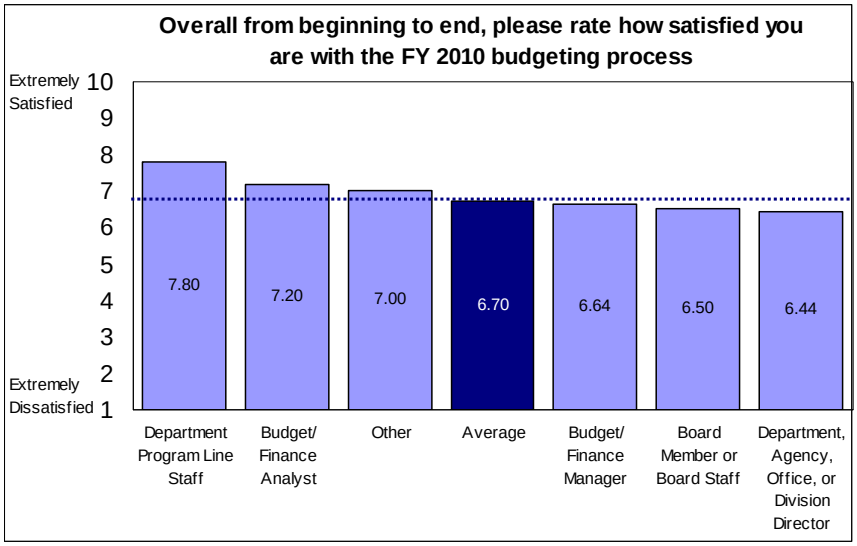
Efforts—(cont.)



This measure shows the average percentage of people rating the Budget Office efforts as "Excellent" or "Satisfactory" in seven different areas: cooperation, completeness, communication, timeliness, information, quality, and professionalism.

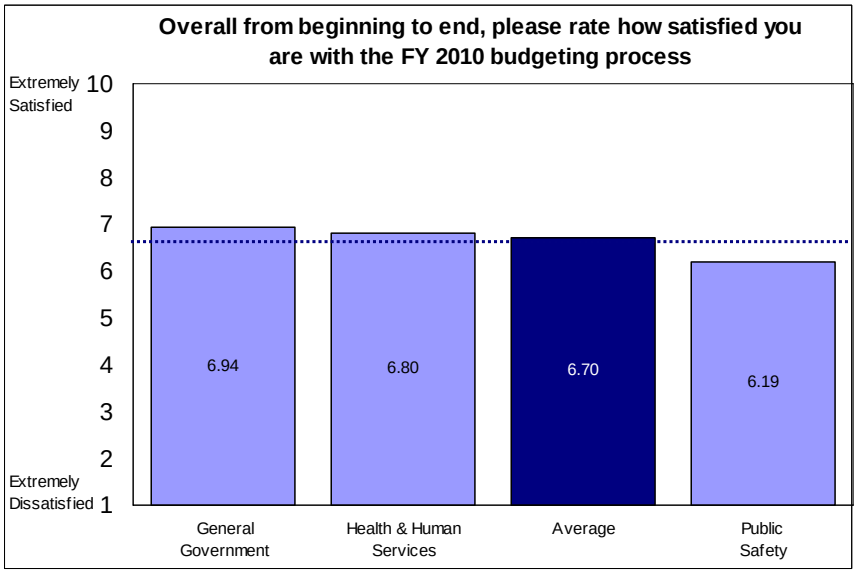
Half of the 41 comments where responders were asked to **Briefly identify the thing you most appreciated about the budget process** mentioned the Budget Office staff. Other aspects which were praised included having access to everything on the web, sticking to the timeline, the Budget Manual, the webtool, and increased communication throughout the process.

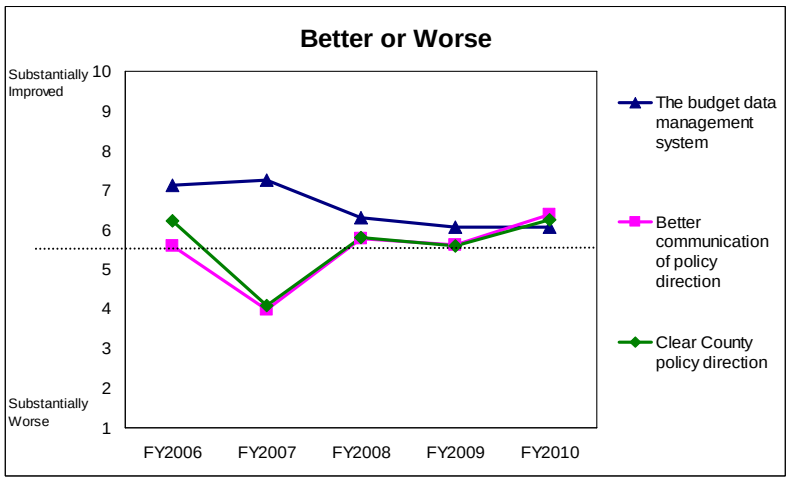
Overall



The overall satisfaction rating for the budget process was 6.70 on a scale of 1-10. Some variation was observed between different respondents. Those identifying themselves as department program line staff had significantly higher satisfaction, and those identifying themselves as department or division directors had lower satisfaction. "Other" was an included response, and also incorporates those who left the question unanswered.

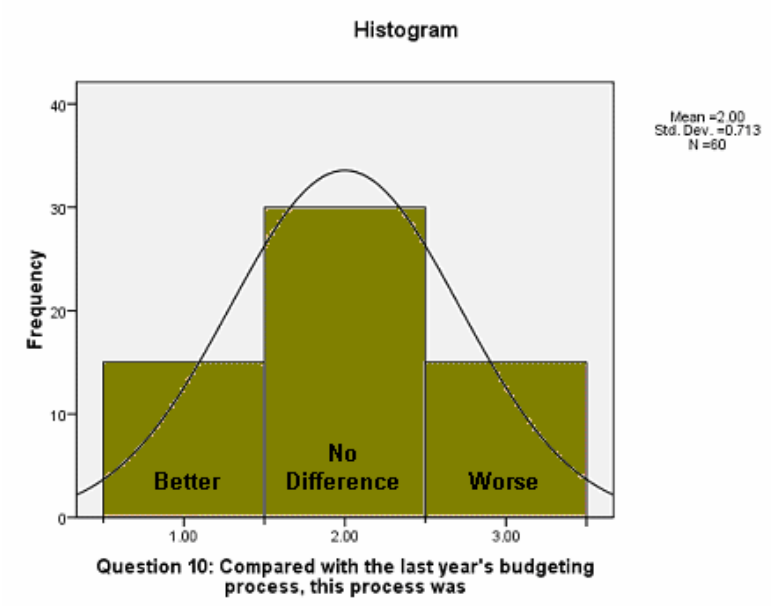
The other type of variation was between the functional area of government for respondents. Those identifying themselves as part of Public Safety (most likely in the department/ agencies of DCJ, District Attorney, and Sheriff's Office) rated the process with less satisfaction than other functional areas. Not much difference was seen between Health & Human Services (DCHS and Health) and General Government (DCM, DCS, Library, and NonD).





In addition to rating changes to the overall process (following section), respondents were asked to rate three specific areas as to whether they were better or worse than last year. Both County direction and communication of County direction rated higher than previous years after a large drop in the FY07 process. The Budget Data System has been getting worse every year according to respondents, in part because participants' demands for a data system has increased while capacity to change the data system has decreased. No major changes have been made to the data system because the Budget Office has been requesting a replacement system for three years.

Overall—(cont.)



Question 11 asked responders to **explain why they rated this year's overall process as Better or Worse compared** to last year's process.

Half of the 27 comments explained why they felt it was better. Some of these comments included that the Chair had a good idea of what he wanted, and communicated that well to departments; priorities and communication was better, and Board discourse was improved. There were more comments that explained why the responder found the process worse than last year, however. Those comments included dissatisfaction with constraint budgeting; confusing direction from the Chair's Office; short timeline; internal service reimbursement rates; difficulty with personnel costs, PCP, and wage freezes; silted communication within departments; and frustration with backroom deals. There were clear opinions on both sides about this year's process being both better and worse. One comment mentioned this specifically when it stated that community forums made this year's process better, but it was also worse because the overall process was less transparent.

Several themes emerged from the 38 comments to Question 4 **(Briefly identify the most important change that would improve the budget process)**. Many people identified technology problems, ranging from wanting the budget in SAP to needing a new system to enhancing the webtool. Several people also had comments about the Chair's Office, ranging from juxtaposed communications from different leaders the Chair's Office to needing the Chair to be clear about a County vision to criticizing back door work without transparency. Multiple people mentioned improving internal service reimbursement rates, multiple people requested more attention to performance measures, and multiple people suggested more Countywide discussion and transparency. Multiple people also felt that the process should take less time and effort, and that clear communication about decisions would help shorten the process. Other specific process suggestions included: Priority Based Budgeting, zero based budgeting, multi-year budgeting, and not including Admin/Support costs in operating offers.

A few direct recommendations were made, including the following:

- A prominent button on the MINT for staff to find budget documents
- Less time between Chair's budget and adopted budget
- Having budget office staff come to department meetings
- Soliciting feedback from departments for improvements to the Budget process
- Budget Office staff need to support departments in writing meaningful program offers

Summary Conclusions

- 74 respondents representing a 41.3% response rate. Many more staff were asked to respond compared to last year (179 compared to 140) which may account for the lower response rate (41% compared to 51%).

- In general, satisfaction improved in most areas compared to last year, although specific areas are addressed in the report sections. Overall, half of respondents found this year's process to be no different from last year's. Of the remaining, half found the process to be better and half found the process to be worse.

- Internal Service Rates (ISRs) showed a great deal of dissatisfaction despite their rating as very important to the process. Comparison to prior years was not possible since this is the first year to ask specifically about ISRs.

- The Budget Data Management System satisfaction has been declining, and several respondents mentioned in comments that there needs to be significant work done in this area to increase the functionality of the existing tool or to purchase a new budgeting tool.

- Public Safety respondents had a lower level of satisfaction than other functional areas. This may be due in part to 2 of the 3 Public Safety entities having elected leaders as opposed to being internal County departments.

- High-level issues—such as understanding fiscal priorities, having meaningful citizen involvement, and leaving a solid financial position—showed a large gap between importance and satisfaction, as well as having overall low satisfaction. In addition, transparency, clear direction, and collaboration were all down compared to last year, and several comments mentioned these issues in particular.

- There were several comments regarding how the budget process could be improved for the future, including changes in technology (mainly the need for a new budget system), clear direction and transparency from the Chair's Office, and Internal Service Rates.

Appendix

	Question	N	MEAN	std dev
Preparation	The milestones & delivery dates to develop the budget were clearly posted (budget calendar)	69	3.29	0.666
	The instructions in the Budget Manual were clear	63	3.25	0.538
	Details about Internal Service Rates were informative	52	2.31	0.919
	I was satisfied with the level of budget detail to which I had access	66	2.98	0.754
	My department/agency's program offers were of high quality	69	3.25	0.673
	Adequate budget preparation training was made available to me	66	3.23	0.837
	Adequate program offer development training was made available to me	60	3.22	0.783
	I had the knowledge/ skills/ abilities I needed to prepare the budget in the web tool	62	3.40	0.613
	If you ranked any of the training components as disagree or strongly disagree, please explain why.			
Process	In general, I understand the priority directions driving resource allocation decisions	69	2.72	0.745
	I trust the accuracy of the financial information contained in my department/ agency's program offers	69	3.19	0.692
	I have confidence in my department/ agency's grant and revenue projections	56	3.27	0.798
	I believe the budget reflects a long-term priority and multi-year funding strategy	66	2.62	0.941
	My department/ agency's program offers used quality performance measures	64	2.81	0.753
	The budget process supports collaboration and shared decision-making	64	2.39	0.789
	Excluding the web tool and SAP, I used a shadow/supplemental budget system to build my budget	49	2.96	0.912
	I had an opportunity to provide input during the program offer creation or revision	60	3.32	0.725
	Overall, the budget process was transparent	62	2.58	0.737
	The internet was a convenient way to review the program offers	65	3.35	0.759
	I typically used the internet to locate most budget related documents	62	3.21	0.890
	Briefly identify the most important change that would imporve the budget process.			
	Briefly identify the thing you most appreciated about the budget process.			
Adopted	The priorities of the County as an organization were clearly reflected in the adopted budget	65	2.78	0.718
	Citizens and other stakeholders were meaningfully involved in the development of the budget	61	2.75	0.722
	Program offers adequately described the essential components of the service to be delivered	64	2.89	0.693
	I believe that the budget leaves the county in a solid financial position for next year	61	2.44	0.742
	There was clear policy direction for programs that were one-time-only funded versus funded with on-going revenue	52	2.46	0.727
	Since the budget was adopted, I typically use the internet versus the printed adopted budget document to view program offers	64	2.95	0.967

For each question, N is the number of respondents, Mean is the average response rating, and Std Dev is the level of variation between responses—a high std dev means high variation.

Appendix (cont.)

	Question	N	MEAN	std dev
Importance	Clear milestone delivery dates to develop the budget	65	3.54	0.588
	Clear instructions in the Budget Manual	64	3.58	0.586
	Informative details about Internal Service Rates	56	3.46	0.738
	Access to budget detail	62	3.58	0.560
	High quality program offers	64	3.28	0.786
	Available adequate budget preparation training (budget boot camps, rodeo, individual assistance, etc.)	64	3.06	0.710
	Available adequate program offer development training	64	2.94	0.753
	Available adequate web tool training	62	3.03	0.677
	Knowledge/ skills/ abilities to competently use the web tool	62	3.19	0.698
	General understanding of priority directions driving resource allocation decisions	63	3.27	0.745
	Trusting the accuracy of financial information in the program offers	63	3.49	0.619
	Confidence in department/ agency's grant and revenue projections	62	3.45	0.619
	A budget that reflects a long-term priority and multi-year funding strategy	64	3.42	0.730
	Quality program performance measures	64	3.08	0.741
	A collaborative process with shared decision-making	64	3.28	0.701
	Use of a shadow/supplemental budget system to develop a budget (excluding SAP or the web tool)	50	3.00	0.990
	An opportunity to provide input during the creation or revisions of program offers	63	3.32	0.692
	A process that overall was transparent	63	3.46	0.643
	The convenience of the internet to review program offers	63	3.32	0.692
	To locate most budget related documents via the internet	62	3.37	0.683
	A budget that clearly reflects the County's priorities	60	3.55	0.594
	Meaningful citizen and stakeholder involvement	63	3.35	0.600
	Program offers that adequately describe the essential components of the service to be delivered	63	3.52	0.644
	Clear policy direction for programs that were one-time-only funded versus funded with on-going revenue	57	3.33	0.740
	Adopted budget leaves the county in a solid financial position for next year	62	3.52	0.646
	To use the internet versus the printed adopted budget document to view program offers (post adoption)	61	3.13	0.939

For each question, N is the number of respondents, Mean is the average response rating, and Std Dev is the level of variation between responses—a high std dev means high variation.

Appendix (cont.)

	Question	N	MEAN	std dev
Effort	The level of cooperation you received from the Budget Office	58	2.64	0.552
	The level of cooperation you extended to the Budget Office	57	2.61	0.526
	The completeness of the documents you received from the Budget Office	61	2.43	0.618
	The completeness of the documents you submitted to the Budget Office	61	2.59	0.528
	The level of communication you received from the Budget Office	60	2.57	0.563
	The level of communication you extended to the Budget Office	58	2.57	0.500
	The timeliness of the documents you received from the Budget Office	60	2.40	0.588
	The timeliness of the documents you submitted to the Budget Office	60	2.58	0.497
	The amount of information you received from the Budget Office	59	2.39	0.588
	The amount of information you shared with the Budget Office	61	2.49	0.504
	The quality of the documents you received from the Budget Office	60	2.45	0.594
	The quality of the of documents you submitted to the Budget Office	61	2.51	0.504
	The level of professionalism you received from the Budget Office	59	2.68	0.507
	The level of professionalism you extended to the Budget Office	59	2.69	0.464
Overall	Overall from beginning to end, please rate how satisfied you are with the FY 2010 budgeting process	64	6.70	1.761
	Compared with the last year's budgeting process, this process was (better, no difference, worse)			
	If different from the past (better or worse) please briefly tell us why.			
	Better or Worse: Clear County policy direction	61	6.02	1.857
	Better or Worse: Better communication of policy direction	61	5.98	1.945
	Better or Worse: The budget data management system	60	5.92	1.430

For each question, N is the number of respondents, Mean is the average response rating, and Std Dev is the level of variation between responses—a high std dev means high variation.