

Proposed Budget Processes

Discussion:

Through our FY06 budget review, the JCC recommended we look at a number of issues related to our budget development and review process – including instituting performance measures and benchmarks and a review of best budgeting practices.

As an agency, we must continue to improve our business processes, to help us make strategic decisions and show decision makers - and our stakeholders - measurable results. We spent considerable time working on a strategic plan, but we have left it on a shelf and not taken it to the next step.

Considering our emphasis now transparency, inclusion and accountability, we should pursue these items.

- Budget should be tied to performance measures, so that the board and stakeholders can evaluate progress and hold us accountable. (An Inspector General as called for under the Davis bill would also need to see such standards for evaluations.)
- Stakeholders should clearly see long-term plans and the costs and benefits of proposed actions. Greater consensus could be developed on longer-term policies.
- *The jurisdictional involvement is critical. We as an agency do best when we are more inclusive.*

Proposal/direction:

1. Direct staff prepare a scope, schedule and budget for development of a business plan. This should include an update of the strategic plan by the board, adoption of performance measures and benchmarks for the operating and capital budgets, and a multi-year financial forecasting process. The strategic plan, business plan/performance measures, financial forecast and operating and capital budgets should be integrated.
 - This effort could be a one- to two- year process
 - Funded from planning resources – regional project development program.
 - Staff should search for funds to begin in current fiscal year.
2. Direct the new CFO to work with the JCC to develop a strategy and scope for a best budgeting practices review, with an emphasis on public and stakeholder inclusion in the process. A team should conduct this review, including the CFO and CAO (or CFOs) from our major funding partners. There should be special emphasis on:
 - Long-range financial planning, to assess long-term implications of current and proposed policies, programs and assumptions.
 - Review of revenue forecasting process, to gain buy-in of stakeholders.
 - Public and stakeholder inclusion in development and review process
 - Linkages between budget and business plan/financial plan
 - Budget review process
 - Index on fares – show options