RETHINKING BUDGETING

READINESS ASSESSMENT

1.	A strong budget process **is aligned to a strategic plan and/or current organizational priorities**. Resources are clearly allocated to reflect current organization and community goals.

To what extent does our current budget align with our strategic plans or strategic goals?	**1** We do not have a strategic plan as a guide for resource allocation	**2** We have a strategic plan but we are not using it to directly guide budget decisions	**3** We link resource allocation to specific bullet points or initiatives articulated in the strategic plan or organizational priorities	**4** We allocate resources in strong alignment with our strategic plan or strategic goals
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do we do well in our budget process to ensure alignment with our organizational priorities?				
What are our biggest opportunities related to aligning strategic planning with our budget?				

2.	A strong budget process **relies not only on organization inputs and outputs, but also focuses results**. Performance indicators and outcome tracking are part of the budget process.			
To what extent does our current budget focus on outcomes, results and data?	**1** We are focused primarily on inputs and which department gets resources	**2** We are focused primarily on outputs (quantification of services) at the department level	**3** We are focused primarily department or service level outcomes	**4** We are focused primarily on funding jurisdiction or community wide outcomes and results
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do we do well in our budget process to focus on outcomes, results or performance?				
What are our biggest opportunities to incorporate outcomes into our budget?				

3.	A strong budget process **encourages collaboration across departments** and helps to resolve conflicts.

How would we rate our current budget process in terms of encouraging collaboration across departments:	**1** Departments works mostly with budget staff (not each other) to determine budget	**2** Departments somewhat siloed and share information with other departments but mostly work with budget staff	**3** Cross-departmental committees hold substantive discussions to ensure broad understanding of each function's requests	**4** All departments advocate for alignment with strategic goals, not just their departmental requests
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do we do well in our budget process to increase staff collaboration and mitigate conflicts with scarce resources?				
What are the biggest opportunities for cross department collaboration?				

4.	A strong budget process **promotes collaboration with elected officials** to help foster a trusting relationship between elected officials and staff.			
How would we rate our current budget process in terms of encouraging collaboration with elected officials:	**1** Staff share enough information with elected officials to get the budget approved	**2** Staff presents draft budget but identifies key areas where electeds should have input	**3** Staff share information with elected officials to and identify key trade offs for electeds to consider	**4** Staff and elected officials engage in iterative conversations and activities throughout the budget process
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do we do well in our budget process to incorporate elected official collaboration?				
What are our biggest opportunities to facilitate elected official collaboration?				

5. A strong budget process **is created through a strong engagement with constituents**. Residents and members of the business community from all backgrounds should be heard and values included.

What best describes the incorporation of constituent opinions and priorities into our budget process?	1 Budget information is presented to constituents	2 We share budget information and provide opportunities for constituent feedback.	3 We actively seek and use input from constituents including town hall meetings and surveys	4 We create deliberate processes for constituents to provide input on key budget trade offs and inform constituents on how that input is used
What direction do you think your organization is heading in this area?	1 Trending downward	2 Stable	3 Trending Upward	4 Don't Know
What do we do well in our budget process to incorporate the constituent voice?				
What are our biggest opportunities in incorporating constituent voice in the budget?				

6.	A strong budget process **provides opportunities to build trust** between constituents, elected officials and government staff.

How transparent is our budget?	**1** We hold legally required public meetings and post documents online	**2** We disclose material online in a manner easily accessible to the public	**3** We use communication tools specifically geared to enhance public understanding of the budget (e.g. data dashboards, the Popular Annual Financial Report. etc.)	**4** We present financial data in an interactive manner that makes the connections between public services, taxes paid and community quality of life. Taxpayers can readily see how their individual contributions support public services.
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do we do well to create transparency in our budget process?				
What opportunities do we have to create more budget transparency?				

7. A strong organization (one ready to move forward to improve their budgeting process) **has leaders who support innovation** to support organizational growth. An interest in innovation, a tolerance for acceptable risk and the ability to adapt well to change are prerequisites of this culture.

[Note: The definition of "Leader" should be decided as a group prior to the discussion as this may vary by organization.]

How would we best describe our leadership style related to innovation?	1 Leadership has little or no interest in innovation	2 Leadership is open to innovation, but probably would prefer not to change	3 While innovation is not a high priority for leadership, they probably would support it	4 Innovation is a priority for leadership
What direction do you think your organization is heading in this area?	1 Trending downward	2 Stable	3 Trending Upward	4 Don't Know
What do we do well when it comes to fostering innovation?				
What are our biggest opportunities when it comes to fostering internal innovation?				

8. A strong organization **empowers its budget staff** to take ownership and make important changes to budget processes.

[Note: The definition of "Budget staff" may refer to persons only in the budget department or also include budget analysts within departments depending on your organizational structure. The definition should be decided as a group prior to the discussion .]

	1	2	3	4
How empowered are our budget staff?	Budget staff mostly update the budgets similar to years past and has little say in any changes to the process	Budget staff have limited ability to influence small changes to the budget process	Budget staff has the ability to influence specific parts of the budget process	Budget staff has regular opportunity and support to alter or change the budget process as they see fit

	1	2	3	4
What direction do you think your organization is heading in this area?	Trending downward	Stable	Trending Upward	Don't Know
What do we do well when it comes to budget staff empowerment?				
What opportunities do we have to give budget staff more leadership in the budget process?				

9.	A strong organization dedicates appropriate human capital to the budget to ensure we are creating both a strong budget and effective process.			
How would we rate the capacity of our current staff related to new budgeting techniques?	**1** Staff have limited capacity (both skills and time) to improve our budget process	**2** Staff have limited time or limited skills to improve our budget process	**3** Staff have moderate skills but are limited on time or have the time but are limited on skills	**4** Staff have the skills and are generally given the time needed to improve our budget process
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What do our budget staff do well?				
What is our biggest challenge to increasing new staff skills and knowledge?				
Do staff have the time to commit and learn new ways to budget?				

10.	A strong organization uses integrated, agile technology that allows for flexibility, promotes efficiency and informs engagement and planning.			
	1	**2**	**3**	**4**
What best describes our use of technology to increase budget efficiency and modernization?	Our current technology prohibits our ability to be efficient or forward moving in our budget process	Our current technology assists with our ability to be efficient but is not helpful to help us to adopt new budgeting practices	We have adequate technology but could improve on how well we leverage our existing resources to increase efficiency and help us adopt new budgeting practices	We leverage technology well in our budget process to not only build efficiency but also move us forward into into new, more modern budgeting practices
What direction do you think your organization is heading in this area?	**1** Trending downward	**2** Stable	**3** Trending Upward	**4** Don't Know
What is currently working well with our budget technology and tools?				
What are our biggest opportunities related to incorporating new technology and tools?				

New Approaches **Better Outcomes**

GFOA would like to thank the following firms for helping to develop and test this assessment tool.

Polco provides next-generation engagement solutions and data-driven insights that unite governments and residents for stronger, healthier communities. Polco's industry-leading surveys, government performance data and interactive simulations engage residents and provide government leaders with clear insights that inform and help prioritize community decisions and build trust - all within a single award-winning platform. Thousands of government leaders rely on Polco to connect with constituents and make data-driven decisions that align communities, grow local economies, and improve outcomes. Polco is an eight-time GovTech 100 company.

Envisio is the most widely used strategic planning and performance management solution in local government. Leaders from more than 200 cities, counties, and school districts use Envisio to execute plans, measure and report on performance, make evidence-based decisions, and build trust and transparency with elected officials and communities. Envisio is an award-winning company recognized on the GovTech 100.

Tyler Technologies (NYSE: TYL) is a leading provider of integrated software and technology services for the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate efficiently and transparently with residents and each other. Tyler has more than 44,000 successful installations across 13,000 locations, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations. Tyler has been recognized numerous times for growth and innovation, including on Government Technology's GovTech 100 list.

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