

Public Involvement in Budgeting: Options For Local Officials

by Deb Marois and Terry Amsler



There is perhaps no more important public agency activity than budgeting, the process whereby decision-makers allocate scarce resources to fund vital public services and facilities. Budget decisions directly affect the quality of life in a community and the public's level of satisfaction with decision-makers.

Invariably, the need for services exceeds the available resources. A recent Institute for Local Government survey of local officials in California found that city and county leaders alike perceive fiscal issues as the greatest challenge they currently face.

As a part of their budget deliberations and decision-making, local agencies are increasingly asking residents for ideas and recommendations. Such "participatory budgeting" is most often associated with public engagement that:

- Provides greater transparency and education about the budget and budget process; and
- Integrates residents' ideas and recommendations into local agencies' budget decisions.

Why Involve the Public In Budgeting?

There are many good reasons for including the public in discussions about local budgeting. Such involvement can:

- Better inform residents about local agency budgets, including revenues, expenses and challenges;
- Provide important information to policy-makers about the kind of community people want to live in and which services they value;
- Highlight the trade-offs associated with allocating limited resources;
- Generate support for the budget-related ideas and actions that will effectively address local needs; and
- Support transparency of local government decision-making and create a more collaborative and trusted governance over time.

Options for Public Participation

Public participation in local budgeting generally falls within one or more of five types of activities:

1. Public outreach and education;
2. Public surveys;
3. Budget advisory committees;
4. Budget workshops; and
5. Forums for public/stakeholder deliberation.

Some local agencies ask for residents' involvement in a particular budget, while others use these activities in every budget cycle. The activities can be used singly but are often more useful in combination. For example, public outreach and education are essential components of most other participation activities.

There is no "best" approach for all communities. However, understanding the

Deb Marois is principal of Marois Consulting & Research and can be reached at <debmarois@sbcglobal.net>. Terry Amsler is program director of the Institute for Local Government's Collaborative Governance Initiative and can be reached at <tamsler@ca-ilg.org>.

range of options may help identify the ones that would best meet an agency's needs and conditions.

Public Outreach and Education

Public outreach and education are important parts of any effort to involve the community in local budgeting. Delivering clear information through the media and other communication vehicles supports governmental transparency, informs residents about budget-related matters and adds credibility to the budget decision-making process.

Information should highlight what's important. Bill Statler, treasurer for the City of San Luis Obispo, observes, "The issue isn't the budget — the issue is what kind of community do we want to be? The budget document is really about what's most important to do in our community over the next two years and how to link that with the resources that are available." He adds, "It tells us how to translate the resources we have to transform San Luis Obispo into a place where people want to live, work and play."

A budget overview often includes sources of revenue, distinctions between restricted and General Fund revenues, spending breakdown by service category, current goals and challenges, highlights of new capital projects, economic forecasts and issues that require decisions and, of course, the budget itself. Information should be easy to understand and nontechnical. Decision points should be explained in the context of the community's needs and values.

While such education is important and can complement more complete strategies, this information-sharing represents a one-way approach that offers little opportunity for public engagement or ownership in addressing budget-related challenges.

Surveys

Surveys can provide a relatively easy-to-use snapshot of public opinion and give decision-makers a sense of what a representative sample of the public sees as important and the budget decisions they might support. Surveys may be conducted by telephone and special mailings or online, and many local agencies are adding such survey capacity to their websites. Some surveys are accompanied by educational materials as a part of the overall outreach and communication effort.

Surveys may be stand-alone efforts or combined with other methods of gathering information about public perceptions, perhaps as an initial phase of a larger engagement process. For instance, survey results may be used to develop budget-balancing choices or strategies that community members can discuss later at community workshops and other forums. Generally, the costs of surveys are relatively modest compared to the overall budget and usually understood as an expense of doing public sector business.

However, by themselves such surveys generally offer rudimentary information. Survey methodology and distribution (by phone, mail or online) can affect the validity and usefulness of these data.

While they provide feedback to policy-makers, surveys usually don't offer any opportunities for participants to become more informed about the budget, consider alternative scenarios, deliberate and consider trade-offs face to face or engage policy-makers directly. Also, participants typically experience little connection

between their input and policy-makers' ultimate decisions.

Budget Advisory Committees

Advisory committees are usually an inexpensive and relatively easy to establish approach for bringing voices from outside government into the budgeting process. Such committees can offer new ideas, feedback on budget plans, a degree of transparency, engagement of important city or neighborhood groups and, at times, a watchdog function.

Often — but not always — the participants are community leaders or stakeholder representatives with specialized skills or interests in finance, business or policy. These volunteers become intimately familiar with the budget's details and are especially active during the budget development phase.

continued

Helpful Resource Coming Soon

Watch for *A Local Official's Guide to Involving the Public in Budgeting* with additional information and examples from throughout California, coming soon from the Institute for Local Government at www.ca-ilg.org/cgi.

