

# Rethinking Budgeting

## Results from the Local Government Budget Survey



## Survey Background

The [Government Finance Officers Association](#) (GFOA) [Rethinking Budget Initiative](#) aims to help local governments create more integrated, transparent, and agile budgets. Advances in knowledge, culture, and technology provide new opportunities to build actionable, transparent budgets—transforming the traditional budget document into a tool of public trust that bridges the gap between residents and government leaders.

A survey of local government finance officers and managers was conducted in the spring of 2023. The survey, conducted by Polco, working with GFOA, sought to understand how budget and finance leaders view key issues in implementing Rethinking Budgeting and to identify strategic areas in which to begin adoption. The work was also done in collaboration with three government technology leaders: Euna Solutions, Envisio, and Balancing Act by Polco.

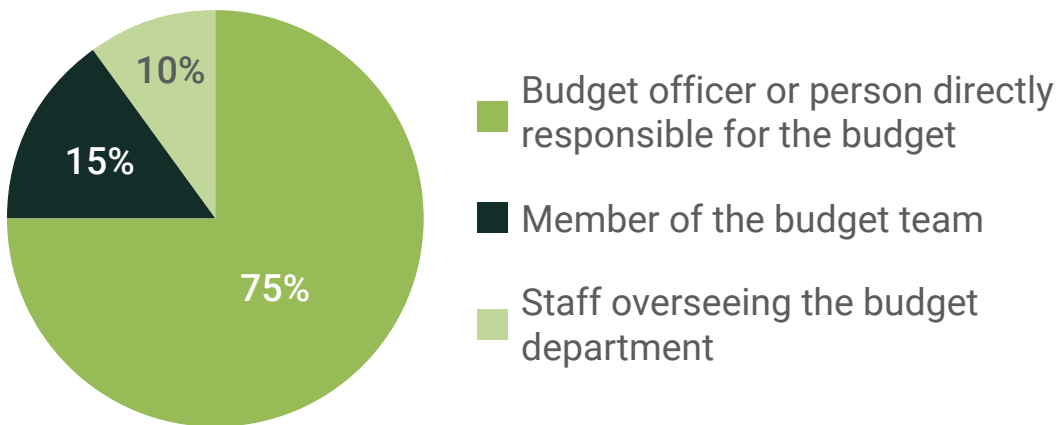
A follow-up survey was administered in the first quarter of 2025 to again assess the status of local government budgeting, understand the biggest challenges and strengths of current budget methods, and identify the readiness of organizations to embrace modern budgeting practices. This survey also serves as a baseline for GFOA's Rethinking Budgeting initiative.



## Survey Methods

The survey was conducted via the Polco platform between January 29, 2025 through March 25, 2025. Invitations were emailed by GFOA to approximately 2,000 past recipients of the Distinguished Budget Award. A total of 211 completed surveys were received. The margin of error for the survey results is +/-6%. (Note that a number of these recipients have retired, so the eligible pool is smaller than 2,000 but the precise number is unknown.)

### Respondents included:



Results are compared to 2023 as available. Based on the sample size of approximately 280 in 2023 and 200 in 2025, a difference would need to be at least 9 percentage points to be considered significantly different.

Because the sample includes recipients of GFOA's Distinguished Budget Award, the findings reflect the practices of higher-performing local governments. Results may differ across a broader sample of jurisdictions (see full set of survey responses in [Appendix A](#)).

## Survey Highlights



### **General Satisfaction with Existing Processes:**

Most finance and budget managers expressed satisfaction with their budgeting processes. Approximately 80% of respondents rated their budget process as excellent or good, and 90% believed elected officials and internal staff were satisfied with current methods. Budgets were seen as effective in providing value to taxpayers, supporting day-to-day decision-making, being flexible, and following clear financial rules.



### **Adoption of Best Practices and Innovation:**

Many respondents reported incorporating modern and strategic budgeting approaches. They gave favorable ratings to collaborative decision-making—both among staff and with elected officials—and to the integration of budgets with strategic plans. Given that these organizations have received GFOA's Distinguished Budget Award, these findings are not surprising.



### **Gaps in Public Engagement:**

While budgets were seen as responsive to the priorities of elected officials and staff, resident engagement remained a challenge. Nine in ten respondents felt elected officials' values were well represented, and eight in ten said staff voices were considered. While about one in four of respondents were uncertain of how their constituents felt about the quality of their budget processes, only about half with an opinion believed that residents and business communities were satisfied. Organizations reported limited success in incorporating resident perspectives, educating the public on the budget, or involving them in trade-off decisions—highlighting an area of untapped potential to build trust.



### **Performance Based Budgeting:**

Fewer than six in ten respondents rated their budgets positively in terms of using outcomes to drive decisions. Several organizations expressed interest in placing greater emphasis on performance and key performance indicators (KPIs) in future budgeting efforts. While many are working to incorporate strategic plans and priorities, there is a need for a stronger focus on performance metrics and goal-setting.



### **Technology Needs Outpace Resources:**

When asked what single improvement would have the biggest impact, the top response was enhanced use of technology to increase efficiency and make budgeting more actionable. While interest in adopting new tools was high, many organizations cited lack of funding, training, and system flexibility as barriers to implementing modern technologies. Purpose-built budgeting tools, strategic planning software, and performance measurement platforms were underutilized compared to more traditional tools like Excel.



### **Readiness for Change and Momentum Toward Reform:**

More than half of the respondents reported making significant changes to their budget processes in the past two years—most commonly in areas such as technology, budgeting methodologies, strategic alignment, and staff collaboration. However, most also acknowledged that more improvement is needed across these areas as well as others.



### **Rethinking Budgeting:**

While about two-thirds of survey respondents were aware of GFOA's Rethinking Budgeting initiative, only one-third rated themselves as at least moderately knowledgeable. About half of the budget officers and managers expressed strong or moderate interest in engaging further.



## **Support Desired from GFOA:**

Respondents highlighted the need for practical tools, templates, and real-world examples, along with additional training and guidance to support their transition to modern budgeting practices. Several also called for greater flexibility in the Distinguished Budget Award criteria to encourage innovation without fear of losing recognition.



## **Trends Over Time: Comparing 2023 and 2025**

Because this was the second national survey conducted by GFOA and Polco—the first in 2023 and the most recent in 2025—researchers were able to track changes in budgeting attitudes and practices over time. The comparison reveals signs of meaningful movement:

- The percentage of respondents who reported implementing significant changes to their budget process rose from one-third in 2023 to over half in 2025.
- Adoption of new budgeting methodologies, such as priority-based or outcome-based budgeting, grew steadily, along with the use of digital tools to track performance.
- More governments are aligning their budgets with strategic plans and organizational goals, indicating a shift from reactive to proactive planning.

Still, some findings remained unchanged—especially in areas like public engagement and outcome tracking. This underscores that while many local governments are beginning to modernize their processes, entrenched barriers still require focused effort to overcome (see the full comparison in [Appendix B](#)).

## **Conclusion**

The survey results reflect a cohort of forward-thinking, higher-performing local governments that are successfully applying best practices in budgeting but still face critical challenges in technology adoption and community engagement. GFOA's Rethinking Budgeting initiative is well positioned to help bridge these gaps—offering guidance, tools, and leadership to support more inclusive, transparent, and adaptive budgeting processes that meet the demands of modern governance.

## The Quality of Current Budget Methods

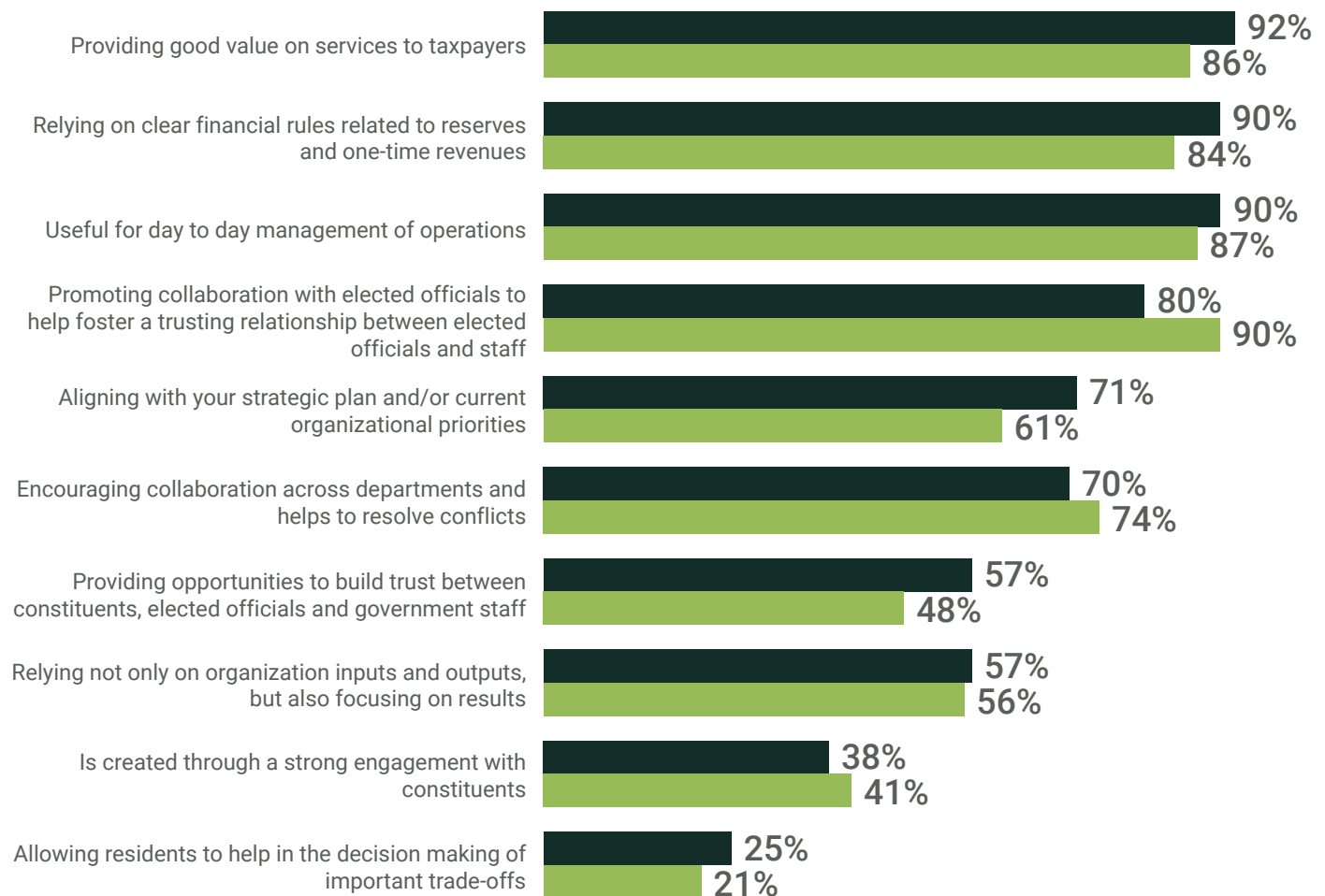
Respondents were asked a series of questions to assess the quality of their budget processes, the tools they use, and aspects of their organizational culture that support budget success. Where applicable, 2025 survey responses are compared to quality ratings from 2023.

### Facets of the Budget Process

#### Ratings of Various Facets of the Budget Process

percent good or excellent

■ 2025 ■ 2023



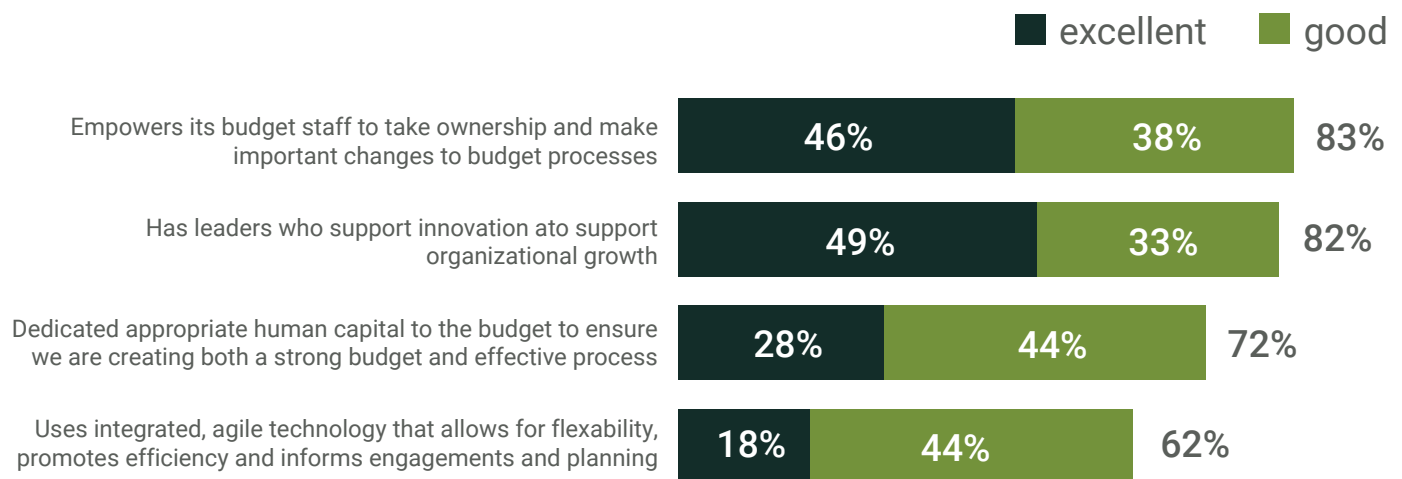
## Rethinking Budgeting

### Results from the Local Government Budget Survey - 2025

When asked to rate 10 characteristics of their budgeting practices, respondents gave the highest marks to delivering good value to taxpayers, following clear financial rules, and the usefulness of their budgets for day-to-day operational management. The lowest-rated areas involved stakeholder engagement: fewer than 4 in 10 believed their budgets were developed with strong constituent involvement, and only about one-quarter felt their processes enabled residents to meaningfully participate in trade-off decisions.

Budget officers and managers also evaluated the level of organizational support for producing a high-quality budget. The highest ratings were given to the empowerment of budget staff and the presence of innovative leadership—both cited by approximately 8 in 10 organizations. In contrast, organizations scored significantly lower in their capacity to dedicate sufficient human resources to the budgeting process and in their ability to effectively leverage technology for budget-related tasks.

#### Ratings of Organization Support for Budget Process

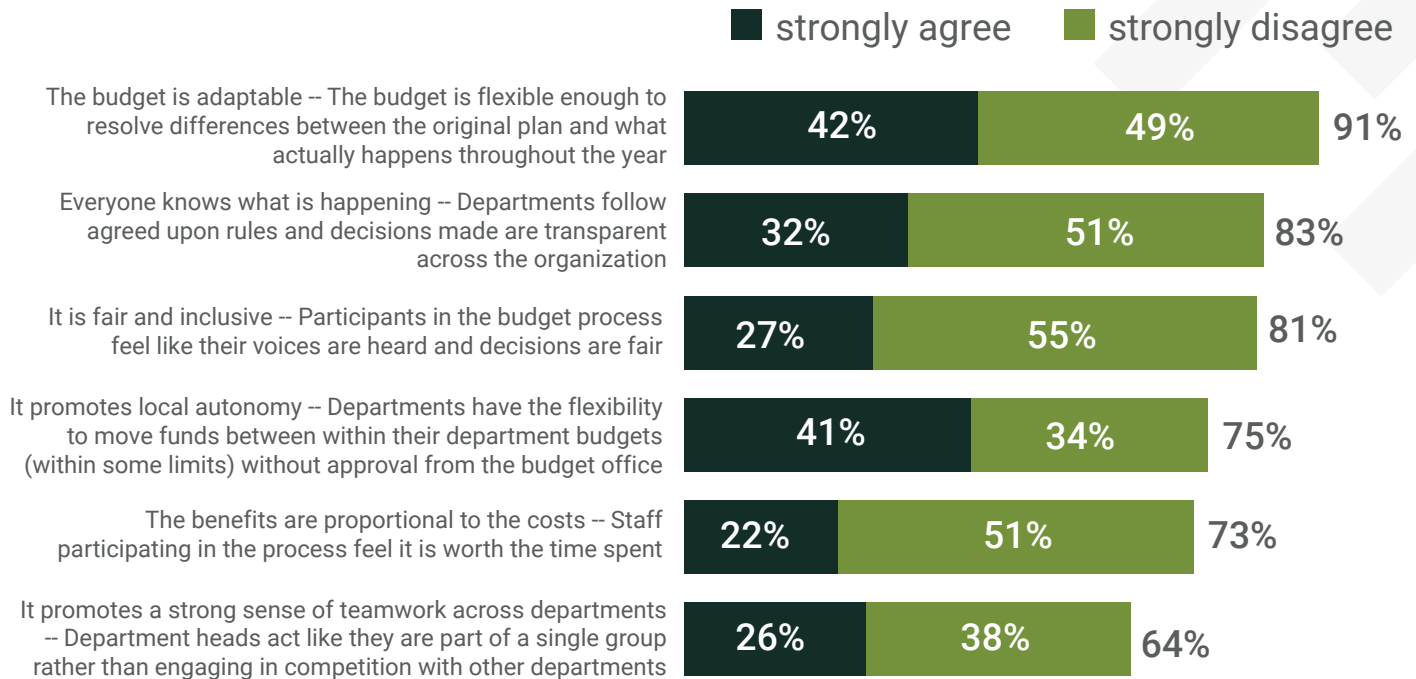


Part of GFOA's guidance on Rethinking Budgeting relates to their [Financial Foundations Framework](#), a model that facilitates collaboration and support for public policies and programs. Respondents were asked to rate their budgets on these key characteristics related to this framework. Budget adaptability, transparency and equity were areas receiving the highest scores. Teamwork was the area with the lowest rating with about two-third of respondents strongly agreeing or agreeing with the statement.

# Rethinking Budgeting

## Results from the Local Government Budget Survey - 2025

### Ratings of Budget Process



### Technology and Tools

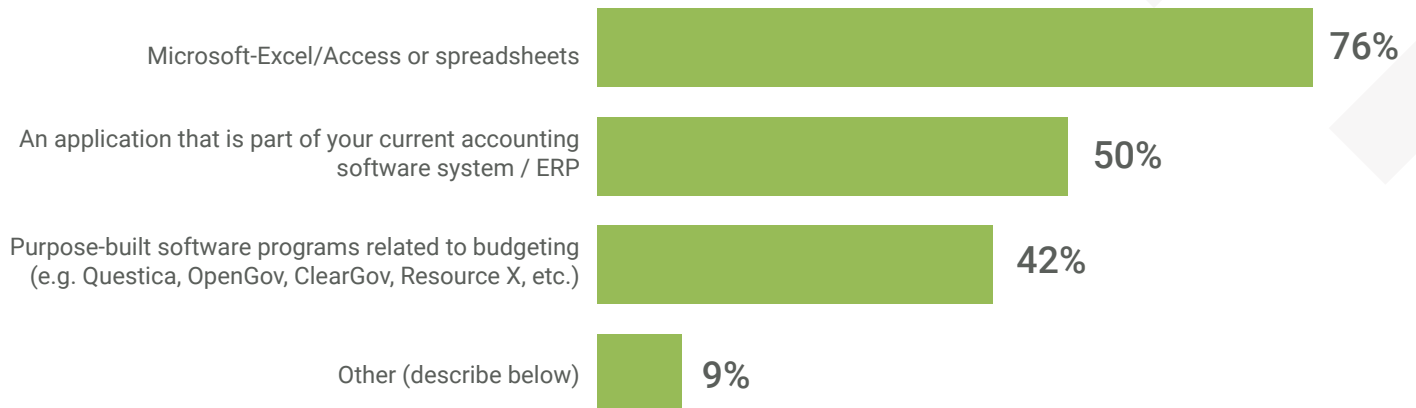
Respondents were asked to provide information about the current technology they are using for their budgets and assess the quality of the tools and resources dedicated for the technology. The most commonly used tools were Microsoft Excel and/or Access. About 8 in 10 organizations reported using these tools as part of their budgeting process. Second most common was an application associated with an accounting system/ERP, with 5 in 10 organizations utilizing this technology. About 40% of respondents reported use of a purpose built budgeting program.

# Rethinking Budgeting

## Results from the Local Government Budget Survey - 2025

### Budget Software/Technology Used to Develop the Budget

■ percent using each

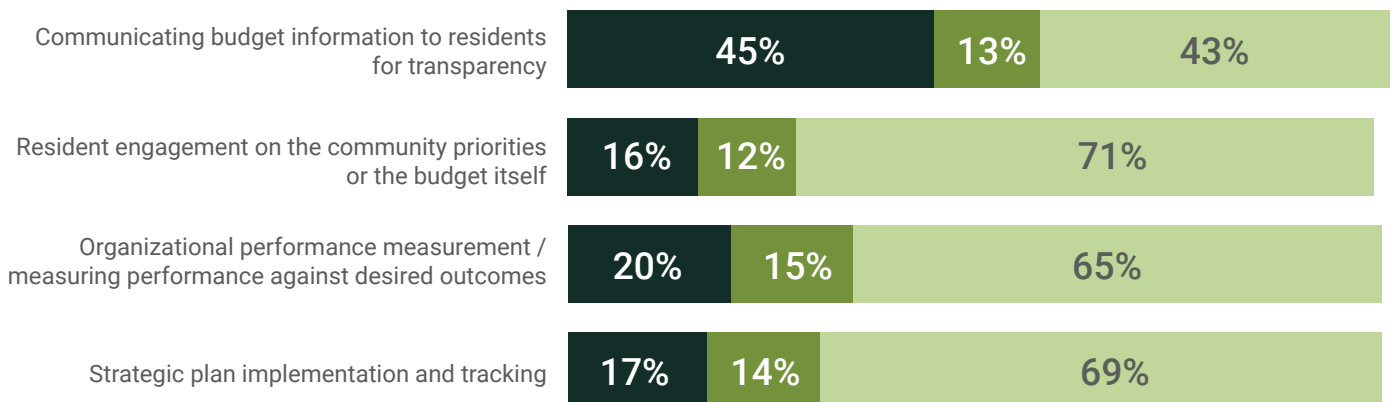


\*percents add to more than 100% as respondents could choose more than one answer

The use of purpose-built software synergistic to budgeting was also assessed. Fewer than 20% of respondents reported using software for strategic planning, performance measurement, or engaging residents on community priorities or the budget itself. More commonly, organizations reported using technology to communicate budget information to residents.

### Use of a software/technology product specifically built for each purpose

■ currently use ■ considering using ■ don't use



## Rethinking Budgeting

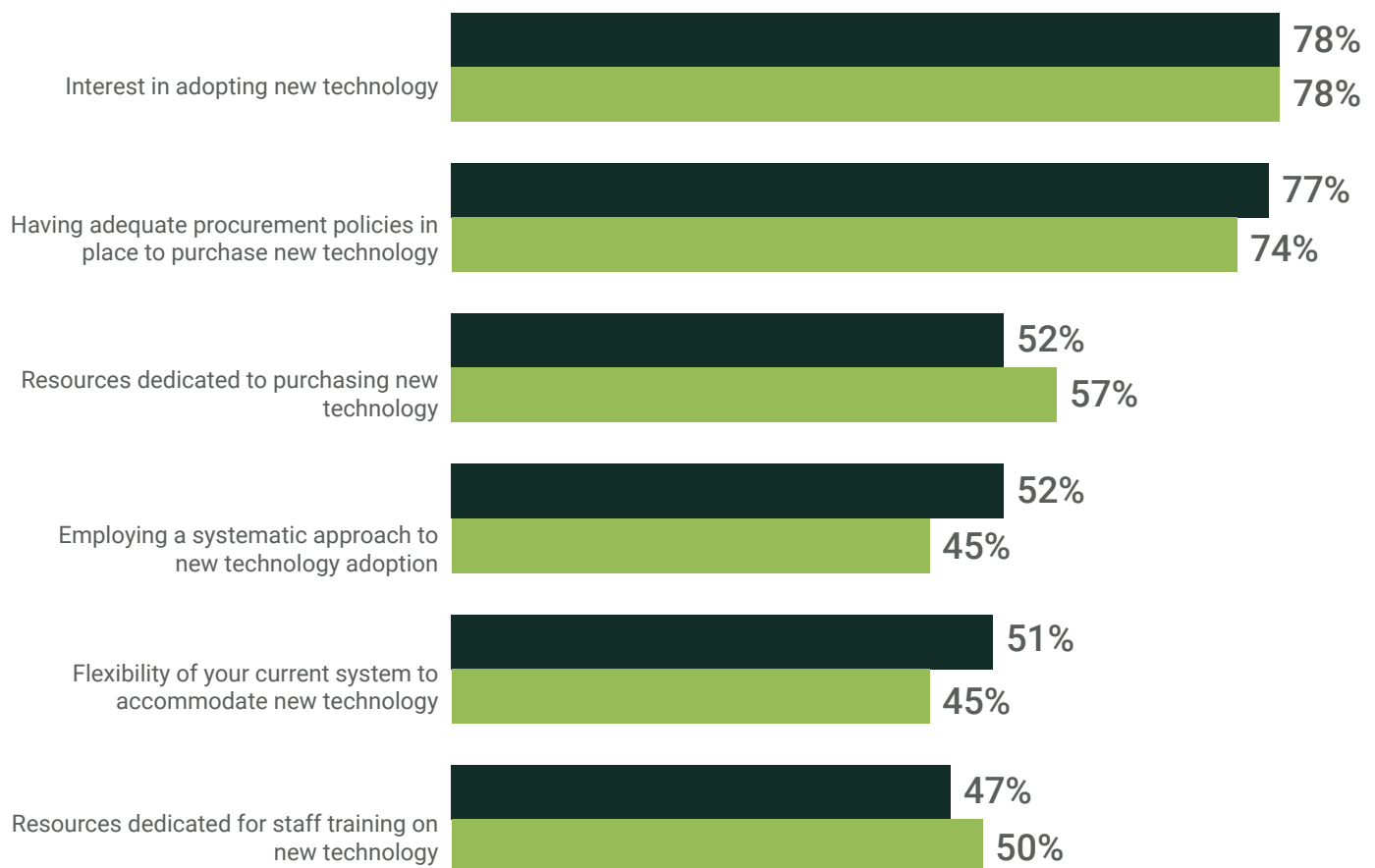
### Results from the Local Government Budget Survey - 2025

Regardless of the technology used, respondents rated the quality of their organization's approach to technology. Interest in new technology was rated positively as was having adequate procurement policies in place. Lower scoring areas related lack of resources to purchase and train staff on new technology, the flexibility of current systems to accommodate new technology, and employing a systematic approach to technology purchase. About half of the respondents rated their organizations positively in these areas.

#### Ratings of Organization's Relationship with Technology

percent good or excellent

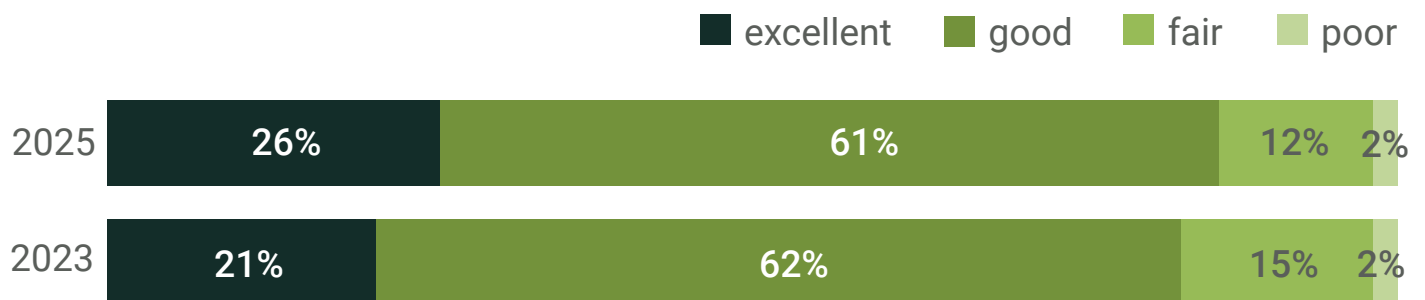
2025 2023



## Overall Quality of Budget Process

When asked to rate the overall quality of their budget processes, about one-quarter of award recipients assessed their processes as excellent and 6 in 10 as good. In terms of stakeholder satisfaction with the budget process, most felt that elected officials (86%) and government leaders and staff (about 8 in 10) were satisfied. Significantly lower ratings were given to satisfaction levels of members of the business community (59%) and residents (52%).

### Rating of Overall Quality of Budget Process



# Rethinking Budgeting

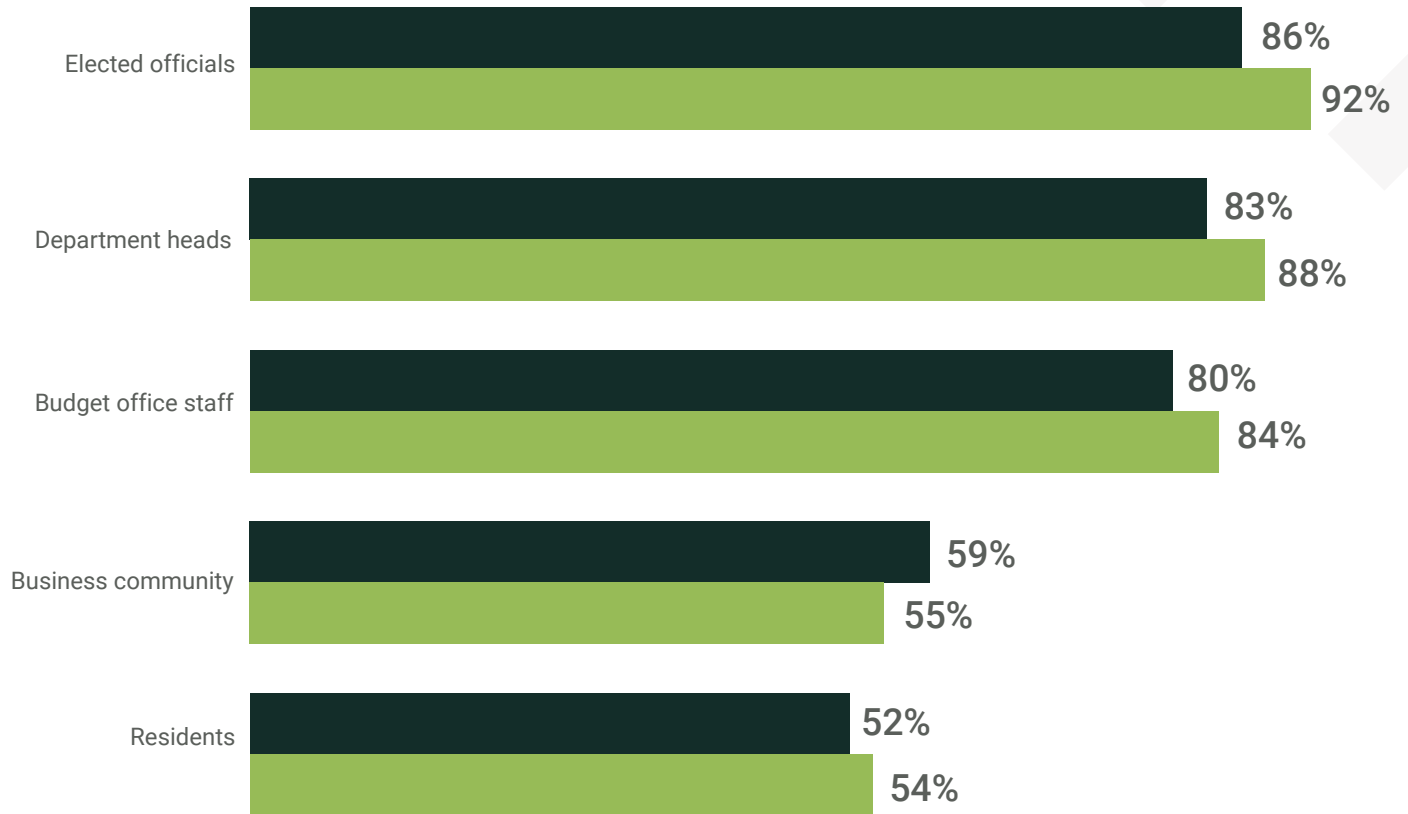
## Results from the Local Government Budget Survey - 2025

### Rating of Satisfaction of Each Group with Budget Methodology/Process

percent very satisfied or satisfied

2025

2023



## Opportunities to Improve Budget Processes

Respondents were asked “What is one thing about your budget or budget process that you would change”? The top responses fell into four categories. The most common response related to a need for more automation and better technology. About one in four responses related to new or improved budgeting tools. Examples of the types of responses included in each of the top seven categories are presented in the table that follows.

### Desired Budget Process Improvements

*What is one thing about your budget or budget process that you would change?*

Improvement Category		Example Responses
<b>20%</b>	<b>Technology</b>	<ul style="list-style-type: none"><li>• Automation and better use of technology</li><li>• Implementation of budget and forecasting software</li><li>• It is incredibly manual and takes an enormous amount of time to create visualization and data analysis that makes the information meaningful for decision makers.</li><li>• Money and time to invest in advancing technology</li></ul>
<b>12%</b>	<b>Public Engagement</b>	<ul style="list-style-type: none"><li>• Citizen participation</li><li>• Educate the public and the budget committee volunteers</li><li>• Have more resident input before the proposed budget is presented versus public hearings after</li></ul>
<b>9%</b>	<b>Staff Collaboration</b>	<ul style="list-style-type: none"><li>• Empower departments to view the budget as a whole rather than their own departmental wants/needs</li><li>• Group meetings to discuss common goals and sharing resources while working together on departmental budgets.</li><li>• I would foster more participation and ownership among especially the department heads.</li></ul>
<b>8%</b>	<b>Efficiency/Ease</b>	<ul style="list-style-type: none"><li>• Make the budget book easier to create</li><li>• Less time wasting in specific details, more time spent on broader, large topics</li><li>• Condense the timeframe for the entire process</li></ul>

## Rethinking Budgeting

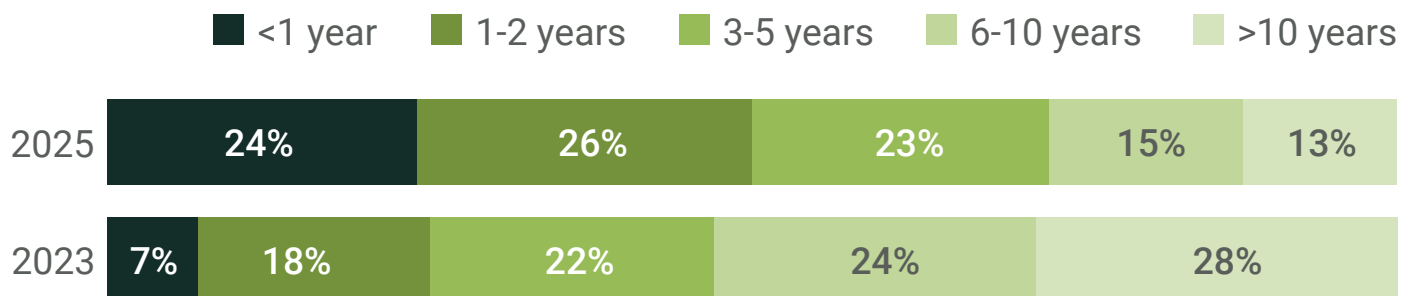
### Results from the Local Government Budget Survey - 2025

Improvement Category		Example Responses
8%	<b>Resources for Budgeting</b>	<ul style="list-style-type: none"> <li>• More staff, support</li> <li>• More time to dedicate to the process.</li> <li>• Need more budget staff to fully link performance measures to org. goals and analyze outcomes.</li> </ul>
7%	<b>Strategic Priorities and Plans</b>	<ul style="list-style-type: none"> <li>• Having an approved strategic plan to guide to direction of the budget</li> <li>• Stronger ties to strategic priorities</li> <li>• Making it more strategic for future</li> </ul>
6%	<b>Outcomes and Performance Metrics</b>	<ul style="list-style-type: none"> <li>• Working with all stakeholders towards building a budget that is more focused upon goals and outcomes</li> <li>• Improvement on program performance measure reporting</li> <li>• More of a focus on outcomes instead of inputs</li> </ul>

For more information on all survey responses see [Desired Changes to Budget Processes](#).

Participants were asked, “When was the last time your organization made an important change to its primary budgeting style or focus?” About one-quarter of the award winners had made a change in the past year, and half in the last two years. This is a significant change from the 2023 survey where only 7% reported making changes in the year prior and 25% within 2 years of the survey.

#### Time Since Last Important Change to Budgeting Style or Focus



The changes commonly fell into the categories new technology, new budget methods and aligning budgets with strategic plans and priorities.

# Rethinking Budgeting

## Results from the Local Government Budget Survey - 2025

### Key Changes Made to the Budget Process

*What was the key change you made to your budget process?*

Improvement Category		Example Responses
<b>21%</b>	<b>Technology</b>	<ul style="list-style-type: none"> <li>• Adopted new budget software that created interactive book</li> <li>• We updated our whole document and used our accounting system instead of spreadsheets</li> <li>• Utilizing new technology to gather information on departments' performance measures.</li> </ul>
<b>15%</b>	<b>New Budget Methods</b>	<ul style="list-style-type: none"> <li>• Implementing priority based budgeting</li> <li>• Implementing zero base budgeting, and adding service level ranking.</li> <li>• Performance based budgeting</li> </ul>
<b>11%</b>	<b>Strategic Priorities and Plans</b>	<ul style="list-style-type: none"> <li>• Added a Strategic Plan with goals, strategies and performance measures</li> <li>• Changed the way we do reductions and increased our focus on strategic goals</li> <li>• We implemented updates to the Strategic Planning Process and added meetings to discuss service delivery levels based on strategic pillars and related goals.</li> </ul>
<b>9%</b>	<b>Staff Collaboration</b>	<ul style="list-style-type: none"> <li>• Created a Budget Team consisting of all Department Heads and their key fiscal staff who make recommendations to the County Administrator's Office on budget development</li> <li>• Larger cross team collaboration</li> <li>• Providing a platform for departments to collaborate with each other and the budget officer. Giving the departments ownership of their budgets.</li> </ul>
<b>8%</b>	<b>Streamlining</b>	<ul style="list-style-type: none"> <li>• Streamlined the process - followed a calendar</li> <li>• Streamlined the process to focus more on value-added information as opposed to busy work</li> <li>• Created and provided more tools to the departments to assist them in creation of their budgets.</li> </ul>

## Rethinking Budgeting

### Results from the Local Government Budget Survey - 2025

Improvement Category		Example Responses
8%	<b>Outcomes and Performance Metrics</b>	<ul style="list-style-type: none"> <li>• Targets for departments</li> <li>• Updated goals, added evidence-based budgeting elements to budget requests, alignment of performance measures to organizational goals</li> <li>• Updated our review and descriptions of our “Budgeting for Outcomes” on the department level - Measurements, classifications, and indicators.</li> </ul>
8%	<b>Electeds</b>	<ul style="list-style-type: none"> <li>• Enhanced transparency between Department Heads, the City Manager, and the City Council.</li> <li>• More work meetings with the elected officials to discuss the budget prior to adoption.</li> <li>• We are currently changing our process to start earlier and more inclusive of our elected officials.</li> </ul>
8%	<b>Timeframe</b>	<ul style="list-style-type: none"> <li>• We extended our forecast to ten years, from five, which has huge benefits for our long-range financial planning and planning for major capital projects.</li> <li>• Focusing on long range planning</li> <li>• Switched to a balanced multi-year budget instead of annual budget process</li> </ul>

For a full set of responses, please see [Key Changes Made to Budget Processes](#).

## Rethinking Budgeting

After respondents rated their current budgeting practices, they were given a brief description of GFOA's new Rethinking Budgeting (RtB) Initiative. About two-third of budget award winners were aware of the new initiative.

GFOA's new Rethinking Budget Initiative provides guidance on how to modernize budget practices to make government more adaptable to changing needs, while also being mindful of the limited time, attention, and resources local governments have to devote to the budget process.

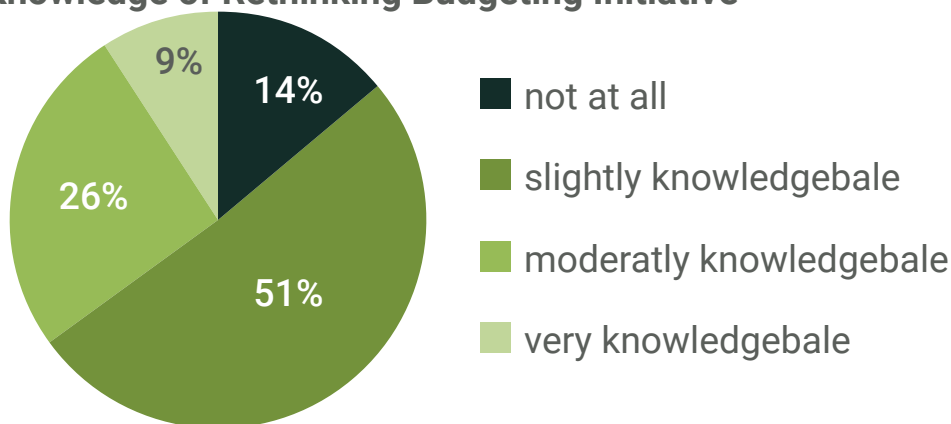
### Awareness of Rethinking Budgeting Initiative

■ Had not heard of it   ■ Had heard of it   ■ Didn't remember

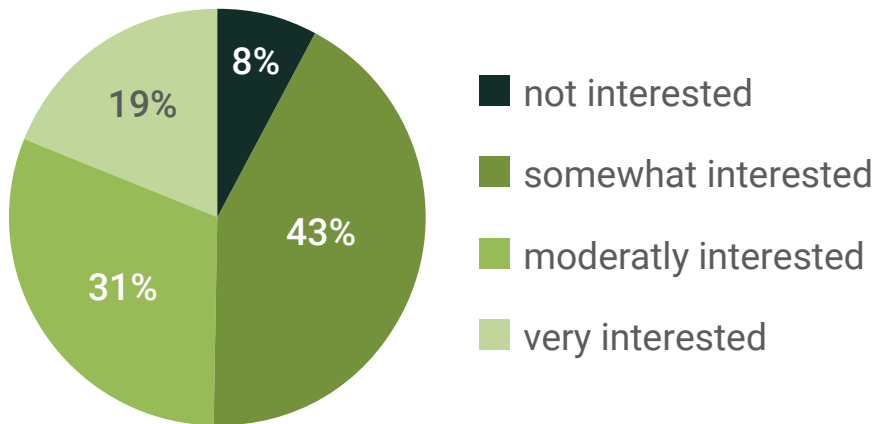


About 10% of the respondents reported being very knowledgeable of the RtB initiative, and another quarter being moderately knowledgeable. About half reported being very or moderately interested in GFOA's new initiative.

### Knowledge of Rethinking Budgeting Initiative



### Interest in Rethinking Budgeting Initiative



### Rethinking Budget Readiness

GFOA's Rethinking Budgeting Initiative offers thought leadership on modernizing budgeting through new ideas, technologies, and practices that better address the evolving needs of local governments. While many finance leaders recognize that traditional budgeting methods are outdated—often too slow and rigid to keep up with change—there is still uncertainty around how to begin updating deeply entrenched processes.

To support this transition, GFOA worked with government technology experts—Euna Solutions, Envisio, and Balancing Act—as well as social scientists from Polco to develop the Rethinking Budget Readiness Assessment tool.

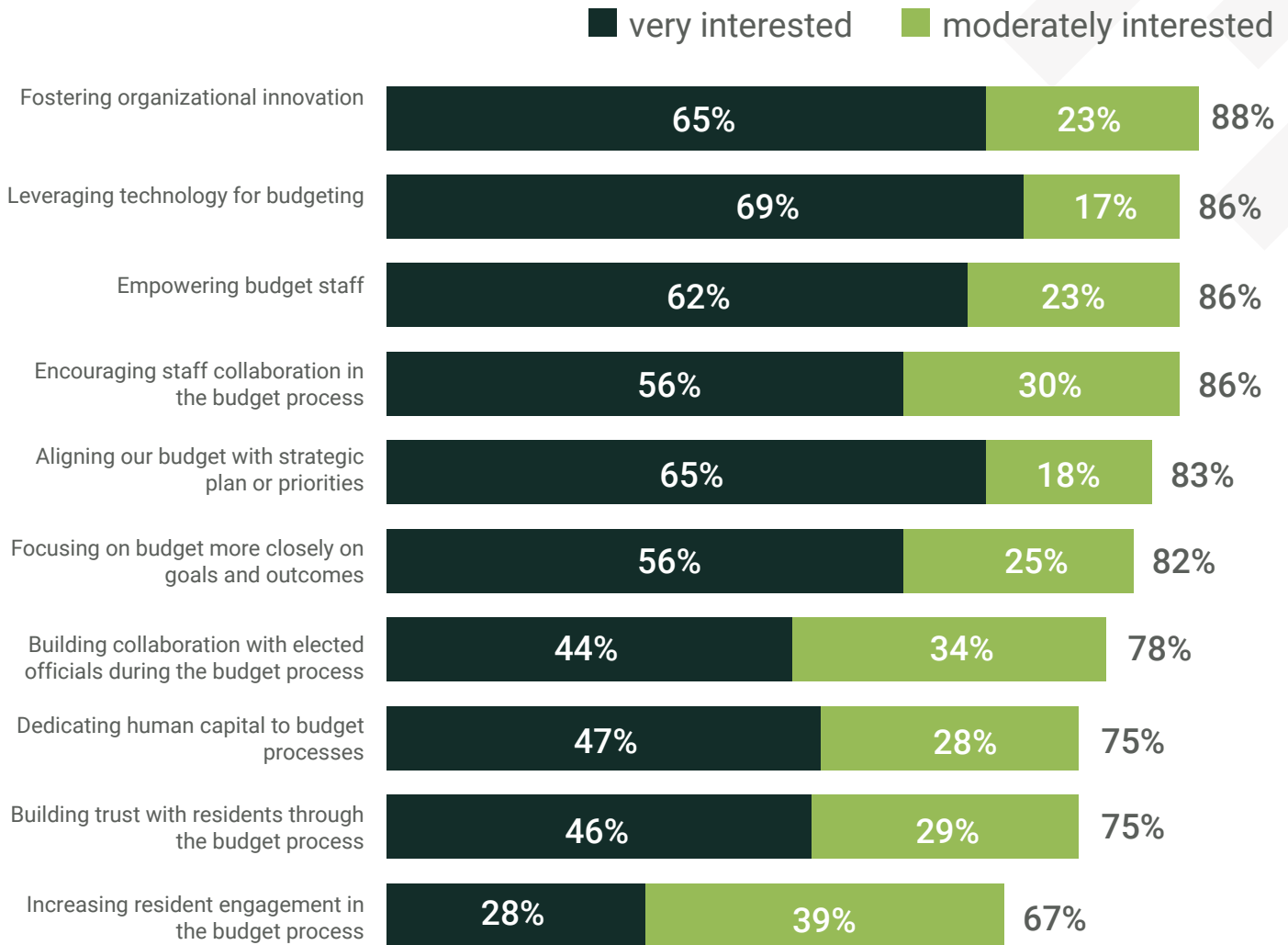
This tool helps local governments evaluate their current capabilities against key competencies required for rethinking budgeting. It offers a tailored starting point based on each organization's unique strengths and weaknesses, and identifies specific areas for initial focus and improvement.

As part of the initiative, budget officers and managers were presented with the tool's 10 assessment categories and asked to indicate their interest in improving each area. More than two-thirds of respondents expressed interest in all ten domains. The highest level of interest was in fostering organizational innovation, followed by leveraging technology, empowering budget staff, and encouraging cross-departmental collaboration.

# Rethinking Budgeting

## Results from the Local Government Budget Survey - 2025

### Interest in Improving Budget or Organization



The survey asked organizations if there were additional areas where GFOA could assist in modernizing their budget process. The responses fell into the categories of a desire for new templates and tools, greater thought leadership and education opportunities and considerations for the Distinguished Budget Award.

# Rethinking Budgeting

## Results from the Local Government Budget Survey - 2025

### Assistance Desired from GFOA

*What areas do you feel GFOA can assist you?*

Improvement Category		Example Responses
<b>28%</b>	<b>Templates, Examples and Tools</b>	<ul style="list-style-type: none"> <li>• Budget book templates for small counties</li> <li>• Sharing best practices for Excel spreadsheets</li> <li>• Showcasing of performance metrics.</li> </ul>
<b>28%</b>	<b>Education and Thought Leadership</b>	<ul style="list-style-type: none"> <li>• Best practices for moving from a traditional budgeting practice to a more outcome based budgeting practice</li> <li>• More classes - online and at annual conference</li> <li>• Continue developing engaging articles on rethinking to assist practitioners in gaining local support for change. Take a deeper dive into the technology used at the local level to develop some success stories to use as models.</li> </ul>
<b>18%</b>	<b>Budget Awards</b>	<ul style="list-style-type: none"> <li>• Allow more flexibility in the Budget Award criterion to allow for change. We don't want to try new things as we fear being the group to not get the award after 35+ years of earning the award. Try something new and a reviewer isn't on board and that could be very detrimental.</li> <li>• The award criteria needs to align better with modernization, otherwise my director will just keep doing what we've always done to not risk losing the award.</li> <li>• Reduce the mandatory requirements for the award to focus on most valuable elements.</li> </ul>

For more information on the survey responses, please see [Requests for GFOA Assistance](#).