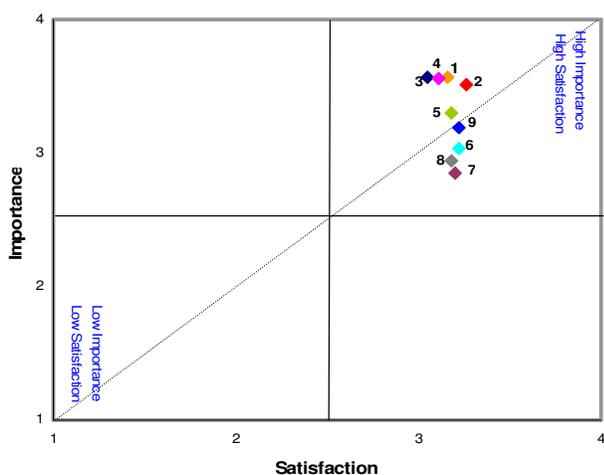


## FY 2009 BUDGET PROCESS REVIEW HIGHLIGHTS

After three years of practicing Priority-Based Budgeting, the County returned to a constraint model in developing the FY2009 budget. As a standard practice, an annual survey was conducted by the Budget Office in July after the FY2009 budget was released. The survey results are intended to be used for improving procedures and operations of the upcoming FY2010 budget process.

The survey instrument was sent to a total of 140 persons who participated in the development of the FY2009 budget. Seventy-two surveys were returned for a 51% response rate. Participants were asked to provide feedback and rate their expectations and satisfaction in various areas such as training and preparation, the actual budget process, and the final FY2009 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.

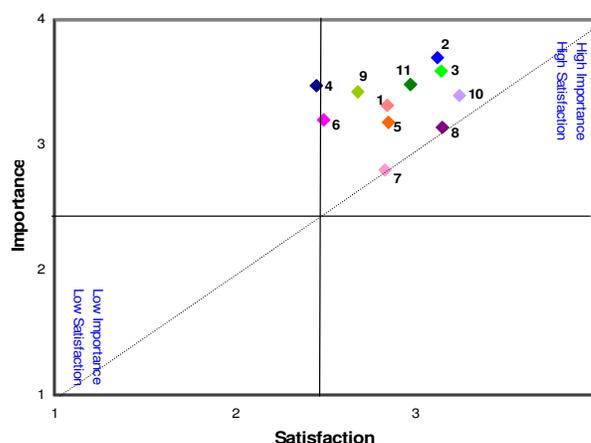
**Budget Training & Preparation.** Overall satisfaction with the budget training/preparation remained high, with all nine items surveyed in this section scoring 3 or above on a scale of 1 to 4. Satisfaction with *budget documents including cost splitter and internal service rates*, while still above 3, had the lowest of satisfaction rating (mean=3.05). The importance rating for *adequate program development training* and *adequate web tool training* dropped below 3 on a scale of 1 to 4. Figure 1 shows that all survey items in training/preparation fell within the desired 'High Importance and High Satisfaction' quadrant.



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

<sup>1</sup> 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 &

**Budget Process.** Quite a few items surveyed in the budget process section had lower satisfaction ratings as compared to the ratings received in FY2008. The areas that still had 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 *collaboration and shared decision-making* and *trust the accuracy of the information in program offers* increased over last year. Overall, the satisfaction with the budget process slightly decreased this year. Figure 2 displays the GAP model for the budget process results.



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

**Adopted Budget.** In this section, *the budget leaves the county in a solid financial position for next year* received a highest rating on importance and *adequate description of the essential components in program offers* received the highest rating on satisfaction. In comparison, satisfaction with *citizen involvement* and *the priorities of the County are reflected in the adopted budget* were lower than last year, although not by much. Large gaps between satisfaction and importance existed for most items surveyed in this section, especially for *budget leaves the county in a solid financial position for next year* (Gap=-1.34) and *clear policy direction for programs funded with one-time-only vs. ongoing Revenue* (Gap=-0.91). Results of gap model are displayed in Figure 3.

training; 7) Adequate program offer development training; 8) Adequate web tool training; 9) Knowledge and skills need to prepare the budget.  
<sup>2</sup> 1) Priority driving resource allocation; 2) Accuracy of the financial information; 3) Confidence in grant and revenue projections; 4) Reflects long-term priority and multi-year strategy; 5) Use quality performance measures; 6) Collaboration and shared decision-making; 7) Use shadow/supplemental budget; 8) Opportunity to provide input; 9) The process was transparent; 10) Review program offers via MINT/internet; 11) Use MINT/Internet for budget documents.

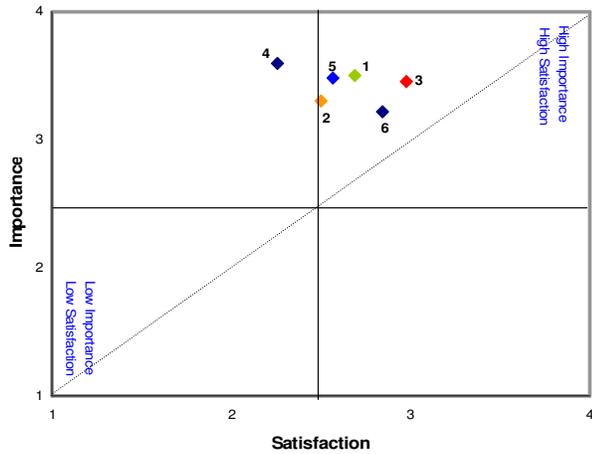


Figure 3. Importance & Satisfaction with the Budget Document<sup>3</sup>

**Efforts Rating.** Both county staff and Budget Office staff rated each other's efforts in developing the budget positively on all measures, 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% in FY2008 (see Figure 4).

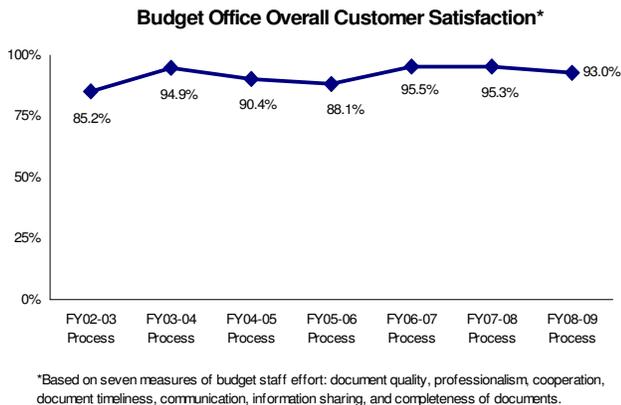


Figure 4. Budget Office's Customer Satisfaction Trends

**Overall Satisfaction Rating for FY09 Budget Process.** 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 overall satisfaction rating of the budget process dropped from 6.44 last year to 5.99 this year. Financial managers (mean=5.7) tended to be less satisfied than department/division directors (mean=6.1), and respondents related to the General Government functional area (mean=5.9) reported less satisfaction than

<sup>3</sup> 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.

respondents from Health & Human Services (mean=6.5).

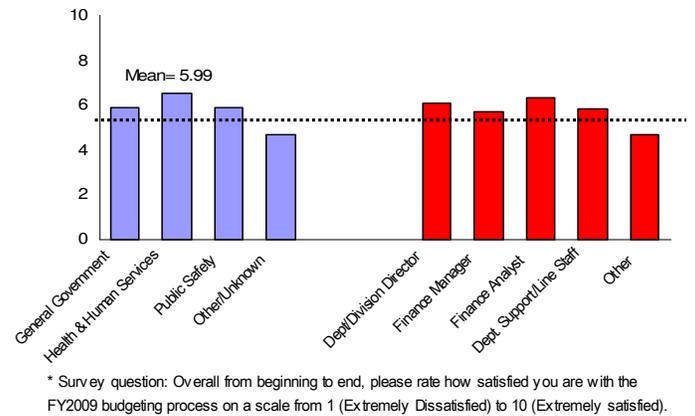


Figure 5. Overall Satisfaction Rating on FY2009 Budget Process

When asked to compare current year with previous year, 36.4% of survey respondents reported that the FY2009 budget process was better than the previous year, 30% felt that there was no difference, and 33.3% felt it was worse than FY2008. Compared to last year's result, there was a large increase in percentage of 'Worse' and relatively small decrease in percentage of 'Better' category. The percent of respondents felt 'No Difference' dropped as expected due to the change of the budget process.

Though with a declined satisfaction overall, several positive aspects of the FY2009 budget process were mentioned by respondents in their written comments:

1. It was good to have Chair's expectations up front. Less politic maneuvering was seen this year.
2. There was more staff involvement in departments.
3. The program offer format made updating easier and less time consuming.
4. Both Budget Office and departmental budget analysts were very supportive in the process.

**Areas to Improve:** Many respondents provided additional comments in open-ended questions. The survey results suggest that the following improvements are needed for the upcoming FY2010 budget process:

1. Release internal service rates earlier and minimize the change. Have more targeted training and make budget documents/instructions/web tool more user-friendly.
2. Stick to budget calendar/timelines, make greater effort to avoid mid-stream change in directions, have more transparency and predictability from Chair's Office.
3. Strengthen and communicate a long-term economic or financial perspectives and multi-year funding strategy.
4. Improve communications on County's policy direction and citizen's involvement in budget process.

The controversial between priority-based budgeting and traditional constraint budgeting was still not settled, as evident by the comments received in the survey.