

FY2007 BUDGET PROCESS REVIEW

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A REPORT FOR THE MULTNOMAH COUNTY BUDGET OFFICE

REPORT #008-06

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FY2007 Budget Process Review

The FY2007 was the second 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 FY2008 process, the Budget Office conducted the FY2007 post-budget process survey in July 2006. 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. 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 FY2007 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. 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 FY2007 budget process.

Summary of Results

- ❖ The results for FY2007 can best be described as mixed. 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, 24.5% of survey respondents reported that the FY2007 budget process was better than previous year and 49.1% reported FY2007 was worse than FY2006. Ratings on 'Clear County policy direction' and 'Better communication of policy direction' dropped substantially this year as compared to previous year's rating. Dissatisfaction stemmed from increased expectation of the process and issues at the policy-level.
- ❖ Overall satisfaction with the Budget Training/ Preparation and the Budget Process sections and its congruence with the level of importance was high. Nearly all survey items fell within the desired '*High importance and High Satisfaction*' zone. Satisfaction rating on many statements improved while only a few dropped slightly or were unchanged over FY2006.
- ❖ 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. Respondents' rankings for efforts extended were similar to those efforts received for both the Budget Office and the Departments.
- ❖ The Budget Office's customer satisfaction (rated on seven items) was 95.5% satisfied, the highest level since customer satisfaction data were collected.
- ❖ Survey respondents gave higher ratings or positive comments on areas such as web tool, budget management system, quality of program offers, and use of performance measurement. Many respondents believed FY2007 budget process was much improved technically, that FY2007 program offers were better in general than FY2006, and that great efforts had been made in performance measurement.

- ❖ The majority survey respondents commented that the 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 Priority-Based Budgeting process were not followed. The areas of concern include the ambiguous role of Outcome Teams, 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 budget participants as inconsistent with the essence of Priority-Based Budgeting.

Survey Respondents

This FY2007 budget survey used the same methodology and design as adopted in previous years. The survey instrument was sent anonymously via email to Multnomah County employees whom were identified as direct participants in the development of the FY2007 budget. Two groups of subjects were included in the electronic survey list: 110 county employees and citizens directly involved in the budget process, and eight Budget Office employees.¹ The survey contained four general sections: budget training and preparation, the budget process, the adopted budget, and efforts of budget office staff.

A total of 42 surveys were returned from county employees and citizens, and 13 from the Budget Office staff, for response rates of 38.2% and 100%, respectively. Combined, the overall response rate was at 44.7%, a noticeable drop over last year’s response rate of 62%. Several factors might have contributed to the lower response rate. One was the timing—the budget process survey was sent out shortly after the performance measurement survey was distributed. The similarity in format and close timeframe of two surveys could cause confusion for respondents. They might have thought they already responded to the survey. Additionally, they may have decided not to bother answering another budget related survey due to “survey exhaustion.”

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

Priority Area	N	%		Responsibility	N	%
Accountability	16	29.1%		Department/ Division Dir.	19	34.5%
Basis Needs	12	21.8%		Budget/Finance Manager	18	32.7%
Safety	9	16.4%		Budget/Finance Analyst	7	12.7%
Other/Unknown	8	14.4%		Department Line Staff/other	7	12.7%
Vibrant Community	4	7.3%		Board Member/ Board Staff	4	7.3%
Education	3	5.5%				
Thriving Economy	3	5.5%				
Total	55	100%		Total	55	100%

The Table 1 displays the characteristics of the respondents. More than 67% of respondents identified themselves as management staff (n=37). Also, about 46% of respondents identified themselves as Budget/Finance staff (managers or analysts). Four survey respondents (7.3%) were elected officials or their staff. The distribution of respondents was similar to the distribution

¹ Budget Office staff were asked to respond, and to respond more than once to represent each department they supported. There were eight staff and a total of 10 possible department/agencies/others, for a total of 13 possible responses.

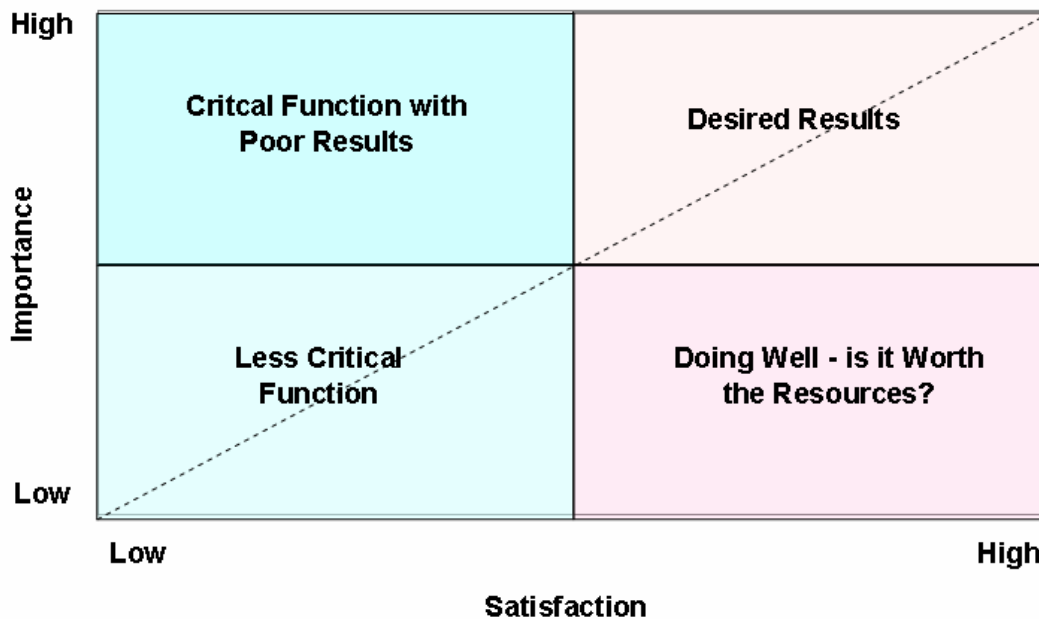
reported in FY2006 budget survey. In terms of priority area, a relatively large percent of survey participants were staff whose work was most typically associated with the Accountability priority area. About 14% (n=8) didn't report the priority area with which they were associated.

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 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.

Figure 1. GAP Model



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 Multnomah County Objectives

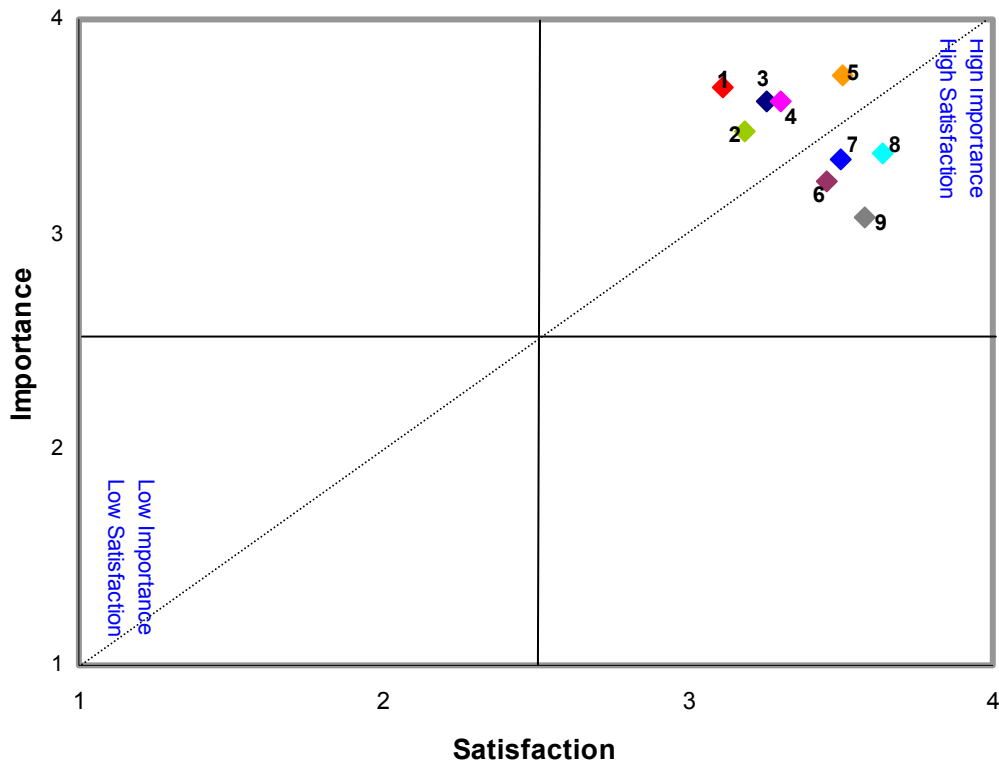
Based on their experience in developing the FY2007 budget, participants were asked to rate their satisfaction by responding to a series of questions that assessed the budget preparation, budget processes, and Multnomah County objectives reflected in final adopted budget. Participants also rated each 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 6 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.

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.

Figure 2. FY2007 Budget Training and Preparation*



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

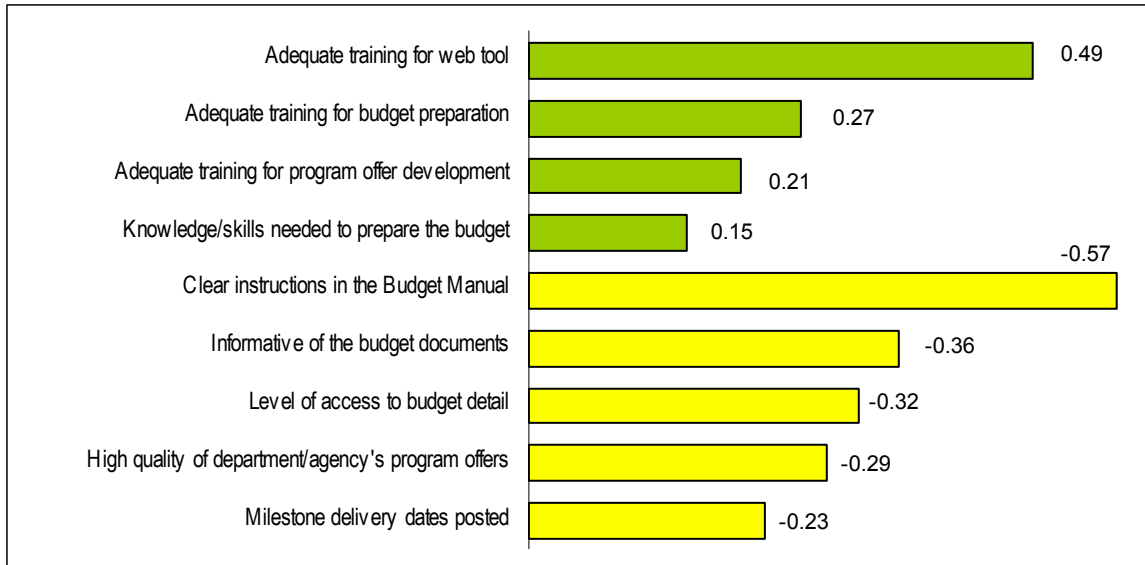
Overall, respondents rated most questions as important, with the highest importance rating for a clearly posted budget calendar. Most respondents were also satisfied with the result; respondents gave the highest satisfaction ratings for trainings (*budget preparation training* [mean=3.64] and *web tool training* [mean=3.58]) and a clearly posted budget calendar (mean=3.51). Satisfaction with *instructions in the Budget Manual*, while still satisfied overall, was rated somewhat lower (mean=3.11) as compared to other ratings in budget training and preparation section, however, it was consistent with last year’s results.

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. Overall, all surveyed areas regarding budget training and preparation were operating within desired parameters (in this case scores between 1 and -1, with 0 being optimal). Items that have a relatively larger gap between Satisfaction and Importance include *Budget Manual Instruction*

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= -0.57) and *Web Tool Training* (Gap= +0.49). The negative gap indicates that further effort should be made to improve the satisfaction in line with the item's importance. The positive gap suggests the level of satisfaction already exceeded the item's perceived importance.

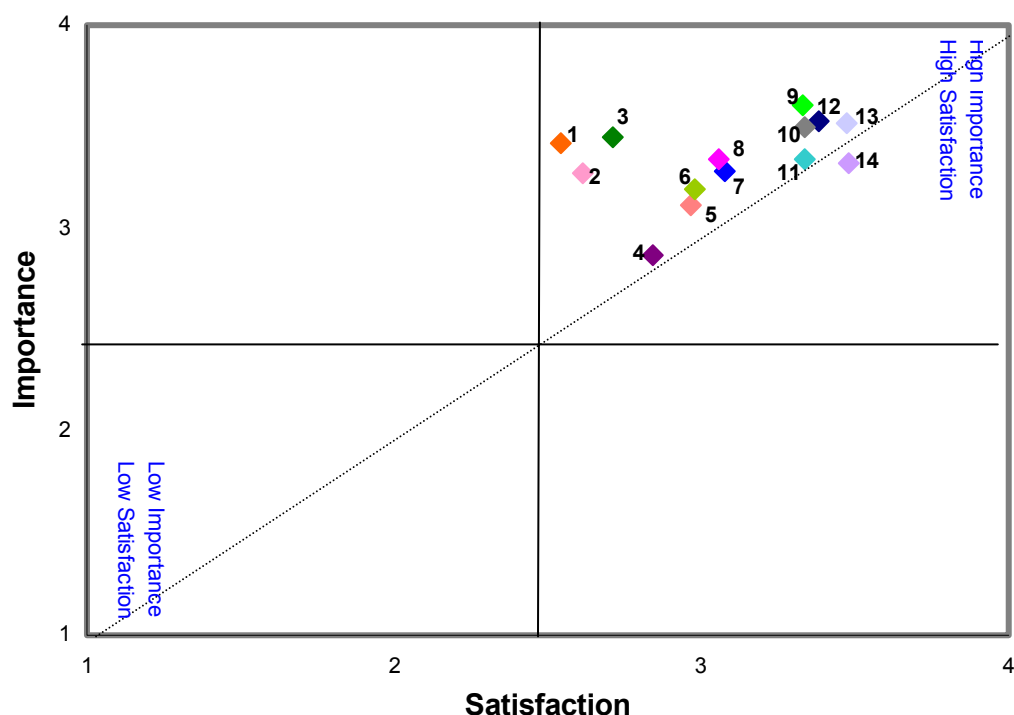
Figure 3. FY2007 Budget Training and Preparation GAP Score (rank ordered)



Budget Process

Figure 4 displays the GAP models for the series of statements related to the **budget process** for FY2007. Overall, respondents rated most questions important and were also satisfied with the results. *Accuracy of the financial information, confidence in grant and revenue projections, viewing program offers and program ranking via MINT/Internet, and using MINT/Internet to locate budget documents* were rated as most important areas. The top three satisfaction ratings were *having opportunities to provide input during the program offer creation or revision, viewing program offers and program ranking via MINT/Internet, and confidence in grant and revenue projections*. The result of GAP model indicates that all surveyed items regarding budget processes were operating within desired parameters.

Figure 4. FY2007 Budget Processes*



Survey questions: 1) Reflects long-term priority and multi-year strategy; 2) Collaboration and shared decision-making; 3) The process was transparent; 4) Use shadow/supplemental budget; 5) Useful input/feedback from Outcome Team; 6) On-going communication; 7) Priority driving resource allocation; 8) Use quality performance measures; 9) Accuracy of the financial information; 10) Use MINT/Internet for budget documents; 11) View Board ranking via MINT/internet; 12) Confidence in grant and revenue projections; 13) Review program offers via MINT/internet; 14) Opportunity to provide input.

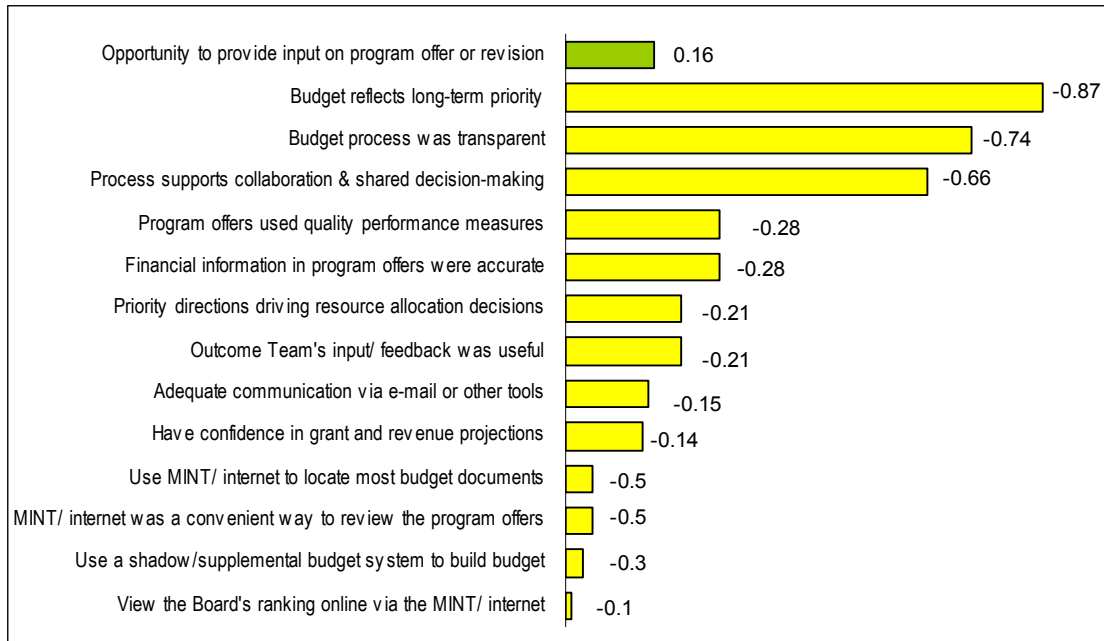
Although agreement between importance and satisfaction were found for all statements related to the budget process (all in 'High importance and High satisfaction' region), relatively larger gaps existed in areas such as *long-term priority and multi-year funding strategy* (Gap= -0.87), *a transparent process* (Gap= -0.74), and *a process that supports collaboration and shared decision-making* (Gap= -0.66). These three aspects of budget process had an average satisfaction rating below 3 and importance ratings above 3. These results were consistent with last years results.

A relatively larger gap between importance and satisfaction was identified last year in the area of *using quality performance measures in program offers*. The findings of FY2007 survey shows this gap was narrowed from -0.55 to -0.28. A more in-depth analysis of performance measurement development in Priority-Based Budgeting was performed by the Budget Office Evaluation.⁴

⁴ The full report (#006-06) is available online at www.co.multnomah.or.us/dbcs/budget/performance/index.shtml

Figure 5 displays GAP scores for all questions related to the budget process. Again, GAP scores in the budget process section could range from -3 to +3. The statements and actual GAP scores for each of 14 items are displayed in the Appendix (Table 6). In addition to individual items, the overall GAP score for the whole section was calculated. It was found that the overall mean satisfaction score (Mean=3.08) for the budget process section was mostly unchanged over the previous year (Mean=3.10).

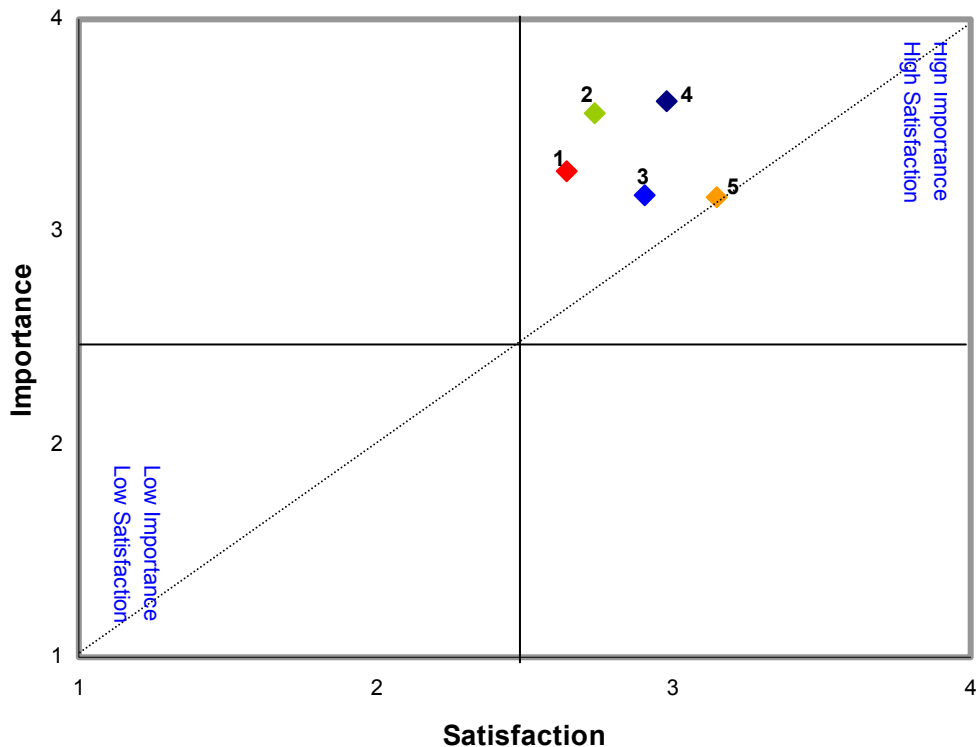
Figure 5. FY2007 Budget Process GAP Score (rank ordered)



The Adopted FY2007 Budget

Figure 6 displays the GAP model for the series of statements assessing how well Multnomah County objectives were reflected in the adopted budget product for FY2007. The highest ratings for importance were the *adequate description of the essential components in program offers* and *county priorities clearly reflected in the adopted budget*, same as reported in FY2006 budget survey. Respondents gave higher satisfaction ratings to *organizing the budget by priority area* and *service components reflected in program offers*. These results were consistent with last years results.

Figure 6. FY2007 Adopted Budget Product*



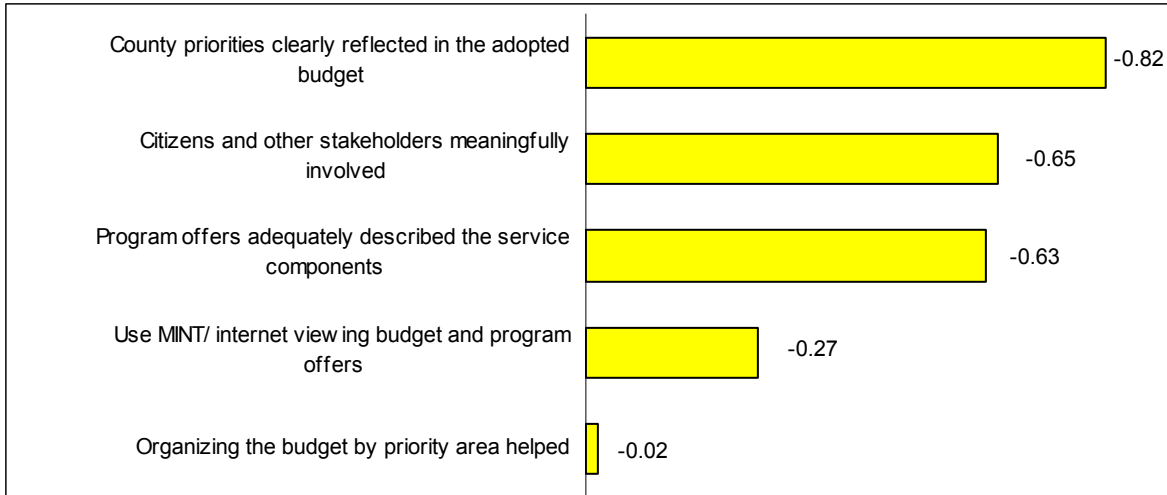
Survey questions: 1) Meaningful citizens and stakeholders involvement; 2) Budget reflects county priorities; 3) Use MINT/Internet to view adopted budget/program offers; 4) Program offers adequately describe service; 5) Organizing Budget by priority area/policy objectives helps.

Last year, the *meaningful citizen and stakeholders' involvement* fell within an area of 'High importance and Low satisfaction' in the GAP chart. This year all statements regarding the adopted budget, including the *meaningful citizen and stakeholders' involvement*, show congruency between the level of importance and the level of satisfaction (High importance and High satisfaction). The rating was slightly improved in area of *meaningful citizen and stakeholders' involvement* – satisfaction score increased from 2.38 last year to 2.64 this year and gap score decreased from -0.70 to -0.65. However, the rating declined slightly for the *county priorities clearly reflected in the adopted budget* statement: the satisfaction score was down from 2.82 to 2.74 and GAP score was up from -0.76 to -0.82.

Figure 7 shows the actual GAP scores for all statements regarding the FY2007 adopted budget. Again, GAP scores in the budget process section could range from -3 to +3, with zero (0) being optimal. There was almost no gap between importance and satisfaction on the statement '*organizing the budget by priority area helped illustrate how program offers were linked to priority maps and policy objectives*', indicating that respondents were quite happy with the way the adopted budget was organized. GAP was also narrowed for the statement of *typically use the MINT/Internet to view program offer*: it went down from last year's -0.53 to this year's -0.27.

Overall, all surveyed areas regarding the adopted budget were operating within desired parameters.

Figure 7. FY2007 Adopted Budget GAP Score (rank ordered)



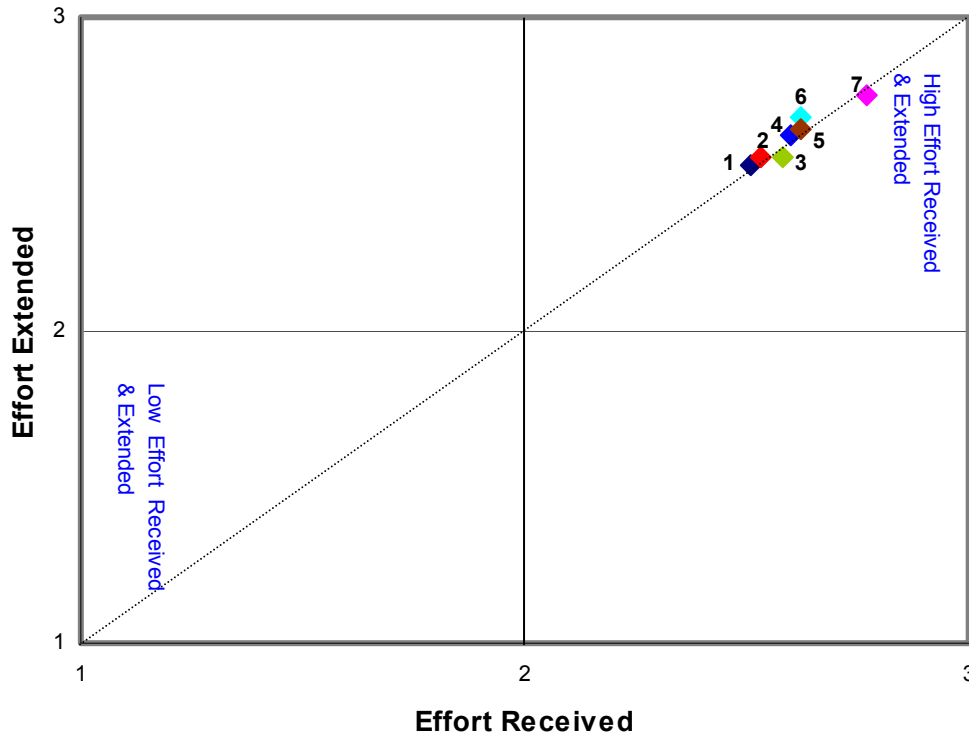
Budget Office and Departmental Staff Efforts

Once section of the survey asks questions 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 by the Budget Office staff.⁵ The Budget Office staff were asked the same of Department staff, all The mean ratings for these statements are listed in the Appendix (Table 6 and 7).

GAP model is used to evaluate the congruence or gaps between effort received and effort extended to, 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. As shown in the following figure, ratings for efforts received and extended on all effort statement were nearly matched. The average rating for efforts received was 2.60 and average rating for efforts extended was 2.62. Not surprisingly respondents in general rated their efforts extended to other party a little bit better than their ratings on efforts received from the other party.

⁵ 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.

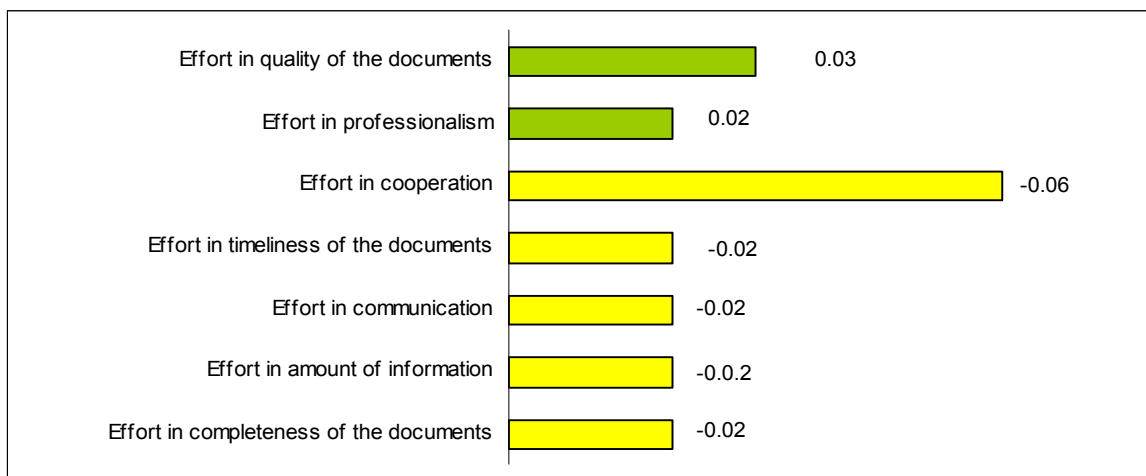
Figure 8. Effort Received from/Extended to Budget Office/Departments*



Survey questions: 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.

The top three ratings for both effort received and extended are professionalism, cooperation, and the communication. Compared to last year, all GAP scores substantially improved, except for area of ‘cooperation’, which the has same GAP score as last year (see Figure 9 for actual scores).

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



The effort ratings were also grouped by respondent group (Departments and Budget Office) to see if there is any difference between their perception of efforts received and extended to each other. The mean ratings and GAP scores are given in the Appendix (Tables 6 and 7). 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.

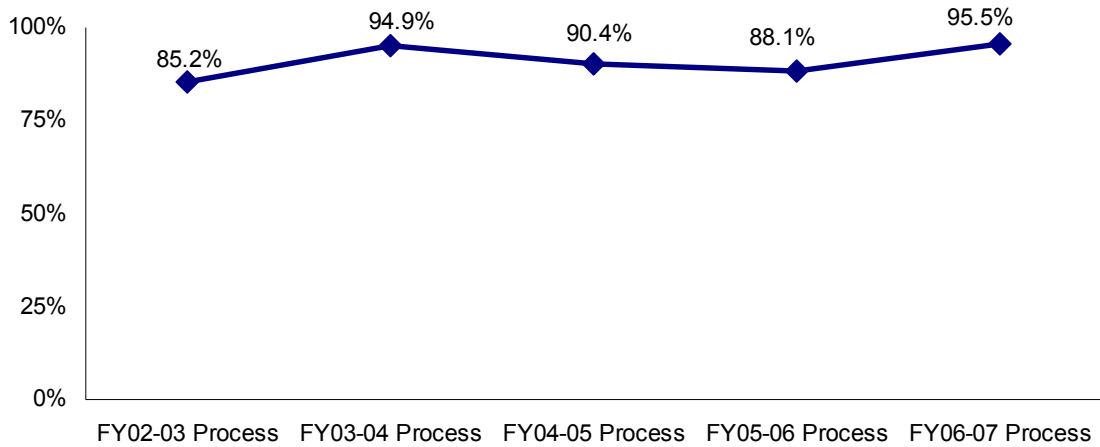
The effort in the *level of communication extended* was the only area identified last year showing as statistically significant difference on ratings between Departments and Budget Office. While there was some improvement over last year, the Budget Office perceived a satisfied yet lower level of communication extended to them by Departments (rating=2.27) than the Departments perceived they had extended to the Budget office (rating=2.64). Other areas that have above average GAP score include *completeness of the documents* and *quality of the documents*. The Budget Office perceived a satisfied yet slightly lower quality and less completion of documents received from Departments than the Departments thought to have delivered to the Budget Office.

The GAP scores on perception of cooperation and professionalism were very small (0.03), indicating the Departments staff and Budget Office staff had similar views on level of efforts received/extended to each other in areas of cooperation and professionalism.

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 294 satisfaction points possible the Budget Office staff earned 281, for a 95.5% overall satisfaction. Figure 10 displays the historical Budget Office performance over the last several years.

Figure 10. Customer Satisfaction with Budget Office Performance

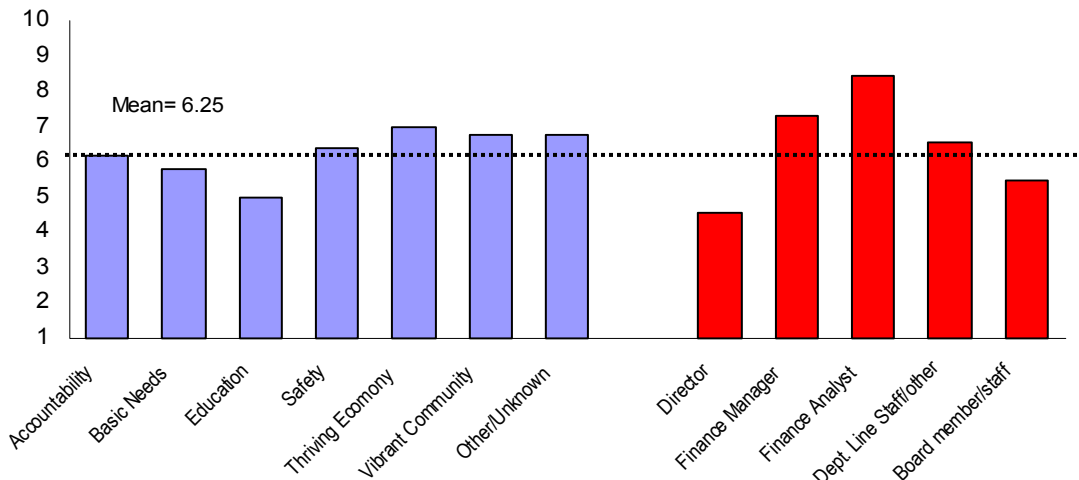


*Based on seven measures of budget staff effort: document quality, professionalism, cooperation, document timeliness, communication, information sharing, and completeness of documents.

Overall Satisfaction Ratings

Participants were asked to provide an overall rating of the FY2007 budget process from beginning to end using a satisfaction scale (1= not satisfied to 10 = exceptionally satisfied). Figure 11 shows the mean results by priority area and by role in budget development.

Figure 11. Overall FY2007 Budget Process Satisfaction Score by Demographic



* Survey question: Overall from beginning to end, please rate how satisfied you are with the new FY2007 budgeting process on a scale from 1 (Extremely Dissatisfied) to 10 (Extremely Satisfied).

The average rating for overall FY2007 budget process was 6.5 out of 10, which is lower than last year's mean score of 7.05. The overall budget satisfaction rating varied by the respondents' relationship to priority area and their role in the budget process. The average satisfaction ratings from Education and Basic Needs priority areas were below 6.25 while ratings from other priority areas were slightly higher.

Satisfaction rating by respondent's job responsibility indicates that finance and budget analysts had the highest overall satisfaction with the budget process while Board members/staff and Departmental directors had below-average ratings. This suggests that decreased satisfaction with the budget process lies more at a policy level than a staff level.

Comparing FY2007 with FY2006

Survey participants were asked to rate their experience for the FY2007 budget process in comparison to the FY2006 budgeting process (worse, no different, or better), and to explain why. Table 2 displays the frequencies of the ratings.

Table 2. FY2007 Budget Process as Compared to FY2006

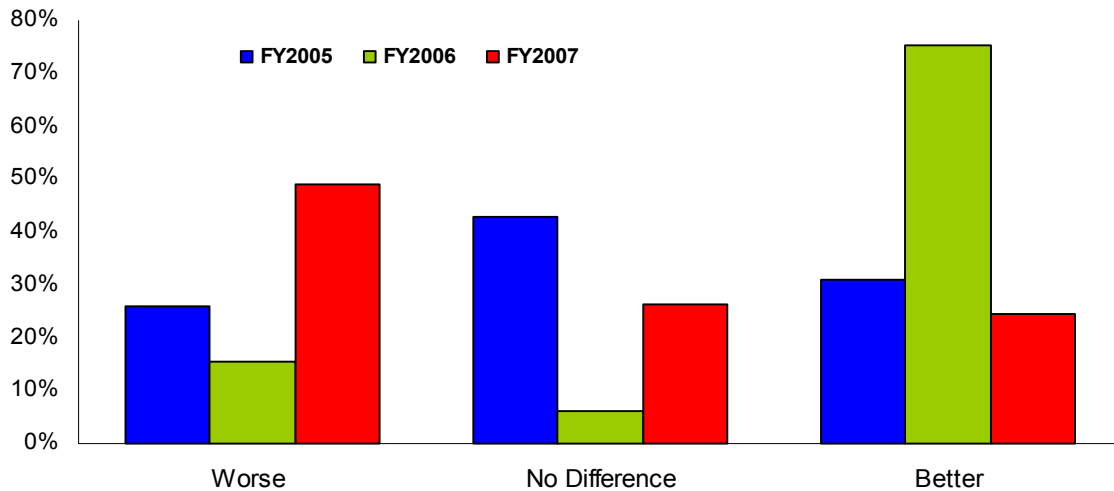
	Number of Responses	Percentage
Worse	26	49.1%
No Different	14	26.4%
Better	13	24.5%
Total	53	100%
Missing	2	-

Forty-nine percent of respondents believed that FY2007 budget process was worse than the process of FY2006 and only a quarter of respondents thought that the FY2007 budget process was better than the previous year. The percent of respondents viewing this year's process as 'no different' sharply increased from 6.2% in FY2006 to 26.4% in FY2007.

Since the same question had been asked for the past three years with the results provided in Figure 12. The Figure shows that the FY2007 results were substantially different from FY2006 and FY2005 budget surveys, with a higher percentage of 'Worse' and lower percentage of 'Better'.

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 FY2007 budget experience was worse than FY2005 because of a higher percentage of 'Worse' in FY2007. Additionally, the budget process of FY2005 was quite different than the processes in FY2006 and FY2007. FY2006 was the first year the County adopted the new priority-based budgeting process, which had the highest level of satisfaction since data collection began.

Figure 12. Comparison of Current Year and Previous Year on Overall Rating



Being the highest level some regression towards the mean was expected, however, the FY2006 and FY2007 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.*’

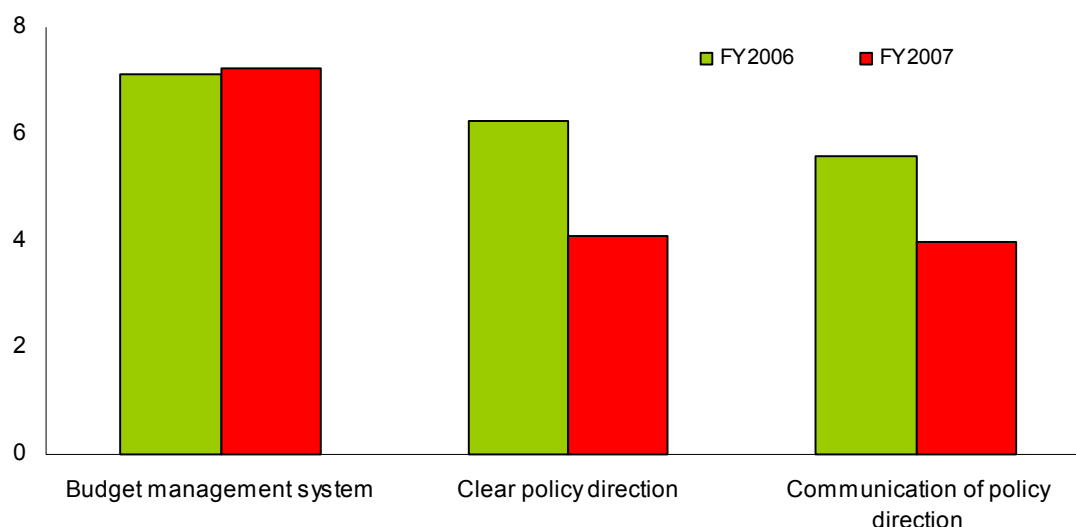
Last year, survey participants were asked to rate improvement in three specific areas: The budget management system, County policy direction, and communication of policy direction. The same questions were asked in this year’s survey. Using a scale from 1 (Substantially Worse) to 10 (Substantially Improved), the average ratings obtained from the FY2007 budget participants were displayed in the Table 3.

Table 3. How These Issues Have Changed This Year

	N	Mean	SD
The Budget Management System	44	7.25	2.06
Clear County Policy Direction	51	4.08	2.60
Better Communication of Policy Direction	51	3.98	2.66

Compared to last year’s ratings, slight improvement was found in ‘*Budget management system*’, with average rating increased from 7.11 to 7.25. Unfortunately, ratings for other two areas- ‘*Clear county policy direction*’ and ‘*Better communication of policy direction*’ were much worse than reported in FY2006 budget survey (See Figure 13). Mean score for ‘*Clear county policy direction*’ was 6.13 and mean score for ‘*Better communication of policy direction*’ was 5.60 in FY2006 budget survey. This lends support to the notion that decreased satisfaction with the budget process lies more at a policy level than a staff level.

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



Comparing Overall GAP Scores

The overall score was obtained by summing up all individual GAP scores for each section surveyed and compared to the overall sections last year. Table 4 displays the aggregate GAP scores for four areas covered in both FY2006 and FY2007 budget surveys.

Table 4. Overall GAP Score Comparison (mean satisfaction ratings in parentheses)

Budget Year	Training/ preparation (9 questions)	Budget process (14 questions)	Adopted budget (5 questions)	Effort received* (7 questions)
FY2006	-2.99 (3.19)	-3.14 (3.10)	-2.71 (2.76)	-2.99 (2.46)
FY2007	-0.66 (3.39)	-3.63 (3.08)	-2.39 (2.88)	-0.66 (2.60)

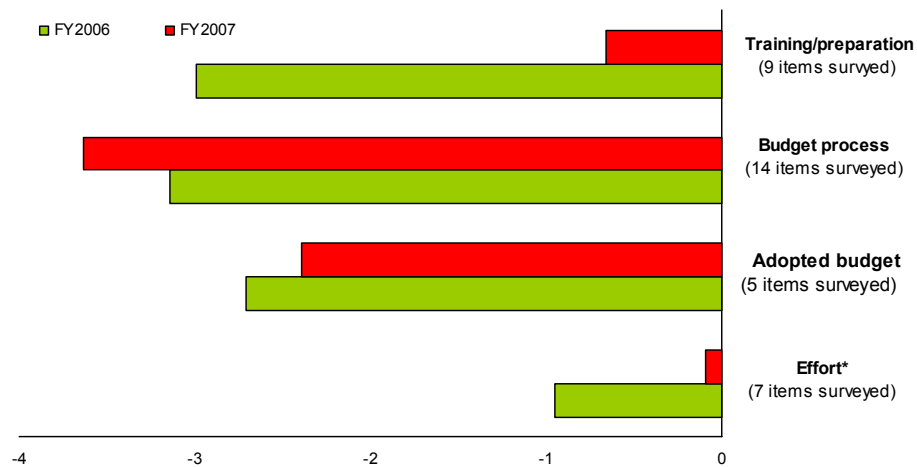
*Note that Effort is scaled on a 3-point scale, while other areas use a 4-point scale.

Comparing FY2007 results with FY2006, it was found that the overall GAP score was significantly decreased in areas of *‘Training/budget preparation’* and *‘Effort received or extended’* while the overall satisfaction rating in those two areas increased. The overall GAP score was also reduced for *‘Adopted budget’*, largely due to smaller gaps in the areas of *MINT/Internet access to budget document* and *organizing budget by priority area*. The increased satisfaction in budget document access and budget organizing format helped raise the overall satisfaction rating for the *‘Adopted budget’* section although satisfaction in the area of *‘County priorities clearly reflected in the adopted budget’* decreased somewhat over last year. Of the four survey sections compared, *‘Budget process’* is the only one that shows a slight decrease in its overall satisfaction rating and increase in aggregate GAP score. The statements within *‘Budget process’* section was worse than last year’s rating include *‘the priority directions drive resource*

allocation decision’, ‘the new process supports collaboration and shared decision-making’, and ‘overall the budget process was transparent’.

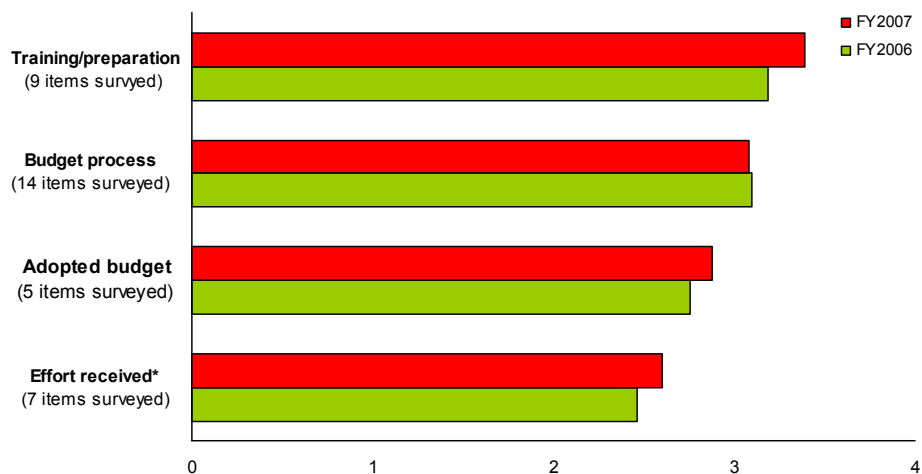
The comparisons below (Figure 14 & 15) indicate that, although the overall satisfaction rating for FY2007 budget experience dropped from 7.1 last year to 6.5 this year, there were some improvements over FY2006 in specific areas surveyed. The changes in rating and GAP score on four sections surveyed were not as large as seen in the overall satisfaction. It also appears that the drop in satisfaction was the most dramatic when directly asking respondents to make a comparison between FY2006 and FY2007. Forty-nine percent (49%) said the FY2007 budget process overall was worse than FY2006 and 50.9% answered better or no different (see Figure 13). However, comparing the GAP score and satisfaction rating on specific items or areas suggests a slightly different picture.

Figure 14. Overall GAP Scores (aggregated) in Four Areas Surveyed



*Note that **Effort** is scaled on a 3-point scale, while other areas are 4-point scales.

Figure 15. Overall Satisfaction Scores (mean rating) in Four Areas Surveyed



*Note that **Effort** is scaled on a 3-point scale, while other areas are 4-point scales.

Examining the overall GAP scores shows improvements in training and preparation, efforts, and the final adopted budget over last year. Only the section examining the budget process overall showed a worsening GAP. Examination the satisfaction scores (Figure 14) shows that overall satisfaction was relatively unchanged over last year. Therefore, the increased GAP seen in this years budget process was due to an overall increase importance placed on the process. It suggests that participants had a raised level of expectation of the process over last year, and that this increased expectation wasn't met.

Participant Comments about the Budget Development Process

The survey participants were also provided with opportunities to comment on the FY2007 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. About 80% of respondent provided written comments and feedback to the open-ended questions.

What Respondents Most Appreciated

In answering the question of '*identify the one thing you most appreciated about the new budget process*', the following aspects were mentioned by the respondents:

- Allow more staff/citizen involvement in the process. Having everything online and a more public process.
- Provide 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.
- Improved performance measures helped understand and evaluate program offers better. This year there was more emphasis on meaningful outcome measures.
- Encourage 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.
- Web tool that allows to input and view program data on the MINT/Internet. Access to ranking information was also helpful.

What Respondents Found Most Disappointing

Respondents were asked to write additional comments if they were not satisfied with the FY2007 budgeting process:

- The Outcome Teams rankings were not well considered by the Board to make funding decisions. Both Chair and Board members did not take OT's products seriously.
- The alternative offers and saving package did not adhere to the principle of priority-based budgeting. Those offers were to meet the policy needs of the Board and made the ranking less useful.
- The decision making was far more political versus priority or policy driven. With an election year, it appeared that politics and personal agendas were used to rank program offers instead of the priority maps created by the Outcome Teams.

Suggestions for Improvement

Participants were asked to identify important changes that they felt would improve the budget process. The most common theme was related to clear policy and procedure direction, strong and cohesive leadership from the Board commissioners, and continuous improvement on program performance measurement. Specific technical suggestions such as standardize presentation format for all departments, compress the schedule, and have the Outcome Teams' ranking counted as a vote were also mentioned.

- Clear policy direction at the beginning of the process so that departments could create good program offers from the outset. The mid process decision to split program offers into multiple offers was confusing to some participants.
- Continue to insist on strong, relevant, rigorous performance measures. Hold program managers accountable for the performance measures.
- Outcome Team input should weigh more heavily in the Board discussion and decision-making. There should be more one-on-one Board interaction with the Outcome Teams.
- Provide cohesive and consistent leadership, including a collaborative process between the Chair and the rest of the Board. Elected officers need to affirm that they will follow the process and stick with it.

Other suggestions include compressing the schedule/process, earlier review of program offers by the Budget Office, eliminating savings packages, having the Outcome Team's rating counted as vote, and clearer demonstration about cost of operating program vs. cost of administration and support in program offers.

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.

The bright side:

- Maturity with the priority-based budgeting process on the part of the Budget Office and the program offices. Lessons learned from previous year, and more understanding and familiarity with the process. The process in general is getting better and easier.
- Enhanced technology. Better web tools to contain performance measurement data in the program offers. The new and improved reports from the budget web tool were a huge help, as well as other tweaks or enhancement to the web tool.

The major downsides:

- Public input and staff suggestions were largely ignored. The Board did not follow the Outcome Team's rankings or the CBCA recommendations and did what they wanted to do in the end.
- Too much political squabbling. We lost the focus on priority-based budgeting as the process developed. Towards the end of the process, the Board seemed to revert back to a constraint budget process through use of 'savings packages' or 'one time only' programs.

Conclusion

The FY2007 budget survey presents a mixed result. On the one hand, the majority of survey respondents agreed the second year priority-based budget process was much improved technically and satisfaction ratings on many specific survey items either improved or maintained at similar level as last year. On the other hand, the political and policy clash among the elected offices made the overall experience less pleasant for the budget participants. This explains why the overall satisfaction rating dropped quite a bit while there was not much change in most of the specific areas when results of FY2007 GAP scores and satisfaction rating were compared with the FY2006 survey results.

Many respondents commented that FY2007 budget process was much easier to maneuver having had a year's worth of experience. The priority-based budgeting is a good process if all stakeholders determine to stick to its prescribed course. They also viewed the quality of program offers as having improved this year: collectively, the program offer provides a precise, concise, and clear picture of what services the County is providing and what outcomes are expected.

Survey participants especially appreciated the enhanced budget web tools that standardized performance measurement data input and provided some useful pre-made reports. The satisfaction ratings for MINT/Internet access of budget information were among the highest ratings of the budget process. There was little gap between satisfaction and importance reported in these areas.

Respondents continue to give high marks on the efforts they received from the Budget Office. The Budget Office was also satisfied with the professionalism, support and cooperation they received from the departmental staff. The GAP scores between efforts received and extended were further narrowed.

The areas that caused major concern were over-heated politics and faithful adherence to the Priority-Based Budgeting. Respondents were worried there were too much politics involved in the process. They commented that Chair and Board paid less attention to Outcome Teams' work in their decision making and more to their own political/policy preference. The Outcome Teams' ranking on program offers were largely ignored once the budget got to the Chair and the Board. A split Board also sent a mixed message in terms of the County policy direction and long-term strategies.

Some aspects of the FY2007 process made respondents questioned if priority-based budgeting was actually followed. It was believed that the essence of Priority-Based Budgeting was to reevaluate programs every year and allocate funds based on priority and performance. So theoretically, all funds are 'One time only'. The use of 'savings packages' and dividing funds into OTO and ongoing in the middle of the process caused confusion. Apparently, there is a need to discuss how to implement the principle and procedure of Priority-Based Budgeting in an ever changing budget environment/circumstance and make sure the right course will be faithfully followed.

Priority-Based Budgeting is a huge departure from the old process. Therefore the problems or difficulties encountered in the second year were rather understandable. The purpose of this budget process review is to help improve the future budget process through analyzing the feedback provided by budget participants. The following suggestions were provided based on the survey results and respondent comments:

- ◆ Make sure elected offices ‘buy-in’. The second year experience indicate that sticking to PBB process from beginning to end was much harder, especially for elected offices who were facing great political pressure. However, for new priority-based budgeting to succeed the elected offices’ buy-in is the most critical. Chair and the Board must continue to demonstrate their leadership in priority-based budgeting process and stay firm in following PBB principles.
- ◆ Provide clear policy direction at the beginning of the process. Lesson learned from FY2007 budgeting indicates that the mid-process decision to split program offers and create new type of offers caused confusion and duplicated work. The Chair and Board need to determine up front what they would like to see in the offers so that departments could create good and quality program offers from the beginning.
- ◆ Improve interactions between Outcome Teams and the Board as well as between Outcome Teams and departments. There is a need to provide some sort of mechanism for collaboration across departments in the County budgeting process. A clearly defined role and function for Outcome Teams will help them produce more meaningful products. The work of Outcome Teams should be better integrated into executive and adopted budgets.
- ◆ Further improve efficiency of the budget process through better communication, well planned calendar, clearly defined concepts and procedures, and continuous improvement in budget tools. Continue to strengthen outcome-focused budgeting by insisting on strong, relevant, and rigorous performance measures.

Evaluation

This research demonstrates accountability and good government. Appropriate evaluation of program implementation, measurement of results, determination of cost-benefits, and continuous quality improvement are critical to maximizing public resources and making data-driven policy decisions. To assure quality, this project was performed in accordance with the *American Evaluation Association’s Guiding Principles for Evaluators*.

It took the Budget Office Evaluation staff approximately 62 hours to complete this research. Based on the Budget Office’s FY06-07 program offer (#72018A), the fully loaded cost-per-hour averaged \$70.50. The evaluation component of this project cost Multnomah County approximately \$4,370.

Appendix A

Table 5. Averages and GAP Scores for Budget Preparation, Processes, and Adopted Budget (rank ordered)

Survey Questions	Satisfaction*		Importance**		S-I
	Mean	SD	Mean	SD	Gap
Budget Training and Preparation					
The instructions in the Budget Manual were clear.	3.11	0.67	3.69	0.54	-0.57
The budget documents (e.g., Personnel cost planner, FTE/-Cost splitter, Internal Service Rates, etc.) were informative	3.26	0.53	3.62	0.60	-0.36
I was satisfied with the level of budget detail to which I had access.	3.30	0.72	3.62	0.60	-0.32
My department/agency's program offers were of high quality.	3.19	0.62	3.48	0.67	-0.29
The milestones delivery dates to develop the budget were clearly posted (budget calendar).	3.51	0.61	3.74	0.44	-0.23
I had the knowledge/ skills/ abilities I needed to prepare the budget in the web tool.	3.50	0.58	3.35	0.65	0.15
Adequate program offer development training was made available to me.	3.46	0.62	3.25	0.64	0.21
Adequate budget preparation training was made available to me (budget boot camps, rodeos, individual assistance, etc)	3.64	0.53	3.38	0.57	0.27
Adequate web tool training was made available to me.	3.58	0.50	3.09	0.69	0.49
Budget Process					
I believe the budget reflects a long-term priority and multi-year funding strategy.	2.55	0.90	3.42	0.72	-0.87
Overall, the budget process was transparent.	2.71	0.83	3.44	0.60	-0.74
The new process supports collaboration and shared decision-making.	2.61	0.88	3.27	0.60	-0.66
My department/ agency's program offers used quality performance measures.	3.06	0.71	3.34	0.68	-0.28
I trust the accuracy of the financial information contained in my department/ agency's program offers.	3.33	0.64	3.61	0.60	-0.28
The Outcome Team's program offer input/ feedback was useful.	2.98	0.78	3.19	0.86	-0.21
In general, I understand the priority directions driving resource allocation decisions.	3.07	0.74	3.28	0.71	-0.21
I typically used the MINT/ internet to locate most budget related documents.	3.33	0.64	3.50	0.61	-0.17
On-going email, newsletters, Team meetings and web posting adequately communicated the new process to me.	2.96	0.61	3.11	0.63	-0.15
I have confidence in my department/ agency's grant and revenue projections.	3.38	0.53	3.53	0.58	-0.14
The MINT/ internet was a convenient way to review the program offers.	3.47	0.66	3.52	0.57	-0.05
Excluding the web tool and SAP, I used a shadow/supplemental budget system to build my budget.	2.84	0.86	2.87	1.01	-0.03
I viewed the Board's ranking of program offers online via the MINT/ internet.	3.33	0.70	3.34	0.65	-0.01
I had an opportunity to provide input during the program offer creation or revision.	3.48	0.54	3.32	0.55	0.16
The Adopted Budget					
The priorities of the County as an organization were clearly reflected in the adopted budget.	2.74	0.68	3.56	0.60	-0.82
Citizens and other stakeholders were meaningfully involved in the development of the budget.	2.64	0.68	3.29	0.78	-0.65
Program offers that adequately described the essential components of the service to be delivered.	2.98	0.51	3.61	0.56	-0.63
Since the budget was adopted, I typically use the MINT/ internet versus the printed adopted budget document to view program offers.	2.90	0.81	3.17	0.79	-0.27
Organizing the budget by priority area helped illustrate how program offers were linked to priority maps and policy objectives.	3.15	0.56	3.17	0.72	-0.02

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

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

Table 6. 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	2.62	0.66	2.68	0.47	-0.06
The completeness of the documents	2.60	0.53	2.62	0.53	-0.02
The level of communication	2.62	0.56	2.64	0.48	-0.02
The timeliness of the documents	2.51	0.64	2.53	0.58	-0.02
The amount of information	2.53	0.67	2.55	0.57	-0.02
The quality of the documents	2.58	0.50	2.55	0.50	0.03
The level of professionalism	2.77	0.51	2.75	0.43	0.02

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

Table 7. 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 Budget Office	2.67	0.61	2.64	0.50	0.03
The level of cooperation you extended to the Budget Office	2.69	0.47	2.45	0.82	0.24
The completeness of the documents you received from the Budget Office	2.67	0.53	2.55	0.52	0.12
The completeness of the documents you submitted to the Budget Office	2.64	0.53	2.36	0.50	0.28
The level of communication you received from the Budget Office	2.71	0.51	2.64	0.50	0.08
The level of communication you extended to the Budget Office	2.64	0.48	2.27	0.65	0.37**
The timeliness of the documents you received from the Budget Office	2.55	0.67	2.45	0.52	0.09
The timeliness of the documents you submitted to the Budget Office	2.55	0.59	2.36	0.50	0.18
The amount of information you received from the Budget Office	2.57	0.63	2.36	0.67	0.21
The amount of information you shared with the Budget Office	2.60	0.54	2.36	0.81	0.23
The quality of the documents you received from the Budget Office	2.67	0.48	2.55	0.52	0.12
The quality of the of documents you submitted to the Budget Office	2.55	0.50	2.27	0.47	0.27
The level of professionalism you received from the Budget Office	2.79	0.47	2.73	0.47	0.06
The level of professionalism you extended to the Budget Office	2.76	0.43	2.73	0.65	0.03

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

** The difference is statistically significant at 0.05 level.