THE CASE OF BUDGET REORGANIZATION IN THE CITY OF TUCSON, ARIZONA, AND THE RELATIONSHIP WITH MANAGEMENT CONTROL

by

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STATEMENT BY AUTHOR

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PREFACE

This thesis presents a case study on the structural realignment of one of the most important functions in local government--public budgeting. It examines how such a reorganization may relate to a city manager's ability to effectively control the processes and directions of municipal government. Hopefully, this thesis will provide insight for students and practitioners of public administration into the complexities and interactions involved in modern city management.

Gratitude is extended to Dr. Willard T. Price of The University of Arizona Department of Public Administration for guidance in this effort. Necessary research could not have been completed without the help of those City of Tucson officials who granted frank and open interviews and made valuable files available. Particular appreciation is expressed to Mr. Ruben D. Suarez, Director of the Department of Budget and Research, City of Tucson, and his staff for being so completely cooperative and patient throughout the many months of thesis research.

It is unlikely that completion of this thesis could have been possible without the encouragement and total understanding of Sheila Boxley and my parents. To them, my heartfelt thanks.

TABLE OF CONTENTS

LIST OF ILLUSTRATIONS

ABSTRACT

In January, 1975, the city government in Tucson, Arizona, experienced a reorganization in municipal budget structure and function. By establishing the Department of Budget and Research as a formal city agency, the Mayor and Council set in motion what many believe to be the most significant change in local government in over a decade.

The most compelling reason for this reorganization was the desire on the part of the governing body and the City Manager to gain a greater degree of control over the expenditures and activities of city government.

The twelve-month period since the new department's creation has provided a sufficient base for a case study on this component of management in the City of Tucson. The issue of management control and how it was effected was examined on the basis of several prescribed variables. Results of this effort indicate that the City Manager's control over procedures and programs has been partially achieved through actions and authority vested in the Department of Budget and Research.

Examination of this problem permits the student and practitioner of public administration to better understand the evolution and development of municipal public management.

CHAPTER I

INTRODUCTION

In establishing the Council-Manager form of government in the City of Tucson, Arizona, the City Charter requires that the City Manager develop and recommend an annual budget to the Mayor and Council.[1] It is also one of the Manager's delegated responsibilities to keep the budget balanced by controlling expenditures and programs. Because of these responsibilities, the control aspects of budgeting are essential in the City Manager's overall attempts to supervise.

Preliminary discussions with City administrators prior to this study indicated that present municipal management perceived an inability in the past for the City Manager to exercise effective control in the budgetary process. Such a perception, coupled with an alarming disparity between municipal revenues and escalating expenditure rates might have contributed to the atmosphere for the Mayor and Council to establish, in January of 1975, the Department of Budget and Research in the formal City governmental structure.[2]

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1. City of Tucson Charter, Chapter XIII, Section 3, p. 45.

2. City of Tucson Ordinance, No 4312.

Purpose of the Study

The objective of this study was to determine whether management control increased following budget reorganization in the City of Tucson. An effort was also made to identify reasons for possible changes.

Need for the Study

This study is intended to assist public administrators and those in the academic community in determining the effects such a reorganization may have on management control in other municipalities. Tucson's efforts in this regard will be examined as one city's approach to this difficult problem. One should be mindful that this is a case study, and as such should not be viewed as indicating universal tendencies. However, it may serve as a guide in future assessments of budget-related management control.

The location of the budget function in a city organization and the powers given to, or otherwise assumed by, the agency responsible for coordinating and operating the budget have been the subjects of much discussion but little recent analysis. The growing scarcity of municipal revenue sources and the increasing demands for accountability of public expenditures magnify the importance of controlling resource allocation. The extent to which management control is brought to bear on this process reflects not only management style but also the complexity of

policy decisions facing the municipality. It appears that a real need exists to determine how reorganizations of budget-related functions can effect management control.

The Research Question

This effort addresses the research question, "Following budget reorganization within the City of Tucson, were both procedural and programmatic management control (as defined in Chapter II) increased?"

The expected results of this endeavor should indicate that both the City Manager's ability to control expenditures and his administrative ability to control individual City programs have been strengthened since budget reorganization. This should not be interpreted as the sole reason for a possible increase in management control. It may be that other externalities and internal pressures contributed to any changes which may have occurred. Hopefully, information obtained for this study will lead to a greater understanding of influences on management control.

CHAPTER II

CONCEPTS AND METHODOLOGY

The amount of control a manager is able to exercise over the organization directly depends on his abilities to determine how resources will be used (expended) to accomplish the organization's objectives.

The Budget Concept

Traditionally in municipal government, the functions of coordinating, monitoring, and assisting in the process of resource allocation and expenditure have been formally given to an internal financial or budgeting agency or unit. Although usually performing a staff function, the agency may be in the position to provide the City Manager with extensive management control. This depends a great deal on (1) the types and amount of financial information it is authorized to require of operating departments, and (2) the extent to which this information is used to influence management decision-making.

As defined, the control function is "that phase of the managerial process which maintains organization activity within allowable limits as measured from expectations. These expectations may be implicit, or explicitly stated in terms of objectives, plans, procedures, or rules and

regulations."[3] Management control in budgeting is concerned with limiting, maintaining, and planning the use of resources through the process of allocation, supervision, and negotiation.

In order to more clearly understand these processes, it may be helpful to examine the budget cycle itself. The following flow chart (Figure 1) gives an overview of the City of Tucson's budget process as the formal succession of events occurs over the course of the fiscal year, shaping the following year's municipal budget.

To provide an overall perspective to this process, the three phases of departmental budget preparation, Manager and Mayor/Council budget review, and final budget adoption by the Mayor/Council are indicated by Segments A, B, and C on the flow chart. The outputs of the budget preparation phase (departmental budget requests) are the inputs to the budget review phase and the end-product of the review phase (City Manager's Recommended Budget) is the input to the Mayor/Council budget adoption phase.

Clearly, the informal process of "who gets what" is a great deal more complex than the flow chart indicates. However, the sequential pattern of formal budget events over time can generally apply to the municipal budgeting process.

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3. Fremont E. Kast and James E. Rosenzweig, Organization and Management: A Systems Approach (New York: McGraw-Hill Book Company, 1974). p. 468.

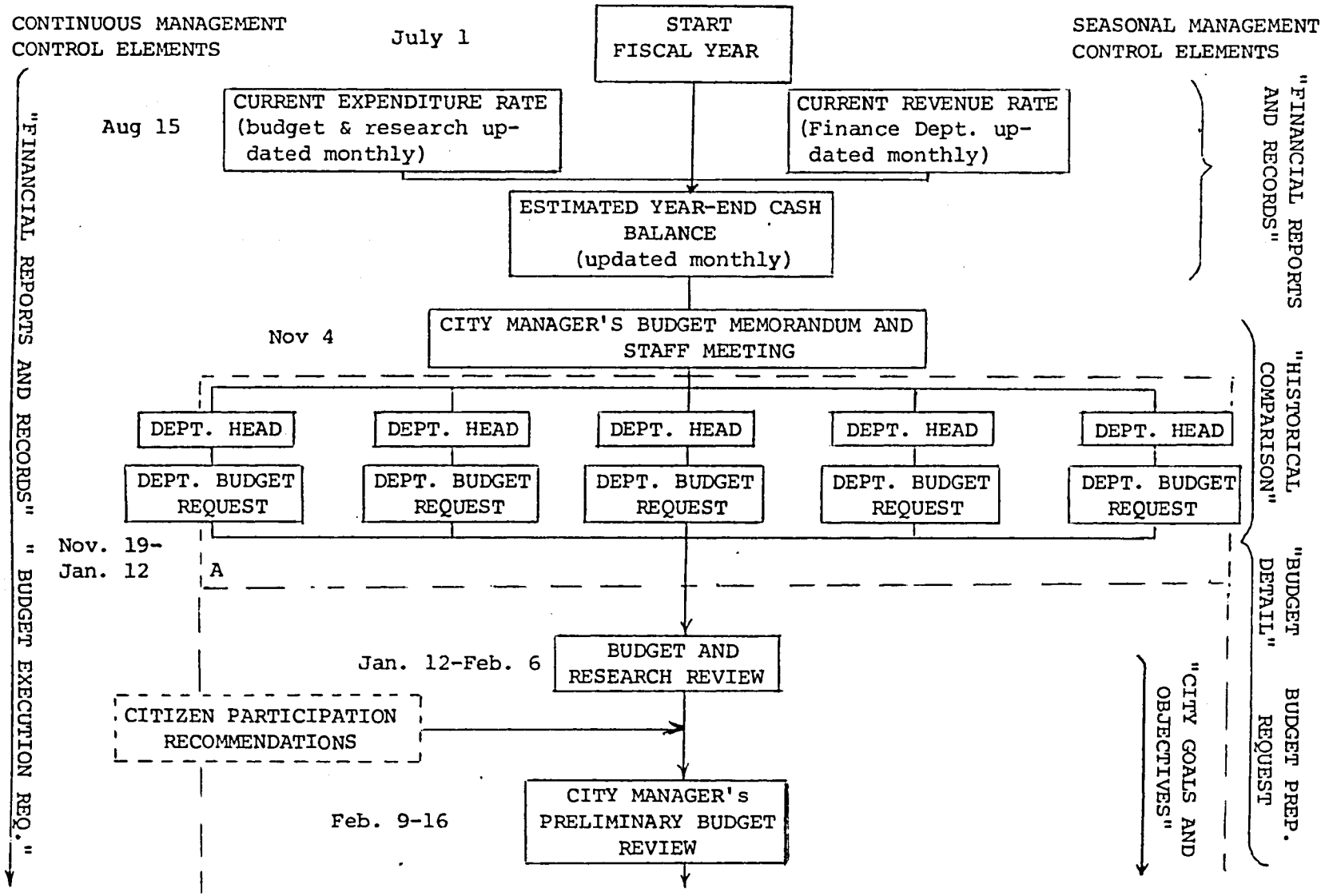

Figure 1. City of Tucson Budget Process

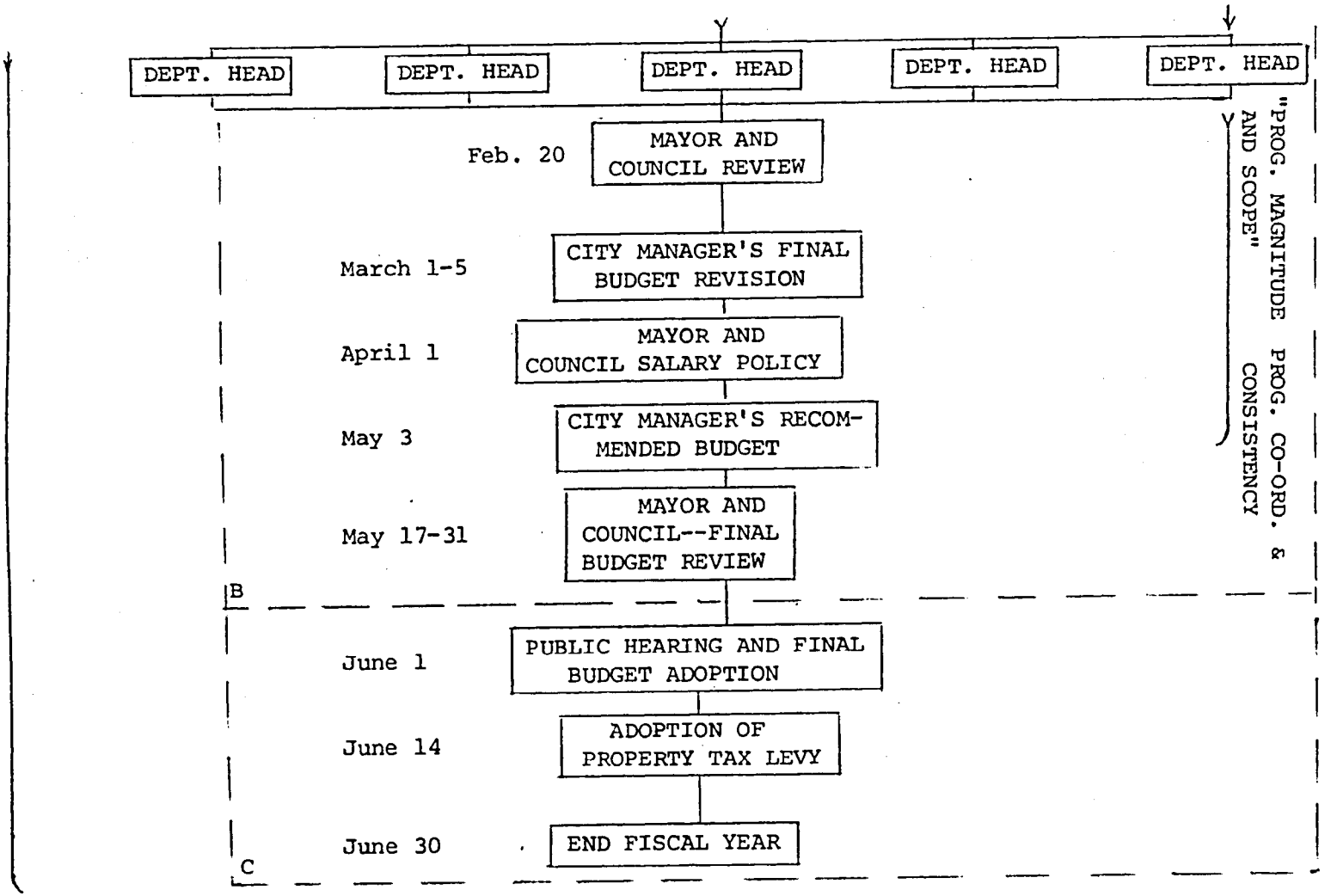

Figure 1.--Continued

Budget Reorganization

In order to fully understand how the budget process was changed, it is important to briefly review the structural realignment that occurred within the City of Tucson's organization. The budget function has been historically seen as an institutional, yearly problem. The solution of this problem results from breaking it down into a series of problem sub-sets which are addressed by different levels in the organization.[4] The function of tying these sub-sets together to form an overall solution to the problem has usually been the responsibility of a budgeting organizational unit or agency. This agency generally performs the tasks of coordinating the preparation of the City Manager's annual budget, monitoring the expenditures throughout the year, and providing management with assessments of present and future appropriations and expenditures.

For many years, this budgetary function was located in the City's Finance Department. It had division status, and was staffed by a relatively small number of employees (in 1973-74 only eight positions were authorized). Formally named the Budget and Research Division (see Organization Chart, Figure 2), the research conducted dealt mainly in

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4. John P. Crecine, "A Computer Simulation Model of Municipal Budgeting," Computer Simulation of Human Behavior, ed. John M. Dutton and William H. Starbuck (New York: John Wiley & Sons, Inc., 1971), p. 321.

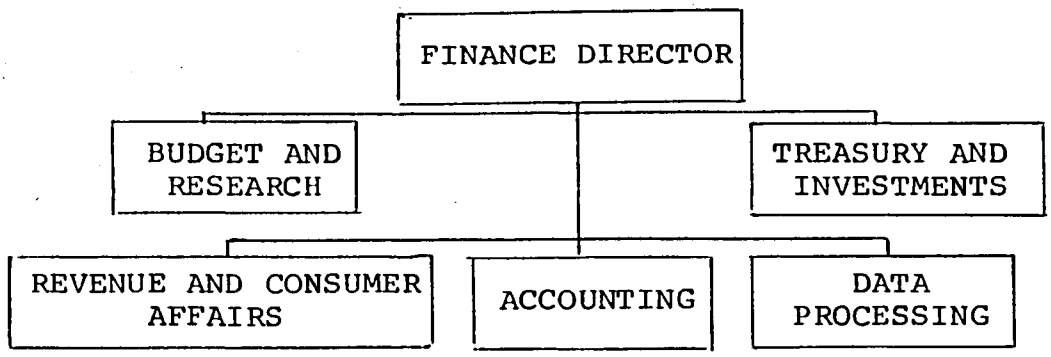

Figure 2. Organizational Chart, Finance Department -- Source: City of Tucson, Annual Budget of the City of Tucson for Fiscal Year 1973-74, Organization Chart, Finance Department.

financial problems and was seen as a secondary responsibility.

A more general research capacity was assigned to the Office of the City Manager in the form of the Research and Evaluation Section.

In January, 1975, the Department of Budget and Research was formally established within the organizational structure of the City of Tucson. It was comprised of thirty-four personnel from the Finance Department, the Research and Evaluation Section of the Office of the City Manager, and the Department of Urban Resource Coordination (formerly Model Cities). This new department was assigned the functions of (1) monitoring, coordinating, and preparing the City Manager's annual budget, and (2) conducting research on various municipal problems as directed by the City Manager. The reorganization was comprised of two divisions,

Budget Analysis and Management Research (see Organization Chart, Figure 3).

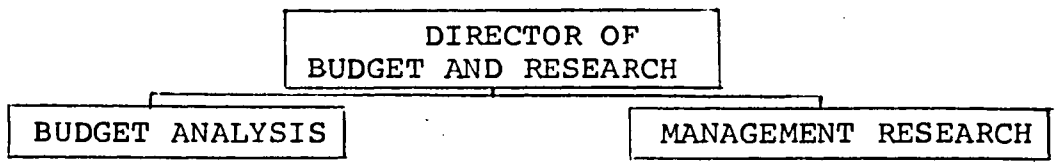

Figure 3. Organizational Chart, Department of Budget and Research -- Source: City of Tucson, Department of Budget and Research, Organizational Chart, 1976.

It is in this organizational context that the research for this study was conducted.

Management Control

In the evolution of public budgeting during the past fifty years, three different purposes have been served: control (characterized by line-item budgets), management (intended to better account for governmental performance), and planning (manifested in the Planning-Programming-Budgeting approach). Each of these purposes has been given administrative emphasis at some period during this evolutionary cycle.[5] For the purposes of this study, the control category will be isolated as much as possible, according to the following prescribed framework.

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5. Allen Schick, "The Road to PPB: The Stages of Budget Reform," Public Administration Review (November/December, 1966), p. 244.

There are a number of elements to consider when analyzing management control as it relates to the budget function. To better define their purposes, these elements have been separated into two categories: procedural and programmatic control.

Procedural Control Elements

Procedural control elements relate directly to the financial document and can be broadly defined as those processes and devices used routinely which allow for uniformity in budget preparation, allocation, monitoring, and adjustment. They are of value to the City Manager in describing the current fiscal status of city government and informing him of possible changes in that status, due to future trends and departmental needs. Specific components of procedural control and how they are exerted are described below.

Financial Reports and Records. Viewed as one complete element of control, "financial reports and records" is comprised of appropriation and encumbrance accounting procedures for each separate fund, a frequent and regular financial reporting system on receipts and expenditures of

each separate fund, and an effective process for administrative auditing.[6]

Although these are separate and distinct activities, each operates in concert with the others to provide management with accurate and timely financial information about the organization's revenues and expenditures and the procedures used in handling them. In addition to the legal necessities for establishing and maintaining these functions, other reasons exist for their value.

From a management control standpoint, an appropriation and encumbrance accounting system is valuable in limiting the amount of expenditures allowable under any one particular governmental area of activity. It can also be a basis for establishing rates of expenditure in planning for the future, and provides management with current information on the amount of spending and how appropriated money is put to use by city departments and agencies.

A frequent and regular financial reporting system on receipts and expenditures also serves to regularly pinpoint for the Manager how much money is being taken in and expended, and for what purposes. Departmental expenditure and revenue estimates, if made regularly and frequently, can keep management appraised of anticipated cash balance at the

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6. George A. Terhune, Local Governmental Budgeting Practices in the United States and Canada (Chicago: Municipal Finance Officers Association of the U.S. and Canada, 1966), p. 11.

end of the year, the rates of revenues and expenditures, and any developing economic trends which may be of importance. They can be helpful in determining expected funds to be carried forward for working capital and appropriations for the following fiscal year. Management's ability to plan directly depends on this information. Making decisions concerning the future quality and quantity of services is a vital part of management control.

Administrative auditing, although a historical check on the propriety and correctness of financial activities, contributes to management control in that it serves as a reminder to departments and agencies that their compliance with financial procedures will be examined and reported. The function of administrative auditing serves at the direction of the city's governing body, thus avoiding any problem of independence that may arise otherwise. It is a useful tool in assuring that fiscal procedures, ultimately the responsibility of the City Manager, are being followed.

To maintain a high degree of accuracy and timeliness, these functions operate through the fiscal year. For the purposes of this control element's impact on the budget process, "financial reports and records" is indicated on the flow chart as occurring at the beginning of the fiscal year (Figure 1). Monthly updates are made throughout the year for continuous management control.

It has been determined through preliminary research that a system of financial reports and records was in existence prior to budget reorganization. Therefore, this control element will be measured by obtaining answers to the following question: "Does a complete system of financial reports and records operate with a greater degree of regularity and frequency since budget reorganization?"

Historical Comparison. These are financial data required for the budget, relating to levels of appropriation and rates of expenditure over previous time periods. This control element identifies how expenditures occur over time, showing relative changes. This comparative view is attained by including in the budget document the previous year's allocation for a particular function or classification of expenditure (example below, Figure 4).

OPERATING BUDGET

DEPARTMENTAL SUMMARY OF PERSONNEL BY ORGANIZATIONAL UNIT

MAJOR PROGRAM	DEPARTMENT	DEPT. NO.
MASS TRANSIT AND PHYSICAL IMPROVEMENT	TRANSPORTATION	4900

DIVISION AND ACTIVITY	1974–75 REVISED BUDGET	1975–76 DEPARTMENT REQUEST	1975–76 RECOMMENDED	COUNCIL FINAL ALLOWANCE

Figure 4. Sample, Historical Comparison -- Source: City of Tucson, Annual Budget of the City of Tucson for Fiscal Year 1975-76, Departmental summary by organization unit and by character of expenditure and departmental summary of personnel by organizational unit (Department of Transportation), p. C-102.

This information can be used by the City Manager as one criterion for judging the next year's departmental requests. Recent allocations and levels of expenditure

become budgetary standards which departments and the City Manager use to approximate next year's requests. If an abnormally large increase in a departmental budget is requested, the City Manager can be alerted to increased needs, or unreasonable proposals. This control element tends to force departments to consider expenditures over time when submitting budget requests. Because "historical comparison" is part of the budget preparation phase, it is indicated as being exerted in that portion of the budget process flow chart.

This element of management control will be measured by obtaining responses to the following question: "Were previous year appropriation levels for each City function or classification of expenditure introduced in the budget document since budget reorganization?"

Budget Detail. This element of control refers to the type and volume of information required for budget preparation and execution. In a line item budget such as the City of Tucson's, various kinds of expenditures are identified through uniform classifications which are determined by type of function, activity, organization unit, and goods or services purchased (Figure 5).

The greater amount of budget detail required to be kept by a city's departments, the more information and control management has as to the disposition of allocated

DEPARTMENTAL SUMMARY BY ORGANIZATIONAL UNIT
AND BY CHARACTER OF EXPENDITURE

MAJOR PROGRAM	MASS TRANSIT AND PHYSICAL IMPROVEMENT	DEPARTMENT	TRANSPORTATION	DEPT.	45

DIVISION AND ACTIVITY	1975 - 76 FINAL ALLOWANCE						
	PERSONAL SERVICES	CONTRACTUAL SERVICES	COMMODITIES	CAPITAL OUTLAY	OTHER	LESS WORK ORDER CREDITS	TOTAL

Figure 5. Sample, Budget Detail -- Source: City of Tucson, Annual Budget of the City of Tucson for Fiscal Year 1975-76, p. C-101.

funds. Conversely, the greater amount of detail required, the more limited departments are in expenditure flexibility. The Manager can use this authority of determining the level of budget detail to structure the budget within the confines of the existing set of accounts.[7] Requirements relating to budget detail are usually outlined in the preparation phase of the budget process and are designated as occurring at that period on the process flow chart.

This element will be measured through the answers given to the following question: "Has the amount or type of budget detail required in budget preparation increased following budget reorganization?"

Review of Budget Requests. This control element describes the extent to which management review and response is required in the activities and changes of a city government relating to appropriation levels and expenditure rates.

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7. Crecine, "A Computer Simulation Model of Municipal Budgeting," p. 326.

Two basic forms of administrative requests from operating departments to the City Manager (or his staff) may affect the disposition of budget appropriation requests. Those made by departments in preparing their budgets are shown on the flow chart as occurring during the budget preparation phase. Expenditure requests are made throughout the fiscal year of budget execution and are shown as happening then on the flow chart.

1. Budget preparation request procedures, when formally and definitively outlined, can allow for more effective management control of various service and administrative levels. Policies requiring operating departments to submit written requests for any changes in next year's budget allocation can be used to monitor and plan for changes in expenditure patterns, performance levels, and administrative and operational needs. Procedures can be used for several kinds of appropriations requests in the budget preparation phase. These include:
   a. changes in the operating budget which may not have been originally included in making decisions on service levels (for instance, inflationary costs);
   b. changes in the capital budget on items of larger expenditure such as equipment or facilities;

c. changes in allocation from the previous year as a result of structural reorganization;

d. Federal and State grants; and

e. supplemental funding above the preliminary recommendation.

2. During actual budget execution, fewer kinds of requests are generally submitted because of the State of Arizona legal requirement that appropriated amounts cannot be transferred between different governmental purposes after the budget has been adopted.[8]

Nevertheless, because budgetary appropriations and revenue projections are founded on estimates made well in advance of the beginning of the fiscal year, changes caused by developments and conditions during the year are bound to occur. For this reason, adjustments and revisions to the budget must occasionally be made.

Procedures requiring a written request for any change in funding allow the City Manager a great degree of discretion and control over current year budgetary administration and policy. Requests made during the execution of the budget relate to: (1) budget revisions (usually for increases in allocation), (2) transference of appropriation

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8. Arizona Revised Statutes Chapter 2, Section 42-303, Paragraph D, Phoenix, 1956, p. 116.

from one account to another, (3) partial or matching funds when applying for Federal or State grants, and (4) authorizations to purchase goods and services.

This control element will be gauged by the responses to the following question: "Has the City Manager's discretionary control over budget requests increased following budget reorganization?"

Programmatic Control Elements

Programmatic control elements refer to factors involved in directing, determining content, and administering city government functions as performed by city agencies. They can be of value to the City Manager in providing him control over the processes of city governmental activity and control in planning future directions it may take. The elements described below appear to be essential in a comprehensive inventory of budget-related management control.

City Goals and Objectives. Although viewed as one complete control element, goals and objectives are defined separately. Goals are a series of general directions in which to channel a city's efforts. Objectives are comprised of a list of specific, clearly-defined duties, functions, and expectations, requiring measurable output, that are assigned to each organizational unit or program.

The City Manager can effectively use the annual budget to evaluate and control programs and organizational

units by requiring that objectives be set forth. In this way, actual performance can be measured against these objectives. The budget, therefore, becomes not only a fiscal policy document, but also an integral part of the City Manager's overall attempt to shape the direction of activity.[9]

This control element is shown in the flow chart as being exerted in the budget review stage. It is here that objectives for the coming year are negotiated between the City Manager and the operating department heads.

Preparatory research for this study indicates that a detailed system of City goals and objectives was not operational prior to budget reorganization. The control element of "City goals and objectives" will be measured from answers to the following question: "Was a detailed system of City goals and objectives required following budget reorganization?"

Program Magnitude and Scope. This element refers to the extent to which city government activities are preferred as demonstrated by the prioritizing process and the commitment to those priorities reflected in the resource

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9. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone!: A Survey, Case Study, and Recommendations for Reform," Urban Affairs Annual Review, ed. John P. Crecine (Beverly Hills, California: Sage Publications, 1970, V. 4), p. 33.

allocation process: funding arrangements made in planning for next year's budget.

The budget process is perhaps most useful to the City Manager in its function of assisting him in the choice of process of allocating resources.[10] One of the largest problems management continuously faces is that of making wise and equitable choices between competing programs and interests. Constantly at issue, because of the pluralistic nature of government and the bureaucracy, are questions of placement of emphasis, program size, program continuation, and the selection of alternatives for some policies.

Given the myriad of competing interests in, and needs for, urban governmental activity, the discipline of the budget system has a decision-forcing effect. This control element makes its presence felt during the budget review phase (see flow chart, Figure 1), when decisions are made about the nature and size of programs for the coming year. "Program magnitude and scope" will be gauged through responses to the following question: "Has the City Manager's control over the magnitude and scope of city programs increased following budget reorganization?"

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10. William D. Carey, "Roles of the Bureau of the Budget," Politics, Programs, and Budgets: A Reader in Government Budgeting, ed. James W. Davis, Jr. (Englewood Cliffs, New Jersey: Prentic-Hall, Inc., 1969), p. 59.

Program Coordination and Consistency. This variable describes the consolidation or integration of functions having some common or related interest and the bringing of programs into uniformity with the overall purposes of city government.

One of the management's chief tasks is to strive for improvement in governmental services and activities. This may be partially achieved through the coordination of inter-program or inter-departmental endeavors that may have similar objectives, or that serve the same portion of the public.[11] Eliminating those policies or programs that may be inconsistent with the broad aims or goals of city government is also a factor in management control. This gives the Manager the opportunity to improve the administrative organization while ensuring better economy in municipal programs.

Obviously, this control mechanism is exerted throughout the fiscal year. However, it is during the budget review phase that most significant decisions are made relating to consolidation and integration of programs for the coming year (see flow chart). "Program coordination and consistency" will be measured by obtaining answers to the following question: "Has the City Manager's control over

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11. John Rehfuss, Public Administration as Political Process (New York: Charles Scribner's Sons, 1973), p. 39.

program coordination and consistency increased following budget reorganization?"

Program Efficiency. This item describes the measurable ratio between service provided and the resources used in delivering that service. The City Manager may, through the budget, oversee the implementation and maintenance of measures to increase program efficiency. Managerial control is important here to ensure that operating agencies or departments accomplish their proposed objectives within time and budgetary constraints. Maintaining and increasing efficiency requires continuous monitoring by management through the use of feedback information to control and adjust appropriations for given service levels.[12]

The budget then becomes a standard against which fiscal management and performance are measured. This control element is exerted throughout the fiscal year (see flow chart), and should be regarded as a continuous responsibility of the City Manager. The "program efficiency" element of control will be measured by answers obtained from the following question: "Has the City Manager's control over program efficiency increased following budget reorganization?"

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12. Kast and Rosenzweig, Organization and Management, p. 492.

Methodology

Data for this study were obtained primarily through interviews with several individuals within the City of Tucson organization who have considerable knowledge and experience in the budget reorganizational occurrences. Efforts were made to select individuals who are representative of the four separate roles and perspectives in this process--managerial, financial and budgetary, political, and departmental. Each individual's response was weighted according to his or her role.

The weighting was designed to reflect the roles, involvement, and familiarity in the respondents in the budget reorganization process, as well as in the issues of management control. In so doing, arbitrary assumptions were unavoidable as to the relative weights for the various roles involved. It was considered reasonable that those positions involved in fulfilling management roles should be given the greatest weighting. Because of the nature of the budgeting problem, it was felt that those individuals filling responsible financial and budgetary positions had sufficient knowledge and background in the problem to be given substantial weighting. Although the political factor was definitely important in the entire reorganization, it was felt that the individual had less familiarity with all the aspects and ramifications of the problem than the City Manager's immediate staff. Lastly, those respondents in

departmental roles had a knowledge of how budget reorganization affected their respective line departments, but less background in the effects and problems experienced by the overall City organization.

The following list provides the names and positions of those who were interviewed, along with the number of weighted points assigned to each response.

Management Roles

Joel D. Valdez, City Manager	(5)
William G. Ealy, Deputy City Manager	(4)

Financial and Budgetary Roles

Ruben D. Suarez, Dir. of Budget & Research	(3)
Jean B. Wilkins, Asst. Dir., Budget & Research	(3)
James Kay, Jr., Finance Director	(3)
Joseph Barkenbush, Asst. Finance Director	(3)

Political Roles

Robert Cauthorn, City Councilman	(2)

Departmental Roles

Luis G. Gutierrez, Asst. Dir. of Operations	(1)
Robert L. Brice, Administrative Services Supervisor, Metropolitan Utilities Management	(1)

It should be pointed out that although plans were made to examine this issue with a larger population, it was determined that the nine individuals listed above were most experienced in the subject, and could best answer the kinds of questions necessary to complete the research. Therefore, they were regarded as the total universe for this study.

All questions were designed for "yes" or "no" answers in order for analyses to be made utilizing a binary scale of response (see Questionnaire, Appendix A). "Yes" responses indicated a perception that management control had increased. "No" responses signified the attitude that control had not increased.

For three of the four variables tested (variability selection in the research design prevented this type of distribution for all control elements) in each category of management control (procedural and programmatic), a frequency distribution was used to portray responses. From this, perceptions in the extent of increase in control could be determined. These responses were weighted in the same manner as the "yes" or "no" questions.

Finally, a question designed to elicit a more subjective response was asked for each control variable to determine the reason(s) for the previous answer. Questions for an entire element of control are shown below as an example, with a total of weighted points for the measured responses included.

Question No. 1 (Financial
Reports and Records)

Does a complete system of financial reports and records operate with a greater degree of regularity and frequency since budget reorganization?

Yes__6__ No__15__

(If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

1	A great deal
3	Much
2	Little
	Very little

What would you say the reason is for this increase?

NOTE: Out of the 3 affirmative responses, a total of 6 weighted points was obtained. Those answering affirmatively were the Assistant Director of Budget and Research: 3 points; the City Councilman: 2 points; and the Administrative Services Supervisor for M.U.M.: 1 point. All other respondents answered negatively.

In order to analyze the extent of change in management control, it is necessary to establish a method by which the outcomes of the measured variables can be integrated together. In this way, the responses for each area of control can be seen as part of a whole evaluative effort.

Due to the weighted nature of the responses, each control variable has a total of twenty-five points to be divided between "yes" and "no" responses (the sum of all the weighted points for all nine respondents equals twenty-five). Because both procedural and programmatic control were tested for four different variables each, a total range of one hundred points was apportionable between "yes" and "no" answers.

Clearly, if a majority (51) or equal number (50) of points are aligned with "no" responses, it cannot be said that management control increased. However, the inexact nature of attitude measurement disallows a presumption that a majority of fifty-one points out of one hundred is sufficient evidence to assume that an increase in procedural or programmatic control occurred. In the event that more than half the weighted points indicate an increase in management control, a device is needed to determine how strong such an affirmative response may be. A frequency distribution will be plotted for each question that tests affirmative response, as in Figure 6.

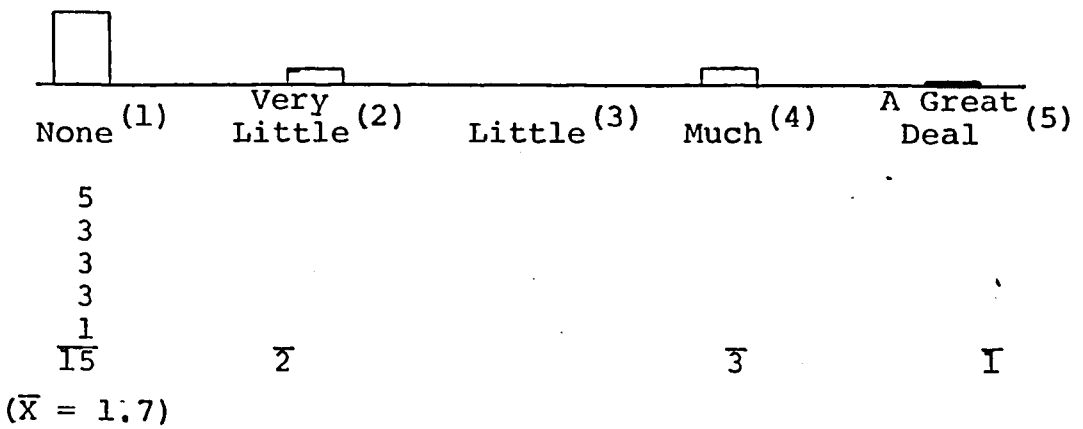


Figure 6. Example, Frequency Distribution

The range of affirmative response points is between zero and twenty-five for each of these six scaled questions. Answers were weighted according to the previously-described

weighting scale. Hopefully, this method of displaying affirmative response frequency distribution can help give support to the analysis and can provide better understanding in answering the research question. A mean was calculated for each distribution using a uniform scale, to show locations of central tendency.

In order to ensure an understanding of the terminology, a list of definitions was given to the respondents at the time of the interviews (see Appendix B).

CHAPTER III

RESULTS AND ANALYSIS

Data were collected between February 23 and March 2, 1976. Nine individuals were interviewed, and thirty-five responses were recorded for questions relating to procedural management control (the Deputy City Manager did not indicate a clear choice in response to the first question), and thirty-six responses were obtained for programmatic control questions.

Although the interviewing phase time frame presented scheduling problems because of conflicts with departmental and City Manager's budget hearings, it also provided an opportunity for discussions to be timely and relevant to the issues of the day. Presentation of the results for each control category includes graphs showing the weighted scores of the responses. Summary graphs are also displayed which show the plotted points for affirmative response variability for each control element.

Results

Procedural Control

A total of ninety-six points was obtained from responses in this control category. Out of that, fifty-five

were affirmative and forty-one were negative. As this result indicates favorability for increased management control, a weighted frequency distribution was designed to show how these affirmative points were placed (see summary portion of Procedural Control Analysis).

Programmatic Control

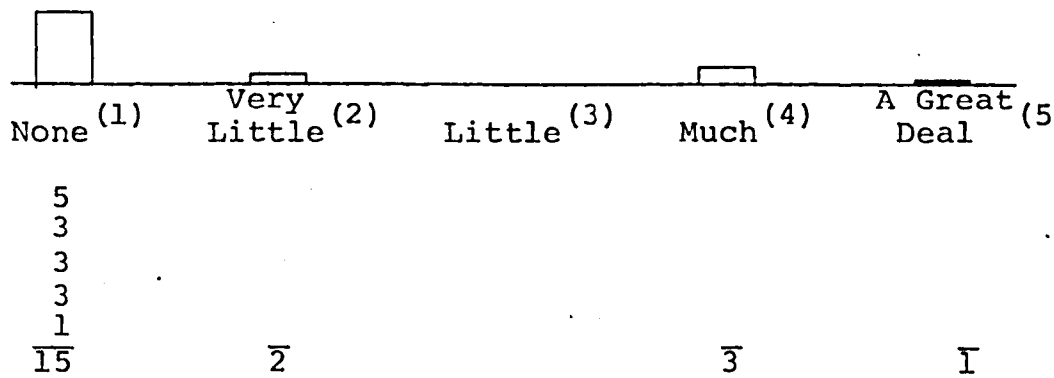
Scoring of the one hundred points obtained indicated that there were eighty-three weighted affirmative response points and seventeen weighted negative points. As this clearly shows a majority of weighted points favoring increased management control, a frequency distribution was designed in order to display the data in a more meaningful manner (see summary portion of Programmatic Control Analysis).

Analysis

To better understand the full significance of the attitudes expressed in the initial responses, a further question was asked for those variables identifying frequency distribution. In so doing, an attempt was made to determine the reason(s) for various perceptions of increase in management control. The following specific answers are paraphrased and aggregately interpreted.

Procedural Control

1. Financial Reports and Records. This control element had the least number of affirmative responses of any of the distribution questions. Figure 7 shows that distribution of weighted response points.



($\bar{X}$ = 1.7)

Figure 7. Extent of Increase in Control, Financial Reports and Records

Three individuals expressed the feeling that more regularity and frequency has characterized fiscal reporting since budget reorganization occurred. Of those, follow-up questions elicited these responses:

a. Assistant Director of Budget and Research: "much increase" has been seen mainly because there has been more staff operating budget functions and it has had more specific objectives than has been assigned previously.

b. Councilman: "very little increase" was perceived due to the developmental stages experienced thus far in budget centralization.

c. Administrative Services Supervisor, M.U.M.: "a great deal of increase" has occurred, attributable mostly to the increased emphasis placed on the financial aspects of City government.

Explanation. Because only one-third of the total number of interviewees perceived an increase in this area, management control cannot be said to have occurred here. Several of the respondents stressed that the lack of increase in financial information through reports and records was caused by computer problems encountered in implementing a new method of financial reporting, rather than the reorganization of budget functions. Nearly all agreed that a major intention of the reorganization was to make a greater amount of relevant financial information available to the City Manager. However, attempts to do so have yet to bring positive results.

2. Historical Comparison. Two of the respondents answered affirmatively that previous year appropriation levels for each city function or classification of expenditure were introduced in the budget document since budget reorganization. Seven individuals answered negatively to this question. This control

element was not displayed in a frequency distribution graph, due to the limitations of the binary-scaled question. No questions relating to the extent of control increase were asked. The two weighted affirmative responses totaled six. Negative points totaled nineteen.

3. Budget Detail. More individuals responded affirmatively to this question than any other in the procedural control category. Weighted response points were distributed according to Figure 8.

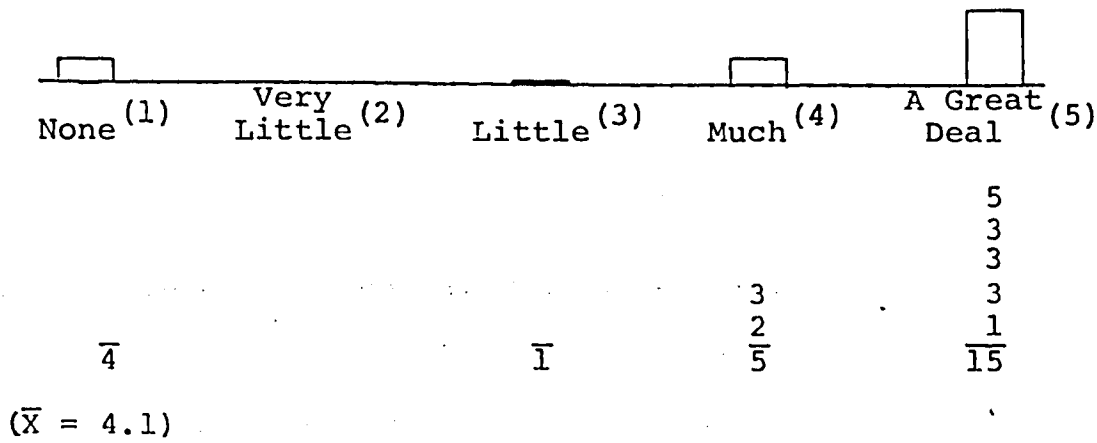


Figure 8. Extent of Increase in Control, Budget Detail

Eight individuals responded affirmatively that the amount of information required in budget preparation had increased since budget reorganization. Attitudes as to the extent of its increase are reflected in the following responses:

a. City Manager: "a great deal of increase" was perceived due to efforts on the part of management to both simplify and amplify information used in the budgeting process.

b. Director of Budget & Research: "a great deal of increase" has been seen because of the demand by the City Manager for department heads to better manage their departments through the use of greater and more relevant information.

c. Assistant Director of Budget and Research: "a great deal of increase" has been experienced, caused by the need for departmental budget requests to be more adequately justified.

d. Finance Director: "much increase" has been felt in this area because (1) the present City Manager is more interested in budget information than his predecessors, and (2) the City budget staff is larger, and therefore can review a greater amount of detail.

e. Assistant Finance Director: "a great deal of increase" was perceived, linked to management's requirement that detail in each level of object classification (of which there are five) must be expanded.

f. Councilman: "much increase" has been seen due to the necessity on the part of the policy

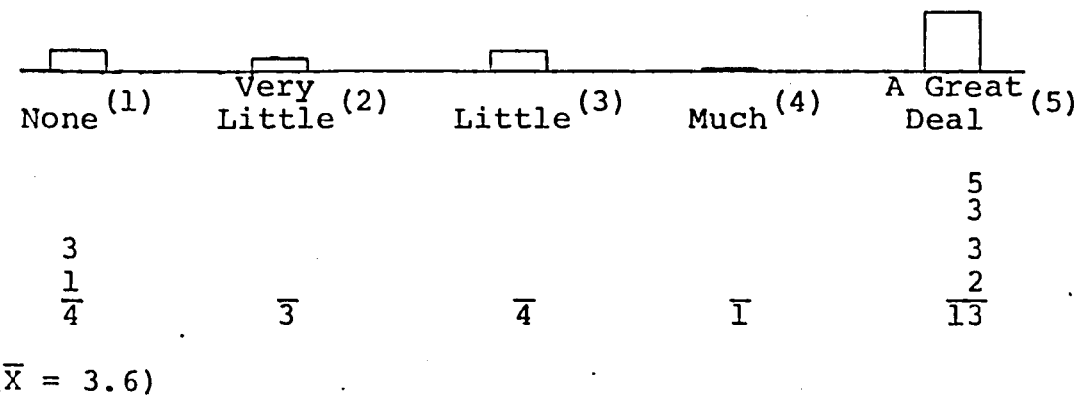
makers to make explicit what has heretofore been implicit; the stakes are too high to continue to rely on local governmental accomplishment by implication.

g. Assistant Director of Operations: "little increase" has been experienced because the decision by management to change the system of budgeting has only recently been expressed in budget preparation requirements.

h. Administrative Services Supervisor, M.U.M.: "a great deal of increase" has occurred, related mainly to (1) efforts to more effectively link expenditures with programs and (2) increased requirements for duplication of paperwork.

Explanation. The preponderance of responses indicates an attitude that a substantial increase has been felt in budget detail requirements. Most individuals viewed this increase as a direct result of the City Manager's interest in knowing more about the financial and performance plans and actions of City departments. Departmental accountability for allocated resources is seen as important for management control. Amplification of budget preparation procedures and greater informational quality and quantity seem to be the results.

4. Review of Budget Requests. A wide variance in the responses is seen for this element. Figure 9 displays the range in weighted frequency distribution.



($\overline{X}$ = 3.6)

Figure 9. Extent of Increase in Control, Review of Budget Requests

A total of seven respondents indicated that the City Manager's discretionary control over departmental appropriation and expenditure requests has increased. More subjective and detailed answers as to the reasons for this are offered below:

a. City Manager: "a great deal of increase" was perceived because the Manager has been afforded alternatives to budget proposals--alternatives which have come about through establishing

credibility and authority for budget decisions in the Budget and Research Department.

b. Deputy City Manager: "a little increase" in control over budget requests has been seen thus far, although there is more interplay between the Budget Director and the City Manager out of which better decisions can be made.

c. Assistant Director of Budget and Research: "very little increase" has been experienced, due to the fact that operating departments still ignore the Manager's budget directives. However, the Manager has more control in "weeding out" those requests which are impractical, superfluous, or inconsistent.

d. Finance Director: "a great deal of increase" in management control has been seen in this area because (1) the present City Manager is an excellent budget administrator, and (2) the Mayor and Council make it incumbent on the Manager to supply financial information, thus filtering out some allocation requests which may have been proposed but not deemed necessary.

e. Assistant Finance Director: "a great deal of increase" has occurred because of tighter controls desired by the Mayor and Council, due to the difficult economic times.

f. Councilman: "a great deal of increase" was perceived, because a threshold was crossed when the City Manager found it necessary to be more effective in his performance throughout the decision-making process.

g. Assistant Director of Operations: "much increase" has occurred in this area because the Manager is more informed about what is needed and about the expenditure rates for various levels of service.

Explanation. A great many respondents indicated a perception that the City Manager's discretionary control over budget requests had substantially increased since budget reorganization. It was generally felt that the importance for departments to fully describe their proposed expenditures was directly linked to the difficult economic situation that the City of Tucson has faced in recent years. The Department of Budget and Research was seen as instrumental in obtaining more control for the Manager in this area, because it has acted as a mostly-effective filter through which far fewer requests receive approval. The Manager's ultimate power is thus enhanced. Greater interest by top management of the intentions of departments in expenditure proposals was often seen as being the result of public demands for fiscal responsibility.

Summary. Subjective responses to procedural control questions generally indicated some increase in management control. Several factors were cited as reasons for this--budget reorganization, difficult economic times, and City Council demands for tighter fiscal management. A direct causal relationship between budget reorganization and greater management control cannot be proved here because of the other influential factors involved. It does appear that greater fiscal awareness by the Manager and governing body was a dominant factor in establishing more fully-defined and formal procedures related to resource allocation. However, the extreme range of weighted responses as seen on Figure 10 indicates that a consensus of opinion about the degree of increase experienced was not clearly perceived. Reasons for this may not relate to the intentions or aims of budget reorganization as much as they relate to the length of time required for major shifts in policy emphasis to impact on organizational behavior.

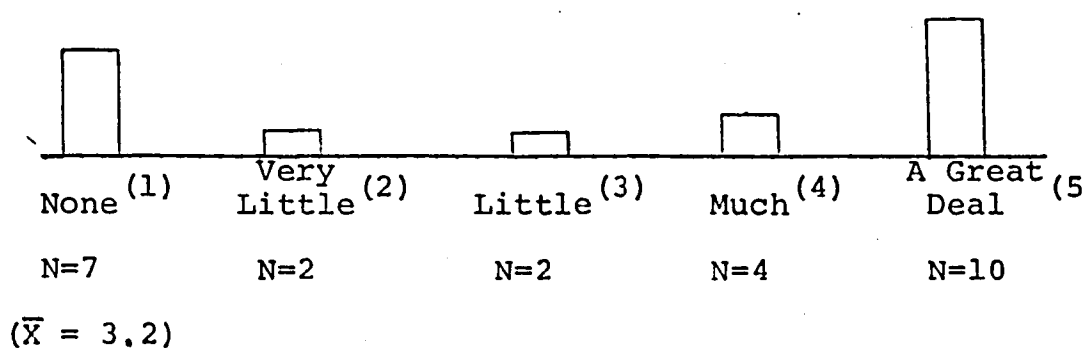


Figure 10. Extent of Increase in Procedural Control

The affirmative response frequency distribution was displayed for three of the four elements--financial reports and records, budget detail, and review of budget requests. Variability selection in the research design prevented this type of distribution for the "historical comparison" control element. This frequency distribution displayed the amount of increase in procedural management control since budget reorganization occurred. Figure 10 shows the summarized results of that distribution.

Programmatic Control

1. City Goals and Objectives. All respondents answered affirmatively that a system of written general aims for City direction and specific, measurable expectations for individual City organizational units was required since budget reorganization. This control element was not displayed on a frequency distribution graph, due to the limitations of the binary-scaled question. No questions relating to extent of control increase were asked.
2. Program Magnitude and Scope. The response frequency distribution for this element drew a wide range of answers. The weighted points for those responses are plotted in Figure 11.

   Seven respondents reflected the attitude that the City Manager's control over the prioritizing and

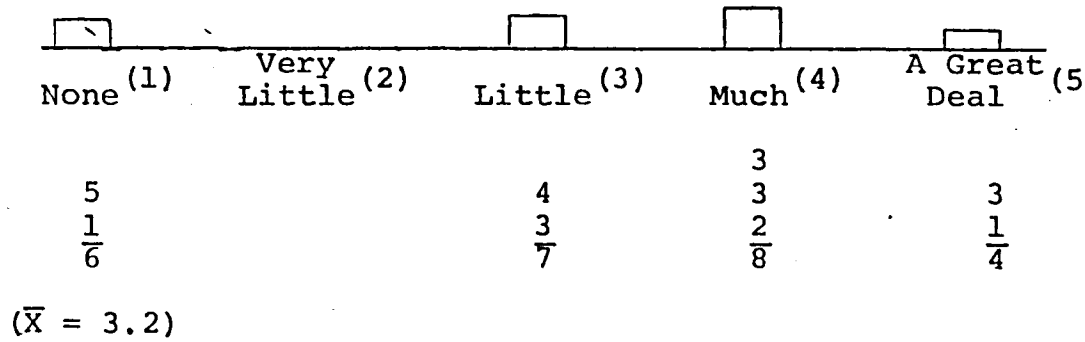


Figure 11. Extent of Increase in Control, Program Magnitude and Scope

allocating process for City programs has increased since budget reorganization. Of those, follow-up questions elicited these responses:

a. Deputy City Manager: "a little increase" has been perceived, and that has been mainly due to more interplay between the Manager and Budget Director.

b. Director of Budget and Research: "much increase" in this area has been noted, attributable to a great extent to the Manager's style in negotiating with department heads for the size and scope of programs.

c. Assistant Director of Budget and Research: "a little increase" has been experienced because the department heads do not appear to be

convinced of the seriousness of the Manager in limiting City functions and programs.

d. Finance Director: "a great deal of increase" has occurred here, related directly to a greater interest on the part of the City Manager to be involved in program planning and funding decisions.

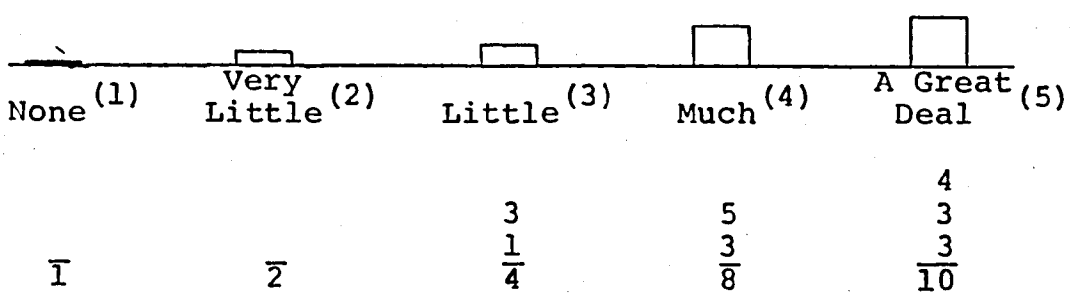
e. Assistant Finance Director: "much increase" has been seen because of the change in philosophy at the management level, and the need to limit programs in the midst of the difficult economic times.

f. Councilman: "much increase" was perceived, based on the premise that if the City Manager's accountability to the Mayor and Council has increased (and it was seen to have done so), management control over the scope and magnitude of programs must have been increased.

g. Assistant Director of Operations: "a great deal of increase" has been experienced, linked to more interest about programs from both the Manager and the governing body, creating a desire for more precise information and an atmosphere for development of more rational decisions.

Explanation. Many individuals expressed the feeling that a significant increase has been experienced in the area of the City Manager's control over program magnitude and scope since budget reorganization. The Manager's own style and approach to directing the efforts of City government was cited as the major reason for this perceived increase in control. Because the establishment of the Department of Budget and Research was one of the present City Manager's first administrative changes it tends to reflect his interest in having a hand in determining the shape of City programs through resource allocation.

3. Program Coordination and Consistency. More respondents gave affirmative responses to this question than any other programmatic control element that had an affirmative response frequency distribution. The results are shown in weighted point distribution in Figure 12.



($\overline{X}$ = 3.9)

Figure 12. Extent of Increase in Control, Program Coordination and Consistency

A total of eight individuals answered affirmatively that the Manager's ability to consolidate and improve the consistency of programs and related functions has been increased following budget reorganization. More detailed and subjective responses as to reasons for this are shown below:

a. City Manager: "much increase" has been achieved in this area due mainly to the newly-established requirement that all programs, especially Capital Improvement Projects, receive Budget and Research approval before implementation.

b. Deputy City Manager: "a great deal of increase" was perceived because of the assistance afforded from Budget and Research in realigning and fitting programs with one another.

c. Director of Budget and Research: "a little increase" has been experienced in this area because of the tendency for political decisions to dictate how rapid the Manager's progress can be. During the first year Budget and Research was formally a department, the City Manager had strong support from only four of the seven Council Members.

d. Assistant Director of Budget and Research: "a great deal of increase" was noted, linked directly to the fact that many departments are

developing a view of their functions as total programs. If not presented to the Manager in that manner, Budget and Research is able to provide the program picture.

e. Finance Director: "a great deal of increase" has occurred here due to the fact that the City Manager understands the inter-relationships between departments, and has more time to cope with them.

f. Assistant Finance Director: "much increase" was seen to have been experienced, most of it attributable to the interest on the part of the Mayor and Council, as well as the City Manager, in finding duplication of effort in City government.

g. Councilman: "very little increase" was seen, due to the fact that the function of coordinating programs and making them more consistent is a process accomplished over time. Even then, progress is made in spurts and not continuously.

h. Assistant Director of Operations: a "little increase" in this area has occurred, primarily because Budget and Research has only been partially successful in developing increased cooperation from departments.

Explanation. Many respondents perceived a substantial increase in the City Manager's control over program coordination and consistency. The Department of Budget and Research was seen as the major factor in facilitating this increase. By providing the necessary resources and information, Budget and Research can give the Manager a greater overall perspective of City programs and directions. It has been the practice of the present Manager, it was indicated, to use the authority he has vested in that department as an indirect way to bring about change in line departments. Budget and Research, through the gathering and analysis of information, has given the Manager the necessary knowledge to act with credibility when recommending changes in City government to the Mayor and Council.

4. Program Efficiency. Affirmative responses for this control element tended to reflect a more cautious attitude. The weighted points are shown in Figure 13.

   Of the six individuals who felt that management control over improving the ratio between services provided and resources used increased following budget reorganization, follow-up questions elicited these responses:

   a. City Manager: a "little increase" in this area is seen because (1) there is still a lack of data on performance and (2) there is no

None (1)	Very Little (2)	Little (3)	Much (4)	A Great Deal (5)
4				
3	2	5		
3	1	1		
10	3	6	3	3

($\bar{X}$ = 2.4)

Figure 13. Extent of Increase in Control, Program Efficiency

definitive policy from the Mayor and Council on the extent and levels of service desired for the community.

b. Director of Budget and Research: "a great deal of increase" has been achieved in program efficiency due to the City Manager's interest in using the budget as a tool for management.

c. Assistant Finance Director: "much increase" has occurred, attributable mainly to tighter controls in fiscal matters desired by the Mayor and Council, resulting from the difficult economic times.

d. Councilman: "very little increase" was perceived here because of the relative newness of approaches designed to encourage efficiency in

City government. These approaches have been introduced so recently that it is too early to gauge their impact.

e. Assistant Director of Operations: "very little increase" has been seen, because the methods used by management thus far have not proven to be effective.

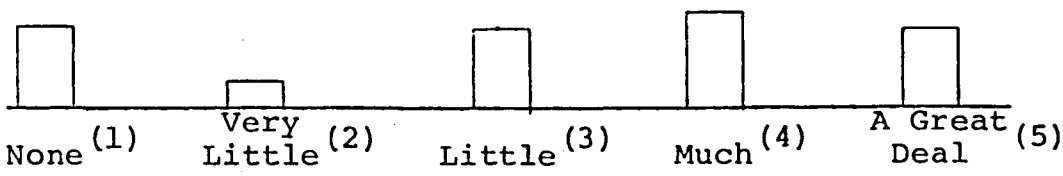
f. Administrative Services Supervisor, M.U.M.: a "little increase" has occurred in this area, due to the "belt-tightening" economic policies set forth by the Mayor and Council as a reaction to the difficult economic times.

Explanation. Although two-thirds of the interviewees perceived an increase in control over program efficiency, few felt that this increase was significant. Even fewer felt that whatever strengthening of controls in this area was a result of budget reorganization. A number of external factors were mentioned--difficult economic times, and demands for greater efficiency by the Mayor and Council. Most expressed the attitude that, although the recent budget reorganization and other efficiency-related approaches were intended to strengthen the Manager's control over City services and resources, insufficient time has passed to see the results of those methods.

Summary. Affirmative responses to programmatic control questions generally indicated that management control in this area has increased since budget reorganization occurred. Because the direction, content, and even administration of City programs contain a number of gray areas in which policy decisions are shared by the City Manager and the governing body, the Mayor and Council have been mentioned often as a force in increased management control over programs. Increased budgeting competence and capabilities tend to increase both political and managerial awareness of municipal programs, if increased information is shared. It is clear from the interview responses that neither the Manager nor the Mayor and Council are satisfied with the historical tendencies for top decision makers in the City of Tucson to determine broad policy and allow the department directors to selectively administer the policies which seem most acceptable to them. A far greater hand in policy implementation by the top decision makers is generally seen as a new trend in the City's governmental approach that shows all signs of continuing. Greater management control over program content and direction are seen as vital if this trend is to further develop.

The affirmative response frequency distribution was conducted for three of the four variables--program magnitude and scope, program coordination and consistency, and program efficiency. Variability selection in the research design

prevented this type of distribution for the "City Goals and Objectives" control element. This frequency distribution showed the amount of increase in programmatic management control since budget reorganization occurred. Figure 14 shows the summarized results of that distribution.



N=6 N=3 N=6 N=6 N=6

($\overline{X}$ = 3.2)

Figure 14. Extent of Increase in Programmatic Control

The wide range of responses indicates that although management control over programs was generally seen to have increased since budget reorganization, differing opinions were held as to how much of an increase could be said to have occurred. Few responses attributed the total increase to one factor such as realignment of budget functions and structures. As was seen with programmatic control, the length of time necessary for real change in government to take place after policy has been set is perhaps more a factor of any delay in increase here than the intent of budget reorganization.

CHAPTER IV

CONCLUSIONS AND FUTURE RESEARCH POSSIBILITIES

The dynamic and changeable nature of management control makes it an area that is difficult, at best, to explore. The myriad of relationships (functional and structural, as well as interpersonal) and other influential factors (both internal and external) that are unique in a governmental environment such as the City of Tucson disallow simple findings and conclusions that apply universally to all other instances.

The Research Question

It has been the intent of this case study to examine the City Manager's control over activities and directions of Tucson's City government. An attempt has been made to determine the relationship of this factor to the time-specific action of budget reorganization--both structurally, with the establishment of the Budget and Research Department, and functionally, with the introduction of new approaches to resource allocation. With that in mind, certain conclusions can be drawn from the data collected.

The information obtained through the interviews gives substantiation that procedural management control in

the City of Tucson has been increased since budget reorganization. It cannot be proved that this action triggered or caused the City Manager's control to be strengthened. The complexities of the situation and other possibly contributing influences cannot be ignored. However, a majority (57%) of the weighted scores indicated a perception of increase in control since budget reorganization. The mean frequency for affirmative responses indicates that the location of central tendency shows only a slight increase in procedural control.

An analysis of the questionnaire data also offers reasons to conclude that programmatic management control in the City of Tucson has been increased since budget reorganization. An overwhelming majority (83%) of the weighted points indicated positive answers to the research question. However, analysis of the affirmative response frequency distribution shows that the mean of responses perceived only a slight increase in programmatic control.

Other Influences

In order to take full advantage of the opportunity to view management control in its true context, a number of factors other than those entering into the statistical analysis require exploration. As has been stated, the intricacies and influences involved in the function of city management make an isolated analysis on one aspect of that

function difficult and highly problematic. Causal relationships are often unclear; overlapping managerial responsibilities and influences appear to be common; and completeness in analytical findings is rarely assured. Given these problems in city management research, a few observations are offered.

Budget reorganization appears to be one of several phenomena which may have influenced an increase in management control. To be sure, the newly-established Budget and Research Department has greatly contributed to a significant shift in control from departmental management to top management in the City of Tucson. However, it should be kept in mind that a number of occurrences took place within the same general period of time that may have affected management control. A new City Manager was appointed in the Spring of 1974 whose management style was characterized by an interest in developing far greater administrative and financial control through allocation of resources.[13] The City of Tucson faced a financial crisis in the Fall of 1974 due to a reduction in anticipated revenues.[14] A strike for higher wages by public safety employees in September of 1975

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13. Diane Johnsen, "Valdez' First Year Quiets His Critics," Arizona Daily Star, May 26, 1975, p. 17-A.

14. Christina Collins, "City May Cut Budget Again, Valdez Says," Tucson Daily Citizen, December 7, 1974, p. 2.

alerted the community to the need to increase City service efficiency in order to afford the growing costs of local government.[15] And newly-elected members of the City Council were demanding greater knowledge of, and control over, the policies of City departments.[16] The time frame below may help to set these events in chronological perspective.

Chronology of Key Events:

April, 1974	Joel D. Valdez appointed Tucson City Manager
October, 1974	City of Tucson financial crisis
January, 1975	Establishment of Budget & Research Dept.
September, 1975	City of Tucson public safety employees strike
November, 1975	Election of two new City Councilmembers

Each of these factors played an important role in strengthening management control during this period. An appreciation for this wide range of contributory influences serves to provide insight into the problems of identifying reasons for public management trends. It also magnifies the need to view the conclusions made from the statistical data in their proper perspective.

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15. Christina Collins, "Strike Begins to Make 'Cents'," Tucson Daily Citizen, October 3, 1975, p. 31.

16. "Tuesday's City Elections: Change is Imminent," Editorial, Arizona Daily Star, November 2, 1975, p. 3-I.

In the Spring of 1974, eight months prior to budget reorganization, the Mayor and Council appointed Joel D. Valdez as the City Manager. The vote on his appointment passed with a narrow four-to-three majority. Although given full authority as outlined in the City of Tucson Charter, the new Manager was aware of his tenuous status and maintained a low profile, allowing the Mayor and Council to direct his involvement in policy-making. Gradually, his role in the decision process became stronger. The Mayor and Council became more confident in his administrative abilities. His interest in using the function of resource allocation as a powerful tool in his attempt to supervise and administer became clear during the financial crisis in late 1974. His gradual, but steady, progress in gaining greater budgetary control in City operations characterizes his management style. The newly-elected Councilmembers have tended to be in agreement with his decisions, and at this point in time, it is likely that his overall support from the Mayor and Council is firm.

In the latter part of 1974, a few months prior to budget reorganization, the discovery was made that the City's rate of expenditure would not be commensurate with anticipated revenues. This alarming development created the atmosphere for a number of crisis decisions to be made which impacted directly on present and future budget allocations in all City departments. A City-wide hiring freeze, five

per cent reductions in all City department budgets, and major cuts in capital programs were some of the resulting actions taken by the City Manager, with approval from the Mayor and Council.

In September of 1975, eight months following budget reorganization, employees of both the City of Tucson's Police and Fire Departments went on strike for higher wages. The strike was resolved by promises from the governing body of increased salaries for all City personnel. Although it lasted less than a week, the strike and the decisions which allowed its resolution forced the need for decision-makers to consider long-term cost-effectiveness in allocating resources. Increasing costs in present and future public safety services (which are labor intensive), as well as other governmental activities, brought home the fact that the total price tag for local public services would continue to spiral while service levels remained about the same. Stronger controls in resource allocation and program performance were needed in order to insure proper departmental spending levels and to begin attempts at increasing productivity. These needs gave support to the City Manager in gaining greater procedural and programmatic control over the City organization.

The election to office of two new City Councilmembers in November, 1975, ten months after the budget reorganization, gave the governing body a significantly

different complexion. While taking a more active role in determining the policy direction of the City, the Council has become more receptive to the notion that the City Manager needs more control over procedures and programs if he is to perform the functions of his office effectively. Greater efficiency and effectiveness in departmental performance and service delivery is also of concern to the City Council. The Mayor and Council have become aware of the growing community sentiment for better governmental management and performance. This awareness has been reflected in Council demands that the City Manager and department directors operate and administer programs with greater efficiency, which requires more effective overall control by management.

The combination of these factors, occurring within a few months of the budget reorganization, had a decided impact on management control and budget policy. The need for more effective overall financial policies for the City of Tucson forced decisions to be made by the Manager which served to wrest a significant amount of control from department heads and return it to top management. In terms of this study, the realignment and reorganization of budget functions and structures must be viewed as one of a number of occurrences in this period which increased procedural and programmatic management control.

As the interview responses indicated, the establishment of a new City department is seen as an important factor in developing more effective fiscal and organizational management. The implicit and explicit authority given to the Department of Budget and Research is perhaps a manifestation of the emphasis placed on the issues of effectiveness, efficiency, and productivity in public service through management control of resource allocation.

Future Research Possibilities

This study has focused on one portion of the complex problem of management control in a municipal governmental environment. A number of possible areas for future research appear to flow out of this effort.

By establishing criterion on which to measure management control, this study may act as a guide for similar assessments. The elements described here may also serve as a basis for future analyses of management control within the City of Tucson. Comparative studies in this area may prove to be valuable by measuring and assessing the quality and quantity of control exerted over time. The outcomes of this research give support for the need in other related studies to isolate the factor(s) examined as much as possible and preferably over a substantial time period.

The effort can also act as the first phase in analyzing the three purposes of the budget function-control,

performance, and planning. The evolution of budget reform is an individualized process in which each separate governmental entity sets its own pace. Because of the relative newness of Tucson's efforts in budget reform, research for this thesis could only examine the control purpose of budgeting. It may well be that other municipalities have experienced greater progress in the evolution of budget reform. In that event, it may be possible in related future endeavors to analyze all three of these budget purposes.

From the difficult issues and problems enoountered during this thesis, it is evident that simplistic approaches and answers in examining impacts of budget reorganization on management control are impossible. Hopefully, this study may generate an interest in dealing with these issues on a realistic basis and can provide an opportunity for further, necessary exploration.

APPENDIX A

QUESTIONNAIRE

1. Does a complete system of financial reports and records operate with a greater degree of regularity and frequency since budget reorganization?

   Yes____ No____

   (If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

   ____ A great deal
   ____ Much
   ____ Little
   ____ Very little

   What would you say the reason is for this degree of increase?

2. Were previous year appropriation levels for each City function or classification of expenditure introduced in the budget document since budget reorganization?

   Yes____ No____

3. Has the amount or type of budget detail required in budget preparation increased following budget reorganization?

   Yes____ No____

   (If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

   ____ A great deal
   ____ Much
   ____ Little
   ____ Very little

   What would you say the reason is for this degree of increase?

4. Has the City Manager's discretionary control over budget requests increased following budget reorganization?

Yes____ No____

(If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

____ A great deal
____ Much
____ Little
____ Very little

What would you say the reason is for this degree of increase?

5. Was a detailed system of City goals and objectives required following budget reorganization?

Yes____ No____

6. Has the City Manager's control over the magnitude and scope of the City programs increased following budget reorganization?

Yes____ No____

(If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

____ A great deal
____ Much
____ Little
____ Very little

What would you say the reason is for this degree of increase?

7. Has the City Manager's control over program coordination and consistency increased following budget reorganization?

Yes____ No____

(If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

____ A great deal
____ Much
____ Little
____ Very little

What would you say the reason is for this degree of increase?

8. Has the City Manager's control over program efficiency increased following budget reorganization?

Yes____ No____

(If "Yes") What do you estimate the degree of increase to be according to the following degrees of increase:

____ A great deal
____ Much
____ Little
____ Very little

What would you say the reason is for this degree of increase?

APPENDIX B

DEFINITIONS

1. "Complete system of financial reports and records"
   --an appropriation and encumbrance system for each separate fund
   --a frequent and regular financial reporting system on receipts and expenditures of each separate fund
   --an effective administrative auditing system.
2. (Self-explanatory)
3. "Budget detail"
   --uniform classifications of expenditures identified by type of function, activity, organization unit, and goods or services purchased.
4. "Budget requests"
   --appropriation requests made by departments during the budget preparation phase
   --interim expenditure requests made by departments throughout the fiscal year of budget execution.
5. "City goals and objectives"
   --"Goals"--a series of general directions in which to channel the City's efforts

--"Objectives"--a list of specific, clearly-defined duties, functions, and expectations, requiring measurable output that are assigned to each organizational unit or program.

6. "Magnitude and scope of City programs"

--the extent to which City priorities are set and resources are committed to them.

7. "Program coordination and consistency"

--the consolidation or integration of functions having some common or related interest and the bringing of programs into uniformity with the overall purposes of City government.

8. "Program efficiency"

--the measurable ratio between service provided and the resources used in delivering that service.

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