

LAW ENFORCEMENT MANAGEMENT INSTITUTE

UNDERSTANDING BUDGET PROCESSES FOR LAW ENFORCEMENT

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Introduction

Each year supervisors and administrators of Law Enforcement tackle a fundamental and detested duty, creating the agency's annual budget. The creation of the budget is a proviso of effort required of the police by city management. It is not considered by police officials as useful to the police agency. Too often the attitude of the agency is that the task before them is a "paper shuffle". Few members approach the task with a positive attitude. Fewer still understand the impact of a successful budget process on the ability of the agency to perform it's basic functions.

In truth, a successful budget provides the funds to meet the mission statement of the department. Without the financial support of city management, no police services can be provided. City officials answer to the public and cannot be expected to provide the police with a carte blanche. City management is not doing it's job if it fails to require a police department to provide clear and compelling accounting of the expected expenditure of public funds. By requiring the submission of a budget, city management is able to protect the public's money prior to the expenditure of the funds. City managers are responding to duties imposed on them by the city charter and state legislation for a public budget.

Police officials must attend to the legal aspects of budgets just as they attend to the legal aspects of criminal cases. As a part of city management, police administrators are not exempt from providing the public with tools to understand and impact the expenses incurred by the department. Budget funds are public monies subject to public review. Police officials must recognize the depth of this public trust in creating budget funds.

Too often the budget funds are numbers on paper. They are not tied to a specific police function. Police management must learn to associate these dollars with people and programs. In looking at the budget funds, officials cannot just see these numbers. They must relate the money to the cost to the tax payer. Equally as important, the public benefit of the expenditure must be visualized and articulated.

These budget funds are in reality people and equipment. These people and equipment can provide very important services to the public. Police services are true public safety issues. Budget funds provide services which do save life and property. They are directly tied to the quality of life for citizens in our communities. Budgets provide funding for these essential programs. In creating the budget, the police manager is identifying programs which deserve funding. He places programs and services on paper for prior, public review. The public is aware of it's needs and can prioritized police services and programs. The budget guarantees that needed programs receive funds they deserve.

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Budgets also safeguard public safety programs by identifying bad or unneeded programs. By requiring prior review, the public and city management obtain the ability to eliminate waste by not buying bad programs and by curbing overspending on good programs.

This is also important for the police. Failing to control overspending in some areas may cripple important programs. Money spent unwisely may hinder programs important to the departments success. These programs may or may not be exclusively defined as public safety programs. Failure to fund needed programs while maintaining unwise programs decrease the public's respect for and support of law enforcement.

Equally important is the need to provide funds for the benefit of the officers and other employees. The quality of service from the department is a reflection of the quality of the employee. Funds which provide these benefits compete with other programs in the budget. Members of the department are dependent on a trim budget to provide growth in salaries, training, and benefits. They cannot allow a budget to waste the source of funding for their personal needs.

It is the failure of police management to understand the absolute need for a budget and a budget process that can prevent agencies from achieving many of their functions, goals, and objectives. Conversely, a strong budget process causes an equally strong commitment to these functions, goals, and objectives.

Purpose

The purpose of this paper is to explore the issues surrounding the budget and budget process. Specifically, two budget processes will be studied. The first is the incremental, traditional budget. The second is the zero-base budget approach. Each of the budget approaches offer solutions and problems specific to it's utilization as a budget tool. By examining two opposing approaches, the strengths and weaknesses of each will be identified. Once these issues are understood a selection of budget process can be made to achieve the goals and manage resources. The result will be able to place a value on the budget and it's process for law enforcement. Once a value is attached to the budget process, members will no longer feel that they must participate in an useless annual paper drill.

This study will use the experiences of the Midland Police Department to illustrate points relating to the two approaches. Such illustrations should not be considered a scientific test or standard for any budget approach. They should provide a reasonable view of the realities of law enforcement management. It is doubtful that the experiences of this agency differs greatly from other agencies regardless of the other agency's size or location. This department may be assumed to be in the middle

range in it's leadership and managerial abilities.

The Midland Police Department

The Midland Police Department is a medium size department in West Texas. It employs just over two hundred total employees with one hundred and sixty being sworn officers. The city itself has a population of one hundred thousand. City management is based on the city manager style with an elected mayor. The city manager is responsible for presenting an annual budget to the council for review. Department heads create the individual departmental budgets under guidelines from the city manager.

In the Midland Police Department, the budget is addressed from April through June. Department heads are given budget guidelines and began the budget process. Once the document is created, it is submitted for review and approval. The first review is by the city manager and his staff. The budget is then presented to the council for consideration. After approval of the council, it is submitted to the public for review and comment. After the public review, the council is presented the budget for passage. The approved budget becomes effective on the first of October of each year.

During the rest of the year, printouts are available to monitor the expenditures. Department heads and supervisors attempt to live within the dictates of the budget. When a department head

determines a need changes may be made during the budget year with the approval of the city manager and the council.

Little other attention is paid to the budget or it's process. This attitude that the budget is a temporary intrusion in the normal course of business is not unique to the Midland Police Department. Nor is it limited to law enforcement in general. Experience shows that most agencies believe that the budget process is a once a year, isolated process.

Isolation of the process means that the budget is considered without regard to any other process or activity. The existence of such isolation from other management events is important in limiting the importance of the budget process to us. The same isolation of process exists in other important areas, UCR Reports, in-house crime and annual progress reports, setting goals and manpower allocation. Yet, it should be apparent each of these processes have a direct relationship to the budget process. Uniform Crime Reports and in-house crime reports give a clear indication of the current trends of crime or other law enforcement needs in the community. Annual progress reports provide information on the progress made by different units and their programs addressing these trends. Setting goals and objectives is in reality identifying programs. Equally evident, man power allocation is resource allocation for programs furthering the mission statement of the agency.

Despite such an obvious relationship, in the Midland Police

Department, each of these management processes occur separately.

They are not linked by the department in any manner. Usually different staff members are involved in each in the Midland Police. They are not assigned an order in which these processes are to be performed. Nor are any of the individual processes included in, or reviewed for, any of the other processes.

However, this isolation of the processes is in striking contrast to definitions of budgeting such as:

"Budgeting seldom (and never successfully) stands completely alone, but rather flows out of the managerial process of setting objectives and strategies and of building plans."¹

Nor is this isolation of the three processes in reality near another definition of a budget; "The budget is management's tool for forecasting the future."²

Both of these definitions suggest the need to use the budget as a routine part of management. Yet by keeping the processes of budgeting, in-house reporting, progress reports, setting the goals and objectives of the department, and allocating manpower independent, we fail to achieve the essence of budgeting.

The essential function of budgets is to allocate resources. Resources include all of the department's assets. In all

¹. Sweeny, H. W. Allen and Robert Rachlin, Handbook of Budgeting, John Wiley and Sons, New York, New York, 1981, page 3.

². Horngren, Charles T. and Walter T. Harrison, Jr, Accounting, Prentice Hall, Englewood Cliffs, New Jersey, 1989, page 787.

departments, the major resource are their people. When the budget is isolated from the processes of setting goals and manpower allocation, the budget is not truly allocating the organization's resources. This is a basic requirement as stated by Robert Sheehan and Gary W. Cordner, "One of the most important external responsibilities of the police chief involves securing the resources necessary for the effective departmental performance. The Police department's resources (employees, equipment and funding available for performing tasks and achieving goals) are allocated by people and organizations in the department's environment. Most of the department's resources are available through it's budget."³

Traditional Budgeting

The Midland Police Department uses a traditional line-item budget. Line-item budgets group expenditures into accounts called line-items. These line-item accounts usually coincide with the accounts used by the entire city to create the city's annual budget. This simplifies a controlled comparison of the different departments of the city. By having standard line-item accounts, the city is able to provide statistical information which is easy to present and easy to understand. Line-item accounts are easy to

³. Sheehan, Robert and Gary W. Cordner, Introduction to Police Administration 2nd ed, Anderson Publishing Co. Cincinnati, Ohio 45202, 1989, page 80.

use in making projections across departments. Income and expenses can be projected for all departments. Record-keeping is simple.

Each budget is an update of the previous year's budget. Adjustments are made as they become apparent for the different line-items. An assumption is made that each line-item contains only elements which deserve to be continued. Changes such as increases or decreases for each account can be made as percentages for that line-account.

The different line-items are costs compiled into accounts by type of cost. As an example, all salaries are grouped together and all equipment rentals are grouped together. Because of the Midland Police Department's size, an effort was made to group the expenses by creating four budgets. One of these budgets exists for each of the four Bureaus in the department, Administration, Field Operations, Support Services, and Investigations.

However the Bureaus themselves continued to contain a tremendous variety of personnel, programs, and functions. A detective working narcotics undercover has his salary grouped with the clerical staff which enters the pawn tickets into the department's computer. The capital outlays for the SWAT team are in the same account as furniture for the mall substation. The costs are not separated into accounts which reflect the function of personnel or units of the department.

With each Bureau creating it's own line item-budget, members of that Bureau lose sight of the needs of other parts of the

department. When a budget deadline approaches, they must focus only on the part they are creating. They are not engaged in either the process of goal setting or the process of man power allocation. Review of crime trends and progress reports are rare and only used to justify line-item accounts. The staff is concerned only with providing the required numbers in the required time frame.

Defined By President Carter

President Jimmy Carter described the traditional budget as: "During the initial phases of the budget cycle, staff managers take the current year's spending level, increment it for inflation, and fold in a myriad of new programs.

The results are submitted to the budgeting staff (normally well past the eleventh hour) for consolidation and presentation to the chief executive. Their analysis and presentation to him clearly show that the initial effort is totally unrealistic and usually unaffordable if not irresponsible.

But because they're lacking a thorough understanding of which efforts are really critical, a rather distressing scenario now unfolds. Arbitrary across-the-board cuts are made, and considerable muscle and bones are sacrificed with the fat. Last-ditch Byzantine lobbying effort occur between CEO and his key subordinates. The controller runs out of patience, not to mention

scarce political capital.

Yet somehow (usually several weeks after the deadline) some sort of budget is finalized and blessed. All parties congratulate one another, and the exhausted ones slip away for a quick vacation, quietly suppressing nervous feelings of doubt. But all share a determined commitment that next year will be different- if nothing else, they will start earlier or increase the planning or budgeting staff!"⁴

The major problem with such an approach is that it begins with an assumption that the last year's budget was correct. The same assumption was made of that year's budget. The accuracy of compounded assumptions may logically be expected to decrease as the assumptions compound.

It is evident that some break in the assumption is required in order to validate the budget. But members working on the budget do not feel the compulsion to go out of their assignment to validate the line-item accounts from the previous year. They work only on the fraction of the final product which they have been given. They are not reviewing programs. They are not setting goals. They are not allocating manpower. They are creating a document.

The use of the traditional budget also does not include

⁴ Carter, Jimmy, A speech delivered at the National Governors Conference, June, 1974. Taken from Cheek, Logan M., Zero-Based Budgeting Cones of Age, Amacom New York, New York, 1977.

encouragement to identify the success or failure of last year's budget. Indeed they do feel the need to justify at least continuing current funding. In fact they may feel pressure to increase the funding. To do otherwise would require that the programs they have created be identified as not successful.

Without the need or requirement to evaluate or validate the previous years budget, management builds on the un-validated data. Line-item accounts expand at exactly the rate of expansion that city hall sets for total budget increases for each department.

The traditional line-item budget does not identify the programs and benefits of the program with the expense of that account. The purpose of the budget is to allocate effectively the resources of the organization. But the line-item accounts only identify the expense as a group of costs.

This leaves us with typical line-items accounts such as the personnel account in the Midland Police Department. In this account the salary, longevity, certification expense, educational incentives, compensated absences, vacation buy back, wellness incentive, and other expenses each have separate accounts for each section of employees. However, the sections are not grouped into programs. They are grouped into administrative units.

If an increase or decrease is made in the account, it affects all other personnel. No allowance is made for the individual needs of personnel assigned to achieve a specific function. A computer clerk who has skills in many computer software programs and who

provides timely assessments of crimes is classified with a records clerk whose skills are limited to some light typing. It is assumed that both provide equal benefits for the costs of their services.

The Importance Of Cost

Equally important is the failure to understand the cost/ benefit relationship. The study of economics can teach us to distinguish opportunity cost from the every day definition of cost. Our normal working definition of costs would be the amount of money spent on the item. The economic definition of opportunity costs, "The highest-valued alternative that must be sacrificed to attain something or satisfy a want"⁵ may lead us to a better understanding of the cost/benefit relationship.

It is important that management know that they cannot fulfill every want. They must know they are giving up some want in order to obtain another want. Expanding the number of employees may limit the money available to provide existing personnel with pay and other benefits. Dollars used to fund planning and research are dollars not spent on patrol operations. Money shaved off office equipment is money available for merit raises.

Example

⁵. Miller, Roger LeRoy, Economics Today, 7th ed, HarperCollins Publishers, New York, New York, 10022, 1991, page 28.

Using the economic definition of costs, we may find that supporting an program may not justify the cost to the unit supporting the cost. As an example, although they have both a regional academy and a departmental training unit, members of the Midland Police Department's Investigative Services Property Division spent 20% of their time in the actual teaching of classes for the department and the regional academy.

The benefit to the department and community is that officers are receiving quality training. Better training can be expected to provide better officers and better services. Because of the student/teacher relationship, there is also a positive working alliance created between street officers and Property Detectives. This results in better communications between the street officers and detectives working cases.

This improvement in communication increases the quality of information received by detectives. The improved relationship also encourages street officers to work harder to meet standards set by the instructing detectives. They have learned to trust and respect the instructing detectives from classes. Often these opportunities for face to face interaction, creates a desire in street officers to dedicate their work so they may join detectives.

Beside the improvement in communications from street officers relating directly to their cases, detectives gain an insight from the street officers on how detectives are seen by the officers and the public. Detectives gain insights into changes occurring in

the community and the department. The instructor detectives also gain important skills in conducting training which may be used in other areas of their duties. They are better candidates for advancement. All of these are important benefits to the detectives, the officers, and the department.

However, the hours spent conducting training are hours not spent on active investigations. The absence of investigators while conducting training increases the case load of the remaining detectives. This increase of case load decreases the amount of time available per case. Such a decrease can lead to a lower clearance rate and fewer solved cases.

Detectives conducting training cannot be working cases assigned to them. These cases are placed on hold. Information becomes stale leading to less chances of clearing the case. Victims resent the length of time it takes to work the case. Both the lower clearance rate and delayed investigations are a cost to the Investigative Bureau.

In the traditional budget the funding for the training is recorded in Investigative Services salaries line-accounts. The Investigative Service Bureau does not identify training as a part of it's mission statement or goals. All salaries recorded for the Bureau appear to be for investigative purposes.

The training function is assigned in the Support Services Training Division's statement of purpose and goals and objectives to the Training Division. But the expense for the salaries is

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recorded in the Investigative Service budget. When a new budget is prepared, the previous budget will not reflect the reality of the training expense. Any increase or decrease does not stem from a understanding of the activity or it's expense.

Investigative Services Bureau's budget and recorded productivity suffers by being under-funded and under-reported. Needs for additional staff cannot be identified without knowing the amount of time spent conducting training. The productivity of the unit does not include the training time. An assumption is made that all of the budget time is used in the investigative function. It appears that more time is available for investigations than is the case. The expense of investigation is over reported.

The Training Division also suffers. The actual required time for training is not reflected in the budget. The unit cannot account for the training hours conducted. Training is perceived as solid and adequately staffed. It is difficult to identify and justify expenses for training.

The line-item budget does not provide us with any information at the time of decisions of either the cost or the benefit of programs. It provides us with the group expense of line items but no other decision information.

However, at budget time we are exhorted to "...plan and direct expenditures to accomplish our goals, provide our citizen with the best municipal services, evaluate new policies and re-evaluate current programs. This annual study and evaluation of our

municipal operations assures that we provide beneficial and needed service to Midland citizens in the most efficient and responsible manner possible"⁶

Zero-base Budgeting

An alternative to the traditional line-item budget is the Zero-based budget. Using the truest form of zero-based budgeting requires that management start the budget each year by returning to zero for each program. The costs and benefits of the program is presented in several levels of funding. These levels of funding are presented to management. Management is then able to fund several programs at different levels depending on the existing constraints of the business. This approach can be used in a governmental budget if management has discretion to control the programs. In the business world, zero-based budgeting is used where the activity is not directly related to standard costing procedures. Such areas include direct labor, direct materials, and other areas of direct overhead. These are variable costs which are tied directly to the real production.

Aspects of Budgeting Approach

⁶.McGregor, Mike., letter dated April 29, 1993.

Logan M. Cheek defines the differences between traditional and zero-based budgets as:

"Aspects of the budgeting approach	Traditional Approach	Zero-Based Approach
Philosophy	Functionally oriented (by division and department)	Program-oriented (by production or service)
	Focused on justifying new incremental programs.	Requires all programs, old and new, to compete for the same scarce resources.
Technique	Extrapolate past spending.	Break up budget into understandable decision packages.
	Increment for inflation and new programs.	Analyze all packages and rank them.
	Trim, usually across the board, to achieve affordable level.	Trim only discrete, marginal programs and packages, up to

the level of
affordability.

Linkages to Long Range Plan	Linkages to long- range plan's strat- egies and objectives given lip service at best. If budget indicates plan is unachievable, attempt rarely made to reconcile or rationalize the two.	Requires integrated linkages to long-range plan's strategies. By constant reiteration of the process, both plan and budget are brought into consonance.
End Product	An aggregated set of numbers, often bloated beyond affordability and understood by few, if any. Long hours often spent in bringing preliminary submissions to reasonable levels." ⁷	A clean, lean, muscular set of ranked priorities that can be rationally changed or trimmed as circum- stances warrant.

⁷. Cheek, Logan M., Zero-Based Budgeting Comes of Age, Amacon, New York, New York, 1977, page 16.

Decision Packages

Of particular importance to the zero-based budget are two concepts. The first is the use of decision packages. The second is the use of a system of priorities to select decision packages.

A decision package is required to identify the program. The purpose of the identification is to provide management with a understanding of the function or activity. This should include "Basic identifying data, including the program name, program number and level, a brief description of the program's goals and objectives, as well as the sponsoring organization, cost center, author, and date.

Feasibility Assessment, including details on the program's economic benefits and cost and the risks of not acting. In addition, many organizations require an assessment of the program's legal necessity and technical and operational feasibility.

Alternative courses of action, including a brief description of other ways considered but not recommended to accomplish the same objective ." ⁸

As can be seen, the information required for the decision package is the same as required to create, evaluate, and monitor

⁸. Cheek, Logan M., Zero-Based Budgeting Cones of Age, Amacom, New York, New York, 1977, page 77.

any program. It is important that as many standards for the evaluation as possible are clearly measurable. When functions are similar for units, they should utilize as many of the same measures as possible. These measures should be a routine part of a reporting system and should not be created only to promote or justify the program.

It is also important that the organizations statement of purpose be continually used as a reference in establishing the measures and standards. For that reason, the reporting system should record all primary activities of the unit. In identifying the activities it may be discovered that activities are commonly performed which do not contribute to the organizations statement of purpose or the unit's goals or objectives. By constantly comparing the activities to the statement of purpose and goals and objectives, managers may eliminate non-essential activities. Management may also re-focus other activities to better achieve the unit's function.

Examination of activities, may also indicate a need to modify the statement of purpose, goals, objectives, standards, and measurements. It is necessary to remember that the purpose of the budget process is to properly allocate resources, not justify past expenses.

In order to avoid justifying past expenses, management must make a critical evaluation of the expense and the performance purchased through the expense. There is often a fear that such a critical

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approach is detrimental to the employees. In fact, some employees or programs may suffer loss of funding due to poor performance. This is to be expected. Managers should not allow the dread of discovering poor performance keep them from this important duty. "Evaluation of performance is one of the difficult but essential tasks of management and it is incumbent upon every level of management, as is also the corrective action which should be taken when evaluation reveals that deficiencies exist."⁹

In order to evaluate the program, the decision package may address non-tangible items such as morale, public good, public image, or employee development. Any of these may justify the program as effectively as any statistical measure.

The result of evaluations should be to identify the possible alternatives to the program. There are two types of alternatives, one which focuses on the different ways of doing a job and one which identifies different levels of effort to do the job.

In assessing the different ways of doing a job, not doing the job is one alternative. This is followed by a progression of as many reasonable alternatives as possible. Again, this requires constant reference to the purposes of the organization. Line personnel should be involved where possible to generate practical means of doing the job. Management is involved in maintaining the organization's philosophy.

⁹Bunge, Walter R, Managerial Budgeting for Profit Improvement, McGraw-Hill, New York, New York, 1968, page 49.

An alternative for the unit may include the transfer of the activity to another unit. However, all alternatives require the complete evaluation of the job and alternatives. If the function is transferred, the alternative must contain the same decision factors as any other alternative.

The second aspect of alternatives is to examine and evaluate the different levels of activity which may be used to achieve the function. These levels of activity should be clearly stated and should identify all know costs and benefits for the individual level of activity. During these evaluations, a minimum level of activity should be set. "The minimum level of effort is the most difficult to identify, since there is no magic number (i.e., 75% of the current level) that would be meaningful to all operations. The minimum level must be identified by each manager for his or her operations. The minimum level must be below the current level of effort and should attempt to identify that critical level of effort, below which the operation would be discontinued because it loses it's viability of effectiveness."¹⁰

It is important that management knows that this minimum level of effort is not automatically the preferred level. Other levels of performance may achieve the goals of the organization better or more efficiently. It does identify a logical starting point to rank priorities.

¹⁰, Sweeny, H.W. Allen and Robert Rachlin, Handbook of Budgeting, John Wiley and Sons, New York, New York, 1981, page 650.

Ranking

"Merely developing and compiling decision packages detailing what the organization is up to accomplishes no useful purpose other than providing information. What's required is to focus and direct the organization's resources toward pre-agreed needs or objectives. In this regard, Logan Cheek paraphrased Machiavelli, 'A wise executive cannot, nor ought he to, keep the faith in efforts approved in the past when the reasons for that approval no longer exist.' That's what zero-base budgeting's ranking process is all about."¹¹ The next step in zero-base budgeting is the ranking process. This process is essential in providing management with the flexibility to fund actual programs at a practical level.

Because all expenses are not tied to a line account, management may select different levels for different programs. By ranging across the entire organization ranking decision packages allow application of pre-set priorities. Because they are pre-set, these priorities are inherently fair to all parts of the organization.

In practice, the management of an organization can fund none or all levels of any units decision package. The selection process

¹¹. Cheek, Logan M., Zero-Base Budgeting Comes of Age, Amacom, New York, New York, 1977, page 54.

In practice, the management of an organization can fund none or all levels of any units decision package. The selection process could require a set number of ranked packages and all packages up to a specific rank would be funded. Another approach would be to cap the entire budget, and select ranked programs until the cap is reached. Acceptance of the rankings may be a reflection of the employee involvement in the ranking process.

As a management tool, zero-based budgeting appears to have all the advantages. However, budgeting is a tool for people. And changing budgeting styles will cause friction with the staff involved in budgeting and the personnel affected by the budget. For that reason, upper management needs to understand the need for training and education in the new processes. Failure to gain the support of the entire staff in the new process may insure the failure of the process.

Implementing true zero-base budgets require enormous amounts of planning, man power, and training. Such a traumatic change can be expected to have a great impact on the morale and job satisfaction of employees and management. Employees will fear losing programs and benefits. Resistance is sure to be extensive.

The training example and zero-base budgeting

In our example for the traditional budget, we used the use of

Detective to conduct training for the department and the regional training academy. If Investigative Services Bureau used the zero-based approach the following would be expected to occur:

The routine recording of activities would identify the time spent in training.

A decision would be made as to the propriety of detectives spending so much time as instructors.

If it was determined to be a proper function of the detective unit, training would be included as a program when decision packages were created.

The cost of conducting training (not performing the investigative function) would be identified and analyzed.

The decision package would identify levels of training as alternatives. These levels would provide information on both the cost and expected benefits required to support each level.

Management would rank and select the level of funding. Once selected, the level of effort would recognize the cost, the benefit, and the expected impact of the training effort on other programs of the detective unit.

A similar set of packages would be created for the training division. Training would be provided with information on the expense (dollars), the cost (in lost investigative time) and the benefits of using detectives as instructors.

All parts of the department would be able to understand the extent and expense of the training conducted by detectives.

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and willingly make the commitment to provide investigators to conduct training in these areas.

Recommendations

It appears to be evident that law enforcement often is not well versed in the need for a budget process. Management should recognize budgets as a planning tool for the upcoming year. Good management requires that the budget be more than a justification of funds. Too often the budget is more a reaction to past events and data than a pro-active tool for resource allocation.

Good management requires that managers allocate the resources of their organization. The process of allocation is complex. Resource allocation must be a conscious act which reflects the goals and objectives of the agency. Allocation should respond to the trends reported in Uniform Crime Reports and in house reporting. Resource allocation should not be abandoned and left for others to do.

Law enforcement managers must create a budget for the city fathers and the public for their review and approval. A social contract exists between the public and their appointed and elected officials. Parts of this social contract are codified and failure to observe them may make public officials subject to civil and criminal penalties.

Police managers should responsible for resource allocation for

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their agency. Resource allocation should require the use of several processes. Such processes include the organization's chain of command, mission statements, goals and objectives, in-house reports, operating procedures, and budgets. Often agencies create all of these documents but do so as isolated processes. In doing these processes independently, agencies may find that no common thread ties the documents together. The values expressed in one or more of the documents may contradict or negate values in other documents.

Law enforcement management must know that such inconsistencies may confuse and demoralize employees and supervision. Management should not create confusion by having different values in their documents. They should not require that the department travel down different paths in trying to fulfill the expectations of the different documents. The result may be wasted or partially utilized resources. The documents should complement each other so that city management and the public find their expectations fulfilled.

Managers should know that resource allocation is most clearly identified with the organization's written budget. The allocation of resources in the budget is expressed in the amount of dollars assigned to a function. These dollars are then transformed into people and equipment.

The utilization of the people and equipment is defined as programs. Management should create programs knowing that the

The utilization of the people and equipment is defined as programs. Management should create programs knowing that the program exists to further the mission statement of the organization. Programs should be monitored and standard measures should be identified which quantify performance. These measure of performance may be found for existing programs in crime and annual reports. New programs should project the costs and benefits prior to implementation. When new programs are created, measures of performance should be established. These measures will allow evaluation of the program.

Management is responsible to terminate any program when the measures clearly show that the program's benefits do not meet the financial expense and the economic costs for that program. Termination of program is as much a part of resource allocation as funding.

If a line-item budget is used, organizations should understand the nature of this budget process. Line-item budgets groups items by expense type. It is often difficult to separate the different program expenses from the group expense. This makes it difficult to understand the complete expense of any program.

Management should know that in the line budget, no tie in is made with the organization's mission statement nor it's manpower allocation. Without this information, management cannot easily tie any expense with any specific benefit. No projection is available of the effect of a change in funding to the goals of the

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organization. Assumptions are made that prior budgets have been successful. Changes are made only on the historic assumptions, not on research and documentation of performance.

In using a zero-based approach to budget, management requires the identification of performance prior to funding. Management is able identify items for budget consideration which are tied to the mission statement of the organization. Budget units are based on function.

The use of a zero-base budget requires extensive use of staff work. This expenditure of man-hours may slow the budget process. Resistance to such a complex task will occur. Going back to zero for fundamental services may be unnecessary and may create fear within the ranks.

The use of a zero-base budget may duplicate other processes such as man-power allocation and the setting of goals and objectives. Management must choose to eliminate such duplications.

Management using zero-base budgets must be sure that they do not create conflict with the budget process used by other departments of the local government entity.

Conclusion

Members of management in law enforcement must select a budget process to fulfill their obligation to the agency, the governing

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body, and the public. Two primary budget styles have been used by agencies. The traditional line-item budget is the more common. It has the advantage of matching other budgets of cities. It clearly groups expenses into groups but does not identify the expense with the benefit. It is easy to use as it does not require a "scratch start" each year at budget time. However without starting from "scratch" agencies may make decisions that existing and new programs are valuable enough to be funded. Equally importantly, line-item budgets do not always require integration with other management processes which may identify allocation needs.

The use of a zero-based budget approach allows careful examination of the different costs and benefits by requiring complete justification of each program. It is a involved and complex process. It does not blend into a line-item budget that is being used by the parent organization.

The problems of either approach may be avoided if departments do not rely only on the budget process itself for allocation. Departments have in-house and Uniform Crime reports which identify police service trends. They create annual reports which provide information on existing efforts. Most police organizations conduct manpower allocation studies and establish goals and objectives for the organization. Management may tie all of the processes together. Then the manager is able to utilize the in-house reports, the budget, the goals and objectives, and manpower

allocation studies to allocate his resources. Each of these tools are considered together insuring that conflicts do not exist. The value of each management process is more evident. Programs can become more flexible while maintaining their basic purpose.

With careful planning, law enforcement management can select an order to perform the basic resource allocation processes. A logical approach may be to identify the mission statement of the organization. A review then could be made to identify trends from crime reports. An analysis of the previous year's annual report will identify the areas receiving attention, the amount of attention, and the measures of success for that effort.

After that individual goals and objectives may be created. These goals and objectives should be given careful standards which will serve as measures of program success. These goals and objectives should also serve as the basis for decisions relating to man-power allocation. As man-power is allocated other resources will be identified and allocation of these resources may be made.

After all the resources have been allocated, then a budget may be addressed. Creation of the actual budget may be almost spontaneous after following the other processes. Information from the other processes will have identified the who, what, when, where, and how needed to create the budget. The people, equipment, and expenses can be plugged into the budget format to create the actual budget.

Any budget created under such a planned approach should, in any

case, be stronger than a budget originated in an atmosphere concerned solely with placating the unwanted mandates of city hall. It will be pro-active funding of carefully selected programs to achieve specific and measurable goals.

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