

# REVIEW OF THE COUNTY BUDGET PROCESS: FY2005 HIGHLIGHTS

The overall results of the 2004-2005 Budget Process Review indicate that in general, participants were relatively satisfied with budget process and outcomes.<sup>1</sup>

- Although participants were satisfied with the outcomes of important elements of the budget process, some satisfaction ratings of the “Budget Process” and the “County Objectives” elements were significantly lower than those of last year.
- Overall satisfaction ratings were moderately high.
- Effort ratings between department staff and the Budget Office staff were high.
- One-third of the participants indicated that this year’s process was better than the last year’s, 44% said that there was no difference between the two years, and 25% said that it was worse than last year.

The survey results also found areas for improvement. Figures 1a and 1b display the budget processes and objectives that had the largest gaps between satisfaction and importance for FY2005 and FY2004. The largest gap was found for “Clear County Policy Direction.” Sixty-five percent of the participants gave a negative rating as to whether this year’s experience changed from the last year’s. Comments from participants indicated that lack of clear policy directions affected communication, collaboration, and timelines negatively. This is the same issue that received the largest gap last year. Moreover, the gap for this issue was much larger this year (-1.71 vs. -1.10). In addition, all except one in Figure 1a (i.e., Understanding of strategic direction) were the same issues that were identified as areas for improvement last year.

Figure 1a. FY2005 GAP Scores

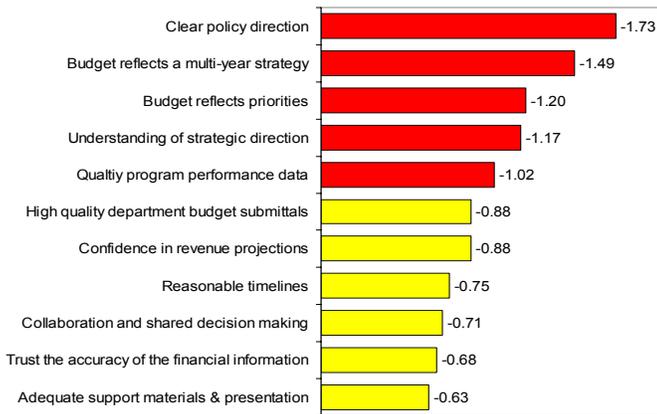
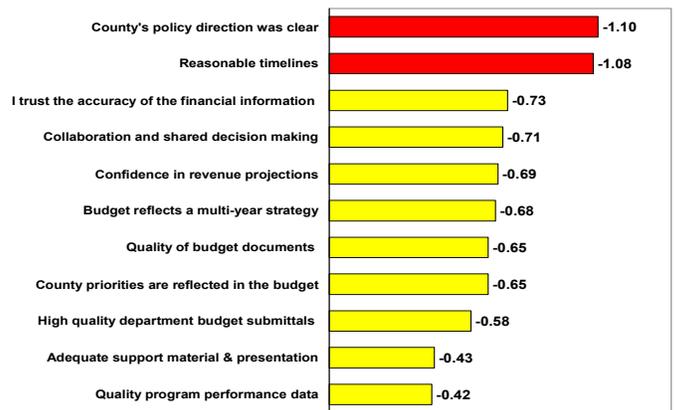


Figure 1b. FY2004 GAP Scores



The GAP models below illustrate the issues with the largest GAP scores (in the upper left quadrant) between satisfaction and importance regarding the **Budgeting Process** (Figures 2a & 2b) and the **County’s Objectives** (Figures 3a & 3b).

Figure 2a. FY2005 Budget Process

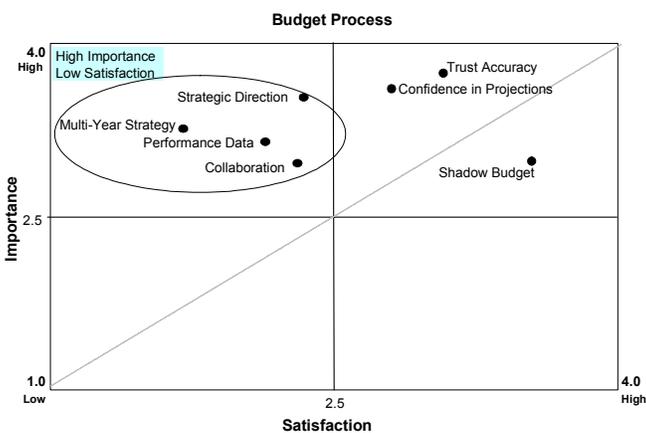
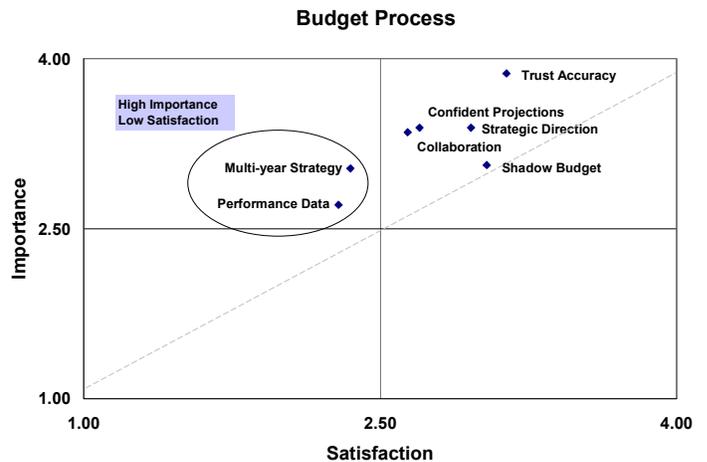


Figure 2b. FY2004 Budget Process



<sup>1</sup> The full 13-page report is available on-line or by contacting the Budget Office (#007-04).

Figure 3a. FY2005 County Objectives

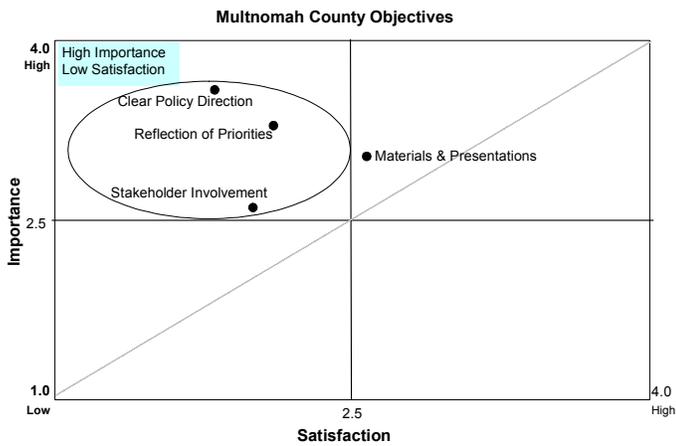
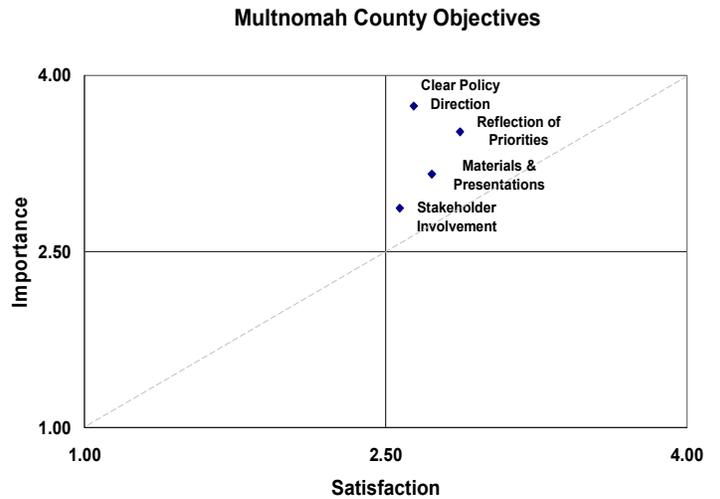


Figure 3b. FY2004 County Objectives



The issues in ovals are what need to be examined closely. These are the issues for which the survey respondents gave higher importance ratings than satisfaction ratings (i.e., larger gaps). Except for “Multi-Year Strategy” and “Performance Data”, that appeared as areas for improvement in the last year’s evaluation, the ratings of the other issues worsened substantially this year. Two main themes emerge from these seven issues: **Policy-** and **People-related**. “Policy” includes Clear Policy Direction, a Multi-Year Strategy, Strategic Funding Allocation Decision-Making, and Priority Setting. “People” issues are Stakeholder Involvement in the budget development and Collaboration among Decision-Makers.

Participants were also asked to rate their overall satisfaction for the budget process. While 62% rated it positively, 16% gave a negative rating. The participants from Health and Human Services Group had the highest average satisfaction rating (Mean=6.93 out of 10), while the lowest average rating came from the Public Safety Group (Mean=5.18).

Satisfaction with “Understanding the Strategic Direction” was the strongest predictor of overall satisfaction. Other significant predictors were “Clear Policy Direction” and “Timeliness of Document Submission” between department and Budget Office personnel.<sup>2</sup>

Based on the above evaluation, efforts to improve future budget processes should focus on providing clear policy directions which will most likely improve the other elements of the process that were rated as less satisfactory (e.g., setting priorities, strategic direction, multi-year funding strategy). The process to develop clear policy direction should collaboratively include relevant stakeholders.

<sup>2</sup> R<sup>2</sup>=.51, F(1, 47)=47.88, p<.001, β=.710 for “Understanding the Strategic Direction”; R<sup>2</sup>=.27, F(1, 45)=16.411, p<.001, β=.517 for “Clear Policy Direction”; and R<sup>2</sup>=.41, F(2, 45)=15.34, p<.001, β=.511 for Budget Office, and β=.316 for Departments for “Timeliness of Document Submission”.