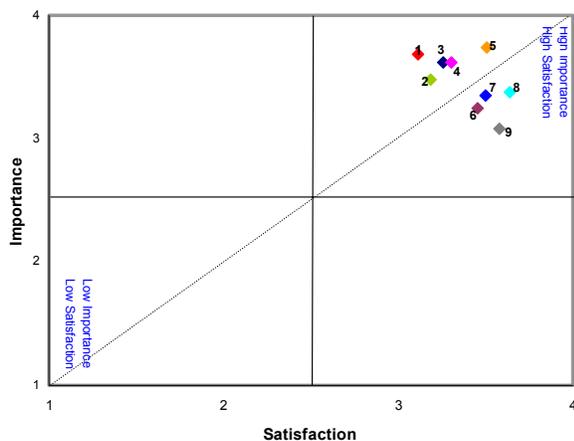


## FY2007 BUDGET PROCESS REVIEW HIGHLIGHTS (#008-06A)

FY2007 was the second full year since the County adopted the *Priority-Based Budgeting* process. In order to evaluate progress of the new budget process and further improve procedures and operations for the upcoming year, the Budget Office conducted its annual FY2007 post-budget survey. Participants were asked to provide feedback and rate their expectation and satisfaction in various areas such as training and preparation, the actual budget process, and the final FY2007 adopted budget document. Participants were also asked to rate themselves and the Budget Office staff on a variety of working relationship criteria, and to comment on the overall budget process.

The survey instrument was sent to a total of 118 persons who participated in development of the FY2007 budget. Fifty-five surveys were returned for a 44.7% response rate. About 67% of respondents identified themselves as management staff; 46% identified themselves as either central or departmental budget or finance staff.

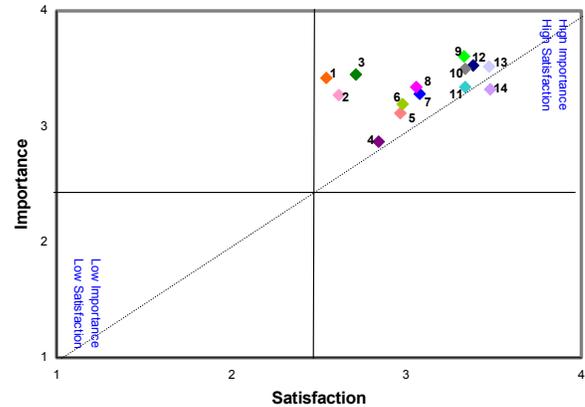
**Results.** The results for FY2007 can best be described as mixed. Satisfaction with the budget steps—training and preparation, the actual budget process, the final FY2007 adopted budget document, and the working relationships with Budget Office staff—was high. Nearly all survey items fell within the desired ‘High Importance and High Satisfaction’ quadrant (see Figures 1-4). Satisfaction rating on many statements improved somewhat while only a few dropped slightly or were unchanged over FY2006. However, ratings of overall satisfaction and how the process compared with the previous year’s process were much less favorable.



**Figure 1. Importance & Satisfaction with Training/ Preparation<sup>1</sup>**

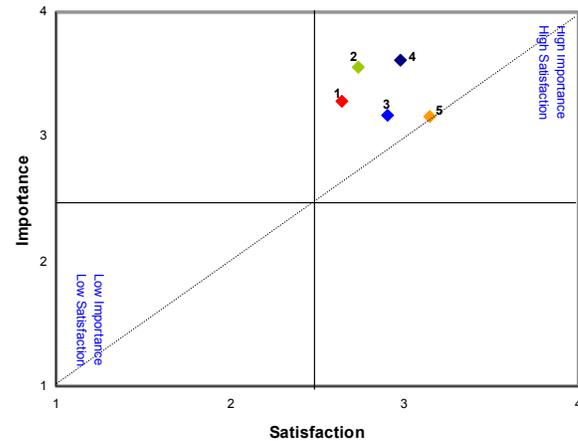
<sup>1</sup> 1) budget manual instructions; 2) program offers quality; 3) informative budget documents; 4) level of budget detail; 5) process

Respondents gave high positive ratings on areas such as web tool, budget management system, quality of program offers, and use of performance measurement.



**Figure 2. Importance & Satisfaction with the Budget Process<sup>2</sup>**

Many respondents believed FY2007 budget process was much improved technically, that FY2007 program offers were better in general than FY2006, and that great strides had been made in performance measurement.



**Figure 3. Importance & Satisfaction with the Budget Document<sup>3</sup>**

calendar; 6) program offer training; 7) knowledge/ skills need to prepare the budget; 8) budget preparation & training; 9) web tool training.

<sup>2</sup> 1) reflects long-term priority/ multi-year strategy; 2) collaboration /shared decision-making; 3) transparent process; 4) use of shadow/ supplemental budget; 5) useful input/feedback from Outcome Team; 6) on-going communication; 7) priority driving resource allocation; 8) performance measure quality; 9) accurate financial information; 10) budget documents on MINT/Internet; 11) view Board ranking via MINT/Internet; 12) confidence in grant/ revenue projections; 13) program offers via MINT/Internet; 14) opportunity to provide input.

<sup>3</sup> 1) meaningful citizens/ stakeholders involvement; 2) budget reflects county priorities; 3) used MINT/Internet to view adopted budget/program offers; 4) program offers adequately describe service; 5) organizing budget by priority area/policy objectives helps.

Both county staff and Budget Office staff rated each others' efforts in developing the budget positively on all measures, especially on the level of professionalism and level of cooperation.

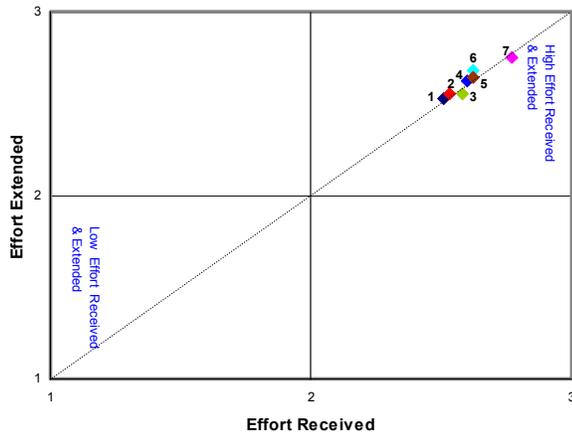
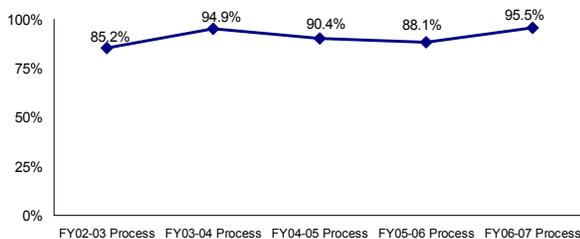


Figure 4. Efforts Extended & Received by the Budget Office<sup>4</sup>

The Budget Office's customer satisfaction was calculated at 95.5% satisfied. This is the highest level since customer satisfaction data collected began.



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

Figure 5. Budget Office's Customer Satisfaction Trends

**Overall satisfaction declined.** The overall satisfaction rating of the budget process dropped over last year. On a scale of 1 to 10, the average mean rating was 6.25 this year as compared to 7.05 reported last year. When asked to compare current year with previous year, only 24.5% of survey respondents reported that the FY2007 budget process was better than the previous year, while nearly half reported FY2007 was worse than FY2006.

**Sources of dissatisfaction.** To explain why overall satisfaction declined over the previous year even though each survey section showed overall high levels of satisfaction, we examined respondent comments. Dissatisfaction stemmed from increased expectation of the process, policy, and political issues.

The majority of survey respondents commented that Priority-Based Budgeting is a good process if it were adhered to from beginning to end. There were concerns

that some principles and procedures of the Priority-Based Budgeting process were not followed this year. The areas of concern included the use of alternative offers and 'savings packages' in the middle of process, and clarifying concepts such as 'current service level' and 'one-time-only vs. ongoing funding.' Those practices were viewed by many respondents as inconsistent with the principles of Priority-Based Budgeting.

Additional comment themes included:

1. Respondents perceived the Outcome Teams rankings as not well considered by officials to make funding decisions; some felt that officials did not take Outcome Team's products seriously.
2. Respondents felt decision making was far more political versus priority or policy driven, and it was less often based on the priority maps created by the Outcome Teams.

**What respondents most appreciated.** Respondents were asked 'identify the one thing you most appreciated about the new budget process.' The following themes were identified:

1. Increased staff/ citizen involvement in the process.
2. Provided better information about programs. Program offers are a huge improvement over the old way of budgeting and offers a chance to hold the program managers accountable.
3. Improved performance measures helped readers understand and evaluate program offers better. This year there was more emphasis on meaningful outcome measures.
4. Encouraged new ideas and proposals to come forward even when there are projected revenue shortfalls. The old constrained budgeting didn't allow most new ideas past the budget request date.
5. Web tools that allowed input and viewing of program data on the MINT/Internet. On-line access to ranking information was also helpful.

**Recommendations.** The following recommendations are based on the survey results and respondent comments:

1. Officials should continue to demonstrate leadership by affirming and following the principles of Priority-Based Budgeting.
2. Officials should provide clear policy direction at the beginning of the process so departments can create quality program offers and avoid 'alternative offers' or 'savings packages' after the fact.
3. Clearly define, strengthen and communicate the role and function of the Outcome Teams.
4. Provide improved and on-going communications throughout the budget process.

A copy of the full 23-page report can be found on-line at: [www.co.multnomah.or.us/budgeteval/](http://www.co.multnomah.or.us/budgeteval/)

<sup>4</sup> 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.